



Monthly Financial Report
Fiscal Year to Date
as of February 28, 2017

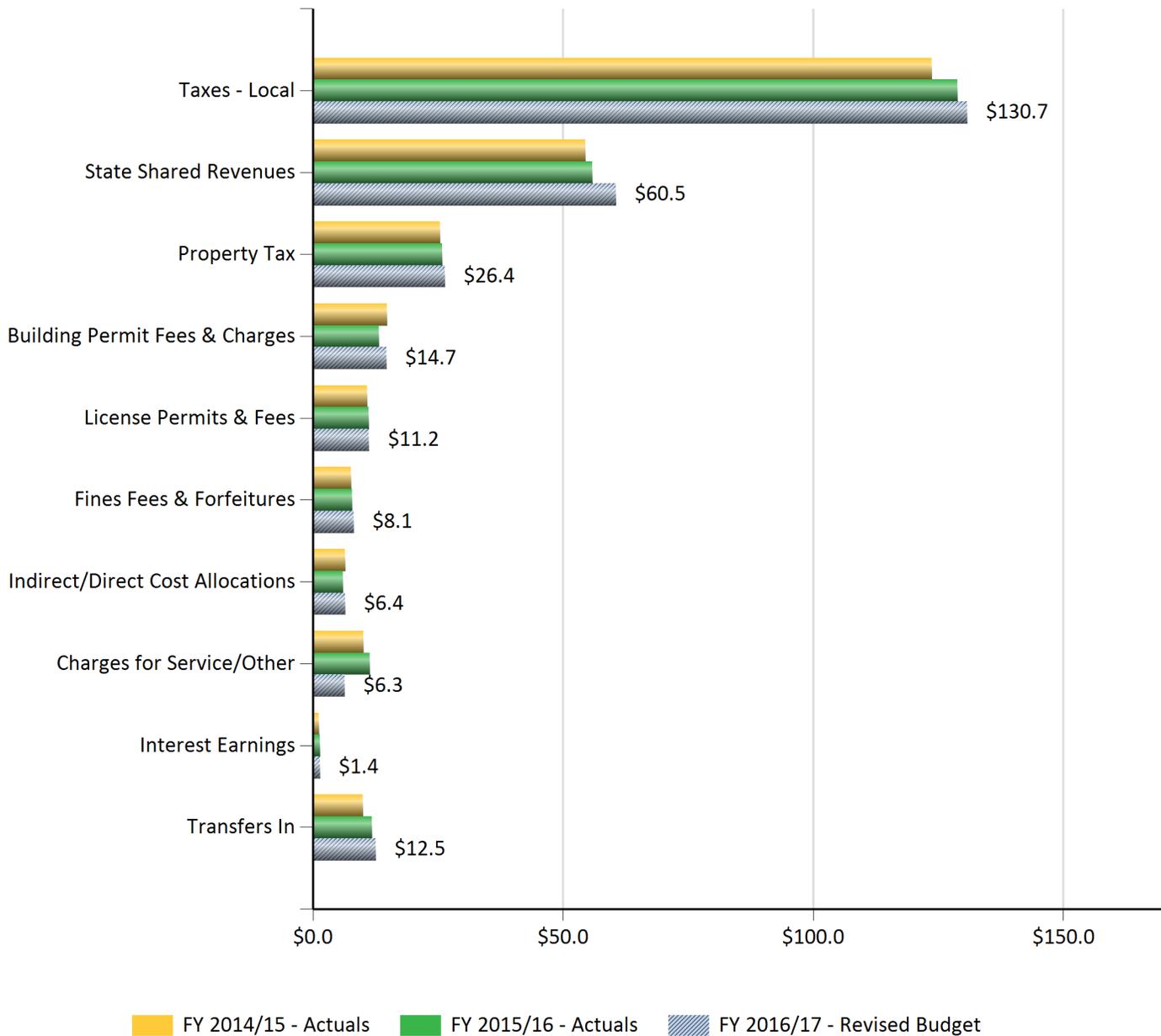
Scottsdale Airport Operations Center

Report to the City Council
Prepared by the City Treasurer
April 25, 2017



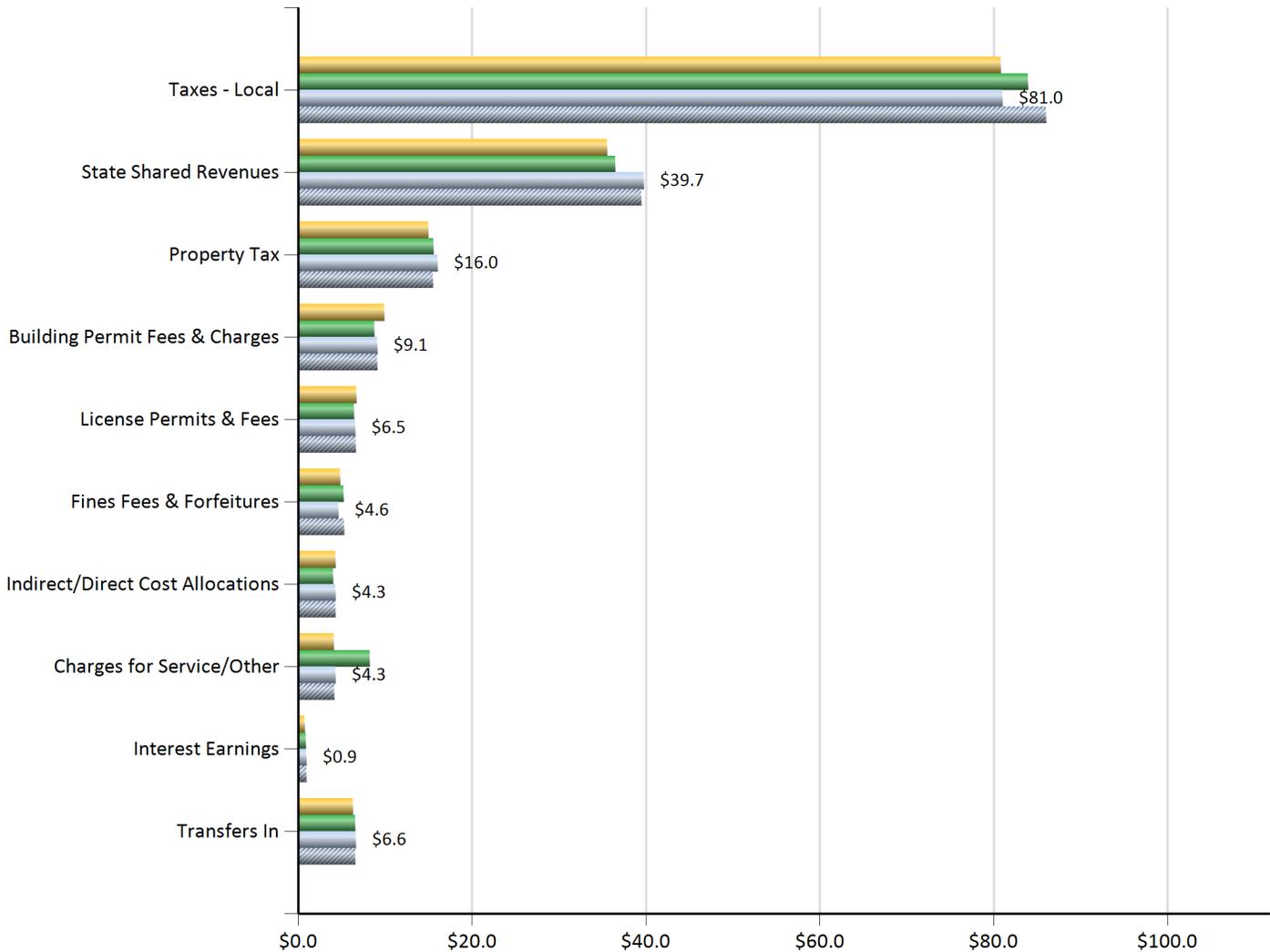
Sources

Twelve Months: Fiscal Year





Sources (Fiscal Year to Date: February 2017)

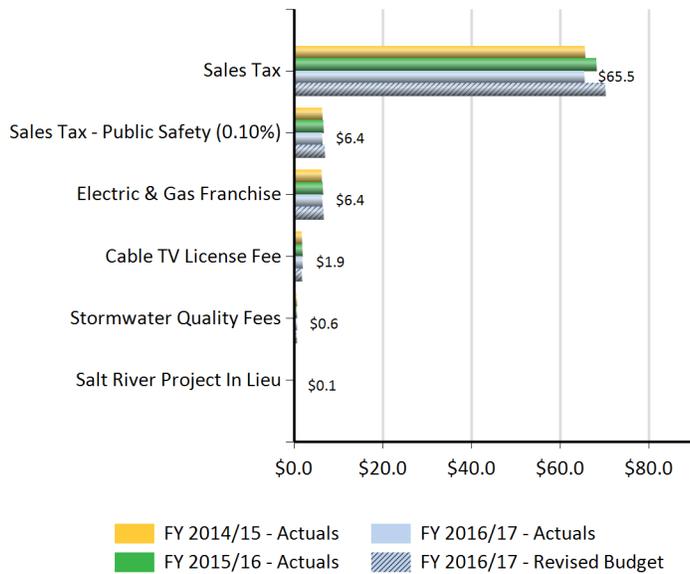


■ FY 2014/15 - Actuals
 ■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ■ FY 2016/17 - Revised Budget

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Taxes - Local	\$80.8	\$84.0	\$81.0	\$86.0	(\$5.0)	(6%)
State Shared Revenues	35.5	36.5	39.7	39.5	0.3	1%
Property Tax	14.9	15.5	16.0	15.5	0.5	3%
Building Permit Fees & Charges	9.9	8.8	9.1	9.1	-	-
License Permits & Fees	6.6	6.4	6.5	6.6	(0.1)	(1%)
Fines Fees & Forfeitures	4.8	5.2	4.6	5.3	(0.7)	(13%)
Indirect/Direct Cost Allocations	4.3	4.0	4.3	4.3	-	-
Charges for Service/Other	4.1	8.2	4.3	4.1	0.1	4%
Interest Earnings	0.7	0.9	0.9	0.9	-	-
Transfers In	6.3	6.5	6.6	6.6	0.1	1%
Total Sources	\$168.0	\$175.9	\$173.1	\$177.8	(\$4.8)	(3%)



Taxes - Local (Fiscal Year to Date: February 2017)

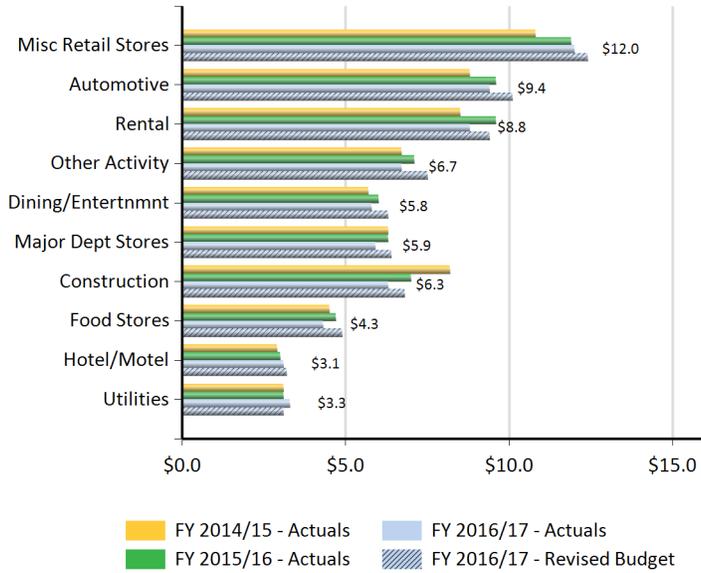


Actual to Revised Budget variance of (\$5.0) million or (6%): Unfavorable variance primarily due to Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily (see slide 5 for detail).

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Sales Tax	\$65.6	\$68.2	\$65.5	\$70.2	(\$4.7)	(7%)
Sales Tax - Public Safety (0.10%)	6.4	6.7	6.4	6.9	(0.4)	(6%)
Electric & Gas Franchise	6.3	6.5	6.4	6.6	(0.1)	(2%)
Cable TV License Fee	1.8	1.9	1.9	1.8	0.1	7%
Stormwater Quality Fees	0.6	0.6	0.6	0.6	-	-
Salt River Project In Lieu	0.1	0.1	0.1	-	0.1	n/a
Taxes - Local Total	\$80.8	\$84.0	\$81.0	\$86.0	(\$5.0)	(6%)



Sales Tax (Fiscal Year to Date: February 2017)

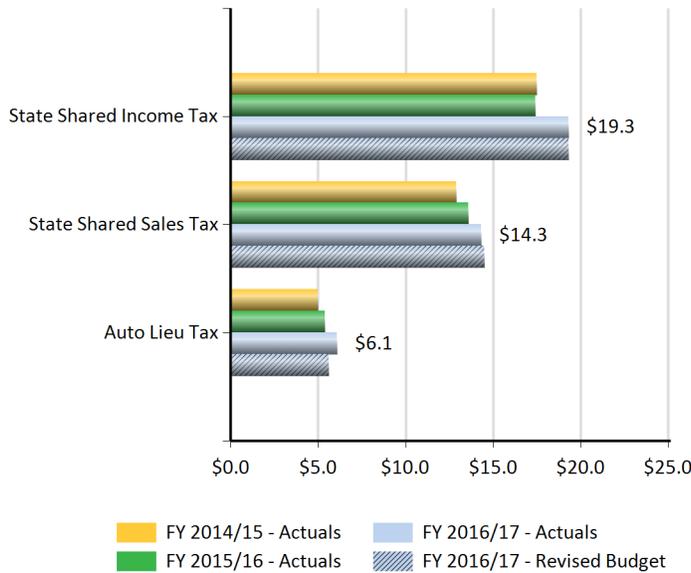


Actual to Revised Budget variance of (\$4.7) million or (7%):
 The unfavorable variance is primarily a result of the Arizona Department of Revenue (ADOR) taking over administration, collection and reporting of transaction privilege sales tax as of January 1, 2017. Payments from ADOR are received weekly rather than daily. This month's collections included payments processed by ADOR through 2/23/17. The favorable variance in Utilities is due to reclassifying a taxpayer from the construction category.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Misc Retail Stores	\$10.8	\$11.9	\$12.0	\$12.4	(\$0.4)	(3%)
Automotive	8.8	9.6	9.4	10.1	(0.7)	(7%)
Rental	8.5	9.6	8.8	9.4	(0.7)	(7%)
Other Activity	6.7	7.1	6.7	7.5	(0.8)	(11%)
Dining/Entertainment	5.7	6.0	5.8	6.3	(0.5)	(8%)
Major Dept Stores	6.3	6.3	5.9	6.4	(0.6)	(9%)
Construction	8.2	7.0	6.3	6.8	(0.5)	(7%)
Food Stores	4.5	4.7	4.3	4.9	(0.6)	(12%)
Hotel/Motel	2.9	3.0	3.1	3.2	(0.1)	(4%)
Utilities	3.1	3.1	3.3	3.1	0.1	4%
Sales Tax Total	\$65.6	\$68.2	\$65.5	\$70.2	(\$4.7)	(7%)



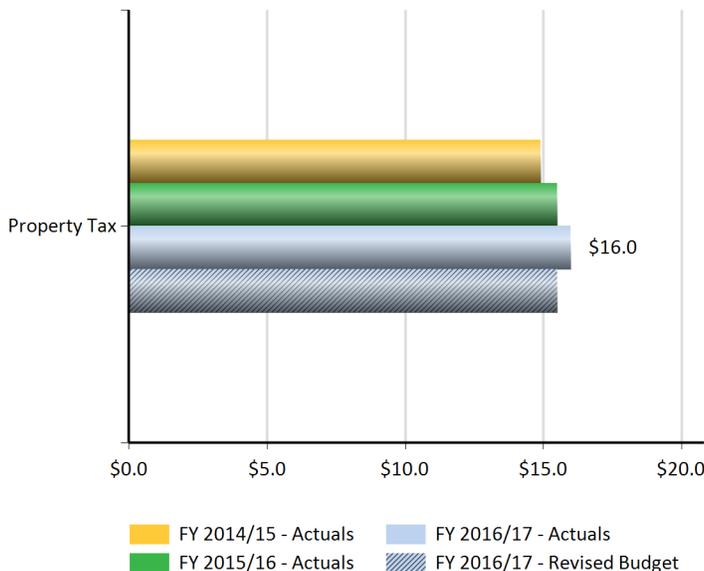
State Shared Revenues (Fiscal Year to Date: February 2017)



Actual to Revised Budget variance of \$0.3 million or 1%:
 The unfavorable variance in State Shared Sales Tax is due to revenues coming in slightly lower than forecasted. The unfavorable variance in State Shared Sales Tax is offset by a favorable variance in the Auto Lieu Tax, which is due to higher than forecasted sales of new and used vehicles in June being licensed. Current trends, however, show vehicle sales slowing. If the current trend continues Auto-Lieu will finish just at or below budget because the higher than forecasted amounts at the beginning of the year are offsetting the slightly lower amounts for the remainder of the fiscal year (Note: there is a 60 day lag in the receipt of these revenues).

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
State Shared Income Tax	\$17.5	\$17.4	\$19.3	\$19.3	\$ -	-
State Shared Sales Tax	12.9	13.6	14.3	14.5	(0.3)	(2%)
Auto Lieu Tax	5.0	5.4	6.1	5.6	0.5	10%
State Shared Revenues Total	\$35.5	\$36.5	\$39.7	\$39.5	\$0.3	1%

Property Tax (Fiscal Year to Date: February 2017)



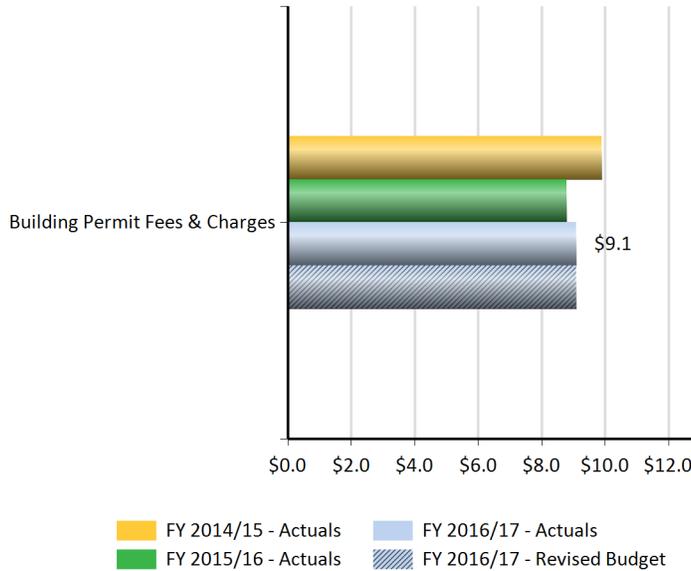
Actual to Revised Budget variance of \$0.5 million or 3%:
 Property Tax is favorable due to timing. Property owners have the option to pay in one or two installments (October or October and April/May). The budget is based on the way taxpayers paid last year and may vary year over year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Tax	\$14.9	\$15.5	\$16.0	\$15.5	\$0.5	3%
Property Tax Total	\$14.9	\$15.5	\$16.0	\$15.5	\$0.5	3%



Building Permit Fees & Charges (Fiscal Year to Date: February 2017)

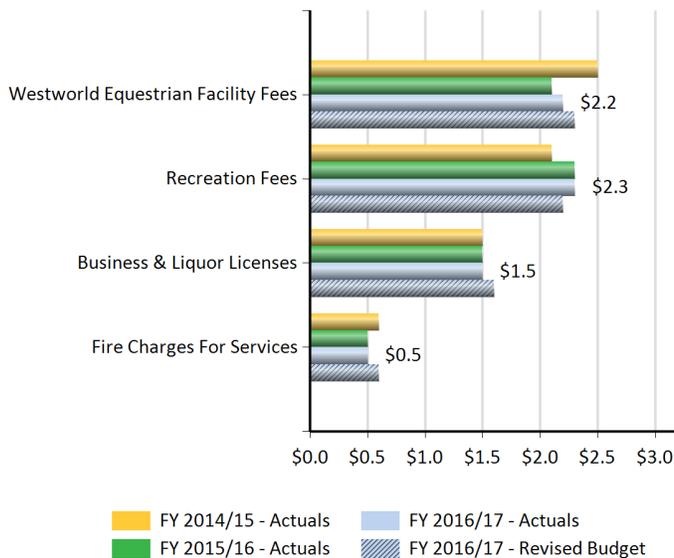
Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Building Permit Fees & Charges	\$9.9	\$8.8	\$9.1	\$9.1	\$ -	-
Building Permit Fees & Charges Total	\$9.9	\$8.8	\$9.1	\$9.1	\$ -	-

License Permits & Fees (Fiscal Year to Date: February 2017)

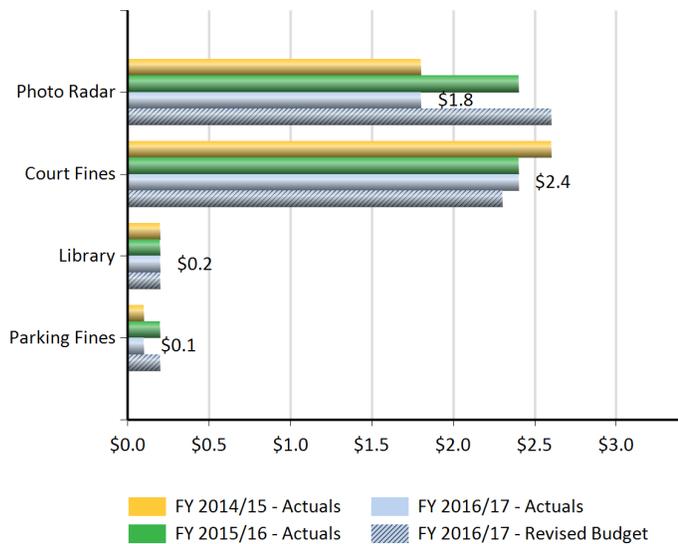
Actual to Revised Budget variance of (\$0.1) million or (1%):
Unfavorable due to Fire Charges for Services associated with the delayed reimbursement from the Phoenix Open Golf Tournament and WestWorld related revenue which includes, the moving of the Sun Country event to March and the timing of a payment towards the Equidome Project Use Fee for the Tony Nelssen Equestrian Center.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Westworld Equestrian Facility Fees	\$2.5	\$2.1	\$2.2	\$2.3	(\$0.1)	(3%)
Recreation Fees	2.1	2.3	2.3	2.2	0.1	5%
Business & Liquor Licenses	1.5	1.5	1.5	1.6	-	-
Fire Charges For Services	0.6	0.5	0.5	0.6	(0.1)	(16%)
License Permits & Fees Total	\$6.6	\$6.4	\$6.5	\$6.6	(\$0.1)	(1%)



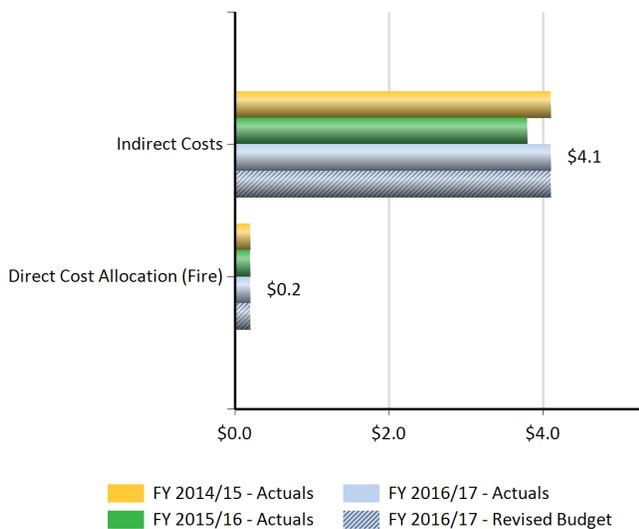
Fines Fees & Forfeitures (Fiscal Year to Date: February 2017)



Actual to Revised Budget variance of (\$0.7) million or (13%):
 The Fines, Fees & Forfeitures unfavorable variance is primarily the result of Photo Radar & Photo Enforcement/Defensive Driving due to the two month period where all cameras were turned off and the issuance of citations was suspended. While the cameras are in use again, this unfavorable balance may carry for the remainder of the fiscal year.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Photo Radar	\$1.8	\$2.4	\$1.8	\$2.6	(\$0.8)	(30%)
Court Fines	2.6	2.4	2.4	2.3	0.1	6%
Library	0.2	0.2	0.2	0.2	-	-
Parking Fines	0.1	0.2	0.1	0.2	-	-
Fines Fees & Forfeitures Total	\$4.8	\$5.2	\$4.6	\$5.3	(\$0.7)	(13%)

Indirect/Direct Cost Allocations (Fiscal Year to Date: February 2017)

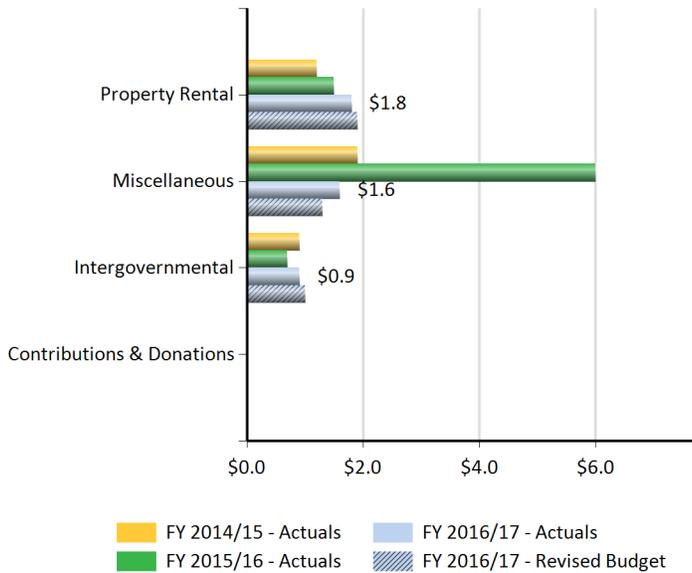


Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation is necessary.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Indirect Costs	\$4.1	\$3.8	\$4.1	\$4.1	\$ -	-
Direct Cost Allocation (Fire)	0.2	0.2	0.2	0.2	-	-
Indirect/Direct Cost Allocations Total	\$4.3	\$4.0	\$4.3	\$4.3	\$ -	-



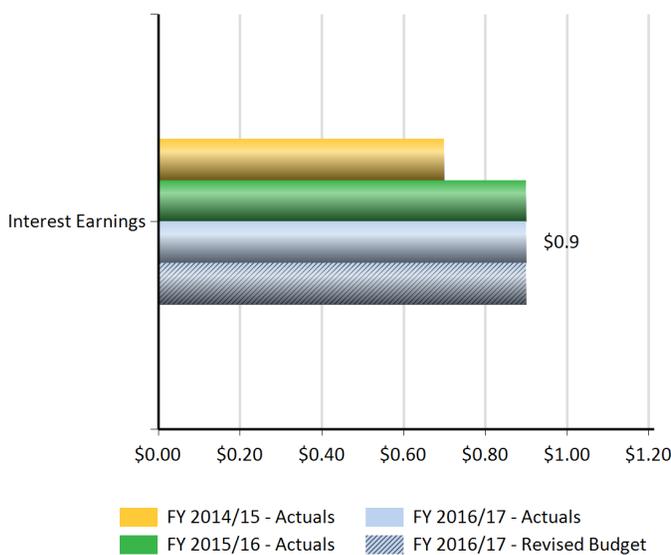
Charges for Service/Other (Fiscal Year to Date: February 2017)



Actual to Revised Budget variance of \$0.1 million or 4%:
 Favorable variance primarily due to a recovery of expense recorded in Miscellaneous for the Giants stadium usage in FY 2015/16 that was posted in FY 2016/17. The FY 2015/16 actuals Miscellaneous include one-time revenue from the sale of the HR and graphics buildings and a DC Ranch property owned by the City.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Property Rental	\$1.2	\$1.5	\$1.8	\$1.9	(\$0.1)	(7%)
Miscellaneous	1.9	6.0	1.6	1.3	0.3	26%
Intergovernmental	0.9	0.7	0.9	1.0	(0.1)	(6%)
Contributions & Donations	-	-	-	-	-	-
Charges for Service/Other Total	\$4.1	\$8.2	\$4.3	\$4.1	\$0.1	4%

Interest Earnings (Fiscal Year to Date: February 2017)



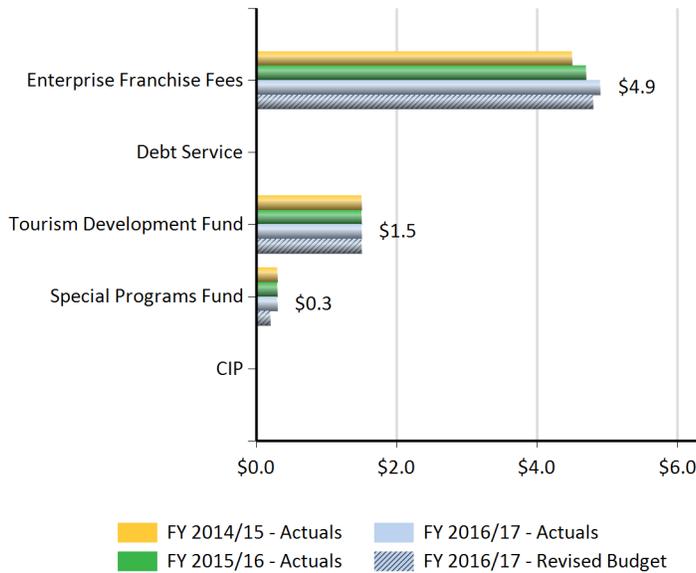
Actual to Revised Budget variance of \$0.0 million or 0%:
 No explanation is necessary.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Interest Earnings	\$0.7	\$0.9	\$0.9	\$0.9	\$ -	-
Interest Earnings Total	\$0.7	\$0.9	\$0.9	\$0.9	\$ -	-



Transfers In (Fiscal Year to Date: February 2017)

Actual to Revised Budget variance of \$0.1 million or 1%:
No explanation is necessary.

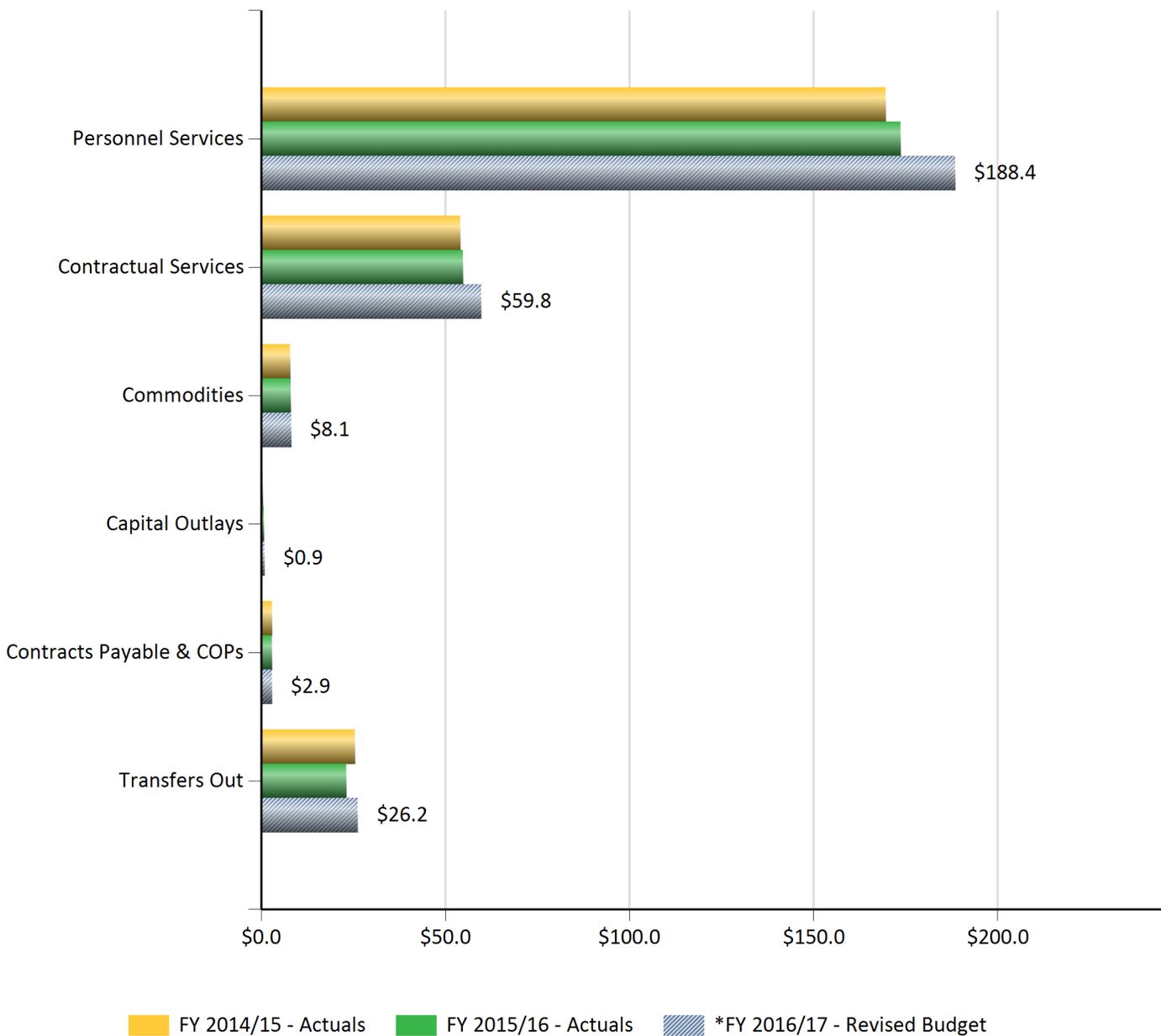


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Budget Percent
Enterprise Franchise Fees	\$4.5	\$4.7	\$4.9	\$4.8	\$ -	-
Debt Service	-	-	-	-	-	-
Tourism Development Fund	1.5	1.5	1.5	1.5	-	-
Special Programs Fund	0.3	0.3	0.3	0.2	-	-
CIP	-	-	-	-	-	-
Transfers In Total	\$6.3	\$6.5	\$6.6	\$6.6	\$0.1	1%



Uses

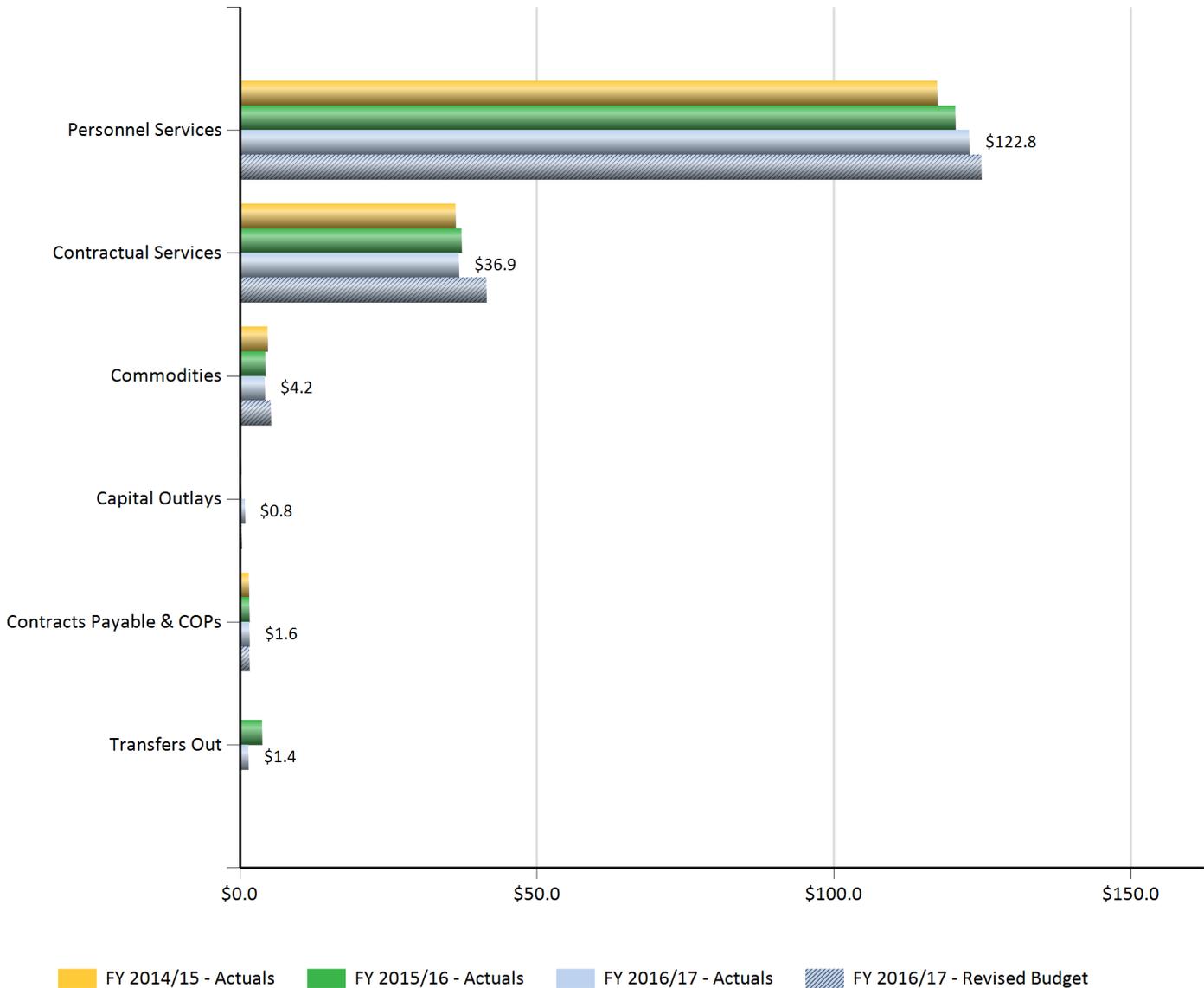
Twelve Months: Fiscal Year



*Includes budgeted vacancy savings net of leave accrual payouts, up to 3% pay for performance, up to 5% pay for performance for those in the Step Program, and compensation adjustments.



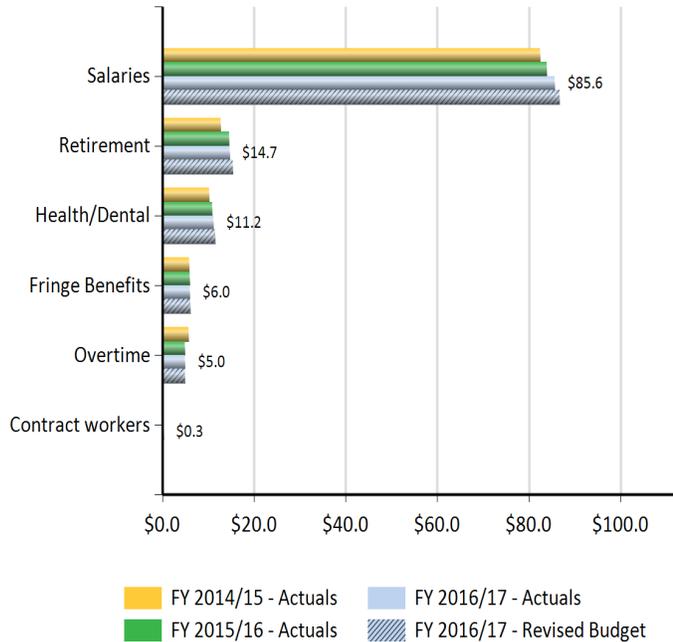
Uses (Fiscal Year to Date: February 2017)



	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Personnel Services	\$117.5	\$120.4	\$122.8	\$124.9	\$2.0	2%
Contractual Services	36.4	37.3	36.9	41.5	4.7	11%
Commodities	4.7	4.3	4.2	5.2	1.0	19%
Capital Outlays	0.2	0.2	0.8	0.3	(0.5)	nm
Contracts Payable & COPs	1.6	1.6	1.6	1.6	-	-
Transfers Out	-	3.7	1.4	-	(1.4)	n/a
Total Uses	\$160.2	\$167.6	\$167.7	\$173.5	\$5.7	3%



Personnel Services (Fiscal Year to Date: February 2017)



Actual to Revised Budget variance of \$2.0 million or 2%: The favorable variance is due primarily to savings in Salaries and Retirement. Salaries are favorable due to Police, Fire and Public Works retirements/promotions as well as Community Services and City Attorney which are having higher than expected turnover, all of which brings in new staff who earn less than previous incumbents. The favorable variance in Retirement is related to more sworn Police entering the Deferred Retirement Option Program (DROP) than expected. Additionally, the Fire Insurance Premium Tax Credit amount received was more than anticipated which means the city's Fire retirement costs will be lower than projected. While Overtime is showing a net slight unfavorable variance, Police actually has a large favorable variance due to dynamic staffing and deployment efficiencies. This is offset by a large unfavorable variance in Fire due to 16 sworn employees out on various leaves including 15 due to injuries/FMLA and 1 position considered vacant because its planned occupant is currently in the academy, all of which negatively impacts constant staffing requirements. Fire has also seen increased leave usage for staff trained in Advanced Life Support but 16 sworn staff just graduated paramedic school which will soon alleviate some of the overtime impacts related to this leave. Finally, there is a citywide favorable impact in Health/Dental due to differing plan selections occurring after each position had been budgeted and adopted

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable)	
					Amount	Percent
Salaries	\$82.5	\$83.9	\$85.6	\$86.7	\$1.2	1%
Retirement	12.8	14.6	14.7	15.4	0.7	5%
Health/Dental	10.3	10.9	11.2	11.6	0.3	3%
Fringe Benefits	5.9	6.0	6.0	6.1	0.1	1%
Overtime	5.7	5.0	5.0	5.0	(0.1)	(1%)
Contract Workers	0.2	0.1	0.3	0.2	(0.2)	nm
Personnel Services Total	\$117.5	\$120.4	\$122.8	\$124.9	\$2.0	2%

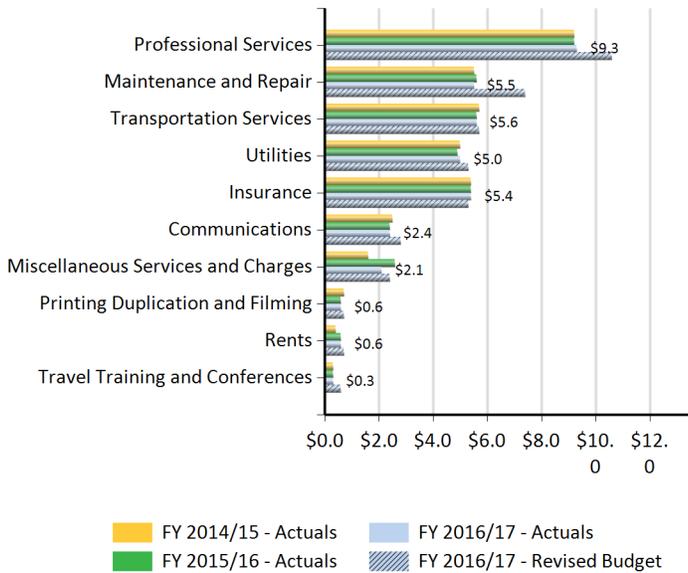
Macro Personnel Adjustments

	2014/15 Actual	2015/16 Actual	2016/17 Adopted Budget	2016/17 Year-to-Date	
				Saved/(Used)	Remaining
3% Pay for Performance	\$4.6	\$3.0	\$2.6	(\$2.6)	\$ -
5% Step - Fire	-	-	0.9	(0.9)	-
5% Step - Police	-	-	1.3	(1.3)	-
Retirement Savings	-	(0.8)	-	0.3	0.3
Vacancy Savings	(3.8)	(4.8)	(3.9)	3.4	(0.5)
Medical Leave Payouts	1.6	1.0	1.0	(1.0)	-
Vacation Leave Payouts	0.7	0.9	0.9	(0.5)	0.4
Total Vacancy Savings/Payouts	\$3.1	(\$0.6)	\$2.9	(\$2.6)	\$0.3

Total Saved/(Used) YTD of (\$2.6) million: The city has achieved \$3.4 million in vacancy savings year-to-date offset by (\$1.6) million in vacation and medical leave payouts. In July, the Citywide Pay for Performance Program was funded and implemented initiating the use of ongoing dollars for compensation increases. These increases include a 3 percent pay program based on performance; a 5 percent step program for Firefighters, Fire Engineers and Fire Captains; and a 5 percent step program for Police Officers.



Contractual Services (Fiscal Year to Date: February 2017)



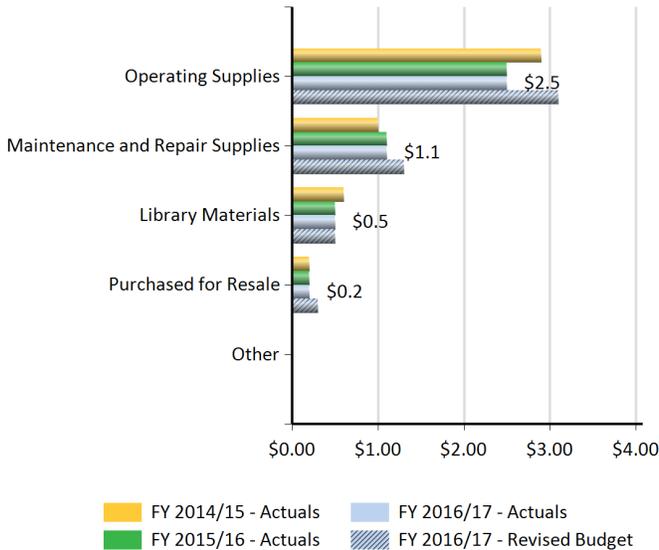
Actual to Revised Budget variance of \$4.7 million or 11%:

The favorable variance in Contractual Services is due largely to Professional Services, Maintenance and Repair and Communications. Professional Services is favorable due to a timing issue by Police in payment of the jail services contract. Additionally, the photo radar program was suspended last spring for two months with impacts continuing into this fiscal year. The cost of administering this program was lower in July and August due to fewer tickets issued. Maintenance and Repair is favorable due to the timing of several major facilities maintenance projects in Public Works and Community Services. Communications is favorable due to specialty lines expenditures being less than anticipated.

	FY 2014/15	FY 2015/16	FY 2016/17	FY 2016/17	Actual vs. Budget	
	Actuals	Actuals	Actuals	Revised Budget	Favorable / (Unfavorable) Amount	Percent
Professional Services	\$9.2	\$9.2	\$9.3	\$10.6	\$1.2	12%
Maintenance and Repair	5.5	5.6	5.5	7.4	1.9	25%
Transportation Services	5.7	5.6	5.6	5.7	0.2	3%
Utilities	5.0	4.9	5.0	5.3	0.3	6%
Insurance	5.4	5.4	5.4	5.3	(0.1)	(1%)
Communications	2.5	2.4	2.4	2.8	0.4	15%
Miscellaneous Services and Charges	1.6	2.6	2.1	2.4	0.3	12%
Printing Duplication and Filming	0.7	0.6	0.6	0.7	0.1	13%
Rents	0.4	0.6	0.6	0.7	0.1	19%
Travel Training and Conferences	0.3	0.3	0.3	0.6	0.3	45%
Contractual Services Total	\$36.4	\$37.3	\$36.9	\$41.5	\$4.7	11%



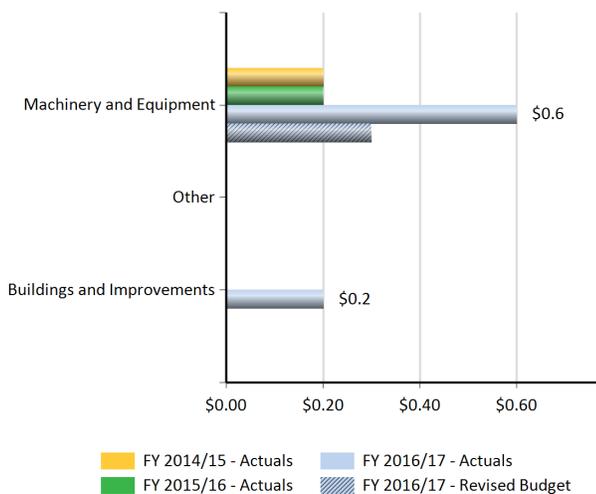
Commodities (Fiscal Year to Date: February 2017)



Actual to Revised Budget variance of \$1.0 million or 19%:
 The favorable variance in Commodities is primarily due to timing as spending in categories such as operating supplies and maintenance and repair supplies are hard to predict.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Operating Supplies	\$2.9	\$2.5	\$2.5	\$3.1	\$0.7	21%
Maintenance and Repair Supplies	1.0	1.1	1.1	1.3	0.2	15%
Library Materials	0.6	0.5	0.5	0.5	-	-
Purchased for Resale	0.2	0.2	0.2	0.3	0.1	42%
Other	-	-	-	-	-	-
Commodities Total	\$4.7	\$4.3	\$4.2	\$5.2	\$1.0	19%

Capital Outlays (Fiscal Year to Date: February 2017)



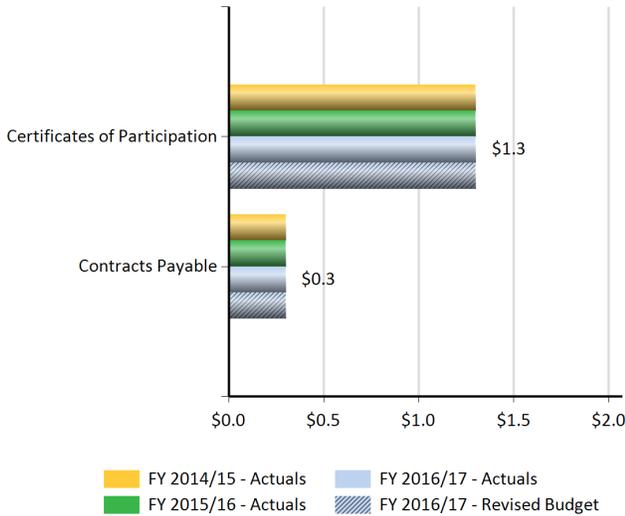
Actual to Revised Budget variance of (\$0.5) million or 0%:
 The unfavorable variance in Capital Outlay is primarily due to timing issues related to the Scottsdale Cultural Center (SCC) facility improvement project and the replacement of playground equipment.

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Machinery and Equipment	\$0.2	\$0.2	\$0.6	\$0.3	(\$0.3)	nm
Other	-	-	-	-	-	n/a
Buildings and Improvements	-	-	0.2	-	(0.2)	n/a
Capital Outlays Total	\$0.2	\$0.2	\$0.8	\$0.3	(\$0.5)	nm



Contracts Payable & COPs (Fiscal Year to Date: February 2017)

Actual to Revised Budget variance of \$0.0 million or 0%:
No explanation is necessary.

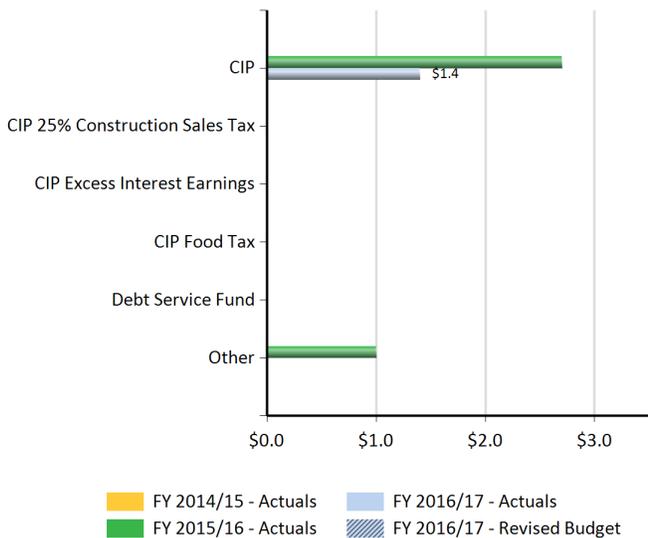


	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Certificates of Participation	\$1.3	\$1.3	\$1.3	\$1.3	\$ -	-
Contracts Payable	0.3	0.3	0.3	0.3	-	-
Contracts Payable & COPs Total	\$1.6	\$1.6	\$1.6	\$1.6	\$ -	-

Transfers Out (Fiscal Year to Date: February 2017)

Actual to Revised Budget variance of (\$1.4) million or n/a:

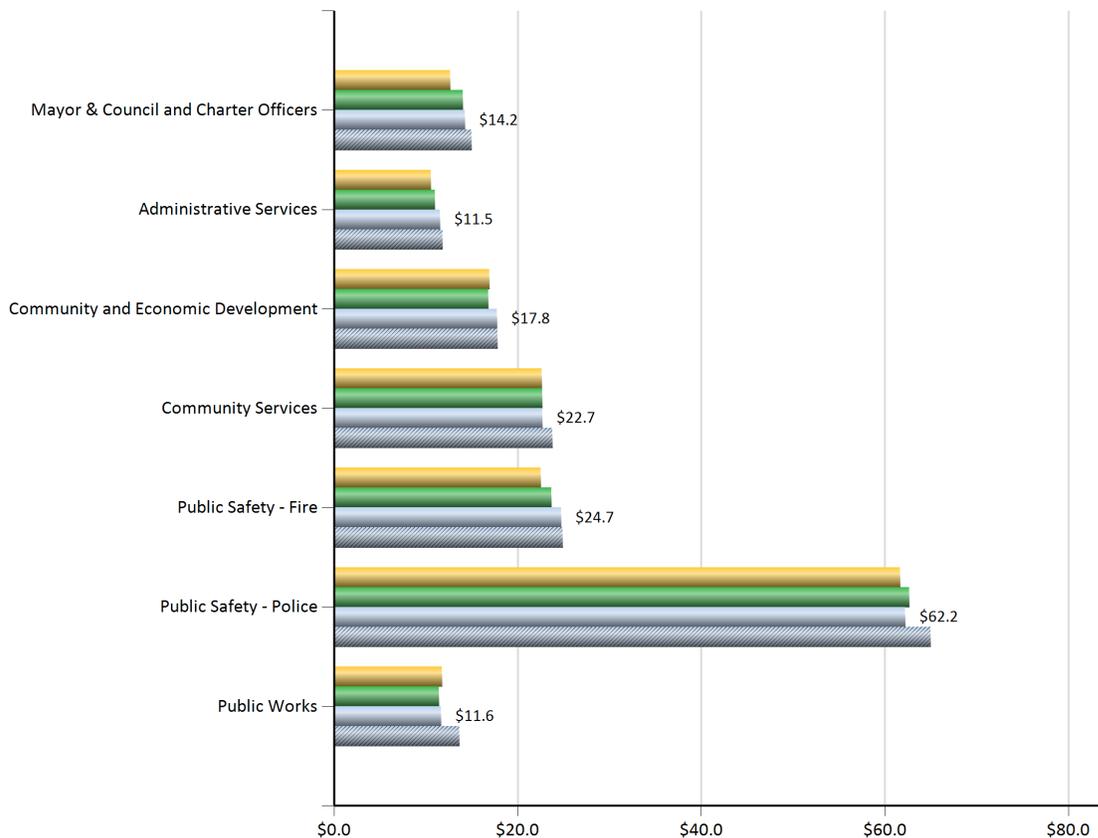
The unfavorable variance is due to a contingency transfer funded from the General Fund operating budget undesignated, unreserved fund balance to the newly created Fire Self Contained Breathing (SCBA) Replacement capital project, per Council approval. The actuals in FY 2015/16 are related to City Council authorizing the transfer of approximately \$1.0 million from the General Fund to the Healthcare Fund to reimburse the Healthcare Fund for health related expenditures for retirees and public safety disabled retirees.



	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
CIP	\$ -	\$2.7	\$1.4	\$ -	(\$1.4)	n/a
CIP 25% Construction Sales Tax	-	-	-	-	-	-
CIP Excess Interest Earnings	-	-	-	-	-	-
CIP Food Tax	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-
Other	-	1.0	-	-	-	n/a
Transfers Out Total	\$0.0	\$3.7	\$1.4	\$0.0	(\$1.4)	n/a



Division Expenditures (Fiscal Year to Date: February 2017)



■ FY 2014/15 - Actuals
 ■ FY 2015/16 - Actuals
 ■ FY 2016/17 - Actuals
 ■ FY 2016/17 - Revised Budget

	FY 2014/15 Actuals	FY 2015/16 Actuals	FY 2016/17 Actuals	FY 2016/17 Revised Budget	Actual vs. Budget Favorable / (Unfavorable) Amount	Percent
Mayor & Council and Charter Officers	\$12.6	\$14.0	\$14.2	\$14.9	\$0.7	5%
Administrative Services	10.5	11.0	11.5	11.8	0.3	3%
Community and Economic Development	16.9	16.8	17.8	17.8	-	-
Community Services	22.6	22.7	22.7	23.8	1.1	5%
Public Safety - Fire	22.5	23.7	24.7	24.9	0.2	1%
Public Safety - Police	61.6	62.7	62.2	65.0	2.8	4%
Public Works	11.8	11.4	11.6	13.7	2.0	15%
Total	\$158.7	\$162.3	\$164.7	\$171.9	\$7.2	4%

Actual to Revised Budget variance of \$7.2 million or 4%: The most noteworthy items contributing to the favorable variance in Mayor & Council and Charter Officers is the Arizona Department of Revenue administrative charge being less than anticipated in the City Treasurer's Office. Additionally, in the City Attorney's Office, the contractual work order credit to Risk Management is higher than expected. The favorable variance in Community Services is related to higher than expected turnover with new staff earning less than previous incumbents and to the timing of maintenance projects. The favorable variance in Public Safety-Fire is due to retirements/promotions resulting in new staff coming in at a lower cost, a higher than expected retirement Fire Insurance Premium Tax Credit and the delay in purchase of emergency medical supplies. This is partially offset by constant staffing overtime costs due to injuries or FMLA. For Public Safety-Police, the favorable variance is related to additional personnel entering the DROP program, which means retirement is no longer paid, creating a savings. In addition, retirements/promotions are resulting in new staff coming in at lower cost. There are also savings in overtime related to dynamic staffing and deployment efficiencies, timing in the payment of the jail services contract and other invoices, and the previous temporary suspension of the photo radar program which resulted in fewer tickets processed. Finally, the favorable variance in Public Works is due to utilities savings and to the timing of major facility maintenance and repair projects