

welcome to

BROWARD
COUNTY
FLORIDA



welcome to
FLL

FLL

Broward County Aviation Department Recommended Budget Fiscal Year 2020





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Key Operating Budget Highlights



FY 2020 Key Operating Budget Highlights



■ Airline Activity

- Total passenger enplanements are budgeted to increase by 5.6% to 19.4 million in FY 2020.
- FY 2019 passenger enplanements are forecasted at 18.4 million which is 2.0 million greater than budget as airlines did not reduce schedules as anticipated for the North runway closure.

■ Financial Performance

- Total operating revenue is budgeted to increase by 18.4% compared to FY 2019's budget.
- Total operating expense is budgeted to increase by 15.0% compared to FY 2019's budget.
- Operating income before depreciation is budgeted to increase by 25.6% in FY 2020 to \$121.2 million.

■ Debt Service

- \$370 million bond issue to support the capital improvement plan.
- \$75 million refunding bond issue will save approximately \$2.0 million per year.

FY 2020 Key Operating Budget Highlights (cont.)



■ Cost Per Enplanement (CPE) and Rates & Charges

- CPE for FY 2020 is budgeted at \$7.70 which is \$0.27 or, 3.7% higher than FY 2019' s budget.
- CPE compares favorably to an industry average for large hub airports of \$10.20*.
- Landing fees will be lower by 12.8% in FY 2020 due to greater airline activity.
- Terminal rents will be 17.3% higher because of additional debt service and operating expenses.

■ Capital Improvement Plan

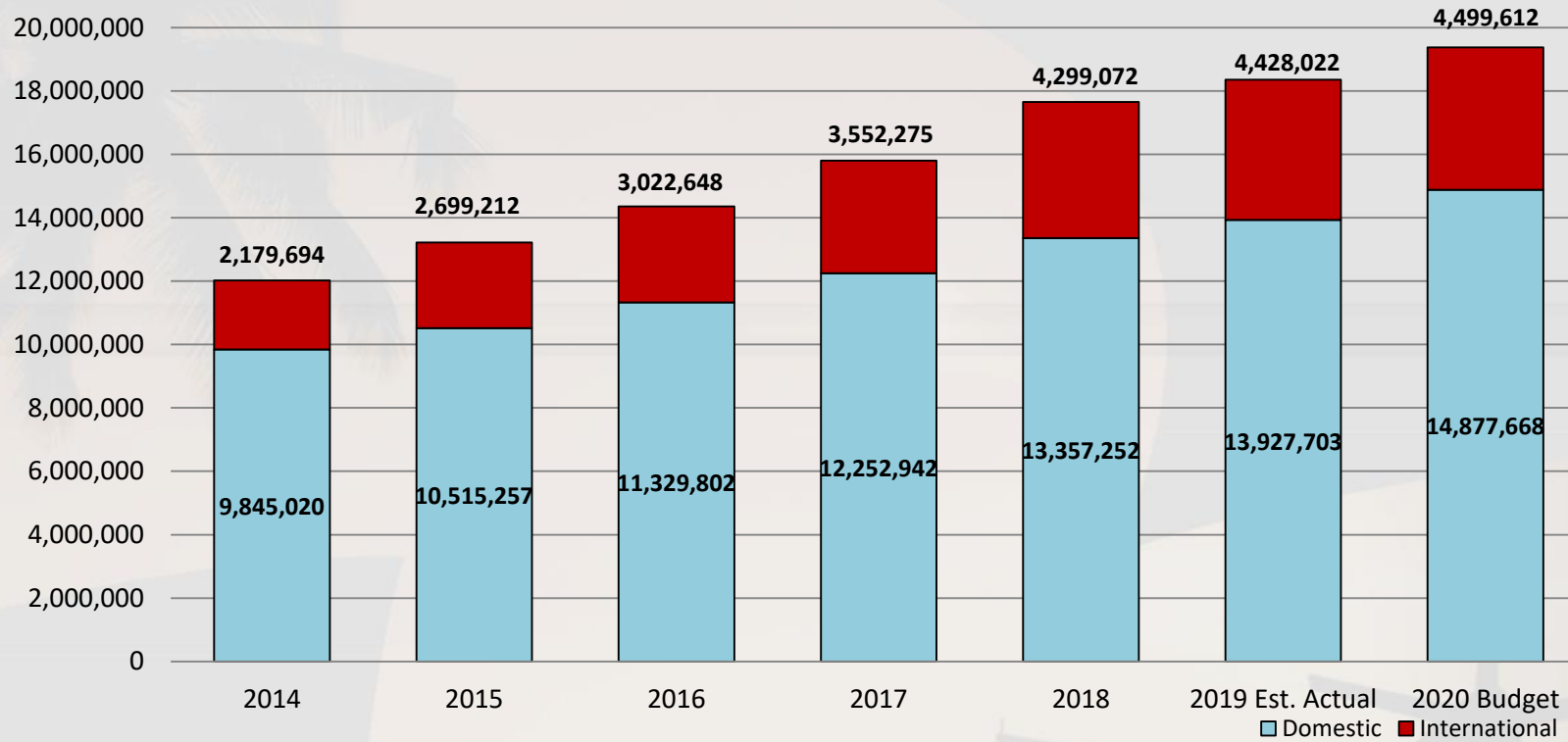
- Complete the FIS facility expansion.
- Complete Concourse G construction and open two additional gates.
- Complete the design for the 5-gate facility.
- Begin programming Master Plan implementation.

*Standard & Poor's

Airline Activity



Passenger Enplanement Trend



- FY 2019 passenger enplanements forecasted to be 18.4 million, + 4% higher than 2018 and + 11.6% higher than budget.
- FY 2020 passenger enplanements expected to grow to 19.4 million or, + 5.6% above forecast for FY 2019.
 - CAGR from 2014 to 2018 was 10.1%.

“By the Numbers”



- In 2018, FLL was the fastest growing Large Hub airport in the U.S. with 35.9 million passengers, up 10.6%.
- 2019 year-to-date:
 - FLL ranks 16th in total passenger traffic for the NAM. Busier than Philadelphia, Detroit, and Baltimore to name a few.
 - FLL ranks 9th for international passengers which is more than LaGuardia, Baltimore, San Diego, Tampa, Phoenix, and Washington National.....combined.
- FLL has had 5 consecutive years of double digit growth in international traffic.
- 84% of FLL's passengers begin or end their flight here.



New Air Service in 2019...(so far)



Vancouver (Dec)



Denver (Mar)



St. Johns (Mar)



Phoenix (Feb)

Raleigh Durham (May)

Charlotte (Jun)

Austin (Feb)

Jacksonville (Feb)

Pensacola (Feb)

Daytona Beach (Jan)

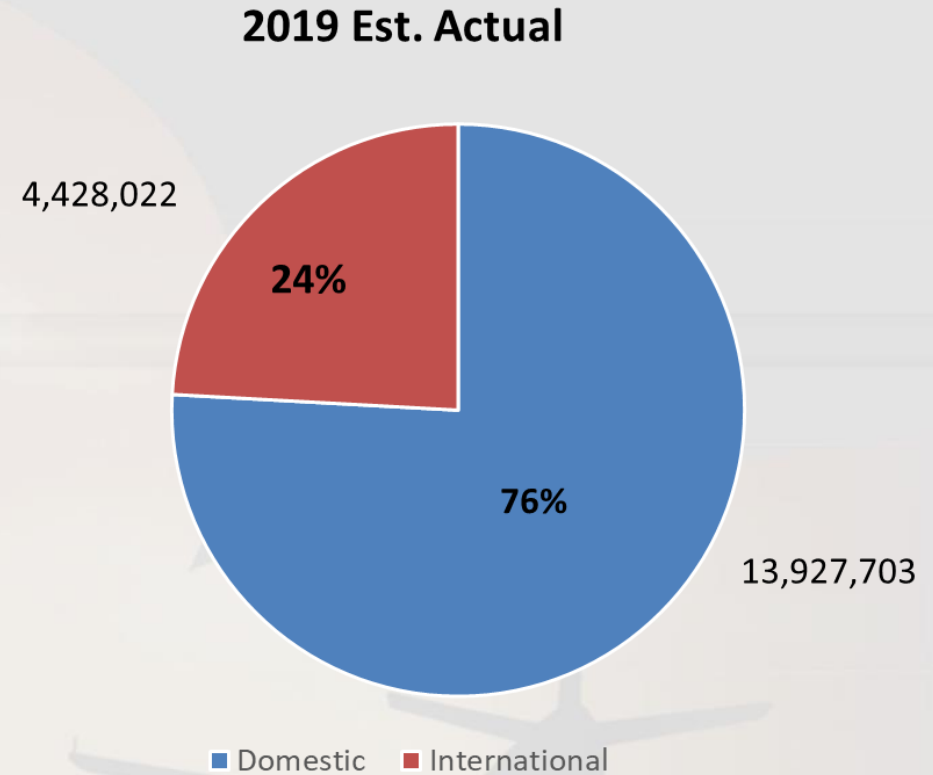
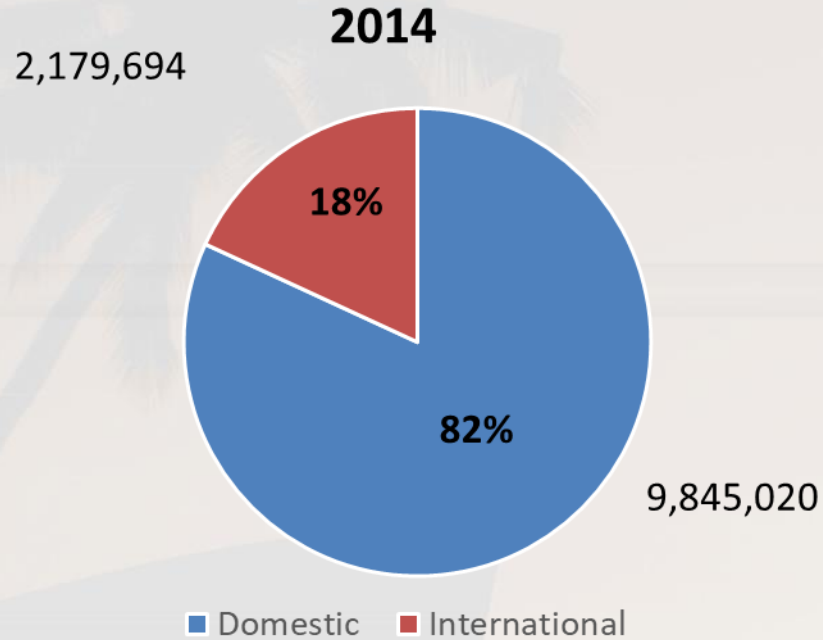


St. Maartin (Feb)

Guayaquil (Feb)

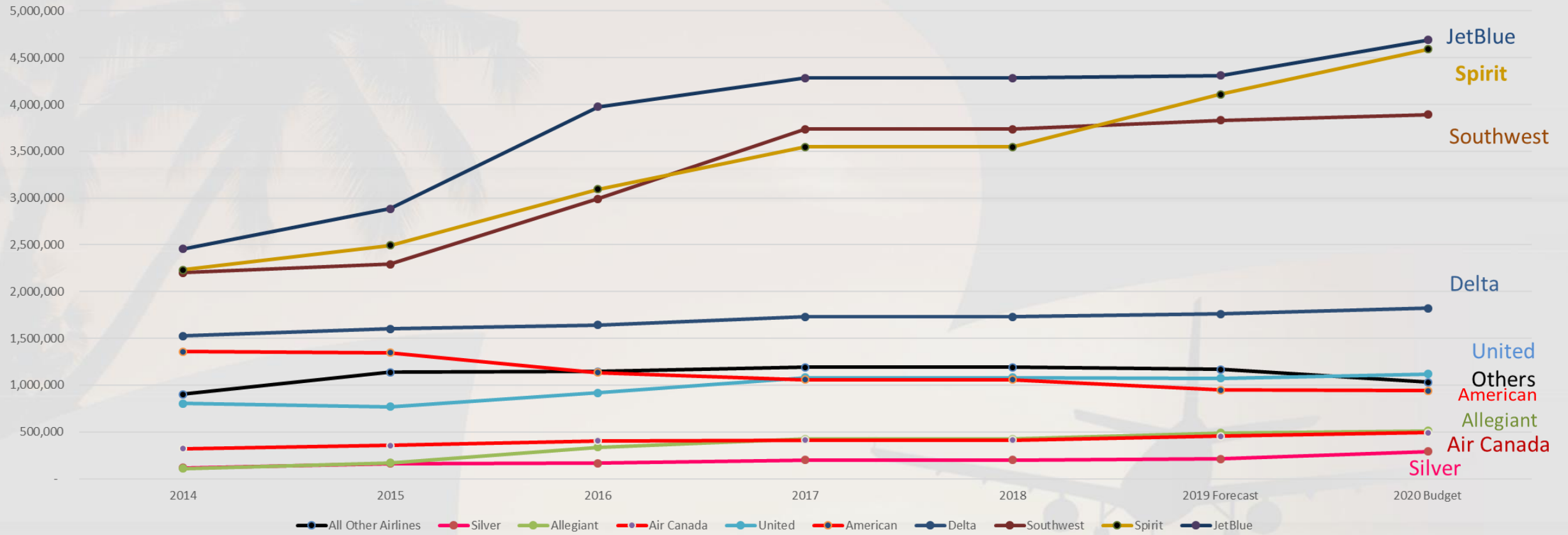


Passenger Enplanements



- International passenger enplanements are forecasted to increase by + 3% in FY 2019, leveling due to reductions by Norwegian and British Airways.
- CAGR for international passenger from 2014 to 2018 was 18.5%.
- During the last ten years, the percentage of international passenger enplanements of total passenger enplanements has grown from 15% to 24%.

Enplanement Trends by Carrier



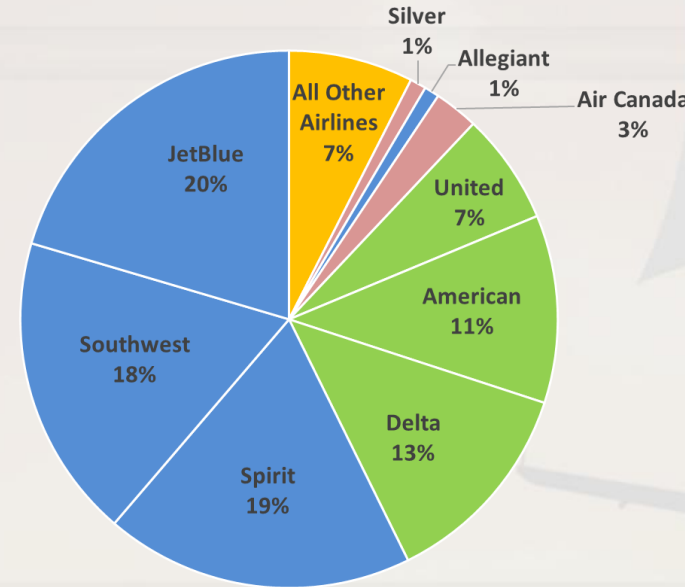
Airline Diversity



- Enplanements have grown 53% during the last five years due to accelerated growth by JetBlue, Spirit and Southwest.
- The market share for legacy signatory and non-signatory airlines has reduced from 43% to 34%.
- In FY 2019, the nine Signatory Airlines are expected to represent 94% of enplanements.

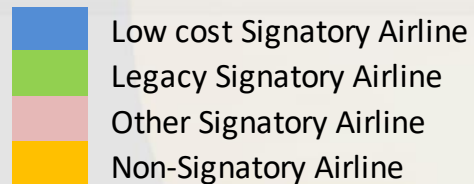
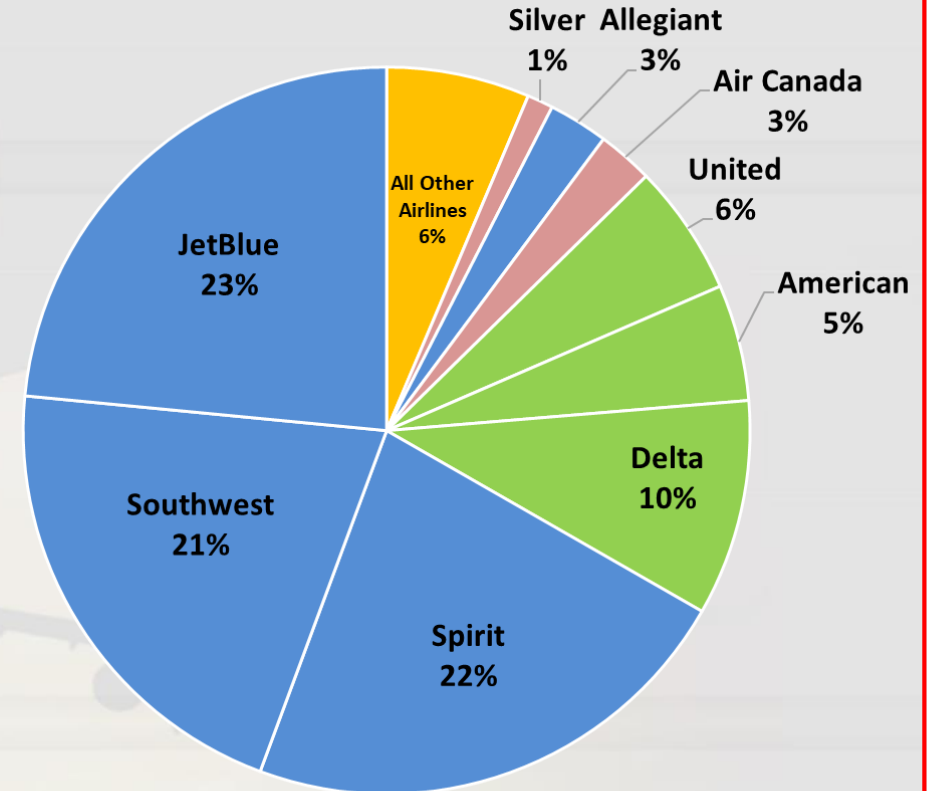
FY 2014

12,024,714 Enplaned Passengers



FY 2019

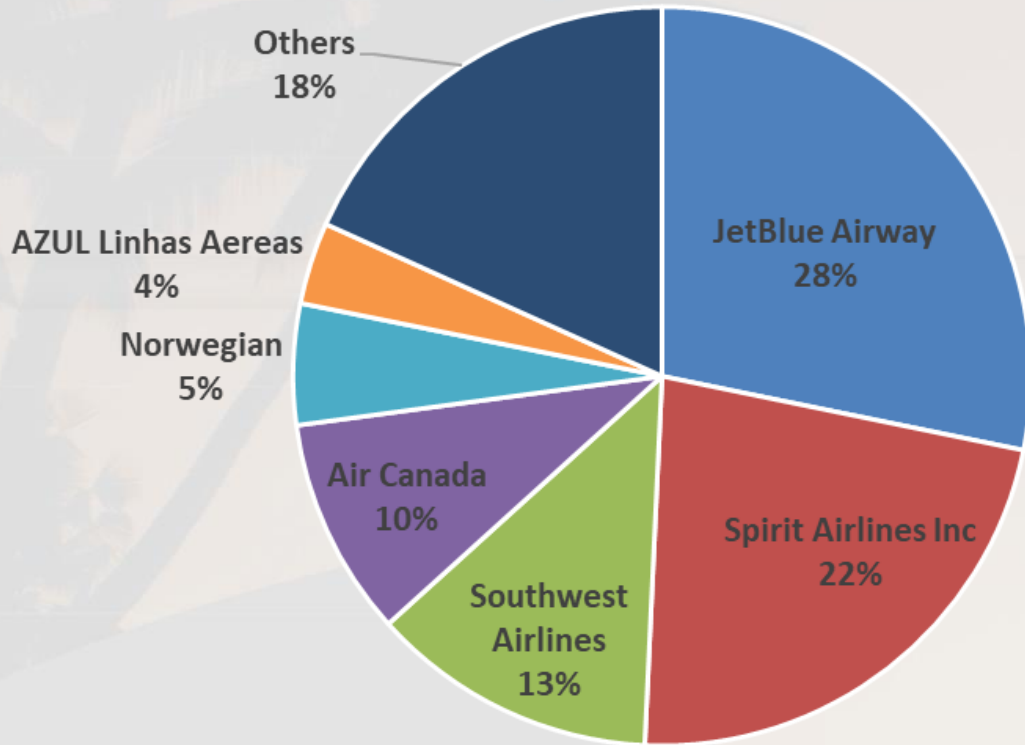
18,355,725 Enplaned Passengers



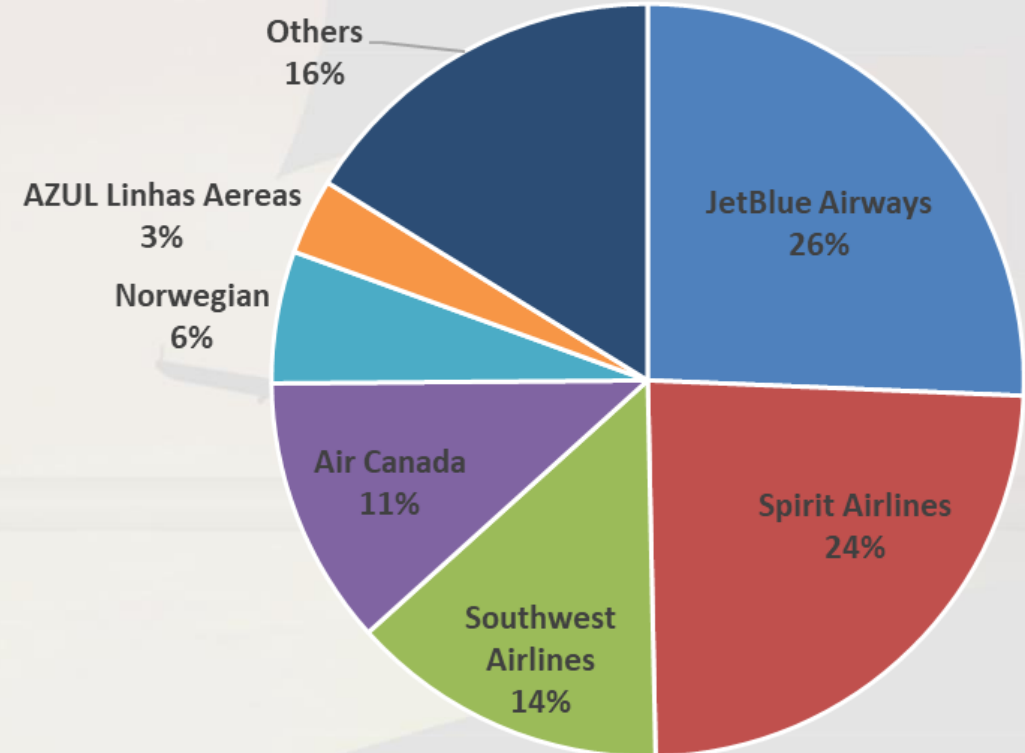
International Market Share by Airline



2018



2019 FYTD APR



Financial Performance



Income Statement



	Fiscal Years Ended September 30						FY19 vs. FY20 Variance to Budget
	(\$000s)						
	2017 Actual	2018 Actual	2019 Forecast	2019 Budget	2020 Budget		
Operating Revenues	\$ 245,835	\$ 284,678	\$ 303,085	\$ 296,419	\$ 351,045	\$ 54,626	18.4%
Operating Expenses	<u>162,388</u>	<u>175,841</u>	<u>190,755</u>	<u>199,906</u>	<u>229,868</u>	<u>29,961</u>	15.0%
Operating Income before Depreciation	83,447	108,837	112,330	96,512	121,177	24,664	25.6%
Depreciation	<u>99,688</u>	<u>114,318</u>	<u>120,000</u>	<u>120,000</u>	<u>126,000</u>	<u>6,000</u>	5.0%
Operating Income	(16,241)	(5,481)	(7,670)	(23,488)	(4,823)	18,664	-79.5%
Nonoperating Revenues (Expenses)							
Passenger Facility Charges	65,451	73,032	75,993	68,478	80,223	11,745	17.2%
Interest Income	4,208	9,531	13,000	4,000	13,000	9,000	225.0%
Interest Expense	(61,529)	(73,978)	(71,747)	(71,747)	(104,761)	(33,014)	46.0%
Other Non-Operating Revenue (Expense)	<u>(2,129)</u>	<u>(3,957)</u>	<u>(4,200)</u>	<u>(4,000)</u>	<u>(2,200)</u>	<u>1,800</u>	-45.0%
Total Nonoperating Revenues (Expenses)	6,001	4,628	13,046	(3,269)	(13,738)	(10,469)	320.2%
Income before Capital Grants & Transfers	(10,240)	(853)	5,376	(26,757)	(18,561)	8,196	-30.6%
Capital Grants	<u>43,699</u>	<u>51,979</u>	<u>41,000</u>	<u>33,500</u>	<u>25,000</u>	<u>(8,500)</u>	-25.4%
Increase in Net Position	<u>\$ 33,459</u>	<u>\$ 51,126</u>	<u>\$ 46,376</u>	<u>\$ 6,743</u>	<u>\$ 6,439</u>	<u>\$ (304)</u>	-4.5%

Operating Revenue By Source



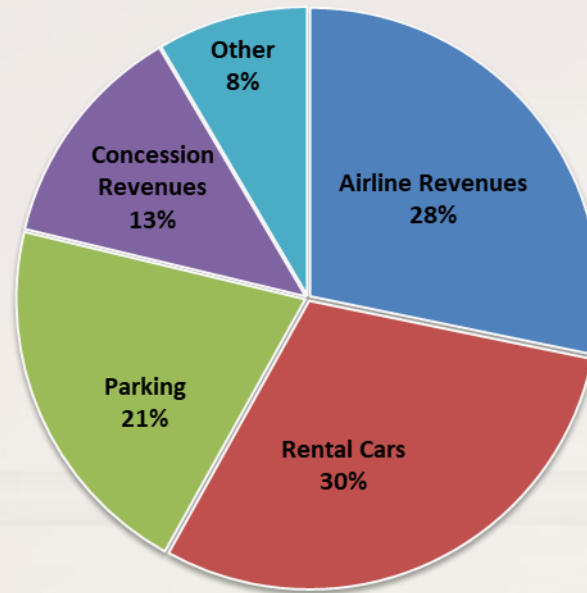
	Fiscal Years Ended September 30						
	(\$000s)						
	2017 Actual	2018 Actual	2019 Budget	2019 Forecast	2020 Budget	FY20 vs. FY19 Variance - Budget	
Airline Revenues	\$ 76,886	\$ 136,223	\$ 122,178	\$ 127,208	\$ 149,184	\$ 27,006	22.1%
Rental Cars	64,872	65,649	65,063	68,007	76,552	11,489	17.7%
Parking	48,209	52,409	47,973	52,928	54,992	7,019	14.6%
Concession Revenues	37,138	40,583	40,265	44,409	49,223	8,958	22.2%
Other Revenue	17,951	21,163	20,940	20,449	21,094	154	0.7%
Total Operating Revenues	245,056	316,027	296,419	313,000	351,045	54,626	18.4%
Airline Deferred Revenue Adjustment	779	(31,349)	-	(9,915)	-		
Total Reported Operating Revenues	\$ 245,835	\$ 284,678	\$ 296,419	\$ 303,085	\$ 351,045	\$ 54,626	18.4%
Passenger Airline Revenues (per above)	\$ 76,886	\$ 136,223	\$ 122,178	\$ 127,208	\$ 149,184	\$ 27,006	22.1%
Enplanements (000s)	15,805	17,656	16,449	18,356	19,377	2,928	17.8%
Cost Per Enplanement	\$ 4.86	\$ 7.72	\$ 7.43	\$ 6.93	\$ 7.70	\$ 0.27	3.7%
Non-airline Revenues	\$ 168,170	\$ 179,804	\$ 174,241	\$ 185,792	\$ 201,861	\$ 27,620	15.9%

Operating Revenue Diversity

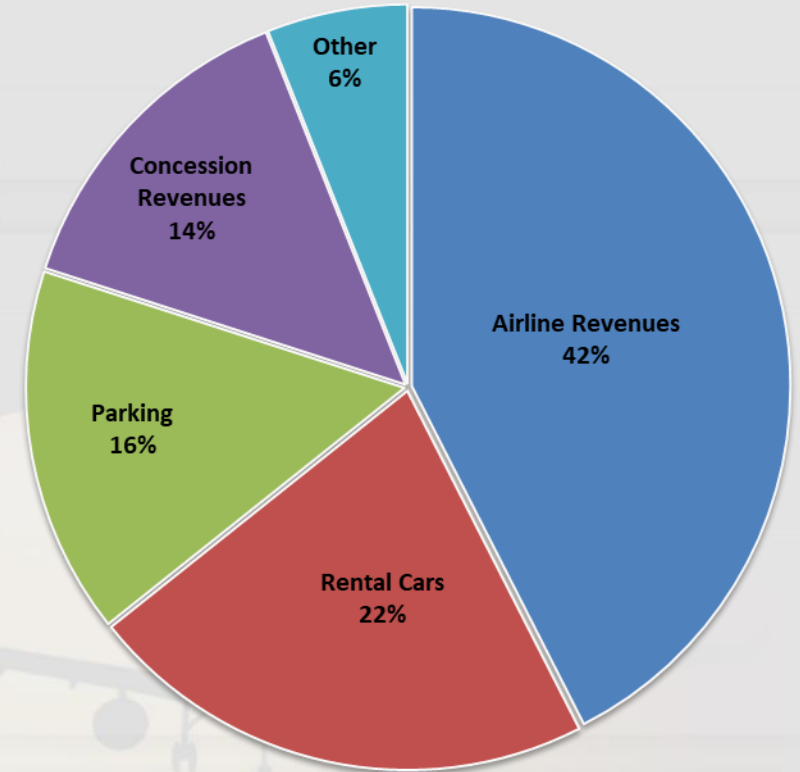


- Non-airline revenue accounts for 57.2% of total operating revenue.
- A new rental car agreement and enhanced food and beverage concepts will increase non-airline revenue.
- Additional terminal debt and operating expenses are increasing airline revenue slightly faster than non-airline revenue.

FY 2014 Actual



FY 2020 Budget



Operating Expense Comparison



	Fiscal Years Ended September 30						FY20 vs. FY19 Variance - Budget
	(\$000s)						
	2017 Actual	2018 Actual	2019 Budget	2019 Forecast	2020 Budget		
Salaries, Wages and Benefits	\$ 41,362	\$ 44,366	\$ 47,923	\$ 49,508	\$ 53,252	\$ 5,329	11.1%
Contractual Services:							
Janitorial	13,873	16,143	19,005	16,446	18,095	(910)	-4.8%
Shuttle Services	12,769	16,738	17,500	15,902	28,000	10,500	60.0%
Parking Management & Revenue System	11,147	10,907	11,000	11,000	11,500	500	4.5%
Other Contractual Services	17,195	18,551	23,154	20,650	26,177	3,023	13.1%
Law Enforcement and Fire Rescue	30,558	31,625	35,116	35,121	40,715	5,599	15.9%
Utilities	11,603	10,898	11,244	10,176	11,792	548	4.9%
Insurance	4,639	5,115	5,182	6,523	9,367	4,185	80.8%
Services Provided by Other County Departments	5,266	5,194	5,521	5,845	6,668	1,147	20.8%
Maintenance:							
Building & Grounds Maintenance	1,167	1,445	2,501	1,926	1,916	(585)	-23.4%
Equipment Maintenance	2,238	3,165	6,568	5,021	6,241	(327)	-5.0%
Electrical Parts & Repairs	615	839	811	1,093	1,460	649	80.0%
Supplies	1,077	1,474	1,634	1,168	2,070	436	26.7%
Other Maintenance, Equipment and Supplies	2,532	4,090	4,965	4,109	5,431	466	9.4%
General and Administrative:							
Communications	1,695	1,578	2,448	2,091	1,813	(636)	-26.0%
Credit Card Fees	1,051	1,111	1,075	1,113	1,200	125	11.6%
Building Rental-Lease	1,062	1,114	1,109	1,161	1,139	30	2.7%
Promotional Advertising & Marketing	1,238	506	1,351	709	1,215	(136)	-10.0%
Travel	306	337	518	333	623	105	20.3%
Other General and Administrative	996	645	1,282	861	1,195	(87)	-6.8%
Total Operating Expenses	\$ 162,388	\$ 175,841	\$ 199,906	\$ 190,755	\$ 229,868	\$ 29,962	15.0%

Operating Expense Changes



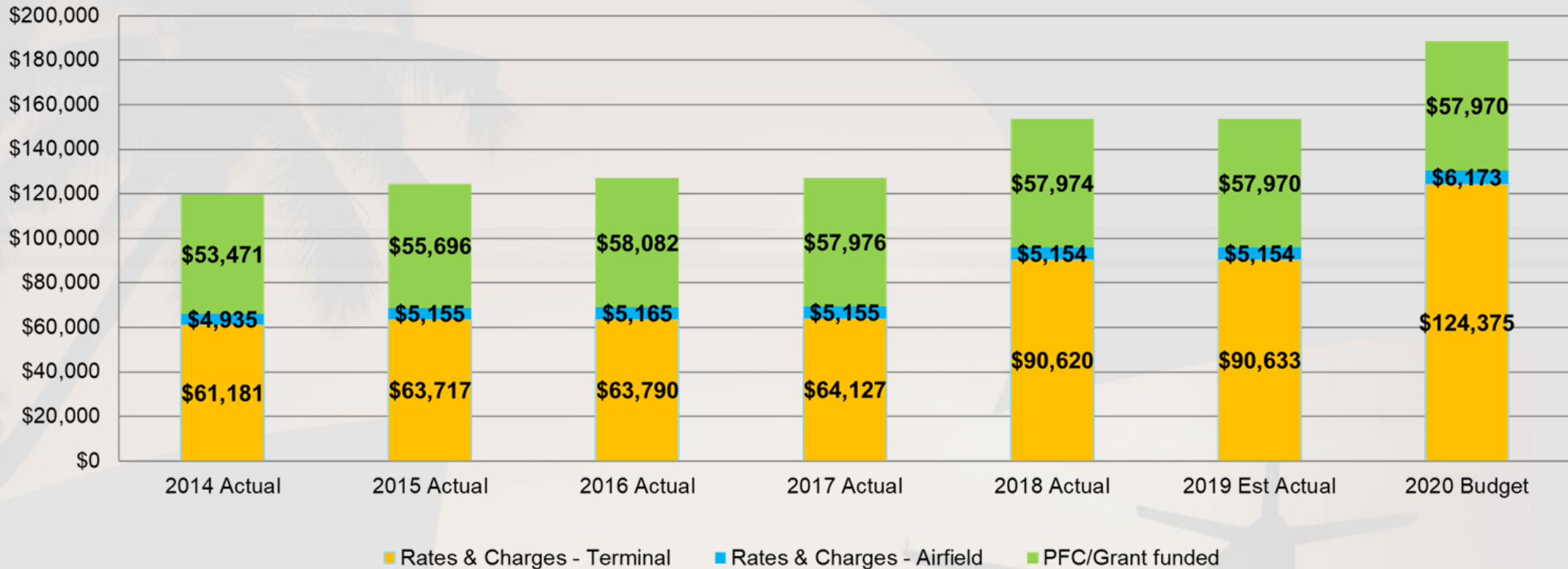
- Salaries & Wages - \$5.3 Million increase due to 11 new positions and increased salary and healthcare costs.
- Custodial Support - \$0.9 Million reduction due to FY19 forecasted spending.
- Shuttle Services - \$10.5 Million increase driven by
 - \$6 Million increase due to increased frequency of service to all locations including RCC (10 min to 5 min intervals).
 - \$3.9 Million increase for bus leasing costs for 48 new buses due to old buses with extremely high mileage.
 - \$0.5 Million increase in hourly rate due to new contract.
- Other Contractual Services - \$3 Million increase driven by
 - \$1 Million increase in ground transportation management due to increased services and new contract.
 - \$1 Million increase in software support due to increased services in Maintenance and IS.
 - \$1 Million increase in engineering due to tree trimming for FAA compliance.

Operating Expense Changes (cont.)



- Law Enforcement and Fire Rescue - \$5.6 Million increase driven by
 - LEO – \$0.35 Million increase driven by
 - \$0.75 Million increase due to increased Payroll & Operating expenses.
 - \$0.2 Million reduction in Special Detail services at various locations.
 - \$0.2 Million reduction in Call Taking services (Figure provided by OMB).
 - Fire Rescue - \$5.3 Million increase driven by
 - \$2.4 Million increase in Payroll & Operating expenses.
 - \$0.6 Million increase in ARFF services due to pre-alert fire watch in more areas post-construction.
 - \$2.3 Million increase due to the addition of another AARF team.
 - 3 lieutenants and 6 firefighters to cover 3 shifts utilizing additional ambulance.
- Insurance expense - \$4.2 Million increase due to new appraisal that includes additional facilities.
- Services Provided by Other County Departments - \$1.1 Million increase driven by
 - \$0.6 Million increase in County Attorney Chargeback.
 - \$0.5 Million increase in Cost Allocation Chargeback.
- Maintenance, Equipment, and Supplies – \$0.5 Million increase is driven by an increase in safety supplies due to BCAD Security's need for clear bags to expedite employee screening.

Debt Service Comparison



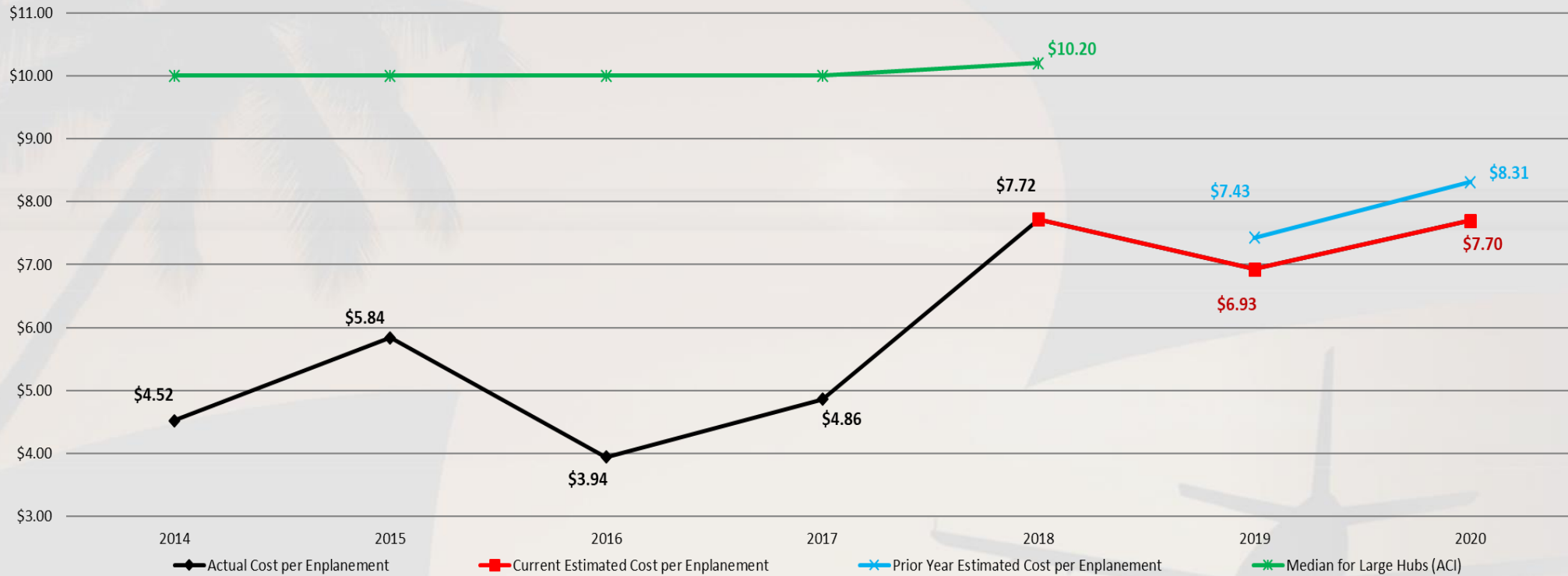
- Debt service will increase by \$35 million or, 23%, from FY 2019 to FY 2020 due to debt that was issued in 2017 and debt to be issued in 2020.
- Increased debt service and an operating expense increase will result in a 17% increase to the terminal rates and a higher increase to the FIS rate as some of the debt is specifically for the FIS facility.

Key Rates and Charges



	Fiscal Years Ended September 30			
	\$000s			
	2018 Actual	2019 Budget	2019 Forecast	2020 Budget
Enplanements	17,656,324	16,449,138	18,355,725	19,377,280
Signatory Landing Fee (Per 1,000 pounds)	\$1.77	\$1.62	\$1.62	\$1.41
Average Signatory Terminal Rental Rate (Per Sq. Ft.)	\$173.49	\$139.48	\$144.22	\$163.64
FIS Fee	\$8.20	\$8.10	\$8.10	\$12.20
Cost per Enplaned Passenger (CPE)	\$7.72	\$7.43	\$6.93	\$7.70
Signatory CPE	\$7.14	\$6.90	\$6.37	\$7.12
Non-signatory CPE	\$15.65	\$14.33	\$15.20	\$18.06

Cost Per Enplanement Comparison



- Cost Per Enplanement of \$7.70 for FY 2020 compares favorably to an industry average for large hub airports of \$10.20.

Comparative Data – FY 2018 Actuals



	Fort Lauderdale-Hollywood	Florida Airports				Comparable Large Hub Airports		
		Miami	Palm Beach	Tampa	Orlando	Philadelphia	Boston	Detroit
Number of Enplaned Passengers (thousands)								
Domestic	13,357 76%	11,571 52%	3,189 98%	10,036 95%	20,224 86%	13,239 87%	16,026 82%	15,917 91%
International	4,299 24%	10,649 48%	79 2%	485 5%	3,158 14%	2,007 13%	3,609 18%	1,641 9%
Total Enplaned Passengers	17,656	22,220	3,268	10,521	23,382	15,246	19,635	17,558
Number of Operations								
Air Carrier	273,015 85%	358,044 84%	54,206 39%	173,407 85%	318,232 93%	256,662 95%	380,977 99%	388,531 98%
General Aviation	45,228 14%	16,566 4%	81,651 59%	22,457 11%	16,050 5%	14,735 5%	3,118 1%	6,276 2%
Cargo	4,424 1%	51,425 12%	1,754 1%	7,748 4%	6,876 2%	n/a	- 0%	n/a #####
Total Number of Operations	322,667	426,035	137,611	203,612	341,158	271,397	384,095	394,807
Cargo Activity (Tons)	119,515	2,368,617	28,844	213,951	246,701	510,430	312,875	227,963
Cost per Enplaned Passenger (CPE)	\$7.72	\$19.20	\$4.86	\$4.89	\$5.86	\$16.04	\$14.96	\$9.79
Debt Service Coverage	1.86	1.52	3.92	2.08	2.52	1.98	2.65	1.13
Revenue Bonds - Moody's Rating	A1	A*	A1	Aa3	Aa2	A2	Aa2	A1

*S&P

Capital Improvement Projects (CIP)



Capital Projects FY 2020- FY 2024 Summary



\$000s	Fiscal Years Ended September 30					
	2020	2021	2022	2023	2024	TOTAL
Fort Lauderdale - Hollywood International (FLL)						
Airfield	24,450	11,000	5,500	-	-	40,950
General & Administrative	50,495	43,425	39,175	36,175	40,425	209,695
Machinery, Equipment, Vehicles & Other	3,585	4,785	1,690	888	1,485	12,433
Parking	12,350	91,000	94,800	5,000	-	203,150
Security	4,260	1,000	1,000	-	-	6,260
Terminals	243,000	50,000	75,950	77,000	154,000	599,950
North Perry Airport (HWO)	1,690	4,928	6,103	2,040	50	14,811
Total Capital Projects	339,830	206,138	224,218	121,103	195,960	1,087,249

FY 2020 Capital Improvement Budget with Funding Sources



		Funding Sources \$000s				
\$000s	TOTAL	BCAD CASH	BONDS	FAA	FDOT	PFCs
<u>Fort Lauderdale - Hollywood International (FLL)</u>						
<u>Airfield</u>						
Rehabilitation of North Airfield	23,000	1,100		25,000	20,500	-23,600
Airfield & ARFF Station Rehabilitation	1,450	250		600		600
	24,450	1,350		25,600	20,500	-23,000
<u>General & Administrative</u>						
Airport Access Roadway	10,000				5,000	5,000
Storm Water Upgrades	13,440		13,440			
Utilities Upgrades	10,500		10,500			
Professional Services for Master Plan	10,000		10,000			
Other General and Administrative	6,555	6,555				
	50,495	6,555	33,940		5,000	5,000
<u>Machinery, Equipment, Vehicles & Other</u>						
Equipment & Vehicle - New & Replacement	2,360	2,360				
RCC Fuel Facility Equipment Replacement	575	575				
Other Equipment	650	650				
	3,585	3,585				

FY 2020 Capital Improvement Budget with Funding Sources (cont.)



		Funding Sources				
		(\$000s)				
\$000s	TOTAL	BCAD CASH	BONDS	FAA	FDOT	PFCs
Fort Lauderdale - Hollywood International (FLL) (cont.)						
Security						
Shot Detection - Terminals and Garages	3,000	3,000				
Other Security & Surveillance Equipment	1,260	1,260				
	4,260	4,260				
Parking						
Intermodal Center Phase 1	10,000		10,000			
Other Parking	2,350	2,350				
	12,350	2,350	10,000			
Terminals						
Terminal Modernization	117,500		117,500			
Five Gate Remote Terminal (Gate Expansion)	95,000		95,000			
Terminal 1 CBRA Room Improvements	21,000					21,000
Terminal 4 Gate Replacement & CBIS	9,500					9,500
	243,000		212,500			30,500
North Perry Airport (HWO)						
	1,690	878			812	
Total Capital Projects						
	339,830	18,978	256,440	25,600	26,312	12,500

Capital Projects FY 2020- FY 2024

Detailed



	Fiscal Years Ended September 30					
	2020	2021	2022	2023	2024	TOTAL
\$000s						
<u>Fort Lauderdale - Hollywood International (FLL)</u>						
<u>Airfield</u>						
Rehab North Airfield	23,000	-	-	-	-	23,000
Twy A, B and C Edge Lighting Replacement	700	-	-	-	-	700
Taxiway A Pavement Rehabilitation	500	8,500	-	-	-	9,000
ARFF Station 10 Renovations	250	-	-	-	-	250
Taxilane T Rehabilitation	-	2,500	5,500	-	-	8,000
Subtotal	24,450	11,000	5,500	-	-	40,950
<u>General & Administrative</u>						
Airport Access Roadway	10,000	15,000	15,000	12,000	22,000	74,000
Storm Water Upgrades	13,440	5,000	5,750	5,750	5,000	34,940
Utilities Upgrades	10,500	10,500	10,500	10,500	10,500	52,500
Professional Services for Master Plan	10,000	10,000	5,000	5,000	-	30,000
Northeast Quadrant Traffic Improvements	2,700	-	-	-	-	2,700
Construction Access Gate Replacement	1,100	-	-	-	-	1,100
	1,040	2,175	2,175	2,175	2,175	9,740
Noise & Operations Monitoring System (NOMS) Replacement	800	-	-	-	-	800
Facility Improvement Allowance	750	750	750	750	750	3,750
Naval Air Station Museum	165	-	-	-	-	165
Subtotal	50,495	43,425	39,175	36,175	40,425	209,695

Capital Projects FY 2020- FY 2024

Detailed (cont.)



	Fiscal Years Ended September 30					
	2020	2021	2022	2023	2024	TOTAL
\$000s						
<u>Fort Lauderdale - Hollywood International (FLL) (cont.)</u>						
<u>Machinery, Equipment, Vehicles & Other</u>						
ARFF Fire Engine #10 Replacement	850	-	-	-	-	850
RCC Fuel Facility Equipment Replacement	575	-	-	-	-	575
Facility & Equipment Study	500	-	-	-	-	500
Equipment Replacement - FLL	400	360	955	220	1,140	3,075
Additional Rescue Vehicle	400	-	-	-	-	400
Vehicle Replacement	365	775	735	668	345	2,888
New Equipment	175	-	-	-	-	175
Remote Monitoring System	150	150	-	-	-	300
Parking Operator Vehicle	100	-	-	-	-	100
New Vehicles	70	-	-	-	-	70
BHS Software Upgrade	-	3,500	-	-	-	3,500
Subtotal	3,585	4,785	1,690	888	1,485	12,433
<u>Parking</u>						
Intermodal Center (Transit Center, 4,500 - Space Garage) Phase 1	10,000	90,000	89,800	-	-	189,800
Parking Guidance System - Cypress Garage Parking	2,000	-	-	-	-	2,000
Rental Car Center Access Control System (Matrix)	200	-	-	-	-	200
Canopy For Parking & Garages	150	-	-	-	-	150
Rehabilitation of RCC, Hibiscus & Palm Garages	-	1,000	5,000	5,000	-	11,000
Subtotal	12,350	91,000	94,800	5,000	-	203,150

Capital Projects FY 2020- FY 2024

Detailed (cont.)



	Fiscal Years Ended September 30					
	2020	2021	2022	2023	2024	TOTAL
\$000s						
<u>Fort Lauderdale - Hollywood International (FLL) (cont.)</u>						
<u>Security</u>						
Shot Detection - Terminals and Garages	3,000	1,000	1,000	-	-	5,000
Employee Screening Equipment	400	-	-	-	-	400
Matrix Access Control Readers Replacement	400	-	-	-	-	400
Portable CCTV Surveillance System	360	-	-	-	-	360
Enhanced Portable Multi-Use Guardhouse	100	-	-	-	-	100
Subtotal	4,260	1,000	1,000	-	-	6,260
<u>Terminals</u>						
Terminal Modernization	117,500	-	-	-	-	117,500
Five Gate Remote Terminal (Previously Gate Expansion)	95,000	-	-	-	-	95,000
Terminal 1 CBRA Room Improvements	21,000	-	-	-	-	21,000
Terminal 4 Checked Baggage Inspection System (CBIS)	5,300	-	-	-	-	5,300
T4 Gate Replacement East (includes T4 Apron)	4,200	-	-	-	-	4,200
Automated People Mover (APM) Circulator	-	50,000	75,950	77,000	154,000	356,950
Subtotal	243,000	50,000	75,950	77,000	154,000	599,950
<u>North Perry Airport (HWO)</u>	1,690	4,928	6,103	2,040	50	14,811
<u>Total Capital Projects</u>	339,830	206,138	224,218	121,103	195,960	1,087,249

