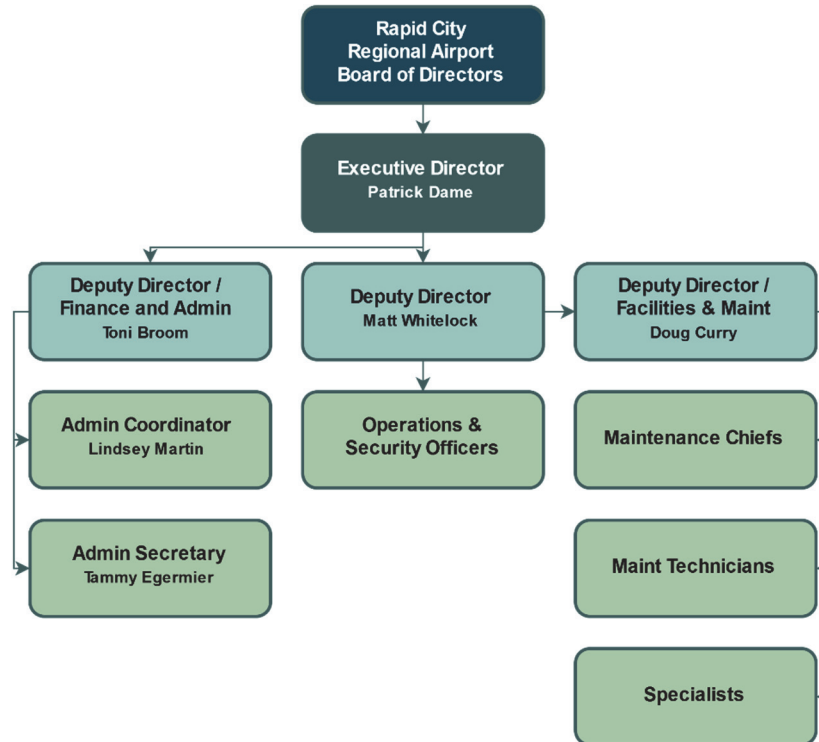


RAPID CITY REGIONAL AIRPORT

Budget: \$16,232,274 | Full-time Employees: 24



Mission Statement

It is the mission of the Rapid City Regional Airport Board to provide safe, efficient, environmentally sensitive, and economically self-sustaining air transportation facilities responsive to the community needs.

Department Overview

The Airport is owned by the City of Rapid City and is governed by a five-member board appointed for five year terms by the Mayor and approved by the City Council. It is a self-funded enterprise receiving its operating revenues from the rates and charges paid by Airport tenants and users. Most capital improvements are funded through the FAA's Airport Improvement Program with local matching funds from the Airport and grants from the SD Department of Transportation. No Rapid City general fund dollars are used to support the Airport.

The Airport is a non-hub primary commercial service airport serving a five state region contributing approximately \$175 million to the local economy as well as 350 plus jobs. It is highly regulated by the FAA, the TSA, and other federal and state regulatory agencies. Welcoming over 561,000 passengers in 2016, it is served by Allegiant, American, Delta and United to ten nonstop destinations (some seasonal).

What We Do:

Airport Finance and Administration

- Ensures financial integrity of the airport
- Administers all federal, state, and local grant programs
- Interacts with multiple local and civic organizations promoting air service development and marketing initiatives

Airport Facilities and Maintenance

- Maintains first-class aviation facilities that are safe, clean and efficient for passengers and tenants
- Trains, equips and fields well qualified maintenance technicians who are professional, friendly, and highly motivated
- Manages vehicle, equipment and supply inventories; acquires equipment, fixtures, furniture and related supplies as needed

Airport Operations and Security

- Ensures compliance with all federal, state and local regulations, laws and ordinances
- Manages all airport safety, security, environmental compliance, wildlife hazard mitigation programs and conducts all related training
- Responds to emergency situations and implements contingency plans

Airport FTE Summary by Position

	2016	2017	2018	FTE
	Authorized	Authorized	Authorized	Change
Airport Admin Secretary	1.00	1.00	1.00	0.00
Airport Admin Coordinator	1.00	1.00	1.00	0.00
Airport Deputy Director	1.00	1.00	1.00	0.00
Airport Deputy Dir of Facilities/Maint	1.00	1.00	1.00	0.00
Airport Deputy Dir of Finance/Admin	2.00	2.00	2.00	0.00
Airport Equipment Mechanic III	1.00	1.00	1.00	0.00
Airport Executive Director	1.00	1.00	1.00	0.00
Airport HVAC Technician	1.00	1.00	1.00	0.00
Airport Maintenance Chief	3.00	3.00	2.00	(1.00)
Airport Maintenance Tech II	7.00	7.00	8.00	1.00
Airport Oper/Security Officer	4.00	4.00	5.00	1.00
Airport Electrician	1.00	1.00	0.00	(1.00)
Total	24.00	24.00	24.00	0.00

Airport Financial Summary by Revenue Source - Combined Airport Funds

	2016 Actual	2017 Budget	2018 Budget	Variance Over 2017	Percent Change
Car Rental Commissions	\$ 1,350,353	\$ 1,178,750	\$ 1,294,000	\$ 115,250	9.78%
Parking Lot Commissions	\$ 1,907,991	\$ 1,050,100	\$ 1,100,000	\$ 49,900	4.75%
Airline Terminal O&M	\$ 1,206,877	\$ 717,487	\$ 715,718	\$ (1,769)	-0.25%
Fuel Sales/Fuel Flowage Fees	\$ 436,346	\$ 634,000	\$ 655,150	\$ 21,150	3.34%
Landing Fees	\$ 793,340	\$ 630,475	\$ 603,810	\$ (26,665)	-4.23%
State & Federal Grants	\$ 377,820	\$ 103,655	\$ 105,930	\$ 2,275	2.19%
Other Concessions*	\$ 188,705	\$ 216,870	\$ 264,170	\$ 47,300	21.81%
Bldg/Hangar/Land/Pasture Rentals	\$ 211,299	\$ 257,805	\$ 241,495	\$ (16,310)	-6.33%
Other Revenues**	\$ 260,435	\$ 67,545	\$ 75,700	\$ 8,155	12.07%
Air Flight Tax	\$ 151,135	\$ 171,200	\$ 163,480	\$ (7,720)	-4.51%
Car Rental QTA Facility	\$ 115,637	\$ 105,275	\$ 116,670	\$ 11,395	10.82%
Total Operating Revenue	\$ 6,999,938	\$ 5,133,162	\$ 5,336,123	\$ 202,961	3.95%
Government Grants	\$ 2,289,551	\$ 2,308,670	\$ 6,374,500	\$ 4,065,830	176.11%
Passenger Facility Charges	\$ 1,070,458	\$ 1,035,750	\$ 1,084,478	\$ 48,728	4.70%
Customer Facility Charges	\$ 764,538	\$ 603,600	\$ 712,125	\$ 108,525	17.98%
Interest Earned	\$ 38,411	\$ 36,200	\$ 39,751	\$ 3,551	9.81%
Airline Depreciation	\$ 176,959	\$ 124,600	\$ 123,006	\$ (1,594)	-1.28%
Thangar Capital Repayment	\$ 16,194	\$ 8,460	\$ 8,460	\$ -	0.00%
Fuel Tax Revenue	\$ -	\$ -	\$ 210,000	\$ 210,000	0.00%
Recovery of Direct Expense	\$ 7,718	\$ -	\$ -	\$ -	0.00%
Total Capital Revenues	\$ 4,363,829	\$ 4,117,280	\$ 8,552,320	\$ 4,435,040	107.72%
Addl Parking Rev for Lot Improvt	\$ -	\$ -	\$ 726,222	\$ 726,222	0.00%
Capital Reserves to Balance Budget	\$ -	\$ 699,340	\$ 2,212,061	\$ 1,512,721	216.31%
Total Cap Revenues Incl Reserves	\$ 4,363,829	\$ 4,816,620	\$ 11,490,603	\$ 6,673,983	138.56%
Total	\$ 11,363,767	\$ 9,949,782	\$ 16,826,726	\$ 6,876,944	69.12%

*Shuttle, gift shop, café, ATM, advertising

**Interest, recovery expense, park tickets, phone

Note: Other Revenues for 2016 includes \$115,000 in local matching funds for federal grant

Airport - Enterprise Operations Financial Summary by Object - Combined Airport Funds

	2016 Actual	2017 Budget	2018 Budget	Variance Over 2017	Percent Change
Salaries & Wages	\$ 1,725,460	\$ 1,639,557	\$ 1,366,305	\$ (273,252)	-16.67%
Benefits	\$ 560,893	\$ 536,426	\$ 397,377	\$ (139,049)	-25.92%
Insurance	\$ 115,033	\$ 104,100	\$ 104,188	\$ 88	0.08%
Professional Services	\$ 924,915	\$ 695,820	\$ 1,198,043	\$ 502,223	72.18%
Publishing	\$ 4,264	\$ 7,000	\$ 7,000	\$ -	0.00%
Rentals	\$ 26,533	\$ 21,920	\$ 22,880	\$ 960	4.38%
Repairs & Maintenance	\$ 333,571	\$ 293,850	\$ 296,725	\$ 2,875	0.98%
Supplies & Materials	\$ 675,182	\$ 891,600	\$ 936,500	\$ 44,900	5.04%
Travel & Training	\$ 54,521	\$ 65,000	\$ 60,000	\$ (5,000)	-7.69%
Utilities	\$ 461,866	\$ 485,375	\$ 475,425	\$ (9,950)	-2.05%
Other Current Expenses	\$ 96,224	\$ 110,250	\$ 122,550	\$ 12,300	11.16%
Capital Outlays	\$ 39,182	\$ 54,500	\$ -	\$ (54,500)	-100.00%
Debt Service	\$ 4,688	\$ -	\$ 5,000	\$ 5,000	-
Other Expenditures	\$ 6,893	\$ 5,000	\$ 7,500	\$ 2,500	50.00%
Other Program Support	\$ -	\$ -	\$ -	\$ -	-
Interdepartmental Charges	\$ 105,180	\$ 105,180	\$ 175,438	\$ 70,258	66.80%
Total	\$ 5,134,405	\$ 5,015,578	\$ 5,174,931	\$ 159,353	3.18%

Organizational Codes - Enterprise: 60602073, 60602074, 60602076, 60602077, 60602078, 606020781, 60620782, 60602079, 61102086

Airport - Capital Financial Summary by Object - Combined Airport Funds

	2016 Actual	2017 Budget	2018 Budget	Variance Over 2017	Percent Change
Salaries & Wages	\$ -	\$ -	\$ -	\$ -	-
Benefits	\$ -	\$ -	\$ -	\$ -	-
Insurance	\$ -	\$ -	\$ -	\$ -	-
Professional Services	\$ 258,304	\$ 104,500	\$ 635,000	\$ 530,500	507.66%
Publishing	\$ 512	\$ -	\$ -	\$ -	-
Rentals	\$ -	\$ -	\$ -	\$ -	-
Repairs & Maintenance	\$ 219	\$ -	\$ -	\$ -	-
Supplies & Materials	\$ 1,464	\$ -	\$ -	\$ -	-
Travel & Training	\$ -	\$ -	\$ -	\$ -	-
Utilities	\$ -	\$ -	\$ -	\$ -	-
Other Current Expenses	\$ 9,400	\$ -	\$ -	\$ -	-
Capital Outlays	\$ 1,701,620	\$ 2,120,700	\$ 9,062,500	\$ 6,941,800	327.34%
Debt Service	\$ 1,338,892	\$ 1,363,145	\$ 1,359,843	\$ (3,302)	-0.24%
Other Expenditures	\$ -	\$ -	\$ -	\$ -	-
Other Program Support	\$ -	\$ -	\$ -	\$ -	-
Interdepartmental Charges	\$ -	\$ -	\$ -	\$ -	-
Total	\$ 3,310,411	\$ 3,588,345	\$ 11,057,343	\$ 7,468,998	208.15%

Organizational Codes - Capital: 50102085, 73400909, 78200939, 78100942

2018 Regional Airport Major Initiatives, Goals, and Objectives

- Major renovations to the terminal facility including inline baggage system and new escalators. An inline baggage system will provide increased efficiency and will provide better security control to the secured side of the terminal facility. The escalators are over 25 years old and are in need of replacement.
- Construction of a new lagoon/sewer system. The airport has a sewage lagoon which is near the end of its useful life. A new sewage system is needed to meet the current and future needs of the airport.
- Renovation of post security restaurant area. This is a significant source of revenue to the airport. Renovation is needed to meet customer demand for better food and beverage options as well as provide additional operating revenue to the airport.
- Reconstruction of parking lot exit plaza. A new parking lot exit plaza is needed to streamline the flow of existing passengers and to provide better customer service.
- Acquire new destinations such as Phoenix and/or Orlando.
- Develop reverse market destination as Rapid City for Allegiant Airlines. The airport is working with Allegiant Airlines and local businesses to make Rapid City a destination for Allegiant similar to their other leisure markets such as Las Vegas and Phoenix.
- RFP and negotiation of new car rental concession leases. The current car rental concession leases expire the end of 2018 so an RFP will be needed.
- Security System Enhancements. Improvements to the exit lane are needed as the equipment is obsolete and will no longer be able to be serviced.
- Airport Road shoulder improvements.
- Install additional landside LED lighting.

2017 Regional Airport Accomplishments

- Development of an Airport Strategic Plan.
- Development of new website.
- Wayfinding Sign Project. This includes better signage for airport users approaching the airport.
- Marketing Plan.
- Added seasonal weekly service to Charlotte.
- Purchased Paint Truck. This will allow airport staff to do runway painting which was previously outsourced.
- Purchased Sander. The sander will be used in snow removal operations.
- Purchased Vacuum Recovery Truck, which allows us to collect glycol and other potential environmental contaminants preventing them from.
- Commercial Ramp Expansion & Rehabilitation.
- Completed Market Rate Analysis for General Aviation Rates & Charges.
- Completed all ramp pavement rehabilitations related to old terminal demolition.
- Revised & Updated Airport Security and Emergency Plans.
- Installed Commercial Apron Ramp & Car Rental Parking Lot LED Lighting.

2018 Regional Airport Budget Notes and Significant Changes

- The Airport is anticipating receipt of additional discretionary Federal Aviation Administration Airport Improvement Program (AIP) funds to complete some major back-of-the-house renovations in the terminal building to include redesign and replacement of the escalators, installation of an inline baggage system, and development of a new sewer lagoon. These three projects make up the majority of the increased capital expenditures and are dependent on the anticipated receipt of the grant.

- Changes were made in the 2018 budget for the cost of Aircraft Rescue and Firefighting services through an agreement between the Airport and the Rapid City Fire Department. The wages and benefits for the FTEs assigned to the Airport were moved to the Rapid City Fire Department cost center who will invoice the Airport monthly, similar to the agreement with the Rapid City Police Department. This is reflected the reduction on Salaries & Wages and Benefits and the increase in Professional Services.
- Supplies & Materials increase is based on anticipated additional fuel and glycol purchases along with rising costs in each category. These items are needed during snow removal operations to ensure the safety of airport users.
- Capital Outlays for Airport Operations were moved to the Airport Capital Projects Budget.