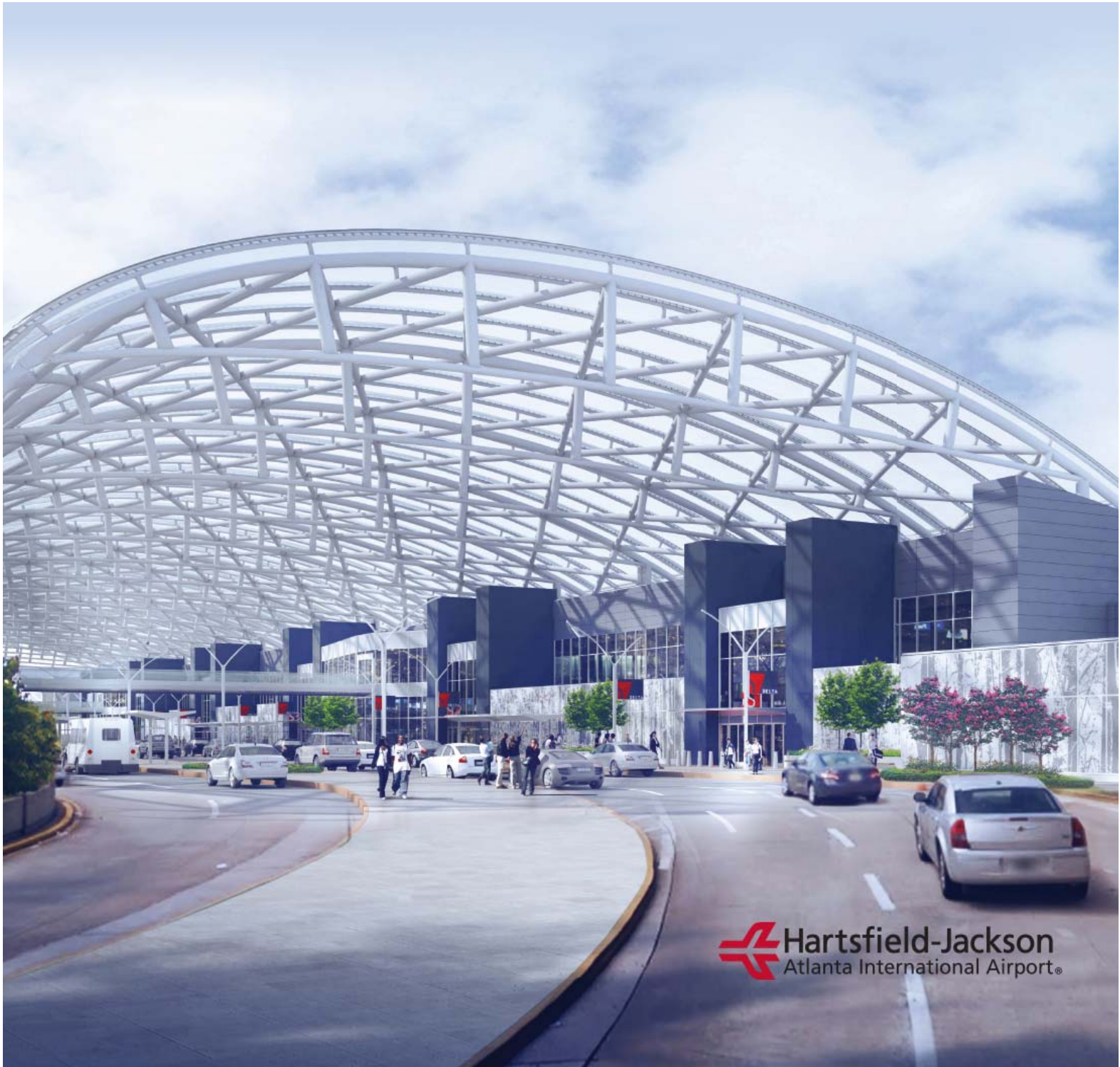




# Department of Aviation Fiscal Year 2018 Budget Book



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**ATL** | Department of  
Accounting and Finance  
*General Manager's Message*



# GENERAL MANAGER'S MESSAGE

General Manager's Message

Fiscal Year 2018 (FY18) should prove to be an exciting yet challenging year for the operation and development of Hartsfield-Jackson Atlanta International Airport (ATL). In addition to the large volume of daily activity that faces ATL, the fiscal year will include a special foursome in terms of priority. foursome is composed of 1) a multibillion-dollar capital improvement program most commonly referred to as ATLNext, development and evaluation of Concessions RFPs for more than specialty retail and service locations, 3) enhancing ATL's cargo program, and 4) development of a new Gate Utilization Strategy.



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Under ATLNext, the Airport plans to build a sixth runway, a new Concourse (G), and expand the existing Concourse T. Additionally, Hartsfield-Jackson will clear the path for the construction of a four-star hotel with 80,000 square feet of meeting space just steps from the Domestic Terminal. As an offshoot to that project, the Airport will replace lost parking spaces and construct two new parking decks as well. Moreover, Hartsfield-Jackson will modernize its facilities. One of the signature projects will be the construction of two massive canopies covering the north and south roadways alongside the Domestic Terminal.

ATL's Concessions program has been voted "Best Airport Dining" by Global Traveler Magazine for three consecutive years. The program includes more than 340 retail, service, and food and beverage locations. More than 100 of its specialty retail and service locations have contracts that will expire in September 2018; hence, the push to develop and evaluate Concession RFPs for the expiring contracts.

ATL is the busiest and most efficient airport in the world. It is the economic jewel of Georgia, generating a \$34.8 billion economic impact for metro Atlanta and providing more than 63,000 jobs onsite, making it the state's largest employer and 400,000 jobs in the region. ATL is arguably the most powerful economic engine in the southeast corridor of the United States. Realizing its economic stature, ATL includes as one of its chief priorities economic generation. Embedded in that phrase is a goal to create jobs through carqo growth, capital development, and maintaining the world's busiest airport status while strengthening our government and community partnership.

The new Airport Use and Lease Agreement includes a number of provisions aimed at increasing Airport capacity, optimizing the use of terminal facilities and promoting competition. The basic structure of ATL's gate use strategy remains unchanged. However, the new lease agreement strengthens the City's rights to accommodate airlines on preferential-use gates, if available. The new lease agreement also allows the City to recapture underutilized gates and add common-use gates with expansion on Concourse T and the construction of Concourse G (with 10 new gates). The new lease agreement also includes provisions allowing the City to recapture common-use gates with priority use and convert them to pure common-use gates.

Customer service is one of the six strategic priorities of Hartsfield-Jackson along with 2) creating and fostering a work environment conducive to employee growth, 3) providing a safe and secure environment, 4) creating jobs through capital development and cargo growth, 5) reaching the environmental height of becoming one of the world's greenest airports, and 6) preserving the Airport's financial health. The

Department of Aviation generated approximately \$497.6 million in operating revenue during FY17 while handling 104,258,612 million passengers in the fiscal year.

The Department of Aviation's FY18 operating budget balances revenues and expenses at \$508.1 million, which is categorized as follows:

- Operating Revenue
  - \$180.4 million in Aeronautical Revenue
  - \$328.1 million in Non-Aeronautical Revenue
  
- Operating Expenses:
  - \$101.5 million in Personnel Expenses
  - \$165.1 million in Contract Services
  - \$17.1 million in Supplies
  - \$929k in Capital Expenses
  - \$14.3 million in Interfund Charges
  - \$4.5 million Operating Expenses
  - \$142.0 million in Debt Service
  - \$63.0 million in Reserves

In closing, I would like to thank all Department of Aviation employees for their hard work and dedication, and acknowledge their efforts in preparing the FY18 budget. I would also like to recognize the Accounting and Finance Department for their tireless effort and professionalism preparing the FY18 Budget Book.

Finally, a special acknowledgement is extended to Mayor Keisha Lance Bottoms, Chief Operating Officer Richard Cox, and the Atlanta City Council and the members of the Transportation and Finance Executive committees for their continued leadership in enabling the Department to fulfill its role.

**ATL** | Department of  
Accounting and Finance  
*Executive Summary*



## **EXECUTIVE SUMMARY**



## Executive Summary

### Airport Overview

Hartsfield-Jackson Atlanta International Airport (ATL, the Airport) is owned by the City of Atlanta (City) and operated by the Department of Aviation (Department) as an enterprise fund using only its financial resources for operations and capital development. ATL occupies a 4,750-acre site in Clayton and Fulton counties about 10 miles south of downtown Atlanta. It is classified as a large hub by the Federal Aviation Administration (FAA) and is the principal air carrier airport serving Georgia and the southeastern United States. ATL serves as a primary transfer point in the national air transportation system. In calendar year 2016, ATL handled more than 104 million passengers and just over 898,000 aircraft operations, making it the world's busiest passenger airport.

Top 10 Passenger Airports Worldwide (Calendar Year 2016)	
Rank	Airport
1	Atlanta
2	Beijing
3	Dubai
4	Los Angeles
5	Tokyo Haneda
6	Chicago O'Hare
7	London Heathrow
8	Hong Kong
9	Shanghai Pudong
10	Paris Charles de Gaulle

*Source: Airports Council International*

This has resulted in a large number of destination offerings from metro Atlanta compared with similarly sized metropolitan areas. ATL is one of the largest economic generators in the Southeast, with a direct regional impact in total business revenues estimated to be more than \$34.8 billion annually, and an indirect and induced impact of \$29.5 billion annually. Including these indirect and induced effects, the total economic impact of the Airport is \$64.3 billion annually.

In 2016, ATL each day handled approximately 6.91 percent of the nation's air travelers, leading many experts to consider ATL the most important transportation node in the U.S. and perhaps the world. The continued safe and efficient functioning of ATL is critically important to city, state and national interests. ATL operates to ensure maximum efficiency and the best possible experience for travelers. ATL's mission is to "provide the Atlanta region with a safe, secure and cost-competitive gateway to the world that drives economic development."

ATL operates 24 hours per day, 365 days per year. The Department employs 651 full-time employees, as well as 199 police and 256 Airport fire personnel. This represents a small portion of the more than 63,000 airline employees, concessionaires, contractors and other professionals whose expertise and professionalism facilitate an average of just over 2,400 aircraft operations per day. For 14 consecutive years, ATL has been recognized for excellence in efficiency by the Air Transport Research Society. In 2017, ATL was again named the most efficient airport in the world.

### **Airline Service**

An airport’s originating and destination passenger volumes are determined by the population and economy of its service region. Connecting passenger numbers are determined primarily by airline decisions to provide connecting service at an airport. Approximately 36 percent of ATL’s 52.1 million enplaned passengers are originating passengers leaving the remaining 64 percent of passengers connecting between flights.

Scheduled air carriers operating at ATL are:

**Mainline Passenger Airlines (associated regional airlines not shown)**

Alaska Airlines	Frontier Airlines	United Airlines
	JetBlue Airlines	
American Airlines	Southwest Airlines	
Delta Air Lines	Spirit Airlines	

**Regional Airlines**

Air Wisconsin	PSA	Republic Airlines
Endeavor Air	GoJet Airlines	Shuttle America
ExpressJet Airlines	Mesa Airlines	SkyWest Airlines

**Foreign Flag Airlines**

AeroMexico		
Air Canada	KLM Royal Dutch Airlines	Qatar Airways
Air France	Korean Air	Turkish Airlines
British Airways	Lufthansa German Airlines	Virgin Atlantic Airways

**All-Cargo Airlines**

	China Cargo Air (differs from *)	
ABX Air	China Airlines Cargo *	Polar Air Cargo
Air Canada Cargo	EVA Airways	Qatar Airways
Air France/KLM Cargo	FedEx	Singapore Airlines Cargo
AirBridge Cargo	Kalitta Air	Turkish Airlines
Asiana Cargo	KLM Cargo	UPS Air Cargo
Atlas Air Cargo	Korean Air Cargo	Turkish Airlines
CargoLogicAir		
Cargolux Airlines	Lufthansa Cargo	
Cathay Pacific Cargo	Mountain Air Cargo	

**Belly-Cargo Airlines**

Air Canada Cargo	ExpressJet Airlines	
Air France	Frontier Airlines	Spirit Airlines
Alaska Airlines	KLM Royal Dutch Airlines	United Airlines
American Airlines	Korean Air	Virgin Atlantic Airways
British Airways	Lufthansa German Airlines	
Delta Airlines	Republic Airlines	
Endeavor Air	SkyWest Airlines	
Envoy Air	Southwest Airlines	

***NOTE: Belly cargo is freight that is stored under the main deck of an airplane carrying passengers.***

### Airport Facilities

The design and location of ATL makes it an ideal facility for large volumes of passengers and aircraft operations since the current complex was opened in 1980. Since that time, various airlines have used ATL as a major hub. Approximately 80 percent of the U.S. population resides within a two-hour flight from Atlanta, making it a great location for airline operations. Two major airlines use ATL as a major airport for their operations, Delta Air Lines and Southwest Airlines. While Delta Air Lines operates in a traditional hub-and-spoke model and Southwest Airlines operates using a point-to-point transit model, the design and location of ATL gives it the flexibility to enhance travel via either model.

ATL consists of five parallel runways, multiple associated taxiways, a Domestic Terminal with five concourses, and an International Terminal with two concourses. Additionally, ATL has extensive parking facilities, a state-of-the-art Rental Car Center, a ground transportation center, three airfield complexes, a Metropolitan Atlanta Rapid Transit Authority (MARTA) station and other facilities to support and maintain an airport of its size.



### Runways and Taxiways

The efficiency in ATL's design rests, in large part, in its five parallel east-west oriented runways. This runway design allows five different aircraft to land and/or take off nearly simultaneously. ATL's seven concourses are oriented north-south with ample ramp space in between them to allow for rapid aircraft movement between the runways and the gates. ATL also employs an end-around taxiway that greatly increases aircraft movement to and from the ramps.

### **Central Passenger Terminal Complex**

The Central Passenger Terminal Complex (CPTC) measures approximately 7 million square feet, or 160 acres. It includes a Domestic Terminal and an International Terminal that houses airline check-in facilities, ground transportation facilities, administrative offices, access to parking facilities, concessions, an award-winning art program, wide selection of high quality restaurants and shopping, in addition to security checkpoints. The Domestic Terminal includes five domestic concourses (T, A, B, C and D) and a three-story atrium. The International Terminal includes two international concourses (E and F), with Concourse F serving as the primary originating and destination terminal for international flights. Within these seven concourses, there are a total of 192 gates.

The entire complex is connected via an underground tunnel system which houses both moving sidewalks and a train system called the Plane Train. The Plane Train operates on a 3.5-mile loop track which runs underneath the terminals, concourses and the ramp. On average, the Plane Train transports more than 250,000 airline passengers and Airport employees per day. Both terminal buildings and the concourses are free of any architectural barriers to individuals with disabilities.

### **Metropolitan Atlanta Rapid Transit Authority**

MARTA provides train and bus service to and from the metro Atlanta area. MARTA's Airport station connects to ATL at the west end of the Domestic Terminal atrium between the North and South baggage claim areas.

### **Cargo and Airfield Complexes**

The airfield is broken into three main complexes: North, South and Midfield. The area encompasses 306 acres and 12.5 million leased square feet of cargo warehouse, office space, fuel tanks and pipelines, airline maintenance hangers, blast fences, flight support services (provisional, cleaning, GSE repair and storage), Delta Technical Operations Center, USDA propagated plant inspection station, Equine, perishables complexes, and a fixed base operator to facilitate private and charter flights. There are 28 parking positions for cargo aircraft, 20 at the north complex and eight at the South complex.

South cargo includes four buildings each at 100,000 square feet. Other developments include a new security gate (Gate 70) and truck staging lot capable of handling up to 60 trucks for docking service.

### **Air Service Development**

ATL works to build air service development and route development with new cities. The Airport often meets and markets itself to new airlines to connect ATL to new routes, and provides incentives through its Air Incentive Program which provides benefits to selected routes for both cargo and passenger service.

### Concessions

There are 327 concession outlets throughout ATL, including kiosks. These consist of 170 food and beverage locations (including six food courts), 129 retail/news and convenience outlets, five duty free stores and 23 service locations. These service locations include a full service bank, Georgia Lottery outlets, shoe shine booths, ATMs, currency exchange, sleep units, a common-use lounge, and spas. Concessions space within ATL covers approximately 323,000 square feet.

### Ground Transportation Center

The Airport Ground Transportation Center (GTC) is located at the west end of the Domestic Terminal, outside of the North and South baggage claim areas. Located within the GTC are shared-ride shuttles that offer door-to-door reservation and on-demand service to hotels, convention centers, businesses and residences during flight operating hours. Local shared-ride shuttles run approximately 15 minutes and provide service to cities located within Clayton, Cobb, DeKalb, Fulton and Gwinnett counties. Regional shared shuttles provide scheduled service to areas outside of the five Atlanta metropolitan counties and to bordering states.


### Rental Car Center

The Rental Car Center (RCC) is a convenient, state-of-the-art 67.5-acre facility that houses all rental car company operations and vehicles. The RCC includes two four-story parking decks, more than 8,700 parking spaces and a 137,000-square-foot customer service center. The RCC features 13 rental car brands: Advantage, Airlines/ACE Rent a Car, Alamo, Avis, Budget, Dollar, Enterprise, EZ, Hertz, National, Payless, SIXT and Thrifty. Connecting customers to the RCC is an elevated train, called the ATL SkyTrain. In five minutes, passengers are connected from the Airport station at the CPTC to the RCC, the Georgia International Convention Center (GICC), multiple hotels and office buildings. The train operates six dual-car trains which can transport 100 passengers and their baggage.



Parking Facilities

There are over 33,000 public and employee parking spaces at ATL.

HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT PARKING SPACES / ADA REQUIREMENTS				
	LOT NAME	SPACES	 SPACES	TOTAL SPACES
NORTH PARKING LOTS	<b>NORTH ECONOMY TOTAL</b>	<b>2,642</b>	<b>31</b>	<b>2,673</b>
	NORTH DAILY LEVEL 1	1,189	16	1,205
	NORTH DAILY LEVEL 2	1,401	18	1,419
	NORTH DAILY LEVEL 3	669	8	677
	NORTH DAILY LEVEL 4	1,301	15	1,316
	<b>NORTH DAILY TOTAL</b>	<b>4,560</b>	<b>57</b>	<b>4,617</b>
	NORTH HOURLY LEVEL 3	686	12	698
	NORTH HOURLY LEVEL 4	202	9	211
	<b>NORTH HOURLY TOTAL</b>	<b>888</b>	<b>21</b>	<b>909</b>
	<b>TOTAL NORTH SPACES</b>	<b>8,090</b>	<b>109</b>	<b>8,199</b>
SOUTH PARKING LOTS	<b>WEST ECONOMY TOTAL</b>	<b>1,040</b>	<b>7</b>	<b>1,047</b>
	<b>SOUTH ECONOMY TOTAL</b>	<b>3,227</b>	<b>47</b>	<b>3,274</b>
	SOUTH DAILY LEVEL 1	1,266	16	1,282
	SOUTH DAILY LEVEL 2	1,767	14	1,781
	SOUTH DAILY LEVEL 3	969	14	983
	SOUTH DAILY LEVEL 4	1,624	9	1,633
	<b>SOUTH DAILY TOTAL</b>	<b>5,626</b>	<b>53</b>	<b>5,679</b>
	SOUTH HOURLY LEVEL 3	753	15	768
	SOUTH HOURLY LEVEL 4	285	15	300
	<b>SOUTH HOURLY TOTAL</b>	<b>1,038</b>	<b>30</b>	<b>1,068</b>
<b>TOTAL SOUTH SPACES</b>	<b>10,931</b>	<b>137</b>	<b>11,068</b>	
PARK RIDE LOTS	PARK RIDE A	3,682	50	3,732
	PARK RIDE C	3,766	26	3,792
	PARK RIDE RESERVE	1,134	23	1,157
	<b>TOTAL PARK RIDE SPACES</b>	<b>8,582</b>	<b>99</b>	<b>8,681</b>
INTERNATIONAL TERMINAL LOTS	INTERNATIONAL HOURLY LEVEL 2	325	0	325
	INTERNATIONAL HOURLY LEVEL 3	258	1	259
	INTERNATIONAL HOURLY LEVEL 4	212	20	232
	INTERNATIONAL HOURLY LEVEL 5	195	0	195
	<b>INTERNATIONAL HOURLY TOTAL</b>	<b>990</b>	<b>21</b>	<b>1,011</b>
	INTERNATIONAL PARK RIDE LEVEL 1	440	0	440
	INTERNATIONAL PARK RIDE LEVEL 2	550	0	550
	INTERNATIONAL PARK RIDE LEVEL 3	552	0	552
	INTERNATIONAL PARK RIDE LEVEL 4	547	0	547
	INTERNATIONAL PARK RIDE LEVEL 5	478	18	496
	<b>INTERNATIONAL PARK RIDE TOTAL</b>	<b>2,567</b>	<b>18</b>	<b>2,585</b>
	<b>TOTAL INTERNATIONAL SPACES</b>	<b>3,557</b>	<b>39</b>	<b>3,596</b>
RESERVE PARKING	NORTH GOLD	270	3	273
	SOUTH GOLD	660	10	670
	INTERNATIONAL GOLD	204	7	211
	<b>TOTAL RESERVED SPACES</b>	<b>1,134</b>	<b>20</b>	<b>1,154</b>
<b>TOTAL PUBLIC PARKING SPACES</b>		<b>32,294</b>	<b>404</b>	<b>32,698</b>
EMPLOYEE LOTS	EMPLOYEE LOT A	160	2	162
	EMPLOYEE LOT B	97	3	100
	EMPLOYEE LOT C	118	0	118
	EMPLOYEE LOT D	44	1	45
	Park Ride Employee Lot	47	3	50
	INTERNATIONAL TERMINAL EMPLOYEE LOT	60	0	60
	<b>TOTAL EMPLOYEE SPACES</b>	<b>526</b>	<b>9</b>	<b>535</b>
<b>CELL PHONE LOT</b>		<b>158</b>	<b>6</b>	<b>164</b>
<b>TOTAL PUBLIC and EMPLOYEE PARKING SPACES</b>		<b>32,978</b>	<b>419</b>	<b>33,397</b>

### **Vision, Mission and Strategic Priorities**

ATL takes great pride in its strategic planning process, which enables management to collectively define, develop and update its strategy. Furthermore, it provides a framework that facilitates the organization's decision-making process. In order to determine the direction of the organization, it is necessary to understand its current position and the possible avenues through which it can pursue a particular course of action.

#### **Vision**

To be the global leader in airport efficiency and customer service excellence.

#### **Mission**

To provide the Atlanta region a safe, secure and cost-competitive gateway to the world that drives economic development, operates with the highest level of customer service and efficiency, and exercises fiscal and environmental responsibility.

#### **Strategic Priorities**

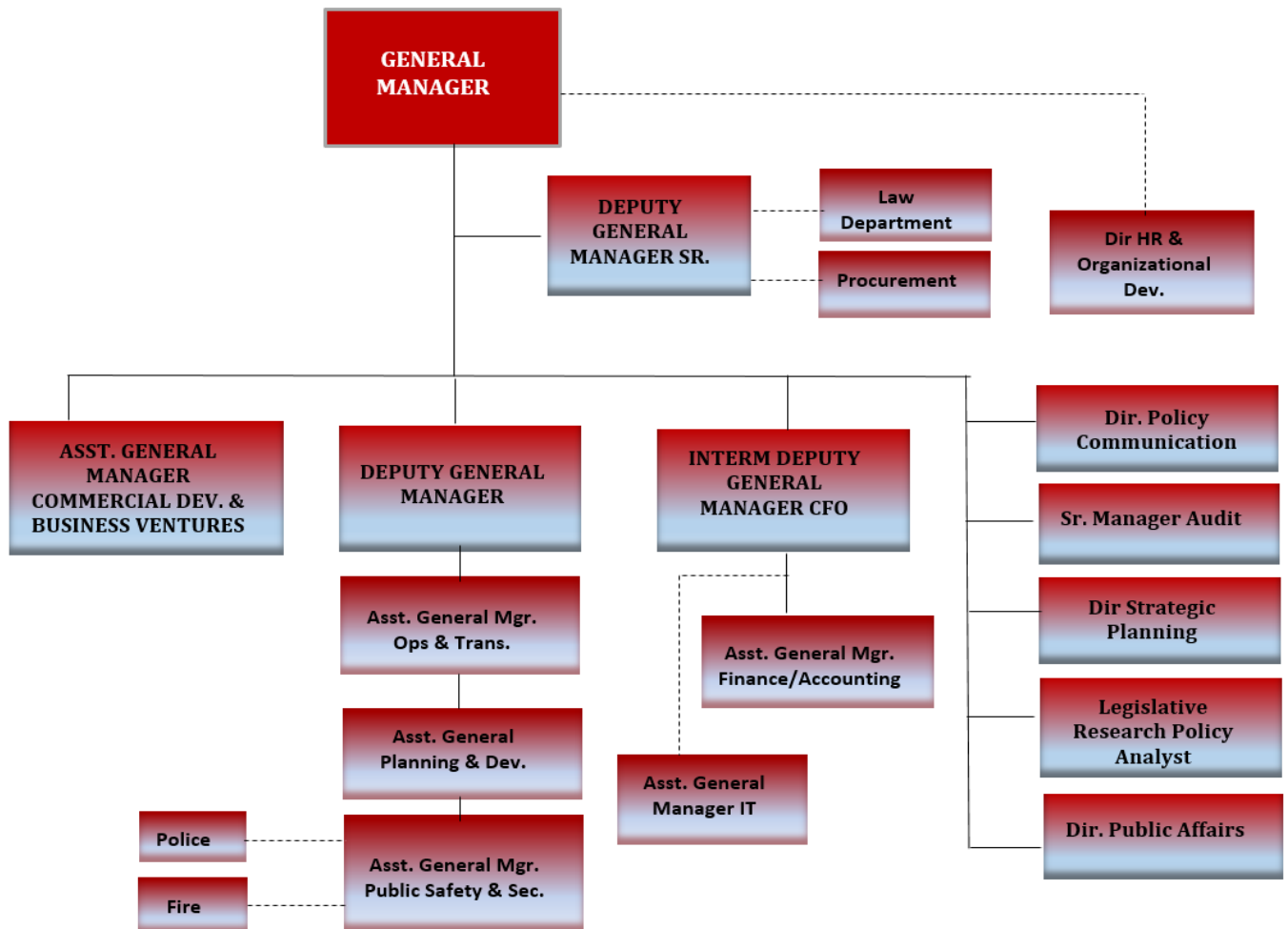
To support the vision and mission, the strategic plan has six strategic priorities. These priorities directly affect ATL's ability to serve its customers (including the airlines and their passengers), be a critical regional economic generator, and support the people working at ATL.

1. Employees – foster employee engagement and satisfaction
2. Customers – enhance and deliver best-in-class customer experience
3. Finance – preserve the Airport's financial health
4. Environment – promote environmental stewardship
5. Economic Generator – strengthen our role as an economic engine
6. Safety & Security – provide a safe and secure environment for passengers and employees

These six specific strategic priorities are the distinct building blocks of the strategic plan. Each of these strategic priorities is supported by objectives and initiatives that directly support the priority. Each strategic priority has simple, high-level metrics that help measure performance. By categorizing our objectives and initiatives by priority, it allows our employees to best see how their efforts support the vision and mission.



Organizational Structure



### **FY18 Budget Highlights**

Listed below are some of the initiatives that directly support the six strategic priorities at ATL that are part of the FY18 budget.

#### ***Employee Engagement and Satisfaction***

- Build and support collaborative teams whose members are individually and collectively accountable, knowledgeable and empowered to achieve their stated objective.
- Nurture a culture of continuous improvement for our people, our processes, focusing on developing leadership skills by providing professional development, training and timely constructive feedback.
- To engage employees in a manner in which they feel valued through appropriate communication and employee recognition. Ensure employees understand their unique role in supporting and advancing the Airport's mission and vision.

#### ***Enhance and Deliver Best-in-Class Customer Service***

- Provide world-class levels of customer service and satisfaction for passengers and those that transport or meet/greet them by providing helpful friendly staff, efficient facilities and world-class amenities.
- Ensure that the Airport's focus on efficiency, operational excellence and customer service is supported by the business partners who provide services at ATL.
- Continue to focus on providing a safe and secure environment for our passengers, employees and visitors.

#### ***Preserve the Airport's Financial Health***

- Maintain a long-term financial plan which ensures the Department has financial resources to support its operations, capital development plan, debt service, and the implementation of the Master Plan and lease negotiations.
- Maximize non-aeronautical revenues to ensure ATL's financial flexibility and maintain a competitive Cost per Enplanement (CPE) that encourages the addition of new carriers by controlling total Airport operating costs, debt and airline costs so goals are achieved and customer service is supported.
- Develop employees' domain knowledge of financial health to assist decision-making that maximizes value when planning both operational and capital expenditures in order to ensure prudent use of ATL's available funds.

#### ***Promote Sustainability and Environmental Stewardship***

- Adopt green construction and procurement policies and promote green infrastructure.

- Implement ATL's Sustainability Management Plan (SMP) focusing on energy reduction, integrated water management, emissions reduction and waste management. Provide employee training on the SMP.
- Minimize impact to the local environment by continuing to implement best practices which result in reducing emissions noise and subsurface contamination, but should an environmental incident occur, respond immediately with appropriate remediation.

### ***Economic Generator***

- Provide adequate facilities an opportunity to attract new cargo development and increase existing cargo presence. Partner with local and state entities to convince operators to operate and grow in Atlanta.
- Focus on new development in the Airport Master Plan and new facilities to increase jobs.
- Focus on relationships and programs with local, state and federal government entities.

### ***Providing a Safe and Secure Environment for Passengers and Employees***

- Maintain federal certifications to operate the Airport (FAA and TSA).
- Instill a culture of constant safety vigilance for employees both at work and at home.
- Prepare a vulnerability assessment to prepare the Airport for various scenarios.



## **Industry Overview**

The global airport services industry is comprised of airport operators and companies providing support such as landing and take-off services, operation of fueling, runway maintenance, hangar rental, duty-free shops, security, baggage handling services and cargo handling services. The global airport services industry, which reached \$123.6 billion in 2012, is forecast to reach an estimated \$157.2 billion in 2018 with a compound annual growth rate of 4.1 percent over the next five years (2013-2018). Lucintel, a leading global management consulting and market research firm, conducted a competitive analysis of the industry and presents its findings in “Global Airport Services Industry 2013-2018: Trend, Profit, and Forecast Analysis.” Findings show that the North American region dominates the industry and represents the largest industry share. A combination of factors such as air traffic rates and the emergence of low-cost carriers affect market dynamics significantly. The airport services industry registered dynamic growth in the last couple of years due to growth in the passenger and cargo movement and ground handling services. Despite challenges to the industry, it has several growth drivers that are covered by the report as well. Increasing traffic of air transportation services of passengers and cargo, strong demand of low-cost carriers (especially in emerging nations), and implementation of open skies policies are some of the growth drivers of this industry. Development of infrastructure in emerging nations also provides an additional impetus to the growth of the global airport services industry.

Airports, like other enterprises and corporations, are increasingly driven by the bottom line. Airports that are designed to effectively accommodate passenger needs and habits are likely to succeed far beyond those that do not. Ultimately, all airport revenue is derived from the people who use airports: airline and concessionaire fees, passenger facility charges (PFC) and even federal funding itself derives from passenger ticket taxes. Airports that are designed to respond to human needs, capabilities, culture, desires and aspirations can find both happy users and prosperous tenants.

In order to provide services that satisfactorily accommodate both passengers and tenants, airports must recognize and deal with the following key factors in the industry:

- Economic and political conditions
- Financial health of the airline industry
- Airline service and routes
- Airline competition and airfares
- Airline consolidation and alliances
- Aviation fuel cost and availability
- Aviation safety and security concerns
- Capacity of the national air traffic control system
- Airport capacity

In today's environment, these factors also highlight challenges facing the industry. Some key challenges include the economy, establishing a safe and secure environment, and providing a pleasing variety of retail and restaurant offerings for those traveling through the airport. Particularly in today's time, the chief challenge is the state of the economy which is intertwined with global economic and political conditions. The economy certainly is a chief component in the success of the airline industry's financial health. The volume of passenger travel, aircraft operations and cargo movement is largely dependent upon the state of the economy.

The U.S. airport sector is stable due to projected modest economic growth in the U.S. and global economies that should support enplanement and subsequent revenue increases. Most bonded U.S. airports are regaining financial resiliency, as demonstrated in Moody's Airport Medians report. Profitable airline partners that maintain national route networks support stable financial performance given the residual rate-making structure of a large portion of U.S.-rated airports. While the baseline expectation is for slow, stable growth, the industry remains below levels seen pre-recession and sensitive to downside. Lingering downside risks for the economy are joined by potential federal funding cuts for aviation activities that could affect airport operations and long-term grant funding.

However, in stable-to-good economic times, some airports' passenger travel, aircraft operations and cargo still experience growth. In fact, a few airports realize growth even in a slowed economy. Airports must be ready to successfully plan and achieve levels of capacity that accommodate the growth of passenger travel and cargo. This not only includes acreage/square footage, but also abundant airport support services. Some of these services include the following:

- Counter services
- Aircraft ramp handling
- Fuel systems
- Baggage systems
- Cargo aircraft handling
- Cargo warehousing
- Ramp tower control operations
- Flight supervision and coordination
- Security personnel

ATL successfully handles its service region, passenger and cargo growth. As a longtime industry leader in passenger and aircraft operations, ATL has demonstrated its ability to plan and execute strategies and projects that keep it at the forefront of the industry. ATL has included in its FY18 capital plan \$40.7 million in taxiway and runway projects, \$43 million in flight supervision and coordination, and \$2.8 million in cargo programs.

### **Three Primary Challenges Facing Airports in the Coming Year**

Previously mentioned in this section is a list of support services that must be constantly addressed for the success of airports. Two of these services are considered primary challenges for airports in the coming year. These two items are airport safety/security and airport capacity. The third primary challenge today is airport customer service.

Safety and Security issues might be considered as the greatest challenge in the industry today. Security is at a heightened level of concern as terrorist strikes have hit around the world over the past couple of years. Major attacks struck airports in Brussels, Egypt, Moscow and Istanbul, as well as a lesser attack in Paris and multiple security breaches in the U.S. Of course, airport security comes under more scrutiny following major attacks and breaches, which puts more pressure on airports. Governments, airlines and airports need to identify new ways to provide increased security while providing efficient levels of service and overall passenger comfort. Whether there be terrorist attacks or breaches within an airport, travelers need to be confident that all measures are taken to prevent catastrophic acts.



Safety is something that passengers should be able to take for granted. As such, passengers should also be able to take a hassle-free and convenient experience for granted. This can only be achieved through the cooperative efforts of airlines, governments and airports. Estimates from the International Air Transport Association (IATA) indicate that total passenger numbers will double in less than 20 years, reaching a staggering 7.3 billion people by 2034.

As expected, airlines will implement new routes, offer more flights, and update their fleet. Governments must improve and make more efficient the process of checkpoint security. Airports will need to shoulder more of the **customer service** burden in order to improve passengers' end-to-end experiences. This means more than simply expanding airport concessions programs. The idea is to change how people view airports to show that they are destinations in themselves. Passengers must be inclined to spend more time and money within the premises. European and Asian Airports seem to be ahead of many North American Airports that lack passenger amenities such as short-stay hotels, casinos, high-end restaurants, beauty salons and shops with more luxury brands. The idea is to maximize the use of dwelling time and make individuals feel there is no need to leave the Airport.

In order to assist in the accomplishment of continual passenger growth, **airports must increase capacity**. In order to take advantage of increasing demand, airports need to expand and modernize their infrastructure. There must be an ease of travel getting to and from the airport. As well, the ability to manage and/or alleviate congestion within the facility is key. Enabling the comfort of those who frequent the airport include convenience, comfort and spacious accommodations. This might be achieved through congestion management, which need be addressed via airport capital improvement programs.

## Economic Impact

Periodically, the Department of Aviation conducts a study to measure the economic impact of the Airport on both the Atlanta Metropolitan Statistical Area (MSA) and the Piedmont Atlantic Megaregion (PAM) in order to better understand its role in the development of the region and to facilitate its strategic planning process. The 2013 study was done in partnership with Ricondo & Associates. Below is a table highlighting data that represents a high-level summary.

	Impacts	Airport-Generated	Visitor Spending	Air Cargo Related	Total Impact
<b>Jobs</b>	Direct	63,291	173,099	9,146	245,536
	Indirect	51,312	38,989	8,710	99,011
	Induced	43,747	50,969	9,433	104,149
<b>Total Jobs</b>		<b>158,350</b>	<b>263,057</b>	<b>27,289</b>	<b>448,696</b>
<b>Business Revenue (\$millions)</b>	Direct	\$16,459	\$14,362	\$4,000	\$34,821
	Indirect	\$7,928	\$5,588	\$1,519	\$15,035
	Induced	\$6,419	\$6,774	\$1,224	\$14,417
<b>Total Business Revenue (\$millions)</b>		<b>\$30,806</b>	<b>\$26,724</b>	<b>\$6,743</b>	<b>\$64,273</b>
<b>Personal Income (\$millions)</b>	Direct	\$4,169	\$4,298	\$592	\$9,059
	Indirect	\$2,398	\$1,849	\$497	\$4,744
	Induced	\$1,979	\$2,267	\$370	\$4,616
<b>Total Personal Income (\$millions)</b>		<b>\$8,546</b>	<b>\$8,414</b>	<b>\$1,459</b>	<b>\$18,419</b>
<b>Average Income per Employee (\$/ year)</b>	Direct	\$65,870	\$24,830	\$64,728	\$36,895
	Indirect	\$46,734	\$47,424	\$57,061	\$47,914
	Induced	\$45,237	\$44,478	\$39,224	\$44,321
<b>Weighted Avg. Income/ Employee</b>		<b>\$53,969</b>	<b>\$31,985</b>	<b>\$53,465</b>	<b>\$41,050</b>

The total economic contribution of ATL to metropolitan Atlanta is the sum of the business activity directly associated with ATL's operations and the spending of its users, as well as the additional business activity associated with orders to suppliers and re-spending of worker income.

In 2013, there were 63,291 direct jobs at ATL. Off-site business activities that depend directly on local air service for employee travel, cargo deliveries or visitor spending by air passengers raised the direct Airport impact to nearly 246,000 jobs in metropolitan Atlanta and produced \$34.8 billion in business sales.

Spin-off activities in the region (indirect and induced multiplier effects) are associated with goods and services purchased by the directly affected businesses and the re-spending of worker income in the region. As we include these indirect and induced effects, the total

economic role of ATL increases to approximately \$64.3 billion in business sales, including \$18.4 million in personal income, supporting more than 448,000 jobs in the region.

## Financial Summary

### Operating Revenue

ATL anticipates total operating revenues for FY18 to be \$508.5 million, which represents a \$17 million increase, or 3.4 percent, over projected revenues of \$497.6 million for FY17. ATL revenues are classified in two major categories: aeronautical and non-aeronautical. Below is a chart illustrating the breakdown of the two categories utilizing FY18 and FY17 data.

	FY2017 Unaudited	FY2018 Budget
<b>Aeronautical Revenues:</b>		
Landing Fees	\$ 17,219,858	\$ 35,790,737
CPTC Rentals	148,546,045	208,143,171
Concessions Credit	(61,167,043)	(103,188,971)
Airside Rentals	30,266,849	29,432,266
Cost Recoveries	37,890,011	10,178,610
<b>Total Aeronautical Revenues</b>	<b>172,755,720</b>	<b>180,355,813</b>
<b>Non Aeronautical Revenues:</b>		
Landside Rentals	9,236,020	9,452,128
<b>Commercial Revenues</b>		
Public Parking	131,895,218	127,646,543
Inside Concessions	113,874,070	116,818,006
Rental Car	40,358,962	40,580,777
Ground Transportation	5,762,733	7,811,716
Other	2,280,000	2,280,000
Non Airline Cost Recoveries	15,401,479	15,140,000
Other Revenues	6,029,005	8,367,492
<b>Total Non Aeronautical Revenues</b>	<b>324,837,487</b>	<b>328,096,662</b>
<b>Total Operating Revenues</b>	<b>\$ 497,593,207</b>	<b>\$ 508,452,475</b>

Aeronautical revenues are expected to reach \$180 million, representing an \$7.6 million increase, or 4.4 percent from the FY17 projected actual. This decrease is due to our new Airline Use and Lease Agreement, which became effective Oct. 1, 2017. Under this agreement, signatory airlines will share 70 percent of inside concessions revenue and received an additional credit of 60 cents per enplaned passenger.

This results in an increase in airline credits of \$41 million over FY17 projection. Also attributable to the new agreement is the increase of 52 percent in landing fees and 30 percent in terminal rents. The new agreement methodology allows for the Airport to recover all operating expenses



related to the airlines cost centers, all capital expenditures, debt service and a 20 percent debt coverage for existing debt and 30 percent for future debt issuances.

Non-aeronautical revenues are expected to increase by \$3.3 million, or 1 percent over FY17 projected actual. Parking revenue is anticipated to decrease by \$4.2 million. In FY18, the economy lots will be deconstructed and the the parking renovation and expansion project will begin. This decrease was offset by increases in concession revenues of \$2.9 million and Transportation Network Companies (TNC) of \$4 million.

### Operating Expenses

Operating expenses for FY18 are budgeted at \$339 million, which represents \$45.2 million, or a 15.4 percent increase over FY17 unaudited expenses of \$294.2 million. We capture our expenses in six basic categories: personnel, contract services, supply accounts, capital expenses, interfund charges and other operating costs. A more detailed discussion of each category can be found in the Financial Structure section of the book.

	FY2017 Projected	FY2018 Budget
<b>EXPENSES:</b>		
<b>Salaries &amp; Benefits</b>	\$ 94,423,648	\$ 103,690,097
<b>3rd Party Operating &amp; Maintenance Contracts:</b>		
Parking Operations	29,169,738	32,428,860
Security (Access Control/Gate Guard/Fingerprints)	8,714,102	15,508,904
Security (Fingerprints & STA)	925,000	925,000
AGTS System/ ATL Sky Train	17,364,685	20,500,000
ATL Sky Train	6,377,706	7,143,888
Customer Service	630,689	1,096,000
Rental Car Center Operations (180601)	2,756,553	3,500,000
CPTC Maintenance	4,991,989	5,416,132
<b>Total 3rd Party Op. &amp; Maint. Contracts</b>	<b>70,930,462</b>	<b>86,518,784</b>
Other Contract Services	58,739,357	78,621,099
<b>Total Contract Services</b>	<b>129,669,819</b>	<b>165,139,883</b>
Supply Accounts (excluding Utilities)	8,047,842	8,250,804
Utilities	8,789,797	8,847,734
<b>Total Supply Accounts</b>	<b>16,837,639</b>	<b>17,098,538</b>
<b>Capital Expenses</b>	<b>401,999</b>	<b>928,942</b>
<b>Interfund Charges</b>	<b>11,437,950</b>	<b>14,273,568</b>
<b>Other Operating Costs</b>	<b>3,269,687</b>	<b>2,342,745</b>
<b>Total Operating Fund Expense Budget</b>	<b>256,040,742</b>	<b>303,473,773</b>
(+) Operating Expense Projects (5502 Fund)	43,852,000	35,000,000
<b>Total Operating Expenses</b>	<b>\$ 299,892,742</b>	<b>\$ 338,473,773</b>

Salaries and benefits reflect an increase of \$9.3 million in FY18 over the FY17 unaudited actual expenditures. The increase is attributable to salary increases estimated at \$2.5 million, \$1.5 million in related benefits, and 89 new positions at \$4.4 million.

Total third-party operations and maintenance contract services reflect a 22 percent increase (\$86.5 million vs. \$70.9 million) when comparing FY17 unaudited expenses to the FY18 budget. The variance of \$15.6 million is primarily related to Security, which is expected to increase by \$6.8 million. This increase is due to growth in the Gate Guard contract, additional screening/inspection services, and Parking's \$3.3 million change resulting from its new contract. The train systems (APM and SkyTrain) have special projects planned for the new fiscal year to include a parts inventory replenishment (supplies for track maintenance, spare parts and traction motors). This, along with annual escalation points stipulated in their contracts, will result in a \$3.9 million price increase for FY18. Lastly, the Rental Car Center's O&M contract is due to increase by \$743K.

Other contract services reflect an increase of \$20 million in FY18 over the FY17 unaudited actual expenditures. This category of expenses includes many different accounts, but most notably the following:

- ✓ Consulting Contracts other than those listed as "3rd Party Operating"
- ✓ Advertising
- ✓ Insurance
- ✓ Business Travel and Training

The FY18 budget of \$165.1 million will increase \$35.5 million over the category's year-end forecast of \$129.7 million. The increase is primarily driven by the consulting contracts as they represent the majority (84.2 percent) of the "Total Contract Services" in FY18.

Key items driving these contract increases relate to on-call services, FY18 program changes, and initiatives important to Airport operations that did not fully materialize in FY17.

Regarding on-call services, our Information Management team along with Police and Fire are affected by a number of vacancies caused by competitive pay shortfalls and placement priorities. To effectively manage these gaps, we engage in Consulting and Repair and Maintenance Agreements for Information Management contracts and police retiree contracts combining for an approximate \$6.2 million increase. In addition, we budget for Marketing and Planning and Development on-call services to ensure necessary funding is in place to address special communications and potential airfield and operational emergencies.

Regarding program changes in FY18, we will take on new activity (program changes) in the upcoming year. These are most prevalent in our Bureau of Planning and Development (Signage, Graphics, Geographic Information Systems), Operations (Automated Wait Time Tracking System), Maintenance Divisions (special maintenance and installation Services), and Ground Transportation managing the new Transportation Network Companies (Uber/ Lyft) . Lastly, the Department will continue to invest in training opportunities for its staff to increase staff knowledge, enhance performance and boost morale.

The Law Department supports Aviation in legal matters and will stay prepared to represent the Airport with an additional funding allowance to engage outside counsel as required.

Insurance premiums are expected to rise and funding will be appropriated to manage the change.

The category of expenses classified as "supplies" is set at \$17.1 million for FY18 and represents a \$261k increase over the projected year-end expense for FY17. The Airport Maintenance Airfield's supplies consumable account is the main driver in terms of the variance between year-end FY17 and the FY18 Budget. The gap looks to be \$261k with the FY18 budget set for \$17.1 million compared to an anticipated FY17 finish of approximately \$16.8 million. Utilities are expected to increase by more than \$58k.





Capital Expenses anticipate an increase of roughly \$527k attributable to a need for furniture and fixtures to accommodate the upcoming office update in the C4 Division.

Interfund Charges are expected to increase its expenditure level approximately \$2.8 million. This of course is a reflection on the City's chargeback / allocation process and attributable to FY17's final analysis of indirect costs for the year.

Other Operating Costs are anticipated decrease \$56K due to two factors. Retiree's Life and Health expenses extraction to regular salaries and lower property taxes.



**38** concrete piers  
— *totaling* —  
 **1,100+**  
cubic yards of concrete  
— *equivalent to* —  
**12** swimming pools 



Department of  
Accounting and Finance  
*Financial Structure*



# FINANCIAL STRUCTURE

## Financial Structure

### Overview

ATL's financial activities can be classified into two categories: operating and non-operating. Operating activities include revenues and expenses that are directly related to operating and maintaining ATL and its related facilities. Non-operating activities include the collection of certain fees and charges used to fund the development of ATL's capital assets, costs incurred in the planning and construction of such capital assets, as well as the interest income collected from ATL's invested cash. In most cases, non-operating revenues are restricted by law to certain applications that enhance safety, security or capacity; reduce noise; increase air carrier competition; or in the case of customer facility charges (CFC), continue the upkeep of specifically designated facilities such as the RCC.

As required by City ordinance, the financial activities of the Department are accounted for in separate funds established for various purposes. However, for financial reporting purposes, the activities in each of these funds are combined into consolidated financial statements. These financial statements represent the Department as a single enterprise so that its financial performance may be evaluated as a single entity.

Sources of Revenue

<p><b><u>Operating Revenues</u></b></p> <p><i>Aeronautical Revenues</i></p> <p>Landing Fees</p> <p>CPTC Rentals</p> <p>Airside Rentals</p> <p>CPTC Cost Recoveries</p> <p><i>Non-Aeronautical Revenues</i></p> <p>Landside Rentals</p> <p>Parking Revenues</p> <p>Inside Concessions Revenues</p> <p>Ground Transportation &amp; Other</p>	<p><b><u>Non-Operating Revenues</u></b></p> <p>Passenger Facility Charges (PFCs)</p> <p>Customer Facility Charges (CFCs)</p> <p>Grants (or Capital Contributions)</p> <p>Investment Income</p> <p>Other</p>
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**Operating Revenues**

Operating revenues are categorized as either being aeronautical or non-aeronautical in nature. Aeronautical revenues are directly attributable to airline or airline-related activities, such as fees paid for the landing of aircraft or rents paid for the airlines’ occupation of ATL facilities. Non-aeronautical revenues are not directly attributable to airline activities, such as parking revenues, concessions revenues or car rental revenues. Passenger traffic from origination and destination and connecting passengers are key drivers of these revenue sources. These revenues represent additional income to ATL that is not paid directly by the airlines. The significance in this distinction is that non-aeronautical revenues represent additional income to ATL that does not impose additional cost burdens to the airlines.

***Aeronautical Revenues***

*Landing Fees* – The landing fee rate per 1,000 pounds of maximum certified gross aircraft landed weight is set at the beginning of each fiscal year. These fees are intended to recover the cost of operating and maintaining ATL’s runways, taxiways and other areas of the airfield; including the cost of capital improvements made to the airfield and a 20 percent coverage factor for exiting capital projects and 30 percent for future projects.

*CPTC Rentals* – These are charges imposed on the airlines for occupying space within ATL’s CPTC. These charges are apportioned to the airlines based on the actual square footage occupied within the facilities. Under the terms of the Airline Use and Lease Agreement (AULA), the contracting airlines pay terminal facilities rentals, on a cost-recovery basis, to allow ATL to recover the following: operation and maintenance of the Plane Train; fire protection services; polices services; security checkpoint services; property and liability insurance coverage; management



fees associated with a third-party maintenance agreement for certain common-use areas within the CPTC; operation and maintenance of the International Terminal, and both the construction of these facilities and any periodic capital upgrades made to them. This includes debt service and a coverage factor of 20 percent for existing capital projects and 30 percent for all future projects. Although shown separately, the inside concessions credit provided to the airlines is reflected as a reduction of overall CPTC charges.

*Airside Rentals* – Airside ground and building rentals consist of rentals for the fixed base operator’s facilities and for cargo buildings in the North complex, South complex and the Central Terminal Support Area (CTSA).



*Landing Fees* - ATL collects two different types of landing fees: basic landing fees and Airfield Improvement Program (AIP) landing fees. Basic landing fees are charged to the airlines at 16 cents per 1,000 pounds of maximum certificated gross aircraft landed weight. The intent of this basic fee is to recover the cost of operating and maintaining ATL’s runways, taxiways and other areas of the airfield. AIP landing fees are charged to the airlines at a fixed rate, proportional to their

respective airfield usages, and are intended to recover the cost of capital improvements made to the airfield. The rates established for these AIP landing fees include a 20 percent coverage factor and are for a fixed duration.

### ***Non-Aeronautical Revenues***

*Landside Rentals* – ATL receives rental revenue from the leasing of over 100 acres of land. Such leased properties include land occupied by Delta’s corporate headquarters, Delta’s Technical Operations Center, certain cargo storage facilities and various other facilities in the Central Terminal Support Area. It also includes rental revenue received from certain non-aeronautical tenants such as rental car companies.

*Parking Revenues* – These include all revenues generated from ATL’s parking facilities that provide more than 33,000 available spaces for passenger parking, including covered and uncovered parking options. ATL’s parking facilities are operated by a third party whose expenses are paid from ATL's operating expenses. All parking revenues are reported on a gross basis with the appropriate third-party expenses being reflected in the operating expense budget.

*Inside Concessions Revenues* – ATL maintains 321 concessions and service outlets from which it collects fees and charges based on each concessionaire’s gross revenues. These concessionaires pay ATL a percentage of their gross sales, based on their individual contracts, in return for occupying space within the CPTC. In order to ensure adequate revenue performance, each concessionaire contract includes a minimum annual guarantee (MAG). Rent paid by most

concessionaires is the greater of the MAG or percentage rent of gross receipts per category. The percentage rent calculation is trued up monthly and at the end of the lease year.

*Rental Car Revenues* – The RCC houses 13 rental car brands and 8,700 parking spaces. Each rental car company pays ATL 10 percent of annual gross sales in return for occupying RCC space. Like ATL’s concessionaires, rental car companies are subject to a MAG which is reconciled on a monthly basis to ensure a minimum level of revenue performance. The reconciliation is also completed at the end of the lease year.

*Ground Transportation Revenues* – These include fees and charges received from taxicab, limousine, hotel shuttles, off-airport parking shuttles, Transportation Network Companies and other commercial ground transportation services.

*Non-Airline Cost Recoveries* – ATL incurs annual expenses for the operation and maintenance of the RCC, both from maintaining the facility itself as well as operating the SkyTrain that connects the RCC to the CPTC. Through its agreements with the rental car companies, ATL recovers 100 percent of these operating expenses on a monthly basis. Because all of the RCC operating expenses are passed directly to the rental car companies, ATL maintains this facility at essentially zero cost.

*Other Revenues* – This category is relatively small and contains various revenue streams including fees collected for the issuance of security badges, the sale of timber from ATL-owned properties and other sources which may or may not be recurring from year to year.

### **Non-Operating Revenues**

ATL generates non-operating revenue from four main sources: interest earned from invested cash, PFCs, CFCs and capital contributions in the form of grants. These revenues are not classified as operating because they either are not generated from operating activity or are restricted in their use, such that they cannot be used to pay for operating expenses. A description of each non-operating revenue source is contained below:

*Investment Income* – ATL continues to maximize investment income within the constraints imposed by State of Georgia statutes and City ordinances. Wherever legal requirements permit, cash is pooled in order to achieve maximum cash yields on short-term investments of otherwise idle cash. These investments are highly liquid, usually with maturities of three months or less.

*Passenger Facility Charges* – In 1990, the U.S. Congress established PFCs as part of the Aviation Safety and Capacity Expansion Act of 1990 (Act). The Act states that an airport may collect PFCs from passengers in order to pay for the cost of designing and constructing eligible airport capital projects or to repay debt service issued to build such projects. PFCs are collected by the air carriers when passengers purchase their tickets and are remitted to ATL on a monthly basis. PFCs are a major source of funding for ATL’s capital improvement program. ATL currently collects a \$4.50 PFC per enplaned passenger, which amounts to approximately \$200 million a year. ATL currently has FAA approval to use PFCs on projects totaling more than \$5.05 billion. Through June 2017, ATL collected \$3.3 billion, of which \$2.7 billion has been expended. Pay-as-you-go

projects absorbed \$1.7 billion and \$1 billion was spent on principal, interest and other financing expenses.

**Customer Facility Charges** – ATL collects CFCs as a means to fund the debt service and certain operations associated with the RCC. These CFCs are collected by rental car tenants and remitted to ATL on a monthly basis. ATL collects \$5 for each transaction day.

**Capital Contributions (Grants)** – ATL receives AIP and other grants through the FAA, Transportation Security Administration (TSA) and other federal and state agencies in order to support its capital program and operations.



**Expense Structure**

In accordance with generally accepted accounting principles (GAAP), ATL classifies its expenses as either operating, non-operating or capital in nature. Generally, all expenses which are operating in nature are budgeted in the revenue fund (5501). There are a few exceptions which include projects that were previously budgeted and funded in a capital fund (5502-5535), but are later either written off or deemed to be operating in nature. Any activities related to these projects are expensed at the time of project close-out or at the time the project is discontinued. ATL includes a placeholder for these types of projects when conducting annual financial planning.

**Operating Expenses**

In accordance with City code, ATL budgets its operating expenses in one of six general categories:

<u>Account Code</u>	<u>Expense Type</u>
51xxxxx	Personnel and employee benefits
52xxxxx	Purchased and contracted services
53xxxxx	Supplies
54xxxxx	Capital planning
55xxxxx	Interfund charges
57xxxxx	Other costs

Within each of these categories, however, there are subcategories which provide greater detail on ATL’s budgeted operating expenses. It is useful to provide further description for these subcategories in order to gain a clearer understanding of how the Airport operates. A description of each expense category is contained below.

*Salaries and Benefits* – Included in this category are all costs associated with ATL’s full-time employees. These include salaries, overtime, insurance benefits, payroll taxes, pension and retirement plan contributions and other miscellaneous personnel-related expenses. It does not include any of the personnel expenses related to contracted employees.

*Third Party Operating and Maintenance Contracts* – This category contains budgeted costs associated with the major contracts ATL has procured to operate various portions of the Airport. These contracted services include parking operations, control of access to the airfield, various security-related operations, operation of the Plane Train, operation of the SkyTrain, customer service operations, operation and maintenance of ATL's common-use facilities and the operation and maintenance of the RCC.

*Consulting and Other Contracted Services* – Expenses in this category include services offered by consultants and other entities that provide assistance to ATL in its planning, operations and other supporting activities. Examples of such services include but are not limited to lobbyist support, employee support programs, training support, internal audit support, software and network support, external legal support and other activities that support the technical aspects of ATL’s operations and maintenance.

*Expense Type Projects* – Earlier it was mentioned that a portion of ATL’s operating expenses are sourced from funds other than the revenue fund (5501). The majority of these expenses are classified as expense type projects. These expenses represent costs associated with large-scale projects that involve major repair and maintenance to ATL’s infrastructure, and are most often funded through ATL’s renewal and extension fund (5502). These projects require resources that are beyond those organic to ATL’s Maintenance Division and thus are managed through the Planning and Development Bureau. Because many of these projects are not planned or routine, their costs are expensed as they are incurred in order to ensure that they are captured as operating expenses and not capital outlays.

*Indirect Costs from the City* – ATL is a government enterprise wholly owned by the City. Although the City maintains ownership, it is restricted by law from diverting any of the revenues earned at ATL to pay for other City expenses. It is recognized, though, that the City does commit a sizeable amount of resources in support of ATL for which it deserves compensation. The City conducts a formal analysis to determine the annual amount of resources that it contributes to support ATL and charges this amount to ATL as indirect costs. Examples of these costs are:

- a. The cost of the City’s consolidated annual financial audit
- b. The allocation of certain City maintained software and network resources that are shared between the City and ATL
- c. City executives’ time and resources devoted to ATL affairs
- d. Time and resources expended by City Council in deliberating over Airport-related issues
- e. Time and resources expended by the Law Department in litigation, preparation/approval of contracts and memorandums of understanding, preparation of legislation and investigation of claims

*Utilities* – This category represents the amount budgeted for ATL’s use of water, sewer, electricity and natural gas.

*Other Expenses* – This category contains all other expenses budgeted to operate ATL on an annual basis. Included are such costs as insurance premiums, supplies, fuel, vehicle maintenance, property taxes, pensioners’ benefits expense, employee training and other miscellaneous costs.

## Airline Use and Lease Agreements

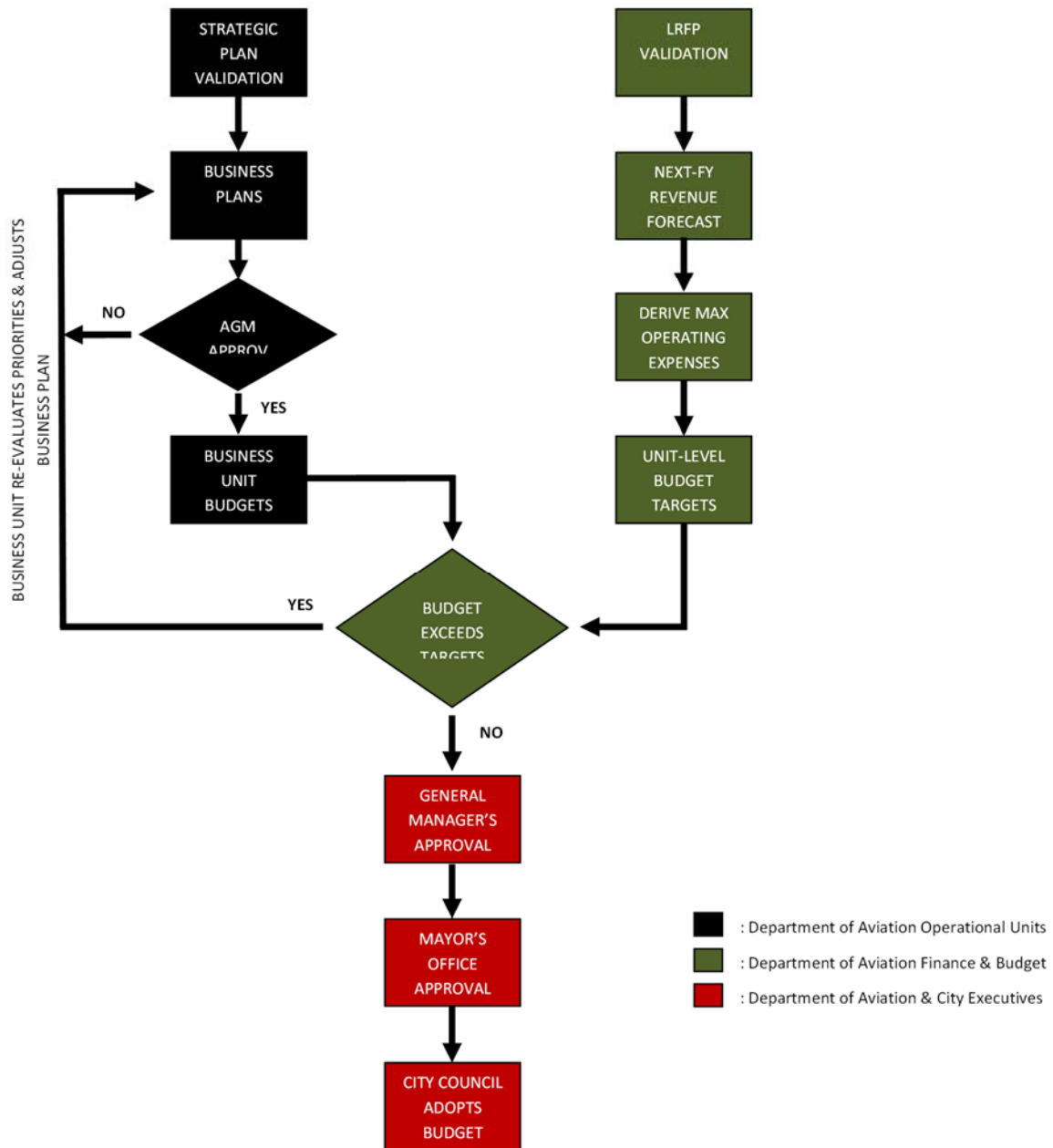


The City currently contracts with airlines via a Central Passenger Terminal Complex (CPTC) lease agreement. This agreement governs the lease and occupancy of the CPTC. The contracting airlines agree to pay rentals and other charges calculated to recover certain CPTC costs. These costs include CPTC operating and maintenance expenses as well as amounts that recover amortized capital costs (including a 20 percent coverage) of approved terminal improvements financed with GARBs or ATL funds.

The prior CPTC lease agreement ended Oct. 1, 2017. Recently, the City and the signatory carriers negotiated a new agreement referred to as the Airport Use Lease Agreement (AULA) which will follow the expiration of the CPTC lease agreement. In general, the new AULA, airlines pay full O&M cost recovery for the Airfield and Terminal Cost Centers plus a higher percentage of debt service coverage on new debt. This generates higher airline payments to the City, which creates greater net cash flows. In the first few years, these higher net cash flows are credited back to the airlines to help mitigate the financial impact of the new methodology. In the last 10 years of the agreement, some of these higher net cash flows may be credited back to the airlines; only after the City has covered costs for its O&M and capital requirements.

**Budget Process Overview**

For operating expenses, ATL developed a budget process that seeks to maximize small unit managers’ ingenuity and resourcefulness, while also ensuring that ATL administrations strategic goals are met with the utmost fiscal responsibility. A diagram of this process is included below.



As demonstrated in the preceding diagram, the budgeting process occurs on two separate but concurrent tracks during the early phases of planning. The track on the left side involves the strategic and business planning for ATL and its various business units. This process produces a collection of business plans that seek to actualize ATL’s long-term strategic vision. The track on

the right involves tracking ATL's current financial performance, forecasting future performance and creating a long-range financial plan that ensures that ATL's strategic plan can be achieved while maintaining sound financial performance.

1. *Strategic Plan Validation* – Each year prior to the budgeting process, ATL's executive staff reviews the strategic plan in order to ensure that it still adequately addresses both the vision and the current challenges and opportunities that face ATL. At the conclusion of this process, ATL's strategic plan is presented to business unit managers so that they can begin their business planning for the next fiscal year.
2. *Long Range Financial Plan (LRFP) Validation* – The LRFP is a financial model that integrates ATL's revenue forecasts, expense forecasts, capital improvement plan and capital financing structure into one cohesive, long-range plan.
3. *Business Plans* – Using the strategic plan as a guide, the individual business units create annual business plans which provide a roadmap on how each unit will execute its assigned mission. The business plans tie each proposed initiative or activity to one or more of ATL's strategic priorities contained within the strategic plan. Each business plan contains the business unit's proposed budget.
4. *Next-FY Revenue Forecast* – Contained within the LRFP is the revenue forecast for the next fiscal year. This revenue forecast is referred to by the City as an anticipations budget and is eventually voted on and officially adopted by the City Council.
5. *AGM Approval* – Each individual business unit budget is approved by the appropriate assistant general manager (AGM) prior to being submitted to ATL's budget group.
6. *Business Unit Budgets* – After each business plan is approved by the appropriate AGM, the proposed budgets are submitted to ATL's budget group for inclusion in the consolidated budget.
7. *Budget Exceeds Targets* – ATL's budget group will validate the business units' proposed budgets to ensure they align with the business plan of each unit, and with the overall strategic objectives of ATL. Once validated, the budgets are included in the consolidated budget. Additionally, an analysis is done to ensure all budgeted revenues and expenses result in the financial performance as set by executive management. Adjustments are made, if necessary, to ensure the performance is met or exceeded.
8. *General Manager's Approval* – The general manager (GM) of ATL is presented with ATL's budget and is able to review the individual units' business plans with the appropriate managers and AGMs.
9. *Mayor's Office Approval* – Once approved by the GM, ATL's budget is submitted to the Mayor's office for review and approval.
10. *City Council Adopts Budget* – Before the beginning of the fiscal year, City Council formally approves ATL's operating budget. The City formally refers to expenses as appropriations.

In an effort to maintain the utmost financial health, ATL strives to maintain a high level of debt service coverage (DSC), meaning the number of times its operating income (operating revenues – operating expenses) will cover its annual debt service. By law, ATL must adhere to its master bond ordinance (MBO) and bond covenant. An excerpt from the ordinance/covenant states:



*The City has covenanted and agreed that at all times while bonds are outstanding and unpaid to prescribe, fix, maintain, and collect rates, fees, and other charges for the services and facilities of the Airport to: (a) provide for 100% of the Operating Expenses of the airport (except for certain specific facilities) and for the accumulation in the Revenue Fund of a reasonable reserve therefore, and (b) produce Net General Revenues in each fiscal year which will: (i) equal at least 120%”.*

Thus, in order to comply with the MBO and the bond covenant, ATL must have a DSC of at least 120 percent of its operating income, or 1.2 times. The formula for DSC is:

$$\frac{\text{Operating Revenue} - \text{Operating Expenses} + \text{Investment Revenue}}{\text{Annual Debt Service}} = \text{DSC}$$

In order to balance the budget, the City requires that each department place into its annual budget a reserve which is equal to the total operating revenues minus all operating expenses and debt service. The term “reserve” is somewhat misleading, as this amount is best interpreted as an expected end-of-year net income (less principle payment on the debt service). It represents all of the expected cash which, at the end of the fiscal year, will be transferred to the renewal and extension fund for use on capital improvements, upgrades or renovations. ATL’s budget formula can be displayed as follows:

$$\text{Operating Revenues} - \text{Operating Expenses} - \text{Annual GARB Debt Service} = \text{Reserves}$$

**ATL** | Department of  
Accounting and Finance  
*Operating Budget*



# OPERATING BUDGET

## Operating Budget

### Operating Revenue Budget

	FY2016		FY2017		FY2018	
	Actual	Budget	Unaudited	Budget		
<b>Aeronautical Revenues</b>						
<b>Landing Fees</b>						
Signatory Landing Fees	\$ 10,272,701	\$ 12,750,520	\$ 10,095,703	\$ 35,548,523		
AIP Landing Fees	6,761,356	6,918,590	6,875,212	-		
Non-Signatory, Itinerant, & Charter Landing Fees	208,470	210,088	248,943	242,214		
<b>Total Landing Fees</b>	<b>17,242,527</b>	<b>19,879,198</b>	<b>17,219,858</b>	<b>35,790,737</b>		
<b>CPTC Rentals</b>						
CPTC Building & Rental	75,171,583	77,491,203	73,348,454	199,069,044		
CPTC Tenant Finishes	67,846,836	79,363,392	75,197,591	9,074,127		
<b>Total CPTC Rentals</b>	<b>143,018,419</b>	<b>156,854,595</b>	<b>148,546,045</b>	<b>208,143,171</b>		
<b>Concessions Credits</b>	<b>(58,919,887)</b>	<b>(59,164,111)</b>	<b>(61,167,043)</b>	<b>(103,188,971)</b>		
<b>Airside Rentals</b>						
Ground Rentals	17,510,537	18,747,297	19,624,811	18,560,324		
Other Building Rentals - Airlines	10,616,929	9,964,870	10,642,038	10,871,942		
<b>Total Airside Rentals</b>	<b>28,127,466</b>	<b>28,712,167</b>	<b>30,266,849</b>	<b>29,432,266</b>		
<b>Cost Recoveries</b>						
Operations Charges	17,375,512	19,925,419	18,806,388	3,537,913		
AGTS Charges	15,238,856	15,280,416	15,075,071	4,059,136		
Insurance Charges	748,318	765,000	714,063	28,750		
MHJIT O&M	911,420	1,052,814	1,822,127	1,052,811		
3rd Party Common-Use Agreement	1,947,646	1,500,000	1,472,362	1,500,000		
<b>Total Cost Recoveries</b>	<b>36,221,752</b>	<b>38,523,649</b>	<b>37,890,011</b>	<b>10,178,610</b>		
<b>Total Aeronautical Revenues</b>	<b>165,690,277</b>	<b>184,805,498</b>	<b>172,755,720</b>	<b>180,355,813</b>		
<b>Non-Aeronautical Revenues</b>						
<b>Landside Rentals</b>						
Land Rentals	8,187,339	7,989,780	6,999,264	7,264,384		
Other Building Rentals	3,696,295	3,242,316	2,236,756	2,187,744		
<b>Total Landside Rentals</b>	<b>11,883,634</b>	<b>11,232,096</b>	<b>9,236,020</b>	<b>9,452,128</b>		
<b>Commercial Revenues</b>						
Public Parking	132,042,507	136,553,058	131,895,218	127,646,543		
Inside Concessions	110,786,685	109,563,169	113,874,070	116,818,006		
Rental Car	38,811,959	37,278,909	40,358,962	40,580,777		
Ground Transportation	3,371,077	3,176,280	6,762,733	8,811,716		
WIFI Wireless	1,515,000	1,280,000	1,280,000	1,280,000		
<b>Total Commercial Revenues</b>	<b>286,527,228</b>	<b>287,851,416</b>	<b>294,170,983</b>	<b>295,137,042</b>		
<b>Non-Airline Cost Recoveries</b>						
RCC APM	7,120,442	6,807,560	7,905,148	6,840,000		
RCC O&M	7,091,166	7,216,816	7,496,331	8,300,000		
<b>Total Non-Airline Cost Recoveries</b>	<b>14,211,608</b>	<b>14,024,376</b>	<b>15,401,479</b>	<b>15,140,000</b>		
<b>Other Revenues</b>	<b>8,499,253</b>	<b>5,801,987</b>	<b>6,029,005</b>	<b>8,367,492</b>		
<b>Total Non-Aeronautical Revenues</b>	<b>321,121,723</b>	<b>318,909,875</b>	<b>324,837,487</b>	<b>328,096,662</b>		
<b>Total Operating Revenues</b>	<b>\$ 486,812,000</b>	<b>\$ 503,715,373</b>	<b>\$ 497,593,207</b>	<b>\$ 508,452,475</b>		

**Breakdown of Landing Fee Revenue**

The following table depicts a more detailed view of ATL landing fees.

	FY2016	FY2017	FY2018
	Actual	Budget	Budget
<b>Signatory Landing Fees</b>	<b>\$ 10,272,701</b>	<b>\$ 12,750,520</b>	<b>\$ 27,775,314</b>
<b>AIP Landing Fees</b>			
AIP 3	1,174,857	1,144,641	1,256,957
AIP 5	1,644,628	1,602,418	1,759,656
AIP 6	276,317	269,225	295,643
AIP 7	303,379	296,421	325,508
AIP 8	297,174	289,547	317,959
AIP 9	149,181	145,352	159,615
AIP 10	48,580	47,333	51,978
AIP 12	779,105	759,110	833,598
AIP 13	178,935	174,343	191,450
AIP 14	188,203	183,372	402,732
AIP 15	142,379	138,754	152,370
AIP 17	516,763	503,500	552,906
AIP 18	997,963	968,789	1,051,442
AIP 19	63,893	395,785	421,395
<b>Total AIP Landing Fees</b>	<b>6,761,357</b>	<b>6,918,590</b>	<b>7,773,209</b>
<b>Non-Signatory Landing Fees</b>	<b>208,470</b>	<b>210,088</b>	<b>242,214</b>
<b>Total Landing Fees</b>	<b>\$ 17,242,528</b>	<b>\$ 19,879,198</b>	<b>\$ 35,790,737</b>

**Parking Rates**

The following table depicts the most current parking rates at ATL.

<b>Parking Rates</b>	<u>Hourly Rate</u>	<u>Max. Daily Rate</u>
Hourly Parking (Domestic/ International)	\$2.00/\$3.00	\$32.00/\$36.00
Daily Parking (Domestic)	\$3.00	\$16.00
Economy Parking - West (Domestic)	\$3.00	\$12.00
Economy Parking - North & South (Domestic)	\$3.00	\$12.00
Park-Ride Lots - Domestic	\$3.00	\$9.00/\$12.00
Park-Ride Lots - International	\$3.00	\$12.00

**Ground Transportation Rates**

The following table depicts the most current ground transportation fees at ATL.

<b>Ground Transportation Fees</b>	
Taxi	\$50 annually per vehicle + \$1.50 per trip
Off-Airport Parking	\$360 annually per vehicle + \$10 per space
Hotel	\$360 annually per vehicle + \$10 per room
Limousine	\$100 annually per vehicle + parking fees
Shared Ride	5 - 7% of gross sales
Charter	\$0.10 per seat per trip
Transportation Network Companies (TNC)	\$50 annually per vehicle + \$1.50 per trip
TNC Security Access Fee	\$2.35 per trip

**Operating Expense Budget**

The following two tables depict the operating expense budget in two separate views: by account group and by department.

**Operating Expense Budget by Account Group**

	FY2016	FY2017		FY18
	Actual	Budget	Projected	Budget
<b>Salaries &amp; Benefits:</b>				
Salaries	\$ 54,074,454	\$ 62,164,465	\$ 57,423,005	\$ 68,743,212
Overtime & Extra Help	7,350,813	6,989,247	8,968,368	6,919,881
Benefits	22,069,703	25,126,187	23,108,491	23,965,652
Other	4,937,658	4,383,975	4,923,785	4,061,352
<b>Total Salaries &amp; Benefits</b>	<b>88,432,628</b>	<b>98,663,874</b>	<b>94,423,648</b>	<b>103,690,097</b>
<b>3rd Party Operating &amp; Maintenance Contracts:</b>				
Parking Operations	29,119,119	31,180,635	29,169,246	32,428,860
Security (Access Control & Gate Guard)	10,331,813	16,750,000	9,639,102	15,508,904
Security Operations (Fingerprints & STA)	700,000	1,090,000		925,000
AGTS System	18,054,651	18,939,864	17,364,685	20,500,000
ATL SkyTrain (180602)	6,557,168	7,433,487	6,377,706	7,143,888
Customer Service	2,781,686	3,120,000	630,689	1,096,000
Rental Car Center Operations (180601)	2,566,780	3,100,000	2,756,553	3,500,000
CPTC Maintenance	2,818,791	4,000,000	4,991,989	5,416,132
<b>Total 3rd Party Op. &amp; Maint. Contracts</b>	<b>72,930,008</b>	<b>85,613,986</b>	<b>70,929,971</b>	<b>86,518,784</b>
<b>Other Contract Services:</b>				
Consulting Professional Services	22,370,515	41,121,300	40,613,702	52,471,448
Repair & Maintenance (Bldg. & Equip.)	1,995,837	4,077,901	3,017,914	5,852,294
Training Travel per Diem & Registration	1,108,903	1,582,527	1,307,382	2,135,889
Insurance	3,286,592	4,084,000	3,193,623	4,264,400
Other Purchased Contracted Services	10,323,946	14,193,478	10,606,736	13,897,068
<b>Total Purchased Contract Services</b>	<b>112,015,801</b>	<b>150,673,192</b>	<b>129,669,328</b>	<b>165,139,883</b>
<b>Supplies Consumable &amp; Non Consumable</b>	<b>3,063,118</b>	<b>4,781,127</b>	<b>4,114,953</b>	<b>5,734,206</b>
Utilities	8,864,945	8,905,409	8,789,797	8,847,734
Other Supply accounts	2,503,723	2,563,143	3,932,889	2,516,598
<b>Total Supply Accounts</b>	<b>14,431,786</b>	<b>16,249,679</b>	<b>16,837,639</b>	<b>17,098,538</b>
<b>Capital Expenses</b>	<b>405,044</b>	<b>276,985</b>	<b>401,999</b>	<b>928,942</b>
<b>Interfund Charges:</b>				
Indirect Costs	7,147,356	9,702,893	9,112,560	10,339,500
Motor Fuel/ Repair & Data Processing	4,134,588	3,480,204	2,325,391	3,934,068
<b>Total Interfund Charges</b>	<b>11,281,944</b>	<b>13,183,097</b>	<b>11,437,950</b>	<b>14,273,568</b>
<b>Other Costs:</b>				
Property Taxes	3,064,978	4,290,000	2,746,369	1,294,814
Other & Contingency	508,130	900,027	523,318	1,047,931
<b>Total Other Operating Costs</b>	<b>3,573,107</b>	<b>5,190,027</b>	<b>3,269,687</b>	<b>2,342,745</b>
<b>Subtotal</b>	<b>\$ 230,140,310</b>	<b>\$ 284,236,854</b>	<b>\$ 256,040,252</b>	<b>\$ 303,473,773</b>
<b>Major Maintenance Expenditures - P&amp;D</b>	<b>\$ 36,359,733</b>	<b>\$ 25,000,000</b>	<b>\$ 38,138,009</b>	<b>\$ 35,000,000</b>
<b>Total Operating Fund Expense Budget (5501)</b>	<b>\$ 266,500,043</b>	<b>\$ 309,236,854</b>	<b>\$ 294,178,261</b>	<b>\$ 338,473,773</b>

Operating Expense Budget by Department

	FY2016	FY2017		FY2018
	Actual	Budget	Projected	Budget
<b>DOA Executive</b>				
Office of the GM	\$ 1,672,416	\$ 1,874,800	\$ 1,923,478	\$ 2,147,041
Office of the Deputy GM	(7,118)	509	1,911	3,010
Policy and Communication	52,751	545,384	26,830	177,749
Business Ventures	688,878	4,257,007	2,937,061	2,794,522
Internal Audit	438,040	597,371	448,399	641,185
<b>Total DOA Executive</b>	<b>2,844,967</b>	<b>7,275,071</b>	<b>5,337,678</b>	<b>5,763,507</b>
<b>Human Resources/TSOD</b>				
Human Resources	513,724	458,827	371,394	632,592
Training and Safety	897,199	1,680,443	804,230	1,653,237
<b>Total Human Resources/TSOD</b>	<b>1,410,923</b>	<b>2,139,270</b>	<b>1,175,624</b>	<b>2,285,829</b>
<b>Marketing &amp; SHE</b>	<b>2,776,092</b>	<b>2,794,134</b>	<b>3,167,797</b>	<b>4,243,887</b>
<b>DIT - Aviation</b>	<b>9,890,820</b>	<b>14,514,227</b>	<b>11,586,918</b>	<b>20,252,441</b>
<b>CFO</b>				
CFO Executive	346,424	623,069	376,324	399,694
Accounting	759,549	1,940,122	1,658,748	1,320,518
Budgeting, Financial Analysis and Risk Mgmt.	4,790,550	5,361,695	6,995,078	9,572,304
Procurement	324,551	118,952	104,050	124,909
Unallocated Expenses	-	-	-	-
Treasury	500,268	474,755	438,149	478,085
<b>Total CFO</b>	<b>6,721,342</b>	<b>8,518,593</b>	<b>9,572,349</b>	<b>11,895,510</b>
<b>Planning and Development</b>				
Executive	704,736	1,079,314	797,073	1,164,636
Asset Management and Sustainability	2,964,426	3,559,162	118,749	1,452,104
Project Development	1,310,362	3,278,818	6,278,500	6,430,000
Facilities Management	6,501,319	8,500,000	2,404,505	4,414,262
Environmental & Planning	1,247,562	3,254,564	4,970,083	8,474,445
<b>Total Planning and Development</b>	<b>12,728,405</b>	<b>19,671,858</b>	<b>14,568,910</b>	<b>21,935,447</b>
<b>Operations, Maintenance &amp; Security</b>				
AGM Ops, Maint. & Trans	311,736	5,788,759	24,588,643	28,372,502
AGM Public Safety	416,953	546,259	507,084	534,062
Maintenance	30,439,601	32,355,657	25,033,640	25,238,350
Operations	13,032,998	9,689,923	8,165,005	11,841,351
Security	15,536,755	25,202,370	15,644,192	25,836,044
APM Systems	26,997,836	29,037,295	12,198,864	13,198,420
Ground Transportation	6,690,610	8,219,348	7,626,940	8,974,629
Customer Service	1,016,592	1,946,503	1,379,053	2,036,357
C4	1,843,097	2,073,359	2,134,520	3,031,885
DOA Fire Training	135,393	344,818	158,539	336,425
DOA VFH	-	-	-	1,993,844
Airport Fire	23,368,309	24,637,252	25,190,014	28,000,856
Airport Police	14,607,454	19,570,358	18,675,685	20,673,375
<b>Total Operations, Maintenance &amp; Security</b>	<b>134,397,334</b>	<b>159,411,901</b>	<b>141,302,179</b>	<b>170,068,100</b>
<b>Commercial Development</b>				
Commercial Development Executive	118,871	225,955	134,434	154,154
Parking	30,514,098	32,726,241	30,746,398	34,116,268
Concessions	966,315	1,907,292	1,067,481	3,184,452
Properties	3,022,488	3,107,568	1,505,291	610,883
Dawson County	370,116	510,000	504,611	472,945
Paulding County	306,142	360,000	319,529	386,550
New Business Development	1,733,793	3,225,763	1,003,883	1,772,058
<b>Total Commercial Development</b>	<b>37,031,823</b>	<b>42,062,819</b>	<b>35,281,626</b>	<b>40,697,310</b>
<b>City of Atlanta Cost Centers</b>				
Mayors Office	895,083	1,111,950	1,013,062	1,370,054
Department of Information Technology (AIMS)	568,863	839,708	464,063	490,915
Law	4,808,528	5,708,982	5,418,366	6,993,033
Department of Finance	427,494	547,672	426,958	559,384
Procurement	999,168	1,654,528	1,299,495	2,053,721
Human Resources Administration	1,815,951	2,127,504	1,928,853	2,150,891
Audit	730,720	1,095,245	617,030	928,380
Ethics	79,132	127,408	127,383	119,590
Pensioners & Dependent Exp	4,263,104	4,383,975	4,313,889	10,340,500
Other City Departments	7,750,561	10,252,009	18,493,074	2,196,254
<b>Total City of Atlanta Cost Centers</b>	<b>22,338,604</b>	<b>27,848,981</b>	<b>34,047,171</b>	<b>27,202,722</b>
<b>Total DOA Operating Expenses</b>	<b>\$ 230,140,310</b>	<b>\$ 284,236,854</b>	<b>\$ 256,040,252</b>	<b>\$ 304,344,753</b>



**Personnel**

The following table depicts the headcount by department for personnel included in the operating budget presented in previous tables.

	FY 2017	FY 2018
<b>DOA Executive, Audit Bus. Ventures Contracts, Communication</b>	35	30
<b>Human Resources /Training , Safety, &amp; Organizational</b>	3	4
<b>Development</b>		
<b>Public Affairs</b>	13	18
<b>ISD</b>	51	47
<b>CFO</b>	40	39
<b>Planning &amp; Development</b>	56	60
<b>Commercial Development</b>	40	44
<b>Operations, Maintenance, &amp; Transportation</b>		
Maintenance	183	188
Operations	58	56
APM Systems	3	3
Ground Transportation	15	16
Customer Service	8	9
<b>Total Operations, Maintenance, &amp; Transportation</b>	<b>267</b>	<b>272</b>
<b>Public Safety</b>		
Centralized Command & Control Center (C4)	26	26
Security	66	61
DOA Airport Fire Training	1	1
Airport Firefighting & EMS	247	246
Airport Police	214	215
<b>Total Public Safety</b>	<b>554</b>	<b>549</b>
<b>City of Atlanta Cost Centers</b>	<b>79</b>	<b>85</b>
<b>Total DOA Anticipated Staffing Levels</b>	<b>1138</b>	<b>1148</b>
<b>Total DOA Internal Operating Positions</b>	<b>598</b>	<b>602</b>
<b>Total DOA Capital Positions</b>	<b>49</b>	<b>49</b>
<b>Total Fire and Police Positions</b>	<b>461</b>	<b>461</b>
<b>Total DOA - Funded City Positions</b>	<b>79</b>	<b>85</b>
<b>Total DOA- Revenue Funded Positions</b>	<b>1187</b>	<b>1197</b>

**Cost Per Enplaned Passenger**

Airline rates and charges will continue to be charged per the standing airfield use agreements and CPTC lease agreements. Rates and charges associated with these agreements will continue to keep airline cost per enplaned passenger (CPE) at competitively low rates. The estimated airline CPE for FY17 and FY18 are displayed below.

	FY2016 Actual	FY2017 Budget	FY2017 Unaudited	FY2018 Budget
<b>Aeronautical Revenues</b>				
Landing fees	\$ 17,242,527	\$ 19,879,198	\$ 17,219,858	\$ 35,790,737
CPTC Rentals	143,018,419	156,854,595	148,546,045	208,143,171
(-) Concession Credits	(58,919,887)	(59,164,111)	(61,167,043)	(103,188,971)
Cost Recoveries	36,221,752	38,523,649	37,890,011	10,178,610
<b>Total Aeronautical Revenues</b>	<b>137,562,811</b>	<b>156,093,331</b>	<b>142,488,871</b>	<b>150,923,547</b>
<b>Non Airline Adjustments</b>				
Non-Airline Tenant Building Rents	(1,302,533)	(1,335,549)	(1,362,743)	(1,335,549)
Non Airline Tenant Apron Rents	(923,051)	(942,868)	(952,306)	(942,868)
Cargo Landing Fees	(993,695)	(1,059,407)	(705,290)	(1,059,407)
Non-Signatory Landing Fees	(208,470)	(268,841)	(248,943)	(242,214)
<b>Total Non-Airline Adjustments</b>	<b>(3,427,749)</b>	<b>(3,606,665)</b>	<b>(3,269,282)</b>	<b>(3,580,038)</b>
<b>Total Airline Payments to City of Atlanta</b>	<b>134,135,062</b>	<b>152,486,666</b>	<b>139,219,589</b>	<b>147,343,509</b>
<b>Airline Payments to non-City of Atlanta Entities</b>				
Terminal Operator	23,886,000	25,411,000	25,411,000	27,033,000
Common Use Operator	71,087,000	73,220,000	73,220,000	75,417,000
<b>Total Purchased Contract Services</b>	<b>94,973,000</b>	<b>98,631,000</b>	<b>98,631,000</b>	<b>102,450,000</b>
<b>Total All-in Airline Payments at ATL</b>	<b>\$ 229,108,062</b>	<b>\$ 251,117,666</b>	<b>\$ 237,850,589</b>	<b>\$249,793,509</b>
<b>Total Enplaned Passengers</b>	<b>51,807,746</b>	<b>53,150,000</b>	<b>52,097,740</b>	<b>54,500,000</b>
<b>CPE, City of Atlanta</b>	<b>\$ 2.59</b>	<b>\$ 2.87</b>	<b>\$ 2.67</b>	<b>\$ 2.70</b>
<b>CPE, All-in</b>	<b>\$ 4.42</b>	<b>\$ 4.72</b>	<b>\$ 4.57</b>	<b>\$ 4.58</b>



**ATL** | Department of  
Accounting and Finance  
*Long-Term Debt*



## **LONG-TERM DEBT**

## Long-Term Debt

### Overview

The City has issued various types of bonds on behalf of ATL which have been used to finance portions of ATL’s capital improvement plan (CIP). The various types of bonds outstanding include GARBs, PFC subordinate revenue bonds and CFC bonds. In August 2015, the City adopted the 2015 Airport Commercial Paper Program to bridge funds for the Terminal Modernization Project and help finance portions of ATL’s new Master Plan capital improvement plan (CIP). In addition, in March 2016, the City adopted the 2016 Bond Anticipation Notes (BAN's) to provide bridge financing for multiple Parking improvements at the Airport and help finance portions of ATL’s new Master Plan capital improvement plan (CIP). In 2015 and 2016 the City issued commercial paper and BAN's to provide bridge financing for new capital improvement plan (CIP) projects. Several projects are being initially funded with this bridge financing, including terminal modernization, parking improvements, Concourse T North Extension and other projects in the new CIP. This bridge financing is short-term in nature and will be refunded with future Airport bonds. All short-term notes are refunded with future Airport bonds. ATL’s debt program is guided by the City’s Master Bond Ordinance which authorizes the issuance of bonds and stipulates the conditions and requirements for these funds’ administration and use.

In addition, governing language is included in each bond issue’s official statement that establishes the use of all funds generated by each issue. Specifically for GARBs, these official statements contain provisions that state how much of the funds raised are apportioned to: (1) payment of project costs (deposits to the construction funds, reimbursements to the renewal and extension fund, and refunding of any outstanding notes), (2) deposits to the capitalized interest accounts to pay interest during construction; (3) payment of any bond insurance premiums; (4) deposits to the debt service reserve account (or payment of the costs of sureties) to meet debt service requirements; and (5) payment of underwriters’ discount, financing, legal and other issuance costs.

### Capital Finance

At the start of FY18, ATL’s debt consists of the following:

Government Airport Revenue Bonds	\$ 1,611,815,000
Passenger Facility Charge Hybrid Bonds	\$ 798,825,000
Customer Facility Charge Bonds	\$ 170,005,000
Commercial Paper (1 & 2)	\$ 146,926,000
Bond Anticipation Notes	\$ 300,000,000
Total Debt Outstanding	\$ 3,027,571,000

ATL’s PFC bonds are secured by a senior lien on PFC revenues. In general, the purpose of the PFC is to develop additional capital funding sources to provide for the expansion and improvements

of the national airport system. The proceeds from PFCs must be used to finance eligible Airport-related projects as prescribed by the FAA.

ATL engages in the use of hybrid bonds as a source of capital funding. Hybrid bonds are those that are not subordinate lien bonds and either (a) have no senior lien on any revenues, (b) have no lien on any revenues, or (c) have a senior on some revenues in addition to a subordinate lien on some revenues. The latter is the case for ATL. All of ATL's PFC bonds were issued as hybrid bonds secured by a senior lien on PFC revenues and a subordinate lien on general revenues. The PFC revenue hybrid bonds were issued in 2010 and 2014 for: (1) payment of project costs – deposits to the construction funds and reimbursements to the renewal and extension fund, (2) payment of bond insurance premiums, (3) payment of the cost of sureties to meet debt service reserve requirements, (4) payment of bond discount, financing, legal and other issuance expenses.

Another capital financing vehicle is that of CFC bonds. ATL issued such bonds in 2006, utilizing the proceeds to fund the construction of the RCC and SkyTrain maintenance facility. The debt service period on the bonds is 25 years ending in 2031. Prior to the issuance of these bonds, the City of Atlanta adopted an ordinance (12/6/04) that required all rental car companies that rent passenger vehicles to customers at ATL to collect and remit a CFC. In September 2005, the Atlanta City Council adopted an ordinance that established the CFC at \$4 per rental car transaction day, increasing to \$5 beginning in FY11. The rental car companies are required to add the CFC to each rental contract and hold the CFC collections in trust and remit them to ATL.

As a part of the CFC bond offering, the City entered into a purchase agreement. The purchase agreement constituted a released revenue bond. Released revenue bonds are bonds secured by a senior lien on released revenues which are excluded from ATL's general revenues. The City has pledged (11th Supplemental Bond Ordinance) all CFC revenues for the payment of its installment obligations pursuant to the purchase agreement. The City's Supplemental Bond Ordinance contains a provision known as the "Rate Covenant," which states that as long as any released CFC bonds remain outstanding, the City is required to set the CFC – and adjust it annually if necessary – to generate CFC coverage revenues in each fiscal year equal to at least 125 percent of the annual debt service requirement on all released CFC bonds. Any CFC revenues remaining after the completion of all the deposits required under the provisions of the City's Supplemental Bond Ordinance are to be deposited into the CFC surplus fund (5512). All moneys retained in the CFC surplus fund shall be used to prevent payment defaults on ATL's Series 2006A and 2006B bonds.

Other sources of capital financing for ATL are commercial paper and bond anticipation notes (BANs). Commercial paper is a money market security, issued and sold by large banks and corporations to get money to meet short-term debt obligations. Commercial paper is only backed by an issuing bank or corporation's promise to pay the face amount on the maturity date specified on the note. Bond Anticipation Notes are interest-bearing security issued advance of a larger, future bond issues. Corporations and governments such as local municipalities use bond anticipation notes as short-term financing with the expectation that the proceeds of the larger, future bond issues will cover the anticipation notes. In FY 2016, the City adopted \$450 million in

Commercial Paper and \$300 million in BANS with expectation that these short-term notes will be taken out with future bond issues. Both short-term notes were issued to bridge funding for the Airport’s new Master Plan capital improvement plan (CIP). In FY 2017, the City adopted an additional \$225 million in Commercial Paper to help bridge the remaining funding needed for the Airports new Master Plan capital improvement plan (CIP).

**Debt Service Coverage**

	FY2016	FY2017		FY2018
	Actual	Budget	Unaudited	Budget
<b>Operating Revenues</b>				
Aeronautical Revenues	\$ 165,690,277	\$ 181,639,002	\$ 172,755,720	\$ 180,355,813
Non-Aeronautical Revenues	317,729,213	324,055,592	324,835,948	328,096,662
<b>Total Operating Revenues</b>	<b>483,419,490</b>	<b>505,694,594</b>	<b>497,591,668</b>	<b>508,452,475</b>
<b>Operating Expenses</b>				
Salaries & Benefits	88,432,628	98,663,874	94,493,838	103,690,097
3rd Party Operating & Maintenance Contracts	72,930,008	85,613,986	70,929,971	86,518,784
Consulting & Other Contracted Services	39,085,788	65,059,189	58,739,357	78,621,099
Utilities	8,864,945	8,905,409	8,789,797	8,847,734
Indirect Costs to the City of Atlanta	7,147,356	9,702,893	9,112,560	10,339,500
Other Operating Expenses	13,679,580	15,456,558	14,044,919	15,456,558
Major Maintenance Expenditures - Planning & Dev.	36,359,733	25,000,000	38,138,009	35,000,000
<b>Total Operating Expenses</b>	<b>266,500,038</b>	<b>308,401,909</b>	<b>294,248,451</b>	<b>338,473,772</b>
<b>Operating Income (Funds Available For Debt Service)</b>	<b>216,708,462</b>	<b>194,478,535</b>	<b>203,414,946</b>	<b>169,978,703</b>
<b>GARB Debt Service</b>				
Principal Payments	80,600,000	83,945,000	83,945,000	88,180,000
Interest	87,951,975	84,005,713	84,130,531	79,784,094
Funded via Passenger Facility Charges (PFCs)	(46,674,930)	(30,288,606)	(28,317,802)	(25,309,632)
Capitalized Interest	-	-	-	-
Commercial Paper Fees	2,128,699	2,128,699	2,553,660	3,217,500
Bond Anticipation Notes	2,128,699	2,525,000	2,984,774	2,525,000
<b>Total GARB Debt Service</b>	<b>126,134,443</b>	<b>142,315,806</b>	<b>145,296,163</b>	<b>148,396,962</b>
<b>Operating Income less GARB Debt Service</b>	<b>94,831,417</b>	<b>52,162,729</b>	<b>58,118,783</b>	<b>20,710,760</b>
<b>Operating-Type Projects</b>	<b>36,359,733</b>	<b>25,000,000</b>	<b>43,852,000</b>	<b>35,000,000</b>
<b>Net Amount Available for Future R&amp;E</b>	<b>\$ 131,191,150</b>	<b>\$ 77,162,729</b>	<b>\$ 101,970,783</b>	<b>\$ 55,710,760</b>

The exhibit above offers a snapshot view of revenues, expenses and debt service. Operating income (operating revenue less operating expenses) makes available \$169.9 million to handle the year’s debt service requirement of \$148.4 million. Funds available exceed the debt service requirement by \$21.6 million, which will be made available for future capital projects. Effective January 2015, the City authorized PFC pay-as-you-go funds to pay the remaining GARB debt service applicable to the 5<sup>th</sup> Runway project, which is approximately \$25.3 million annually. This amount reduces the total debt service costs in the debt service coverage calculation.

**Debt Service Requirements and Debt Service Coverage**

ATL’s FY18 debt service requirement is expected to total \$148.4 million, which includes \$5.7 million in anticipated commercial paper and bond anticipation note fees, with coverage forecasted to be 1.5 times, representing a slight change from coverage factors in FY17 and FY16 Budget. An anticipated \$30.1 million growth in operating expenses, \$2.76 million increase in



operating revenues and a \$6.1 million increase in debt services for FY18 are the key components of the change in debt service coverage.

	FY16	FY17		FY18
	Actuals	Budget	Unaudited	Budget
<b>Operating Revenue</b>	<b>483.20</b>	<b>503.71</b>	<b>497.94</b>	<b>508.45</b>
<b>(+) Investment Income</b>	<b>10.60</b>	<b>8.00</b>	<b>14.79</b>	<b>8.00</b>
<b>(-) Operating Expenses</b>	<b>252.40</b>	<b>309.23</b>	<b>307.98</b>	<b>338.50</b>
<b>(+) </b>	<b>28.20</b>	<b>25.00</b>	<b>43.85</b>	<b>35.00</b>
<b>(=) Operating Income</b>	<b>269.60</b>	<b>227.48</b>	<b>248.60</b>	<b>212.95</b>
<b>(/) GARB Debt Service</b>	<b>121.87</b>	<b>142.31</b>	<b>139.75</b>	<b>142.65</b>
<b>GARB Debt Service Coverage</b>	<b>2.21</b>	<b>1.60</b>	<b>1.78</b>	<b>1.50</b>

Note: In March 2014, ATL refunded several outstanding bond issuances. The FY15 debt service calculation includes the decrease in revenue and debt service payments associated with the 2014 refunding. The FY 2016 GARB debt service calculations include AIP #11 - 5th runway as being paid using PFC pay-as-you-go funds. The annual debt service amount is approximately \$25.3 million. The FY 2018 debt service includes the Commercial paper and Bond Anticipation Note Fees.

**Debt Service Requirements FY 2018**

**General Airport Revenue Bonds (GARBs)**

	Principal	Interest	Fees	Total Debt Service	Less Capitalized Interest from GARB Proceeds	Less Capitalized Interest from PFCs	Debt Service for Coverage Calculation
<b>2010 Series Bonds</b>							
Series 2010A	\$ 3,935,000	\$ 8,025,494	\$ -	\$ 11,960,494	\$ -	\$ -	\$ 11,960,494
Series 2010C (NON-AMT)	\$ 22,375,000	\$ 21,729,100	\$ -	\$ 44,104,100	\$ -	\$ -	\$ 44,104,100
<b>Total 2010 Series Bonds</b>	<b>\$ 26,310,000</b>	<b>\$ 29,754,594</b>	<b>\$ -</b>	<b>\$ 56,064,594</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,064,594</b>
<b>2011 Series Bonds</b>							
Series 2011A (NON-AMT)	\$ 25,705,000	\$ 6,540,300	\$ -	\$ 32,245,300	\$ -	\$ -	\$ 32,245,300
Series 2011B (AMT)	\$ 2,220,000	\$ 8,597,250	\$ -	\$ 10,817,250	\$ -	\$ -	\$ 10,817,250
<b>Total 2011 Series Bonds</b>	<b>\$ 27,925,000</b>	<b>\$ 15,137,550</b>	<b>\$ -</b>	<b>\$ 43,062,550</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,062,550</b>
<b>2012 Series Bonds</b>							
Series 2012A (Non-AMT)	\$ 1,335,000	\$ 2,845,625	\$ -	\$ 4,180,625	\$ -	\$ -	\$ 4,180,625
Series 2012B (Non-AMT)	\$ 3,625,000	\$ 8,705,875	\$ -	\$ 12,330,875	\$ -	\$ -	\$ 12,330,875
Series 2012C (AMT)	\$ 4,460,000	\$ 10,568,450	\$ -	\$ 15,028,450	\$ -	\$ -	\$ 15,028,450
<b>Total 2012 Series Bonds</b>	<b>\$ 9,420,000</b>	<b>\$ 22,119,950</b>	<b>\$ -</b>	<b>\$ 31,539,950</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 31,539,950</b>
<b>2014 Series Bonds</b>							
Series 2014B (NON-AMT)	\$ 5,185,000	\$ 6,911,875	\$ -	\$ 12,096,875	\$ -	\$ -	\$ 12,096,875
Series 2014C (AMT)	\$ 19,340,000	\$ 5,860,125	\$ -	\$ 25,200,125	\$ -	\$ -	\$ 25,200,125
<b>Total 2014 Series Bonds</b>	<b>\$ 24,525,000</b>	<b>\$ 12,772,000</b>	<b>\$ -</b>	<b>\$ 37,297,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 37,297,000</b>
GARB Commerical Paper Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GARB Bond Anticipation Notes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
GARB Debt Service covered by PFCs <sup>1</sup>							
<b>Total General Airport Revenue Bond:</b>	<b>\$ 88,180,000</b>	<b>\$ 79,784,094</b>	<b>\$ -</b>	<b>\$ 167,964,094</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 167,964,094</b>

**Passenger Facility Charge (PFC) Hybrid Bonds**

	Principal	Interest	Fees	Total Debt Service	Less Capitalized Interest from GARB Proceeds	Less Capitalized Interest from PFCs	Debt Service for Coverage Calculation
<b>2010 Series Bonds</b>							
Series 2010B (NON-AMT)	\$ 31,145,000	\$ 12,979,563	\$ -	\$ 44,124,563	\$ -	\$ -	\$ 44,124,563
<b>Total 2010 Series Bonds</b>	<b>\$ 31,145,000</b>	<b>\$ 12,979,563</b>	<b>\$ -</b>	<b>\$ 44,124,563</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,124,563</b>
<b>2014 Series Bonds</b>							
Series 2014A (NON-AMT)	\$ -	\$ 25,791,040	\$ -	\$ 25,791,040	\$ -	\$ -	\$ 25,791,040
<b>Total 2014 Series Bonds</b>	<b>\$ -</b>	<b>\$ 25,791,040</b>	<b>\$ -</b>	<b>\$ 25,791,040</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 25,791,040</b>
<b>Total PFC Hybrid Bonds</b>	<b>\$ 31,145,000</b>	<b>\$ 38,770,603</b>	<b>\$ -</b>	<b>\$ 69,915,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 69,915,603</b>

**Customer Facility Charge (CFC) Bonds**

	Principal	Interest	Fees	Total Debt Service	Less Capitalized Interest from GARB Proceeds	Less Capitalized Interest from PFCs	Debt Service for Coverage Calculation
<b>2006 Series Bonds</b>							
Series 2006A (TAXABLE)	\$ 7,540,000	\$ 8,984,888	\$ -	\$ 16,524,888	\$ -	\$ -	\$ 16,524,888
Series 2006B (NON-AMT)	\$ 810,000	\$ 647,163	\$ -	\$ 1,457,163	\$ -	\$ -	\$ 1,457,163
<b>Total 2006 Series Bonds</b>	<b>\$ 8,350,000</b>	<b>\$ 9,632,051</b>	<b>\$ -</b>	<b>\$ 17,982,051</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,982,051</b>
<b>Total CFC Bonds</b>	<b>\$ 8,350,000</b>	<b>\$ 9,632,051</b>	<b>\$ -</b>	<b>\$ 17,982,051</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,982,051</b>
<b>Total For All Bond Types</b>	<b>\$ 127,675,000</b>	<b>\$ 128,186,747</b>	<b>\$ -</b>	<b>\$ 255,861,747</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 255,861,747</b>

<sup>1</sup> GARB debt service related to AIP #11 - 5th runway is being paid using PFC pay-as-you-go funds. The annual debt service amount is approximately \$25.3 million dollars. This amount is reduced from GARB debt service for debt service coverage calculation purposes.

**Outstanding Debt as of July 1, 2017**

General Airport Revenue Bonds (GARBs)							
	Authorized	Retired	Refunding	2010 Refunding	2012 Refunding	2014 Refunding	Balance Outstanding
<b>2010 Series Bonds</b>							
Series 2010A	\$ 177,990,000	\$ 14,180,000	\$ -	\$ -	\$ -	\$ -	\$ 163,810,000
Series 2010C (NON-AMT)	\$ 524,045,000	\$ 114,575,000	\$ -	\$ -	\$ -	\$ -	\$ 409,470,000
<b>Total 2010 Series Bonds</b>	<b>\$ 702,035,000</b>	<b>\$ 128,755,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 573,280,000</b>
<b>2011 Series Bonds</b>							
Series 2011A (NON-AMT)	\$ 224,195,000	\$ 79,760,000	\$ -	\$ -	\$ -	\$ -	\$ 144,435,000
Series 2011B (AMT)	\$ 216,195,000	\$ 42,640,000	\$ -	\$ -	\$ -	\$ -	\$ 173,555,000
<b>Total 2011 Series Bonds</b>	<b>\$ 440,390,000</b>	<b>\$ 122,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 317,990,000</b>
<b>2012 Series Bonds</b>							
Series 2012A (Non-AMT)	\$ 63,695,000	\$ 3,390,000	\$ -	\$ -	\$ -	\$ -	\$ 60,305,000
Series 2012B (Non-AMT)	\$ 184,660,000	\$ 8,730,000	\$ -	\$ -	\$ -	\$ -	\$ 175,930,000
Series 2012C (AMT)	\$ 225,740,000	\$ 11,110,000	\$ -	\$ -	\$ -	\$ -	\$ 214,630,000
<b>Total 2012 Series Bonds</b>	<b>\$ 474,095,000</b>	<b>\$ 23,230,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 450,865,000</b>
<b>2014 Series Bonds</b>							
Series 2014B (NON-AMT)	\$ 141,005,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ 140,830,000
Series 2014C (AMT)	\$ 181,875,000	\$ 53,025,000	\$ -	\$ -	\$ -	\$ -	\$ 128,850,000
<b>Total 2014 Series Bonds</b>	<b>\$ 322,880,000</b>	<b>\$ 53,200,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 269,680,000</b>
<b>Total General Airport Revenue Bonds</b>	<b>\$ 1,939,400,000</b>	<b>\$ 327,585,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,611,815,000</b>
Passenger Facility Charge (PFC) Hybrid Bonds							
	Authorized	Retired	Refunding	2010 Refunding	2012 Refunding	2014 Refunding	Balance Outstanding
<b>2010 Series Bonds</b>							
Series 2010B (NON-AMT)	\$ 409,810,000	\$ 134,590,000	\$ -	\$ -	\$ -	\$ -	\$ 275,220,000
<b>Total 2010 Series Bonds</b>	<b>\$ 409,810,000</b>	<b>\$ 134,590,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 275,220,000</b>
<b>2014 Series Bonds</b>							
Series 2010A (NON-AMT)	\$ 523,605,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523,605,000
<b>Total 2014 Series Bonds</b>	<b>\$ 523,605,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 523,605,000</b>
<b>Total PFC Hybrid Bonds</b>	<b>\$ 933,415,000</b>	<b>\$ 134,590,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 798,825,000</b>
Customer Facility Charge (CFC) Bonds							
	Authorized	Retired	Refunding	2010 Refunding	2012 Refunding	2014 Refunding	Balance Outstanding
<b>2006 Series Bonds</b>							
Series 2006A (TAXABLE)	\$ 211,880,000	\$ 57,010,000	\$ -	\$ -	\$ -	\$ -	\$ 154,870,000
Series 2006B (NON-AMT)	\$ 21,980,000	\$ 6,845,000	\$ -	\$ -	\$ -	\$ -	\$ 15,135,000
<b>Total 2006 Series Bonds</b>	<b>\$ 233,860,000</b>	<b>\$ 63,855,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,005,000</b>
<b>Total CFC Bonds</b>	<b>\$ 233,860,000</b>	<b>\$ 63,855,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 170,005,000</b>
<b>Total For All Bond Types</b>	<b>\$ 3,106,675,000</b>	<b>\$ 526,030,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,580,645,000</b>

**Interim Financing**

**Commercial Paper<sup>1</sup>**

	Authorized	Remaining Capacity	Balance Outstanding
<b>Airport General Revenue Commercial Paper Notes</b>			
Series D	\$ 225,000,000	\$ 151,560,000	\$ 73,440,000
Series E	\$ 225,000,000	\$ 151,514,000	\$ 73,486,000
<b>Total Commercial Paper Program</b>	<b>\$ 450,000,000</b>	<b>\$ 303,074,000</b>	<b>\$ 146,926,000</b>

**Bond Anticipation Notes<sup>2</sup>**

	Authorized	Remaining Capacity	Balance Outstanding
<b>Airport General Revenue Bond Anticipation Notes</b>			
Series A (NON-AMT)	\$ 150,000,000	\$ -	\$ 150,000,000
Series B (AMT)	\$ 150,000,000	\$ -	\$ 150,000,000
<b>Total Bond Anticipation Notes</b>	<b>\$ 300,000,000</b>	<b>\$ -</b>	<b>\$ 300,000,000</b>

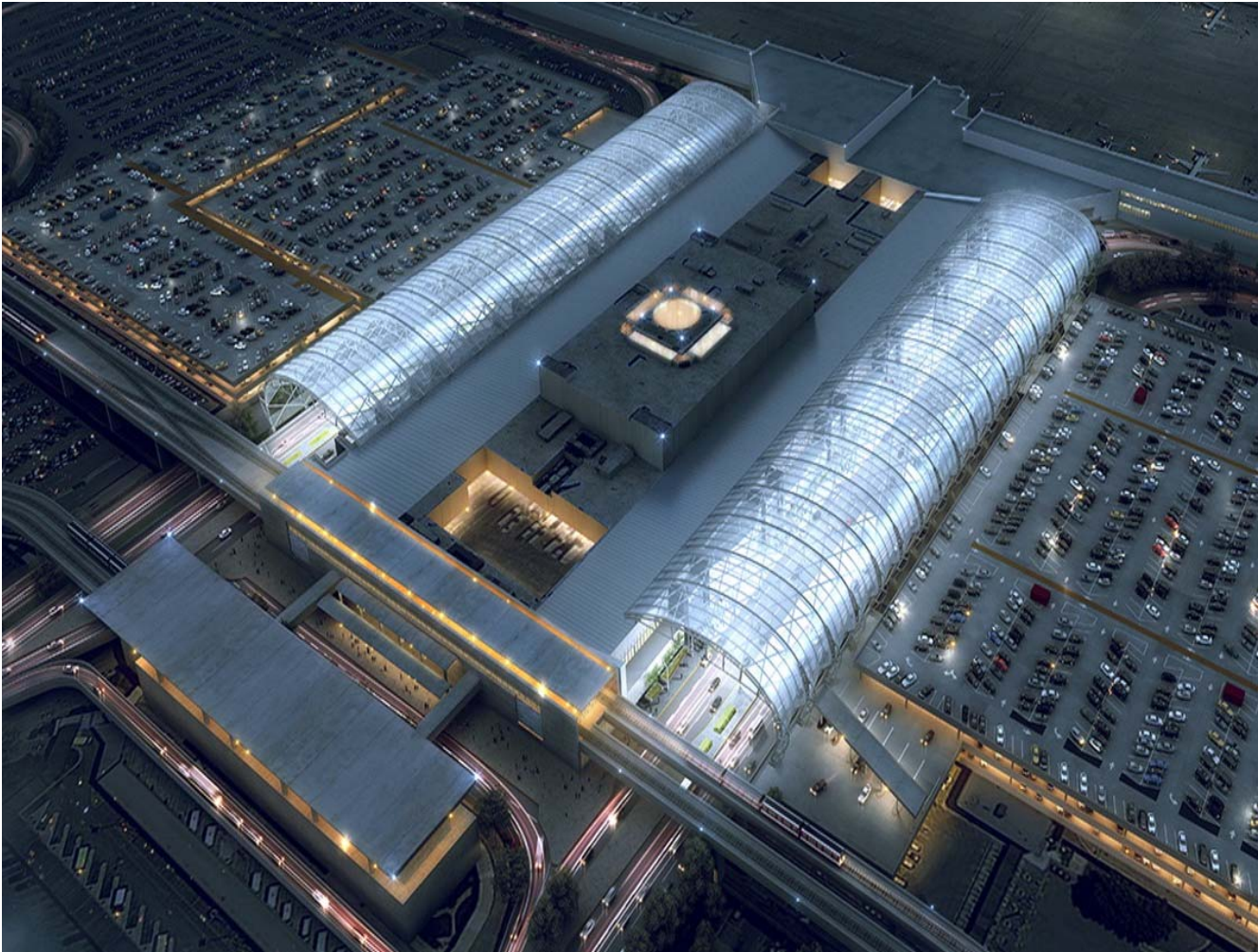
**Commercial Paper<sup>3</sup>**

	Authorized	Remaining Capacity	Balance Outstanding
<b>Airport General Revenue Commercial Paper Notes</b>			
Series F	\$ 100,000,000	\$ 100,000,000	\$ -
Series G	\$ 125,000,000	\$ 125,000,000	\$ -
<b>Total Commercial Paper Program</b>	<b>\$ 225,000,000</b>	<b>\$ 225,000,000</b>	<b>\$ -</b>

<sup>1</sup> Although commercial paper is not normally considered long-term debt, the DOA is currently financing projects on an interim basis with the CP. Since 100% of this CP will be taken out with future bond issues, it has been included here as long-term debt.

<sup>2</sup> Although bond anticipation notes are not normally considered long-term debt, the DOA is currently financing projects on an interim basis with the BANs. Since 100% of the BANs will be taken out with future bond issues, it has been included here as long-term debt.

<sup>3</sup> Although commercial paper is not normally considered long-term debt, the DOA is currently financing projects on an interim basis with the CP. Since 100% of this CP will be taken out with future bond issues, it has been included here as long-term debt.



 | Department of  
Accounting and Finance  
*Capital Budget*



## **Capital Budget**

### **Overview**

ATL is currently executing its capital improvement plan (CIP), ATLNext, which will address capital needs through 2035. The current plan will be funded through a combination of proceeds including GARBs, PFC hybrid revenue bonds, federal grants-in-aid, PFC pay-as-you-go revenues, CFC revenues and other Airport renewal and extension funds. The CIP includes several major projects, including: (1) Sixth Runway; (2) Airfield Improvements; (3) 9L End-Around Taxiway; (4) Central Passenger Terminal Complex (CPTC) Modifications and Upgrades; (5) Concourse G; (6) Automated Guideway Transit System (AGTS) Improvements and Upgrades; (7) North and South Domestic Terminal Parking Reconstruction; and (8) New Cargo Facilities.

**Capital Budget**

ATL’s CIP budget for FY18 totals \$218.3 million. While not all of this amount will be spent in FY18, City of Atlanta code requires the Airport to encumber this full amount in the current fiscal year. A breakdown of the FY18 capital projects, and their anticipated funding sources, is provided in the following table.

FY18 Capital Improvement Project Funding					
Project Name	Total FY2018 Budget	Previously Budgeted or To Be Budgeted in the Future	PFCs	R&E	Total
Managing General Contractors (MGCs) Pool Account	\$ 8,000,000	\$ 8,000,000		-	-
Tech Campus Improvements	\$ 2,000,000	\$ 2,000,000		-	-
Emergency Backup Power for AVS UPS's System at Concourses A, B, C, D & E	\$ 550,000	\$ 550,000		-	-
Water Intrusion Concourse F	\$ 1,000,000	\$ 1,000,000		-	-
HBS Controls Maintenance Agreement	\$ 300,000	\$ 300,000		-	-
Motor Transport Building Rehab.	\$ 500,000	\$ 150,000		350,000	350,000
Perimeter Intrusion Detection	\$ 10,000,000	\$ 10,000,000	-		-
Airfield Repairs 2018	\$ 5,000,000			5,000,000	5,000,000
On-Call Airfield Markings	\$ 1,500,000			1,500,000	1,500,000
Airfield Ground Lighting Cable Replacement	\$ 8,371,000	\$ 8,371,000	-		-
Reconstruction of City North Ramp Phase 1	\$ 20,000,000	\$ 4,388,404	15,611,596		15,611,596
Airfield Shoulder Replacement 2017	\$ 5,000,000	\$ 5,000,000	-		-
Runway 9L End-Around Taxiway Phase 1	\$ 12,885,021			12,885,021	12,885,021
TW & RW 9L Pavement Replacement	\$ 21,508,333	\$ 20,708,333		800,000	800,000
Runway 9L/27R Safety Area Improvements	\$ 6,291,667			6,291,667	6,291,667
Quarry Stabilization and Wildlife Deterrent	\$ 3,000,000	\$ 3,000,000	-		-
AMS - JOC (Design & Build)	\$ 3,126,572			3,126,572	3,126,572
AERO	\$ 1,000,000	\$ 1,000,000			-
North Cargo - AMS	\$ 2,800,000			2,800,000	2,800,000
CPTC Emergency System Compliance with NFPA and NEC	\$ 2,500,000			2,500,000	2,500,000
Customer Services Reps - LMOD	\$ 1,200,000			1,200,000	1,200,000
CPTC R&R	\$ 2,500,000			2,500,000	2,500,000
Plane Train Tunnel West Extension Phase 1	\$ 77,000,000		77,000,000		77,000,000
C-4 Expansion	\$ 6,000,000			6,000,000	6,000,000
Airline Liaison Team (ALT)	\$ 3,000,000			\$ 3,000,000	\$ 3,000,000
Construction Management	\$ 12,000,000			\$ 12,000,000	\$ 12,000,000
Program Management	\$ 23,000,000	\$ 3,000,000		\$ 20,000,000	\$ 20,000,000
On-Call Design	\$ 9,150,761			\$ 9,150,761	\$ 9,150,761
Planning	\$ 9,500,000			\$ 9,500,000	\$ 9,500,000
AMS - Assessments	\$ 1,350,000	\$ 700,000		\$ 650,000	\$ 650,000
AMS - Planning	\$ 1,026,000			\$ 1,026,000	\$ 1,026,000
AMS - Sustainability	\$ 1,380,000			\$ 1,380,000	\$ 1,380,000
Testing/QA	\$ 5,500,000			\$ 5,500,000	\$ 5,500,000
Survey Services	\$ 100,000			\$ 100,000	\$ 100,000
TAB Services	\$ 75,000			\$ 75,000	\$ 75,000
Electrical Services	\$ 250,000			\$ 250,000	\$ 250,000
Scanning Services	\$ 200,000			\$ 200,000	\$ 200,000
P&D (Capital) O&M	\$ 6,100,000	\$ 2,174,600		\$ 3,925,400	\$ 3,925,400
OCIP program	\$ 14,000,000			\$ 14,000,000	\$ 14,000,000
Total Consultants and Other	\$ 86,631,761	\$ 70,342,337	\$ 92,611,596	\$ 125,710,421	\$ 218,322,017
<b>TOTAL BUDGET</b>	<b>\$ 86,631,761</b>	<b>\$ 70,342,337</b>	<b>\$ 92,611,596</b>	<b>\$ 125,710,421</b>	<b>\$ 218,322,017</b>