

---

# DFW International Airport FY 2022 Budget Overview

City of Fort Worth

Fort Worth City Council

September 14, 2021



# FY22 Budget Overview\*

FY22 passenger budget – 67.2 million

- 26.5% increase

FY22 expenditure budget - \$1.04 billion

- 6.0% increase – total budget
- 11.3% increase – operating budget
- 0.3% increase – debt service budget (refunding savings have offset new debt service on almost \$1 billion of debt issued in FY21/22 for capital projects)

DFW Cost Center revenues – \$370.5 million

- 25.9% increase (\$76.2 million )

Airline cost – \$469.5 million

- Flat

Cost per enplanement – \$13.70

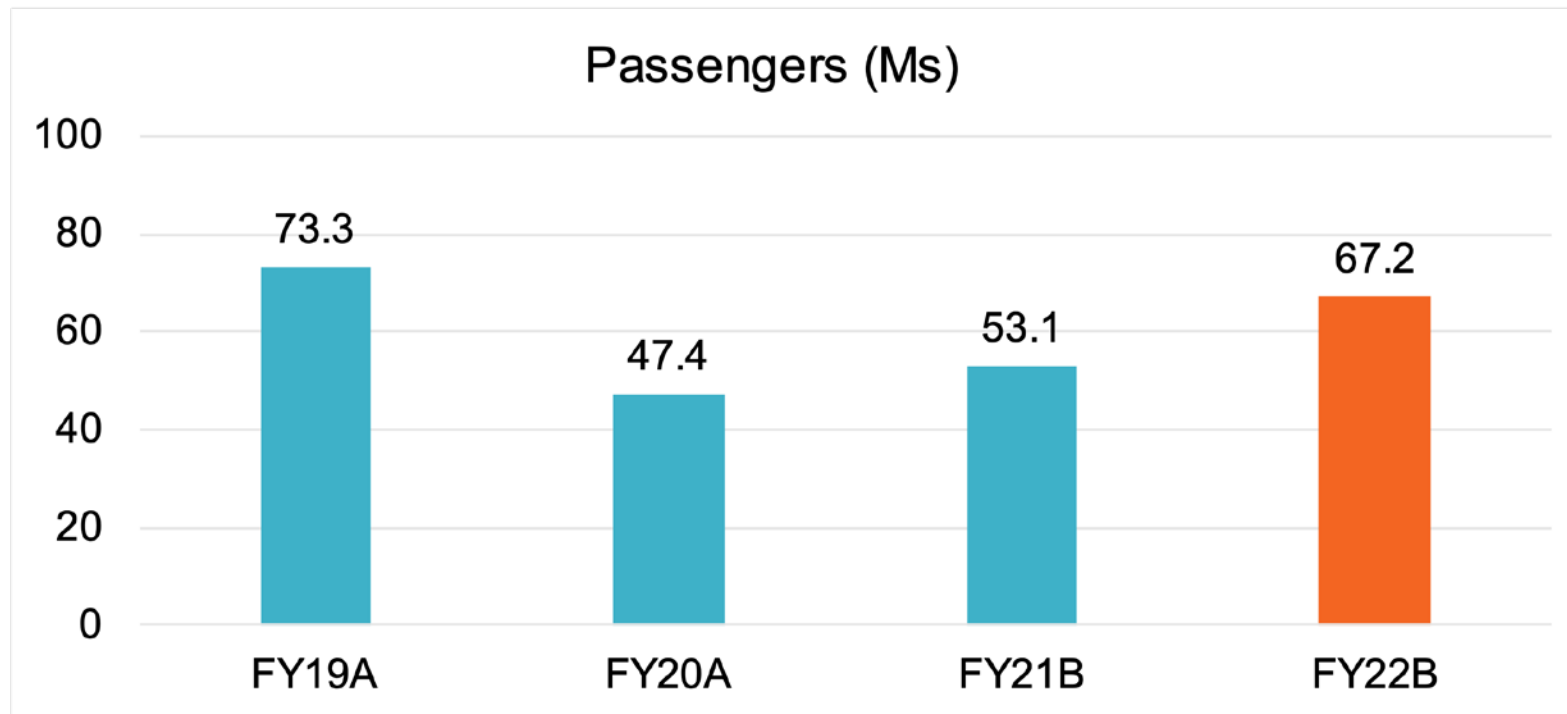
- 20.3% decrease (\$3.58)



\* All comparisons in this presentation are to the FY21 Budget, unless stated otherwise

# Passenger Forecasts

DFW is recovering faster than most airports. FY22 Passenger budget is 67.2 million, a 26.5% increase over the FY21 Budget and 8.3% less than FY19 actual (pre-pandemic). Full recovery expected in FY23.



# Expenditure Budget

FY22 Budget is \$1.04 billion, a \$58.8 million (6.0%) increase from FY21 budget.

FY22 operating expense budget reflects cost increases primarily related to:

- Increased passengers
- Return to more-normal pre-COVID conditions
- Fixed contract increases
- Technology/digital investments

Total FY22 budget up \$28.7 million from pre-pandemic levels in FY 2019; a 0.9% CAGR\* increase



Annual Expenditure (in Millions)	FY21 Budget	FY22 Budget	FY21 vs FY22	
			Increase (Decrease) \$	%
Operating expenses	\$509.4	\$566.9	\$57.5	11.3%
Gross debt service	468.2	469.5	1.3	0.3%
<b>Total expenditures budget within rate base</b>	<b>\$977.5</b>	<b>\$1,036.4</b>	<b>\$58.8</b>	<b>6.0%</b>

\* CAGR – comprehensive annual growth rate

# Operating Expense Budget Walkforward



## 2021 Budget to 2022 Budget Walkforward

	<u>Millions</u>
FY 2021 Budget	\$509.4
Employee related increases	6.0
Customer related increases	21.8
Contract increases	19.2
ITS / Digital	12.0
Restore budgets to prepandemic levels	10.6
Operating reserve	7.1
Cost savings/budget reductions	<u>(19.0)</u>
Total Increase	<u>57.5</u>
FY 2022 Budget	<u><u>\$566.9</u></u>

# Federal Relief Proceeds (FRP) Summary

The FY22 Budget includes the \$112.4 million of FRP to keep rates flat, plus \$30.7 million for concessions relief; leaving approximately \$161.3 million for the future.

Federal Relief Proceeds Available	Debt	Conc	Total
CARES	\$ 299.2	\$ -	\$ 299.2
CRRSA	52.6	7.7	60.3
ARPA	221.1	30.7	251.8
<b>Total Federal Relief Available</b>	<b>\$ 572.9</b>	<b>\$ 38.4</b>	<b>\$ 611.2</b>
<b>FRP Projected Uses</b>			
FY20 and FY21	\$ 299.2	\$ 7.7	\$ 306.9
FY22 budget	112.4	30.7	143.1
Available for future	161.3	-	161.3
<b>Total FRP Projected Uses</b>	<b>\$ 572.9</b>	<b>\$ 38.4</b>	<b>\$ 611.2</b>

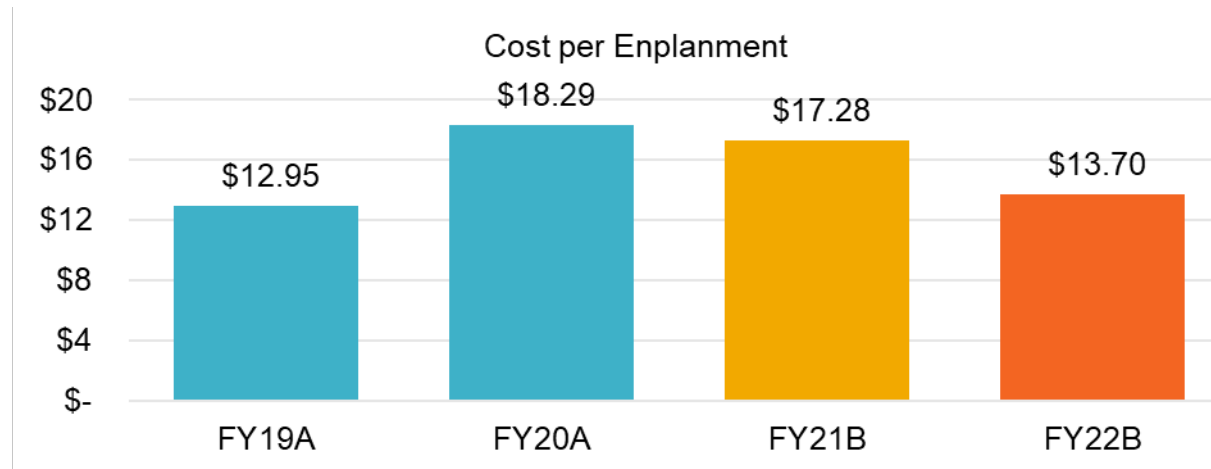
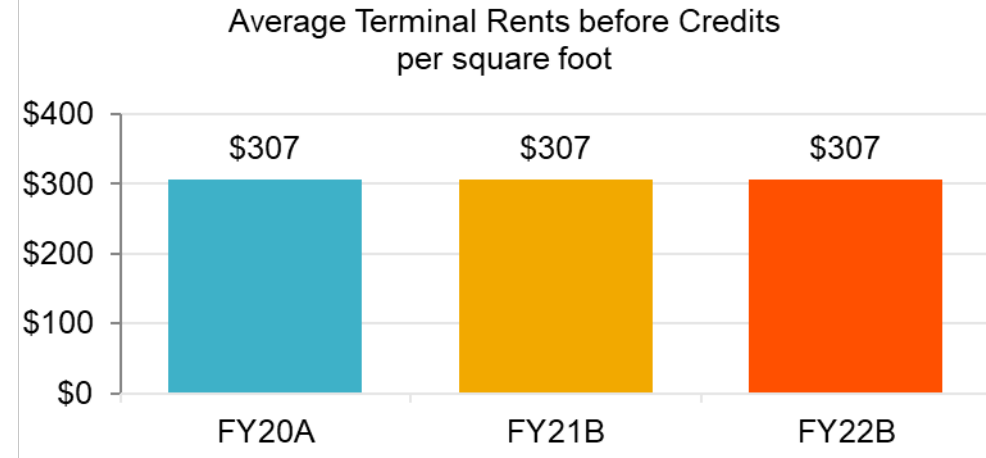
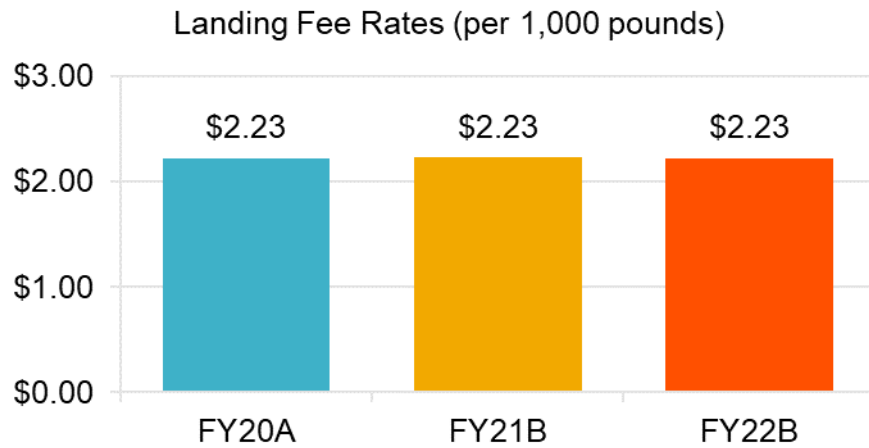
# DFW Cost Center Net Revenues

Federal Relief Proceeds utilized to keep net revenues and the transfer to the DFW Capital Account relatively flat. Total revenues 7.2% less than FY19.

DFW Cost Center (in Millions)	FY19 Actual	FY21 Budget	FY22 Budget	FY21 vs FY22	
				Increase (Decrease) Amount	Percent
<b>Revenues</b>					
Parking	\$178.7	\$107.6	\$145.1	\$37.6	34.9%
Concessions	94.2	69.8	95.1	25.3	36.3%
Rental Car (RAC)	33.5	25.1	33.4	8.3	33.0%
Commercial Development	49.7	57.4	64.4	7.0	12.3%
Miscellaneous Revenue	43.3	34.5	32.5	(2.1)	(0.0%)
Subtotal	399.4	294.4	370.5	76.1	25.9%
Federal Relief Proceeds	0.0	97.4	41.1	(56.3)	(57.8%)
Total Revenues	399.4	391.7	411.6	19.9	5.1%
Less Expenses and Net Debt Service	247.0	227.8	248.6	20.8	9.1%
Total Net Revenues	\$152.4	\$164.0	\$163.1	(0.9)	(0.5%)
<b>Allocation of Net Revenues</b>					
Transfer to Airfield Cost Center	\$70.5	\$70.0	\$67.5	(2.5)	(3.5%)
DFW Capital Account	81.9	94.0	95.6	1.6	1.7%
Total Net Revenues	\$152.4	\$164.0	\$163.1	(0.9)	(0.5%)

# Airline Metrics

Federal relief proceeds allow DFW to keep airline rates remain flat while CPE decreases almost to FY 2019 levels.





# Request FY22 Budget Approval - \$1.046 billion

Annual Expenditure (in Millions)	FY21 Budget	FY22 Budget	FY21 vs FY22 Increase (Decrease)	
			\$	%
Operating expenses	\$509.4	\$566.9	\$57.5	11.3%
Gross debt service	468.2	469.5	1.3	0.3%
Total expenditures budget within rate base	\$977.5	\$1,036.4	\$58.8	6.0%
Board contingency outside rate base	10.0	10.0		
Passenger driven contingency outside rate base	8.0	-		
Total Budget with Contingency	\$995.5	\$1,046.4		