

Juneau Airport Board Finance Committee Meeting Minutes

January 21, 2025 - 9am

Committee Members in Attendance:

Jason Custer - Chair

Jodi Garza

Chris Peloso (9.05am)

Board Members in Attendance:

Jerry Godkin

Dennis Bedford

Charlie Williams

Others in Attendance:

Patty Wahto - Airport Manager

Ke Mell – Airport Architect

Angelica Lopez-Campos - Airport Business Manager

Andres Delgado - Airport Maintenance and Operations Superintendent

Tom Williams – Ward Air

A. CALL TO ORDER

The meeting was called to order at 9 am.

B. ROLL CALL

[See above.]

C. APPROVAL OF AGENDA

Motion, Custer - “*I move to approve the agenda as presented.*”

The motion carried via unanimous consent.

D. NEW BUSINESS

1. FY25 Projected Budget (See Attachments #1, #2, #3 and #7)

2. FY26 Revised Budget (See Attachments #1, #2, #3 and #7)

3. Proposed Airport Rates & Fees Regulation Adjustments and Balancing FY26 Revised Budget (Attachments #4, #5, #6, #7 and #8).

4. FY26 Revised Budget Approval (Attachments #1, #4, #5, and #6).

Staff provided a verbal presentation of the items above, consistent with the written report published in the packet. The written report is attached.

Custer questioned whether there is any cross-subsidization between cost centers. Manager Wahto explained that terminal-related overages are applied to deficits on airfield costs.

Committee members questioned whether management had budgeted sufficiently for personnel-related expense, particularly in light of ongoing challenges in employee recruitment, retention, and succession / staff overlap requirements. Peloso clarified the City & Borough of Juneau (CBJ) would be hiring a recruiter to seek a new manager, which would have costs associated with it. Peloso said it is not yet clear whether the CBJ – which is the entity procuring, engaging, and overseeing the work of the recruiter – would be paying for these costs, or if it would seek to have the airport pay for the costs. Custer noted recruiter costs can be 30% of annual salary.

Manager Wahto clarified that there were upcoming union negotiations which could result in adjustments to wages. Custer inquired about the vacancy factor assumed in the budget. Wahto said the budget assumes positions are filled 100% of the time.

Committee members asked management to prepare a “contingency” or “emergency” budget that could be used to address reasonably foreseeable staff-related matters of the type discussed, for consideration at the next meeting. The Committee acknowledged additional revenue would be needed to pay for such costs, and agreed to examine impacts upon rates, as well as the option to pay for such costs using money from the airport’s reserve fund. Committee members and staff discussed the level of and rationale for the reserve fund balance.

Custer thanked and recognized management for their good work in developing and presenting a clear and transparent budget and noted that aside from the matter of “contingency” personnel costs, the budget was largely ready for review by the full Airport Board.

E. Public Comments

Tom Williams of Ward Air provided public comments expressing his view that the airport’s reserve fund balance is overly sufficient. He recommended the Airport minimize rate increases and use reserve funds to address budget shortfalls. Williams also requested that future Finance Committee meetings include an agenda item for public comment.

Custer noted that the next Finance Committee meeting will include a more detailed discussion of what level of reserves are appropriate. Custer asked airport staff to please include an agenda item for Public Comment in future meetings, limited to five minutes per person. The Committee members agreed that five minutes should be sufficient for well thought-through comments.

F. Adjournment

Motion, Peloso - “I move to approve the agenda as presented.”

The meeting adjourned at 9.52am.

Upcoming meetings:

Tuesday, January 28th, 9am

February 4th, 9am

April 22nd, 9am

July 22nd, 9am