

Manhattan Regional Airport Year in Review, 2020 Annual Report

Presented to AAB, 1/11/21

By Jesse R. Romo, A.A.E.

Airport Director



Reviewing the year of Covid...

- If you ask people to revisit 2020 they'll likely take a pass. However, the year was filled with many positives, as well as some of the obvious negatives brought about by COVID-19.
- As AAAE President and CEO Todd Hauptli stated at a hearing before the Senate Commerce Committee in May, *"The road ahead won't be easy, but resiliency is a hallmark of the aviation industry. We survived 9/11, we survived the Great Recession and numerous other economic downturns, and we will survive the challenges before us now."*

Reviewing the year of Covid...

- *In my own words:*
 - *I'm extremely proud of how well Team MHK responded to the events and challenges of 2020. Resiliency and a willingness to adapt were staples across the entire airport. It wasn't easy and we're not out of the water yet, but with each new year there brings a refreshment of hope. We carry with us a positive mindset knowing that we will emerge smarter and stronger from these trials. We've learned new things, established stricter practices, and have raised the bar for expectation of the customer experience. We may be weary, but our resolve to serve our region with a safe and efficient operation has never been stronger. And, we'll continue to do it together.*

Reviewing the year of Covid...

- Thank you...
 - Airline staff, TSA staff, Rental Car staff, Concessions staff... for continuing to bring a smile to work and serving our customers through challenging times
 - Kansas Jet Center... for continuing to be the backbone of the airport that interacts with all facets of aviation
 - Midwest Air Traffic Control... for continuing to provide a critical safety function and to do it with friendly voices over the radio
 - General Aviation... for continuing to fly, learning to fly, maintaining a hangar at MHK, buying fuel, requiring or providing maintenance (Heartland Aviation)
 - Dibben Land and Cattle... for continuing to farm our fields
 - Riley County Police Department... for continuing to provide law enforcement support at the airport
 - Consultants and contractors... for continuing to move construction forward, and for continuing to support our runway project planning and design efforts
 - Elected officials... for continuing to support MHK
 - Customers... for continuing to fly local
 - Et al, we thank you! (this list is obviously not all inclusive)

Reviewing the year of Covid...

- Our gratitude doesn't end with the previous slide
 - There are so many more people, agencies, and partners that we'd like to thank, including the members of the Airport Advisory Board, City management, other City departments, and City Commission
 - Each and everyone of you help to make Manhattan Regional Airport special
 - As we move through the rest of this presentation, just know that we acknowledge everyone's involvement and support
 - And we look forward to the challenges and blessings that 2021 will bring

Happy New Year!

AIRPORT DEPARTMENT OVERVIEW



Airport Department

- “Sponsor”
 - City of Manhattan
- Mission
 - Safe and Efficient Operation
- Values
 - Professionalism
 - Relationship Development
 - Regulatory Compliance
 - Standardization
 - Excellence
- Goals
 - Financial Self-Sufficiency
 - Cost recovery through rates and charges
 - Increase Load Factors
 - Strengthen regional relations
 - Improve retainage/reduce leakage
 - Increase Enplanements
 - Federal Compliance
 - Increase Aircraft Operations & Enhance Services

Airport Classification – FAA

- MHK is a Primary Non-hub Commercial Service Airport
 - Primary airports have two things: scheduled air carrier service and at least 10,000 enplanements per year
 - Hub categories are based on your enplanements over the national amount
 - Large Hub, Medium Hub, Small Hub, Non-Hub, Non-primary Non-Hub
 - For example: DFW and ORD are Large Hubs; ICT is a Small Hub
- Note: we are not a “General Aviation” airport
 - GA airports are Junction City, Clay Center, Wamego

Airport Classification – TSA

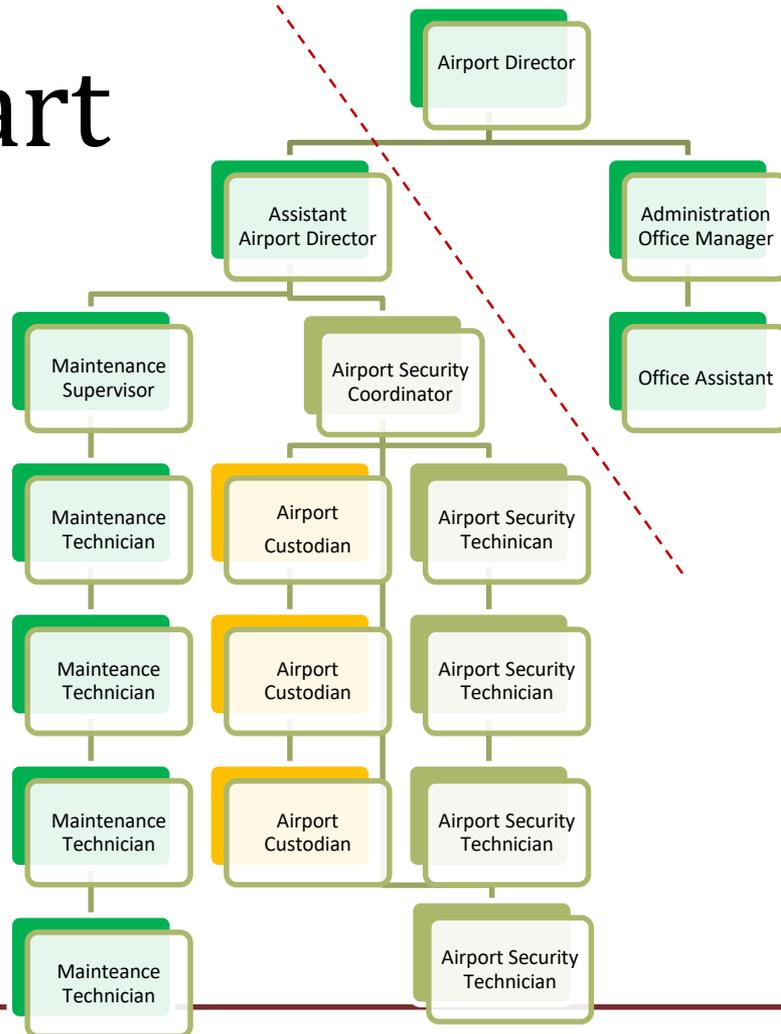
- MHK is a Category IV airport with a Complete security program
 - Categories are driven by enplanement percentages
 - Security programs are as follows: Partial, Supporting and Complete
 - It's unusual to have a Cat 4 with a Complete
- MHK is more similar to ICT and MCI than to FOE, SLN or GCK
 - *From a regulatory perspective*
 - *Not so much from a population and resources perspective*
 - *It puts us in a challenging position*
 - *Have to find ways to leverage relationships and limited resources, etc.*

Org Chart

Airport Department
9 FTE in 2015
17 FTE currently

Operations Division
14 FTE

Administration
Division
3 FTE



We manage over 700 acres of property, which includes farm land, hangars, facilities, terminal, tower, rental property, etc.

We have a dual role of public entity and business enterprise

Recently created advancement opportunities for our employees

Airport Administration Division

Core Functions:

- Properties
 - Contract Administration
 - Lease Compliance
 - Lease Negotiation
- Marketing/Communications/PR
 - Media Purchasing
 - Social Media
 - Outreach
- Federal Compliance
 - Audits
 - Reports
 - Oversight
- Accounting/Finance/Budget
 - Department Budget Oversight
 - Purchasing/Procurement
 - Accounts Payable
 - Accounts Receivable
 - Airport Revenue Management
 - Grant Management
 - Capital Planning
 - Funding Source Coordination

Customer Service



Airport Operations Division

Federal Compliance Functions:

- FAA Part 139
 - Airport Certification Manual
 - Wildlife Hazard Management
 - Snow and Ice Control Plan
 - Airport Marking and Sign Plan
 - Airport Emergency Plan
 - Environmental plans
 - Obstruction mitigation management
 - Self Inspection Program
 - Safety programs
 - Records Management
- TSA Part 1542
 - Airport Security Program



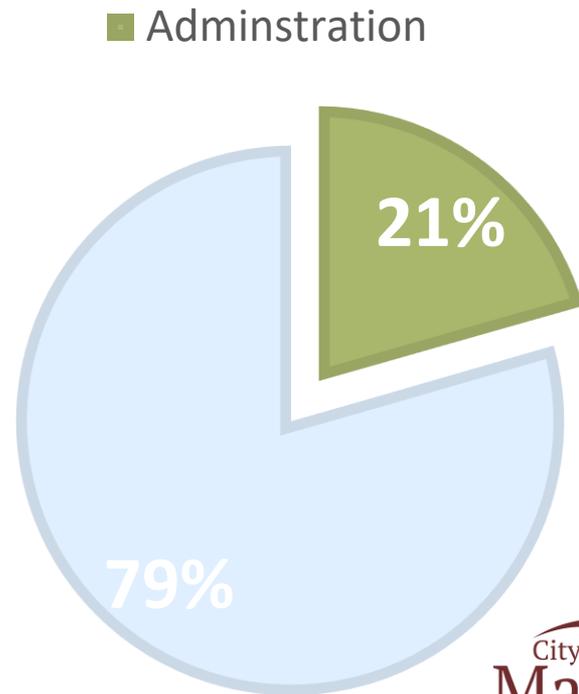
More Core Functions:

- Maintenance
- Custodial Services
- Farm Lease Management
- Landside Operations Management
- Terminal Operations Management

Airport Budget 2020

Total operating budget of
\$1,520,230

- Administration
 - \$312,850
- Operations
 - \$1,207,380

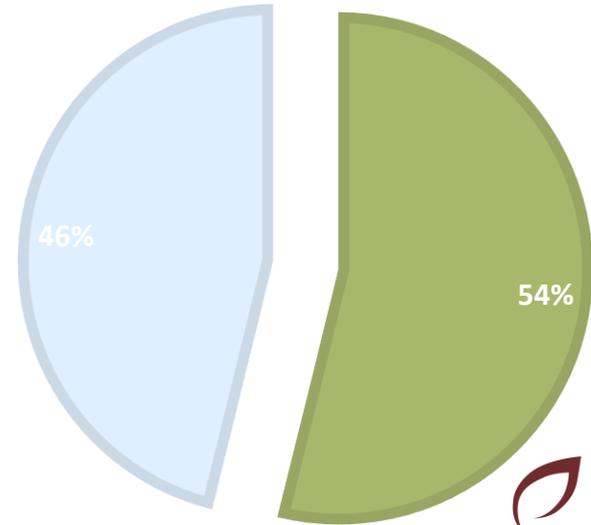


Airport Budget 2020

Total operating budget of
\$1,520,230

- Personnel
 - \$818,350
- Non-personnel
 - \$701,880

■ Personnel ■ Operational

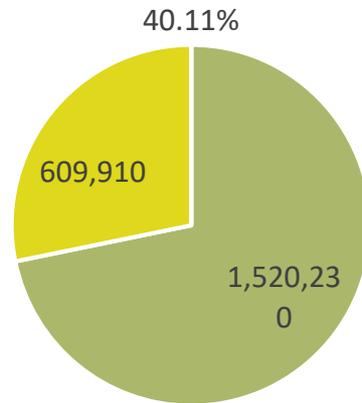


*People first. Teamwork
makes the dream work.*

*Want more with less? Then
provide the tools and
support they need.*

Self-Sufficiency

- PFC and FBO revenue goes directly to Bond and Interest Fund
- Similarly, once parking revenue is created it will be collected into Bond and Interest



REVENUES	2020 Budget	2020 Actuals	2021 Budget
TOTAL REVENUES	609,910	514,074	609,910
PASSENGER FACILITY CHARGES	312,719	176,070	312,719
FBO OFFICE RENT	61,773	30,884	61,773
Parking Fees			182,500
REVENUES - Including PFC's, FBO Office Rent & Parking	984,402	721,028	1,166,902
Total Expenses	1,520,230	1,296,533	1,523,365
Total Revenues (excluding PFC's, FBO & Parking Fees)	609,910	514,074	609,910
	40.11%	39.64%	40%

Load Factors/Enplanements

- Marketing line item:
 - \$60,000
 - 3.94% of total budget
- Note: Airport does not have dedicated marketing staff
 - Nor do we have property management staff

	2019 Enplanements	2019 Seats Available	2019 Load Factor	2020 Enplanements	2020 Seats Available	2020 Load Factor	Enplanements %Inc/Dec	Load Factor % Inc/Dec
Jan	5,013	7,255	71%	5,414	8,069	71%	8%	-2%
Feb	4,995	6,879	73%	5,718	8,348	68%	14%	-6%
Mar	6,168	8,317	74%	3,318	8,092	41%	-46%	-33%
Apr	6,372	9,343	68%	281	2,497	11%	-96%	-57%
May	7,033	9,249	76%	828	1,769	47%	-88%	-4%
Jun	6,887	9,299	74%	1,431	2,170	66%	-79%	-6%
Jul	6,487	9,546	68%	2,372	5,398	44%	-63%	-2%
Aug	6,506	9,614	68%	2,221	4,028	55%	-66%	2%
Sept	6,199	9,054	68%	2,121	4,256	50%	-66%	-18%
Oct	7,444	9,696	77%	2,747	4,636	59%	-63%	-18%
Nov	7,151	9,333	77%	2,916	4,408	66%	-59%	-11%
Dec	7,298	8,796	83%	2,668	3,932	68%	-63%	-21%

YTD thru	77,553	106,381	73%	32,035	57,603	56%	-59%	-17%
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CIP Budgeting

ACIP (FAA Process)

- ACIP Data Sheets
 - Due each year
 - 5-year planning
 - Long-range planning

FAA Priority note: Airside pavement needs must be met before other items can be addressed.

City CIP

- Inventory
- Replacement Policies
- Coordination with funding

City has reduced and/or eliminated several CIP requests for all departments. However, support for runway remains a priority but we have other needs.

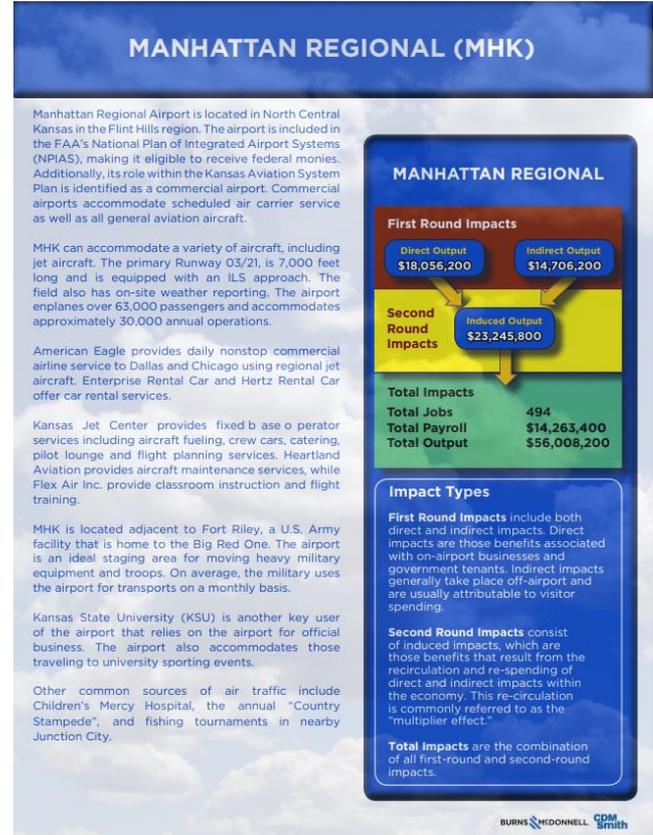
Budget Drivers

- No Baseline Year
- Staff Changes
- New Buildings
- Flight Schedule Changes
- Security Impacts
- Snow and Ice
- New Regulations



Economic Impacts of MHK

- Total Economic Impact
 - \$56M
- Total Jobs
 - 494
- *Numbers based on 2015 data*
- *Report Published 2016*



2020 YEAR IN REVIEW, BY THE NUMBERS...



COVID-19 IMPACTS

- FAA GRANT Amount: \$2,106,072
- 2020 Reimbursement Requests: \$906,816.31
- Funds may be used for any purpose for which airport revenues may be lawfully used.
- Rent relief provided to Kansas Jet Center, Bandit Coffee & Café, American Airlines, Enterprise and Hertz

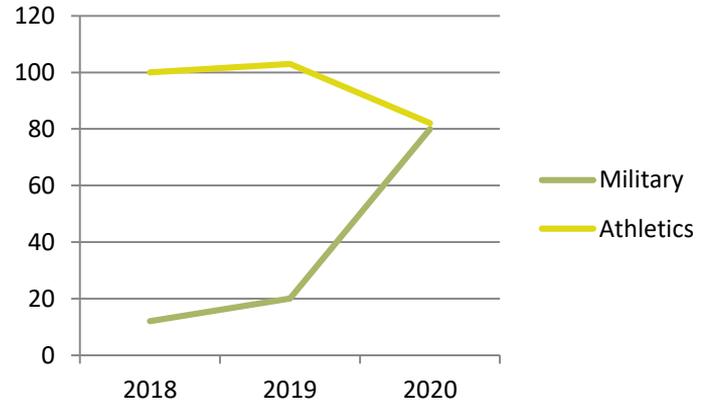
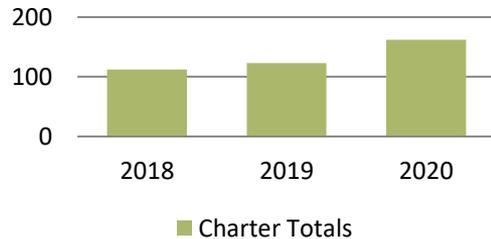
Charters

- Military related charters drove lots of traffic and made it enjoyable for plane spotters



Charters are up

Charter Operations at Manhattan Regional Airport

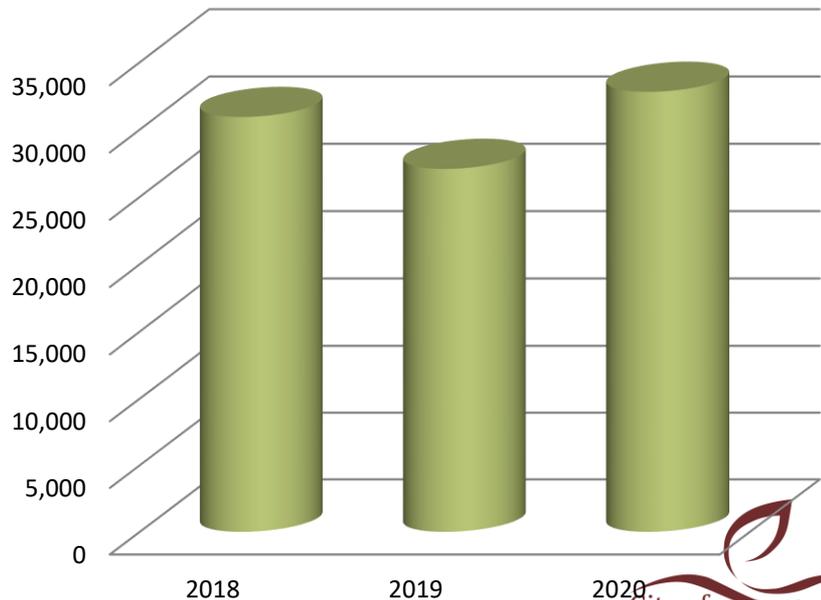


	2017	2018	2019	2020
Military	12	12	20	80
Athletics	95	100	103	82

	2017	2018	2019	2020
Charter Totals	107	112	123	162

Aircraft Operations

- 2020 – 32,802
- 2019 - 27,078
- 2018 – 30,933
- 2017 – 24,260
- 2016 – 22,349
- 2015 – 25,119
- 2014 – 23,675

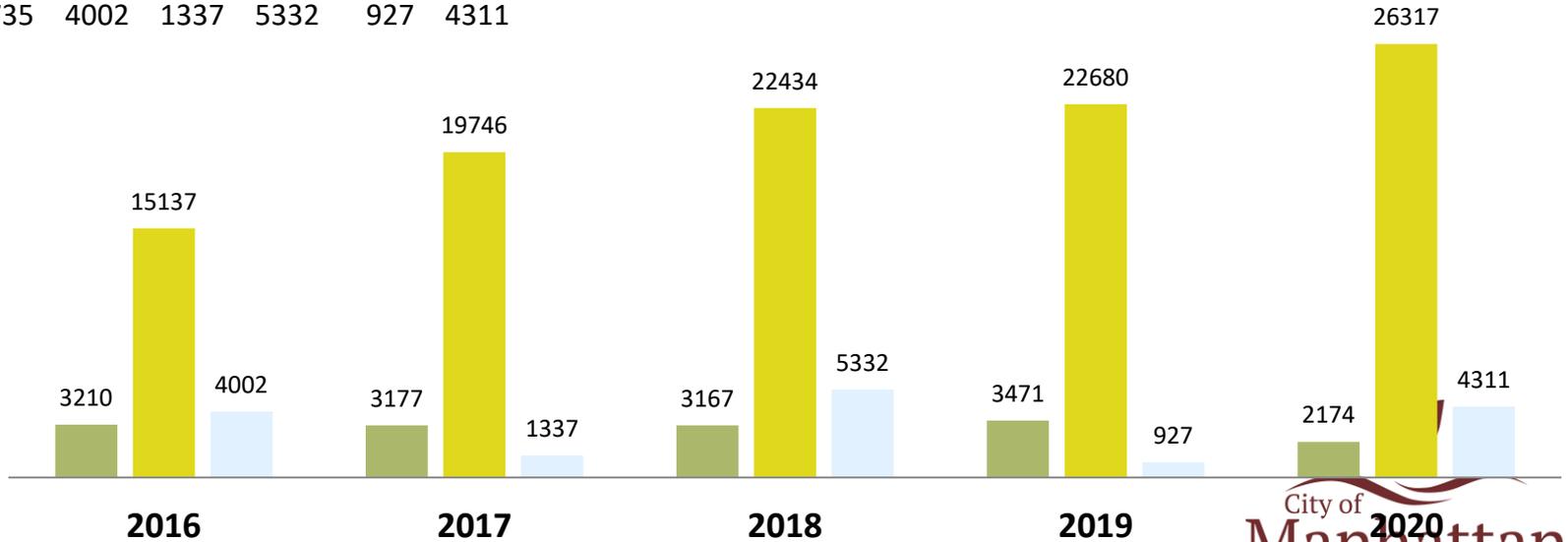


Total Air Traffic

Air Traffic

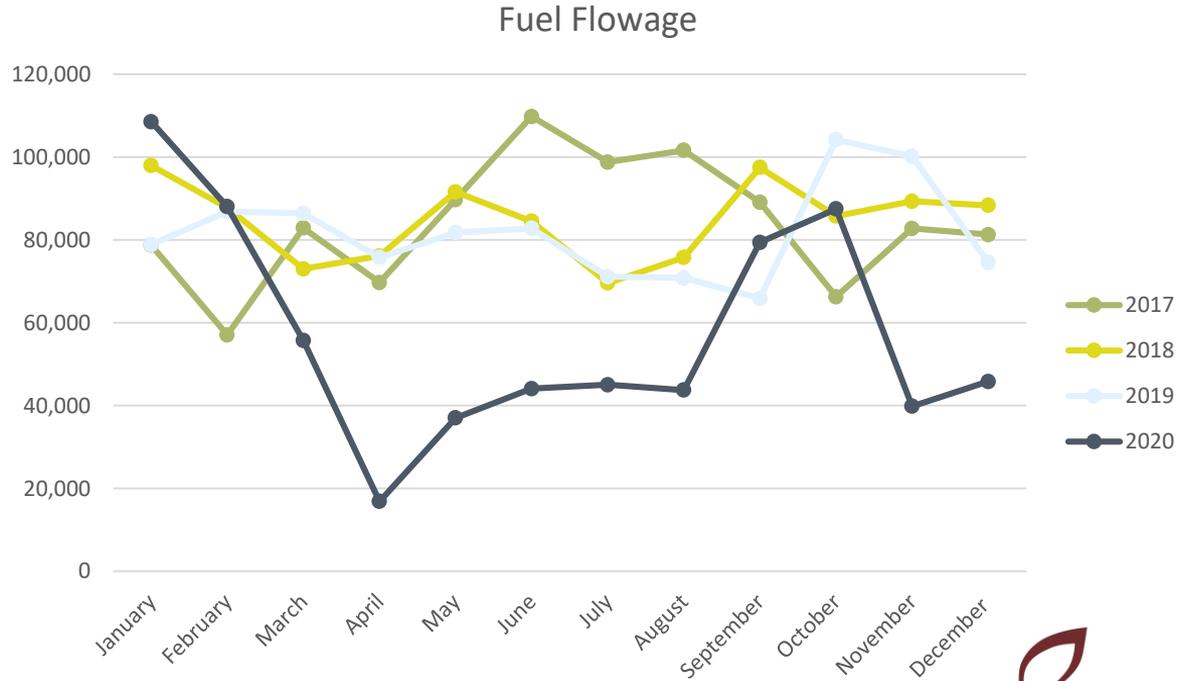
	2015	2016	2017	2018	2019	2020
AC	2956	3210	3177	3167	3471	2174
GA	19428	15137	19746	22434	22680	26317
MIL	2735	4002	1337	5332	927	4311

■ AC ■ GA ■ Mil



Fuel Flowage

- 2017: 1,007,412
- 2018: 1,016,937
- 2019: 978,913
- 2020: 691,419

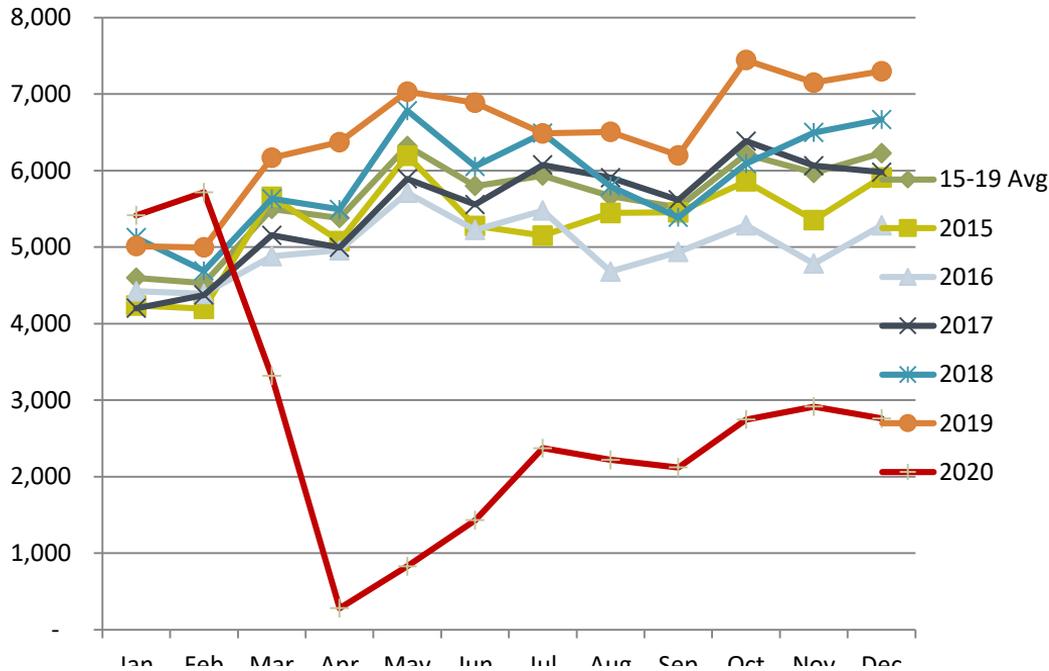


AIR SERVICE UPDATE

Passenger Demand Analysis Updated in 2020 by Mead & Hunt
Based on 2019 Data



Enplanements



2015	2016	2017
63,814	60,035	66,206

2018	2019	2020
70,705	77,553	32,035

Enplanements

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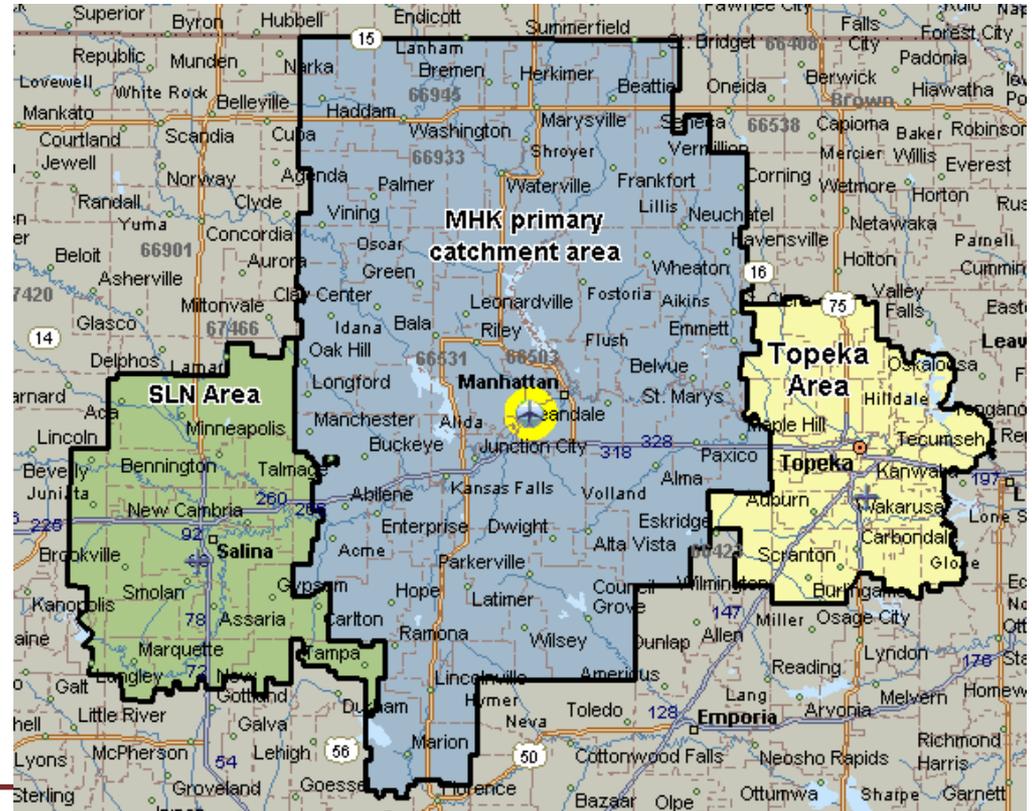
Enplanements

- This chart is for historical comparison
- 2010 was the first full year of American service at MHK
 - 2010 is similar to 2020, from a numbers look

Month	2011	2010	2009
January	3734	2228	-
February	3444	2144	-
March	4179	2419	-
April	4464	2886	-
May	4756	3317	-
June	4675	3045	-
July	4542	3174	-
August	4630	3472	327
September	4644	3447	2197
October	4961	3603	2454
November	5068	3708	2407
December	5399	4369	2261
Total Enplanements	54496	37812	9646

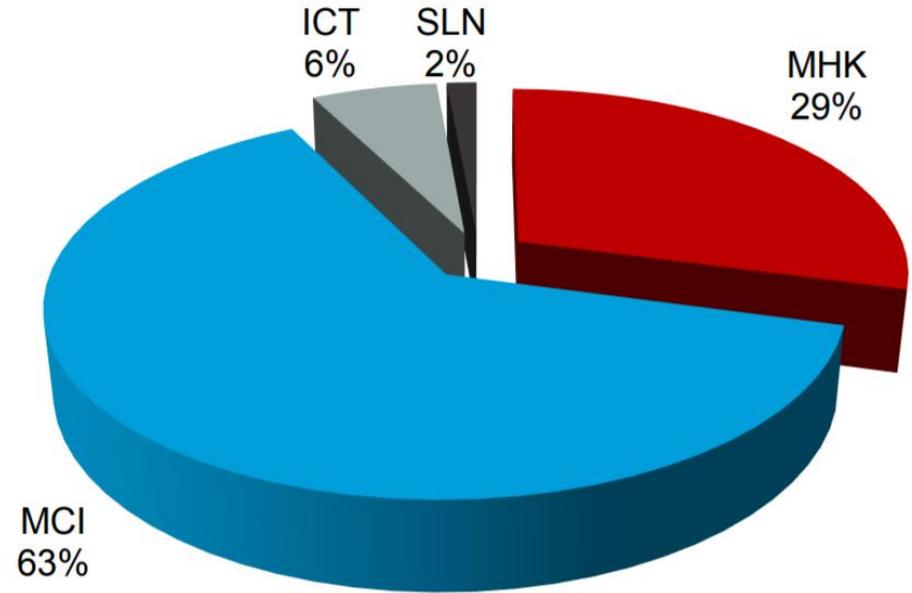
Air Service: Catchment Area

- **2017 MHK primary catchment area population 200,427**
 - Same area in 2019, population now approximately 198,445
- **Catchment area airport use in 2017:**
 - **MHK 25%**
 - **MCI 67%**
 - **ICT 8%**



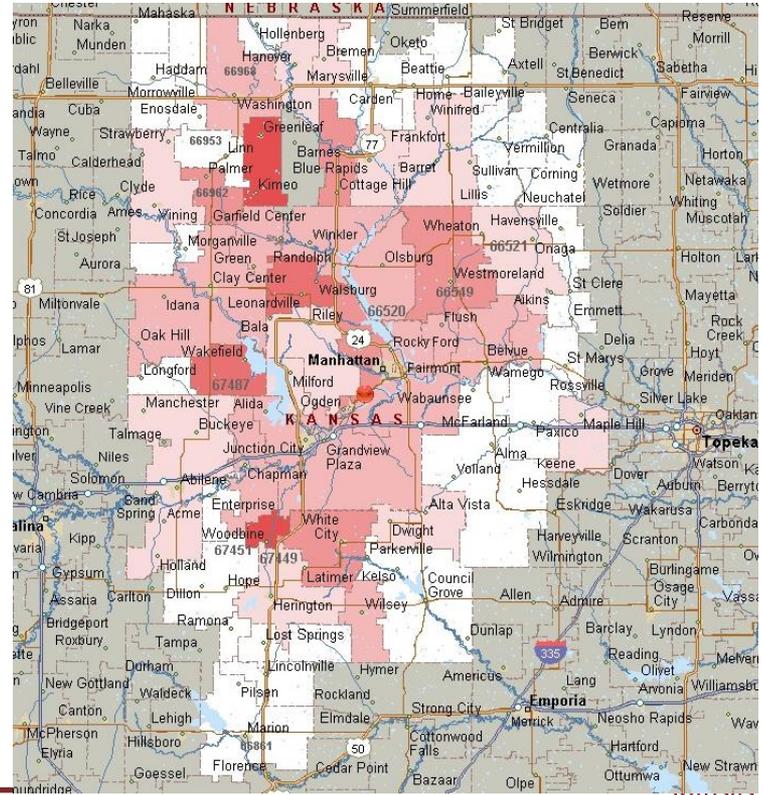
Air Service: Retainage

- This chart shows the airports used by MHK catchment area travelers in 2019.
- An estimated **29 %** of the catchment area's air travelers used MHK in 2019 for their trips;
 - 63 % diverted to MCI,
 - 6 % to ICT
 - and 2 % to SLN.



Air Service: Catchment Area 2017

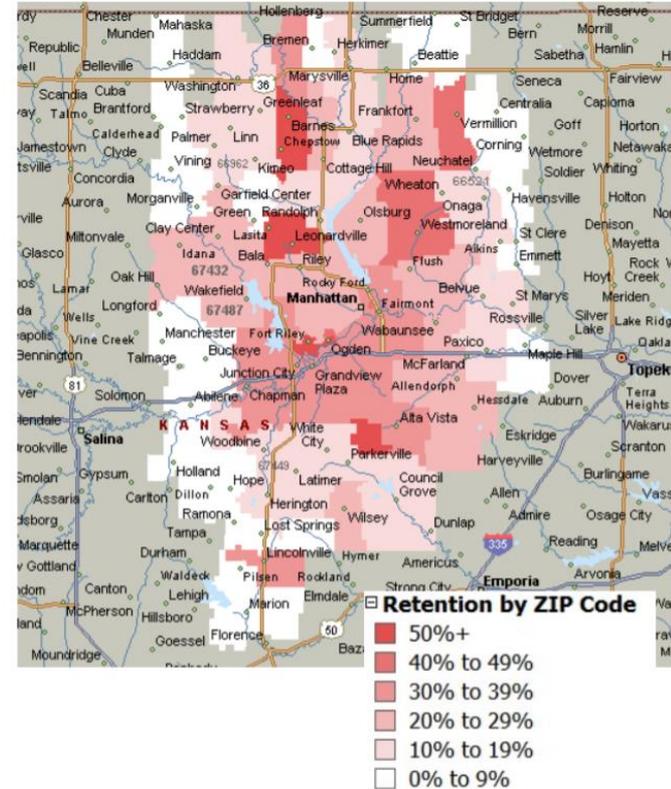
Community	% Airport Use			True Market Passengers
	MCI	MHK	ICT	
Manhattan	65	30	5	249,959
Junction City	67	29	4	71,643
Abilene	64	10	26	22,949
Wamego	76	21	4	22,002
Fort Riley	68	25	7	19,285
Marion	44	0	56	10,630
Clay Center	70	22	8	7,796
Saint Marys	92	6	2	7,509
Saint George	69	29	2	6,692
Council Grove	65	5	29	5,670
Marysville	95	3	2	5,637
Milford	72	19	8	5,489
Westmoreland	64	34	2	3,980
Riley	75	14	11	3,541
Other	73	17	11	53,179
TOTAL	67	25	8	495,964



Air Service: Catchment Area 2019

TABLE 3.3 AIRPORT USE BY COMMUNITY

COMMUNITY	% AIRPORT USE				TRUE MARKET PASSENGERS
	MCI	MHK	ICT	SLN	
Manhattan	64	31	4	1	236,787
Junction City	63	32	4	1	64,420
Fort Riley	38	60	2	1	35,963
Wamego	70	23	6	1	23,711
Abilene	60	9	24	8	20,827
Saint Marys	88	10	2	0	10,406
Clay Center	68	20	9	2	9,598
Saint George	68	25	5	2	7,465
Council Grove	73	18	8	1	6,471
Marion	42	0	55	3	6,044
Marysville	77	19	4	0	5,886
Milford	56	35	9	0	5,480
Alma	73	21	5	1	5,074
Chapman	48	30	19	3	4,512
Riley	69	21	2	9	4,408
Herington	68	15	15	1	4,380
Westmoreland	55	42	3	0	4,212
Wakefield	59	27	12	3	3,028
Other	73	19	8	0	42,239
Total	63	29	6	2	500,910



Frequently Asked Questions

- Q: When do we get service to Chicago back?
 - A: Unknown. American is selling tickets for futures flights from MHK to ORD but service remains uncertain.
- Q: When can we get a flight to Denver?
 - A: Enplanements and Load Factors need to show we can sustain additional service without hurting existing service.

MARKETING, ENGAGEMENT, TRAINING, ETC.



Community Engagement

- In the year of COVID, community engagement was difficult and significantly reduced
 - 10 Year Anniversary celebration put on hold, then eliminated
 - No Customer Appreciation Day
 - Large events cancelled or reduced:
 - Business Showcase, Fair, etc.

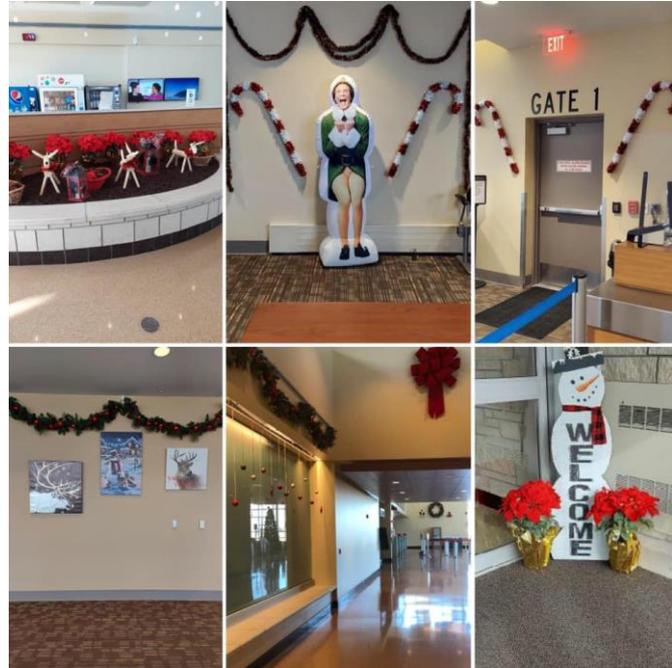
Event Cancelled

Community Engagement

Sen. Moran visit 10/30/20



Additional holiday decoration in terminal



Engagement & Appreciation

- Celebrating Years of Service to the City of Manhattan reached in 2020:
 - Airport Maintenance:
 - Kevin Gunn (pictured right) 5 yrs
 - Airport Assistant Director:
 - Brandon Keazer, 5 yrs
 - Airport Director:
 - Jesse R. Romo, 5 yrs
 - Admin Office Manager
 - Kimberly Boice, 15 yrs



Engagement & Appreciation

- Complimentary hand sanitizers and face masks are available to the public or for sale in vending



Fly Safe, Fly MHK Campaign



Training

“You’re on mute”



- Federal regulations require several training events be held throughout the year on things such as
 - Airport Emergency Planning
 - Wildlife Management
 - Snow and Ice Removal
- Zoom and social distancing was utilized as we can't gather large groups in our conference room, yet

Training

- Sept. 29, 2020, we held our federally required full scale disaster exercise
 - Participation was reduced but several agencies still engaged



Weather: snow and ice events

- We were fortunate to have a relatively dry year with respect to snow and ice events in CY 2020



Bigger Plane

- E-175 lands at MHK, June 4, 2020
 - Serves the MHK-DFW route



PROJECTS



Projects: Runway

- 1979 was the last major pavement project on the runway
- Schedule:
 - FFY 2018: Planning Study
 - Completed 2020
 - FFY 2020: Design
 - Began CY 2020; some funds may come from FFY 2021 as well
 - On-going: decisions today will drive construction and layout for years to come
 - FFY 2022: Construction
 - Actual physical construction to occur in CY 2023
 - Previous thought was to have phased funding but no longer

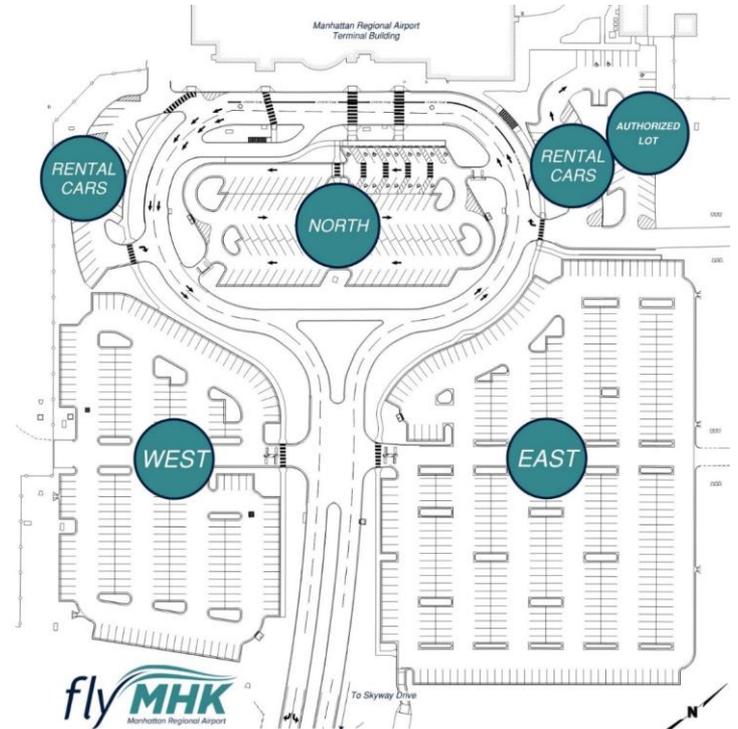


Parking

- Substantial Completion reached December 21, 2020
- Revenue control systems are in place
 - Staff received training but still lots to learn
- Internal policies are in place to help staff manage issues
 - Policies will be a living document as we learn through the process

Parking Improvement Project

- New configuration has three public lots
 - North (was called “center oval”)
 - West (was called the SW gravel)
 - East (was called the paved lot)
- Improved Lighting, drainage, safety, landscaping, etc.
- New pay machine inside terminal, near meet & greet
- New dog water fountain in dog run area, seasonally



Airport Parking

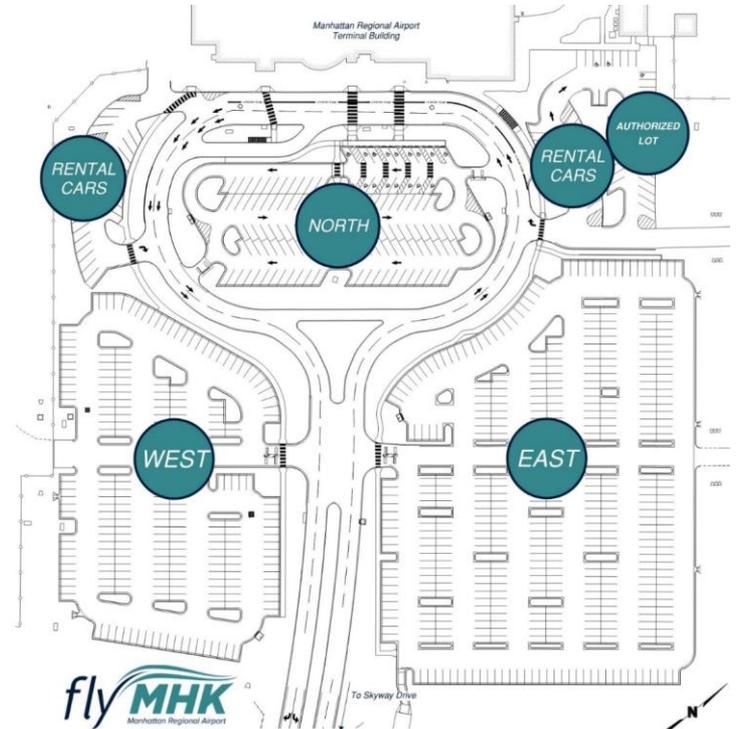
- Going to City Commission on January 19, 2021
 - Seeking approval of Ordinance and Resolution
 - Both items comprise the Airport Parking Management Plan
 - Establishes a fee starting 2/1/21 at \$2.50/day
 - Fee increases to \$5/day on 1/1/22
 - Other items addressed in previous meeting also included



Airport Parking

Total number of Stalls:

- East Lot = 422
- West Lot = 232
- North Lot = 124 Total (106 Non-ADA, 18 ADA)
- Administrative Lot = 54 Total (51 Non-ADA, 3 ADA)
- Rental Car Lot = 30
- Total Available to Public = 778 (760 Non-ADA, 18 ADA)
- Grand Total = 862 (841 Non-ADA, 21 ADA)



GOALS AND FUTURE PLANNING



Airport Goals

- Increase load factors
 - How many seats are occupied per flight
- Financial Self-Sufficiency
 - Cost recovery through rates and charges
- Comply with federal requirements
 - FAA Part 139 Airport Certification and Inspection
 - TSA security compliance and inspection
- Increase aircraft operations & enhance services
 - Commercial & Charter enplanements

Airport Department Goals

- Parking fee implementation
- Complete Design for runway reconstruct
- Continue marketing efforts
- Continue to engage community & region
- Identify revenue generating opportunities
- Identify ways to improve customer experience
- Evaluate alternatives for general aviation development
- Maintain federal compliance

Airport Department Needs

- CIP: equipment and vehicles
 - CIP has been adversely impacted by City budget constraints
 - Employees need the right tools to sustain high levels of excellence
- Staffing: as regulatory responsibilities grow so does the work burden on current staffing; as airline schedule changes so do staff hours
 - Wish list: add staffing for security
 - Especially as we continue to add duties to their positions, like managing parking
- Organizational Excellence Initiative (OEI)
 - Building a team environment
 - Focused on retaining talent

Thank you!