



AIRPORT BOARD AGENDA

February 13, 2025 at 6:00 PM

Airport Alaska Room/Zoom

<https://juneau.zoom.us/j/81320381493>

Or join via audio: 1-253-215-8782 Webinar ID: 813 2038 1493

**TO TESTIFY: CONTACT PAM CHAPIN, 907-586-0962
BY 3:00 PM ON MONTH X, 20XX**

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. **Airport Board Minutes for January 9, 2025**

D. APPROVAL OF AGENDA

E. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

F. CONFLICT OF INTEREST DISCUSSION – LAW DEPARTMENT

G. AIRPORT BOARD OFFICER DISCUSSION

H. UNFINISHED BUSINESS

I. NEW BUSINESS

2. **Airport FY26 Budget Update (Attachments #1 through #16).** The Airport Board Finance Committee met on January 21, 2025, and February 4, 2025, to review projected FY25 budget (current budget) and updated numbers for the FY26 budget. Staff was also asked to present three scenarios in which two scenarios added an emergency contingency line item (adding \$50K and \$100K). The Finance Committee did not come to a consensus on the three scenarios during these meetings, and due to no committee member quorum, no further Finance Committee meetings were held. This now comes to the full Board for discussion and action.

The budget is two-fold; amendment of the Airport Rates and Fees Regulation is tied to the updated FY26 budget presented. The Board is requested to review the proposed budget (and rates/fees adjustments) options as outlined below and detailed in the attachments.

3. **FY25 Projected and FY26 Revised Budgets ‘without’ rate increases (see Attachments #1, #2, #3 and #7)**

Attachment #7: Airport OVERVIEW in the City Finance Department’s format (before rate increases).

FY26 shortfalls need to be addressed:

FY25 Projected shortfall (\$309,100) to be covered by residual CARES money draw in FY25

FY26 Revised shortfall (\$400,453) see proposed rates/fees increase

4. **Proposed Airport Rates & Fees Regulation Adjustments and Balancing FY26 Revised Budget**

SCENARIO A (Attachments #1, #4, #5, #6 and #8)

FY26 Shortfall Allocation by Cost Center:

Security: \$338,137 (91% \$225,600/ less shared 9% \$112,537) \$225,600 (91%) pay w/SSF*

*Security Screening Fee

| | | |
|----------------------|--|-----------------------------------|
| Terminal:(\$379,084) | (plus 50% security residual: \$56,269) | (\$322,816) |
| Airfield: \$441,400 | (plus 50% security residual: \$56,269) | \$497,688 |
| | Balance owed on Airfield | \$174,853 (see allocations below) |
| | Airfield Balance Allocation 85/15 | \$174,853 |
| | 85% Air Carrier (large) | \$148,625 |
| | 15% 135/GA (small) | \$ 26,228 |

1. *SECURITY SCREENING FEES (SSF). Security Program expense increases (personnel and badging system) began mid-FY25, coupled with Transportation Security Administration (TSA) terminating the Law Enforcement Officer (LEO) Reimbursement agreement starting in FY25, a deficit of \$338,137 shows up in the Security Cost Center. The Screening Fees are determined through 91% allocation for screening checkpoint hours. For FY26, the passenger Security Screening Fees would need to increase from \$2.69 to \$3.35 per passenger in FY26. This would generate \$225,600 in additional revenue for this cost center. The remaining 9% (\$112,537) is 50/50 split with terminal and airfield per allocations.

Airfield shortfall calculated by applying terminal overage credit, and applying the 9% security residual, then applying the 85/15 allocations.

2. *LANDING FEES (LF). The airfield shortfall plus 50% residual security requires \$148,625 in 121/Air Carrier 85% contribution. Based on landed weights projected, an increase in LF from \$3.34 to \$3.50 (signatory)/1,000lbs and \$4.18 to \$4.38 (non-signatory)/1,000 lbs. is required. This anticipates \$148,600 in additional revenue.

3. FUEL FLOWAGE FEES (FFF). The airfield shortfall plus 50% residual security requires \$26,228 in 135/GA 15% contribution. Based on gallons projected, an increase in FFF from \$0.33 to \$0.345 (signatory)/gallon and \$0.41 to \$0.43 (non-signatory)/gallon is required. This anticipates \$24,900 in additional revenue.

The increase in SSF, LF and FFF, as detailed above, leaves a balance of \$1,353 to cover with fund balance.

SCENARIO B (Attachments #1, #9, #10, #11 and #12)

FY26 Shortfall Allocation by Cost Center:

| | | |
|----------------------|--|---|
| Security: \$338,137 | (91% \$225,600/ less shared 9% \$112,537) | \$225,600 (91%) pay w/SSF* *Security Screening Fee |
| Terminal:(\$379,084) | (plus 50%: sec residual & \$50K: \$81,269) | (\$297,816) |
| Airfield: \$441,400 | (plus 50%: sec residual & \$50K: \$81,269) | \$522,668 |
| | Balance owed on Airfield | \$224,853 (see allocations below) |
| | Airfield Balance Allocation 85/15 | \$224,853 |
| | 85% Air Carrier (large) | \$191,125 |
| | 15% 135/GA (small) | \$ 33,728 |

1. *SECURITY SCREENING FEES (SSF). Same allocation on all 3 scenarios.

2. *LANDING FEES (LF). The airfield shortfall plus 50% residual security and \$50K Contingency Reserve requires \$191,125 in 121/Air carrier 85% contribution. Based on landed weights projected, an increase in LF from \$3.34 to \$3.54 (signatory)/1,000lbs; and \$4.18 to \$4.43 (non-signatory)/1,000 lbs. is required. This anticipates \$191,500 in additional revenue.

3. FUEL FLOWAGE FEES (FFF). The airfield shortfall plus 50% residual security and \$50K Contingency Reserve requires \$33,728 in 135/GA 15% contribution. Based on gallons projected, an increase in FFF from \$0.33 to \$0.35 (signatory)/gallon; and \$0.41 to \$0.435 (non-signatory)/gallon is required. This anticipates \$32,600 in additional revenue.

The increase in SSF, LF and FFF, as detailed above, leaves a balance of \$753 to cover with fund balance.

SCENARIO C (Attachments #1, #13, #14, #15 and #16)**FY26 Shortfall Allocation by Cost Center:**

| | | |
|-----------------------|--|-----------------------------------|
| Security: \$338,137 | (91% \$225,600/ less shared 9% \$112,537) | \$225,600 (91%) pay w/SSF* |
| | | *Security Screening Fee |
| Terminal: (\$379,084) | (plus 50%: sec residual & \$100K: \$106,269) | (\$272,816) |
| Airfield: \$441,400 | (plus 50%: sec residual & \$100K: \$106,269) | \$547,668 |
| | Balance owed on Airfield | \$274,853 (see allocations below) |
| | Airfield Balance Allocation 85/15 | \$274,853 |
| | 85% Air Carrier (large) | \$233,625 |
| | 15% 135/GA (small) | \$ 41,228 |

1. *SECURITY SCREENING FEES (SSF). Same allocation on all 3 scenarios.

2. *LANDING FEES (LF). The airfield shortfall plus 50% residual security and \$100K Contingency Reserve requires \$233,625 in 121/Air carrier 85% contribution. Based on landed weights projected, an increase in LF from \$3.34 to \$3.59 (signatory)/1,000lbs and \$4.18 to \$4.49 (non-signatory)/1,000 lbs. is required. This anticipates \$234,300 in additional revenue.

3. FUEL FLOWAGE FEES (FFF). The airfield shortfall plus 50% residual security and \$50K Contingency Reserve requires \$41,228 in 135/GA 15% contribution. Based on gallons projected, an increase in FFF from \$0.33 to \$0.3675 (signatory)/gallon and \$0.41 to \$0.4425 (non-signatory)/gallon is required. This anticipates \$41,200 in additional revenue.

The increase in SSF, LF and FFF, as detailed above, creates an over-collection of \$647.

***NOTE: IN PAST YEARS, 121 AIR CARRIERS REQUESTED SECURITY SCREENING FEES, FUEL FLOWAGE FEES AND LANDING FEES TO BE IMPLEMENTED AT THE START OF THE SUMMER SEASON RATHER THAN JULY 1. STAFF PROPOSES TO START THESE FEE INCREASES EFFECTIVE MAY 1, 2025.**

5. **FY26 Revised Budget Approval (Scenario A, B or C)**

Once the budget and any rates/fees increases are approved, the Airport Board will need to forward the budget to the City & Borough of Juneau (CBJ) and begin the 21-day public comment period for the amended Airport Rates & Fees Regulation. This would then come baack to the Board to consider any public comments. After approval, the regulation would need to go to the Assembly for adoption (one meeting). This would need to parallel the budget process.

Staff requests the Board approve **one of the proposed budget scenarios** (below) for FY25 Projected and FY26 Revised and corresponding increases to the Airport Rates & Fees:

SCENARIO A: (no contingency)

Motion A-1: "Approve the increases to the Airport Rates & Fees Regulation, shown in Attachment #4 and begin the public regulation process."

Motion A-2: "Approve the FY25 Projected and FY26 Revised budgets as shown in Attachments #1, #5, #6 and #8, with the corresponding increases to the Airport Rates & Fees Regulation, use of Airport Fund Balance for the remaining balance of \$1,353; and forward to the Assembly for approval."

SCENARIO B: (with the added \$50K contingency)

Motion B-1: *“Approve the increases to the Airport Rates & Fees Regulation, shown in Attachment #9, and begin the public regulation process.”*

Motion B-2: *“Approve the FY25 Projected and FY26 Revised budgets as shown in Attachments #1, #10, #11 and #12, with the corresponding increases to the Airport Rates & Fees Regulation, use of Airport Fund Balance for the remaining balance of \$753; and forward to the Assembly for approval.”*

SCENARIO C: (with the added \$100K contingency)

Motion C-1: *“Approve the increases to the Airport Rates & Fees Regulation, shown in Attachment #13, and begin the public regulation process.”*

Motion C-2: *“Approve the FY25 Projected and FY26 Revised budgets as shown in Attachments #1, #14, #15 and #16, with the corresponding increases to the Airport Rates & Fees Regulation; and forward to the Assembly for approval.”*

6. **Interim Airport Manager Appointment (Attachment #17).** The Airport Manager Hiring Committee (AMHC) continues with the long-term Airport Manager recruitment. This will take several months. The Committee has recommended an Interim Airport Manager to bridge the gap between outgoing Airport Manager, Wahto, and a new Airport Manager. The Committee chose Dave Palmer for Interim Airport Manager, with direction to CBJ Human Resources to negotiate the terms with Mr. Palmer and bring back a tentative agreement. Mr. Palmer was formerly the Airport Manager at JNU for three years, and CBJ City Manager, and Deputy City Manager prior to that. The Airport Board, per Ordinance, must approve the appointment and terms of the employment agreement. The attached tentative agreement from CBJ Human Resources will be presented to the AMHC at their noon meeting on January 13, 2025, for approval, and recommend this appointment and agreement to the Airport Board. This now comes before the Airport Board for final approval pending approval by the AMHC.

Motion: *“Approve the attached tentative agreement appointing Dave Palmer as Interim Airport Manager, pending Airport Manager Hiring Committee approval.”*

7. **Transfers of Airport Capital Revolving Match and Contingency Funds (Attachment #18).** Staff is requesting an additional \$10,000 of Revolving Funds to be transferred to Aircraft Rescue Fire Fighting (ARFF) Truck purchase that was previously approved by Board on August 8, 2024. Additional funds are needed to cover last minute changes before the truck goes into production where there were some increases and decreases but ended up with an increase of \$8,600 as shown on Attachment #18. Last minute changes to ARFF truck orders are very common and in this particular instance, the amount is pretty nominal in a \$1m-plus order. The \$10,000 was calculated as: \$3,385.74 extra budget we had from before, minus \$8,600.00 Change Order needed, minus \$4,785.74 for future contingency. The Federal Aviation Administration (FAA) will consider amending their grant to include a Change Order of \$8,600 at closeout (in a couple of years). But the budget is needed now to be able to process the Change Order as soon as possible. If the FAA amends/increases the grant to include the Change Order, it will be returned to the Airport Revolving Account at the same time the amendment to the grant is accepted. Again, Passenger Facility Charge (PFC) 10, if approved as presented, will be reimbursing most (if not all) of the Airport Revolving Account spent for this ARFF Truck. Staff requests that the Board approve \$10,000 from the Airport Revolving Account for the additional Change Order & Contingency, and forward to the Assembly for appropriation.

Motion: *“Approve a transfer of \$10,000 from the Airport Revolving Account for the change order and contingency for the Aircraft Rescue and Fire Fighting Truck acquisition and forward to the Assembly for appropriation.”*

8. **Airport Manager Hiring Committee Report**

- 9. **Airport Manager Report**
- 10. **Airport Project Manager Report - Mike Greene**
- 11. **Airport Project Manager Report - Ke Mell**

J. CORRESPONDENCE

K. COMMITTEE REPORTS

- 12. Finance Committee
- 13. Operations Committee

L. ASSEMBLY LIAISON

M. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

N. BOARD MEMBER COMMENTS

O. ANNOUNCEMENTS

P. NEXT MEETING DATE

Q. EXECUTIVE SESSION

R. 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, e-mail: city.clerk@juneau.gov.