
DFW International Airport FY 2025 Budget

Fort Worth City Council Work Session
August 20, 2024

FY25 Budget Overview

FY25 budget reflects continued strong growth and resiliency with record passengers, non-airline revenues, and net revenues to the DFW capital account.

Passengers – record 92.7 million, a 6.3% increase

Non-airline revenues – record \$592.7 million, a 9.4% increase

Non-airline net revenues – record \$287.9 million, a 16.1% increase

Expenditure budget – \$1.309 billion, a 6.0% increase

- Lowest operating expense increase in recent years – net of inflation

Airline costs – \$642 million

- 46.1 million (7.7% increase from FY24 Outlook)
- \$8.6 million (1.3%) lower than the Financial Plan for FY25

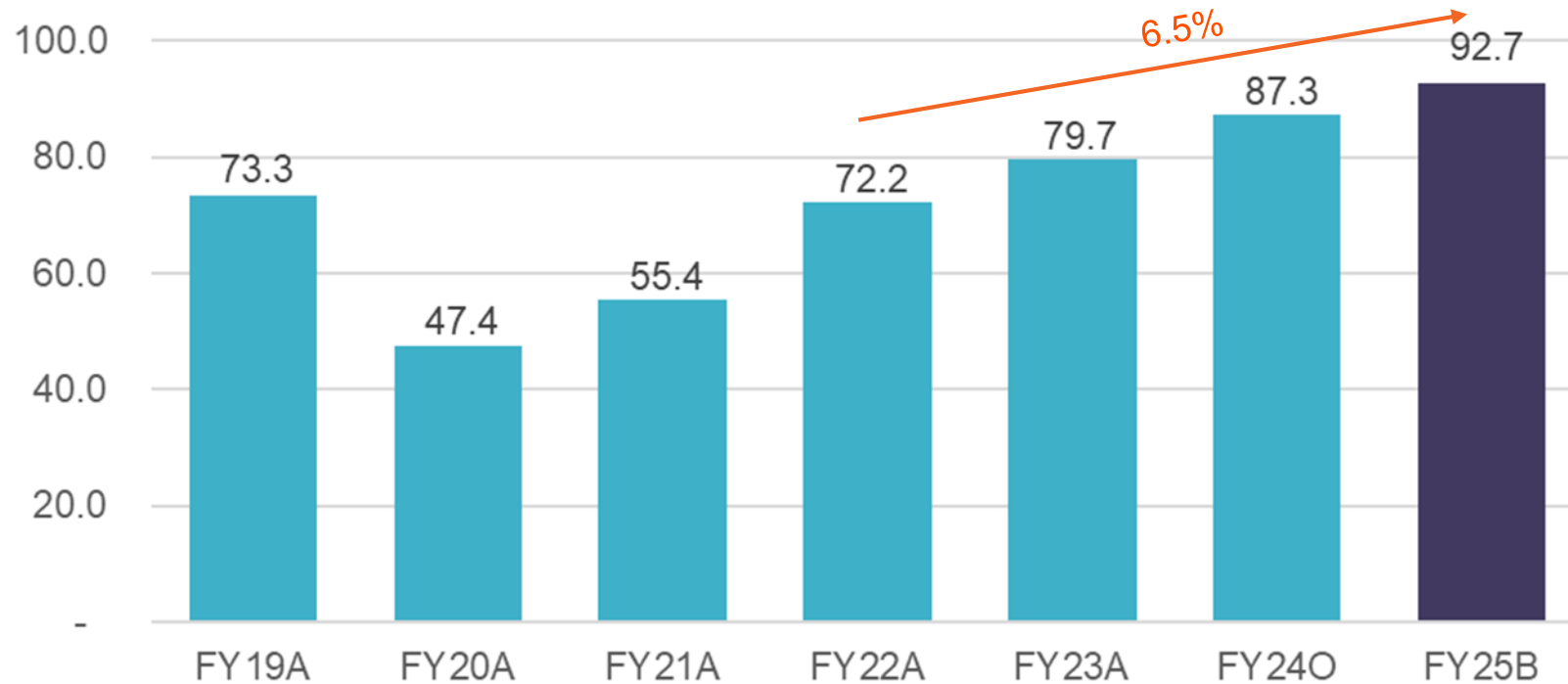
Cost per enplanement – \$13.56

- 1.1% increase from FY24 Outlook
- \$2.19 (13.9%) lower than Financial Plan for FY25



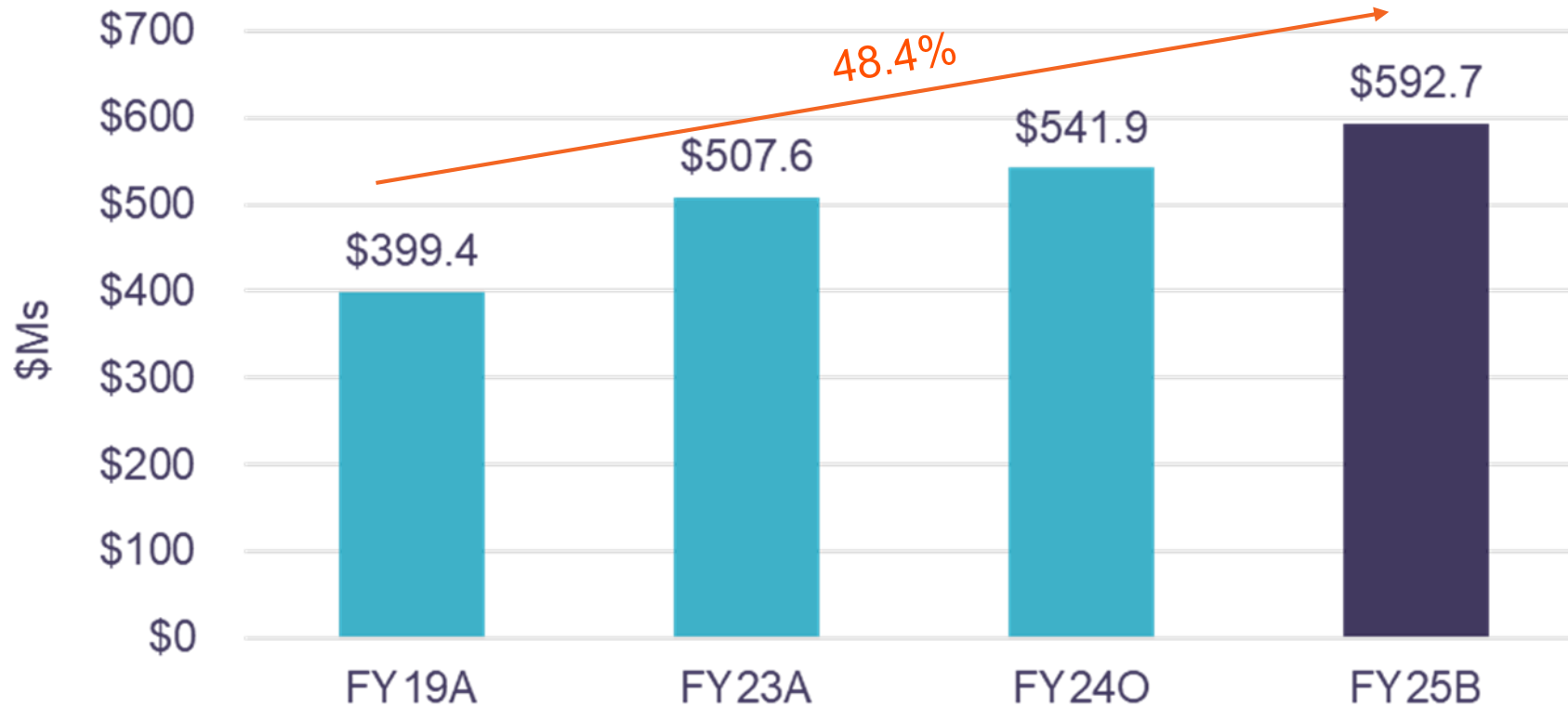
Passenger Forecasts

FY25 passenger budget is 92.7 million, a 6.3% increase over the FY24 Outlook and 26.5% more than FY19 or a 6.5% CAGR increase from FY22.



DFWCC Revenues

FY25 budget is \$592.7 million, \$50.8 million (9.4%) higher than the FY24 Outlook; and 48.4% higher than FY19, or a 6.8% CAGR increase from FY19.



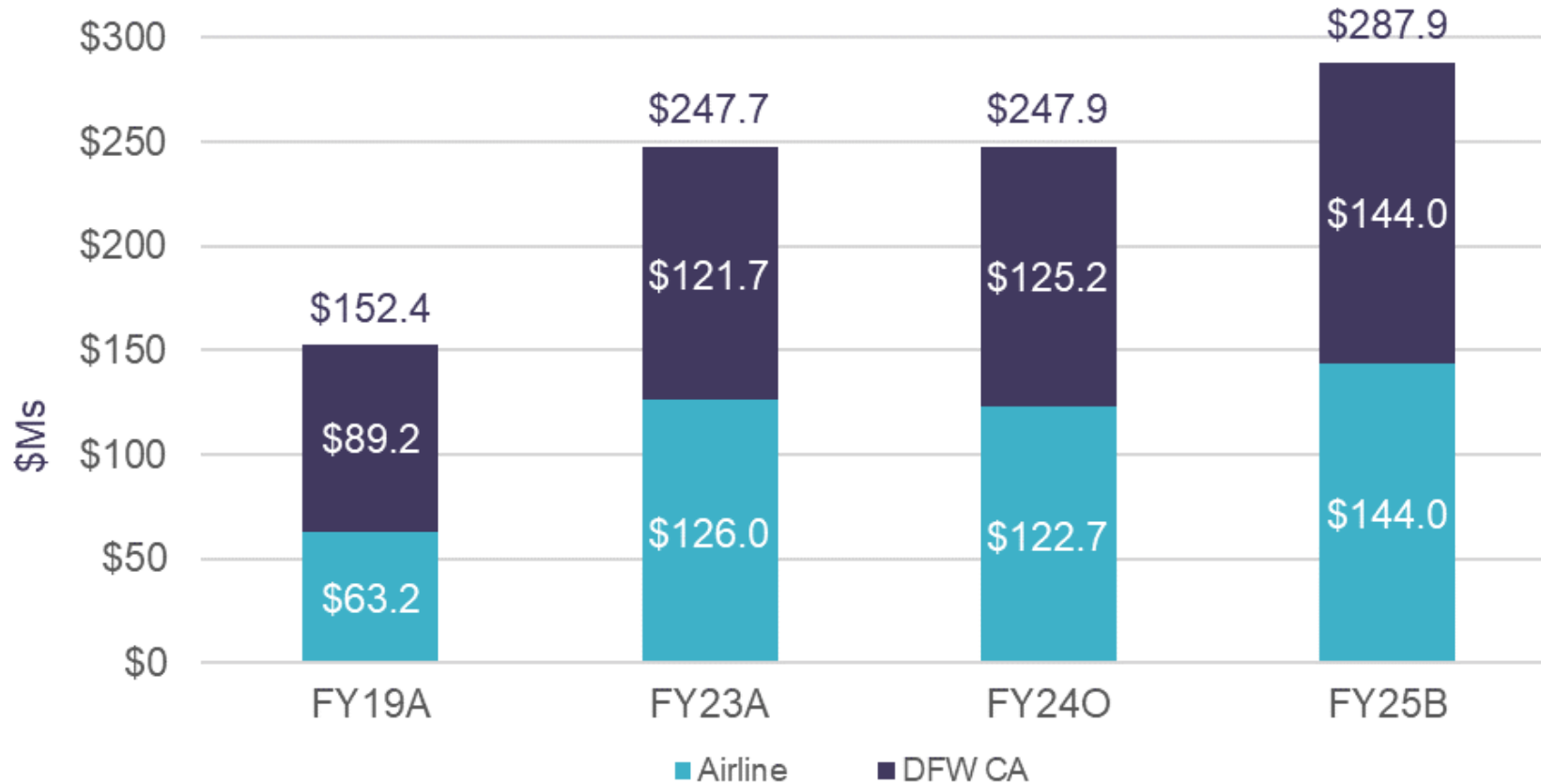
DFWCC Non-Airline Revenues

Revenue increase of 9.4% due to growth of passengers, annualization of FY24 parking rate increases, more commercial development acres, and higher interest income.

Revenues (\$Ms)	FY23A	FY24B	FY24O	FY25B	FY25 vs FY24 Variance	
Parking/Ground Transportation	\$216.8	\$220.6	\$227.5	\$253.1	\$25.6	11.3%
Concessions	116.0	121.4	129.9	139.6	9.7	7.5%
Rental Car	45.5	44.6	45.9	49.3	3.4	7.3%
Commercial Development	73.6	77.0	76.9	81.9	5.0	6.5%
Interest Income & Other	55.6	56.8	61.7	68.8	7.1	11.6%
Total Non-Airline Revenues	\$507.6	\$520.4	\$541.9	\$592.7	\$50.8	9.4%

DFWCC Net Revenues

Net revenues transferred to the DFW Capital Account (DFWCA) and shared with airlines are budgeted at a record \$144.0 million.



Expenditure Budget

FY25 Budget is \$1.31 billion, a \$74.4 million (6.0%) increase from FY24 Outlook.

Operating expense budget reflects cost increases primarily related to:

- Increased passengers
- Employee related costs
- Fixed contract increases
- Inflation in service contracts, parts, and utilities
- Continued investment in technology/digital

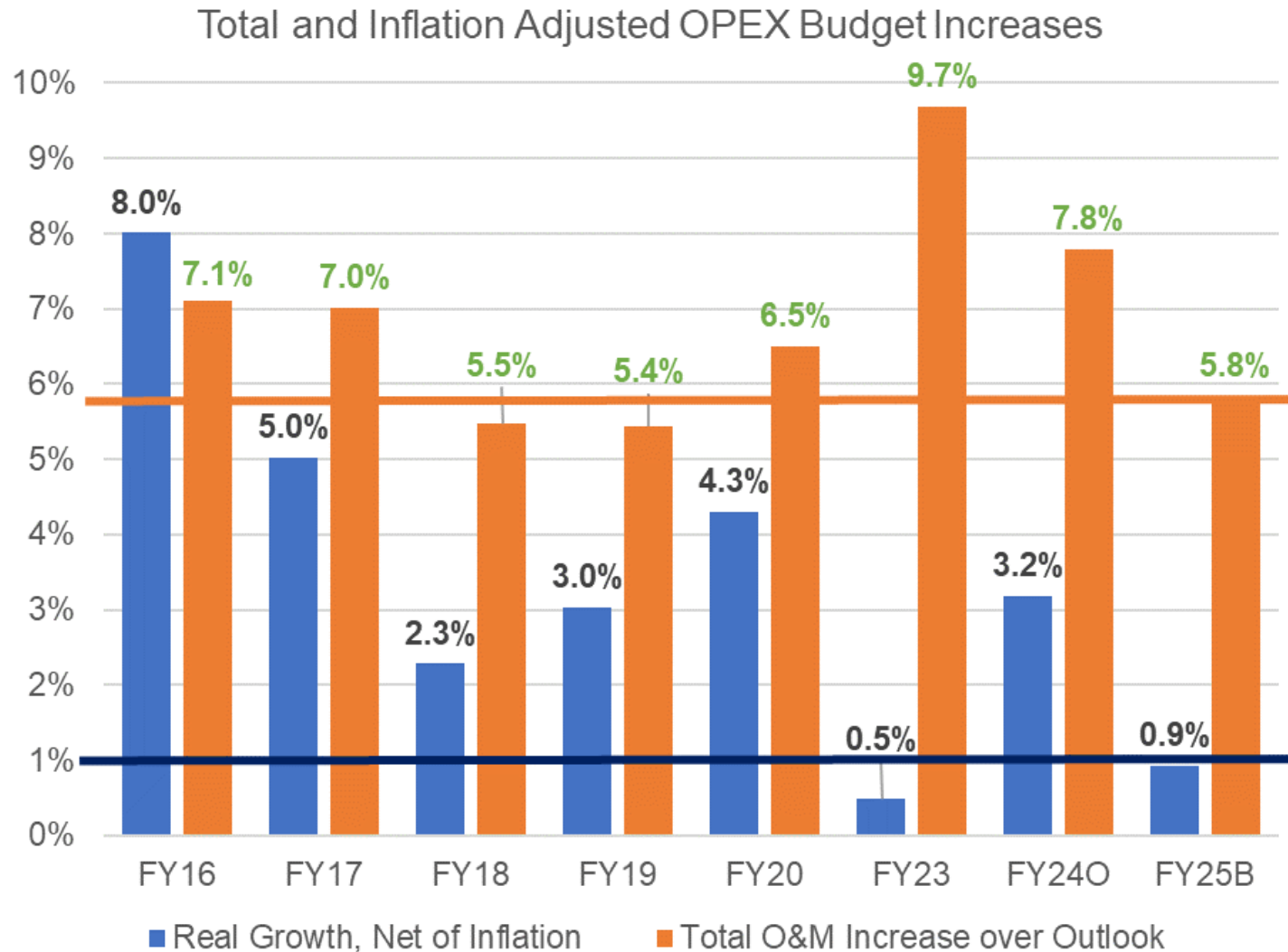
Debt service budget increase due primarily to the planned issuance of \$750 million of new bonds in September 2024 and anticipated debt issuance of \$1.6 billion in May 2025 to finance the capital program.



Annual Expenditure (in Millions)	FY23 Actuals	FY24 Outlook	FY25 Budget	FY25 vs. FY24 Increase/(Decrease)	
O&M	\$ 619.4	\$ 674.5	\$ 713.9	\$ 39.4	5.8%
Gross Debt	536.4	560.0	594.9	35.0	6.2%
Total Expenditure Budget within rate base	\$ 1,155.8	\$ 1,234.4	\$ 1,308.8	\$ 74.4	6.0%
Board Contingency outside rate base	10.0	10.0	10.0		
Total Budget with Contingency	\$ 1,165.8	\$ 1,244.4	\$ 1,318.8		

O&M Expense Budget Growth – History

Both the FY25 actual budget rate increase and inflation adjusted (real) increase are low compared to prior years.

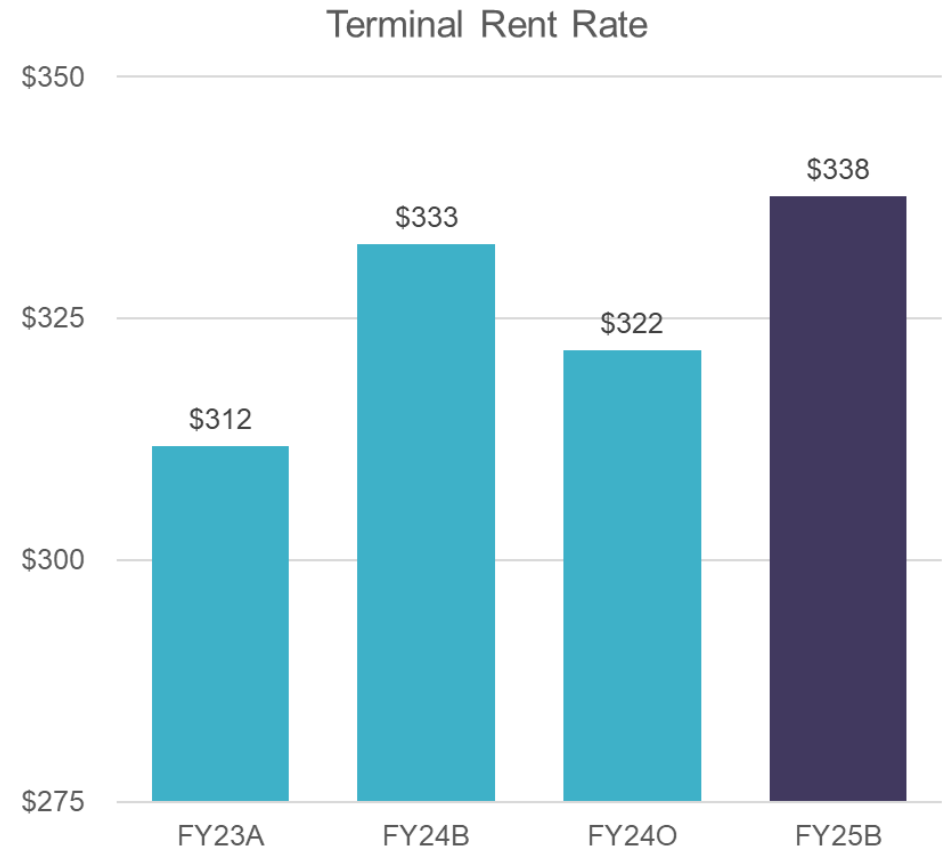
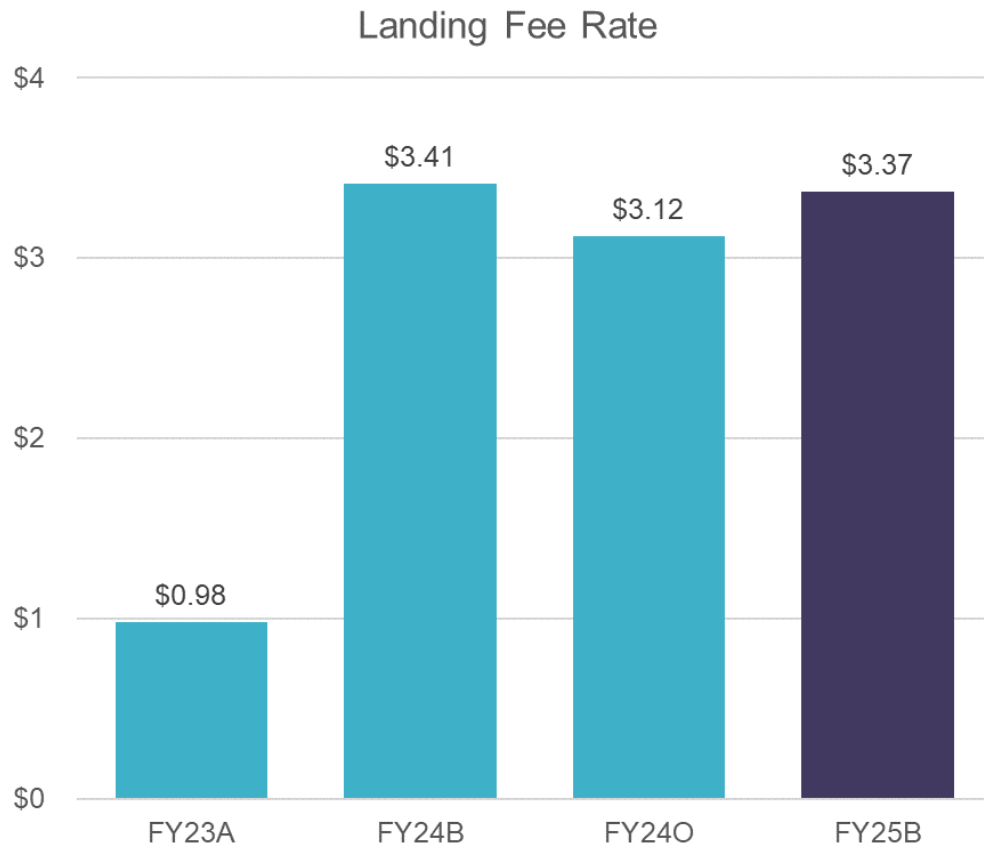


Operating Expense Budget Walkforward

Operating Expenses (in Millions)	Total
FY24 Outlook	\$674.5
Budget reductions	(14.1)
Employee related increases	20.9
Fixed contract increases	14.9
Digital and technology investments	5.8
Customer related increases	4.6
Other increases	9.8
Operating reserve adjustments	<u>(2.4)</u>
Net increase	<u>39.4</u>
FY25 Budget	<u><u>\$713.9</u></u>

Airline Rates and Fees

Airline rates & fees increase primarily due to the increase of debt service allocation, partially offset by higher transfer from non-airline cost centers



OBA – Approval of Budget to be Sent to the Cities

<u>Annual Expenditure (in Millions)</u>	<u>FY25 Budget</u>
O&M	\$ 713.9
Gross Debt	594.9
Total Expenditure Budget within rate base	<u>\$ 1,308.8</u>
Board Contingency outside rate base	10.0
Total Budget with Contingency	<u>\$ 1,318.8</u>

Tax Sharing to Owner Cities

Eules, Irving, Coppell, and Grapevine (south of HWY 114) have tax sharing arrangements with DFW and the Owner Cities.

Revenues split between “Host City” (1/3rd) and Owner Cities (2/3rd)

- Split between Dallas and Fort Worth is based upon 7/11th and 4/11th ownership, except for Rental Car Center taxes which are shared equally

Host Cities paid \$27.5 million in 2023

- \$4.3 million (18.4%) increase from prior year
- Dallas - \$15.8 million
- Fort Worth - \$11.7 million