

Regular Meeting of the Airport Advisory Commission

January 12, 2021

Airport Advisory Commission to be held January 12, 2021 with Social Distancing Modifications

Public comment will be allowed via telephone; no in-person input will be allowed. **All speakers must register in advance** (1/11/2021 by noon). All public comment will occur at the beginning of the meeting.

To speak remotely at the January 12, 2021 **Airport Advisory Commission Meeting**, residents must:

- Call or email the board liaison at **(512) 530-6605 or ammie.calderon2@austintexas.gov** no later than noon, (the day before the meeting). The information required is the speaker name, item number(s) they wish to speak on, whether they are for/against/neutral, and a telephone number or email address.
- Once a request to speak has been called in or emailed to the board liaison, residents will receive either an email or phone call providing the telephone number to call on the day of the scheduled meeting.
- Speakers must call in at least 15 minutes prior to meeting start in order to speak, late callers will not be accepted and will not be able to speak.
- Speakers will be placed in a queue until their time to speak.
- Handouts or other information may be emailed to **ammie.calderon2@austintexas.gov** by Noon the day before the scheduled meeting. This information will be provided to Board and Commission members in advance of the meeting.
- If this meeting is broadcast live, residents may watch the meeting here:
<http://www.austintexas.gov/page/watch-atxn-live>

Reunión del Airport Advisory Commission (January 12, 2021)

La junta se llevará con modificaciones de distanciamiento social
Se permitirán comentarios públicos por teléfono; no se permitirá ninguna entrada en persona.
Todos los oradores deben registrarse con anticipación (1/11/2021 antes del mediodía). Todos los comentarios públicos se producirán al comienzo de la reunión.

Para hablar de forma remota en la reunión, los residentes deben:

- Llame o envíe un correo electrónico al enlace de la junta en **(512) 530-6605 or ammie.calderon2@austintexas.gov** a más tardar al mediodía (el día antes de la reunión). La

información requerida es el nombre del orador, los números de artículo sobre los que desean hablar, si están a favor / en contra / neutrales, y un número de teléfono o dirección de correo electrónico.

- Una vez que se haya llamado o enviado por correo electrónico una solicitud para hablar al enlace de la junta, los residentes recibirán un correo electrónico o una llamada telefónica con el número de teléfono para llamar el día de la reunión programada.
- Los oradores deben llamar al menos 15 minutos antes del inicio de la reunión para poder hablar, no se aceptarán personas que llamen tarde y no podrán hablar.
- Los oradores se colocarán en una fila hasta que llegue el momento de hablar.
- Los folletos u otra información pueden enviarse por correo electrónico a **ammie.calderon2@austintexas.gov** antes del mediodía del día anterior a la reunión programada. Esta información se proporcionará a los miembros de la Junta y la Comisión antes de la reunión.
- Si esta reunión se transmite en vivo, los residentes pueden ver la reunión aquí: **<http://www.austintexas.gov/page/watch-atxn-live>**



**AIRPORT ADVISORY COMMISSION MEETING
January 12, 2020 3:00 PM
VIA VIDEOCONFERENCING**

CURRENT BOARD MEMBERS:

Eugene Sepulveda, Chair	Ernest Saulmon
Scott Madole, Vice-Chair	Brian Stoller
Vicky Sepulveda, Secretary	Billy Owens
Wendy Price Todd	Frank Maldonado
Michael Watry	Jeremy Hendricks
	Jonathan Coon

AGENDA

CALL TO ORDER

CITIZEN COMMUNICATION: GENERAL

The first three (3) speakers who register to speak no later than noon the day before the meeting will be allowed a three-minute allotment to address their concerns regarding items not posted on the agenda.

1. APPROVAL OF MINUTES

December 8, 2020 - Meeting

2. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS

- a) Chief Executive Officer's Report regarding Holiday Travel, Air Service, Personnel, Concessions, and Construction Highlights
(Prepared by Jacqueline Yaft, Chief Executive Officer)
- b) AUS November 2020 Financial Results
(Prepared by Rajeev Thomas, Deputy Chief – Finance)
- c) AUS Air Service Update
(Prepared by Jamy Kazanoff, Air Service Development)

3. ACTION ITEMS

No Items

4. FOR RECOMMENDATION

a) Airport Advisory Commission recommendation to Austin City Council regarding approval of an ordinance authorizing the issuance and sale of City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2021, in a par amount not to exceed \$170,000,000 in accordance with the parameters set out in the ordinance, authorizing related documents, approving the payment of related fees and costs of issuance, and providing that the issuance and sale be accomplished by June 30, 2021.

The City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2021, (the “Bonds”) are being issued to refund the outstanding \$137,565,000 City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the “2013 Bonds”). The City’s financial advisor, PFM Financial Advisors LLC, has advised that refunding the 2013 Bonds will provide cash flow relief in the next few years to offset the loss in revenue due to COVID-19.

b) Airport Advisory Commission recommendation to Austin City Council regarding approval for the award of multi-term contracts with Austin Armature Works, LP and Liber Holdings, LLC to provide heating, ventilation air conditioning and conveyor parts, and repairs for up to five years for a total contract amount not to exceed \$413,000 divided between the contractors.

Funding in the amount of \$53,250 is available in the Fiscal Year 2020-2021 Operating Budget of the Aviation Department. Funding in the amount of \$592 is available in the Fiscal Year 2020-2021 for the Austin Convention Center Department. Funding for the remaining contract term is contingent upon available funding in future budgets.

5. DEPARTMENT OF AVIATION VERBAL BRIEFINGS

a) AUS Capital Improvement Program Environmental Assessment (EA) Briefing
(Presented by Kane Carpenter – Environmental Manager)

6. NEW BUSINESS

a) Review of Commission Recommendations and Actions to discuss with appointing City Council Member

b) Future Agenda Items

c) Next scheduled meeting February 9, 2021 3:00 PM.

ADJOURNMENT

The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days before the meeting date. Please call Ammie Calderon, Aviation Department, at (512) 530-6605 for additional information; TTY users route through Relay Texas at 711.

For more information on the Airport Advisory Commission, please contact Tracy Thompson at (512) 530-5023.



AIRPORT ADVISORY COMMISSION

ITEM 1. APPROVAL OF MINUTES

DECEMBER 8, 2020 - MEETING





**AIRPORT ADVISORY COMMISSION
REGULAR MEETING MINUTES
TUESDAY, DECEMBER 8, 2020**

The Airport Advisory Commission convened in a Virtual Regular Meeting on Tuesday, December 8, 2020.

CALL TO ORDER

Eugene Sepulveda, Chair called the Commission Meeting to order at 5:34 p.m.

Commission Members in Attendance:

Eugene Sepulveda – Chair	Billy Owens
Scott Madole – Vice-Chair	Wendy Price Todd
Frank Maldonado	Jeremy Hendricks
Michael Watry	Jonathan Coon
Ernest Saulmon	Brian Stoller

Commission Members Absent:

Vicky Sepulveda

Aviation Staff in Attendance:

Jacqueline Yaft	Brian Long
Tracy Thompson	Jamy Kazanoff
Ammie Calderon	Mandy McClendon
Rajeev Thomas	

CITIZENS COMMUNICATIONS:

None

1. APPROVAL OF MINUTES

- a) The minutes from the meeting of November 10, 2020 were approved on Commission Member Saulmon’s motion, Commission Member Coon seconds on a vote. Motion passed on passed on a 10-0-0-1 vote. Commission Member V. Sepulveda was absent at this vote.

2. DEPARTMENT OF AVIATION STAFF WRITTEN BRIEFINGS

- a) Chief Executive Officer's Report
(Prepared by Jacqueline Yaft, Chief Executive Officer)
- b) AUS October 2020 Financial Results
(Prepared by Rajeev Thomas, Deputy Chief – Finance)
- c) AUS Air Service Update
(Prepared by Jamy Kazanoff, Air Service Development)

3. ACTION ITEMS

- a) Discuss and approve the establishment of the Airport Advisory Commission finance working group, the participating Board members, and delegating defined matter(s) for consideration and recommendation, pursuant to Section 2-1-2 of the City Code.

A motion to approve was made by Commission Member E. Sepulveda's motion, Commission Member Madole seconds on a vote. Motion passed on a 10-0-0-1 vote. Commission Member V. Sepulveda was absent at this vote.

4. FOR RECOMMENDATION

No Items

5. DEPARTMENT OF AVIATION VERBAL BRIEFINGS

- a) AUS Passenger Satisfaction Survey Results
(Presented by Mandy McClendon – Program Manager, Public Information)
- b) Fiscal Year 2021 Forecast and Budget Update
(Presented by Rajeev Thomas – Deputy Chief, Finance)
- c) Terminal Concessions Program Update
(Presented by Mookie Patel – Chief, Business & Finance)

6. NEW BUSINESS

- a) Review of Commission Recommendations and Actions to discuss with appointing City Council Member

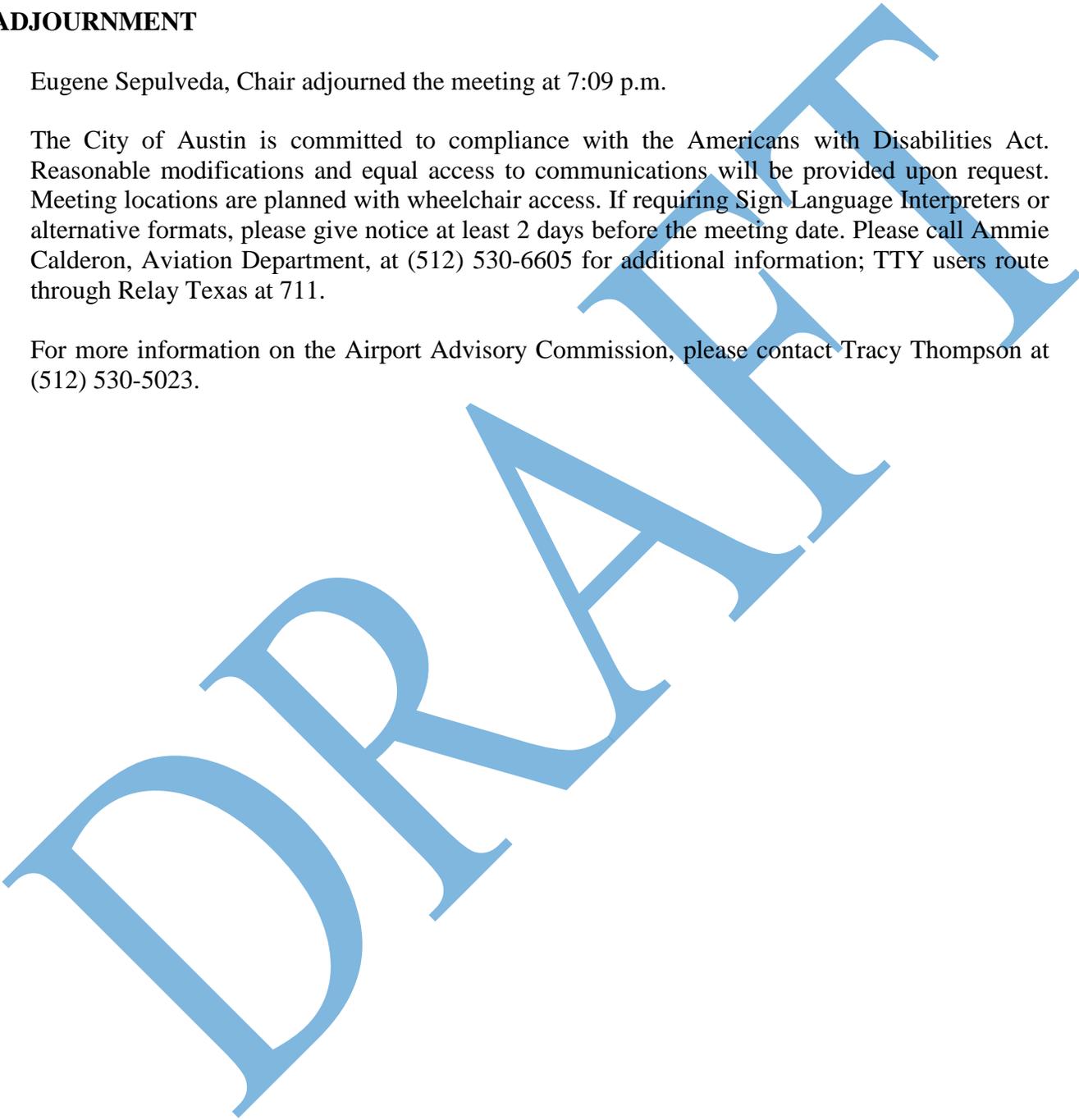
- b) Future Agenda Items
- c) Next scheduled meeting January 12, 2020 at 3:00 p.m.

ADJOURNMENT

Eugene Sepulveda, Chair adjourned the meeting at 7:09 p.m.

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AIRPORT ADVISORY COMMISSION

ITEM 2a. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS

- a) Chief Executive Officer's Report
Holiday Travel, Air Service, Personnel, Concessions, and Construction
Highlights.
(Prepared by Jacqueline Yaft, Chief Executive Officer)





MEMORANDUM

TO: Chair Eugene Sepulveda and Airport Advisory Commissioners

FROM: Jacqueline Yaft, Chief Executive Officer, Department of Aviation

DATE: January 12, 2021

SUBJECT: Austin-Bergstrom International Airport (AUS) Update

To keep Airport Advisory Commission members apprised of updates from the Department of Aviation, we intend to share monthly updates with you. Please accept the following the memo as the latest update from Aviation staff. We thank you for your continued support, especially as AUS navigates the challenges we face due to the pandemic.

Austin-Bergstrom International Airport remains as committed to the health and safety of passengers and employees as ever and we continue to implement health and safety protocols and make operational changes as we adapt to the pandemic. We look forward to providing you with regular updates of our operations.

Holiday Travel Update

Around the Christmas and New Year holiday, AUS saw its busiest days since the pandemic began, surpassing the Thanksgiving holiday travel season. January 3rd saw the largest pandemic passenger volume to date, with 14,364 passengers going through our TSA checkpoints. The second busiest day was December 23, with 13,205 passengers screened by TSA. Previously, Sunday, November 29th was our busiest day, with 12,248 passengers passing through TSA checkpoints. November 29th is now our fourth busiest day since the pandemic began, behind December 19th, 23rd and January 3rd.

While this increase in travel is certainly positive for the airport, we continue to work with our partners, including Austin Public Health, to educate passengers about how to travel responsibly. Throughout the duration of this holiday travel season, our AUS

Safety Ambassadors canvassed the terminal to remind passengers of following proper mask and physical distancing policies and we continue to implement our enhanced health and safety procedures such as increased frequency of cleaning, use of hospital-grade disinfectant and more.

Air Service

On December 8th, Hawaiian Airlines announced new nonstop service between AUS and Honolulu's Daniel K. Inouye International Airport (HNL) beginning in April 2021. The service will run twice weekly, year-round and is the first Texas airport the carrier will serve. The 8.5 hour flight to HNL is on an A-330 aircraft with 278 seats with three classes of service and customers may connect to other Hawaii islands over HNL.

Southwest Airlines announced a new route between AUS and Indianapolis International Airport (IND) and will reinstate previously-suspended service to Raleigh–Durham International Airport (RDU) and Ronald Reagan Washington National Airport (DCA).

JetBlue Airways announced new service to Cancun International Airport (CUN), RDU and San Francisco International Airport (SFO). Flights to CUN will begin in March, three times a week, and flights to RDU and SFO will begin daily in February.

Delta Air Lines will reinstate service to RDU in February.

American Airlines announced a new service to Orlando International Airport (MCO) that will operate on Saturdays in March and April.

KLM Royal Dutch Airlines is not anticipated to serve AUS in 2021.

Department of Aviation Personnel

We are coordinating with Austin Public Health (APH) in regards to COVID-19 vaccines for AUS employees and participating in the ATX COVID-19 Vaccine Distribution Coalition. We have been advised that AUS essential staff is categorized under Phase II of the distribution plan. We will continue to coordinate with APH and provide updates to our employees.

The cost of COVID-19 related benefits used by Aviation employees is over \$1

million:

- We approved total of 215 employees to use emergency leave. (Total hours used 10,881).
- We approved total of 46 employees to use EFMLA. (Total hours used 7,608)
- COVID-19 enhancement pay for Department of Aviation employees totaled \$300,000.

Airport Concessions

We continue to work with bond counsel to finalize bond indenture for CONRAC refinancing and changes to rate covenant calculation components.

In accordance with the City of Austin orders to limit dine-in food and beverage service between December 31 and January 3, chairs were removed from food courts and other dine-in areas. As we anticipate a significant drop in passengers for January and February, our concession companies continue to adjust their operating hours and will stagger closing select concessions.

Current Airport Construction Highlight

AUS has partnered with Austin Energy to bring solar power to the community and to our airport campus by installing over 6,500 solar panel modules on top of the Blue Garage. The panels will provide power to the Austin Energy Community Solar program, which allows Austin Energy customers to purchase locally-generated solar energy to power 100% of their electricity needs. This is the first large solar installation on the AUS campus and will provide power to the new AUS Administration Building, adjacent to the Blue Garage. The installation was completed in November and it is anticipated that the panels will be operation in mid-February.



AIRPORT ADVISORY COMMISSION

ITEM 2b. ACTION ITEMS

b) AUS November, 2020 Financial Results
(Prepared by Rajeev Thomas, Deputy Chief – Finance)



MEMORANDUM

TO: Airport Advisory Commissioners

FROM: Rajeev Thomas, Deputy Chief - Finance, Aviation Department

DATE: January 12, 2021

SUBJECT: Austin-Bergstrom International Airport (AUS) Update

COVID-19 Financial Impact and November 2020 Financial Results

November's passenger numbers were low due to world-wide government restrictions on travel and virus resurgence across the country. AUS experienced a passenger decline of 65.3% in November compared to last year. November's daily enplaned passengers averaged 8.8k, while November 2019 averaged 24.7k.

Please find attached the November 2020 financial results for AUS. As you will see, November 2020 enplanements were 65.25% lower, or 480,101, below November 2019. November 2020 enplanements Year to Date (YTD) are down 66.49% over prior year. Cargo volume increased 26.94% versus November 2019 due to six full months of Amazon service, and YTD cargo volume is 28.26% higher than the prior year. Excluding mail and belly freight, cargo volume is up 47.18% over prior year November.

Operating revenues decreased 32.8% over the prior year month or (\$5.1M), and lower by 35.2% or (\$11.4M) November YTD. The lower revenues were driven by lower landing weights (down 52%) as well as less parking and ground transportation services provided. Lower revenues are also a result of lower food, beverage, and retail concessions as well as lower rental car revenues and other rentals and fees. Year to Date revenues are 1.3% higher or \$0.3M above budget.

November's aviation related operating expenses were \$1.0M favorable to the budget YTD, and 18.9% or \$3.6M lower than prior YTD. The City of Austin allocated costs were in line with the airport's budget and debt service costs were as forecasted.

Overall, November 2020 net income was (\$0.4M) versus (\$0.4M) for November 2019 due to November 2019 being a 3 pay period month while November 2020 is a 2 pay period month. YTD net income is (\$4.0M) and (\$8.7M) lower than prior year due to lower revenue (\$11.4M). Net income November YTD is \$1.3M higher than budgeted. The Airport received YTD \$7.4M in Cares Act reimbursement funds for debt service of which \$3.7M was received in November; which is not reflected in the numbers above.

Attachments:

November 2020 - AAC Financial Report

CITY OF AUSTIN
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
Airport Operating Fund 5070
Income Statement - For Internal Use Only
Fiscal Year to Date for 2 Month(s) ended November 30, 2020

	FY 2021	Budget	FY 2021	CYE	Year to Date	Y-T-D to Budget		Y-T-D to CYE	
	Amended Budget	Seasonalized 2 month(s)	CYE	Seasonalized 2 month(s)	w/ Accruals	Variance Fav (Unfav)	% Variance Fav (Unfav)	Variance Fav (Unfav)	% Variance Fav (Unfav)
REVENUE									
AIRLINE REVENUE									
Landing Fees	16,720,000	2,886,270	17,426,753	2,890,664	2,988,277	102,007	3.5%	97,613	3.4%
Terminal Rental & Other Fees	37,697,000	6,316,950	43,679,223	7,540,777	7,740,877	1,423,927	22.5%	200,101	2.7%
TOTAL AIRLINE REVENUE	54,417,000	9,203,220	61,105,976	10,431,440	10,729,154	1,525,934	16.6%	297,714	2.9%
NON-AIRLINE REVENUE									
Parking	21,107,271	3,464,652	18,337,134	2,381,104	2,511,556	(953,095)	(27.5%)	130,453	5.5%
Ground Transportation for Hire	4,487,041	753,293	2,019,053	256,748	322,113	(431,180)	(57.2%)	65,365	25.5%
Rental Cars	11,069,553	1,996,224	11,026,850	1,837,808	1,883,606	(112,619)	(5.6%)	45,797	2.5%
Food & Beverage	11,467,350	1,861,106	11,553,113	1,925,519	1,832,465	(28,641)	(1.5%)	(93,054)	(4.8%)
Retail	5,215,748	850,785	5,215,748	869,291	1,004,844	154,059	18.1%	135,553	15.6%
Advertising	1,750,000	278,873	1,897,783	316,297	320,470	41,597	14.9%	4,173	1.3%
Other Concessions, Rentals & Fees	14,598,015	2,113,225	14,812,320	2,318,149	2,345,146	231,921	11.0%	26,998	1.2%
TOTAL NON-AIRLINE REVENUE	69,694,978	11,318,158	64,862,001	9,904,916	10,220,200	(1,097,958)	(9.7%)	315,285	3.2%
Interest Income	1,208,114	201,352	318,429	53,072	39,432	(161,920)	(80.4%)	(13,640)	(25.7%)
TOTAL REVENUE	125,320,092	20,722,730	126,286,406	20,389,428	20,988,786	266,056	1.3%	599,359	2.9%
OPERATING REQUIREMENTS									
Fac Mgmt, Ops and Airport Security	59,744,143	9,893,785	57,964,074	9,564,335	9,465,513	428,272	4.3%	98,822	1.0%
Airport Planning and Development	5,391,192	939,254	5,303,206	922,340	752,241	187,013	19.9%	170,099	18.4%
Support Services	25,641,391	4,345,264	25,759,382	4,332,377	4,522,709	(177,445)	(4.1%)	(190,332)	(4.4%)
Business Services	8,046,651	1,137,293	4,329,647	635,014	623,025	514,268	45.2%	11,989	1.9%
TOTAL OPERATING EXPENSES	98,823,377	16,315,596	93,356,309	15,454,066	15,363,488	952,108	5.8%	90,578	0.6%
Debt Service									
GO Debt Service Fund	507	85	507	85	85	0	0.0%	0	0.0%
2013 Prosperity Bank Loan	5,412,895	901,583	5,412,895	901,583	901,583	(0)	(0.0%)	(0)	(0.0%)
2014 Bond Issuance	7,077,844	1,179,402	7,077,844	1,179,402	1,179,402	(0)	(0.0%)	(0)	(0.0%)
2017 Bond Issuance	10,034,715	1,672,453	10,034,715	1,672,453	1,672,453	0	0.0%	0	0.0%
2019 Refunding Bonds	15,470,348	2,687,882	15,459,157	2,685,870	2,685,568	2,314	0.1%	301	0.0%
2019 New Money	8,471,750	948,042	8,471,751	948,042	948,042	0	0.0%	0	0.0%
TOTAL Net Debt Service	46,468,059	7,389,445	46,456,869	7,387,433	7,387,132	2,314	0.0%	301	0.0%
OTHER REQUIREMENTS									
Workers' Compensation	435,740	72,623	435,740	72,623	72,624	(1)	(0.0%)	(1)	(0.0%)
Citywide Administrative Support	6,328,330	1,054,722	6,328,330	1,054,722	1,054,720	2	0.0%	2	0.0%
Communications & Technology Mgmt	1,879,259	313,210	1,879,259	313,210	313,210	(0)	(0.0%)	(0)	(0.0%)
Accrued Payroll	166,126	27,688	166,126	27,688	27,688	(0)	(0.0%)	(0)	(0.0%)
Additional Retirement Contribution	350,754	58,459	350,754	58,459	0	58,459	100.0%	58,459	100.0%
CTECC	307,939	51,323	307,939	51,323	51,324	(1)	(0.0%)	(1)	(0.0%)
Trunked Radio Allocation	301,150	50,192	301,150	50,192	50,192	(0)	(0.0%)	(0)	(0.0%)
Public Works Capital Projects Mgmt Fund	3,793,554	632,259	3,793,554	632,259	632,259	0	0.0%	0	0.0%
TOTAL OTHER REQUIREMENTS	13,562,852	2,260,475	13,562,852	2,260,475	2,202,017	58,459	2.6%	58,459	2.6%
TOTAL REQUIREMENTS	158,854,288	25,965,517	153,376,030	25,101,974	24,952,637	1,012,880	3.9%	149,338	0.6%
EXCESS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS									
	(33,534,196)	(5,242,786)	(27,089,624)	(4,712,547)	(3,963,850)	1,278,936	(24.4%)	748,697	(15.9%)
CARES Act Reimbursement (Parking)									
	0	0	0	0	0	0	N/A	0	N/A
CARES Act Reimbursement (Debt Service)									
	(30,950,446)	(7,389,445)	(30,950,446)	(7,387,433)	(7,388,102)	(1,343)	0.0%	669	(0.0%)
TOTAL CARES ACT REIMBURSEMENT	(30,950,446)	(7,389,445)	(30,950,446)	(7,387,433)	(7,388,102)	(1,343)	0.0%	669	(0.0%)
EXCESS (DEFICIT) OF TOTAL AFTER CARES ACT	(2,583,750)	2,146,659	3,860,822	2,674,886	3,424,252	1,277,593	59.5%	749,366	28.0%

Note: Columns may not add to totals shown because of rounding

ENPLANEMENTS	Passengers	% Inc/(Dec)
November, 2020 (Month over Month)	255,645	-65.25%
November, 2020 - Year-to-Date	507,379	-66.49%

**CITY OF AUSTIN
AUSTIN-BERGSTROM INTERNATIONAL AIRPORT
INCOME STATEMENT COMPARISON THIS YEAR VS. LAST YEAR**

	This month - This Year vs. Last Year FY21 (Nov 20) vs FY20 (Nov 19)				Fiscal YTD - This Year vs. Last Year FY21 (Oct 20 - Nov 20) vs FY20 (Oct 19 - Nov 19)			
	FY21 Nov-20	FY20 Nov-19	Fav (Unfav) \$ Variance	Fav (Unfav) % Variance	FY21 YTD Nov-20	FY20 YTD Nov-19	Fav (Unfav) \$ Variance	Fav (Unfav) % Variance
Airline Revenue								
Landing Fees	1,544,508	2,811,960	(1,267,452)	(45.1%)	2,988,277	5,884,389	(2,896,112)	(49.2%)
Terminal Rental & Other Fees	3,923,574	4,373,551	(449,977)	(10.3%)	7,740,877	8,722,792	(981,915)	(11.3%)
Total Airline Revenue	5,468,082	7,185,511	(1,717,429)	(23.9%)	10,729,154	14,607,181	(3,878,027)	(26.5%)
Non-Airline Revenue								
Parking	1,252,438	3,169,313	(1,916,875)	(60.5%)	2,511,556	6,968,495	(4,456,939)	(64.0%)
Ground Transportation for Hire	159,960	585,456	(425,496)	(72.7%)	322,113	1,252,496	(930,383)	(74.3%)
Rental Cars	938,495	1,539,719	(601,224)	(39.0%)	1,883,606	2,969,278	(1,085,673)	(36.6%)
Food & Beverage	933,968	1,046,610	(112,642)	(10.8%)	1,832,465	2,141,525	(309,060)	(14.4%)
Retail	498,668	432,300	66,369	15.4%	1,004,844	923,381	81,463	8.8%
Advertising	158,149	212,481	(54,332)	(25.6%)	230,470	478,286	(157,816)	(33.0%)
Other Concessions, Rentals & Fees	1,125,022	1,425,027	(300,005)	(21.1%)	2,345,146	2,825,893	(480,746)	(17.0%)
Total Non-Airline Revenue	5,066,699	8,410,904	(3,344,206)	(39.8%)	10,220,200	17,559,354	(7,339,154)	(41.8%)
Interest Income	16,302	103,639	(87,337)	(84.3%)	39,432	232,651	(193,220)	(83.1%)
Total Operating Revenue	10,551,082	15,700,054	(5,148,972)	(32.8%)	20,988,786	32,399,187	(11,410,400)	(35.2%)
Operating Requirements								
Fac Mgmt, Ops and Airport Security	4,078,038	6,533,819	2,455,782	37.6%	9,465,513	10,799,753	1,334,239	12.4%
Airport Planning and Development	318,053	1,019,720	701,667	68.8%	752,241	1,352,993	600,752	44.4%
Support Services	1,469,568	2,464,634	995,066	40.4%	4,522,709	4,168,063	(354,646)	(8.5%)
Business Services	302,929	1,497,464	1,194,535	79.8%	623,025	2,612,186	1,989,161	76.1%
Total Operating Expense	6,168,588	11,515,638	5,347,049	46.4%	15,363,488	18,932,995	3,569,506	18.9%
Debt Service								
GO Debt Service Fund	42	0	(42)	N/A	85	0	(85)	N/A
2013 Prosperity Bank Loan	450,905	451,000	95	0.0%	901,583	902,300	717	0.1%
2014 Bond Issuance	589,844	589,827	(17)	(0.0%)	1,179,402	1,179,451	49	0.0%
2017 Bond Issuance	836,226	812,175	(24,051)	(3.0%)	1,672,453	1,600,291	(72,161)	(4.5%)
2019 Refunding Bonds	1,320,723	1,146,645	(174,078)	(15.2%)	2,685,568	2,038,911	(646,658)	(31.7%)
2019 New Money	474,021	244,950	(229,071)	(93.5%)	948,042	410,600	(537,442)	(130.9%)
Total Debt Service	3,671,761	3,244,598	(427,163)	(13.2%)	7,387,132	6,131,553	(1,255,579)	(20.5%)
Other Requirements								
Workers' Compensation	36,312	38,282	1,970	5.1%	72,624	76,564	3,940	5.1%
Citywide Administrative Support	527,359	479,138	(48,221)	(10.1%)	1,054,720	958,276	(96,444)	(10.1%)
Communications & Technology Mgmt	156,605	151,494	(5,111)	(3.4%)	313,210	302,988	(10,222)	(3.4%)
Accrued Payroll	13,844	29,543	15,699	53.1%	27,688	59,085	31,398	53.1%
Additional Retirement Contribution	(29,230)	0	29,230	N/A	0	0	0	N/A
Operating Reserve	0	283,342	283,342	100.0%	0	566,683	566,683	100.0%
CTECC	25,662	17,126	(8,536)	(49.8%)	51,324	34,252	(17,072)	(49.8%)
Trunked Radio Allocation	25,096	26,436	1,340	5.1%	50,192	52,872	2,680	5.1%
Public Works Capital Projects Mgmt Fund	316,130	283,281	(32,849)	(11.6%)	632,259	566,562	(65,697)	(11.6%)
Total Other Requirements	1,071,778	1,308,641	236,863	18.1%	2,202,017	2,617,283	415,266	15.9%
Total Requirements	10,912,127	16,068,877	5,156,750	32.1%	24,952,637	27,681,830	2,729,194	9.9%
SURPLUS (DEFICIT) OF TOTAL AVAILABLE FUNDS OVER TOTAL REQUIREMENTS	(361,045)	(368,823)	7,778	(2.1%)	(3,963,850)	4,717,356	(8,681,207)	(184.0%)
CARES Act Reimbursement (Parking)	0	0	0	N/A	0	0	0	N/A
CARES Act Reimbursement (Debt Service)	(3,672,774)	0	3,672,774	N/A	(7,388,102)	0	7,388,102	N/A
Total CARES Act	(3,672,774)	0	3,672,774	N/A	(7,388,102)	0	7,388,102	N/A
TOTAL SURPLUS (DEFICIT) AFTER CARES ACT	3,311,729	(368,823)	3,680,552	(997.9%)	\$ 3,424,252	\$ 4,717,356	\$ (1,293,105)	(27.4%)

Note: Columns may not add to totals shown because of rounding



AIRPORT ADVISORY COMMISSION

ITEM 2c. DEPARTMENT OF AVIATION WRITTEN STAFF BRIEFINGS

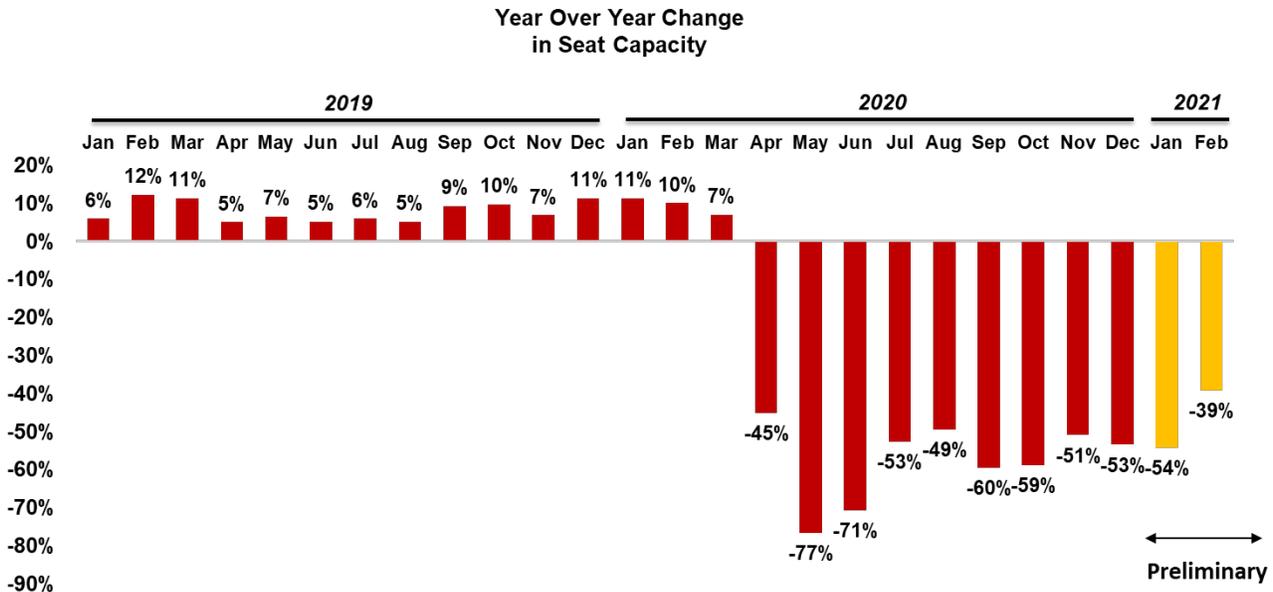
c) AUS Air Service Update
(Prepared by Jamy Kazanoff, Air Service Development)



January 2021 Air Service Snapshot

2019 is undoubtedly one of the toughest years in aviation history for airports, airlines and nearly every other segment of the industry. There is a glimmer of hope as the vaccine begins distribution throughout the country/rest of the world and airline network planning executives are hopeful this will spark the beginning of a recovery. Many network planners we have talked with see Spring Break or Summer 2021 as potential turning points.

The chart below shows how COVID-19 has affected AUS capacity with year-over-year change in seat capacity, which peaked at -77% in May 2020. Year-over-year capacity recovered slightly during the summer but since then has plateaued at down 50% to 60%, which is where we assume it will remain for at least January and February. February 2021 schedules have been adjusted by all carriers except for United, which is expected to do so this upcoming weekend.

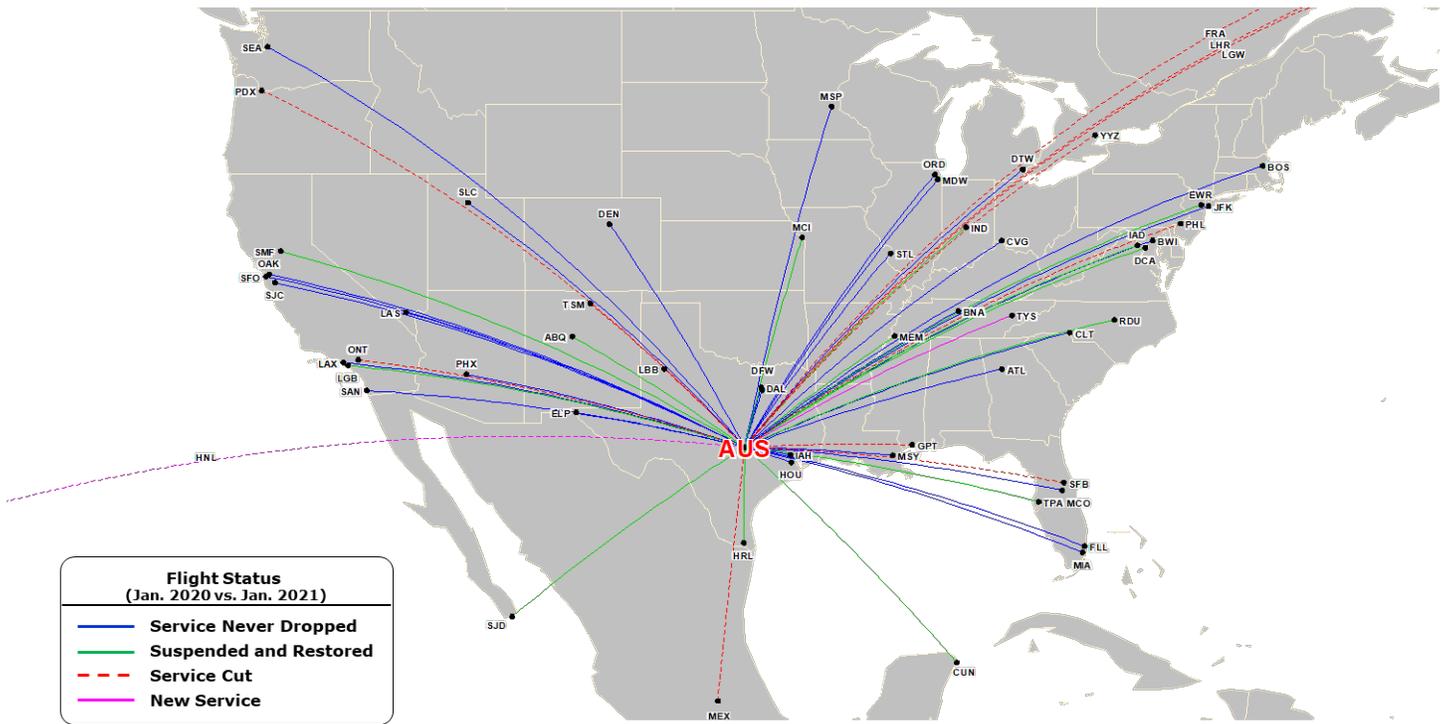


AUS is meeting with airline network planning executives on a regular basis to discuss current service, potential new service as well as restoring pre-COVID service levels. Besides air service development issues, we also highlight the following information on the region and its recovery from the pandemic:

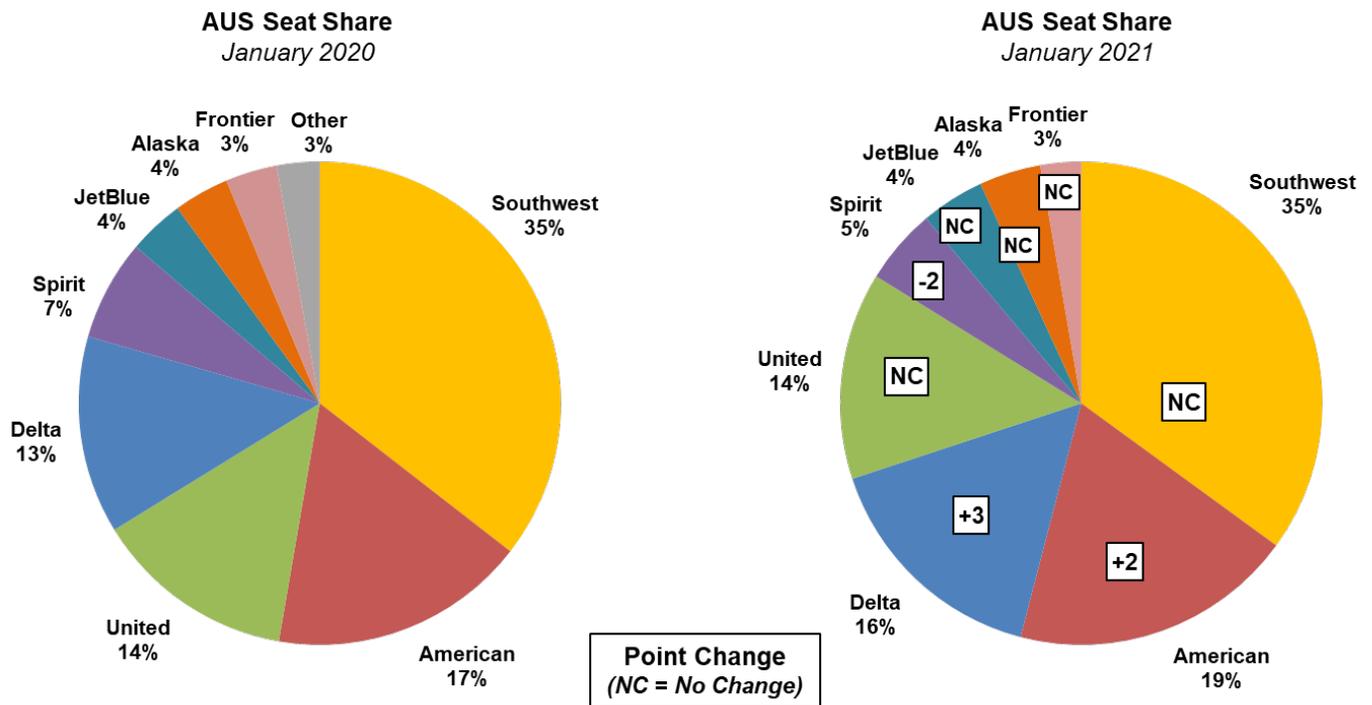
- Airport health/safety measures and passenger confidence/travel intent
- Austin's leading improvement in unemployment rates and job restoration
- Corporate expansion/relocation news, especially Tesla, Oracle, Amazon and Facebook
- Recent accolades from leading national sources (e.g.. U.S. News & World Report names Austin as the #1 Best Place to Live for the 4th year in a row)
- Continued growth in hotel room capacity (total city and downtown)
- Austin's leading national role in migration from other parts of the country and state

The map on the next page provides a summary of service changes at AUS between January 2020 and January 2021. Highlights of recent air service announcements/developments include:

- **Hawaiian** will start nonstop service to HNL with 278-seat Airbus A330 aircraft twice weekly effective April 22 (AUS departures on Thursday and Sunday)
- **JetBlue** announced new service to CUN (March 4), RDU (February 11) & SFO (February 11); RDU & SFO will have daily service, CUN 3/week
- **Delta** will reinstate RDU service effective February 11
- **American** will serve MCO on Saturdays in March and April
- **KLM** will not serve AUS in 2021 but possibly 2022



AUS capacity shares by airline in January 2021 are very similar to January 2020. Some airports have witnessed significant fluctuation in carrier shares pre- and post-COVID but the same cannot be said for AUS. Southwest and American are still the two largest carriers based on seat share and Delta has maintained its commitment to operate a focus city at AUS.





AIRPORT ADVISORY COMMISSION

ITEM 4a. RECOMMENDATIONS

Airport Advisory Commission recommendation to Austin City Council regarding approval an ordinance authorizing the issuance and sale of City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2021, in a par amount not to exceed \$170,000,000 in accordance with the parameters set out in the ordinance, authorizing related documents, approving the payment of related fees and costs of issuance, and providing that the issuance and sale be accomplished by June 30, 2021.

Posting Language

Approve an ordinance authorizing the issuance and sale of City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2021, in a par amount not to exceed \$170,000,000 in accordance with the parameters set out in the ordinance, authorizing related documents, approving the payment of related fees and costs of issuance, and providing that the issuance and sale be accomplished by June 30, 2021.

Lead Department

Treasury

Fiscal Note

This item has no fiscal note.

Prior Council Action:

Click or tap here to enter text.

For More Information:

Belinda Weaver, Treasurer, 512-974-7885, Mookie Patel, Assistant Director - ABIA, 512-530-5022, Rajeev Thomas, Finance Deputy Chief - ABIA, 512-530-6688

Council Committee, Boards and Commission Action:

Airport Advisory Commission: To be reviewed on January 12, 2021

Additional Backup Information:

The City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2021, (the “Bonds”) are being issued to refund the outstanding \$137,565,000 City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2013 (the “2013 Bonds”). The City’s financial advisor, PFM Financial Advisors LLC., has advised that refunding the 2013 Bonds will provide cash flow relief in the next few years to offset the loss in revenue due to COVID-19.

The 2013 Bonds being refunded were originally issued to finance the construction of the Consolidated Rental Car Facility (the “CONRAC”), which opened in 2015. The CONRAC was designed and constructed to provide additional public parking and additional space for the Rental Car Companies (the “RACs”) operating out of the Austin-Bergstrom International Airport (“ABIA”). The construction was funded by the 2013 Bonds which are supported solely by the revenue generated through the customer facility charges (“CFC Charges”) collected by the RACs operating out of ABIA.

The City entered into a Master Lease with Austin CONRAC, LLC (“Austin CONRAC”), a single purpose entity wholly managed by the RACs. Austin CONRAC entered into sublease agreements with the RACs for use of the CONRAC facilities in providing rental car concessions. Pursuant to the sublease agreements with Austin CONRAC, the RACs each lease office space, counter and customer service areas, ready/return parking stalls, vehicle staging spaces, and storage facilities in the CONRAC. Subsequently, each RAC entered into a Concession Agreement with the Department of Aviation. The base rental for the facility was set at \$900,000 annually with the option to adjust the rate at 5-year intervals throughout the term of the Master Lease.

Estimated debt service cost for the proposed City of Austin Rental Car Special Facility Revenue Bonds, Taxable Series 2021 is estimated as follows:

	2020-2021	Average Per Year
Principal	0.00	6,805,227

Interest	<u>1,186,964.56</u>	<u>3,601,264</u>
Total Debt Service	1,186,964.56	10,406,491

The CFC Charges are the principal source of revenue pledged as security for this issuance. The City shall never be liable in any manner for the payment of the Bonds.

In order to provide the City with the flexibility to respond quickly to changing market conditions, the proposed ordinance delegates the authority to the City Manager or Chief Financial Officer (the “Pricing Officer”) to complete the sale of the Bonds in accordance with the parameters in the ordinance. Additionally, the authority of the Pricing Officer to exercise the authority delegated by Council under this ordinance expires on June 30, 2021.

This transaction will be sold through the following underwriting team:

Senior Manager
Wells Fargo

Co-Managers
JPMorgan
Jefferies LLC
Siebert Williams and Shank & Co., LLC

For this bond transaction, PFM Financial Advisors LLC will serve as financial advisor, McCall, Parkhurst & Horton L.L.P. will serve as bond counsel, Norton Rose Fulbright US L.L.P. will serve as disclosure counsel, and serving as underwriter’s counsel will be Haynes and Boone, L.L.P

Strategic Outcome(s):

Government that Works for All.



AIRPORT ADVISORY COMMISSION

ITEM 4b. RECOMMENDATIONS

Airport Advisory Commission recommendation to Austin City Council regarding approval for the award of multi-term contracts with Austin Armature Works LP and Liber Holdings LLC, to provide heating, ventilation air conditioning and conveyor parts and repairs, for up to five years for a total contract amount not to exceed \$413,000, divided between the contractors.

Posting Language

Authorize award of two multi-term contracts with Austin Armature Works LP and Liber Holdings LLC, to provide heating, ventilation air conditioning and conveyor parts and repairs, each for up to five years for total contract amounts not to exceed \$413,000, divided between the contractors.

(Note: This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this solicitation, there were insufficient subcontracting opportunities therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Aviation; Austin Convention Center Department.

Fiscal Note

Funding in the amount of \$53,250 is available in the Fiscal Year 2020-2021 Operating Budget of Aviation. Funding in the amount of \$4,667 is available in the Fiscal Year 2020-2021 Operating Budget of the Austin Convention Center Department. Funding for the remaining contract terms are contingent upon available funding in future budgets.

Purchasing Language:

The Purchasing Office issued an Invitation for Bids (IFB) 8100 CRR1012 for these goods. The solicitation issued on October 5, 2020 and it closed on October 22, 2020. Of the five offers received, the recommended contractors submitted the lowest responsive offers. A complete solicitation package, including a tabulation of the bids received, is available for viewing on the City's Financial Services website, Austin Finance Online.

Link: [Solicitation Documents](#).

Prior Council Action:

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov

NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation's Authorized Contact Person: Claudia Rodriguez, at 512-974-2959 or ClaudiaR.Rodriguez@austintexas.gov.

Council Committee, Boards and Commission Action:

January 12, 2021 – To be reviewed by the Airport Advisory Commission.

Additional Backup Information:

These contracts will provide replacement parts for heating, ventilation, and air conditioning (HVAC) systems and conveyor belts, motors, and pumps for various systems, located mainly on the Austin-Bergstrom International Airport (ABIA) campus. These replacement parts are necessary to support the ongoing ABIA building and airline maintenance units in providing a reliable source of supply parts in order to maintain the

operation of ABIA HVAC, conveyor, and plumbing systems throughout the campus. The Austin Convention Center Department will utilize these contracts on an as-needed basis for the purchase of HVAC repair parts.

These contracts will replace a current contract for these parts which expires on April 11, 2021. The recommended contractors are not the current providers for these goods.

Without these parts, staff would not be able to efficiently obtain needed replacement parts to ensure the systems and equipment are operational and ensure they are providing an acceptable level of indoor air quality to meet the current and growing standards.

Contract Detail:

<u>Contract Term</u>	<u>Length of Term</u>	<u>Contract Authorization</u>
Initial Term	3 yrs.	\$234,000
Optional Extension 1	1 yr.	\$ 87,000
Optional Extension 2	1 yr.	\$ 92,000
TOTAL	5 yrs.	\$413,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.

Strategic Outcome(s):

Mobility; Health and Environment.



AIRPORT ADVISORY COMMISSION

ITEM 5a. DEPARTMENT OF AVIATION VERBAL STAFF BRIEFINGS

AUS Capital Improvement Program Environmental Assessment (EA)
Briefing
(Presented by Kane Carpenter – Environmental Manager)

