

City of Austin

2025-26 BUDGET

Austin Aviation Proposed Budget

August 13, 2025



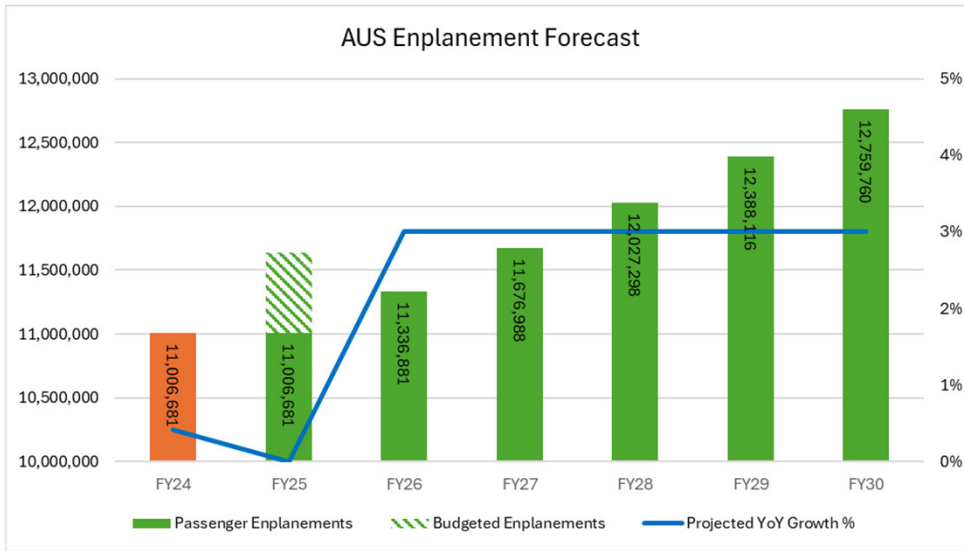
Austin-Bergstrom
International Airport



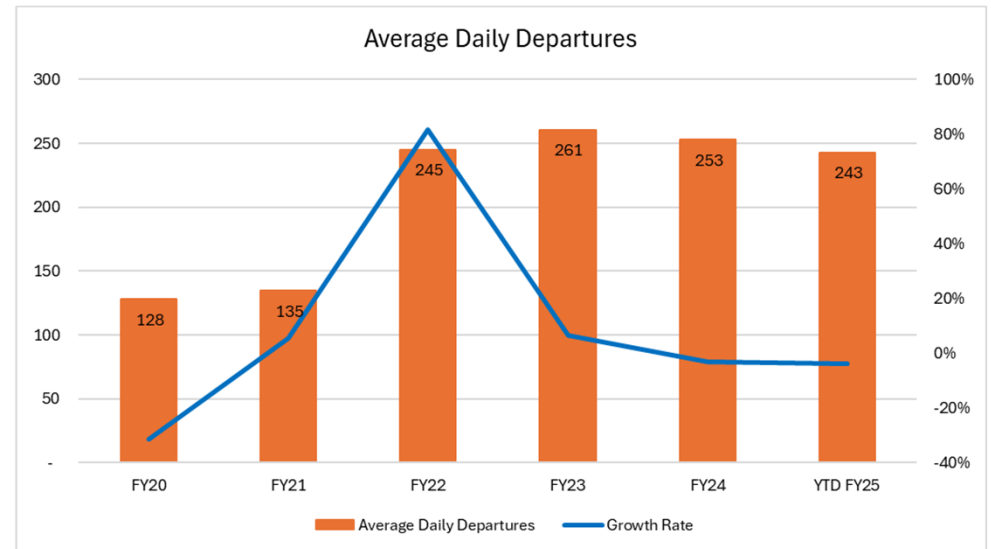
Major Assumptions

- New airline use and lease agreement effective FY26 with new rate methodology
- 3% annual passenger enplanement growth in FY26
- Flat enplanement growth expected in FY25, which drives moderated non-airline revenues in the current year estimate
- Across the board wage adjustment of 4% in FY26
- New FTEs to support facility and passenger traffic growth: FY26 - 24 FTEs
- Increase in contribution to retirement from 8.7% to 9.6% and increased legacy liability contribution
- Increased preventative maintenance costs for infrastructure
- Increased wage cost for airport APD unit and 3 additional officers for checkpoint coverage
- Initiation of contributions to a Major Maintenance Fund recovered through airline rates and charges to be used toward capital projects. FY26 contribution is \$30 million

AUS Activity



- Average daily departures continue to optimize as carriers adjust strategies
- YTD FY25 average daily departures through June total 243



- FY24 enplanement growth of 0.4% due to adjustments to carrier strategies
- Enplanement growth of 3% annually from FY26-30

Revenue Assumptions

- Annual passenger enplanement growth of 3% drives non-airline revenue growth
- Annual growth in aircraft landed weights of 2% and airfield requirements increases landing fee revenue
- New Airline Use and Lease Agreement expected in FY26, will modify airline terminal rate methodology
- Parking revenues increase in FY26 from increase in passenger traffic and rate adjustments.
- TNC revenues increase as trip activity growth continues to exceed passenger growth
- Terminal concessions growth trend aligns with passenger growth

Operating Revenues

	Budget 2024-2025	CYE 2024-2025	Proposed 2025-2026	\$ Change vs FY25 Budget	% Change vs FY25 Budget	Planned 2026-2027
Operating Revenue						
Airline Revenue						
Landing Fees	59,625,915	59,625,915	79,896,787	20,270,872	34.0%	94,153,582
Terminal Rental & Other Fees	111,271,727	111,271,727	168,236,307	56,964,580	51.2%	180,703,424
Total Airline Revenue	170,897,642	170,897,642	248,133,094	77,235,452	45.2%	274,857,006
yoy change %	12.2%	12.2%	45.2%			10.8%
Non-Airline Revenue						
Parking	81,247,697	77,751,861	80,200,462	(1,047,235)	-1.3%	86,140,200
Ground Transportation for Hire	11,615,065	11,043,783	11,374,092	(240,973)	-2.1%	13,849,027
Rental Cars	21,948,757	21,477,962	21,695,821	(252,936)	-1.2%	22,128,830
Food & Beverage	20,109,576	20,213,799	21,002,326	892,750	4.4%	21,636,680
Retail	7,508,056	7,094,410	7,216,411	(291,645)	-3.9%	7,659,831
Advertising	5,148,000	5,983,168	6,384,403	1,236,403	24.0%	6,833,349
Other Concessions, Rentals & Fees	27,509,304	25,448,019	26,218,633	(1,290,671)	-4.7%	30,173,004
Total Non-Airline Revenue	175,086,455	169,013,002	174,092,148	(994,307)	-0.6%	188,420,921
yoy change %	5.7%	2.0%	-0.6%			8.2%
Interest Income	5,000,000	4,600,000	3,000,000	(2,000,000)	-40.0%	2,000,000
Total Operating Revenue	350,984,097	344,510,644	425,225,242	74,241,145	21.2%	465,277,927
yoy change %	8.7%	6.7%	21.2%			9.4%

New airline use and lease agreement expected to be in place in FY26 will modify rate methodology to ensure cost recovery for airport expansion and operations.

Increased expenses and debt service will drive increased airline revenues.

Operating Expense Assumptions

- Across the board wage adjustment of 4% in FY26
- 24 new FTEs are included in the FY26 budget to support new facilities opening in FY26 and beyond.
- Employer's contribution to retirement increasing from 8.7% to 9.6% and legacy liability payment increasing \$604k
- Increase in building maintenance contractual costs primarily for preventative maintenance
- APD cost increasing due to wage increases in labor agreement and due to addition of 3 officer FTEs
- Initiation of third-party operations of virtual ramp control center in FY26
- Cost savings identified in information systems, South Terminal closure, and support services to partially offset increases to contractual costs

Operating Expenses

	Budget 2024-2025	CYE 2024-2025	Proposed 2025-2026	\$ Change vs FY25 Budget	% Change vs FY25 Budget	Planned 2026-2027
Airport Operating Expenses						
Personnel	87,886,989	87,559,677	96,243,347	8,356,358	9.5%	103,916,041
Contractuals	88,162,829	86,758,200	89,853,873	1,691,044	1.9%	102,347,663
Commodities	7,376,741	7,632,700	7,232,861	(143,880)	-2.0%	8,612,440
Non-CIP Capital	224,000	200,000	125,000	(99,000)	-44.2%	150,000
Expense Refunds	-	-	-	-	N/A	-
Total Operating Expenses	183,650,559	182,150,577	193,455,081	9,804,522	5.3%	215,026,144
yoy change %	12.4%	11.5%	5.3%			11.2%

- FY26 Proposed Budget increases by 6.2% compared to FY25 CYE primarily because of personnel cost drivers
- FY26 Proposed Budget increases by 5.3% compared to FY25 Budget
- FY25 Current Year Estimate is \$1.5 million below FY25 Budget due to adjustment to shift note purchase program costs to subordinate obligation fund

FY26 Significant Expense Changes

Personnel

- 4% across the board wage increase
- 24 new FTEs to support operations and expanded facilities in FY26
- Additional temporary staffing to assist with passenger needs and security during construction projects

Contractuals

- Building Maintenance costs increasing for preventative maintenance
- APD cost increase for wage adjustments and 3 new officer FTEs in FY26
- Third-party ramp control operations scheduled to commence in FY26

Commodities

- Facility services and information systems commodity purchases decrease because of more efficient usage

Non-CIP Capital

- Replacement of terminal waste bins completed in FY25 which decreases non-CIP capital budget in FY26

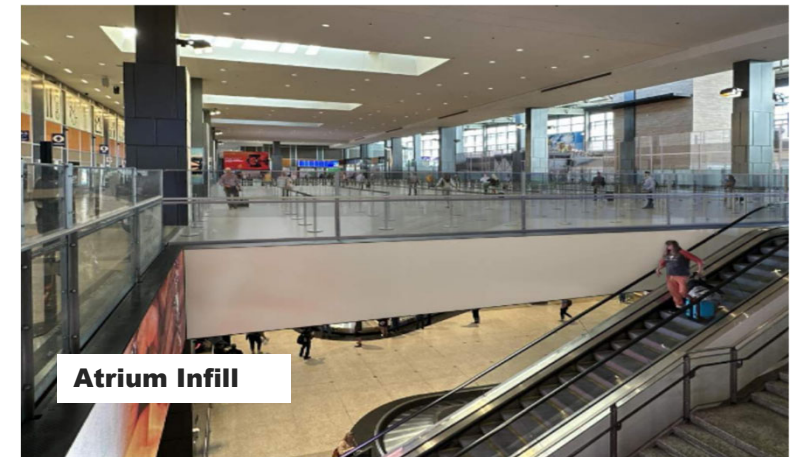
	<i>(in millions)</i>
FY25 Budget	\$ 183.65
Personnel	
Wage Adjustment	\$ 2.34
New FTEs	\$ 1.50
Temporary Employees	\$ 1.37
Change in Vacancy Savings	\$ 0.89
Retirement, benefits, etc.	\$ 2.26
Total Personnel	\$ 8.36
Contractuals	
Building Maintenance	\$ 1.87
APD	\$ 1.73
Ramp Control	\$ 1.22
South Terminal	\$ (1.83)
Misc contractual costs	\$ (1.29)
Total Contractuals	\$ 1.70
Commodities	\$ (0.15)
Non-CIP Capital	\$ (0.10)
Total Change	\$ 9.81
FY26 Proposed Budget	\$ 193.46

AUS Forecast Summary

	Budget 2024-2025	CYE 2024-2025	Proposed 2025-2026	\$ Change vs FY25 Budget	% Change vs FY25 Budget	Planned 2026-2027
Revenue						
Airline Revenue	170,897,642	170,897,642	248,133,094	77,235,452	45.2%	274,857,006
Non-Airline Revenue	175,086,455	169,013,002	174,092,148	(994,307)	-0.6%	188,420,921
Interest Income	5,000,000	4,600,000	3,000,000	(2,000,000)	-40.0%	2,000,000
Total Operating Revenue	350,984,097	344,510,644	425,225,242	74,241,145	21.2%	465,277,927
Operating Expenses						
Aviation Operating Expenses	183,650,559	182,150,577	193,455,081	9,804,522	5.3%	215,026,144
City of Austin Transfers	15,084,469	15,084,469	16,078,819	994,350	6.6%	17,101,768
Operating Reserve	3,060,677	3,060,677	1,813,205	(1,247,472)	-40.8%	3,875,653
Short Term Debt Interest	-	1,500,000	2,000,000	500,000	N/A	-
Debt Service (Net of PFC)	81,053,612	81,053,612	79,127,053	(1,926,559)	-2.4%	99,212,344
Total Requirements	282,849,317	282,849,335	292,474,158	8,124,841	2.9%	335,215,909
Net Income	68,134,780	61,661,309	132,751,084	66,116,304	97.0%	130,062,018
Transfer to Major Maintenance Fund	-	-	30,000,000	30,000,000	N/A	31,050,000
Net Transfer to Capital Fund	68,134,780	61,661,309	102,751,084	36,116,304	53.0%	99,012,018

Net income increases 97% in FY26 primarily due to increased operating revenues generated by the anticipated new rate methodology in the new airline use and lease agreement

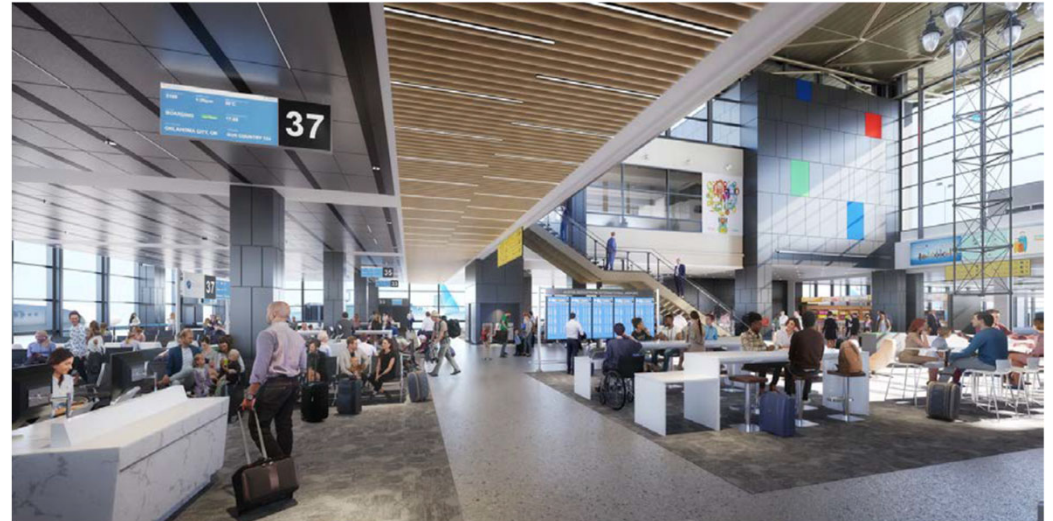
Facilities projected to be completed by FY26



FY26 – CIP Spending Plan

FY26 Capital Spend Breakdown

	Amount
AEDP	\$713,998,876
Renewal and Replacements (R&R)	\$78,055,541
IT	\$15,841,924
Vehicles and Equipment	\$6,010,500
AIPP	\$1,784,854
Total	\$815,691,695



AEDP

- Midfield Taxiways
- BHS
- West Gate Expansion
- Atrium Infill
- West Garage
- Central Utility Plant design

IT

- Virtual Ramp Control
- Self-Service Passenger Processing
- Campus Digital Signage Display Replacements

R&R

- Terminal HVAC Air Handling Equip
- Elevator Refurbishment
- Passenger Boarding Bridge Replacements

Vehicles

- COBUS
- Replacement Vehicles

THANK YOU



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International Airport

