



# AIRPORT BOARD FINANCE COMMITTEE AGENDA

October 03, 2023 at 8:30 AM

Airport Manager's Office Conference Room/Zoom

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

Meeting ID: 847 2579 3209, Passcode: 759905

OR Dial: 888 475 4499 US Toll-free

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

**BY 3:00 PM ON OCTOBER 2, 2023**

**A. CALL TO ORDER**

**B. ROLL CALL**

**C. COMMITTEE BUSINESS**

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

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

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

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

CARES grant sunsets in April 2024

CRRSAA grant sunsets in March 2025

ARG/ARPA grant sunsets in August 2025

Grant funds must be completely expended by those dates.

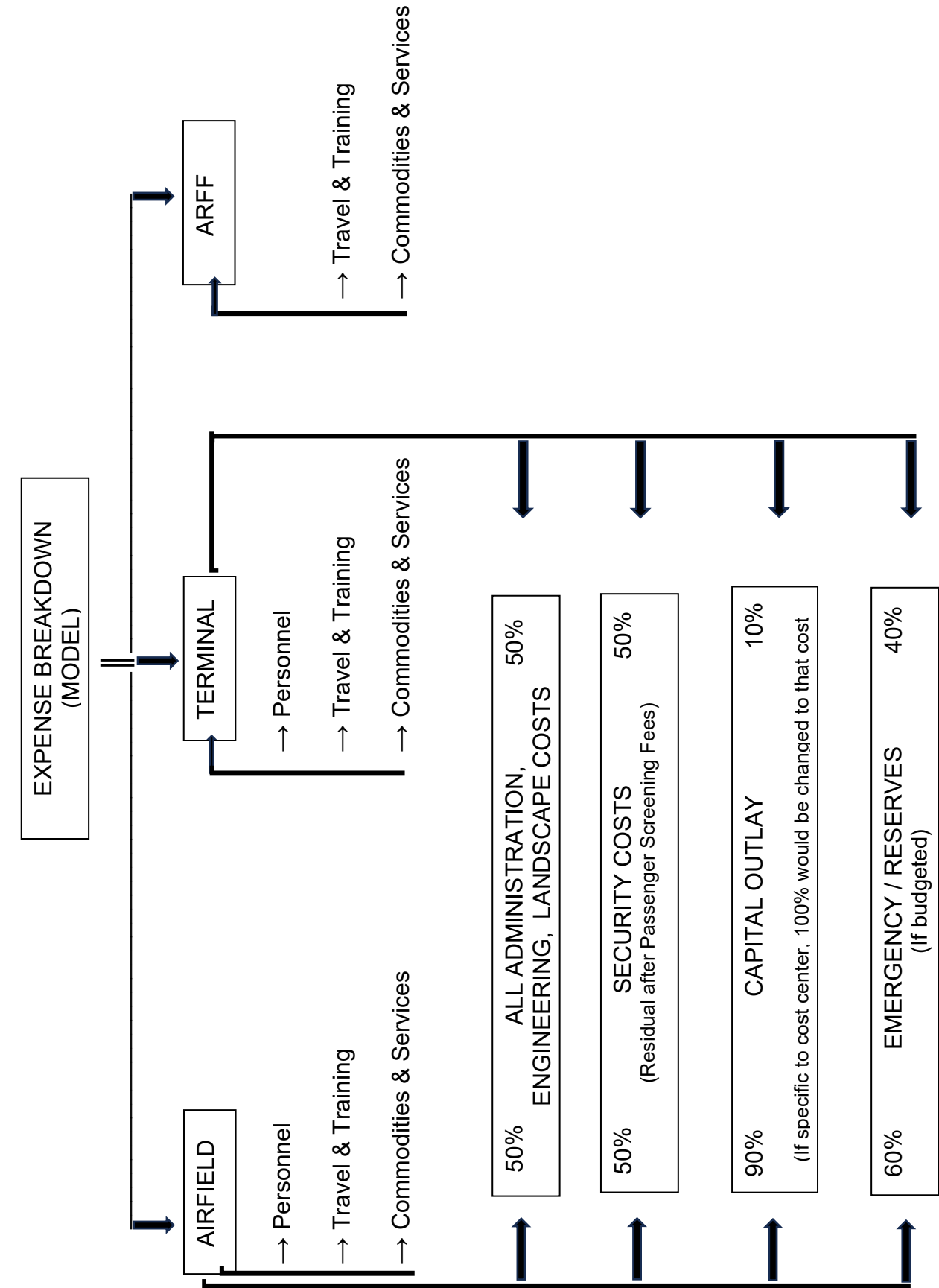
**D. ADJOURNMENT**

**E. ADJOURNMENT**

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

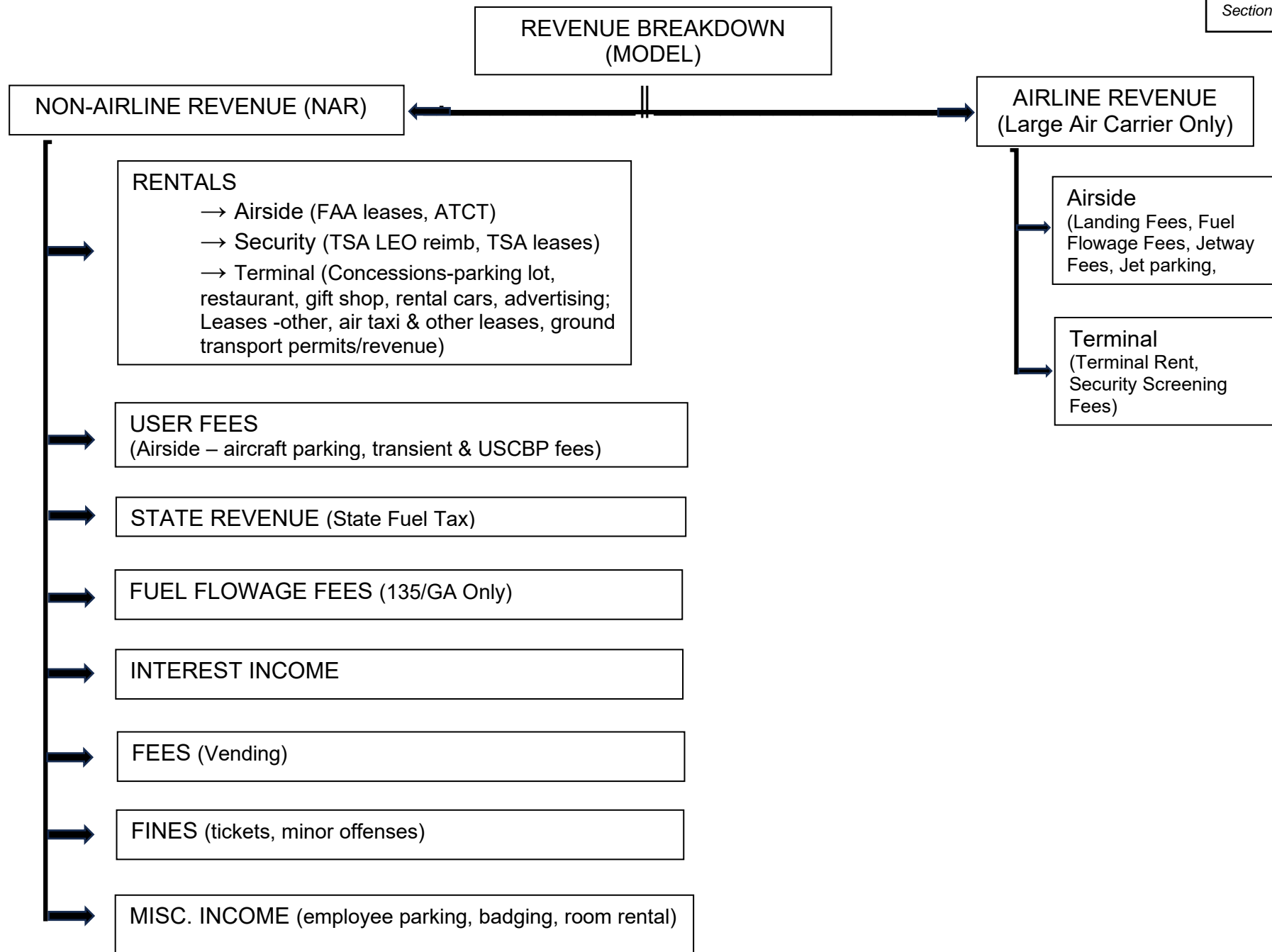
# KEY BUDGET POINTS

- JNU Airport is a CBJ Enterprise Fund
- Airport Financial Model assists in balancing Revenues and Expenses
- Expenses and Revenues are allocated to cost centers through negotiations
- Airport Rates & Fees are continuously compared against industry standards (other airports)
- Airport must consider equitable balance between Airport and tenants/user; *'fair and not unjustly biased'*
- Establishing Rates/Fees is a public process and set by Regulation



# ATTACHMENT #1

Section C, Item 1.

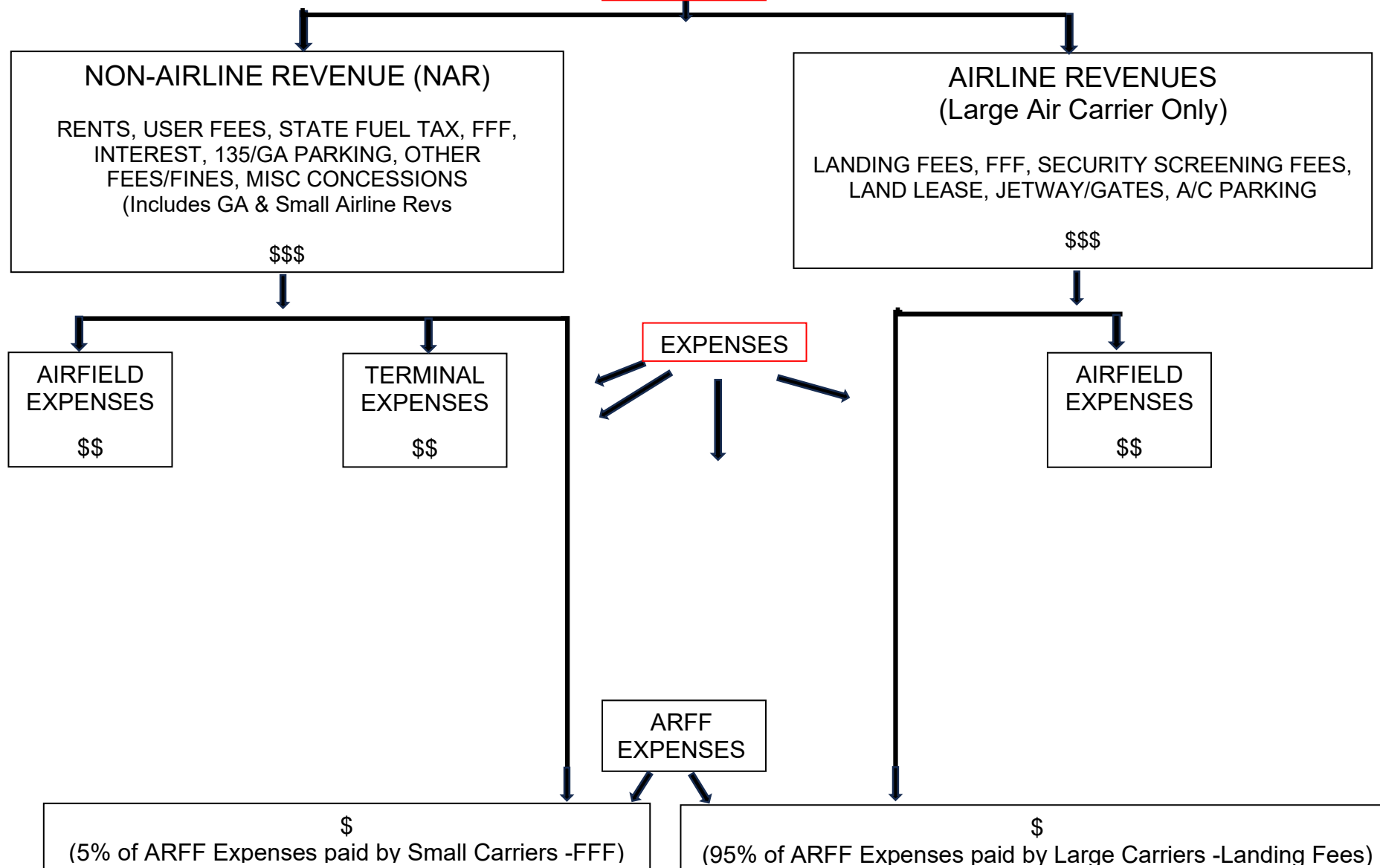


# ATTACHMENT #1

Section C, Item 1.

## REVENUE - EXPENSE BREAKDOWN (MODEL)

### REVENUES



# NON-AIRLINE REVENUE BREAKDOWN

does not include Airline Revenue (Air Carrier)

		Industry Standard Allocations	
		Terminal	Airfield
<b>RENTALS</b>			
Concessions			
	Parking Lot	100%	
	Restaurant	100%	
	Rental Car	100%	
	Rental Car Storage		100%
	Gift Shop	100%	
	Taxi/Access Fees	100%	
	Advertising	100%	
Terminal Leases			
	TSA-LEO Lease/reimb	100%	
	FAA Leases	100%	
	Other Terminal Leases	100%	
Airfield Leases			
	Airfield Ground Leases		100%
<b>USER FEES</b>			
	Terminal Jetway		100%
	Airfield A/C pkg		100%
<b>STATE REVENUE</b>	(State fuel tax)		100%
<b>FUEL FLOWAGE FEES</b>	(non air carrier)		100%
<b>INTEREST INCOME</b>		50%	50%
<b>FEES (vending)</b>		100%	
<b>FINES (tickets, minor offenses)</b>		100%	
<b>MISC. INCOME</b>			
	Phone,	100%	
	Fire Dept fuel reimburse		100%
	Employee parking,	50%	50%
	Badging	50%	50%
	Water/sewer utilities		100%
	Other Misc.	50%	50%

**ATTACHMENT # 2**  
**CARES/CRRSAA/ARPA Grant Funding Use/Availability**

<u>Description</u>		<u>Amount Proj</u>	<u>Actuals &amp; Encumb</u>	<u>Status</u>
CARES grant Award (#82, 94, 95 & 99)		21,736,343	21,736,343	
CRSSA grant Award (#84)		3,324,451	3,324,451	
ARPA grant Award (#87)		5,430,992	5,430,992	
<b>TOTAL GRANTS:</b>		<b>30,491,786</b>	<b>30,491,786</b>	
Ops Deficit	FY20 Operational Expenses	(724,664)	(724,664)	Final
Ops Deficit	FY21 Operational Exp incl tenant relief; yearend	(3,693,321)	(3,693,321)	Final
Ops Deficit	FY22 Operational Exp incl tenant relief+ 107.9K int hit	(2,456,528)	(2,456,528)	Final
Debt Service	FY21 Airport GO Bond debt service	(602,375)	(602,375)	Final
Debt Service	FY22 Airport GO Bond debt service	(662,600)	(662,600)	Final
Debt Service	FY23 Airport GO Bond debt service	(660,300)	(660,300)	Final
Project	TWY Regulator Upgrade (appropriated)	(118,814)	(118,814)	Final
Project	Terminal Suspended Ceiling Tile Replac	(350,000)	(213,506)	Final
Project	Terminal Seating	(450,000)	(450,000)	Final
Project	SREB Circulation Pump Upgrade	(165,000)	(183,949)	Final
Project	SREB Wash Bay Protection	(49,925)	(49,925)	Final
Project	Float Pond Electrical Upgrades	(190,000)	(156,348)	Final
Project	Forklift vehicle	(48,715)	(48,715)	Final
Project	Bagwell Gas Detect \$43k desgn+construct 195.4k pend	(238,400)	(210,766)	Final
Project	Parking Lot Design (max) - Estimate	(767,783)	(767,783)	In Progress
Project	NWDA Electrical Upgrades	(296,400)	(296,400)	In Progress
Ops Deficit	FY23 Tenant Rent Relief (est)	(1,250,000)	(1,250,000)	In Progress
Ops Deficit	FY23 Operational Expenses (est)	(950,900)	(950,900)	In Progress
Ops Deficit	FY24 Tenant Rent Relief (est)	(1,600,000)	(1,600,000)	In Progress
Ops Deficit	FY24 Operational Expenses (est)	(118,700)	(118,700)	In Progress
Debt Service	FY24 Airport GO Bond debt service	(657,125)	(657,125)	In Progress
Project - Match	Ramp Project Match	(312,500)	(312,500)	Final
Project	Temsco Sewer hookup	(295,000)	(295,000)	PENDING FAA
Project	Bag Belt Replace - Est; + \$50K design (10/21)	(1,469,716)	(1,469,716)	In Progress
Project	Parking Lot Construction -TBD -Est (in design)	(9,686,227)	(9,686,227)	In Progress
Project	Sand/Chem bldg Back-up Electric Boiler	(175,000)	(175,000)	In Progress
Project	Fuel Station Access Control & Generator	(35,000)	(35,000)	In Progress
Project	Gate K Culvert Replace (Design + Constr estimate)	(670,426)	(670,426)	In Progress
PENDING	Gate K culvert Replace PFAS/Dewatering addendum	(600,000)	(600,000)	PENDING FAA
Project	J Buried Tank Removal & Replacmt (Old Shop UST remove/replace/cleanup)	(254,950)	(254,950)	In Progress
Project	Man Lift	(20,000)	(20,000)	Final
Debt Service	FY24 & FY25 Airport Rev Bond Interest	(752,250)	(752,250)	In Progress
		<b>169,167</b>	<b>347,999</b>	

Actuals Lower than expected



### ATTACHMENT #3

#### Remaining Airport Rev Bonds & Interest 2023 - 2027

FY - Cash	2019 Airport Rev - AMT (\$1.995M) F329		2019 Airport Rev - Xmt Bonds (\$13.79M)		Grand Total
	Principal	Interest	Principal	Interest	
2023	275,000.00	69,125.00	1,900,000.00	477,000.00	2,721,125.00
2024	290,000.00	55,000.00	1,995,000.00	379,625.00	2,719,625.00
2025	300,000.00	40,250.00	2,095,000.00	277,375.00	2,712,625.00
2026	320,000.00	24,750.00	2,195,000.00	170,125.00	2,709,875.00
2027	335,000.00	8,375.00	2,305,000.00	57,625.00	2,706,000.00
Grand Total	1,520,000.00	197,500.00	10,490,000.00	1,361,750.00	13,569,250.00

#### Interest Payment Only - By Year

	Combined OCTOBER	Combined APRIL	Combined Total - YEAR
FY20		<del>285,006.94</del>	<del>285,006.94</del>
FY21	<del>394,625.00</del>	<del>352,000.00</del>	<del>746,625.00</del>
FY22	<del>352,000.00</del>	<del>300,250.00</del>	<del>652,250.00</del>
FY23	300,250.00	245,875.00	546,125.00
FY24	245,875.00	188,750.00	434,625.00
FY25	188,750.00	128,875.00	317,625.00
FY26	128,875.00	66,000.00	194,875.00
FY27	66,000.00		66,000.00
			<u><u>3,243,131.94</u></u>