280 - Airport - Operating Enterprise

Operational Summary

Mission:

At a Glance:	
Total FY 2023-2024 Modified Budget:	350,519,070
Total FY 2023-2024 Actual Expenditure + Encumbrance:	240,526,062
Total Final FY 2024-2025 Budget:	333,882,285
Percent of County General Fund:	N/A
Total Employees:	186.00

The Mission of John Wayne Airport (JWA) is connecting people, places and opportunities. As an enterprise fund, John Wayne Airport is self-supporting through revenues it generates and receives no funding from the County General Fund. Revenues are utilized to operate the Airport, repay revenue bonds, fund facility capital improvements or maintenance projects and support aviation planning.

John Wayne Airport is a commercial and general aviation airport that serves Orange County and the Greater Los Angeles area. The airport services more than 11.3 million passengers with 300,000 aircraft operations annually.

John Wayne Airport includes a dedicated Airport Construction fund to segregate the Airport's Capital Improvement project expenses from its operating fund. See Fund 281, Airport Construction Fund for more information.

The Airport Debt Service Fund provides appropriations for Passenger Facility Charge (PFC) revenue, debt service and related trustee activity associated with Airport Revenue Refunding Bonds, Series 2019. The bonds were issued to finance the Airport improvement plan and were defeased in 2023. See Fund 283, Airport Debt Service Fund for more information.

Department Goals:

- Maintain a safe and secure environment for aviation and the traveling public.
- Provide a positive aviation experience to travelers and tenants.
- Operate in an environmentally responsible manner.
- To operate a financially efficient and self-supporting aviation facility with conservative fiscal policies to continually provide safe and superior services to the traveling public and the Airport's tenants.
- Exercise prudence in managing and prioritizing operating expenses and other expenditures and maintain a viable diversification of revenue sources.
- Appropriate cash reserves and other financing sources for continuing capital improvements at the Airport.
- Control operating expenses and cash outlay to maintain the Airport competitiveness via costs reimbursed (compensatory) through airline rents and fees given the Airport's growth constraints (Settlement Agreement).
- Maintain long-term sustainable and diversified revenue streams and remain vigilant to revenue trends and opportunities.
- Utilize available financing sources to adequately maintain the Airport facilities and infrastructure.

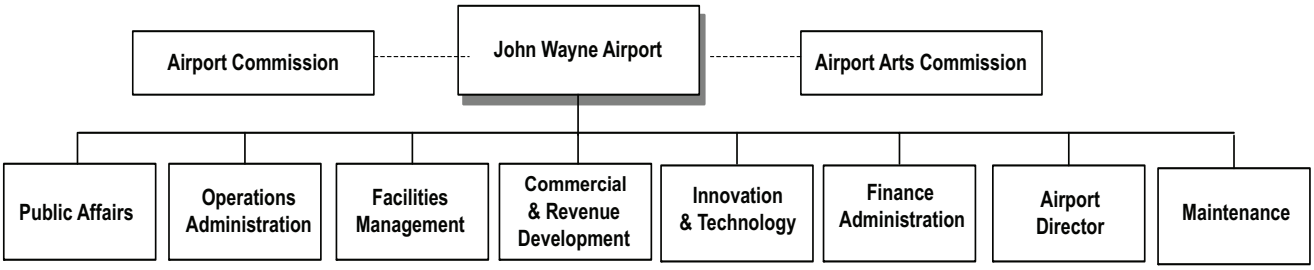
Key Outcome Indicators:

Performance Measure/Metric	FY 2023-24 Target	FY 2023-24 Results	FY 2024-25 Target
Federal Aviation Administration (FAA) Annual Part 139 Airport Certification Inspection.	Pass with minor correctable actions	Pass with minor correctable actions	Pass with minor correctable actions
Ensure all required environmental permits are in place and in good standing.	100%	100%	100%

FY 2023-24 Achievement Highlights:

- Successfully planned and implemented 100 Years of Flight celebration, including marketing and social media communications, collateral materials, press event, historical display, and community outreach events.
- Developed JWA's new Mission, Vision, and Values, establishing the foundation for how JWA aims to serve its travelers, community, and employees.
- Implemented the new agreement with Turo for rideshare services at JWA providing guests with additional ridesharing options.
- Successfully opened three new food and beverage locations at the terminal: Brodard, Greenleaf, and Taps Fish House, providing visitors at John Wayne Airport the feel, taste, and flavor of Orange County.
- Successfully launched a new community education program, JWA AirACADEMY, educating the community and promoting opportunities to individuals to engage with JWA.

Organizational Summary



Public Affairs - Includes Government Relations, Access and Noise, Administration, Communications, Customer Relations, and Public/Media Relations. Manage government, media and community relations, customer relations and communications at JWA. Respond to media and public inquiries; serve as front-line customer service agents; coordinate Ambassador and Tour Guide volunteer programs; plan and organize museum-quality exhibitions; disburse information via the Airport web site; track local, state and federal legislation; enforce the Phase 2 Commercial Airline Access Plan and Settlement Agreement; educate the surrounding communities about access and noise issues; and handle noise complaints.

Operations Administration - Includes Operations, Safety, Law Enforcement (Sheriff-Coroner) and Aircraft Rescue and Firefighting (Orange County Fire Authority). Ensure that JWA operates safely, securely, and effectively and within the scope of strict federal regulations. Conduct airport inspections; address the needs of all tenants, patrons, and other customers; oversee the administration of general aviation aircraft tie-down spaces; issue and track employee identification badges and other access cards and keys; manage parking facilities; and monitor the activities of ground transportation providers.

Facilities Management - Includes OC Public Works Facilities Design & Construction providing project management, professional architectural and engineering related services in support of vertical capital projects.

Commercial and Revenue Development - Includes Asset Management. Manage concession planning and revenue development activities; negotiation and administration of leases, licenses, concession agreements and easements; and the acquisition and sale of real property and related appraisal and condemnation issues.

Innovation Technology - Includes Technical Services, IT Project Management, Operations, Service Desk/Common Use Passenger Processing System (CUPPS), and Security Teams. This Division provides 24/7 support for airport operations, including building automation, access control, secu-

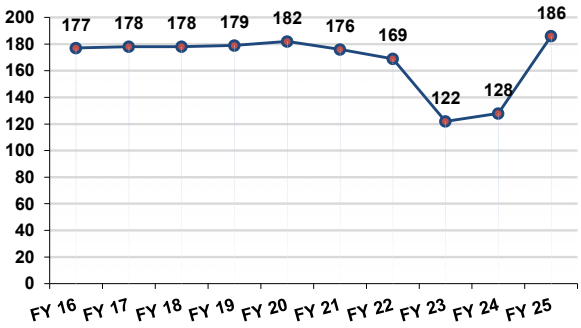
rity cameras, baggage handling systems, servers, applications, hardware infrastructure, network infrastructure, end-user support for JWA administrative staff and systems, IT security, compliance efforts, IT consulting services, and IT vendor contract management.

Finance Administration - Includes Budget, Finance, Procurement, Grant Administration, ASR coordination and Accounting. Manage Airport budget, finance, debt management, cash and liquidity management, and fixed asset control; oversee Airport rates and charges preparation; prepare revenue budget and projections; manage Airport procurement. Includes Auditor-Controller's satellite JWA Accounting unit. Manage lease and concession revenue account control, accounts payable; and oversee accounting processes for FAA Grants, bond and investments, ground transportation, and passenger facility charges.

Airport Director - Includes the Office of the Airport Director, Human Resources satellite staff, Insurance, Planning and Environmental, Quality Assurance and Compliance. Develop airport policy and administer all activities associated with the operation of JWA. Also, includes County Counsel's satellite attorneys who are assigned to provide legal advice and representation to the Airport. The Office of the Director has direct responsibilities for the five airport divisions.

Maintenance - Maintenance Division - responsible for the upkeep, repair and safety of all of the Airports' facilities on a 24-hour basis, 365 days a year. These facilities include a terminal building with 337k square feet of interior space as well as over five acres of airfield and parking structures with more than 10k parking spaces. FY 2024-25 Recommended Budget includes the reorganization to transition the Maintenance Programming and Operations from OC Public Works to the JWA Maintenance Division.

Ten Year Staffing Trend:



Ten Year Staffing Trend Highlights:

- During the FY 2024-25 budget process, added 52 positions to transition the Maintenance Programming and Operations function from OC Public Works to John Wayne Airport, 1 position for Safety Management Systems and 5 positions to support the Airport Maintenance Division.
- During the FY 2023-24 budget process, added 3 positions; 1 for Airport Operations, 1 for the safety program and one for IT systems.

  In FY 2022-23, added 1 position to the Business Development Division and 2 positions for Environmental Compliance.
- During the FY 2022-23 budget process, added 3 positions: 1 position for Access and Noise Office and 2 positions for JWA Safety Program offset by deleting 57 positions transferred to OC Public Works from the Facilities Compliance and Coordination and Maintenance Divisions.

  In FY 2021-22, restored 7 positions associated with the Voluntary Incentive Program.
- In FY 2020-21, to reduce the budget shortfall due to the pandemic-related revenue losses, 7 positions associated with the Voluntary Incentive Program were deleted.
- During the FY 2020-21 budget process, deleted 6 positions transferred to OC Public Works from the Facilities Management Division.
- During the FY 2019-20 budget process, added 1 new position to the Operations Division.

  In FY 2018-19, added 2 new positions for the Operations Division.
- During the FY 2018-19 budget process, added 1 new position for the Operations Division.
- In FY 2015-16, added 1 new Limited Term Storekeeper.

Budget Summary

Support of the County's Initiatives:

John Wayne Airport continues to seek innovative solutions, practice smart fiscal stewardship and reinforce efforts to deliver a superior guest experience.

Changes Included in the Base Budget:

Fund 280 total revenue budget increased from the FY 2023-24 Modified Budget by $27 million due to increased passenger activities and airline rate cost recovery offset by a $25 million reduction in transfers-in From Fund 281, for a net increase of $2 million. Expense decreased by $75 million, excluding special items used for balancing purposes, primarily due to a decrease in capital funding requirements to Fund 281. Fund 281 Capital Improvements total revenue budget decreased from the FY 2023-24 Modified Budget by $75 million, primarily due to lower capital funding requirements from Fund 280. Capital project expenses decreased by $67 million due to project scoping and prioritization and a reduction in transfer out to Fund 280. Fund 283 expense decreased from the FY 2023-24 Modified Budget by $8 million, excluding special items used for fund balancing, due to lower capital funding requirements in Fund 281.

Approved Budget Augmentations and Related Performance Results:

Unit Amount	Description	Performance Plan	PB Req. Code
Add One Position for Safety Management System Amount:$ 0	Add one position to ensure safety, security, and compliance with Federal Aviation Administration (FAA) Safety Management System mandates.	Compliance with the Federal Aviation Administration (FAA) Airport Safety Management System mandates	29188
Add Five Positions for Maintenance Division Amount:$ 0	Add five positions to optimize performance and efficacy of the Maintenance Division at John Wayne Airport.	Increased efficiency resulting in faster resolutions, increased safety and improved employee, vendor and passenger experiences.	31101

Final Budget History:

Sources and Uses	FY 2022-2023 Actual Exp/Rev	FY 2023-2024 Budget[1] As of 6/30/24	FY 2023-2024 Actual Exp/Rev As of 6/30/24	FY 2024-2025[1] Final Budget	Change from FY 2023-2024 Budget Amount	Change from FY 2023-2024 Budget Percent
Total Positions	125	128	128	186	58	45.3
Net Position - Beginning Balance	81,297,925	126,896,864	126,896,874	108,156,901	(18,739,973	(14.8)
Total Revenue	219,694,599	188,672,196	192,323,721	190,775,384	2,103,188	1.1
Total Expenditures/Encumbrances	206,271,146	350,519,070	240,526,062	333,882,285	(16,636,785)	(4.7)
Prior Year Encumbrance Cancellations	3,048,686	0	3,347,408	0	0	0.0
Inc/(Dec) to Reserves	(29,126,800)	(34,950,000)	(30,923,445)	(34,950,000)	0	0.0
Net Position - Ending Balance	126,896,864	0	112,965,386	0	0	0.0

(1) The above totals may not match FY 2019-20 Current Modified Budget and FY 2020-21 Final Budget totals included in "At a Glance" due to inclusion of increases in Reserves.
Columns may not total correctly due to rounding.

Highlights and Key Trends:

- JWA is ranked #2 for overall customer satisfaction among large airports in North America in the JD Power - 2023 North American Airport Satisfaction Study, continuing its record of top-rankings in the large airport category since 2017.

Budget Units Under Department Control:

No.	Agency Name	Public Affairs	Operations Administration	Facilities Management	Commercial and Revenue Development	Innovation Technology	Finance Administration	Maintenance	Airport Director	Total
280	Airport - Operating Enterprise	6,291,630	61,291,816	10,161,213	3,799,204	13,226,708	202,719,440	31,206,267	5,186,007	333,882,285
281	Airport Construction Fund			78,915,250			35,000			78,950,250
283	Airport Debt Service Fund						105,388,978			105,388,978
	Total	6,291,630	61,291,816	89,076,463	3,799,204	13,226,708	308,143,418	31,206,267	5,186,007	518,221,513