

Burlington International Airport FY13 BUDGET PRESENTATION





Burlington Airport FY13 Budget

The Proposed FY 2013 Budget:

- Reflects the challenges of current industry and economic environment
- Meets mandated airport safety and security requirements
- Enhances the financial position of the airport and its goal of improving the credit ratings
- Demonstrates prudence during continued economic uncertainty
- Responsive to stakeholder needs and priorities
- Maintains equitable rates for airline tenants and airport users
- Addresses focus of increasing air service
- Is supported by airport users...no local taxpayer dollars



Airport Operating Revenues

- ***FY13 Operating Revenues Total: \$18,323,425***
- Airport operating revenues include:
 - fees and charges for airline use of airfield & terminal spaces
 - parking, terminal concessions, building & ground rents and airfield concessions
- Terminal rentals rates & landing fee charges will remain the same per unit rate for this fiscal year.
- Terminal common & exclusive revenues will increase this fiscal year based on charges for actual space used in the terminal by the airlines and other tenants. Last years Terminal Exclusive revenues were over projected based on a rate increase not charged.
- Landing fees increase because of increases in number of aircraft serving BTV.
- Parking revenues have traditionally been the largest revenue source:
 - Accounts for 37% of revenues in FY'11
 - Estimated to be nearly 42% in FY'12.
 - The parking revenues reflect an increase due to an increase in our collections from the car rentals for the spaces they utilize in the garage
- Car rental and terminal concession revenues reflect a projected increase based on actual performance in the current fiscal year, slight enplanement growth and new car rental & food concession agreements.
- Buildings and grounds rentals include rented space to firms such as Federal Express, Pratt & Whitney, and Heritage. Increased revenues are projected based on updated lease terms for several tenant properties.
- Field Concessions revenues:
 - Fuel flowage fees, landings, and tie down fees through an FBO.
 - Percentage of FBO gross revenues above a \$1.5 million threshold.
 - Budgeted as a decrease due to the loss of one of our fixed based operators this past fiscal year.



Airport Operating Expenses

- ***FY'13 Operating Expenses Totals: \$17,366,737***
- Airport expenses are projected to increase by 5% overall with the following contributing factors;
- Salaries and Wages and associated benefits are projected to increase due to the transfer of contract labor costs to temporary wages (approx \$465,000) , the proposal for three new positions and the re-alignment of an existing position to fit the Airport needs as well as slight increases in actual overtime costs.
- Travel & Subscriptions reflect the requirement of additional training required by Federal agencies for management of airports compliance.
- The service contract codes (“Professional Contracts” and “Service Contracts”) reflect an increase in the first category based on increased legal service fees due to potential and pending litigation cases and the decrease in the other is proportionately related to the decrease in contract labor now reflected under Salaries & Wages.
- The Treasurer & Risk Mgmt increase reflects projections provided by the C/T Office to support direct and indirect costs allocated to the Airport.
- The property tax expense code reflects a significant decrease that is directly related to a miscalculation budgeted in last fiscal year. The projection actually reflects an increase over actual FY'12 to reflect both a tax rate increase and the purchase of additional properties under the Airports' land acquisition program.



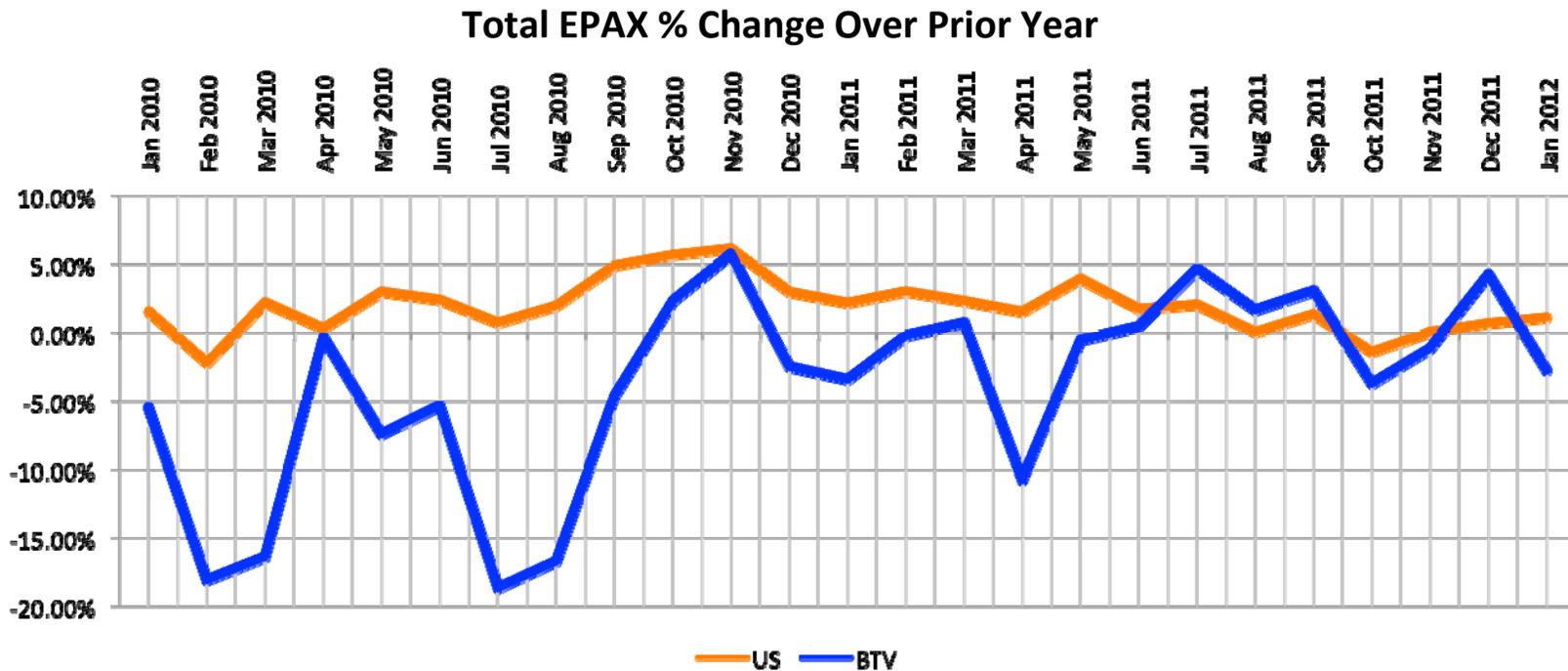
Airport Capital Projects

- **AIP**
 - Land Acquisition
 - Glycol/Stormwater Treatment: Airfield
 - Noise Exposure Map Update
- **Buildings**
 - Boarding Bridge Upgrade
 - Carpeting Replacement
 - Passenger Seating Replacement
- **Garage**
 - Concrete & Joints Replacement
 - Revenue Control Equipment Replacement
- **Equipment**
 - FCC Required Radio Replacement (airfield frequency)
- **Airfield**
 - Concrete & Joints Replacement
 - Pavement Repairs



Enplanement Trends at BTV are Tracking the US

- BTV's enplanement have stabilized since July

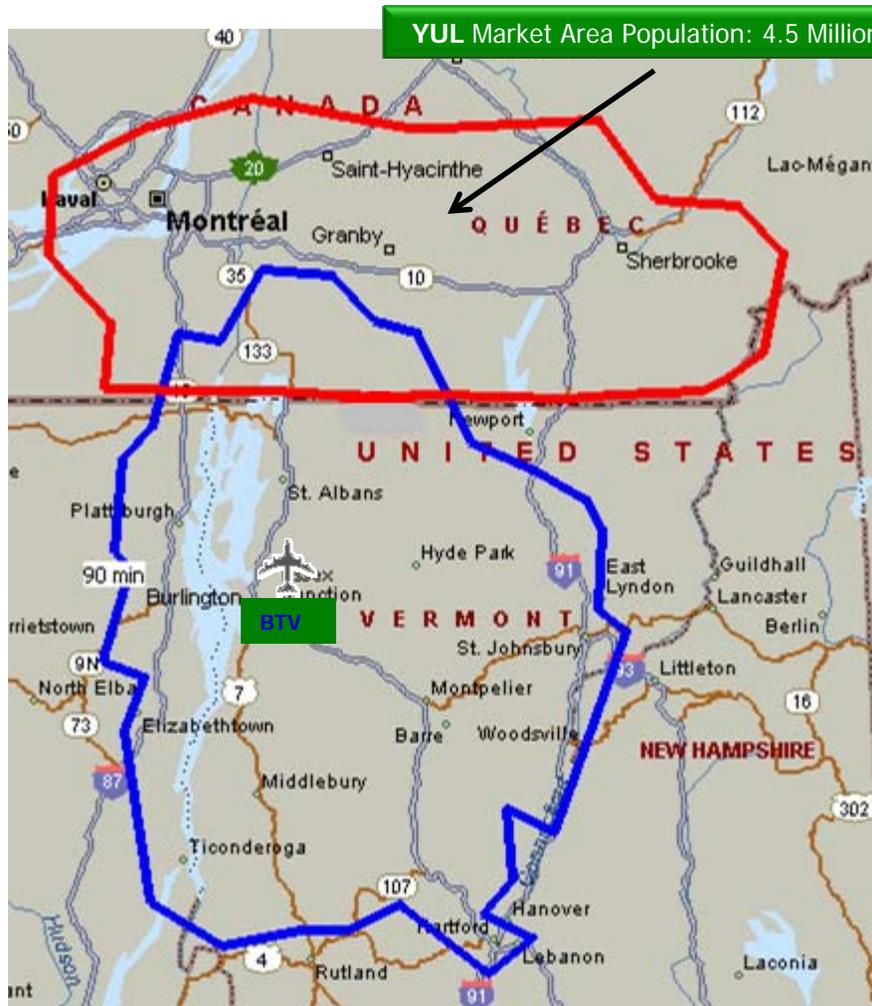


US average is based on T100 Market Reporting Data from the US DOT Bureau of Transportation Statistics



BTV Market Area – Canadian Opportunity

Burlington International Airport is the only commercial US airport option in the region
– closest alternatives are MHT and ALB, approximately three hours drive away



- Population of more than 575,000 in immediate catchment area (not including Canada)
- Overlapping BTV and YUL market area has population of 200,000
- An estimated 30% of BTV passengers come from Province of Quebec

Untapped Potential of Quebec

- BTV has participated in significant marketing efforts north of the border, including advertising in French publications and on French speaking radio stations
- A highway renovation project for Autoroute 35 is underway and will be complete in 2013, making it even easier to access BTV from the Montreal area
- Increased capacity at BTV **will** attract more Canadian passengers



Autoroute 35 Project Eases BTV Access

The Autoroute 35 project will complete this essential, 300 mile link between Montréal and Boston and turn the Autoroute 35/Interstate 89 link into a veritable trade corridor between Québec and New England



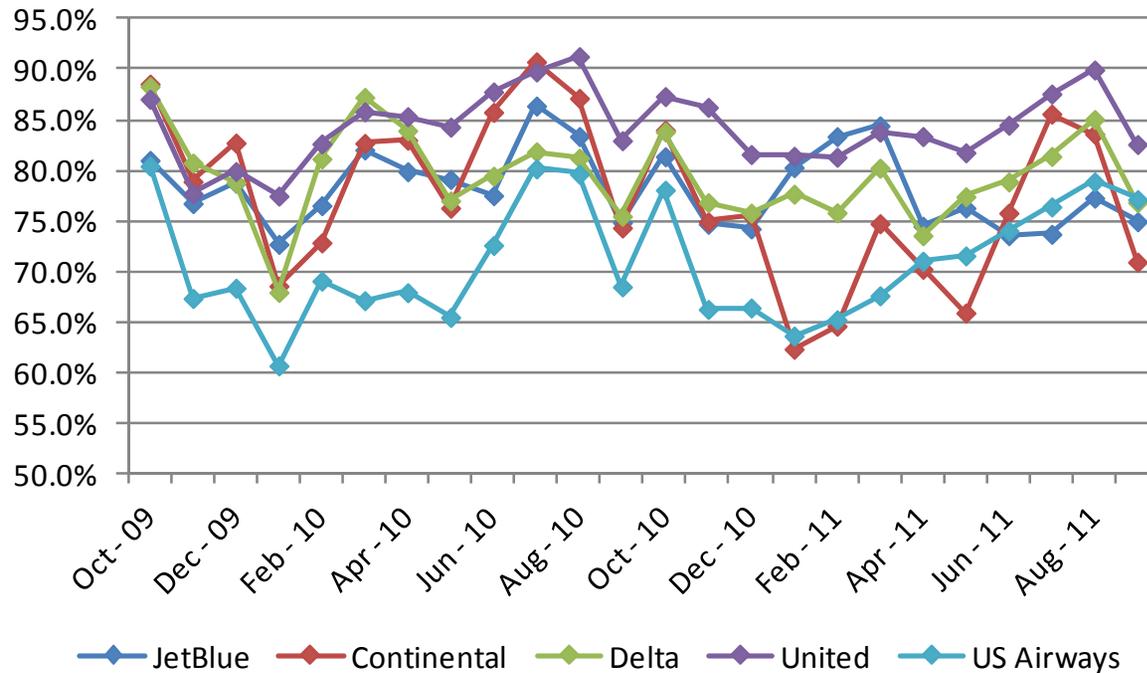
- The 25 mile stretch between the Vermont Border and Saint-Jean-sur-Richelieu is under construction to create highway access which will significantly ease the ability of travel between the Montreal area and BTV
- Current access between the Montreal area and BTV is via two lane Route 133
- The segment of the project between Saint-Jean-sur-Richelieu and Route 133 is expected to open in 2013



BTV Can Support Increased Capacity

- Average Load Factor for all incumbent carriers for the last two years ending Q3 2011 was 78.2%
- With approximately 5% fewer seats currently in the 2012 schedule vs. 2011, BTV has the ability to support additional capacity

BTV Incumbent Carrier Load Factors
Two Year Trend: Oct 2009 – Sep 2011



Please let us know
if there are any questions

