

**TUCSON AIRPORT AUTHORITY | Finance and Risk Management Council Meeting
Wednesday, August 31, 2022 | 3:00 p.m. | Virtual Meeting**

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the Tucson Airport Authority (TAA) and to the public that the **Finance and Risk Management Council** will hold a meeting open to the public on **Wednesday, August 31, 2022, beginning at 3:00 p.m.** The meeting will be held by video and telephonically via the remote participation platform Microsoft Teams. The registration form may be accessed via the URL below. Upon submitting the registration form, attendees will receive an email confirmation containing the information to join the meeting virtually or by phone.

MICROSOFT TEAMS REGISTRATION FORM

The agenda for the meeting is as follows:

1. CALL TO ORDER | ROLL CALL

- | | |
|---|---|
| <input type="checkbox"/> Tim Overton, Chair | <input type="checkbox"/> Omar Mireles, Vice Chair |
| <input type="checkbox"/> Mike Hannley | <input type="checkbox"/> Rob Draper |
| <input type="checkbox"/> Ricardo Platt | <input type="checkbox"/> Tony Penn |
| <input type="checkbox"/> Angela Gee | |

2. APPROVAL OF MINUTES

The Finance and Risk Management Council will consider and may approve the minutes of the Finance and Risk Management Council meeting held on August 9, 2022.

3. PRESIDENT/CEO REPORT

- a. State of the Industry | Update

4. PRESENTATION

- a. FY 2023 Budget and Capital Improvement Program Review | Discussion

5. ACTION ITEM

- a. **TAA BUDGET AND CAPITAL IMPROVEMENT PROGRAM FOR FY 2023:** The Finance and Risk Management Council will consider and may recommend to the Board of Directors that it approve the Budget and Capital Improvement Program for the Tucson Airport Authority for the fiscal year beginning October 1, 2022 and ending September 30, 2022.

6. ADJOURN

**TUCSON AIRPORT AUTHORITY | Finance and Risk Management Council Meeting
Tuesday, August 9, 2022 | 9:00 a.m. | Virtual Meeting**

THIS ADVISORY COUNCIL MEETING WAS HELD VIRTUALLY, WITH COUNCIL MEMBERS ATTENDING VIA MICROSOFT TEAMS OR TELEPHONICALLY. MEMBERS OF THE PUBLIC WHO COMPLETED A REGISTRATION FORM RECEIVED A LINK TO VIEW THE MEETING VIA MICROSOFT TEAMS OR TO LISTEN TELEPHONICALLY.

1. CALL TO ORDER | ROLL CALL

Chair Overton called the meeting to order at 9:02 a.m.

Council Members Present: Chair Tim Overton, Vice Chair Omar Mireles, Council Member Rob Draper, Council Member Ricardo Platt, and Council Member Angela Gee

Council Members Absent: Council Member Mike Hanley and Council Member Tony Penn

Others Present: TAA Chair Bruce Dusenberry, TAA Vice Chair Keri Silvyn, Secretary Mike Hammond, Director Judy Rich, Director Todd Jackson, Director Sally Fernandez, Director Vance Falbaum, and TAA Member Carol Stewart

From Lovitt & Touché: Yvianna Arenas and Douglas Adelberg

From Alliant Insurance: Rex Jorgensen and Matt McManus

Staff Present: President/Chief Executive Officer Danette Bewley, Vice President/General Counsel Christopher Schmaltz, Vice President/Chief People Officer Twyla Salaiz, Deputy General Counsel Kim Ryan, Financial Controller Clark Wager, Insurance and Finance Coordinator, Alexander St. Paul, IT Customer Support Technician Randy Janek, and TAA Clerk Byron Jones

2. APPROVAL OF MINUTES

MOTION BY Council Member Draper, SECONDED BY Chair Overton, to APPROVE the minutes of the Finance and Risk Management Council meeting held on August 24, 2021. The motion carried by the following vote:

Ayes 5 Chair Overton, Vice Chair Mireles, Council Member Draper, Council Member Platt, and Council Member Gee

Nays 0

3. PRESIDENT/CEO REPORT

a. State of the Industry | Update

President/CEO Danette Bewley reported the following:

- ❑ The COVID-19 pandemic has had a devastating impact on the aviation industry. While a recovery is underway, it is projected that air traffic will not return to pre-COVID levels until 2024. Factors which are hampering the recovery include pilot shortages due to early retirements, training backlogs due to a shortage of check pilots, and fuel prices, which have increased 73% in one year.
- ❑ TUS has kept all the major carriers; however, the ultra-low-cost carrier Allegiant suspended service, but it plans to return in the future. Also, the ultra-low-cost carrier Avelo operated for approximately six weeks beginning in December 2021, but reduced passenger traffic caused by the Omicron Variant, forced them to pull out of the market.
- ❑ Despite these setbacks, Tucson has held up well as destination and is poised to be the next Austin. Passenger traffic at TUS is approximately 90% of pre-COVID levels.
- ❑ Future goals include restoring the frequency of lost air service, lobbying seasonal operators to extend the duration of their service, leveraging strategy for domestic routes, and growing the Canadian markets with Flair Airlines, which starts service in November.

4. ACTION ITEMS

a. EMPLOYEE GROUP INSURANCE FOR FY 2023:

Vice President/CPO Twyla Salaiz presented.

- ❑ Benefits for FY 2023 are estimated at \$2.7M, which is a 9.7% increase. The average nationwide is 3.6%.
- ❑ The TAA's loss ratio for FY 2022 was 107%. Employers typically must maintain a 100% average or less to avoid an increase. The initial renewal rate was 23%, but with some plan design changes and negotiations, Lovitt & Touché was able to minimize the increase to less than 10%. The changes include increasing the annual deductible on the Preferred Provider Organization (PPO) plan from \$500 to \$2,000, increasing the employee contribution on the \$1,500 High Deductible Health Plan (HDHP) by 25%, and adding an employee contribution to the \$3,000 HDHP.
- ❑ The TAA will move to Delta Dental from Cigna Dental, which will result in a 6% rate decrease. Delta Dental also has a larger network of providers,

which enables employees to not have to pay upfront for services. This encourages employees to use dental services.

- The TAA will change to WEX for FSA and COBRA.

COUNCIL DISCUSSION:

- How does increased premiums and higher deductibles affect employee retention?** Salaiz stated that she was not concerned with impact on employee attrition or recruitment. The rates are competitive and slightly below market. People Operations will host a series of informational meetings with the goal of educating employees about the changes and encouraging them to approach their healthcare choices as consumers.
- Was employee input gathered regarding the changes?** Salaiz stated that employee input is primarily gathered through employee satisfaction surveys. Responses received said benefits were reasonable and that they were comfortable with having higher deductibles. Employees want more access to Banner Health, but this can only be offered through the HDHP plans. There was not a lot of room to negotiate this year as the focus was to mitigate the rate increase as much as possible.
- Supports encouraging employees to switch to HDHP plans.**

MOTION BY Council Member Draper, SECONDED BY Vice Chair Mireles, to recommend to the Board of Directors APPROVAL of the Tucson Airport Authority’s employee group insurance coverages for the policy year beginning October 1, 2022 and ending September 30, 2023. The motion carried by the following vote:

Ayes 5 Chair Overton, Vice Chair Mireles, Council Member Draper, Council Member Platt, and Council Member Gee

Nays 0

b. WORKERS’ COMPENSATION INSURANCE FOR FY 2023:

Vice President/CPO Twyla Salaiz presented.

The TAA will remain with AmTrust for a third year. The premium increase was a slight 2%. Having police and fire departments makes the TAA a higher risk, so People Operations was pleased with the rate.

MOTION BY Council Member Draper, SECONDED BY Council Member Gee, to recommend to the Board of Directors APPROVAL of the Tucson

Airport Authority's Workers' Compensation insurance coverage for the policy year beginning September 1, 2022 and ending August 31, 2023. The motion carried by the following vote:

Ayes 5 Chair Overton, Vice Chair Mireles, Council Member Draper, Council Member Platt, and Council Member Gee

Nays 0

c. COMMERCIAL LINES OF INSURANCE FOR FY 2023:

Vice President/CFO Kirk Eickhoff introduced Rex Jorgensen and Matt McManus of Alliance Insurance, who presented.

- The overall rate increase for FY 2023 is 13.9%. This is a reasonable increase considering the current state of the market.
- There has been significant pressure from property underwriters to raise premiums due to significant catastrophic claims paid out due to natural disasters.
- Labor and material costs have increased, which is driving up the value of both real and private property. Insurers are examining the schedule of values more closely to ensure proper replacement costs are figured. This adds to the premiums.
- Liability insurance premiums are increasing due to social inflation, large litigation settlements, and jury verdicts.
- Cyber liability is difficult for public entities as carriers are exiting the market and/or decreasing the capacity they will deploy. They are also becoming more stringent with security controls. The TAA has good security controls in place and continues to be an acceptable risk for insurers.
- Commercial auto has increased significantly due to the higher cost of vehicles and runaway litigation. Packaging commercial auto insurance with other lines has kept the increase stable.

COUNCIL DISCUSSION:

- What was the rationale for not shopping around?** McManus stated that Alliant strongly discourages marketing coverages in back-to-back years unless there is a needful reason to do so. The goal is to build a relationship with the insurer and build up a bank of premiums for when losses need to be paid out. The TAA saved a significant amount of money last year by switching to six new carriers. He does not believe that there would have

been a significant reduction in the premiums if the plans were marketed again this year.

- ❑ **Does the TAA have an umbrella component?** Jorgensen stated that Airport Liability Coverage is the umbrella component and serves as both general liability and excess liability. There is \$200M of policy limits to address third-party claims (e.g., bodily injury, property damage) as they relate to the TAA's operations. Airport Liability supplements the Auto Liability and Law Enforcement Liability as well.

MOTION BY Council Member Platt, SECONDED BY Vice Chair Mireles, to recommend to the Board of Directors APPROVAL of the Tucson Airport Authority's commercial lines of insurance, including Property, Airport Liability, Commercial Auto, Inland Marine, Management Liability (Directors and Officers), Crime and Special Risk, Cyber Security, Law Enforcement Liability, and Deadly Weapon Response for the policy year beginning August 15, 2022 and ending August 14, 2023. The motion carried by the following vote:

Ayes 5 Chair Overton, Vice Chair Mireles, Council Member Draper, Council Member Platt, and Council Member Gee

Nays 0

5. FINANCIAL BRIEFING

Vice President/CFO Kirk Eickhoff presented an overview of the TAA's business model, including rates and charges, revenues, the Airline Use Agreement, and the annual budget process.

6. ADMINISTRATIVE UPDATES

Vice President/CFO Kirk Eickhoff reported the following:

- a. Investment Report for the Third Fiscal Quarter ended June 30, 2022.

The TAA currently has \$140M in investments. These are pooled funds, which are mostly earmarked for capital expenditures and other projects. Due to market trends, the current yield is extremely low. The TAA follows the restrictions under state law, which limit the securities it can purchase. A memorandum with additional information was included in the agenda packet.

b. June 2022 YTD Financial Report.

- FY 2022 operating revenues through June 2022 were \$7.5M, or \$3.7M over budget. This was due primarily to favorable revenues from rental car transactions.
- Staff is working diligently to control costs because of the slower-than-expected recovery. As a result, operating expenses were \$2M favorable to budget.
- A memorandum with additional information was included in the agenda packet.

7. **ADJOURN**

There being no further business to discuss, Chair Overton adjourned the meeting at 10:02 a.m.

PREPARED BY:

Byron M. Jones, CMC, TAA Clerk

Date: _____

Date: August 31, 2022

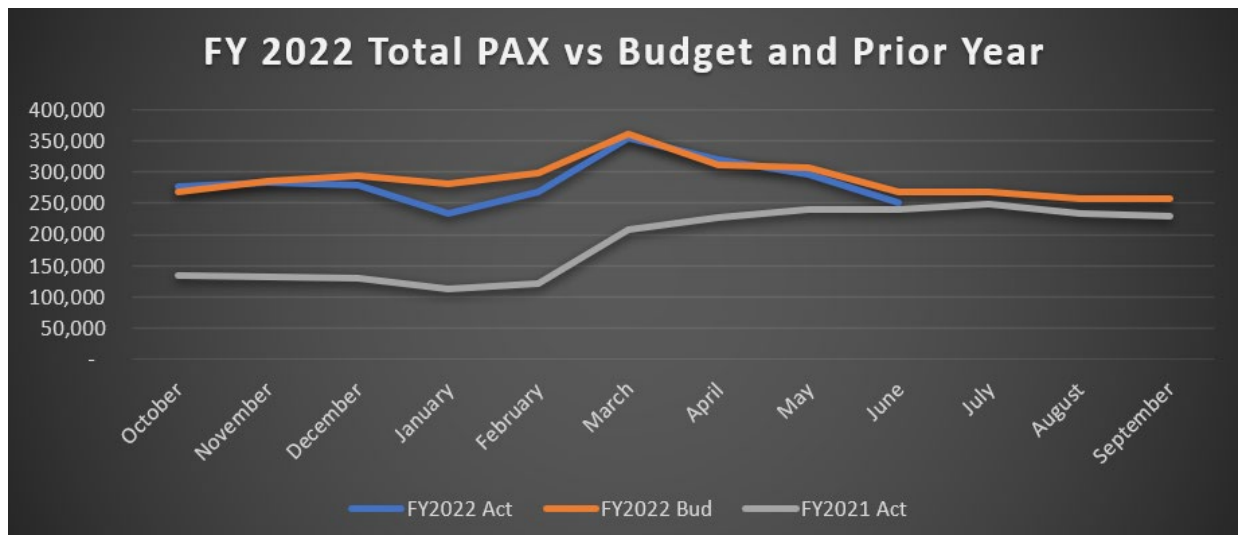
To: Finance and Risk Management Council
From: Kirk Eickhoff, Vice President/CFO
Re: FY 2023 Tucson Airport Authority Operating Budget

Purpose:

Attached for your review is the FY 2023 Tucson Airport Authority (TAA) Operating Budget. The document entitled “Statement of Airport System Requirements” ([Exhibit A](#)) presents a comparative analysis of major revenue and expense categories for the FY 2023 budget, the current fiscal year forecast and approved budget (FY 2022).

FY 2022 Forecast vs FY 2022 Budget:

The fiscal year began with passenger volumes tracking closely to the annual budget. However, a spike in COVID-19 cases negatively impacted air travel from December through February. Luckily, the traffic decrease was short-lived, and volumes recovered to levels consistent with the FY 2022 budget beginning in March. The overall passenger volume expectation for FY 2022 was approximately 91% of pre-COVID-19 levels, beginning the year at 87% and steadily increasing to 93%. The current year-to-date volume is just over 88% of pre-COVID-19 levels. Despite lower than anticipated passenger volumes, TAA expects FY 2022 operating revenue to exceed budget by \$1.4M. The increase is mostly attributable to favorable performance from rental cars, a continuation of unbudgeted tie-down fees, and higher-than-expected royalties from sand and gravel. Operating expenses are also favorable by \$1.6M, due to personnel savings attributable to historically high vacancy rates and lower-than-expected contractual services. While FY 2022 projections are favorable to budget, operating income is still significantly below pre-COVID-19 levels and TAA expects to deploy \$6.9M of federal rescue funds to balance the airport system residual calculation.



FY 2023 Budget Volume Assumptions:

Volume assumptions drive critical components of airport revenue planning, including Concessions and Landing Fees. Significant changes in volume have the potential to affect operating expenses as well. But overall, TAA's operating costs are fixed. The most significant cost drivers are FAA Part 139 requirements and the specific infrastructure and resources managed and maintained, which do not significantly change year-to-year. For FY 2023, budgeted volumes are consistent with current performance and are not expected to materially change TAA's operations.

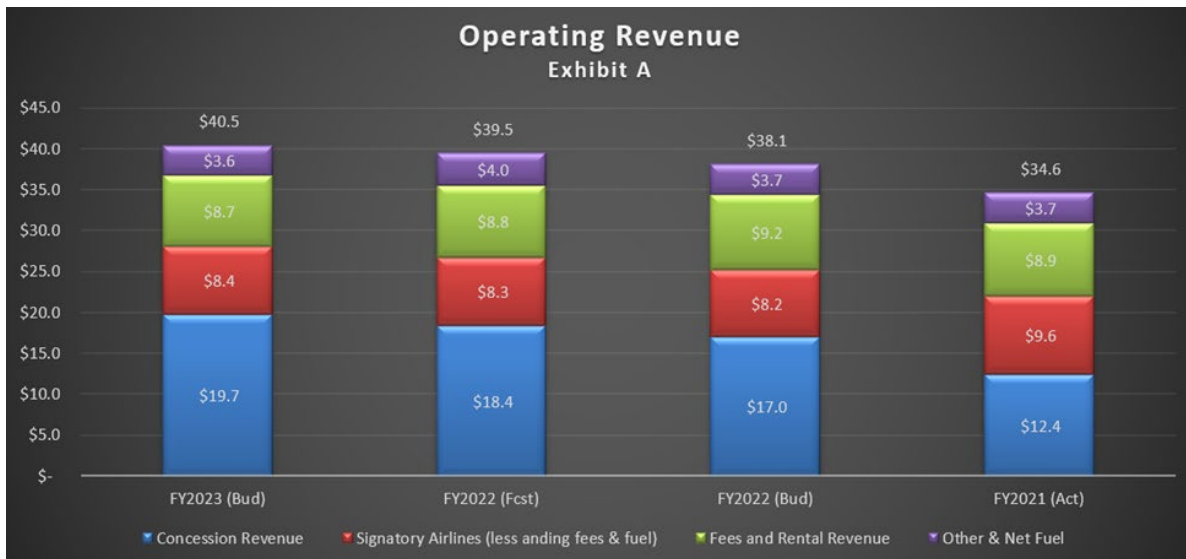
FY 2023 passenger activity is budgeted to increase 7.9% compared to the FY 2022 budget, with 3.7M total expected passengers at TUS. The budget assumes a gradual increase in service over the course of the year and includes seasonal service from Sun Country and Flair Airlines. Load factors are expected to remain high, resulting in a budgeted passenger volume of 94.5% of FY 2019 (pre-COVID-19) levels.

Landed weight is highly correlated with passenger volume. With the expectation of elevated load factors, the budgeted landed weight for FY 2023 is 3.5% higher than the FY 2022 budget and 94.3% of FY 2019 (pre-COVID-19).

Revenue vs. FY 2022 Budget:

The FY 2023 operating revenues are expected to grow \$2.4M (6.3%) vs the FY 2022 budget and \$1.0M (2.6%) vs the FY 2022 forecast (see chart below). The overall changes by revenue category are as follows:

- Concession Revenue - \$2.8M (16.3%) increase due to higher passenger volumes, a planned increase in vehicle parking rates, and a continuation of escalated rental car revenue. Minimum annual guarantees (MAG) for rental car tenants (RAC) have been restored. However, the rental car revenue is expected to exceed the MAG, so there is no anticipated financial impact from this change.
- Revenue from signatory airlines (other than landing fees and fuel) - \$0.2M (2.7%) increase which is attributable to an increase in required security reimbursements.
- Fees and Rental Revenue - \$0.4M (4.8%) decrease due to lower non-signatory landing fees and facility terminal rent.
- Other Revenue - \$0.1M (2.5%) decrease primarily due to decreased project reimbursements, partially offset by increased fuel flowage fees.



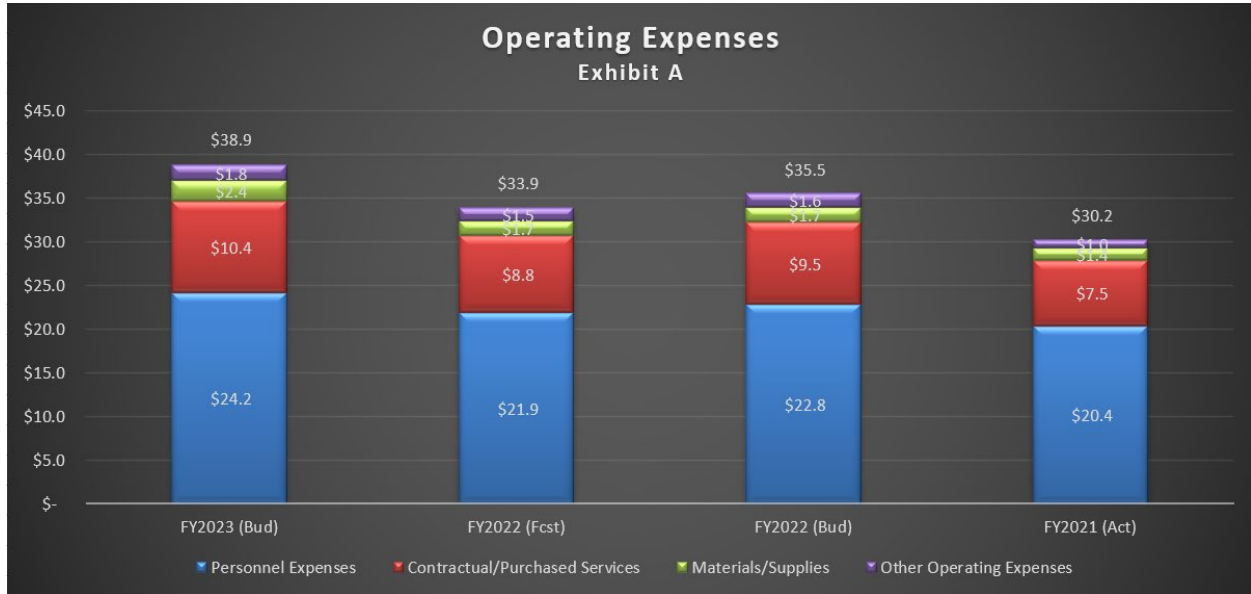
- Non-operating revenue is comprised solely of interest earnings on federally guaranteed debt securities—mainly agency notes and treasury bonds. Interest revenue is expected to increase \$0.1M from the FY 2022 budget as Federal Reserve rate increases implemented in 2022 are expected to continue throughout FY 2023.

Operating Expenses vs FY 2022 Budget:

The FY 2023 operating expenses are budgeted to increase \$3.4M or 9.7% compared to the FY 2022 budget and rise \$5.0M or 14.8% over the FY 2022 forecast (see chart below). The overall changes by expense category are described below:

- Personnel expense represents the majority of TAA’s operating expenses. The FY 2023 budget is \$24.2M which is \$1.5M (6.5%) higher than the FY 2022 budget. The increase is attributable to strategic market adjustments and cost-of-living increases designed to promote employee retention and recruitment in a highly competitive labor market. TAA also faced significant increases in employee medical insurance costs. Through careful planning, changes in offerings, and passing through a portion of the increases to employees, TAA was able to limit the increase to less than 10% over the prior year.
- Contractual/Purchased Services includes investment focus areas and is expected to increase \$1.0M or 10.1% compared to the FY 2022 budget. Investments include additional marketing efforts, legal and consulting expenses required to complete a new Airline Use Agreement (AUA), engineering fees related to potential property development efforts, and restoration of the internal audit function at TAA. In addition to these investments, TAA is facing significant increases in parking management fees (driven by higher labor costs) and rising utility rates.

- Materials and supplies are budgeted to increase by \$0.7M due to multiple factors including inflation, additional software licenses, and replacements of small machinery and equipment.
- Other operating expenses are up \$0.3M due to restored travel and training, community events, and employee tuition reimbursement.



Debt Service:

Airport system debt service will increase by \$0.8M from the FY 2022 budget primarily due to special reserve loan funding of unbudgeted capital projects added during FY 2022. These projects include the MRO Aeropark Taxiway Entrance, Federal Inspection Station Refresh, and a Jet Bridge for Gate B-2.

Fund Transfers:

Except for the inflow of federal rescue funds, all fund transfers are budgeted and executed in accordance with the terms of the Airport Use Agreement (AUA).

- The Operations and Maintenance Reserve Fund is required to be maintained at a balance of 25% of budgeted operating expenses. The \$0.9M transfer is required to maintain this balance.
- The transfer to the Capital Improvement Fund is budgeted to increase 5.0% in FY 2023, as prescribed by the AUA.

- Transfers to the Special Reserve Fund are expected to increase slightly due to anticipated industrial area revenues.
- Common area maintenance transfers are flat.
- The transfer from the Federal Rescue Fund of \$7.6M is used to balance the Airport System and maintain the prescribed landing fee rate of \$1.15 per thousand-pound unit, as required by the AUA amendment and extension agreement dated 10/1/2021.

Total Capital Requirements:

Total capital requirements are budgeted to decrease by \$2.3M compared to the FY 2022 budget. Attached are three separate exhibits detailing budgeted project information for FY 2023 Major Maintenance ([Exhibit B](#)), Capital Outlay ([Exhibit C](#)), and the Capital Improvement Program (CIP) ([Exhibit D](#)).

Net Results and Summary:

All budgeted items described above result in a signatory landing fee requirement of \$2.3M, which represents an 8.1% increase from the FY 2022 budget. When divided by the budgeted signatory landed weight, the calculated landing fee is \$1.15 per thousand-pound unit, as required by the AUA amendment and extension.

The total cumulative anticipated used of the federal rescue funds at the end of FY 2023 is \$20.9M (\$2.3M FY 2020, \$4.1M FY 2021, \$6.9M FY 2022, and \$7.6M budgeted for FY 2023). In total, federal COVID-19 relief bills have provided TAA with \$44.5M in rescue grants. This does not include the \$31M allocation from the Bipartisan Infrastructure Law (BIL), as TAA plans to apply all BIL proceeds directly to the ongoing Airfield Safety Enhancement (ASE) project. As federal dollars are received, they are accounted for in a separate fund apart from the Airport System. At the close of each year, TAA transfers dollars from these funds into the airport system the amount required to balance the residual calculation.

An anticipated remainder of \$23.6M of rescue funds will be available to carry forward to FY 2024 and beyond. The planning for this remainder was aimed to help ensure adequate funding of the airport system into the future and reduce the likelihood of a net shortfall situation (for which the signatory airlines are residually responsible). Should passenger volumes continue to increase, returning the airport to a self-sustaining operation prior to the exhaustion of the relief funds, any remaining dollars will be used to offset the local portion of the capital costs associated with the ASE project.

In closing, on August 22, 2022, TAA management met with the Airlines and Airport Affairs Committee, and had a comprehensive discussion about the FY 2023 budget. There were no objections to the proposed FY 2023 budget.

Recommendation:

TAA management recommends to the Finance and Risk Management Council that it recommend to the Board of Directors adoption of the TAA FY 2023 budget at the meeting scheduled on September 7, 2022.

Attachments:

1. [Exhibit A:](#) Statement of Airport System Requirements
2. [Exhibit B:](#) FY 2023 Major Maintenance
3. [Exhibit C:](#) FY 2023 Capital Outlay
4. [Exhibit D:](#) FY 2023 Capital Improvement Program (CIP)

TUCSON AIRPORT AUTHORITY
STATEMENT OF AIRPORT SYSTEM REQUIREMENTS 2023

	2023		2022		2021 Actual	2023 Budget vs 2022 Forecast	
	Budget		Forecast	Budget		Dollar Inc/(Dec)	% Inc/(Dec)
Operating Revenue							
Revenue from Signatory Airlines (Other than landing fees and fuel sales)	\$ 8,401,847	\$	\$ 8,258,783	\$ 8,184,184	\$ 9,627,451	\$ 143,064	1.7%
Fees and Rental Revenue	8,733,696		8,793,608	9,218,097	8,943,852	(59,912)	-0.7%
Concession Revenue	19,726,626		18,365,441	16,955,814	12,384,557	1,361,185	7.4%
Fuel Sales (net of cost of sales)	33,501		30,456	35,365	36,711	3,046	10.0%
Other System Revenue	3,591,490		4,017,066	3,684,385	3,614,535	(425,576)	-10.6%
	40,487,160		39,465,354	38,077,846	34,607,106	1,021,806	2.6%
Non-Operating Revenue							
Interest Revenue	226,453		188,711	143,373	161,739	37,742	20.0%
	226,453		188,711	143,373	161,739	37,742	20.0%
Total Revenue (1)	40,713,613		39,654,065	38,221,219	34,768,845	1,059,548	2.7%
Operating Expenses							
Personnel Expenses	24,248,404		21,909,688	22,769,868	20,380,146	2,338,716	10.7%
Contractual/Purchased Services	10,444,775		8,836,474	9,484,932	7,468,407	1,608,301	18.2%
Materials/Supplies	2,390,561		1,667,980	1,652,671	1,405,381	722,581	43.3%
Other Operating Expenses	1,849,118		1,507,216	1,597,278	990,652	341,902	22.7%
Total Operating Expenses	38,932,858		33,921,358	35,504,748	30,244,585	5,011,500	14.8%
Net Operating Income (1)	1,780,756		5,732,707	2,716,471	4,524,260	(3,951,951)	-68.9%

(1) Excludes Signatory Landing Fees

TUCSON AIRPORT AUTHORITY
STATEMENT OF AIRPORT SYSTEM REQUIREMENTS 2023

	2023		2022		2021	2023 Budget vs 2022 Forecast	
	Budget	Forecast	Budget	Budget	Actual	Dollar Inc/(Dec)	% Inc/(Dec)
Debt Service							
Airport Revenue Bonds (Subordinate Lien) (2)	3,996,806	4,003,208	4,003,208		5,679,658	(6,402)	-0.2%
PFC Payment	(3,996,806)	(4,003,208)	(4,003,208)		(5,679,658)	6,402	-0.2%
Special Reserve Advances	3,728,357	2,916,751	2,916,751		1,370,464	811,606	27.8%
Insurance Reserve Advances	956,829	956,829	956,829		956,829	-	0.0%
Total Debt Service	4,685,186	3,873,580	3,873,580		2,327,293	811,606	21.0%
Fund Transfers							
Operations & Maintenance Reserve	857,027	514,533	514,533		(113,197)	342,494	66.6%
Capital Improvement Fund	1,500,959	1,429,485	1,429,485		1,361,414	71,474	5.0%
Special Reserve Fund	1,951,881	1,917,208	2,194,491		1,913,978	34,673	1.8%
Maintenance Reserve Fund	-	-	-		2,000,000	-	0.0%
Common Area Major Maintenance Funds	143,670	144,014	144,014		143,688	(344)	-0.2%
Airline Reserve Fund	-	-	-		-	-	0.0%
Federal Rescue Funds	(7,574,294)	(6,882,061)	(8,128,504)		(4,186,826)	(692,233)	10.1%
Total Fund Transfers	(3,120,756)	(2,876,821)	(3,845,981)		1,119,057	(243,935)	8.5%
Capital Requirements							
Capital Improvement Projects (CIP)	7,917,408	7,041,398	2,008,390		2,663,534	876,010	12.4%
Capital Outlay	140,975	3,790,960	1,114,858		1,147,906	(3,649,985)	-96.3%
Capitalized Major Maintenance	1,009,366	4,641,508	4,463,533		912,462	(3,632,142)	-78.3%
Special Funding Sources							
Capital Improvement Fund	(1,500,959)	(1,429,485)	(1,429,485)		(1,361,414)	(71,474)	5.0%
Special Reserve Fund	(4,326,766)	(5,922,196)	-		(607,316)	1,595,430	100.0%
Maintenance Reserve Fund	(769,394)	(750,000)	(750,000)		-	(19,394)	0.0%
Common Area Major Maintenance Funds	-	(623,791)	(623,791)		(22,110)	623,791	100.0%
Total Capital Requirements	2,470,630	6,748,394	4,783,505		2,733,062	(4,277,764)	-63.4%
Signatory Landing Fee Requirement (Residual)	\$ 2,254,304	\$ 2,012,446	\$ 2,094,633		\$ 1,655,152	\$ 241,858	12.0%
Landed Weight Signatory Airlines	1,962,252	1,749,953	1,821,420		1,439,112	212,299	12.1%
Calculated Landing Fee	\$ 1.15	\$ 1.15	\$ 1.15		\$ -	\$ -	0.0%

EXHIBIT B



Portfolio Planning Dashboard

Plan Year: 2023
 Program: MM
 Portfolio Name: FY 2023 MM Final
 Currency: Dollars (USA)
 Revision: 0
 Status: Draft

Plan Total: \$1,009,366.00
 Selected To Fund: \$0.00

Initiative ID	Initiative	Funding Year	Project Manager	Total	Dept.	Workflow Status	Score	2022	2023	2024	2025	2026	Beyond 5
10220462	B-422 Repipe domestic HW/CW piping	2023	David Moore	\$219,398.00	521 - Maintenance	Approved	0.00000	\$0.00	\$219,398.00	\$0.00	\$0.00	\$0.00	\$0.00
20219019	Ryan Maintenance Bathroom and Water Heaters	2023	Adam Kretschmer	\$56,721.00	521 - Maintenance	Approved	0.00000	\$0.00	\$56,721.00	\$0.00	\$0.00	\$0.00	\$0.00
10220375	Sealcoat Airfreight Road (01)	2023	Dexter DeVera	\$3,894.00	401 - Planning & Engineering Management	Approved	0.00000	\$0.00	\$3,894.00	\$0.00	\$0.00	\$0.00	\$0.00
10220364	Sealcoat General Aviation Apron (AGA 03)	2023	Dexter DeVera	\$12,623.00	401 - Planning & Engineering Management	Approved	0.00000	\$0.00	\$12,623.00	\$0.00	\$0.00	\$0.00	\$0.00
10218996	B-288 Hangar Wall Installation	2023	Lorraine Behr	\$3,550.00	203 - Commercial & Business Development	Approved	0.00000	\$0.00	\$3,550.00	\$0.00	\$0.00	\$0.00	\$0.00
10222469	Air Cargo 1 B-239 Bay 5	2023	Lorraine Behr	\$159,500.00	404 - Facility Development	Approved	0.00000	\$0.00	\$159,500.00	\$0.00	\$0.00	\$0.00	\$0.00
20219113-802	Phase 2 - Land Survey of Ryan Airfield	2023	Luis Quintero	\$69,905.00	401 - Planning & Engineering Management	Approved	0.00000	\$0.00	\$69,905.00	\$0.00	\$0.00	\$0.00	\$0.00
10219213 (803)	Rehab. Park Avenue South	2023	Victor Palma	\$333,775.00	402 - Civil Development	Approved	0.00000	\$0.00	\$333,775.00	\$0.00	\$0.00	\$0.00	\$0.00
10223499	ADA Compliance Modifications Project	2023	Lorraine Behr	\$150,000.00	404 - Facility Development	Approved	0.00000	\$0.00	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Total				\$1,009,366.00				\$0.00	\$1,009,366.00	\$0.00	\$0.00	\$0.00	\$0.00

EXHIBIT C



Portfolio Planning Dashboard

Plan Year: 2023
 Program: CO
 Portfolio Name: FY 2023 CO Final
 Currency: Dollars (USA)
 Revision: 0
 Status: Draft

Plan Total: \$140,975.00
 Selected To Fund: \$0.00

Initiative ID	Initiative	Funding Year	Project Manager	Total	Dept.	Workflow Status	Score	2022	2023	2024	2025	2026	Beyond 5
10320407	Replace Welder/Generator on TAA 426	2023	Adam Kretschmer	\$20,352.00	521 - Maintenance	Approved	0.00000	\$0.00	\$20,352.00	\$0.00	\$0.00	\$0.00	\$0.00
10322483	New Tire Machine and Balancer for Fleet Shop	2023	Alan Moseley	\$12,023.00	521 - Maintenance	Approved	0.00000	\$0.00	\$12,023.00	\$0.00	\$0.00	\$0.00	\$0.00
10322478	Replace Computer Monitors	2023	Gregory Walton	\$30,000.00	302 - Information Technology & Telecommunications	Approved	0.00000	\$0.00	\$30,000.00	\$0.00	\$0.00	\$0.00	\$0.00
10322477	Additional GIS Survey Antennas	2023	Luis Quintero	\$3,600.00	401 - Planning & Engineering Management	Approved	0.00000	\$0.00	\$3,600.00	\$0.00	\$0.00	\$0.00	\$0.00
10322489	Electronic Lock Upgrade - Phase II	2023	Jeff Palmer	\$75,000.00	510 - Police Support	Approved	0.00000	\$0.00	\$75,000.00	\$0.00	\$0.00	\$0.00	\$0.00
Total				\$140,975.00				\$0.00	\$140,975.00	\$0.00	\$0.00	\$0.00	\$0.00

EXHIBIT D

TUCSON AIRPORT AUTHORITY Tucson International Airport (TUS) / Ryan Airfield (RYN) (8/5/22)

FISCAL YEAR 2023 CAPITAL IMPROVEMENT PROGRAM

<u>TUS AIP Projects:</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>TAA</u>	<u>See Note</u>
10119102 ASE Program	\$ 54,989,973	\$ 51,342,725	\$ 1,080,482	\$ 2,566,766	*

TUS AIP Total:	\$ 54,989,973	\$ 51,342,725	\$ 1,080,482	\$ 2,566,766
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<u>TUS ADOT Projects:</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>TAA</u>
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TUS ADOT Total:	\$ -	\$ -	\$ -	\$ -
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<u>RYN AIP Grant Projects:</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>TAA</u>	<u>See Note</u>
20119088 Ryan Tower Equipment (BL)	\$ 323,963	\$ 295,001	\$ 14,481	\$ 14,481	*
20120297 Conduct Siting Study for New Ryan Tower	\$ 175,000	\$ 159,355	\$ 7,823	\$ 7,823	*

RYN AIP Total:	\$ 498,963	\$ 454,356	\$ 22,304	\$ 22,304
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<u>RYN ADOT Grant Projects:</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>TAA</u>	<u>See Note</u>
20120435 (802) APMS - TWY B (Sec. 20 & 30), TWY A (Sec. 20), TWY D (Sec. 20)	\$ 882,289	\$ -	\$ 794,060	\$ 88,229	*
20123492 APMS Runway 15/33	\$ 206,537	\$ -	\$ 185,883	\$ 20,654	*

RYN ADOT Total:	\$ 1,088,826	\$ -	\$ 979,943	\$ 108,883
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Grant Total:	\$ 56,577,762	\$ 51,797,081	\$ 2,082,729	\$ 2,697,952
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<u>TAA Funded Projects:</u>	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>TAA</u>
10122470 Replace Parking and Revenue Control System (PARCS)	\$ 1,760,000	\$ -	\$ -	\$ 1,760,000
10122484 EA and Supporting Work for Sonora East	\$ 925,000	\$ -	\$ -	\$ 925,000
10123464 Police Relocation	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
10120275 (802) Sealcoat Runway 3/21	\$ 649,275	\$ -	\$ -	\$ 649,275
10219230 (803) Entry Monument Median and Roadside Landscaping	\$ 300,000	\$ -	\$ -	\$ 300,000

TAA Total:	\$ 4,634,275	\$ -	\$ -	\$ 4,634,275
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TOTAL TAA FUNDS NEEDED:	\$ 7,332,227
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<u>Special Financing</u>	<u>Total</u>	<u>AANG</u>	<u>Other</u>	<u>TAA</u>	<u>See Note</u>
10119102 ASE Program	\$ 11,386,000	\$ 11,386,000	\$ -	\$ -	*
10120274 (802) Executive Ramp Improvements	\$ 1,894,178	\$ 1,540,338	\$ -	\$ 353,840	*
10110096 (803) Reconstruct AANG Road	\$ 1,039,484	\$ 808,143	\$ -	\$ 231,341	*
10119102 (823) ASE Program - Pima County Drainage Improvements	\$ 720,000	\$ -	\$ 720,000	\$ -	*
10119102 (824) ASE Program - Ascent Aviation	\$ 413,585	\$ -	\$ 413,585	\$ -	*

Special Financing Total:	\$ 15,453,247	\$ 13,734,481	\$ 1,133,585	\$ 585,181
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Note:

* Project does not require Majority-In-Interest (MI) approval pursuant to the threshold limit of Section 6.1 or is covered under an exception listed under section 6.3 of the Airline Use Agreement.