



AIRPORT BOARD FINANCE COMMITTEE AGENDA

October 03, 2023 at 8:30 AM

Airport Manager's Office Conference Room/Zoom

<https://juneau.zoom.us/j/84725793209?pwd=eXM4aWR3SWRWRzdjVExmSTA2Nld5UT09>

Meeting ID: 847 2579 3209, Passcode: 759905

OR Dial: 888 475 4499 US Toll-free

TO TESTIFY: CONTACT PAM CHAPIN, 907-586-0962

BY 3:00 PM ON OCTOBER 2, 2023

A. CALL TO ORDER

B. ROLL CALL

C. COMMITTEE BUSINESS

1. **Airport Finance 101 (Attachment #1).** Staff has been asked to provide an overview of airport finance: how the model is set up, allocations and cost centers. This only provides the basis for budget process and not the actual fiscal year budget/numbers scheduled for this winter.
2. **CARES Funds Project Updates (Attachment #2 and #3).** Staff has updated the CARES grant summary and use spreadsheet. An in-depth review of charges, actuals and balances was performed again in late September. Some actuals increased, some decreased based on final billing. Some projects are still in progress. This summary gives the Airport a better idea of the grant funding remaining, and ideas for the remaining use of funds. Some other projects or use of the funding includes small projects that can run through the budget (not require an Federal Aviation Administration (FAA) grant amendment), ordering additional supplies and use of grant for the interest on the revenue bonds which would free up the PFC funds that were programmed for this purpose.

Revenue Bond Use Reminder: The Airport carries both revenue and general obligation (GO) bonds. The GO bonds were approved by the voters back in 2012. There was \$5.9M in GO bonds sold in 2019 that represent the local match and non-federally-eligible portions of the terminal. Some of the Airport CARES money has paid for four years of the debt service on these GO bonds.

The Airport has roughly \$15.8M in revenue bonds. The \$15.8M was needed upfront to make the project whole until the federally eligible portion of the funding was collected. It was originally planned that the Airport would need to commit four years of Airport Improvement Project (AIP) entitlement dollars and pay the remaining with Passenger Facility Charges (PFC). The Federal Aviation Administration (FAA) was able to fund the entire amount of the federally eligible amount in one grant year (2020). With the bonds already issued, there would still be interest to pay through PFC collections. This prolonged collection has tied up the Airport's ability to leverage PFC match for near-future projects. One option for the CARES money is to pay 2024 and one payment in 2025, or any combination thereof, of the revenue bond interest. The grant language appears to allow for this use in all three grants. The City & Borough of Juneau (CBJ) Finance Department concurs that this is allowable from the City standpoint. The tables on Attachment #3 show the amounts (broken out principal and interest) on the two revenue bonds. The lower table shows the interest only owed for each of the biannual payments (April and October (and combined annual total)) for the two revenue bonds.

3. **CARES/CRRSAA/ARG (ARPA) Funding Sunset Dates:**

CARES grant sunsets in April 2024

CRRSAA grant sunsets in March 2025

ARG/ARPA grant sunsets in August 2025

Grant funds must be completely expended by those dates.

D. ADJOURNMENT

E. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.org.