

MINUTES of
AIRPORT BOARD MEETING
March 14, 2024
6:00 p.m. Alaska Room/ZOOM

A. **CALL TO ORDER:** Chair Al Clough called the meeting to order at 6:01 p.m.

B. **ROLL CALL:**

Members Present:

Al Clough	Jodi Garza	Dan Spencer
Dennis Bedford	Chris Peloso	
Jason Custer	Eve Soutiere	

Staff/CBJ Present:

Patty Wahto, Airport Manager	Mike Greene, Airport Project Mgr.
Andres Delgado, Airport Sup't	Sherri Layne, CBJ Law
Angelica Lopez-Campos, Bus. Mgr.	Wàahlaal Giidaak, CBJ Assembly
Ke Mell, Airport Architect	

C. **APPROVAL OF MINUTES:**

1. *Dan Spencer moved to approve the minutes of February 8, 2024. The motion passed by unanimous consent.*

D. **APPROVAL OF AGENDA:** *The agenda was approved.*

E. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

F. **UNFINISHED BUSINESS:**

2. Sand/Chemical Back-up Electric Boiler. Airport Manager Patty Wahto said this item is also detailed in Ke Mell's report. This includes a slight increase for the design, which requires stamped, approved documents. Airport Project Manager Ke Mell said some of this stems from a miscalculation on how complicated the work would be and what it would take to get it done. Ms. Mell originally said she would do the architect work, but there was a lot going on last year and she did not have the time. Someone else was engaged to do the architectural work. Meanwhile, the project was more involved than the electrical and mechanical design consultants had anticipated. It took more effort to do this than anticipated. When it was sent to CBJ (City & Borough of Juneau) Contracts, it was not something they were comfortable putting out. Ms. Wahto said some of this stemmed back to the electrical that needed more clarification in the documents. *Jodi Garza moved to discuss and approve an additional \$19,015 in CARES funding to complete the design bid documents. Upon completion of design documents and identifying a funding source, advertise and bid before being brought back to the Board. The motion passed by unanimous consent.*

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3. FY25/26 Proposed Budget (Attachments #0 through #8). Ms. Wahto asked the Board to refer to Attachments #0 through #8. Attachment #0 was the Finance Committee agenda and was added earlier in the week. Attachments #7 and #8 detail out the Fund Balance that was discussed at the Finance meeting. In bringing this back to the Board, most of the Finance Committee meeting discussed methodology and not so much the expenses that were noted. On Page 2 of the agenda, it breaks down the 121 and the GA/135 component of the shortage as the Airport goes into FY25. There is still a deficit for FY26, but this will be reevaluated next year. The Finance Committee packet discussed where the additional fees come from. Alaska Airlines and Delta Air Lines commented at the Finance Committee. Chair Clough said there are quite a few attachments that went with this. There was not a recommendation from the Finance Committee. His goal was to hopefully move this forward tonight.

Board Member Jodi Garza said they spent some time going through the Rates & Fees discussion and they went through revenues and expenses and for the most part, all of the things that were asked made sense. What is still unclear and the reason the Finance Committee didn't move forward is because there is still uncertainty as it relates to the methodology. She thought what they were looking for is an assurance that the Rates & Fees and how they are split is done in a fair way and it is by agreement and split between the different user groups done as they agreed to do. There was not a fund balance present at the Finance Committee meeting in the packet. The packet was received the day before the Finance Committee meeting so there wasn't a whole lot of time to review the material. She said she had additional questions on the material. Chair Clough said there were definitely some procedural problems at the Finance Committee meeting. He was briefed on the meeting and there were some issues going on. He said everyone on the Board needs to be cognizant that they are wearing their Board of Director's hat and not the hat of their employer or anyone else.

Board Member Dennis Bedford said he saw what was being questioned – the allocation of funds. He thought it should be addressed or should be addressed periodically rather than at a Finance Committee meeting. Perhaps it should be visited every five years. Board Member Chris Peloso said he thought that no one was questioning the split. They did not understand the nuances that went into it. So, it was impossible for them to look at the documents and make sure that what was actually happening was what had been agreed to. He said it was suggested for the Airport to have an information session for any stakeholder to say we don't know where this number is coming from, and the Airport can show where it is coming from. As long as they understood where the numbers were coming from, no one had a problem with that. But they were sort of doing the math in the margins and it wasn't adding up the way they thought it should. It caused a little confusion, and he was concerned that the stakeholders weren't understanding what was going on. Chair Clough said these discussions go back a long time of trying to figure out the appropriate way to charge the Airport's tenants.

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Chair Clough asked if the Board Members as a whole were ready to move the budget forward or does there need to be more scheduled deliberation on it. Board Member Dan Spencer said he did not view it as something that has to be done before the budget is passed. Cost allocation plans and rate making methodology are typically not rocket science and there are standards that go into those things. He thought it was more a matter of explanation than it is discovery. Even if the Board were to alter it, it would still be the 6,000-pound gorilla on the one side and the 20-pound chickadee on the other side. He thought that a particular methodology of the rates should not stop the Board from doing something. They could always do mid-term corrections if the Board had to.

Ms. Garza said the question about the methodology has existed the entire time she was on the Board. It was set a long time ago and, to her recollection, has not been changed. The model that was purchased and installed in 2021 was supposed to plug this data in and give information to ensure that the methodology that was being used for the rates and fees split was solid. She went back to the 2021 minutes in the meeting with Frasca and they said this is what this model will do for you. Even before that, that was what the tenants were asking. Do we need to revisit the split and is this the correct split. One of the drivers of that question was the land use fees. She said this had been discussed with Patty, but it has not been transparent or brought back to the tenants in any way. She thought that question still existed.

Ms. Wahto said this is a different discussion than we are in right now. The allocations are not something that comes from the Airport. That is an agreement between all of the users. It was revisited about eight years ago and no one came up with any suggestions or the suggestions were discarded because no one could agree that there were any better splits than the 95/5 ARFF (Airport Rescue Fight Fighting) and the 85/15 Airfield. The security clause that has a whole different complexity. When the Airport went back in 2021 as this was brought up in the Finance Committee, she was asked to revisit the land lease fees and how that showed, but there is a much bigger picture. The land lease was brought up by Mr. Craford as if the staff had done a huge wrong, and that is not correct. She said it took weeks to go back into the records to show what had happened. But it doesn't show that over the years somebody added more lease area to say the 135 operator or a GA operator or that there were switches from a GA/135 operator that went commercial. There are a lot of changes. As time passed, it was based on the merit of the land leases at that moment. Through time, staff attributed a lot of the Fund Balance to balancing the budget for years, about 10-years-plus that some amount of the Fund Balance was applied to balance the budget. In truth, what that came out to was if you have a deficit, the Fund Balance was applied and then the allocation was done. In reality it should have been done on an 85/15 split of that, which meant a larger amount could have been attributed to the deficit on the large carrier side. The large carriers agreed to just apply it and not take the lion's share of the credit. They thought it was fair. Ms. Wahto thought it was pretty generous. That's the piece that got dropped out of the whole discussion on the land lease dispute. When it was said in the Finance Committee meeting that there was a year that there was \$100K deficit,

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it was probably made up that first year of deficit that Alaska Airlines agreed to attribute the lion's share of that deficit through Fund Balance. Just because the numbers were presented, that doesn't tell the whole story. Again, that is going back in history. She thought they had moved forward with using the model. Allocations have not changed. Frasca put in the allocations, which can be changed, but staff is not the person who makes that change. It is up to the tenants to negotiate. The last time this was negotiated, the door was locked for two or three days to figure it out. It was a long, arduous process and they finally agreed, but it wasn't pretty. It was brought up another time and Alaska said, "No."

Board Member Justin Custer asked when the last time a cost-of-service study was done, if ever. He said the cost-of-service study looks at the costs that go into serving different customers or people using facilities. That way you can see that this person is causing these costs, and therefore, this is how we spread out our costs across the customers. Ms. Wahto said there have been two independent parties (paid by Alaska Airlines) that have looked at everything: expense, line item – and they found no issues. Mr. Custer suggested that it might be something to look at investing in if there is disagreement about how the costs are shared to get somebody to come and look and see who is creating what costs and how to recover your costs from the people who cause it.

Ms. Garza said that is sort of what the model is supposed to do. You plug in your revenues and expenses and the model does that. The model can also adjust your rates and fees as described by Mr. Frasca. She said there are a lot of things that need to be talked about before passing the budget. One of them is the Fund Balance and what an appropriate amount is for a Fund Balance, not just for the operating reserve but also for deferred maintenance and maintenance items. With COVID money going away this year and FY25, think back to all of these one-time surprises that have occurred. They talked about potentially having a deferred maintenance amount that is added into the Fund Balance reserve so that the Airport is covered when those things come up. When the budget is discussed, the Fund Balance has to be part of that. Part of that also has to be how much is needed to set aside for these maintenance items that come up to make sure they are not left holding the bag. With the absence of those things and not having a lot of time to review it, she personally was not comfortable pushing it forward. It is not about the rates and fees, especially for her employer. If you look at the amount of impact that her employer would have had for the increase of the fuel flow fees, it is nominal. She will not compromise that, let alone her character be judged on how the meeting was run. She spoke to the attorney after the meeting, and they talked through the conflict of interest. There was no conflict of interest at the meeting. The Finance Committee meetings have always been informal. They have been more like a workshop, which she stated at the meeting. She stated that in the meeting, "Let's not do this formal, please. Let's have a discussion." So, the meeting was run on that basis. She did Zoom the meeting from her office, but otherwise she was going to be late. There is nothing in the bylaws that say this cannot be done. She wanted to address this as it was addressed at the beginning of the meeting. She checked with the Law Department downtown and she watched the meeting

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twice. She did not feel that she was out of line. Mr. Craford did speak for a long time during the meeting, but that is just what he does.

Ms. Wahto said the model will tell you certain things. It is trying to set up who has some responsibility in each cost center. There are still some things that staff has to do, such as some sort of balancing. The security fees are a fine example. The model does not know how many hours that JPD (Juneau Police Department) is required to be at the checkpoint. That changes and has to be looked at every year. It also does not know the enplanements. Based on that, there is a formula that generates what piece of the security costs end up being the large carrier. This has to be done independently. The other thing is that the model is going to push one fee or the other. It usually defaults to the fuel flow fee. There are things that are in that and after talking with Alaska Airlines, the Airport does not push 100% of that balance on the large carrier to all fuel flowage fees. Staff looks at proposing a few different things. In this case, it was a combination of fuel flowage fees and landing fees for them. It is a lot of back and forth but knowing that you don't put all of your eggs in one basket, because if you charge too high of fuel flowage fees, they will get their fuel elsewhere. Staff is careful not to look at that as the sole area to raise fees. Last year, the costs were spread across the board. Staff did CPI adjustments. A lot of the fees have not been increased. The model is a tool, but it is not the magic that all of a sudden balances your budget.

Chair Clough said he was reminded that no good deed goes unpunished. During the COVID downturn, the Board working with staff made conscious decisions not to raise rates as there was COVID money to offset those things. Tenant relief was given for three years. Now that those things are going away and the tools were used so effectively during COVID, they are not only having to get caught up this year, but for those issues, there would have been modest increases for the last three or four years. This is making up for the three or four years with no increases without the COVID money and, of course, your Fund Balance goes into this, which is certainly pertinent. It puts the Board in kind of a difficult position where there would have normally had an orderly evolution of the structure. Now, the Board had to make up for the years they couldn't do it.

Ms. Wahto explained that when the fuel flow fees began, it was in lieu of sales tax. The idea at the time was to maintain something that was level (roughly 5%). It was almost transparent or less at the time than paying sales tax on fuel. Chair Clough noted that the dollars all go to the Airport.

Ms. Garza said that in the May 13, 2021, minutes for the presentation on the model, and the guy from Frasca said, "The biggest difference between this model and the prior model is that this is not only a budget model for the upcoming two budget years, it is a long-term financial forecasting model that currently projects financial results through 2030." He also went on to say, "The model will allow the Airport to evaluate potential changes in operating expense allocations percentages to cross center, non-airline revenue credit

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percentage cost centers, and allocation of rate base requirements between 121 and 135, and the Finance Committee has not gotten into using this part of the model at least from a Finance Committee transparency or understanding.

Ms. Wahto said the Airport has flat fees. There are some costs that are much higher, like the fuel cost allocation or hiring another person. The model projects a slight growth in every category. It is a projection tool for looking ahead to say in five years, you can plan this, which means you're going to need this for your Fund Balance to take care of reserves. In reality, every cost center is a little different. The Airport may see where the security, terminal and JPD were much higher than what was projected, but others were flat. Instead of taking the projection, staff is taking what they are projecting on every single line item on their budget. Staff goes into more detail than just a projection. The model is a tool for looking at that and staff looks at it to see where the budget will be, for the very reason Ms. Garza discussed when talking about Fund Balance and looking at what is needed for emergency balances. When staff is projecting out for five years, the Fund Balance, less the three-month reserve, is going to dwindle down and there is not enough to pay for a \$100K repair on a plow truck. The Fund Balance was included in the agenda showing the deficit and showing the balance. At the same time, she cautioned everyone to be careful of saying that the Fund Balance will stay flat and not do anything for the very reason pointed out, it needs to be looked at. The Airport needs to possibly make sure there is a bigger fund balance not just for the reserves, but for emergencies.

Ms. Garza said it is not that there is a distrust or anything of the numbers provided and the methodology. It is a transparency thing. She came onto the Board just before COVID and there were all these questions right before COVID going into the budget season and then in March COVID hit, and it was decided not to do anything. Nothing has been done since COVID. She thought it made sense on a regular schedule to get into the numbers, especially when there are new Board Members that haven't been in it. As complex as it is, how can they feel assured what they don't understand to pass a budget on to the Assembly. She thought a workshop or something so everyone understands what they are passing, how it works, and how it affects the user groups and have the user groups as part of the work session. She didn't know what needed to be changed if anything.

Chair Clough said the Board was very generous to their user groups because they had the ability to be so. Those times have come to a screeching halt. If the information can go back and forth so that the user groups and the Board realize nobody is trying to hose anybody here. This is the new reality. The Airport does not have millions of dollars of free money coming in that can be used all over the map. The Airport needs to have a balanced budget. He said a meeting can be held with the user groups on why the Airport budget is where it is at. Some of the players are still here and some are not. This would give a history of where we're at, how the split is right now and the budget realities that are having to be faced without free extra money. This would give them the opportunity to ask questions. This would not be just for the Board, but also the public and some user groups.

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Board Member Eve Soutiere said that it needs to be clear on whether this is a work session or an information session. If it is clear, this will set the tone for the whole meeting. Chair Clough thought it would be an informational exchange from the staff to provide an a-to-z on how we got to where we're at, the history behind it, the methodologies that are being used, why those are used, and to remind everybody how the model works – what it can and cannot do, and the realities of the budget climate the Airport is now facing. This is to push out information and get an exchange to make sure that everybody who chooses to participate can be heard and understand where some of this stuff came from, which would be Step A. If after all that, the Board feels like we need to do some of the things like Jason threw out there or anything else or staff wants to try something, that is a turn of the page. It is not to reinvent the wheel tonight. He wanted public users to understand how the Airport got to where it is and the reality that it is facing for the next few years. Hopefully when it is all said and done, they will remember why it got there.

Chair Clough said he hoped to move with the recommended Board motions. The informational exchange with the users needs to be scheduled. It would be nice to have it within the next six weeks. Ms. Garza said she reached out to the Mayor to let her know the Airport may be behind with the budget, who said that's fine. If the Board is not comfortable passing a budget, then she is not comfortable receiving a budget. She said there is a little bit of additional time. In terms of the work session, she thought future forecasting is something they should do. What is needed in the Fund Balance, looking at different types of revenue sources. There is a lot more cargo coming through the airport. Some airports are charging for that. She said it is a difficult thing to do but would be a self-report for airlines. She thought in the new atmosphere that getting creative is going to be worth it.

Mr. Spencer said he was concerned about current staff shortages. If these sessions are held, preparation is needed. There needs to be some time. Chair Clough asked the Airport Manager to come up with a time frame for this meeting. He said we want to give people the history of where the Airport is at, understand the model, why the model is used, what it provides, and let people know what the budget challenges are for the next five years. He said to remind them what was done for them during COVID. Ms. Garza said she would be happy to work with Ms. Wahto and thought it would be better if they all were in agreement prior to having a public meeting. Perhaps it would be a Finance Committee work session and then a public meeting that would be informational. Ms. Garza said one more comment to note is that the City has not published the final financial audited statements for the previous year. If there are changes that come through for that, would it change the budget? Airport Business Manager Angelica Lopez Campos said this will be done by March 31, 2024. *Chris Peloso moved to approve the FY25/26 budgets as attached in Attachments # 1, #5 and #6, shown with the increases to the Airport Rates and Fees Regulation, and forward to the Assembly for approval.* Ms. Garza noted that the recommendation from the Finance Committee was a work session to get into the numbers. There was not a lot of time to work through the numbers. For those reasons she had not

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been able to look at the numbers. Mr. Spencer noted this is a budget, which is all it is. It is not an accounting document, but a plan for how to approach. It can be changed. He did not view this as something in stone. *The motion passed on a roll call vote of five to two (Jason Custer, Jodi Garza).*

Chris Peloso moved to approve the increases to the Airport Rates and Fees Regulation, as summarized in Attachment #4 and begin the public regulation process, then bring the regulation back to the Airport Board for consideration of public comment, approval and forward to Assembly for final adoption. Jodi Garza abstained from voting on the motion as the rates and fees affect her employer. Mr. Custer said he would vote against it because he is used to seeing a process of studying the cost of service first with a cost-of-service study, then the rate design is proposed based on the cost-of-service study and then there is an opportunity for public input. After all of that, the rates are established. He liked a cleaner process. The motion passed on a roll call vote of five to one (Jason Custer).

A five-minute break was taken.

G. NEW BUSINESS:

4. Airport Manager's Report:

- a. Federal Aviation Administration (FAA) Meeting. Staff attended a meeting with Airports Division Planners, Project Managers, and Aviation Tech. Systems Specialist with the National Air Space. They went over a lot of the projects with staff to ensure everything is in the system so that they know what is coming down the line, including anything that could affect their navigational aids or airspace, etc. A lot of the projects were discussed with them. There was a discussion about the new air traffic control tower, which staff has been trying to look at. There is a lot that goes into that: from being on the 100-year plan, to the 50-year plan, to the 35-year plan, when you get a new tower and how much it will cost. One of the things is that this is an interesting setting where it is FAA personnel in a tower that is actually owned by the airport.

Ms. Wahto said staff has been looking at trying to push it forward and get some funding. It is separate than the regular AIP (Airport Improvement Program) dollars, but it is also a lot of work. One of the things that was questioned was if the Airport could have the FAA take over ownership of the tower and build it somewhere and the Airport has a place for it. They said they don't normally do that, but based on the fact that it is FAA staffed, we would probably have a pretty good leg on that. She is going to move forward with finding out how this could happen. All it would do is basically shift the ownership and the responsibility of doing the siting project. The Airport would provide the space, but they would do the siting and design, instead of having to go through the Airport and having to touch a lot of documents and spend a lot of time, staff is going to try to shift this back to the FAA.

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- b. Assembly Committee of the Whole (COW) Meeting. The COW was held on March 6. It was attended by Dan Spencer, Jodi Garza and Chris Peloso who presented the update to the Assembly. There were a lot of topics covered. There were a lot of good questions. They did a great job at presenting information. Mr. Peloso said some of the Assembly Members came up to them afterwards and said they really appreciate the Airport Board as one that has their act together, more than most of the other boards in town. He passed that compliment on.
- c. Snow Removal Kudos. During the COW meeting, Laurie Craig gave kudos to the Airfield staff for the snow removal efforts. Not only was the whole city dealing with a lot of snow removal, but the crew also kept the Airport open. She did mention that they even kept the EVAR (Emergency Vehicle Access Road) plowed. The ulterior motive was to get emergency vehicles out there, but the walkers appreciated it.
- d. Deputy Airport Manager Recruitment. The recruitment is still ongoing and working with a recruiter. The contract with the recruiter states that payment will only be made if they find someone, and they are employed. Ms. Wahto said this recruitment was for a flat fee under \$5K to fill this position. Because the recruiter wanted to branch into more of a government type of recruitment, this is kind of a first-time.
- e. Aircraft Rescue Fire Fighting (ARFF) Truck Update. Ms. Wahto said the truck should be seen operational in the next few weeks. This will be an interim truck while the Airport is waiting for the grant for the new truck and the manufacturing time for that truck.
- f. Canagold Mining Operations. Canagold has discussed opening a mine down the Taku River. They have determined that the best way to run their operations is to run it via aviation. They will fly the ore out, rather than doing anything different. They are still on track. They are going through their environmental up at the mine site and to get an extended runway put in to handle ATR72s. On a good day, they expect to average nine to ten flights a day to bring ore in. This is in the future.
- g. CARES/CRRSAA/ARPA Fund Balance. No update.
- h. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Project Reports:
 - *Juneau Douglas North Crossing Project.* A Technical Advisory Committee meeting as well as a public outreach meeting was held on March 7. It provided an update where State Department of Transportation (DOT) are in the process. There is information out there right now that is open for public comment on their website. She encouraged all to look at the site and review the information

provided and make sure they don't have any questions. During the Technical Advisory Committee meeting, the airport and safety came up. Ms. Wahto felt confident that is in their records now. Jason Custer asked if the Airport would provide comments that would not disappear. Chair Clough said no. In discussions with the Mayor and Assembly and the long and the short of that was that the contractor, with DOT shaking their head yes, assured the Airport that any alternative that infringes upon the current or future approaches to the airport will fall off as infeasible.

5. Airport Projects Report – Mike Greene. Mr. Greene reported the Airport has accepted Dawson's proposal for the glass guard rail assembly for the *Terminal Reconstruction Project* and asked Dawson to move forward with their preparation of submittal documents that will be brought over to the design team for their review. This is finally moving forward. The ground source heat loop glycol replacement is no longer replacing the methanol as the efforts to clean it have been successful. The effort will continue. This RFP (Request for Proposal) is being simplified to introduce a filtration system. This work is no longer critical to the balancing effort but will be pursued. It is a long-term fix for a long-term problem. Staff is still asking Dawson to verify the numbers. Staff believes this should come down and Dawson's electrical contractor is looking to see if that can be done. The terminal air balancing work is finally having a date set (April 1 through 13) as a target goal to get this work completed. There is one piece of equipment that is no longer running that needs to be up and running, so efforts are being coordinated with JNU Maintenance staff to see if it can be brought on-line by then.

Fire Alarm Upgrade had a substantial completion inspection on March 2. The report has been given to Johnson Controls. They are currently working on the punch list, and it is expected that will be done fairly soon. Final payment will then be made, and the project closed out.

Mr. Greene reported that the bulk of his time has been spent on the *Rehabilitate Part 121/135 Apron & Remain Overnight (RON) Parking Apron Project*. Endless meetings have been held with Secon and Alaska Airlines. A tentative schedule has been made to start this project. Secon wants to mobilize into the RON area on April 1 and begin construction on April 8. They will come out of the gate very aggressively and will try to do multiple phases overlapping and be completed by the end of May. There was a small phasing plan that was provided in the report. This initial effort will complete Phases 1A, 1B, 1C, 2A, 2B, 3A, 3B, and 12 essentially at the same time. This is necessary in order to get aircraft into the RON. There is no point in completing the RON if aircraft cannot use it. Tenant outreach has been held with both Coastal Helicopters and Alaska Airlines. Delta has also been told that they will not use Gate 5, but will use the RON, which will be ready when they show up. The rest of the project schedule has kind of bogged down

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with Alaska Airlines, who still wants to do the Gate 3 and Gate 4 PBB (Passenger Boarding Bridge) replacements. In a preconstruction meeting, Secon still does not have a contract with Alaska Airlines to do that work.

As far as Secon is concerned, the project priority is the ramps project and Gate 5, which is what their contractual obligation to the Airport is. Staff agreed in the meeting that if Secon gets done with the Phase 3A area and the RON is completed, then the project will continue to move forward until they work into the 135 area. He expected Alaska Airlines would be upset about that, but if they are late to the party, there is nothing that can be done. The importance of coordinating with Alaska Airlines is that if the project doesn't try to combine the work, their gates will be down while Secon is doing the civil work, it will reopen, and then Alaska Airlines will show up and the gate will have to go down again. It's a huge inconvenience for passengers if it is closed twice. Secon wants to get everything done this year except for the Alaska Airlines cargo area. This will be updated as the project moves forward. Constant updates will be made.

Staff has received proHNS' analysis and recommendations for the *Mendenhall River Rock Repairs Project*. These will be forwarded to the City & Borough of Juneau and the State of Alaska Emergency Management for review. This will be put into the queue for funding for that project. Ms. Wahto said she believed that while they keep track of it, the City has to come up with the funding.

Culvert Condition Survey for the Jordan Creek Culvert at Runway 8/26. Mr. Greene met with proHNS to review what they discovered. They could not help but jump into looking at repair possibilities, which wasn't part of their scope of work. He appreciated the fact that they were super interested and looked into a way to repair the culvert without ripping it out of the ground or having to dig down and close the runway, which would trickle into using the taxiway as the runway and a month or two of having no runway. They came up with an idea of a lining that is a spray-on polymer or carbon fiber lining could be done while the runway was in use and would not require any runway shutdown. He has asked proHNS to look into that and come up with a rough estimate of cost. As far as cost goes, he thought the cost in relation to runway shutdown/taxiway conversions and all of the impacts, it might be well worth it.

Ms. Garza asked about the land acquisition purchase of the Loken property. She was concerned the purchase was approved and paid out of CARES funds. Ms. Wahto said it was approved from the Capital Revolving Account. Ms. Garza asked if \$50K was still sufficient. Ms. Wahto replied that it was a guesstimate to get a property acquisition specialist on. This is on hold because of the environmental agreement. This is independent of CARES.

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6. **Airport Projects Report – Ke Mell.** Ke Mell, Airport Architect, reported the FAA has approved the preliminary close-out report for the *Parking Lot Project*. DOWL's final payment request has been approved. There are a couple of minor warranty items under Secon's contract – hydroseeding, painting a couple of parking spaces – that will be completed this spring. There is a one-year warranty on the project, but generally the project is complete.

Substantial completion walk through for the *Outgoing Baggage Belt Project* is scheduled tomorrow. The work is complete. The system is functioning. Everyone is happy.

Paperwork is closing out for the *Buried Fuel Tank Removal and Replacement Project* in the next few weeks. The work is done. The new tank is in, hooked up and heating the building.

Dawson has been asked to remove *Gate 5 PBB* as soon as possible. They will begin removal the week of March 25. Coordination is occurring with Alaska Airlines to minimize the impacts to their operation.

The commissioning for the *Snow Removal Equipment Building* has been handed over to Ms. Mell. The ground source heat pump system is finally operational after a number of repairs. It is ready for commissioning. This will be done by Respec in coordination with Juneau staff and Meridian Control Systems at a future date.

H. **CORRESPONDENCE:** None.

I. **COMMITTEE REPORTS:**

7. **Finance Committee:** None.

8. **Operations Committee:** None.

J. **ASSEMBLY LIAISON COMMENTS:** 'Wàahlaal Giidaak said the joint Committee of the Whole meeting with the Board was a good meeting. She appreciated everyone that was able to show up. She appreciated the conversation about the budget and finance. She will report what she heard during this meeting back to the Assembly.

K. **PUBLIC PARTICIPATION ON NON-AGENDA ITEMS:** None.

L. **BOARD MEMBER COMMENTS:** None.

M. **ANNOUNCEMENTS:** None.

AIRPORT BOARD MEETING

March 14, 2024

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- N. **NEXT MEETING DATE:** Ms. Wahto said downtown had asked if any Board Member would be able to attend the April 6, 2024, Assembly Finance Committee meeting. She will give the City a Power Point presentation, some notes and have it read into the record.

The next regular Airport Board meeting will be held on April 11, 2024, at 6:00 p.m. in the Alaska Room and via Zoom.

- O. **EXECUTIVE SESSION:** None.

- P. **ADJOURN:** *Dan Spencer moved to adjourn. The motion passed by unanimous consent and the meeting adjourned at 7:47 p.m.*



AIRPORT BOARD FINANCE COMMITTEE AGENDA

February 28, 2024 at 10:30 AM

Airport Manager Conference Room/Zoom

<https://juneau.zoom.us/j/88511250221?pwd=bP5oyTILQMTS7lUWn1gdnatTbFpCZ1.1>

Dial: 888 475 4499 US Toll-free

Meeting ID: 885 1125 0221

Passcode: 823406

**TO TESTIFY: CONTACT PAM CHAPIN, 907-586-0962
BY 3:00 PM ON FEBRUARY 27, 2024**

A. CALL TO ORDER

B. ROLL CALL

C. NEW BUSINESS

- FY24 Projected (see Attachments #1, #2 and #3).** FY24 Expenses are projected to be slightly higher than budgeted by approximately \$292K. This was related to CARES approved project costs and acquisition of a forklift added to the budget (paid by CARES). Additionally, there is a projected revenue shortfall compared to budgeted for security screening fees (fewer passengers through checkpoint) at a decrease of \$112K, a decrease to the projected interest income by \$131K, and other fees lower than anticipated. The Airport continued with Commercial aviation leases/rents abatement at a cost of \$1.5M for FY24. This shows lower revenue but is covered with CARES funding. The amount for FY24 operational expenses covered by CARES is \$2.1M for the fiscal year.

- FY25 and FY26 Proposed Narrative of Changes (See Attachments #1, #2 and #3)**

EXPENSES – There are increases in many areas outside of the Airport’s control including salary increases, insurance increases and contractual agreements. Other increases were Board approved such as increases to Terminal janitorial and Aircraft Rescue Fire Fighting (ARFF) full-time Chief position (as recommended by Federal Aviation Administration (FAA) Certification Inspector). Some of the changes are outlined below:

ADMINISTRATION

Full Cost Allocations – The costs for interdepartmental services have increased \$20,700 for both FY25/26 full cost allocation.

TERMINAL

Personnel – Terminal added two janitorial positions and a maintenance mechanic (for the heat pump systems, etc., which would replace the contractual preventative maintenance contract). Increase \$271,000 (FY25), \$288,100 (FY26).

Contractual – Contract for preventative maintenance contracts (jetways, electrical). Increase \$36,000 for both FY 25/26.

Materials/Commodities – general increase in supplies and FY25 wheels rolling live emergency drill provides volunteer food and additional supplies. Increase \$44,200 (FY25), \$19,000 (FY26).

Minor Equipment/Vehicles – snow blowers, floor cleaner replacement, computers, etc. Increase \$42,500 (FY25), \$38,500 (FY26).

AIRFIELD

Personnel – Airfield had some shifting of personnel (operators/mechanic) which would have shown a

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decrease, however, Airfield shows a reduction in the manpower credit associated with federally funded grant projects (less time changed to projects). The net will show as an increase to personnel costs. Increase \$86,400 (FY25), \$110,200 (FY26)

Fleet Contribution – This has been programmed for the past twenty-five years at \$30,000, which does not cover the cost of vehicles and equipment purchased within City Fleet. This was increased to \$60,000 for FY25/26, for an increase of \$30,000 for both years.

Materials/Commodities – Increased pricing for runway deicer, sand, broom cassettes, and snow removal maintenance. Increase \$43,500 (FY25), \$145,500 (FY26).

Contract Management – Wildlife hazard management, electrical contracts. Increase \$53,400 (FY25), \$35,400 (FY26).

Miscellaneous – Miscellaneous increases in equipment rentals, repairs, fuel, etc. Increase approximately. \$29,000 (FY25).

ARFF

Contractual ARFF – An approved increase by the Board (per FAA recommendation) to support a full-time supervisory position (instead of 50%) to oversee training, recordkeeping, etc. Increase \$65,900 (FY25), \$72,700 (FY26)

Training increase \$13,000 (FY25), \$5,100 (FY26).

Rents – Lease of interim, back-up ARFF apparatus. Increase \$24,000 (both FY25 and FY26).

AIRPORT SECURITY

Contractual Juneau Police Department (JPD) – A shortage of officers/sergeants has pushed more overtime coverage to the Airport, in addition to union increases/longevity increases. Increase \$115,600 (FY25), \$119,200 (FY26). Note that the cost center itself increased as a whole, but the contractual was the bulk of the increase.

OVERALL

Insurance – This is on all cost centers and includes increases in special policies and properties. Increase \$20,000 (FY25), \$59,600 (FY26).

Net Expense increases as compared to FY24 Amended budget:

FY25 Proposed up \$895,600

FY26 Proposed up \$1,044,700

REVENUES

Security Screening Fees look to fall short of the requirement for the allocation of contractual screening (officer coverage at 91% based on checkpoint open). Projected enplanements fell short of predicted numbers. Coupled with the increase in contractual expenses for FY25 and FY26, short fall now looks to be \$139,700 (FY25), \$165,500 (FY26). Cost allocations would require an increase to SSF to \$2.69/pax for FY25 (FY26 increases will be addressed next year).

Fuel Flowage Fees (GA/135) increases proposed for FY24 were negotiated down from the proposed \$0.30/gallon to \$0.26/gallon. Total revenue shortage was just under \$50,000, which was covered by CARES for FY24 ONLY. This would give time for small carriers to plan for increases in FY25, and forward. Fuel Flowage Fees (air carrier) were slightly lower than projected for FY24 as well as non-signatory reports.

As FY24 amended budget was presented, increases in every category of Airport Rates and Fees was programmed. However, increased expenses for FY25/26, as outlined above, as well as shortfalls on some projected revenues in FY24 (security screening fees, fuel flowage, interest income), carry forward to FY25/26 budget.

Net Revenues, as shown in the deficit budget (as compared to FY24 amended budget):

FY25 Proposed up \$287,400

FY26 Proposed up \$290,700

The FY25/26 Revenues are still well short of the proposed Expense increases, above.

Bottom Line Deficit of Expenses vs. Revenues (see attached Expenses vs. Revenue Summary)

FY25 shortfall (\$648,100)

FY26 shortfall (\$793,900)

3. **Determination of Shortfall.** Before determining rates and fees required, staff determined which cost centers showed deficits. The major ones are outlined below.

AIRPORT SECURITY – This is two-fold and a bit more complicated to compute than other rates. First, determining the percentage of hours that an officer is required at the checkpoint, then allocating residual costs between the user groups (Air carrier/135-GA). Based on percentage and cost of officers, less TSA reimbursement, air carriers are responsible for \$871,400 of security costs (which is the calculation number used for cost per passenger/per airline request); of this, \$139,700 is the shortfall, mentioned above. The 135/GA has a residual security increase of \$10,800 that is calculated through the airfield cost allocation for that user group.

ARFF – This is a straightforward calculation; the allocation for ARFF is at 95/5%. The ARFF cost center expenses are up to \$101,700 (\$96,600/\$5100 split).

TERMINAL – With the additional personnel, the terminal cost center increased \$401,400. Staff applied one year (2023) CPI to terminal rates (\$17,700), and the residual would be calculated with rates and fees increases after applying anticipated concession fee increases.

AIRFIELD – As detailed above, the increased expenses for FY25 are up \$254,300. Airfield costs are calculated based on the 85/15 allocation. Residual costs are calculated through rates and fees increases after applying anticipated increase revenue from other sources (such as increased landings, gallons or additional leased land).

4. **Rates and Fees Discussion (Attachments #4, #5 and #6)**

*SECURITY SCREENING FEES. This is a straightforward calculation based on units (passengers), as mentioned above. A fee increase from \$2.26 to \$2.69 would generate \$139,500 in additional revenue for this cost center to balance. EFFECTIVE MAY 1, 2024

TERMINAL RENTS – With the terminal cost center increases, staff applied a 1.8% CPI increase to all terminal rents for FY25. This would generate \$17,700 in increased revenue. See attached summary. Residual terminal expenses would be paid through fuel flowage fees (FFF).

FUEL FLOWAGE FEES 135/General Aviation (GA) – As stated earlier, the fuel flowage fees for 135/GA were only raised by half of what was required for FY24 (only raised to \$0.26/gallon instead of the required \$0.30/gallon which was deferred to FY25). Raising to \$0.30 would make up the shortfall that was projected for FY24 but would not cover the increases FY25 and beyond. To cover the 135/GA

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allocations, this would now need to be \$0.33 for FY25. This would also equate to a non-signatory FFF of \$0.41. Additional revenue anticipated from 135/GA FFF increase is \$66,700, and from non-signatory an increase of \$27,000.

A split of expense cost allocations for air carriers (121) was calculated between both the FFF and Landing Fees (LF):

*FUEL FLOWAGE FEES Air Carrier (121) – An increase from \$0.265 to \$0.30/gallon would generate \$115,600 EFFECTIVE MAY 1, 2024

*LANDING FEES Air Carrier (121) – An increase from \$3.06 to \$3.34/1,000 lbs. would generate \$270,900 EFFECTIVE MAY 1, 2024

*LANDING FEES (LF) Non-Signatory – An increase from \$3.83 to \$4.18/1,000 lbs. would generate \$10,600 EFFECTIVE MAY 1, 2024

Attachment #4: Summary of Rates and Fees Increases which would be applied to the Airport Rates and Fees Regulation if approved. Attachment #5: Proposed Revenues increases and Attachment # 6: Summary of Expenses/Revenues with proposed increases.

***NOTE: IN PAST YEARS, 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, 2024.**

5. **Budget Approval (Attachments #1, #5 and #6).** Once the budget and any rates/fees increases are approved, the Airport Finance Committee will need to move the budget and the proposed increases to the rates and fees regulation forward to the Board. While the budget would go to City & Borough of Juneau (CBJ) Finance Committee, it would be contingent upon the Airport Rates and Fees Regulation public process that includes going out for a 21-day public comment period, then back to the Board to consider any comments. After approval, the regulation would need to go to the Assembly for adoption (one meeting). This would need to parallel the budget process.

Finance Committee Motion: *"Approve the FY25/26 budgets at attached in Attachments # 1, #5 and #6, shown with the increases to the Airport Rates and Fees Regulation, and forward to the Airport Board for approval."*

Finance Committee Motion: *"Approve the increases to the Airport Rates and Fees Regulation, as summarized in Attachment #4 and forward the full Regulation on to the Airport Board for approval and to start the public regulation process."*

D. NEXT MEETING DATE: To Be Determined

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.gov.

ATTACHMENT #1

FY 25 / FY 26 EXPENSES

2/23/2024

ADMIN	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
Admin	560500101	5110-(	Salaries	437,851	555,276	977,300	551,000	1,052,500	1,070,800
Admin	560500101	5111-(	Overtime	1,044					
Admin	560500101	5116-(	Accrued leave	91,469	119,670		110,000		
Admin	560500101	5120-(	Benefits	256,711	296,545	496,800	296,400	529,300	534,800
Admin	560500101	5121-(	Deferred Comp Employer Match			3,600	2,500	3,600	3,600
Admin	560500101	5130-(	Workers compensation	15,100	9,600	13,000	13,000	13,200	14,200
Admin	560500101	5140-(	Engineering workforce			(479,000)		(608,200)	(620,500)
Admin	560500101	5200-(	Business travel						
Admin	560500101	5202-(	Travel and training	220					
Admin	560500101	5310-(	Telephone	9,383	8,519	9,000	9,000	10,000	10,000
Admin	560500101	5320-(	Printing	610	2,861	600	2,000	2,000	2,000
Admin	560500101	5322-(	Advertising	300	480	200	600	1,000	1,000
Admin	560500101	5332-(	Electricity	997	2,210	1,100	3,500	3,500	3,500
Admin	560500101	5335-(	Water service						
Admin	560500101	5336-(	Wastewater service						
Admin	560500101	5380-(	Dues and subscriptions	8,909	10,805	11,000	11,000	12,000	12,000
Admin	560500101	5390-(	Contractual services	15,551	60,741	15,000	25,000	25,000	25,000
Admin	560500101	5394-(	Full Cost Allocation	372,800	412,600	374,500	374,500	395,200	395,200
Admin	560500101	5453-(	Insurance premiums	154					
Admin	560500101	5480-(	Office supplies	389	741	400	1,500	1,500	1,500
Admin	560500101	5481-(	Postage and parcel post	186	134	400	400	400	400
Admin	560500101	5490-(	Materials and commodities	3,396	1,464	1,500	2,000	2,000	2,000
Admin	560500101	5494-(	Loss contingency			1,000	1,000	1,000	1,000
Admin	560500101	5496-(	Minor equipment			1,000	1,000	1,000	1,000
Admin	560500101	7005-(	Reimbursable Expense - Externa		(350)				
TOTAL			TOTAL	1,215,071	1,481,296	1,427,400	1,404,400	1,445,000	1,457,500

Terminal	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
Terminal	560500201	5110-(	Salaries	377,948	418,353	472,100	409,000	631,500	644,600
Terminal	560500201	5111-(	Overtime	37,584	50,530	15,000	41,000	15,000	15,000
Terminal	560500201	5116-(	Accrued leave	70,945	63,950		68,000		
Terminal	560500201	5120-(	Benefits	266,966	295,070	306,900	305,000	418,500	422,500
Terminal	560500201	5121-(	Deferred Comp Employer Match			6,700	5,500	6,700	6,700
Terminal	560500201	5130-(	Workers compensation	10,700	6,700	9,200	9,200	9,400	10,100
Terminal	560500201	5140-(	Engineering workforce						
Terminal	560500201	5202-(	Travel and training	770					
Terminal	560500201	5205-(	Contractual training						
Terminal	560500201	5310-(	Telephone	5,174	5,449	6,000	6,000	6,000	6,000
Terminal	560500201	5320-(	Printing	103					
Terminal	560500201	5332-(	Electricity	173,886	185,681	191,100	185,000	185,000	185,000
Terminal	560500201	5333-(	Fuel oil & propane	12,676	4,906	5,000	3,000	4,000	4,000
Terminal	560500201	5334-(	Refuse disposal	14,043	16,459	16,000	16,000	16,000	16,000
Terminal	560500201	5335-(	Water service	3,922	5,206	5,000	6,000	6,000	6,000
Terminal	560500201	5336-(	Wastewater service	14,781	19,622	18,000	20,000	20,000	20,000
Terminal	560500201	5340-(	Repairs	4,213	29,622	33,000	35,000	35,000	35,000
Terminal	560500201	5344-(	Maintenance - buildings		182,103	5,000	20,000	8,000	8,000
Terminal	560500201	5370-(	Spec & Prop	59,135	110,648	127,900	127,900	134,600	144,400
Terminal	560500201	5390-(	Contractual services	147,892	165,485	184,000	210,000	220,000	220,000
Terminal	560500201	5480-(	Office supplies		258				
Terminal	560500201	5490-(	Materials and commodities	160,632	213,889	109,000	110,000	153,200	128,200
Terminal	560500201	5494-(	Loss contingency			1,000	1,000	1,000	1,000
Terminal	560500201	5496-(	Minor equipment	2,973		21,500		55,000	40,000
Terminal	560500201	5510-(	Vehicles and equipment	38,390	9,108		19,200	9,000	20,000
TOTAL			TOTAL	1,402,736	1,783,037	1,532,400	1,596,800	1,933,900	1,932,500

Airfield	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
Airfield	560500301	5110-(	Salaries	777,523	762,858	1,302,200	950,000	1,246,100	1,263,000
Airfield	560500301	5111-(	Overtime	170,011	143,722	200,000	150,000	200,000	200,000
Airfield	560500301	5116-(	Accrued leave	98,911	106,663		110,000		
Airfield	560500301	5120-(	Benefits	531,559	515,285	819,500	560,000	815,500	820,600
Airfield	560500301	5121-(	Deferred Comp Employer Match			15,600	12,000	15,600	15,600
Airfield	560500301	5130-(	Workers compensation	26,900	16,900	23,200	23,200	23,500	25,300
Airfield	560500301	5140-(	Engineering workforce			(608,700)		(462,500)	(462,500)
Airfield	560500301	5150-(	CBJ OH				26,000		
Airfield	560500301	5200-(	Business travel	120	240				
Airfield	560500301	5202-(	Travel and training	1,230				3,600	3,600
Airfield	560500301	5310-(	Telephone	4,870	6,090	5,000	6,000	5,000	5,000
Airfield	560500301	5320-(	Printing		73		1,100		
Airfield	560500301	5322-(	Advertising	198	176				
Airfield	560500301	5332-(	Electricity	143,995	133,528	136,500	136,500	136,500	136,500
Airfield	560500301	5333-(	Fuel oil & propane	28,870	81,721	30,000	30,000	30,000	30,000
Airfield	560500301	5334-(	Refuse disposal	4,462	12,637	5,000	5,000	5,000	5,000
Airfield	560500301	5335-(	Water service	12,264	13,861	13,000	14,000	15,000	16,000
Airfield	560500301	5336-(	Wastewater service	43,033	67,904	45,000	45,000	45,000	45,000
Airfield	560500301	5340-(	Repairs	48,444	51,884	50,000	55,000	55,000	55,000
Airfield	560500301	5344-(	Maintenance - buildings	8,358	49,925	4,000		4,000	4,000
Airfield	560500301	5360-(	Equipment rentals	25,699	47,613	25,700	75,000	25,000	25,000
Airfield	560500301	5362-(	Fleet replacement reserve	30,000	30,000	30,000	30,000	60,000	60,000
Airfield	560500301	5370-(	Spec & Prop	118,270	221,195	255,900	255,900	269,300	288,600
Airfield	560500301	5375-(	General Liab, Auto & EE Pract	6,800	7,200	4,900	4,900	4,600	4,800
Airfield	560500301	5380-(	Dues and subscriptions		4,000				
Airfield	560500301	5390-(	Contractual services	189,857	628,765	322,600	411,000	376,000	358,000
Airfield	560500301	5392-(	Management and consultant fee	172,258	210,924	210,000	215,000	215,000	215,000
Airfield	560500301	5480-(	Office supplies	2,265	5,488	2,000	4,000	5,000	5,000
Airfield	560500301	5490-(	Materials and commodities	1,087,778	1,271,684	1,207,100	1,208,300	1,250,600	1,352,600
Airfield	560500301	5492-(	Gasoline and oil	136,782	110,949	120,000	120,000	130,000	130,000
Airfield	560500301	5496-(	Minor equipment		3,173	2,500	2,500	2,500	2,500
Airfield	560500301	5510-(	Vehicles and equipment		48,715				
Airfield	560500301	5830-(	Fees	1,322					
TOTAL				3,671,779	4,553,174	4,221,000	4,450,400	4,475,300	4,603,600

ARFF	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
ARFF	560500401	5202-(	Travel and training	35,186	22,740	49,600	49,600	62,600	54,700
ARFF	560500401	5310-(	Telephone	1,797	1,774	1,800	1,800	1,800	1,800
ARFF	560500401	5330-(	Rental				12,000	24,000	24,000
ARFF	560500401	5332-(	Electricity	9,021	9,605	9,800	9,800	9,900	9,900
ARFF	560500401	5333-(	Fuel oil & propane	22,701	28,611	36,600	29,400	31,800	31,800
ARFF	560500401	5334-(	Refuse disposal	1,939	2,681	2,800	2,700	2,900	3,000
ARFF	560500401	5335-(	Water service	356	399	500	400	500	500
ARFF	560500401	5336-(	Wastewater service	1,349	1,511	1,500	1,600	1,600	1,700
ARFF	560500401	5340-(	Repairs	27,123	13,785	25,200	25,200	25,200	25,200
ARFF	560500401	5344-(	Maintenance - buildings	686					
ARFF	560500401	5345-(	Building Maint Division Charges	28,200	27,800	29,100	29,100	32,400	34,700
ARFF	560500401	5380-(	Dues and subscriptions	195	540	300	300	300	300
ARFF	560500401	5390-(	Contractual services	1,042,010	1,064,800	1,292,600	1,292,600	1,358,500	1,365,300
ARFF	560500401	5488-(	Uniforms and safety equipment	190	172	5,000	5,000	5,000	5,000
ARFF	560500401	5490-(	Materials and commodities	6,391	620	2,000	2,000	2,000	2,000
ARFF	560500401	5491-(	Safety programs and equipment						
ARFF	560500401	5492-(	Gasoline and oil	4,000	5,000	5,000	5,000	5,000	5,000
ARFF	560500401	5493-(	Chemicals	(955)	4,994	5,000	13,000	5,000	5,000
ARFF	560500401	5496-(	Minor equipment	30,322	17,356	32,000	41,500	32,000	32,000
TOTAL			TOTAL	1,210,511	1,202,390	1,498,800	1,521,000	1,600,500	1,601,900

Security	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
Security	560500501	5310-(	Telephone	1,430	1,283	1,300	1,300	1,300	1,300
Security	560500501	5370-(	Spec & Prop	19,778	36,916	42,700	42,700	44,900	48,200
Security	560500501	5390-(	Contractual services	769,043	767,162	901,000	905,800	1,016,600	1,020,200
Security	560500501	5392-(	Management and consultant fee	6,000	10,000	8,000	10,000	10,000	10,000
Security	560500501	5489-(	Uniform and tool allowance			6,500	2,600	6,500	6,500
Security	560500501	5490-(	Materials and commodities	2,330	6,270	6,000	3,000	6,000	6,000
TOTAL			TOTAL	798,582	821,632	965,500	965,400	1,085,300	1,092,200

Landside	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
Landside	560500801	5332-(	Electricity	1,212	1,159	1,900	1,200	1,300	1,300
Landside	560500801	5350-(	Landscape Division Charges	25,800	29,000	44,100	44,100	45,400	46,800
TOTAL			TOTAL	27,012	30,159	46,000	45,300	46,700	48,100

PFAS	Accounting Unit	Acct Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
PFAS	560501301	5390-(	Contractual services	29,200	16,589	20,000	20,000	20,000	20,000

AIRPORT TOTAL **8,354,890** **9,888,277** **9,711,100** **10,003,300** **10,606,700** **10,755,800**

ATTACHMENT #2 FY25/26 REVENUES

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Account Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
4720-0000	Bad debts combo cost center	(6,410)	(34)				
4799-0000	Miscellaneous revenue		(1,431)				
4800-0000	Interest income	231,110	56,871	(203,600)	(72,700)	(87,200)	(90,500)
4800-0300	Lease Interest Income	(65,904)					
4800-0402	AR interest and fines	(1,425)	(3,884)	-	(4,000)		
4800-0403	UB Fin Chg Rev	(231)	(218)	-	(300)		
4870-0000	Proceeds disposal of asse	(5,600)					
4950-0460	Airport projects			(14,620)	(14,600)		
4013-0000	State shared revenues	(54,275)	(76,565)	(80,000)	(80,000)	(90,000)	(90,000)
4300-0036	Fingerprinting Fees	(8,018)	(8,400)	(18,000)	(15,400)	(18,000)	(18,000)
4300-0037	Badging Fees	(40,230)	(43,620)	(84,900)	(56,800)	(60,000)	(60,000)
4300-0038	Taxi, Bus Access Fees	(42,737)	(67,194)	(53,800)	(75,000)	(75,000)	(75,000)
4340-0007	Water Services	(17,135)	(21,695)	(18,000)	(23,000)	(23,000)	(23,000)
4340-0008	Sewer Services	(36,365)	(67,349)	(38,000)	(72,500)	(72,500)	(72,500)
4799-0000	Miscellaneous revenue	(134)	(1,480)	(500)	(2,000)	(500)	(500)
4300-0029	Fuel Flowage Air Carrier	(480,614)	(633,275)	(1,043,400)	(990,000)	(1,010,000)	(1,010,000)
4300-0031	Air carrier Landing Fees	(2,085,619)	(2,248,968)	(2,698,600)	(2,903,000)	(3,003,000)	(3,003,000)
4300-0032	Commercial Aircraft Parking	(23,580)	(1,860)	(130,700)	-	(130,700)	(130,700)
4300-0033	Transient Fees		(400)				
4300-0043	Small Aircraft Parking	(34,109)	(49,924)	(39,800)	(36,200)	(39,800)	(39,800)
4300-0044	Fuel Flowage GA and Taxi	(196,524)	(209,107)	(285,600)	(275,400)	(285,600)	(285,600)
4300-0045	Fuel Flowage Non-Signatory	(102,871)	(126,722)	(139,400)	(115,200)	(120,200)	(120,200)
4300-0046	Landing Fees Non-Signatory	(93,417)	(86,219)	(83,300)	(90,000)	(95,000)	(95,000)
4300-0048	Air Carrier Security Fee	(456,461)	(305,141)	(845,200)	(733,200)	(733,200)	(733,200)
4549-0001	Fuel Sales	(4,000)	(5,000)	(4,000)	(5,000)	(5,000)	(5,000)
4550-0010	FAA-CWO Lease	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
4550-0011	Airfield Ground Leases	(385,710)	(507,474)	(988,200)	(507,000)	(1,164,200)	(1,164,200)
4799-0000	Miscellaneous revenue	(9,352)	4,186	(500)			
4037-0001	TSA LEO Reimb	(74,100)	(74,900)	(127,700)	(127,700)	(127,700)	(127,700)
4799-0000	Miscellaneous revenue	(171,200)					
4300-0030	Jetway Use		-	(126,000)	-	(126,000)	(126,000)
4300-0039	FAA Tower/Equip Rm	(131,205)	(22,014)	(117,900)	(117,900)	(117,900)	(117,900)
4300-0040	Advertising Display	(86,152)	(76,429)	(86,000)	(86,000)	(86,000)	(86,000)
4300-0041	Customs Fees	(24)	(124)	(200)	(200)	(100)	(100)
4420-0000	Fee revenues	(549,009)	(686,716)	(550,000)	(550,000)	(600,000)	(600,000)
4420-0002	Vending revenue	(50,960)	(46,449)	(52,000)	(50,000)	(52,000)	(52,000)
4450-0001	Minor Violations	(2,350)	(825)	(2,000)	(1,000)	(2,000)	(2,000)
4550-0000	Facility rental revenue	(700)	(3,650)	(3,500)	(1,000)	(1,500)	(1,500)
4550-0001	Federal Terminal Lease	(27,814)	(28,837)	(19,800)	(29,000)	(29,000)	(29,000)
4550-0003	Parking Lot Lease	(353,340)	(451,371)	(450,000)	(450,000)	(480,000)	(480,000)
4550-0004	Air Carrier Terminal Lease		-	(801,900)	-	(788,000)	(788,000)
4550-0005	Rental Car Storage	(108,825)	(107,525)	(146,700)	(120,000)	(125,000)	(125,000)
4550-0006	Other Terminal Leases	(59,696)	(28,366)	(150,300)	(30,000)	(150,000)	(150,000)
4550-0007	Rest., Bar, Flight Kitchen	(121,446)	(155,650)	(160,000)	(160,000)	(165,000)	(165,000)
4550-0008	Gift Shop	(14,084)	(10,229)	(25,000)	(14,100)	(27,500)	(27,500)
4550-0009	Staff Parking Fees	(58,658)	(47,053)	(69,600)	(52,000)	(55,000)	(55,000)
4799-0000	Miscellaneous revenue	(355)	-	(500)	(700)	(1,000)	(1,000)
		(5,741,528)	(6,157,042)	(9,671,220)	(7,872,900)	(9,958,600)	(9,961,900)

ATTACHMENT #3
EXPENSE - REVENUE SUMMARY FY25/26

2/23/2024

	FY2022	FY2023	FY2024	FY2024	FY2025	FY2026
	Actuals	Actuals	Amended	Projected	Proposed	Proposed
EXPENSES	8,354,890	9,888,277	9,711,100	10,003,300	10,606,700	10,755,800
REVENUES	(5,741,528)	(6,157,042)	(9,671,220)	(7,872,900)	(9,958,600)	(9,961,900)
EXP/REV SHORTFALL /(OVERAGE)	2,613,362	3,731,235	39,880	2,130,400	648,100	793,900
CARES GRANT APPLIED	(2,613,362)	(3,731,235)	(39,880)	(2,130,400)		
ADJUSTED EXP/REV SHORTAGE /(OVERAGE)	0	0	0	0	648,100	793,900

**SUMMARY OF RATES & FEES REGULATION CHANGES
AIRPORT BOARD FINANCE MEETING
FEBRUARY 28, 2024**

Airport Security Screening Fee: For all passengers that are screened and enplaned at Juneau International Airport

Current: \$2.26 per screened, enplaned Passenger

Proposed: **\$2.69 per screened, enplaned Passenger**
Request May 1, 2024 effective date

*Estimated additional revenue for FY25 budget: \$139,500
(based on 324,435 screened pax, 91% sec expenses)*

Landing Fees:

Signatory:

Current:

Aircraft 12,500 lbs and over, for each 1,000 lbs *or fraction thereof \$3.06/1,000 lbs*

Proposed: **\$3.34/1,000 lbs***
Request May 1, 2024 effective date
*Aircraft 12,500 lbs and over, for each 1,000 lbs *or fraction thereof*

Estimated additional revenue for FY25 budget: \$270,900

Non-Signatory:

Current:

Aircraft 12,500 lbs and over, for each 1,000 lbs *or fraction thereof \$3.83/1,000 lbs*

Proposed **\$4.18/1,000 lbs***
*Aircraft 12,500 lbs and over, for each 1,000 lbs *or fraction thereof*

Request May 1, 2024 effective date

Estimated additional revenue for FY25 budget: \$10,600

Fuel Flowage Fees:**Signatory:**

Aircraft 12,500 lbs and under (AV or Jet) \$0.26/gallon
 FY24 required rate to be \$0.30/gallon to balance budget; Board approved to only implement half the increase (from \$0.22 to \$0.26/gallon)

Proposed ***\$0.33/gallon***

Estimate additional revenue for FY25 budget: \$66,700

Aircraft greater than 12,500 lbs. (Large Commercial Jet) \$0.265/gallon
****Proposed*** ***\$0.30/gallon***

****Request May 1, 2024 effective date***

Estimate additional revenue for FY25 budget: \$115,600

Non-Signatory:

Non-signatory \$0.3325/gallon
****Proposed*** ***\$0.41/gallon***

****Request May 1, 2024 effective date***

Estimate additional revenue for FY25 budget: \$27,000

Terminal Lease: (sf/yr)

Currently:

\$30.45	Counter North (+7 ft)	<i>\$31.00</i>
\$38.35	Counter East (+12ft)	<i>\$39.04</i>
\$27.69	Office North	<i>\$28.19</i>
\$30.89	Office East	<i>\$31.45</i>
\$30.89	Office Admin East	<i>\$31.45</i>
\$30.89	Bag Claim (public)	<i>\$31.45</i>
\$24.61	Bag Make-up/Storage	<i>\$25.05</i>
\$24.61	Storage Frt Room North	<i>\$25.05</i>
\$15.30	Canopy North	<i>\$15.58</i>
\$38.35	Departure/Hold Room	<i>\$39.04</i>

Proposed:

Estimated additional revenue for FY25 budget: \$17,700

Airport Rates & Fees increases are effective July 1, 2024, unless otherwise stated.

****Airlines typically request May 1 start date for Fuel Flowage Fees, Landing Fees and Security Screening Fees.***

Account Code	Account Description	FY2022 Actuals	FY2023 Actuals	FY2024 Amended	FY2024 Projected	FY2025 Proposed	FY2026 Proposed
4720-0000	Bad debts combo cost center	(6,410)	(34)				
4799-0000	Miscellaneous revenue		(1,431)				
4800-0000	Interest income	231,110	56,871	(203,600)	(72,700)	(87,200)	(90,500)
4800-0300	Lease Interest Income	(65,904)					
4800-0402	AR interest and fines	(1,425)	(3,884)	-	(4,000)		
4800-0403	UB Fin Chg Rev	(231)	(218)	-	(300)		
4870-0000	Proceeds disposal of asse	(5,600)					
4950-0460	Airport projects			(14,620)	(14,600)		
4013-0000	State shared revenues	(54,275)	(76,565)	(80,000)	(80,000)	(90,000)	(90,000)
4300-0036	Fingerprinting Fees	(8,018)	(8,400)	(18,000)	(15,400)	(18,000)	(18,000)
4300-0037	Badging Fees	(40,230)	(43,620)	(84,900)	(56,800)	(60,000)	(60,000)
4300-0038	Taxi, Bus Access Fees	(42,737)	(67,194)	(53,800)	(75,000)	(75,000)	(75,000)
4340-0007	Water Services	(17,135)	(21,695)	(18,000)	(23,000)	(23,000)	(23,000)
4340-0008	Sewer Services	(36,365)	(67,349)	(38,000)	(72,500)	(72,500)	(72,500)
4799-0000	Miscellaneous revenue	(134)	(1,480)	(500)	(2,000)	(500)	(500)
4300-0029	Fuel Flowage Air Carrier	(480,614)	(633,275)	(1,043,400)	(990,000)	(1,125,600)	(1,125,600)
4300-0031	Air carrier Landing Fees	(2,085,619)	(2,248,968)	(2,698,600)	(2,903,000)	(3,273,900)	(3,273,900)
4300-0032	Commercial Aircraft Parking	(23,580)	(1,860)	(130,700)	-	(130,700)	(130,700)
4300-0033	Transient Fees		(400)				
4300-0043	Small Aircraft Parking	(34,109)	(49,924)	(39,800)	(36,200)	(39,800)	(39,800)
4300-0044	Fuel Flowage GA and Taxi	(196,524)	(209,107)	(285,600)	(275,400)	(352,300)	(352,300)
4300-0045	Fuel Flowage Non-Signatory	(102,871)	(126,722)	(139,400)	(115,200)	(147,300)	(147,300)
4300-0046	Landing Fees Non-Signatory	(93,417)	(86,219)	(83,300)	(90,000)	(105,600)	(105,600)
4300-0048	Air Carrier Security Fee	(456,461)	(305,141)	(845,200)	(733,200)	(872,700)	(872,700)
4549-0001	Fuel Sales	(4,000)	(5,000)	(4,000)	(5,000)	(5,000)	(5,000)
4550-0010	FAA-CWO Lease	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)	(12,000)
4550-0011	Airfield Ground Leases	(385,710)	(507,474)	(988,200)	(507,000)	(1,164,200)	(1,164,200)
4799-0000	Miscellaneous revenue	(9,352)	4,186	(500)			
4037-0001	TSA LEO Reimb	(74,100)	(74,900)	(127,700)	(127,700)	(127,700)	(127,700)
4799-0000	Miscellaneous revenue	(171,200)					
4300-0030	Jetway Use		-	(126,000)	-	(126,000)	(126,000)
4300-0039	FAA Tower/Equip Rm	(131,205)	(22,014)	(117,900)	(117,900)	(117,900)	(117,900)
4300-0040	Advertising Display	(86,152)	(76,429)	(86,000)	(86,000)	(86,000)	(86,000)
4300-0041	Customs Fees	(24)	(124)	(200)	(200)	(100)	(100)
4420-0000	Fee revenues	(549,009)	(686,716)	(550,000)	(550,000)	(600,000)	(600,000)
4420-0002	Vending revenue	(50,960)	(46,449)	(52,000)	(50,000)	(52,000)	(52,000)
4450-0001	Minor Violations	(2,350)	(825)	(2,000)	(1,000)	(2,000)	(2,000)
4550-0000	Facility rental revenue	(700)	(3,650)	(3,500)	(1,000)	(1,500)	(1,500)
4550-0001	Federal Terminal Lease	(27,814)	(28,837)	(19,800)	(29,000)	(29,000)	(29,000)
4550-0003	Parking Lot Lease	(353,340)	(451,371)	(450,000)	(450,000)	(480,000)	(480,000)
4550-0004	Air Carrier Terminal Lease		-	(801,900)	-	(803,700)	(803,700)
4550-0005	Rental Car Storage	(108,825)	(107,525)	(146,700)	(120,000)	(125,000)	(125,000)
4550-0006	Other Terminal Leases	(59,696)	(28,366)	(150,300)	(30,000)	(152,000)	(152,000)
4550-0007	Rest., Bar, Flight Kitchen	(121,446)	(155,650)	(160,000)	(160,000)	(165,000)	(165,000)
4550-0008	Gift Shop	(14,084)	(10,229)	(25,000)	(14,100)	(27,500)	(27,500)
4550-0009	Staff Parking Fees	(58,658)	(47,053)	(69,600)	(52,000)	(55,000)	(55,000)
4799-0000	Miscellaneous revenue	(355)	-	(500)	(700)	(1,000)	(1,000)
		(5,741,528)	(6,157,042)	(9,671,220)	(7,872,900)	(10,606,700)	(10,610,000)

ATTACHMENT # 6

2/23/2024

EXPENSE - REVENUE SUMMARY FY25/26

w/proposed Increases

	FY2022	FY2023	FY2024	FY2024	FY2025	FY2026
	Actuals	Actuals	Amended	Projected	Proposed*	Proposed
EXPENSES	8,354,890	9,888,277	9,711,100	10,003,300	10,606,700	10,755,800
REVENUES	(5,741,528)	(6,157,042)	(9,671,220)	(7,872,900)	(10,606,700)	(10,610,000)
EXP/REV SHORTFALL /(OVERAGE)	2,613,362	3,731,235	39,880	2,130,400	0	145,800
CARES GRANT APPLIED	(2,613,362)	(3,731,235)	(39,880)	(2,130,400)		
ADJUSTED EXP/REV SHORTAGE /(OVERAGE)	(0)	0	(0)	0	0	145,800

* with proposed rates/fees increase for FY25/26 as detailed

Available Fund Balance Summary

Airport Fund without Rate Increases (Deficit Budget)

Last Update: 3/6/2024

	<u>FY21 Actuals</u>	<u>FY22 Actuals</u>	<u>FY23 Actuals</u>	<u>FY24 Proj</u>	<u>FY25 Budget</u>	<u>FY26 Budget</u>
Beginning Available FB	3,699,778	3,433,568	2,770,968	3,785,000	3,785,000	3,136,900
Revenues:	4,591,010	5,525,164	6,629,028	7,872,900	9,958,600	9,961,900
CARES Reimb (operations):	3,427,111	2,456,528	4,369,641	2,130,400	-	-
Expenditures:	(8,015,383)	(8,376,776)	(10,160,492)	(10,003,300)	(10,606,700)	(10,755,800)
Transfers from/(to) to Capital Projects:						
***Other Financing Sources (Uses):	(268,948)	(267,516)	175,855			
Increase (decrease) in Fund Bal (FB):	(266,210)	(662,600)	1,014,032	0	(648,100)	(793,900)
Ending Avail FB, including Reserve:	3,433,568	2,770,968	3,785,000	3,785,000	3,136,900	2,343,000
Less 3 Mo. Operating Reserve	(2,003,800)	(2,094,200)	(2,540,100)	(2,500,800)	(2,651,700)	(2,689,000)
Ending Available Fund Balance	1,429,768	676,768	1,244,900	1,284,200	485,200	(346,000)

*** Other Financing sources (uses) include: capital outlay, adjustments pertinent to modified accrual accounting, such as A/P, A/R, and leave accruals/deferrals; as well as changes in restrictions of fund balance.

Available Fund Balance Summary

Airport Fund with Rate Increases (Balance FY25 Budget)

Last Update: 3/6/2024

	<u>FY21 Actuals</u>	<u>FY22 Actuals</u>	<u>FY23 Actuals</u>	<u>FY24 Proj</u>	<u>FY25 Budget</u>	<u>FY26 Budget</u>
Beginning Available FB	3,699,778	3,433,568	2,770,968	3,785,000	3,785,000	3,785,000
Revenues:	4,591,010	5,525,164	6,629,028	7,872,900	10,606,700	10,755,800
CARES Reimb (operations):	3,427,111	2,456,528	4,369,641	2,130,400	-	-
Expenditures:	(8,015,383)	(8,376,776)	(10,160,492)	(10,003,300)	(10,606,700)	(10,610,000)
Transfers from/(to) to Capital Projects:						
***Other Financing Sources (Uses):	(268,948)	(267,516)	175,855			
Increase (decrease) in Fund Bal (FB):	(266,210)	(662,600)	1,014,032	0	-	145,800
Ending Avail FB, including Reserve:	3,433,568	2,770,968	3,785,000	3,785,000	3,785,000	3,930,800
Less 3 Mo. Operating Reserve	(2,003,800)	(2,094,200)	(2,540,100)	(2,500,800)	(2,651,700)	(2,652,500)
Ending Available Fund Balance	1,429,768	676,768	1,244,900	1,284,200	1,133,300	1,278,300

*** Other Financing sources (uses) include: capital outlay, adjustments pertinent to modified accrual accounting, such as A/P, A/R, and leave accruals/deferrals; as well as changes in restrictions of fund balance.