

AIRPORT BOARD
AGENDA
6:00 P.M., THURSDAY, FEBRUARY 10, 2022
ZOOM WEBINAR: <https://juneau.zoom.us/j/96699462037>
Or Telephone: 669 900 6833 Webinar ID: 966 9946 2037

**TO TESTIFY: CONTACT PAM CHAPIN, 586-0962
BY 3:00 P.M. ON FEBRUARY 9, 2022**

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES: Regular Monthly Meeting of January 13, 2022
- IV. APPROVAL OF AGENDA
- V. INTRODUCTION OF KATHERINE (Ke) MELL, AIRPORT PROJECT MANAGER.
Welcome to Ke Mell, Airport Project Manager. Ms. Mell is an Architect by trade, and has been working for the University of Alaska Southeast, as well as having her own firm for years. She started with the Airport on January 31, 2022, and will provide excellent project management and support working along-side Mike Greene.
- VI. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS
- VII. UNFINISHED BUSINESS
- VIII. NEW BUSINESS
 - A. **FY21 Close-out, FY22 Projected Budget; FY23/24 Proposed Budget** (Attachments # 1, #2, #3 and #4). The Airport Finance Committee met on February 2, 2022, to review FY21 Budget Close-out, FY22 Projected Budget, and Proposed FY23-24 Proposed biennial budget.
 - 1. FY21 Close-out: FY21 Expenses were budgeted to be \$7,896,800. At closeout, expenses were \$8,018,121 up \$121,300 due to increases in: contractual services (airfield painting contract), runway deicing chemical costs, unanticipated repairs (outbound Bag Belt component, Snow Removal Equipment Building heat pump), fine/penalty for untimely reports with Alaska Department of Environmental Conservation (for the Storm Water Pollution Prevention Plan Multi-Sector General Permit), and a portion of the PFAS (Polyfluoroalkyl Substances) clean-up contract with Cox Environmental. Offsetting decreases were seen with heating fuel, personnel costs and Juneau Police Department contractual all lower than budgeted.
 - FY21 Revenues were budgeted to be \$7,374,000, and decreased to \$5,053,100 during the mid-year budget projections. Prior to CARES act contributions, Actual Revenues

came in at \$4,591,009. Which meant revenues were down \$2,783,000 from budgeted. This was on par for the updated projection. Revenue decreases were seen in basically every category due to COVID.

FY21 was budgeted to have a deficit of \$522,800 (pre-COVID), to be covered by Airport Fund Balance. Actual deficit at closeout was \$3,427,111 (which includes tenant relief of just under \$1.2M). This total was drawn from the federal CARES Act Grant, plus the payment for the FY21 GO Bond Debt Service costs of \$602,375. An additional \$269,000 of late accounting adjustments has been drawn from the CARES grant, however, FY21 was closed out, so will be shown in FY22.

2. FY22 Projected: FY22 Revised Expenses were adopted at \$7,941,600 and are now projected to be \$8,631,600; an increase of \$690,000. There are several construction/acquisition capital projects/repairs that the Board approved the use of CARES Act funds, and are captured in the budget. Those capital projects (forklift acquisition, bagwell gas detection system, Snow Removal Equipment Building (SREB) circulation heat pump and sand/chemical building boiler install) account for \$433,000 of that increase. The Airport anticipates \$260,000 in additional deicing chemical purchases due to the extreme weather conditions. Alaska also experienced a 6% increase in consumer price index at 2021 yearend.

FY22 Revenues were revised to \$6,103,600 during the mid-year budget updates. Projected FY22 Revenues are estimated to be slightly higher at \$6,546,700 due to some rebounding air traffic projections. However, FY22 is still down in all revenue sectors. The \$6.5M does not account for the tenant rent relief, estimated to be \$1.2M. An estimated \$2,084,900 shortfall is anticipated for FY22, to be covered with CARES Act contributions, plus the \$1.2M estimated in tenant relief. Total CARES funding expected to use in FY22 is \$3,284,900.

3. FY23/FY24 Proposed: The FY23/24 Proposed budgets expect to see increases to both Expenses and Revenues compared to FY22.

Expenses are proposed to be \$8,751,800, for FY23, and \$8,875,700 for FY24. The Airport continues to see reduced costs with efficiencies throughout the airport, but some increases in airport deicing chemicals are anticipate. The Airport will also see an increase to Full Cost Allocations by \$39,800 for both year and one of the largest percentage increase in any single Expense category is Insurance costs. Properties and Special Policies are increased by \$95,100 in FY23 (from \$236,100 to \$331,200), and increase by \$142,000 in FY24 (from \$236,000 to \$378,100).

Revenues are proposed to rebound to near pre-COVID levels. Revenues are proposed at \$7,260,000 for FY23 and at \$7,498,000 for FY24. These levels equate to approximately the FY21 budgeted; which was still short of covering projected Expenses.

As proposed, FY23 is anticipating a shortfall of (\$1,491,800), and FY24 is anticipating a shortfall of (\$1,377,700). The Airport proposes the use of CARES Act funding to cover the expenses in FY23 and partially into FY24. The Airport Finance Committee approved the budget as presented in Attachments #1, #2, #3 and #4, with the use of CARES grant funds to cover expenses in the amount of the projected shortfall.

Board Motion: *“Approve the FY22 Projected, and FY23/24 Proposed Airport Budgets, as presented in Attachments #1, #2, #3 and #4, including the use of CARES/CRSSAA/ARG funding in the amounts of \$1,491,800 for FY23, and \$1,377,700 for FY24 to cover expenses; and forward to the Assembly for consideration/adoption.”*

As a reminder: The Board already approved tenant relief for FY23 at approximately \$1.2M, which is not included in the bottom line projections and tracked separately, however it is included in the CARES/CRRSAA/ARG grant use summary table, below.

- B. Tenant Hangar Flooding** (Attachment #5). During extensive heavy rain in January 2022, the Airport experienced a lot of flooding on the airfield. Alex Holden Way (air cargo road) was closed down January 21-22, until water could drain. This was a combination of frozen storm water drains on the road and downstream, record rainfall and snowmelt. There were also a number of private hangars that flooded. The attached email in addition to multiple phone calls from tenants brought forth the continuing drainage problems for the Block M, N and O hangars. The extensive rain and snowmelt were not the only apparent reason for the hangar flooding. The drainage, water runoff from hangars, and hangar elevation in relation to surrounding taxilanes all contribute to the problems on the east end.

Per Project Manager Mike Greene during the recent Taxiway (TWY) A-D1-E project, the Airport looked extensively at the work associated with the introduction of asphalt paving in front of the BLOCK N and BLOCK O hangars. It was found that the elevation differences between these hangar floors and the adjacent surface of Taxilane H were minimal – very much like the condition at the BLOCK M hangars – very flat with slow drainage. To address this, a trench drain was proposed that would have introduced three (3) sections of trench drain, to be placed between the south sides of these hangars and the north side of Taxilane H. These trench drains, with their associated revised grading, would have introduced a more positive drainage slope away from these hangars and away from the taxilane.

The issue: The Federal Aviation Administration (FAA) would not fund these new trench drains and the associated asphalt paving as part of the TWY project; they are not FAA eligible expenses. However, staff was able to get FAA approval to install three (3) new 12-inch CPP culverts installed under Taxilane H to facilitate the anticipated future installation of these three sections of trench drains. Culverts are in place and ready for use.

While looking at these improvements, staff established a budgetary estimate of \$600,000 (in 2020 dollars) to re-grade, install three small catch basins, install the three trench drains and complete the asphalt paving (4-inch) in front of the BLOCK N and BLOCK O hangars. Block M would have to be added into this. A rough estimate (not including design) for all of this work would be about \$1M. Staff has added this as a project on its Capital Improvement Plan (CIP) list.

While the Board has not approved further paving project work with the CARES Act funding, staff is working on grouping all paving projects on the CARES list and the CIP list to see if a comprehensive airfield paving rehab/drainage project can be lumped together for a more competitive bid package. Ultimately, staff would like to parallel the east and west general aviation FAA-eligible paving with the non-eligible paving project. Once staff has a plan and a rough cost estimate on the non-eligible portions, the Board could then decide to move forward with using CARES/CRRSAA/ARP grant funding on all or some of the non-eligible projects; including the Block M, N, O trench drain and pavement work.

Other items to consider with the flooding issue: Directing water runoff from the hangar roof in a gutter system would help with some of the water. Most hangars do not have a gutter system on their hangars. Additionally, hangar lease lots have a five foot set-back, front and back, that are the lessee's responsibility. Changes to pavement and drainage would need to be coordinated with tenant lease lots. This is true for all lease lots. *Further discussion and direction at the meeting.*

- C. **General Obligation (GO) Bond Debt Service.** For the FY21/22 budgets, the Assembly formally requested that the Airport use CARES funds for those two years of the City's GO bond debt service on the terminal reconstruction project. Those amounts were \$602,375 for FY21 and \$662,600 for FY22. The Assembly Finance Committee (AFC) met the evening of February 2, 2022, to consider an additional two years of GO Bond debt for \$660,375 for FY23, and \$657,125 for FY24. The AFC approved the additional CARES funding for the GO bond debt service during their meeting. Since this was not discussed with the entire Airport Board, staff sent a request to the AFC Chair to reconsider their decision until the Airport Board could discuss it at a Board meeting, and subsequently with the Assembly. Staff also provided additional information to the AFC Chair including the current CARES funds used to-date table and the Airport's draft project wish list for CARES funding. The Airport Board Finance Committee also wanted to discuss this further at the full Airport Board meeting in-light of all the projects and uses the Airport has conceptually planned for the CARES funding. The proposed FY23/24 budget (above) does not include GO Bond debt. If approved, the GO Bond debt would be covered with CARES/CRRSAA/ARG funding. *Further discussion and direction at the Airport Board meeting.*

D. Airport Manager's Report:

1. Airport Fund Balance (AFB) and Capital Revolving Account Balance (CRAB) (Attachment #6). The Airport Fund Balance was updated to more accurately reflect what is reported to/adopted by the Assembly, and align with the City & Borough of Juneau's (CBJ) Comprehensive Annual Financial Reports (CAFR). No change.

2. CARES/CRRSAA/ARPA Fund Balance. The breakdown of CARES Act/CRRSAA funds used and proposed is detailed below. This has been updated based on budget FY22 Projected, and FY23/24 Proposed budgets as of the February 2, 2022 Airport Board Finance Committee meeting. The estimated amount for parking lot construction (full repave, drainage, and lighting) is \$5-6M, for planning purposes.

CARES/CRRSAA/ARG Act Use		2/2/2022
30,590,133	Grant awards*	
(727,145)	FY20 Operational Expenses	
(3,427,111)	FY21 Operational Exp incl tenant relief; yearend	
(602,375)	FY21 Airport GO Bond debt service	
(662,625)	FY22 Airport GO Bond debt service	
(203,028)	TWY Regulator Upgrade (appropriated)	
(1,610,000)	Bag Belt Replace - Est; + \$50K design (10/21)	
(600,000)	Parking Lot Design (max) - Estimate	
(92,885)	Bagwell Gas Detect/Alarm - est; + \$42,885 design	
(115,000)	SREB Circulation Pump Upgrade	
(175,000)	Sand/Chem bldg Back-up Boiler system	
(50,000)	Forklift vehicle	
22,324,964	Balance	
	<i>Proposed Use</i>	
(1,200,000)	FY22 Tenant Rent Relief (est)	
(2,084,900)	FY22 Operational Expenses (est)	
(1,200,000)	FY23 Tenant Rent Relief (est)	
(1,491,800)	FY23 Operational Expenses (est)	
(1,377,700)	FY24 Operational Expenses (est)	
	GO bond debt service FY23/24 TBD	
	Parking Lot Construction - TBD	
14,970,564	<i>Proposed/estimated balance FY22 end</i>	
*\$98,347 concession relief requirement		
Note: Add'l Concession grant \$393,387 signed 1/3/22, not incl in total		

3. FAA Alaska Region 2021 Fact Sheet (Attachment #7). The FAA Alaska Region publishes an annual data sheet on Alaska airports. The attachment shows the most recent data, including Juneau, during another COVID year.

4. Airport Triennial Wheels-rolling Emergency Exercise. The Airport is planning to have its live, wheels rolling in July 2022. The live drill is required every third year in compliance with the Airport's Operating Certificate. The first planning meeting was held on February 3, 2022, with several more meetings over the next several months.

The Airport is required to exercise for the largest scheduled commercial aircraft (737-900). The Airport is also looking for a possible waiver for decreasing the number of actual live ‘victims’ required for the drill, due to COVID concerns.

5. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Project Report:

- **UPDATE** – *Oshkosh Plow Trucks*. All three of the new plow trucks are back in service AND staying in service during the snow events. The new warranty period started the end of September and will be valid until October 1, 2022. The Airport continues to work with Oshkosh for a local service warranty, or to send an Oshkosh service representative if none are available in the local area to perform repairs in a timely manner. There is still one outstanding repair to the lines/fittings for the auto-lubricating on the plow hitches, but Oshkosh is aware and working with the Airport on that repair.
- **UPDATE** – *COVID-19 Testing and Vaccines at Airports*. Capstone Clinic will continue to administer vaccines at the airport in their current location. The contract to provide State COVID-19 testing at airports terminated on January 31, 2022. Capstone Clinic has opened a new private testing site in the Airport Shopping Center adjacent to Alaska Industrial Hardware. This is not associated with the Juneau Airport or Department of Health and Social Services. These are not rapid tests. Asymptomatic people can go inside for a test; symptomatic individuals should stay in their vehicle and call to have a tester come out to administer the test. Hours for this location are 10 a.m. to 6 p.m. seven days a week.
- **NEW** - *DNR Land Conveyance/Easement*. During the Airport Runway Safety Area (RSA) Project, the ends of the runway shifted and required additional land (safety area) at each end of the runway. Additionally, the installation of the Runway 8/26 approach lighting (MALSF/MALS) requires easement into State wetlands. Two tracts of land at each end are still in the process of finalizing survey work and conveyance to the Airport. Staff is working on this with State of Alaska Department of Natural Resources (DNR) to close out this portion of the project. The Airport is also considering the conveyance of the third tract of land (west end) that currently is easement only. The Airport is waiting to hear from DNR on the cost (mitigation ratio) needed for this additional 8.34 acres. Paralleling this work, the Airport is looking at acquiring accretion rights in the wetland for future rebound land.
- *Mask Mandate at Airports Extended*. A federal mandate is in place which requires everyone to wear masks on airplanes, at airports, as well as on other forms of public transportation. **This mandate is extended to March 18, 2022.** Failure to abide by the face mask mandate may result in fines, removal from facilities and/or stricter punishment, including being banned from flying.

- **NO CHANGE - COVID Update:** The most recent information may be found on the **CBJ website:** <https://juneau.org/covid-19/covid-19-travel> for local requirements; and **Alaska Travel Portal at:** www.alaska.covidsecureapp.com. Additionally, more information may be found at: <https://covid19.alaska.gov/travelers/> and FAQs: <https://covid19.alaska.gov/faq/>. CBJ requirements require masking in all public areas once again due to rising COVID cases; COVID testing remains on a voluntary basis for travelers, but is no longer offered at the Juneau Airport. Travelers should continue to check for changes to other areas including requirements for foreign travel. Masking requirements are continuing to rise in other cities and states again.
- **NO CHANGE – Polyfluoroalkyl Substances (PFAS) Testing and Monitoring.** Cox Environmental Services has completed a draft report for Alaska Department of Environmental Conservation (ADEC) with proposed next steps in the monitoring phase of this project. The report filed with ADEC recommends quarterly testing of groundwater, survey the test wells to determine flow direction, and coordinate with Army National Guard (ANG) for the testing of their drill sites (six) on airport property. ADEC is still reviewing the report but the Airport will wait until the results of the ANG testing to plan further delineation. The ANG work is anticipated by the end of January or early February with their final draft to ADEC thereafter. ADEC comment on the Airport plan should be received by then as well. A round of groundwater monitoring is planned for this winter and then proposed additional delineation of soil and groundwater dependent on the ANG work in the spring or summer of 2022.
- **NO CHANGE - Title 49 (Jordan Creek) Variance Request.** Title 49 changes to allow limbing and clean-up adjacent to the creek is still in review with the Title 49 Committee. Staff continues to work on the variance application for the immediate trimming of vegetation along Jordan Creek (Airport property) for aviation safety and security. There are two issues: 1) inside the fence is a haven for wildlife to bed down including deer and birds, requiring additional patrol and mitigation; and 2) outside the fence between Yandukin and the new Glory Hall which see a lot of camps for many of our unsheltered population, as well as criminal/drug activity. Staff will continue to look at the fastest way to resolve this.
- **NO CHANGE – Honsinger Pond/Access (work in progress).** Bicknell has legal access to their Honsinger Pond property through Alaska Department of Transportation (ADOT). Airport staff have been brought into discussions for development of the adjacent property due to (helicopter) flight paths and FAA compliance for development near an airport. Bicknell has now applied for rezone of several parcels from Industrial to General Commercial. The Airport continues to work through FAA on land use adjacent to airports for compliance.
- **NO CHANGE – Alaska Department of Environmental Conservation (ADEC) Storm Water Pollution Prevention Plan (SWPPP) Multi-sector General Permit (MSGP).** A reminder to all businesses to review ‘best practices’ that have been

posted on the JNU Airport's SWPPP webpage. Businesses need to file either Notice of Intent (NOIs) or No Exposure forms and receive letters from ADEC. To-date, the Airport has only received a handful of these. The Airport is looking into contracting out services to gather monthly/quarterly samples, assessments, as well as the administrative reporting requirements of the SWPPP program.

- **NO CHANGE** – *Egan/Yandukin Intersection Improvements Project*. ADOT has narrowed down design alternatives for the project. The Planning and Environmental Linkage (PEL) Study is also now available on line. Please visit ADOT website for the project at <http://dot.alaska.gov/eganyandukin>. Also any comments or concerns may be emailed to eganyandukin@alaska.gov. The Airport is registered as one of the stakeholder panelists due to adjacent property and impact to traffic to/from the airport. The Airport (along with comments from the FAA) previously submitted comments to ADOT regarding the complexity and costs of two of the three alternatives that both proposed to use airport property. The third alternative did not impinge on airport property.
- **NO CHANGE** – FAA Compliance Land Use/Financial Letter (January 2019). Staff continues to work on the remaining compliance items and will bring items back to the Board for action as necessary. Staff continues toward acquisition of the Loken/Channel Flying property which was noted as a non-compliant through-the-fence operator. While this is a compliance matter, property acquisition is eligible for federal funding. The process has started for procuring a property acquisition specialist including \$50,000 of forward-funding approved by the Board.
- **NO CHANGE** – *FAA Disabilities Compliance and Title VI Review*. Staff has completed the plan and self-evaluation programs for the final part of the 2017 FAA compliance audit for Americans with Disabilities Act (ADA) and Title VI review and it has been signed off by the CBJ. The final plan and compliance update were forwarded to the FAA for review, however, some of the outstanding items will not be in compliance until the terminal remodel is complete. FAA still requires periodic updates.
- **NO CHANGE** – *Passenger Facility Charge (PFC) cap increase* JNU continues to discuss the increase of PFC with our DC Lobbyist and Congressional Delegation to keep it in the queue. Many large airports are also backing this increase due to capital projects relying primarily on PFCs, not impacted by COVID. The Airport has brought this up with our Congressional Delegation in the hopes of including PFC increases for non- and small-hub airports.
- **NO CHANGE** – *Runway 26 Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR)* approach lighting discussions with FAA. Staff continues to work with our DC Lobbyist (and Congressional Delegation) to look congressional language to complete the system. Sample language was provided to Congressman Young to incorporate into the FAA

reauthorization bill that would add MALSR equipment to the list of allowable lighting equipment, and allow the transfer of this to the FAA. This means that Airport Improvement Program (AIP) funding could be used as an additional source for this type of lighting.

- **NO CHANGE** – *Capital Improvement Program (CIP) and Passenger Facility Charge (PFC) 10*. With FFY20 FAA AIP terminal grants covering the entire amount of FAA-eligible terminal construction, the Airport is adjusting projects up on the CIP list. PFC (PFC9) collections may be abbreviated due to less match required. Staff is continuing to monitor the amount needed for the terminal project (match and bond interest), as well as other projects listed in the PFC9 application; and look at when the PFC10 application process would need to start.
- **NO CHANGE** – *TSA passenger screening checkpoint equipment*. This project has been put on hold due to construction requirements for the larger equipment. A new date for equipment has not yet been determined, but does not look like this will happen this year.
- **NO CHANGE** – *TSA has cancelled janitorial contracts* at airports nationwide. TSA will pay for utilities associated with equipment use, but the contract requires airports to continue with janitorial - without compensation. This issue has been forwarded to our Washington, D.C. Lobbyist for Congressional weigh-in.
- **NO CHANGE** – *Maintenance Programs Refinement* (roofs, heat pump equipment, baggage systems, etc.). Staff continues to look at a tracking system for all building component preventative maintenance programs. There are several companies that offer similar cloud based systems. At this time, staff is collecting current basic system, and needs, and will plan to talk to each of the companies to see what they offer and the cost per year or per user for the system. Staff continues to look at maintenance contracts for specialized systems similar to what we do with airfield lighting and controls. Until a complete tracking system is set up, the Airport looks at continuing maintenance contracts with new systems as they come off warranties. An annual line item in the budget for Maintenance and Operations repairs/replacement of systems will be introduced again with the upcoming budget cycle.

6. Airport Project Manager Report (Attachment #8)

IX. CORRESPONDENCE:

X. COMMITTEE REPORTS

A. **Finance Committee:** Report from the February 2, 2022, meeting on FY22 Projected budget and FY23/24 Proposed budget, see above.

B. **Operations Committee:**

XI. ASSEMBLY LIAISON

- XII. PUBLIC PARTICIPATION ON NON-AGENDA ITEMS
- XIII. BOARD MEMBER COMMENTS
- XIV. ANNOUNCEMENTS
- XV. TIME AND PLACE OF NEXT MEETING:
 - A. Airport Board, 6:00 p.m., March 10, 2022, via ZOOM
- XVI. EXECUTIVE SESSION
- XVII. ADJOURN