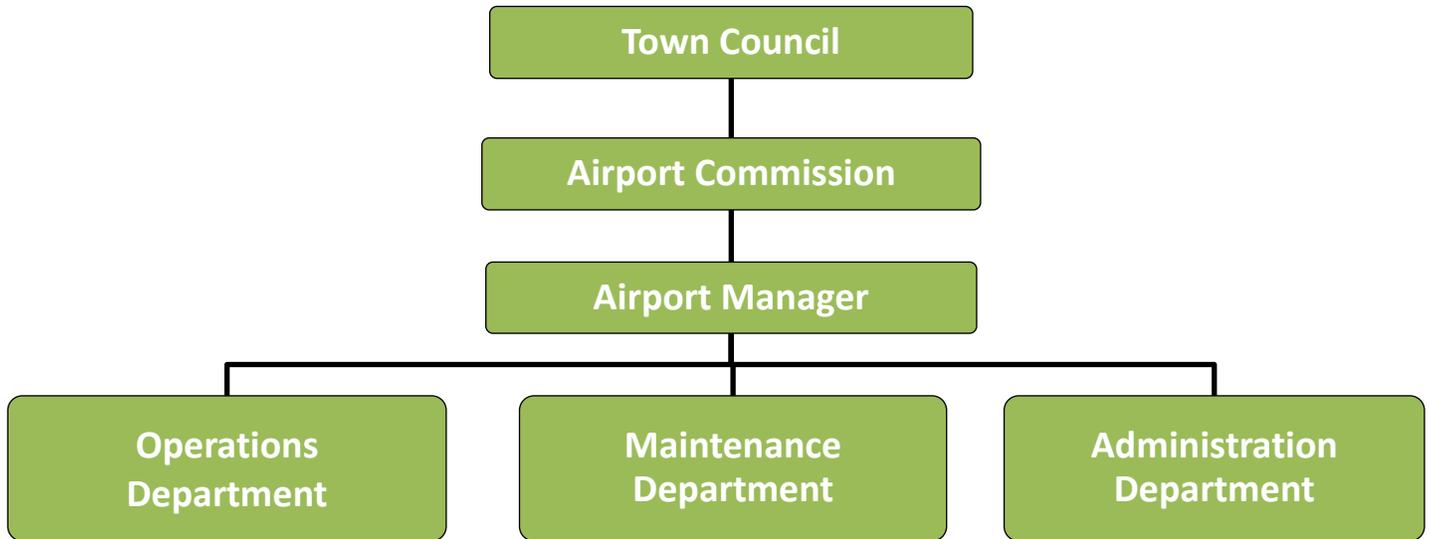


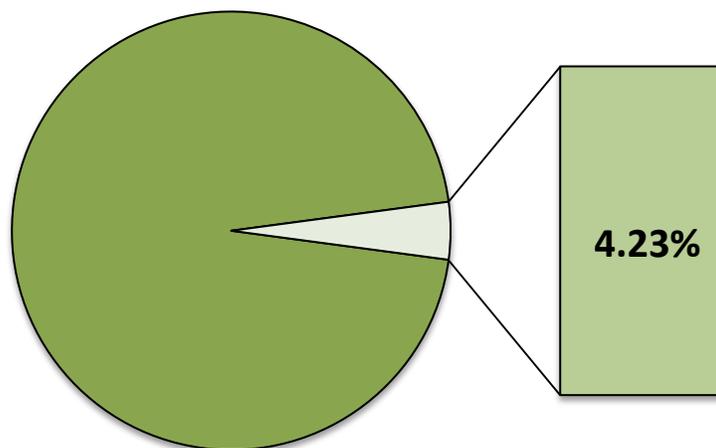
CAPE COD GATEWAY AIRPORT ENTERPRISE FUND

Department Purpose Statement

To provide a safe and convenient air travel experience and high quality aviation activities/businesses to the citizens of the Town of Barnstable, the Cape Cod region, and the Commonwealth of Massachusetts. As a non-hub primary airport and a major transportation facility for Cape Cod, our goal is to foster local economic growth and to ensure that the airport remains an integral part of the regional transportation plan in an effort to meet the demand for present and future air travel for local Cape Cod residents and visitors to the region.



% of FY 2023 All Appropriated Funds



Airport Enterprise Fund comprises 4.23% of all appropriated funds.

Airport Enterprise Fund Services Provided

The Cape Cod Gateway Airport (formerly Barnstable Municipal Airport) serves as a distinct commercial transportation hub for the residents of the Town of Barnstable and Cape Cod by meeting the regional demand for air transportation (both commercial and private transportation). For some, it provides very affordable and economic travel opportunities to/from Hyannis to/from other major destinations across the country, and yet for others, the airport provides a much-needed mode of travel to and from the Islands of Nantucket and Martha's Vineyard. This includes travel, tourism, and commuting opportunities for a large professional labor force. Cape Cod Gateway Airport connects residents to worldwide markets and destinations, sustaining Cape Cod's rapidly expanding population and business community and welcomes visitors to Cape Cod, a world-renowned tourist destination.

Cape Cod Gateway Airport is a vital link to the regional, national, and international markets that drive our emerging economy. As documented in the Massachusetts Department of Transportation (MassDOT) Aeronautics Division CY2019 (FY2020) Economic Impact Analysis, the Cape Cod Gateway Airport, in conjunction with its tenants and associated businesses, provide employment opportunities for 1,724 people, with an annual payroll in excess of \$73.8 million and a regional economic output in excess of \$157.2 million. In addition to the 24 airport employees that operate the facility, the Airport is also home to over 65 businesses/private users, with Cape Air, Atlantic Aviation (formerly Ross Aviation), Griffin Avionics, the Federal Aviation Administration (FAA), and the Transportation Security Administration (TSA) making up the bulk of employees on the airfield.

Recent studies completed in 2018/2019 show that approximately 215,000 Cape Cod residents access the air transportation system via off-Cape airports, and another 200,000 arrive on Cape Cod, again using off-Cape airports. The Airport's Business Plan and Marketing Plan goals, developed in June 2018, are to identify better opportunities to accommodate these Cape Cod residents and visitors at the Cape Cod Gateway Airport by working with our existing and new potential airline partners to enhance existing and develop new commercial services moving into FY2023 and beyond.



Cape Air has operated at Cape Cod Gateway Airport for over 32-years.

In FY2021, the Airport supported nearly 60,000 aircraft operations (defined as either one landing or one takeoff, combined equals two operations) and approximately 30,000 passengers arrived and departed from a variety of locations. Unfortunately, both airport operations and passenger activity has been on the decline over the past several years. Since FY2007, airport operations have declined 54% from 130,500 total operations (FY2007) to 60,000 (FY2021). Passenger activity has declined 93% from 420,000 total passengers (FY2007) to 30,000 (FY2021). Declines are attributed to an industry wide pilot and mechanic shortages, increased competition from high-speed passenger ferries and the loss of several airlines. Implementing various goals of the 2018 Airport Business Plan and Marketing Plan will help to accentuate improving activity. The above figures do not include a vast array of commercial charter passenger services, general aviation activities that include private and corporate passenger, freight services, and other aviation flight services not identified by the FAA in passenger enplanement/deplanement data sets, as they typically only count commercial passenger activity. Even with these declines, travelers are afforded a number of flight opportunities, not just commercial flights, but corporate and private flights to local and national destinations that include Nantucket and Martha's Vineyard, Boston, New York City and beyond.

Airport Enterprise Fund Services Provided (Continued)

In addition to aviation transportation activity, the Airport is also a space for the community with events held at the airport such as: Cape Cod Young Professional's Back to Business Bash, Southeastern Massachusetts Aviation Career Fair, Duffy Health Center Gala and Electric Car Show to name a few. Additionally, the Airport recently embarked on a new campaign with focus on near monthly community-based events held at the airport. Our **Cape Cod Gateway Airport Community Event Series** features events in the terminal and on airport grounds. We are thrilled to be opening our doors and inviting the community to experience events in a unique setting at the airport. The first gatherings in 2021 were a success with "Pottery and Planes", a fun-filled evening where attendees created hand-crafted holiday ornaments while "Holidays at the Hangar" featuring celebrity chef Stephen Coe, providing guests with a variety of specialty made appetizers.

We are more than just a transportation facility; we are part of the Cape Cod Community!

The Cape Cod Gateway Airport meets the requirements of Title 49 U.S. Code, Subtitle VII – Aviation Program, authorized to operate as a certificated airport in accordance with, and subject to, said statute and the rules, regulations, and standards prescribed there under.



**Cape Cod Gateway Airport Community Event Series
"Holidays at the Hangar" (December 2021)**

These include but are not limited to, 14 Code of Federal Regulations (CFR) Part 139 in which the Airport has been issued an airport-operating certificate with a federally approved Airport Certification Manual (ACM) on file with



**Cape Cod Gateway Airport Community Event Series
"Pottery and Planes" (November 2021)**

the FAA; a certification allowing the Airport to serve scheduled and unscheduled passenger-carrying aircraft. With certification comes extensive training for Airport personnel in airfield safety and security, maintenance, aircraft rescue and firefighting and other airport emergency response, aircraft fueling, airfield lighting and pavement marking, and hazard management of both hazardous materials and wildlife. Additionally, the Airport is approved as a public use air transportation facility in accordance with the provisions of Chapter 90, Section 39B of the General Laws of Massachusetts. As such, the Airport is recertified annually by both the FAA and the MassDOT Aeronautics Division in which rigorous review and inspection of the Airport's ACM, thrice-daily airfield inspection reports, pilot notifications, fueling facilities and associated trucks, employee training records, and a timed-response drill of aircraft rescue and firefighting capabilities; all conducted over a three-day period.

A seven member Airport Commission appointed by the Town Council creates policy for the Airport while Airport Management implements various programs and manages the day-to-day operations of the facility. The Airport employs 24 full-time employees and 4-5 seasonal employees who operate and maintain the facility 24 hours a day, 7 days a week, and 365 days a year. Additionally, each year we encourage young professionals interested in aviation to build their resume and portfolio by working in either the Airport Administrative, Airport Operations or Maintenance Departments.

Airport Enterprise Fund Services Provided (Continued)

In 2021, the Airport welcomed a student from Barnstable High School to intern with us in Airport Administration, giving this individual experience in airport marketing, their specific area of interest.

The duties of airport personnel are both broad and varied, the FAA FAR Part 139 Airport Certification dictates many of which. Airport services are provided by three separate and distinct Airport Departments: Airport Administration, Airport Operations, and Airport Maintenance all of which work together as a whole to provide mandated and required services.

Administration

The six (6) full-time Administrative staff include the Airport Manager and Assistant Airport Manager and four (4) administrative support staff that perform a myriad of administrative functions. This includes but is not limited to overseeing airport security; airport noise and abatement via the Cape Cod Gateway Airport Fly Friendly Fly Quiet program; billing; auditing and bookkeeping; contracting; construction oversight; capital planning, budgeting, grants administration; processing airport employee and tenant security identification files; personnel administration; overseeing leases; and intergovernmental coordination, public relations, and communications.

Operations

The ten (10) full-time Operations employees are asked to implement a number of duties. They are dedicated individuals tasked to: respond to any airport emergency as trained first responders in aircraft rescue and firefighting; perform thrice-daily airfield inspections to meet FAA regulatory requirements such as wildlife management and airfield management; security patrols to keep flight operations and the general public safe; and serve tenant and transient aircraft, including catering, fueling and passenger transportation year-round. In FY2021, the Operations Team safely and efficiently transferred 1.2M gallons of aviation jet fuel from fuel tanks, to fuel trucks, to waiting aircraft by implementing various safety and spill prevention protocols. As indicated above, Airport Operations personnel are also fully trained firefighters and respond to emergencies with our Aircraft Rescue and Fire Fighting vehicles. Aircraft rescue response, as mandated by the FAA, must be able to respond to and reach an accident site on the airfield within three minutes or less. Airport rescue personnel constantly train and participate in live drill exercises in order to stay proficient and ready to handle any aircraft emergency.



Airport Snow Removal

The Hyannis Fire Department is a key resource for our staff and work hand-in-hand with Airport staff in rescue response, and once on scene, they assume the role of Incident Commander. Once every three years, the Airport conducts a full-scale disaster drill (Tri-annual Mass Causality Incident Drill) to test public safety procedures. The exercise simulates a mock scenario of an aircraft accident. Actual aircrafts are not used in the drill, but fire departments from across Cape Cod set training fires and use other simulations to test the airport's emergency response plan. Airport Operations staff plan and implement the drill in close coordination and planning with Hyannis Fire Department. They along with Airport Administration, Airport Maintenance, Police, Fire, Cape Cod and Falmouth hospitals, US Coast Guard, Federal Aviation Administration, Massachusetts Department of Transportation-Aeronautics Division, Airlines, American Red Cross, Emergency Management, and other Cape Cod towns, play a vital role in the exercise.

Maintenance

Upkeep of the airfield and airport facilities by our eight (8) full-time Maintenance employees takes precedence over all other maintenance tasks. Since the Airport is a certified FAA FAR Part 139 commercial service airport, all airside discrepancies must be documented and corrected as expeditiously as possible to meet FAA requirements.

Airport Enterprise Fund Services Provided (Continued)

This team of devoted individuals maintain over 639 acres of runways, taxiways, ramps, and parking lots; painting airfield markings; mowing all grass areas; maintaining all airfield lighting; conducting all emergency and snow removal operations for the airfield and the terminal roadways; maintaining all airport owned buildings and grounds; overseeing airport airfield projects; and preserving the fleet of vehicles needed to accomplish our mission. The Airport relies heavily on this team and it is because of their actions and dedication that the airport facility is truly cared for and well maintained.

Capital Program

The airport participates in the federally sponsored Airport Improvement Program (AIP), which is administered by the FAA. This program has an entitlement component with funding being determined by enplanement levels. The airport's annual entitlement grant has been approximately \$1.2 million, and may be reduced to no less than \$1.0 million. These capital funds are supplemented by FAA discretionary funds when available. The airport also participates in the MassDOT Aeronautics Division's Aviation Safety and Maintenance Program (ASMP) that contributes a cost share for federally sponsored projects. The airport makes annual expenditures for required airfield rehabilitation projects using these funds. Federally sponsored grants to fund airport capital projects consist of costs being shared in a threefold process: the FAA at 90%, the MassDOT Aeronautics Division at 5%, and a local (Airport) share of 5%. For non-federally sponsored projects that are eligible for ASMP funding, MassDOT will provide 80% and the local airport share will be at 20%. Any other projects will be fully funded by the use of available airport reserve funds. The FY2023 capital plan includes \$2.7 million in airfield improvements and future planning, design and permitting for future airfield improvements; with a total 5-year capital plan (FY2023 - FY2027) of \$54 million, which includes an extension of one of the airport's runways.

Due to the receipt of federal funding via four recent grants awarded to the Airport (see below), in FY2021 and FY2022 the Airport has been able to implement a number of Business Plan goals and fund the majority of its capital improvements as well as cover operating cost to rebuild airport reserves.



Tri-annual Mass Casualty Incident Drill September 2021 - Photo by Britt Crosby

In addition to these grants, an additional \$1.4 million in federal and state reimbursable grant funds is expected to finance the FY2023 capital program and \$50 million expected to finance the 5-year program (FY2023 - FY2027). Airport revenues will be used to pay any annual debt service requirements or local costs linked to these projects as necessary.

Grant Title	Grant Allocation
Coronavirus Aid, Relief, and Economic Security (CARES) Act	\$17,971,966
Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA)	\$1,008,311
Concession Relief	\$5,240
American Rescue Plan Act (ARPA)	\$1,120,580
Concession Relief	\$20,959
Bipartisan Infrastructure Law	\$1,015,864
Total Grant Funding	\$21,142,920

Airport Enterprise Fund Recent Accomplishments

Over the past several years, the Airport has been busy with significant change and recent accomplishments that meet the various goals of providing affordable and economic travel opportunities to/from Hyannis to/from other major destinations across the country for travel, tourism, and commuting opportunities for a large professional labor force as well as the more recent goals of the 2018 Airport Business Plan and Marketing Plan and include the following:

- ➔ Within the last few years, the airport has leveraged over \$76M in grant funding to implement various airport safety, improvement and economic development projects:
 - New Airport Terminal and Tower (2011)
 - East Ramp Reconstruction (2014)
 - Airport Solar Array Development (2014)
 - Taxiway A Reconstruction and Centralized Wash Rack/Deicing Facility Development (2015)
 - Taxiway C Reconstruction (2016)
 - New Above Ground Fuel Farm (2016)
 - Runway 15/33 Reconstruction (2017)
 - Sanitary Sewer Upgrades and Stormwater Management (2017)
 - Airport Master Plan Update (2018)
 - Airport Rates and Charges Study (2019)
 - Airport Tree Clearing (2020)
 - Aircraft Rescue and Firefighting Building Roof Replacement (2020)
 - PFAS Mitigation Project (2020) (*project funded via Airport Reserves with no matching shares*)
 - Various Airport Equipment Purchases to meet Aircraft Firefighting and Snow Removal Requirements (2021)

- ➔ Implementation of a number of environmental enhancements that help reduce environmental impacts, help offset carbon emissions and to do our part as environmental stewards and stakeholders within the community such as:
 - Implementation and installation of storm water treatment facilities (8 Vortech Storm Water Treatment Systems) in 2014;
 - Development of a 7 megawatt 20-acre solar array in 2014;
 - Upgrading airport street and parking lot lights to LED using Cape Light Compact's lighting program;
 - Installation of a centralized aircraft washing and deicing pad that drains to the Barnstable Waste Water Treatment Plant in 2015;
 - Execution of a 0.5 megawatt rooftop solar array system in coordination with Cape Air on two existing aircraft hangars owned by the airport making Cape Air, a net zero electricity user in Barnstable and saving over \$1 million between 2010 and 2020;
 - Installation of 16 electric vehicle (EV) charging stations in 2020 and 2021;
 - Removal of underground fuel storage facilities and replacement of such structures with natural gas or above ground facilities in 2017;
 - Instituting paper reduction in the Airport Administration Office by moving to a digital footprint in various processes and purchasing reusable items for in-office staff use in 2019;
 - Procurement of propane and battery operated-solar powered airfield mowers through the Massachusetts Department of Transportation – Aeronautics Division (MassDOT) Leading by Example Greenhouse Gas Reduction Initiative in 2020;
 - Continued execution of various Good Housekeeping Practices throughout the facility annually; and
 - Installation of the first ever-electric aircraft charging station due to come online in 2022!

Airport Enterprise Fund Recent Accomplishments (Continued)

→ Implemented a number of Airport Business Plan and Marketing Plan goals, objectives, and tasks. As part of the 2018 Airport Business Plan and Marketing Plan, four main goals were identified: to maximize general aviation activity at the Airport, diversify airport revenue streams, become a regional air transportation leader, and enhance the airport image and branding. Because goals, objectives, and tasks overlap from one fiscal year to the next, the aim is not to achieve 100% completion within a given fiscal year but to make a concerted effort within the fiscal year across all four goals. Priorities are selected at the beginning of each fiscal year to focus efforts. Recent accomplishments include the following:

- Negotiation of a new lease, with assistance from Town of Barnstable Leadership, for a 27-acre parcel of airport managed land to WS Development (a.k.a K-Mart Plaza) to redevelop its retail footprint at The Landing at Hyannis (*diversify airport revenue streams*).
- Rebranded, selecting a new name and logo for the Airport – Cape Cod Gateway Airport (*enhance the airport image and branding*).
- Hosted a number of aviation educational events to entice young Cape area students to learn more about aviation as a career choice (*maximize general aviation activity at the airport and enhance the airport image and branding*).

This included:

- Hosting local Cub Scout Troop for an airport sleep over coined, “Night at the Terminal”, with various aviation related learning activities;
 - Hosting a number of Federal Aviation Administration Safety Seminars (FAASTeam) to local pilots - Safer Skies Through Education;
 - Hosting the first ever Aviation Career Fair in the airport terminal accommodating over 400 area students and providing them with the opportunity to meet and speak to over 40 aviation professionals learning more about aviation as a career choice; and
 - Hosting a number of Young Eagles events. Young Eagles is a program created by the US Experimental Aircraft Association designed to give children between the ages of 8 to 17 an opportunity to experience flight in a general aviation airplane while educating them about aviation. The program is offered free of charge with costs covered by the volunteers.
- Advocated to support our local communities and activities using the Airport’s facilities to host various events (*enhance the airport image and branding*), including:
 - Cape Cod Young Professionals Back to Business Bash;
 - 1st Electric Vehicle Car Show at the Airport;
 - Arts Barnstable - Art at the Airport;
 - We also accommodate a number of different non-profit entities on a year-round basis allowing them to use the facility free of charge for various meetings: the Cape Cod Concert Band and Brian Boru Pipe Band of Cape Cod for member practices; the Veterans of Foreign Wars Post 2578 and the Marine Corps League Cape Cod Detachment 125; the Coast Guard Auxiliary Division 11; and the Cape Cod and Islands Art Educators Association Art Program; WeCan Empowering Women, and a variety of other functions and meetings.
 - Embarked on a new campaign with focus on near monthly community-based events held at the airport known as the *Cape Cod Gateway Airport Community Event Series* featuring events in the terminal and on airport grounds; opening our doors and inviting the community to experience events in a unique setting at the airport in 2021 (*enhance the airport image and branding*).



**20-Acre Ground Mounted Solar Array
Cape Cod Gateway Airport**

Airport Enterprise Fund Recent Accomplishments (Continued)

- Completed an update to the Airport Rates and Charges to improve and update the airports fee based financial structure (*diversify airport revenue streams*).
- Continued working with the Massachusetts Air and Space Museum as they establish themselves on the Cape by offering terminal space to display aviation history. New terminal displays have been installed year-round to promote the museum and aviation. The museum continues to welcome guests in their temporary space in Hyannis (*maximize general aviation activity at the Airport and enhance the airport image and branding*).
- Completion of the Airport Master Plan Update; a comprehensive study of the facility that describes the short-, medium-, and long-term development plans to meet future aviation demand. (*Maximizes general aviation activity at the Airport, diversify airport revenue streams, become a regional air transportation leader, and enhance the airport image and branding*).
- Embarked on the development of an Environmental Assessment, the next planning step after the completion of the Airport Master Plan. The environmental assessment process further analyzes community impacts associated with the projects presented for future development in the Airport master Plan. (*Maximizes general aviation activity at the Airport, diversify airport revenue streams, become a regional air transportation leader, and enhance the airport image and branding*).
- Remained a collector of non-aviation related revenues from the airport's 6.669-megawatt (DC) ground mounted solar photovoltaic array. Revenues continue to exceed minimum annual guaranteed levels (*diversify airport revenue streams*).
- Continue to report, test, mitigate and monitor soils impacted by per- and polyfluoroalkyl substances (PFAS). Burning fuel from an aircraft accident relies on more than water to put out the flames. The FAA requires airports to carry chemical agents that are effective in smothering fuels and other onboard liquids such as hydraulic fluids, and for decades the industry standard, and only approved chemical, has been aqueous film-forming foams — known as AFFF. However, the same chemicals that make it effective for fighting fires are also linked to contamination in drinking water.
 - In working closely with Massachusetts Department of Environmental Protection (MassDEP) Bureau of Waste Site Cleanup, the Airport was able to pinpoint the boundaries of our site where firefighting foam use had occurred within the 639-acre parcel. Two locations of approximately 2.25-acres (0.39%) were identified and confirmed with MassDEP after extensive groundwater and soils tests to contain PFAS. Mitigation of PFAS effected soils occurred by capping those soils and installing monitoring wells to monitor mitigation success.
 - ➔ Continued maintenance and compliance with all Federal & State airport safety and certification requirements.
 - ➔ Completed our 8th year (2014 was the first flight) of major air carrier service with JetBlue Airways offering seasonal daily direct flights between Hyannis and New York City (JFK Airport).
 - ➔ Updated the Guidelines for Construction and Alteration at Cape Cod Gateway Airport. For over twenty years, the Airport Commission has worked with tenants to provide guidance on airport development for both new development and improvements to existing infrastructure that is either owned or leased by its tenants and associated businesses. Guidelines for Construction and Alteration were developed to assist tenants in receiving approvals from the Airport Commission for various development projects. The intent of this update is to encourage environmentally responsible “green” development of the Airport; to officially address green design and construction or to identify resources that help articulate ways to build/develop using green practices.



Airport Enterprise Fund Goals and Objectives

- Town Council's Quality of Life Strategic Plan (SP)

Short-Term Goals:

1. Plan for (depending upon FAA and MassDOT Aeronautics Division funding availability) implementation of the following projects within the short-term 1-2 year development/planning horizon **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**:
 - a. Hangar Development.
 - b. Designing, Constructing and Replacing Runway 24 Departure End Safety Area Engineered Material Arresting System (EMAS) including Inspection and Field Strength Test.
 - c. Designing and Reconstructing Runway 6-24 Pavement (Approx. 4,700ft x 150ft.).
 - d. Reporting, Testing, and Monitoring of Mitigation Site for PFOS Soils - Phase III and IV.
 - e. PFOS Soils Mitigation Design and Implementation.
 - f. Replacing Snow Removal Equipment.
 - g. Replacing Airfield Mowing Equipment.
 - h. Replace Aircraft Rescue and Firefighting Equipment.
 - i. Replacement of Circa 1997 Mo-Gas and Diesel Fuel Farm.
 - j. Permitting for Short-Term Airport Master Plan Update Projects.
 - k. Design & Implement Airport Security Camera Upgrades to meet TSA requirements.
 - l. Implement Charging Stations and/or Electric Aircraft Support Vehicle for Battery Operated/Electrically Fueled Aircraft.
2. Continue investing in the development and implementation of a number of 2018 Airport Business Plan and Marketing Plan goals, objectives, and tasks. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets)**
3. Continue working with "on-call" airport architect on the 20-year airport preventative maintenance, repair, and replacement program for all airport-owned structures to include passenger terminal improvements to meet potential increased demand for scheduled air carrier services. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**
4. Continue working with "on-call" airport engineers and planners to develop the airport and services. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**
5. Continue working with "on-call" airport environmental engineers and planners to plan a safe, efficient, and sustainable airport system and to maintain various permits, implement best practices for storm water pollution and prevention and continue efforts in environmental stewardship. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Infrastructure & Assets)**
6. Remain working with "on-call" airport marketing team on our comprehensive marketing blueprint for a robust marketing and public relations plan that targets the airport's intended audiences, establishes a consistent and strong message, and spells out specific activities to communicate the airport's message and collective goals for the 2018 Airport Business Plan & Marketing Plan. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets)**

Airport Enterprise Fund Goals and Objectives (Continued)

- Town Council's Quality of Life Strategic Plan (SP)

7. Continue to improve community relations with consideration to develop support for the Airport's plans and to address efforts for Economic Development, Environment and Natural Resources (noise and pollution abatement), Public Health and Safety, Regulatory Process & Performance, and Education. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, and Education)**
8. Carry on with monitoring environmental impacts for potential releases of chemicals of emerging concern on airport property, as well as in hydrologically up and down gradient locations. **(SP: Environment and Natural Resources, Public Health and Safety, and Infrastructure & Assets)**
9. Communicate environmental stewardship and processes implemented to safeguard storm-water and groundwater management. **(SP: Environment and Natural Resources, Public Health and Safety, Education, and Infrastructure & Assets)**

Long-Term Goals:

1. Implement various Airport improvement projects outline in the Airport Master Plan Update including **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets):**
 - a. Extension of Runway 15-33
 - b. Improvement and Extension of Various Taxiways
 - c. Improvement and Expansion of the Existing Passenger Terminal
 - d. Improving General Aviation (GA) business facilities by building new/improving existing to meet the needs of general aviation demand and new marketing initiatives.
 - i. Addition of an aviation flight school
 - ii. Improved maintenance facilities
 - iii. Improved access for GA pilots
 - iv. Improved utilization of the East Ramp and access points
 - v. Improved restaurant access on-airport
 - vi. Improved educational and aviation museum facilities
2. Research and update the airport minimum standards. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, Regulatory Process & Performance, Education, and Infrastructure & Assets)**
3. Continue to develop marketing strategies to attract additional prospective air carriers and scheduled air charter services to meet the Cape's demand for air travel. **(SP: Economic Development and Infrastructure & Assets)**
4. Diversify the airport's revenue stream by continuing to add to the Airport's portfolio non-aviation sources of revenue. **(SP: Economic Development and Infrastructure & Assets)**
5. Serve as an integral component of the Cape Cod Transportation Plan and more effectively promote the use of all transportation modes to meet the regional demand for better transportation and parking services. **(SP: Economic Development and Infrastructure & Assets)**
6. Continue working towards additional solar development at the airport and other "green" initiatives. **(SP: Economic Development, Environment and Natural Resources, Public Health and Safety, and Infrastructure & Assets)**

Airport Enterprise Fund Budget Comparison

Cape Cod Gateway Airport Enterprise Fund						
	Actual	Projected	Approved	Proposed	Change	Percent
Source of Funding	FY 2021	FY 2022	FY 2022	FY 2023	FY22 - 23	Change
Intergovernmental Aid	\$3,290,192	\$3,345,327	\$58,400	\$58,400	\$0	0.00%
Fees, Licenses, Permits	1,721,393	1,286,258	1,776,777	1,821,125	44,348	2.50%
Charges for Services	5,934,324	7,625,175	5,160,250	7,431,297	2,271,047	44.01%
Interest and Other	406,333	416,652	426,338	444,228	17,890	4.20%
Total Operating Sources	\$11,352,243	\$12,673,412	\$7,421,765	\$9,755,050	\$2,333,285	31.44%
Intergovernmental Aid	1,567,890	-	-	-	-	0.00%
Borrowing Authorizations	-	-	25,550,000	2,178,000	-	-91.48%
Total Capital Sources	\$1,567,890	\$0	\$25,550,000	\$2,178,000	(\$23,372,000)	-91.48%
Total Sources of Funding	\$12,920,133	\$12,673,412	\$32,971,765	\$11,933,050	(\$21,038,715)	-63.81%
Direct Operating Expenses						
Personnel	\$1,860,984	\$1,979,435	\$1,966,601	\$2,178,332	\$211,731	10.77%
Benefits	180,019	156,469	188,798	240,862	52,064	27.58%
Operating Expenses	3,777,085	5,068,474	4,159,197	6,013,280	1,854,083	44.58%
Capital Outlay	195,516	-	126,000	326,000	200,000	158.73%
Debt Service	643,450	156,600	171,600	178,000	6,400	3.73%
Total Direct Operating Expenses	\$6,657,054	\$7,360,978	\$6,612,196	\$8,936,473	\$2,324,277	35.15%
Indirect Operating Costs						
General Fund Staff	\$172,689	\$153,257	\$153,257	\$171,779	18,522	12.09%
Pensions	334,432	356,898	356,898	388,300	31,402	8.80%
Audit & Software Costs	20,579	18,235	18,235	20,956	2,721	14.92%
Property, Liability Insurance	163,667	182,880	182,880	199,578	16,698	9.13%
Workers' Compensation Insurance	4,720	67,543	67,543	200	(67,343)	-99.70%
Retirees Health Insurance	30,323	30,756	30,756	37,764	7,008	22.79%
Total Indirect Operating Expenses	\$726,410	\$809,569	\$809,569	\$818,576	\$9,007	1.11%
Total Operating Expenses	\$7,383,464	\$8,170,547	\$7,421,765	\$9,755,050	\$2,333,285	31.44%
Capital Improvements Program	2,542,211	-	26,202,000	3,287,000	(22,915,000)	-87.46%
Total Capital Expenses	\$2,542,211	\$0	\$26,202,000	\$3,287,000	(\$22,915,000)	-87.46%
Total Expenses	\$9,925,675	\$8,170,547	\$33,623,765	\$13,042,050	(\$20,581,715)	-61.21%
Excess (Deficiency) Cash Basis	\$2,994,458	\$4,502,865	(\$652,000)	(\$1,109,000)	(\$457,000)	
Beginning Certified Free Cash	\$3,897,860		\$6,892,318	\$6,240,318		
FY22 Projected Excess (Deficiency)				4,502,865		
Ending Proj. Certified Free Cash	\$6,892,318		\$6,240,318	\$9,634,183		

Summary of Budget Changes

The direct operating Airport proposed FY 2023 budget increased by \$2,324,277, or 35.15% from the approved FY 2022 budget. Most of the increase in the proposed budget comes from operating cost associated with jet fuel purchases for resale at 24 % otherwise all other operating costs increase by 10% over FY2022. Personnel cost proposed budget is increasing 10.77% and benefits 27.58%. Capital outlay request includes request for airport facility/asset maintenance on various buildings, improvements to electronic equipment, vehicle replacements, and furniture and fixtures.

Airport Enterprise Fund Budget Reconciliation

Job Title	FY 2021	FY 2022	FY 2023	Change
Administrative Financial Assistant	1.00	1.00	1.00	-
Aircraft Rescue Fire Fighter	1.00	1.00	1.00	-
Airport Manager	1.00	1.00	1.00	-
Assistant Airport Manager	1.00	1.00	1.00	-
Assistant Operations Supervisor	1.00	1.00	1.00	-
Custodian	2.00	2.00	2.00	-
Executive Assistant to Airport Manager	1.00	1.00	1.00	-
Financial Analyst	1.00	1.00	1.00	-
Laborer Craftsperson	1.00	1.00	1.00	-
Maintenance Supervisor	1.00	1.00	1.00	-
Maintenance Technician	3.00	3.00	3.00	-
Mechanic Welder	1.00	1.00	1.00	-
Noise Abatement Officer	1.00	1.00	1.00	-
Operations Specialist	6.00	7.00	7.00	-
Operations Supervisor	1.00	1.00	1.00	-
Project Manager/Airfield Supervisor	-	-	1.00	1.00
Full-time Equivalent Employees	23.00	24.00	25.00	1.00

Budget Reconciliation	Personnel	Operating	Capital Outlay	Totals	FTE
FY 2022 Approved Budget				\$7,421,765	
Contractual Obligations Net of Staff Turnover	128,534	-	-	128,534	-
Change in Indirect Costs	(28,933)	37,941	-	9,007	-
One-Time Charges	-	-	(126,000)	(126,000)	-
Debt Service	-	6,400	-	6,400	-
FY 2023 Budget Changes					
1. Project Manager/Airfield Supervisor	104,680	-	-	104,680	1.00
2. Seasonal Wage Increase	15,580	-	-	15,580	
3. Overtime	15,000	-	-	15,000	
4. Jet Fuel Purchases for Resale	-	1,684,372	-	1,684,372	-
5. Professional Services Other	-	128,110	-	128,110	-
6. Professional Appraisal Services	-	25,000	-	25,000	-
7. Advertising	-	16,600	-	16,600	-
8. Airport Facility Asset Improvement & Maintenance	-	-	150,000	150,000	-
9. Improvements - Electronic Equipment	-	-	28,000	28,000	-
10. Vehicles & Trucks	-	-	2,000	2,000	-
11. Furniture & Fixtures	-	-	146,000	146,000	-
FY 2023 Proposed Budget	\$234,861	\$1,898,423	\$200,000	\$9,755,049	1.00

- 1. Project Manager/Airfield Supervisor** – To oversee airfield projects and the overall supervision of the facilities, training, and “boots on the ground” management of the field.
- 2. Temporary & Seasonal Employees** - In previous years, this included 4 seasonal (3 airport operations and 1 maintenance); this was reduced in FY2021 due to COVID. For FY2023 we are requesting 5 seasonal (3 airport operations and 2 maintenance) at \$17.50/hour (per HR as of 1/1/2022). The maintenance seasonals are needed for landscaping assistance. The amount of fueling that we have been selling requires the 3 operations seasonals.
- 3. Overtime** - reflects salaries including snow removal costs and unreimbursed OT due to construction; plus additional funds for custodian OT due to loss of one FT position as well as Operations OT due to loss in one FT position and the need to backfill from time to time for PER, VAC, SICK.

Airport Enterprise Fund Budget Reconciliation (Continued)

- 4. Jet Fuel Purchases for Resale** - The airport significantly increased its jet fuel sales during COVID. With a decrease in commercial airline travel trust, many flyers turned to private jets and aircraft in 2020 and have not returned to the airlines. This trend of flyers utilizing private jets for personal and leisure travel rather than business travel picked up steam in 2021 and continues into 2022. While only 10% of those who could afford to fly privately actually did so before the pandemic, research estimates that now 79% of people who can afford a private jet are inclined to fly privately. Considering more than half — 53% — of new flyers say they plan to fly privately on a regular basis post-pandemic, it doesn't look like the private aviation trend will be slowing down soon.
- 5. Professional Services Other** - This includes all on-call services for planning, engineering, architect, environmental, and inspections. The Airport will use in-house staff when able otherwise we seek assistance from aviation professionals.
- 6. Professional Appraisal Services** - For property transactions in FY 2023 and hangar development areas.
- 7. Advertising** - Cost to market the airport and increase business - Travel brochures, marketing materials and air service. Marketing the airport more in future is a high priority for the Airport Commission in the new incentive program for airlines but these can be in-kind or rent reductions. We also have a need to buy marketing material and giveaways.
- 8. Airport Facility Asset Improvement & Maintenance** – The Airports maintains a number of buildings with the youngest being constructed in 2011 and the oldest constructed in the 1950s. This funding would support maintaining and improving existing assets and to support equipment upkeep. Additionally, to be in alignment with its Business Plan (outlined below). The airport must maintain facilities in good working and attractive order to serve the community and the traveling public.
- 9. Improvements – Electronic Equipment** - The Airport maintains a number of gates to preserve secure access to/from the airport to meet Federal Aviation Regulations for our tenants, employees, and customers. The inability to maintain our gates would disrupt tenant/customer experience at the airport and could impede emergency access. The purchase of new digital fingerprinting capabilities is also included and would adequately or efficiently allow for quicker processing and rapid return of fingerprints necessary to meet security requirements and customer/tenants needs.
- 10. Vehicles & Trucks** – The Airport maintains a number of pieces of equipment to maintain airport grounds, buildings, and other equipment, to meet Federal Aviation Regulations, and to maintain the airport facility. This funding would support both supplemental equipment and the replacement of older equipment. Failure to purchase such equipment will lead to inefficiencies in proper airport maintenance, airport esthetics and/or the inability to meet federal requirements.
- 11. Furniture & Fixtures** - Airport staff is at the airport 24/7. Kitchens are equipped with appliances necessary for various meals. The existing Maintenance refrigerator was purchased in the 1990s and it is failing and needs to be replaced. Do to the 24/7 activity at the airport, often times prepared meals are purchased in advance of snowstorms or other weather events that may require staff to remain onsite for several days consecutively. With that being said, the existing freezer space is not adequate to hold the number of meals necessary to have on hand during snow or other emergency events; thus the Airport would like to purchase a freestanding freezer to accommodate the need.

Airport Enterprise Fund Factors Affecting FTE's

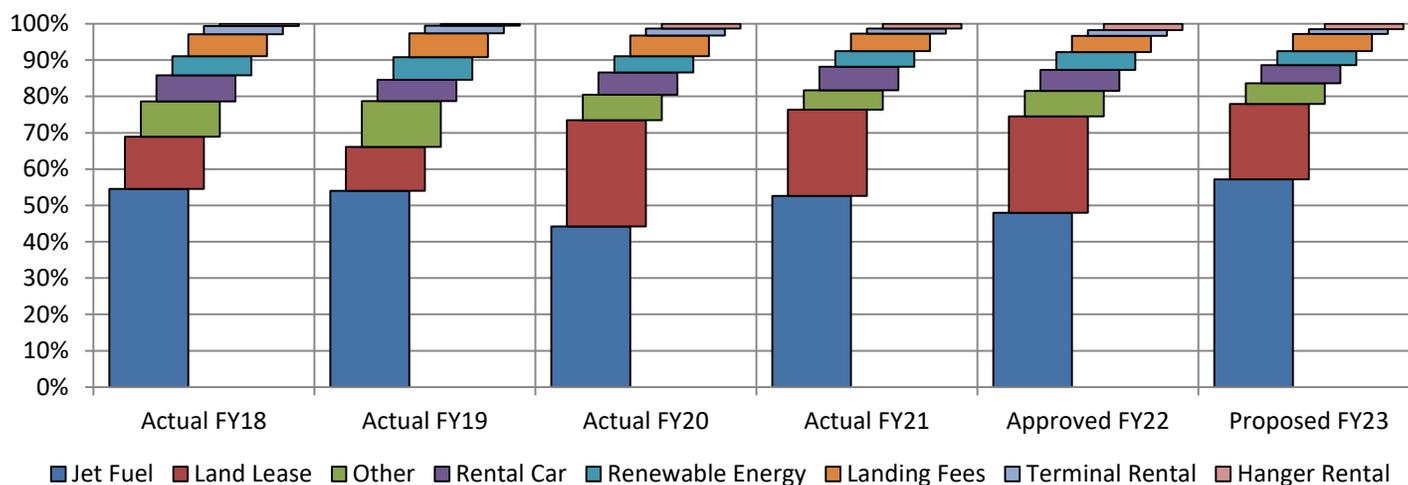
Full Time Employee History



Full-time positions have remained level funded until FY 2022, in which an Airport Operations Specialist position was reintroduced in FY 2022 to return the Operations Department to FY 2016 full time equivalent (FTE) numbers (10 FTEs) and to cover staffing shortfalls in the Airport Operations Department.

Airport Enterprise Fund Factors Affecting Revenues

Total Revenue Sources (Excluding Taxes) Historical and Budgeted



Airport activities are financed primarily through jet fuel sales, airport land lease fees, renewable energy, rental car concession fees, passenger traffic, vehicle parking, and other user fees collected from recreational, corporate, and commercial airlines and concessionaires as well as emerging non-aviation revenue sources. Jet fuel sales and land leases are the highest revenue producers for the Airport and collectively account for approximately 70% of the airport's revenues. Jet fuel revenue averages between \$1M and \$1.2M annually depending on the price of fuel and gallons sold in a given year, but it is also the highest expense item (Jet fuel purchases for resale). Land leases are the second highest revenue generator for the Airport with aviation user fees being in the top 5 revenue producers.

The decline in passenger and aircraft operations continues to be of a concern and has a financial impact on the airport's revenue. However, with implementation of various goals, objectives and tasks of the 2018 Airport Business Plan and Marketing Plan, the airport is seeing expanding diversification in our revenue portfolio with "diversify airport revenue

Airport Enterprise Fund Factors Affecting Revenues (Continued)

streams” being one of the four pillars of the Plan. Diversifying the airport revenue stream is one of the highest priorities of the plan allowing the airport to remain self-sufficient and diversified enough to weather any impact, especially with the fluctuations in passenger air carrier activity. An equal diversification between aviation and non-aviation revenues is paramount to the Airport’s success. The lease of a 27-acre Airport property, commonly known as *CapeTown Plaza* but renamed *WS Landing at Hyannis*, for retail/non-aviation use provides a positive increase in the Airport budget. The Airport continues to collect from other non-aviation revenue sources within this budget such as non-aviation related land leases for vehicle parking, facility rental fees for events in the terminal and other non-aviation related sources of income such as airport advertisement. The Airport is also embarking on the expansion of Mary Dunn Way in 2022 using funds allocated from the Coronavirus Aid, Relief, and Economic Security (CARES) Act; a project that opens the eastside of the airport for aviation related development, of which there is significant interest.

The airport is still experiencing decreases in passenger traffic. There are a number of contributing factors however, the majority of flights to/from the Airport are to the Islands of Nantucket and Martha’s Vineyard, and a significant loss in passenger traffic between Hyannis and the islands is attributed to the lower cost and trip frequency of the high-speed ferries now in operation. A good alternative travel option for our community as a region but an effect on the airport nonetheless. The Airport continues to communicate with potential airline partners as part of the 2018 Airport Business Plan and Marketing Plan goal of “become a regional air transportation leader”. Management has attended various conferences designed to develop those partnerships and is seeking to hire airline marketing consultants in FY2023 to assist in implementation. Regardless of the declines, JetBlue seasonal service has been a boost in passenger traffic and continues in its 8th successful year.

During the past two years and as an effect on the industry due to the COVID-19 pandemic in which many travelers transitioned to private aircraft, the airport has experienced a major increase in corporate travel and jet fuel sales. Between FY2020 and FY2021, fuel sales increased per gallon sold by 24% (938,939 gallons sold in FY2020 versus 1,236,112 Gallons sold in FY2021). Likewise, within the first 6 months of FY2022, similar increases have been experienced with a fiscal year increase to date of 26% over FY2021 gallons sold! Although fuel sales are more difficult to project due to the volatility in wholesale prices and the cyclical trends in the aviation industry, the airport will continue to diversify its revenues. One such possibility is through the advent of electric aviation. Although it will be some time before the corporate aviation sector is affected, the airport is actively seeking opportunities to generate revenue under this new and emerging changing industry and greener fuel source.

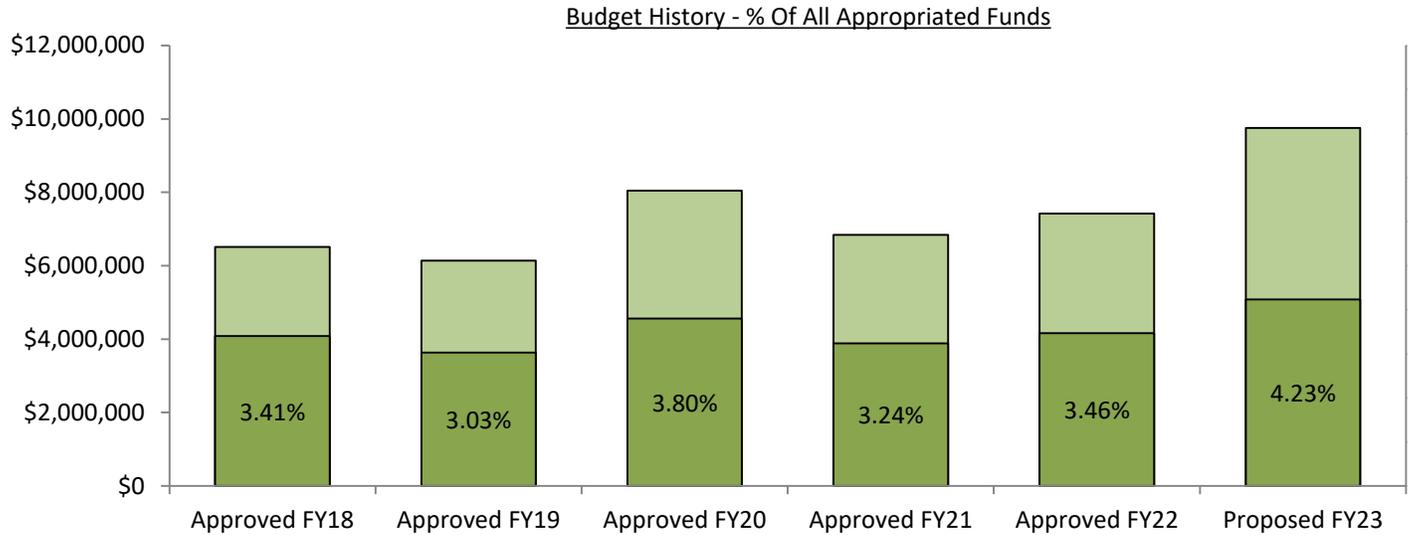
The Airport also continues to monitor its fee structure on a more regular basis with modifications implemented in FY2017 allowing the Airport to collect fees that are more comparable to other nearby airports with updates in FY2019 and FY2021. Fee increases in landing, aircraft parking, and cargo fees have shown increasing trends and proven to make a difference in this budget. The modifications in such user fees will contribute towards repaying bonds issued to construct various facilities and other approved airfield improvements.

As indicated previously, the receipt of federal funding via four recent grants awarded to the Airport totaling over \$21 million dollars has enabled the airport to implement a number of Business Plan and Marketing Plan goals. The federal funding has also funded the majority of the Airport’s local share of capital improvements as well as cover operating costs enabling the Airport to rebuild its cash reserves. In FY2019, the certified Airport cash reserves were \$2,761,211. Those reserves increased in FY2020 by 40% to \$3,885,899. With the introduction and receipt of the first of the four federal grants (June 25, 2020), the Airport was able to nearly double its certified cash reserves to \$6,240,318, an increase of 61%. With a total 5-year capital plan (FY2023 - FY2027) of \$54 million, which includes an extension of one of the airport’s runways, such reserves will assist the Airport in funding needed improvements. It is anticipated that \$50 million

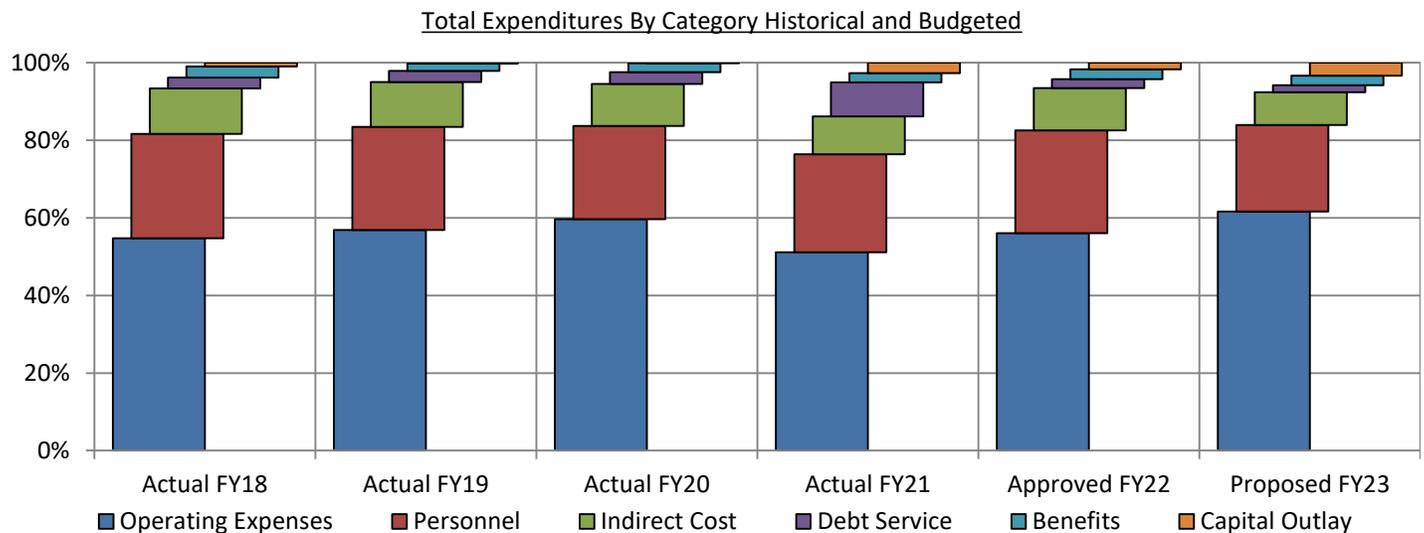
Airport Enterprise Fund Factors Affecting Revenues (Continued)

of the \$54 million estimated will be funded via federal and state reimbursable grant funds. Airport revenues will be used to pay the estimated \$4 million local share over the 5-year period.

Airport Enterprise Fund Factors Affecting Expenses



The budget has increased 8.31% annually on average over a six-year period. This operation has remained within the 3.41% to 4.23% range of all appropriated funds over the same period.



Expenses associated with personnel, operations, and maintenance will rise in response to projected increases in inflationary costs and union contracts. The annual loan payment for general obligation bonds issued to construct the new terminal is included in the budget as well as new debt service for the new fuel farm, the East Ramp construction project, and the taxiway Alpha reconstruction project. However, one callable bond was paid off with the use of the CARES Act grant, saving the Airport over \$87,000 in finance payments. Other factors affecting this budget include an increasing need to replace safety, maintenance, and emergency equipment; and to perform required preventative maintenance repairs to existing buildings and airfield facilities. Increases have also been experienced in training fees to meet federal aviation requirements and marketing and development fees to implement various goals, objectives, and tasks of the 2018 Airport Business Plan and Marketing Plan.