



AIRPORT BOARD FINANCE COMMITTEE AGENDA

February 25, 2025 at 3:00 PM

Airport Alaska Room/Zoom

<https://juneau.zoom.us/j/88624676603>

Or join via audio: 253-215-8782, Webinar ID: 886 2467 6603

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

BY 3:00 PM ON FEBRUARY 24, 2025

A. CALL TO ORDER

B. ROLL CALL

C. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS

D. UNFINISHED BUSINESS

1. **Airport Finance 101 Review (Attachment #1).** This is a review of airport allocations and how the model is set up.
2. **FY25 Projected and FY26 Revised Budgets Redux (Attachments #2, #3 #4, #5 and #6).** This budget is the same as presented and approved at the February 13, 2025, Airport Board meeting (and the same baseline budget as presented at the February 4, 2025, Airport Board Finance Committee meeting). This discussion is only to review the allocations of the cost centers and the shortfall to each user group that was questioned at the Board meeting.

Attachment #2: FY25 Projected and FY26 Revised EXPENSES

Attachment #3: FY25 Projected and FY26 Revised REVENUES

Attachment #4: FY25 Projected and FY26 Revised EXPENSE REVENUE SUMMARY

Attachment #5: Fund Balance Projections

Attachment #6: Financial Model Summary

This scenario (baseline) assumes no rates/fees increases to balance FY26 shortfall; with the \$400,453 shortfall to be covered through Airport Fund Balance, as approved by the Airport Board on February 13, 2025. Similarly, FY25 uses \$309,100 of Airport Fund Balance (through final CARES money draw down) to cover shortfall. For the purposes of this meeting and explaining allocations, FY26 Revised budget will be used.

Acronyms:

FFF: Fuel Flowage Fees (both part 121 large air carrier, and part 135 small carrier/general aviation)

LF: Landing Fees (part 121 large air carrier only)

SSF: Security Screening Fees (part 121 large air carrier only)

GA: General Aviation which is grouped with small carriers (part 135) for rates

ARFF: Aircraft Rescue and Fire Fighting (cost center)

Expense Cost Center:

Airfield paid through airfield revenues 85% large air carrier / 15% small carrier/General Aviation after concession allocations applied

Terminal paid through terminal revenues 85% large air carrier / 15% small carrier/General Aviation after concession allocations applied

Admin split 50/50 with Airfield and Terminal

Security residual (after calculating checkpoint requirement for security, currently at 91%) split 50/50 Airfield and Terminal

ARFF paid through airfield revenues (FFF/LF) 95% large air carrier / 5% small carrier/General Aviation

Other (Landside) split 50/50 Airfield and Terminal (negligible amount)

As mentioned at previous Finance Committee meetings, the shortfall is established through the model (finance model is a tool used for transparency in determining shortfall allocations).

There was confusion in the Board packet summary about the 91% Security Cost Expense. The calculation is not a simple 91% / 9% of the amount that was shown. The '91%' represents the large air carrier portion of the security cost center (consider the 91% as a label for 'large carrier'). In the bigger picture of the security cost center, the large carrier (91%) portion of the security budget is \$1,144,290 (of the \$1,257,461 security budget) that needs to be covered by large air carrier's fees (SSF). The \$225,600 is the large carrier (91%) security shortfall based on current SSF rates and projected enplanements over that portion (\$1,144,290) of the security cost center. The remaining shortfall of \$113,171 is the 9% Security Cost Center Expenses that is split 50/50 with the Terminal and Airfield Cost Centers (\$56,585 each cost center). This was NOT a mistake in the Board and Finance packages but was not explained clearly. *Note: there are rounding differences (\$634) due to calculations of a fee with pennies (difference between model and calculations shown on last Board agenda).

Attachment #6 is a high-level summary of the allocations and costs/shortfalls for FY26. Essentially, the \$400,453 budget shortfall through the model calculates the allocation shortfalls as:

Security: \$338,771 (\$225,600 air carrier / \$113,171 residual split 50/50 Terminal/Airfield)

Terminal: (\$379,084) ((-\$322,499) includes the 50% security residual: \$56,585)

Airfield: \$441,400 (\$497,688 includes the 50% security residual: \$56,586)

Adjust: (\$ 634) *Model rounding / adjustment due to calculations

The largest part of the shortfall correlated to security cost center for loss of Transportation Security Administration Law Enforcement Officer reimbursement and additional aviation worker screening. The remainder of the shortfall was from Airfield (see green highlighted cells on Attachment #6).

User Group Shortfall Allocation (See Attachment #6 calculations):

\$374,225 Lg Air Carrier/121 (Security \$225,600 plus 85% Airfield \$148,625)

\$ 26,228 Sm 135 Carrier/GA (15% Airfield \$26,228)

3. **CARES Grant Summary (Attachment #7).** Attachment #7 shows a summary of the three CARES Grants' use over the past five years. The Board approved various projects, tenant abatements, General Obligation bond and operational budget use, but a whole summary was never provided.
4. **Capital Improvement Plan (CIP) Overview and Project Match Requirements (Attachment #8).** Attachment #8 shows the most up-to-date CIP and is presented for all capital projects. The CIP plan shows CIP projects well into the future and the required match. This document may change based on higher priorities, emergencies, federal funding availability and eligibility; all are subject to change. The areas in dark green are proposed projects eligible for the new Passenger Facility Charge (PFC) 10. Note that new projects can only be programmed out two years from a new PFC application start, but reimbursement of past eligible projects are allowed. PFC10 application process has started (meeting

with air carriers is scheduled for March 11, 2025), however, collections are not anticipated for PFC10 until spring 2026. The Airport does not want a lapse between PFC collections. In the interim, local match for projects will need to be forward funded by Airport Fund Balance, Capital Revolving Account, local flexible Sales Tax (dedicated to Airport projects) or other means, until the PFC is collected for the project. This is informational only – for planning purposes and funding planning.

E. NEXT MEETING DATE: April 22, 2025 9:00 a.m.; July 22, 2025 9:00 a.m.

F. 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.