

# **Aviation & Transit Department**

## **Airport**

**Current Year Department (Aviation Division) Budgeted Expense Total:** \$33,259,627

**Change from Prior Year Budget Expense:** \$3,265,458

### **Overall Budget Justification:**

The Aviation Division of the Aviation and Transit Department operates and maintains the City of Billings Logan International Airport, providing the facilities for commercial service airline operators to offer transportation for travelers utilizing the Airport's Terminal Building. In pre-COVID years, the annual number of passengers totaled around 900,000, a new record for the airport! In 2020, the passenger numbers dropped to just over 500,000 and bounced back to more than 981,000 during 2024.



Other businesses and activities located at the Airport include car rentals, restaurant/deli/lounge, gift shop, public parking, Fixed Base Operators (FBO), radio/avionics repair shops, executive hangars, a general aviation hangar complex, air freight/mail operators, the Transportation Security Administration (TSA), the Federal Aviation Administration (FAA), as well as numerous other State and Federal agencies. The Airport operation is a self-supporting Enterprise Fund that does not receive any General Fund or local tax revenue support. Airline landing fees, parking fees, as well as tenant concession, rental, and lease revenues offset the costs to operate and maintain the Airport's facilities.

### **Revenues**

The Airport's FY 2026 budgeted revenues total \$25,400,549, which is a decrease of \$3,579,780 from the FY 2025 budget. The decrease is primarily due to discontinued Federal grant funding provided by the Infrastructure Bill passed by Congress. PFC collections are expected to increase as passenger traffic continues to rebound from the lows experienced during the COVID-19 pandemic and the funds will be applied to the purchase of two replacement fire trucks and various other projects for the Airport. Operating revenues for FY2026 increased \$1,972,645 to reflect the additional square footage from the Terminal Expansion project along with the anticipated passengers' increase, while lease rates increased due to CPI-U adjustments that are written into most ground, building, and hangar leases.

### **Expenses**

The Airport's Personnel Services FY 2026 budget is \$480,731 more than the FY 2025 budget. This increase is due to step increases and the anticipated cost of living wage increase that all employees will receive from labor negotiations that finalized last summer. The Airport's FY 2026 Operations and Maintenance budget is \$79,261 more than that of FY 2025. This is the result of the Airport anticipating having to implement additional employee screening program requirements, and the City of Billings cost allocation charges from other departments.

## **Capital**

The FY 2026 capital projects include the following:

1. The Airport Improvement Program (AIP) will provide approximately \$7,500,000 to fund the ticket counter remodel (\$4,375,000), storm water pond improvements (\$2,000,000), and west end hanger development (\$1,125,000).
2. Passenger Facility Charges (PFC) will provide approximately \$2,000,000 to fund the replacement of two new fire trucks.
3. There are no Car Rental Facility Charges (CFC) funded projects budgeted for FY 2026.
4. Other projects budgeted in FY 2026 include: the rehabilitation of an existing Airport Access Road - Terminal Loop (\$550,000), proposed land purchase north of airport, Airfield Maintenance Pickup (\$48,461), and Airport Command Vehicle (\$54,561), HVAC improvements to IP-9 and TSA buildings (\$50,000), airfield painting (\$30,000), and roof repairs to the Terminal and Airport operations buildings (\$50,000).

## **Debt Service**

The Airport's debt service payments consist of principal and interest payments on the Airport's Series 2020B Revenue Bonds secured with CFC revenue. The FY 2026 Debt Service Principal and Debt Service Interest budgets may be less than the FY 2025 budgets due to lower than anticipated borrowing for the Terminal Expansion project.

## **New or Expanded Programs:**

Continue the multi-year Airport Master Plan (AMP) update.

Expanding the Airport's Air Service Development effort.

Design of the terminal landside phase I (ticket counters and inline baggage screening).

## **Staffing Changes:**

Reclassify up to ten positions and adjust the pay due to increased responsibilities over the next five years.

Add one position each year to increase the number of Building Maintenance Mechanics and Custodians to maintain the additional Terminal space and provide additional staff to cover additional hours of Airport operation.

## **AIRPORT GOALS:**

**Goal: Continue the multi-year Airport Master Plan Update Project – Completion Target 2026**

Action(s) Complete an Airport Master Plan Update with a robust public process.

Outcome: A twenty-year forecast of future Airport development with a detailed implementation/financial plan.

**Goal: Expansion of the Air Service Development effort to increase air service at the Airport**

Action: Continue to expand communication, coordination, and cooperation with air carriers regarding new flights, additional airline seats, and improved service for the community.

Outcome: Robust travel opportunities for the users of the Airport at a fair price.

**Goal: Rehabilitate the front (landside) of the passenger terminal**

Action: Phase I - Rehabilitate the ticket counter area and install an inline baggage screening system.

Outcome: Modernize the ticket counters, increasing the overall number, and move checked bag screening behind the ticket counters.

**Goal: Enhance the Airport's Marketing and Advertising Program**

Action: Work with consultants to update, add, and install advertising amenities within the Airport Terminal Building to create highly visible and desirable advertising options.

Work with local tourism agencies and businesses to advertise and enhance the image of the Airport and the community.

Continue to create print and digital advertising to promote the Airport.

Outcome: Generate additional Airport revenue from advertising, promote the Airport, and improve community relations.

**Goal: Renew Airline Agreements**

Action: Now that the Terminal Expansion Project is completed, staff will need to renegotiate agreements with all of the Airlines.

Outcome: New Agreements will be finalized in 2026 and the Airlines will begin paying for the additional space that was added during the Terminal Expansion Project.

**AIRPORT FUND  
OPERATING BUDGET**

FUNDS 5600-5690 & 4050-4090

	<b>ACTUAL FY 23</b>	<b>ACTUAL FY 24</b>	<b>BUDGET FY 25</b>	<b>ESTIMATE FY 25</b>	<b>PROPOSED FY 26</b>
<b>WORKING CAPITAL - BEGINNING</b>	<b><u>\$ 23,446,631</u></b>	<b><u>\$ 23,446,631</u></b>	<b><u>\$30,124,481</u></b>	<b><u>\$26,846,486</u></b>	<b><u>\$ 25,323,071</u></b>
<b>REVENUES:</b>					
CHARGE FOR SERVICES	\$ 10,646,186	\$ 12,511,636	\$12,484,424	\$ 12,000,000	\$ 14,349,853
FEDERAL/STATE GRANT REVENUE	10,620,450	11,771,050	11,997,425	10,000,000	7,628,480
PFC REVENUE	1,625,377	1,772,110	1,400,000	1,300,000	1,875,000
CFC REVENUE	723,405	790,506	750,000	870,000	820,000
INVESTMENT INTEREST	609,231	1,525,182	520,000	900,000	642,276
SALE OF EQUIPMENT/LAND	-	-	-	-	-
CARES GRANT	-	-	1,600,000	-	-
BOND REVENUE	-	-	-	-	-
REFUNDS/REIMBURSEMENTS	65,684	100,035	228,480	85,000	84,940
<b>TOTAL REVENUE</b>	<b><u>\$ 24,290,333</u></b>	<b><u>\$ 28,470,519</u></b>	<b><u>\$28,980,329</u></b>	<b><u>\$25,155,000</u></b>	<b><u>\$ 25,400,549</u></b>
<b>EXPENSES:</b>					
ADMINISTRATION	\$ 1,911,432	\$ 1,950,674	\$ 2,806,578	\$ 2,214,074	\$ 2,837,071
BUILDING MAINTENANCE	2,088,589	2,195,992	2,377,434	2,318,729	2,607,707
AIRFIELD MAINTENANCE	1,618,820	1,658,414	1,613,226	1,426,132	1,748,170
AIRPORT POLICE	1,024,577	1,027,874	1,155,860	1,169,146	1,250,068
AIRCRAFT RESCUE FIREFIGHTING	1,169,386	1,245,793	1,378,125	1,418,819	1,383,370
BUSINESS PARK	190,905	177,959	247,986	165,802	352,056
CAR RENTAL FUELING	406,428	393,021	336,664	342,570	332,841
CAR WASH FACILITY O&M	166,358	208,676	216,889	220,178	181,471
AIRPORT AIP GRANT PROJECTS	10,222,610	14,089,416	12,275,000	9,043,965	18,422,186
AIRPORT PFC PROJECTS	-	-	5,108,333	6,500,000	2,000,000
AIRPORT CFC PROJECTS	-	-	-	-	-
CAPITAL OUTLAY	1,441,626	472,725	1,819,798	1,200,000	1,603,022
TRANSFERS OUT	1,728	-	-	-	-
DEBT SERVICE-PRINCIPAL	-	-	346,682	347,000	423,365
DEBT SERVICE-INTEREST	114,700	120,683	311,594	312,000	118,300
<b>TOTAL EXPENSES</b>	<b><u>\$ 20,357,159</u></b>	<b><u>\$ 23,541,227</u></b>	<b><u>\$29,994,169</u></b>	<b><u>\$26,678,415</u></b>	<b><u>\$ 33,259,627</u></b>
WORKING CAPITAL CHANGES NOT BUDGETED:	(3,933,174)	(1,529,437)	-	-	-
<b>WORKING CAPITAL - ENDING</b>	<b><u>\$ 23,446,631</u></b>	<b><u>\$ 26,846,486</u></b>	<b><u>\$29,110,641</u></b>	<b><u>\$25,323,071</u></b>	<b><u>\$ 17,463,993</u></b>
<b>LESS OPERATING RESERVE</b>	<b><u>1,480,000</u></b>	<b><u>1,480,000</u></b>	<b><u>1,700,000</u></b>	<b><u>1,700,000</u></b>	<b><u>1,818,000</u></b>
<b>LESS REVENUE BOND RESERVE</b>	<b><u>2,425,000</u></b>	<b><u>2,425,000</u></b>	<b><u>2,425,000</u></b>	<b><u>2,425,000</u></b>	<b><u>2,425,000</u></b>
<b>AVAILABLE WORKING CAPITAL</b>	<b><u>\$ 19,541,631</u></b>	<b><u>\$ 22,941,486</u></b>	<b><u>\$24,985,641</u></b>	<b><u>\$21,198,071</u></b>	<b><u>\$ 13,220,993</u></b>

**AIRPORT FUND  
OPERATING BUDGET**

	<b>ACTUAL FY 23</b>	<b>ACTUAL FY 24</b>	<b>BUDGET FY 25</b>	<b>ESTIMATE FY 25</b>	<b>PROPOSED FY 26</b>
PERSONAL SERVICES	\$ 5,338,901	\$ 5,244,568	\$ 5,568,098	\$ 5,216,054	\$ 6,048,829
OPERATIONS AND MAINTENANCE	3,239,322	3,613,835	4,564,664	4,059,396	4,643,925
CAPITAL	11,664,236	14,562,141	19,203,131	16,743,965	22,025,208
DEBT SERVICE	<u>114,700</u>	<u>120,683</u>	<u>658,276</u>	<u>359,000</u>	<u>541,665</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 20,357,159</u></b>	<b><u>\$ 23,541,227</u></b>	<b><u>\$ 29,994,169</u></b>	<b><u>\$26,378,415</u></b>	<b><u>\$33,259,627</u></b>

**STAFFING AUTHORIZATION**

<b>POSITION</b>	<b>ACTUAL FY 23</b>	<b>ACTUAL FY 24</b>	<b>BUDGET FY 25</b>	<b>PROPOSED FY 26</b>
AVIATION & TRANSIT DIRECTOR	0.8	0.8	0.8	0.8
ASSISTANT AVIATION DIRECTOR	0.9	0.9	0.9	1.0
AVIATION & TRANS BUSINESS MGR	1.0	1.0	1.0	1.0
ADMINISTRATIVE SUPPORT II	1.0	1.0	1.0	1.0
MARKETING SPECIALIST				
IT SPECIALIST	-	1.0	1.0	1.0
AIRPORT POLICE SUPERVISOR	1.0	1.0	1.0	1.0
AIRPORT POLICE OFFICERS	8.0	8.0	9.0	9.0
POLICE SUPPORT SPECIALIST	1.0	1.0	1.0	1.0
ARFF/AIRFIELD MAINT. WORKER	15.0	15.0	16.0	16.0
EQUIPMENT OPER/MAINT. WORKER	-	-	-	-
AFM/ELECTRICIAN II	1.0	1.0	1.0	1.0
AIRPORT FACILITIES SUPERVISOR	1.0	1.0	1.0	1.0
FACILITIES MAINT. MECHANIC	3.0	3.0	3.0	3.0
FACILITIES MAINT SUPPORT I	12.0	12.0	12.0	12.0
LEAD FAC MAINT SUPPORT 1	1.0	1.0	1.0	1.0
OPERATIONS ARFF SUPERVISOR	1.0	1.0	1.0	1.0
LEAD FACILITIES MAINT. MECHANIC	1.0	1.0	1.0	1.0
OPERATIONS AFM SUPERVISOR	1.0	1.0	1.0	1.0
ACCOUNTANT II	1.0	1.0	1.0	1.0
SR. ACCOUNT CLERK	1.0	1.0	1.0	1.0
AIRPORT ENG/PLAN MANAGER	1.0	1.0	-	-
AFM WORKER/MECHANIC I	1.0	1.0	1.0	1.0
LEAD AIRFIELD MAINT WORK/MECH	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
<b>TOTAL</b>	<b><u>54.7</u></b>	<b><u>55.7</u></b>	<b><u>56.7</u></b>	<b><u>56.8</u></b>