

AIRPORT BOARD
AGENDA
6:00 P.M., TUESDAY, MARCH 14, 2017
ALASKA ROOM

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF MINUTES: Regular Monthly Meeting of February 14, 2017

IV. APPROVAL OF AGENDA

V. PUBLIC COMMENTS

VI. UNFINISHED BUSINESS

A. Northwest Development Area (NWDA) Water & Sewer Extension. On March 13, 2017, the Airport Operations Committee will have its second meeting regarding the possible extension of water and sewer to the private hangars in the Northwest Development Area (NWDA). Utilities are planned to be extended to the Snow Removal Equipment Building (SREB) in NWDA and will be funded by the Federal Aviation Administration (FAA). The extension and stub-out to the private hangars are not FAA eligible, so FAA will not participate in that portion.

Staff was asked to explore tenant interest in water/sewer to the private hangars in this area. Staff was asked to poll the tenants to see if tenants were interested and estimate how much more the ‘up front’ costs would be for the Airport to forward fund and collect from tenants as they are hooked up.

Staff will provide an update at the time of the Board meeting and suggestions (if any) from the March 13 Airport Operations Committee meeting. Since the contract work for this area is time critical, any additional (private hangar) water/sewer extension forward-funding would need to be approved by the March 14, 2017 Airport Board meeting.

B. Electrical Panel Upgrade Project - Gate 2 Passenger Board Bridge (PBB). With the end of ‘combi’ aircraft coming into JNU by the end of 2017, the addition of a new Passenger Boarding Bridge (PBB) at Gate 2 is required for efficiency and safety. The project will include electrical panel upgrades for the increased demand. The Airport has put in a pre-application for the Gate 2 PBB and associated electrical work. Until the FAA grant is awarded, staff suggests forward funding the project through the Airport Terminal Renovation Project funds. This electrical problem (overload) was originally brought before the Board last fall; however, there is now a need for a more extensive upgrade to handle the PBB loads. This is FAA eligible along with the Gate 2 PBB. Once the FAA grant is received, the Airport can reimburse the Terminal Project for the Federal funding portion. Total cost of the PBB and electrical upgrades is estimated at just under \$2M.

Board Motion: *“Approve the use of \$211,000 of the existing Airport Terminal Renovation Project funds for the forward funding of the terminal electrical panel*

upgrades and design of Gate 2 Passenger Boarding Bridge (PBB); to be reimbursed upon receipt of FAA Airport Improvement Program (AIP) grant.”

VII. NEW BUSINESS

A. Appropriate Passenger Facility Charge (PFC) 7 Amendment. At the October 2016 meeting, the Board approved an increase to the Part 121 Ramp Capital Improvement Project (CIP) to construct an Air Cargo Hardstand, and a concrete slab at Gate 5, using a PFC7 amendment in the amount \$309,000, as well as remaining funds in the CIP (about \$310K) that have accrued from interest. Staff reported that further approval to appropriate the PFC amendment would be requested after the PFC amendment process was complete, and FAA approval issued. Staff has received FAA approval in the amount \$309,578.

Board Motion: *“Approve appropriation of PFC7 amendment #6 in the amount \$309,578 to the Part 121 Ramp CIP Project (A50-068)”.*

B. FY 16 Actuals; FY 17 / FY 18 Updated Budgets (Attachments #1, #2 and #3)

1. **FY16.** The Airport Board Finance Committee met on March 6, 2017 to review the FY16 Budget Actuals, as well as review FY17 Projected Budget and FY18 Updated Budget; as shown in Attachments #1, #2 and #3. FY16 finished in the ‘black’ by \$886,251, much higher than originally anticipated. This adds to the Airport Fund Balance. The budget was a combination of increased revenues and decreased expenses compared to original projections.

2. **FY17/FY18.** Last year, FY17 budget was balanced using \$137,600 of Airport Fund Balance (also raised Airport rates/fees starting FY17), and FY18 budget was submitted as a deficit budget of \$157,600.

As presented at the March 6, 2017 Finance Committee meeting, the Airport will begin phasing to a new runway deicer (New Deal) starting FY17 (now). This deicer meets EPA standards which we do not meet with Urea (ammonia). The Airport has violated its multi-sector general permit (with Department of Environmental Conservation) by exceeding the allowable amount of ammonia. The Airport needs to take steps to correct this violation by changing its runway deicer. The positive side is that since the Environmental Protection Agency ruling, more deicing products have been developed; and more importantly, costs have come down dramatically. The increases to the FY17 and FY18 budgets (shown in the attachments) phase in the new deicing chemical and phase out the urea. With other budget changes (increase in Airport Rescue/Fire Fighting chemicals, increase in Juneau Police Department (JPD) contractual security costs, decrease in Personnel costs and projected decreases in Revenues for both years due to Delta Air Lines seasonal operations), the bottom line for FY 17 shows a -\$240,000 deficit, and the bottom line for FY18 shows a -\$438,000 deficit.

Additionally, FY17 projected expenses are expected to exceed FY17 approved expenses by \$43,900. This means that the Airport must get supplemental spending authority from the Assembly.

3. **Airport Fund Balance.** At the close-out of FY15, the Airport had \$3.738M Airport Fund Balance. FY16 ended in the ‘black’, but the Board also approved the use of Airport

Fund Balance to use as forward funding for several Capital Improvement Program (CIP) local match (scheduled for repayment with a future PFC application).

Between FY16 year-end fund balance, the CIP match transfers and the 3-month operating reserves, the Airport has \$2,923,400 (\$2.923M) of unrestricted Fund Balance available. *(CBJ Finance has determined that since the Airport maintains an Airport Fund Balance with a 3-month operating reserve, this would suffice for the PERS liability, and no additional reserve would be required.)* This means that we can apply the projected deficit of -\$240,000 for FY17, and the projected deficit of -\$438,000 for FY18 to the \$2,923,400 Fund Balance, and project a remaining *Unrestricted* Airport Fund Balance of \$2,245,400 at close-out of FY18.

4. Budget Action. The Finance Committee agreed to continue to use Airport Fund Balance to cover both the FY17 and FY18 projected budget deficits at this time. This means that by FY19/20 budgets, tenants/users should plan to budget their share of deficit; rates and fees increases are projected even if the budget is status quo.

Board Motion: *“Approve the FY17 Projected Budget and the FY18 Updated Budget, as show in Attachments #1, #2 and #3 (dated March 6, 2017), with the use of \$240,000 of Airport Fund Balance to balance FY17, and the use of \$438,000 of Airport Fund Balance to balance FY18; and request Supplemental Spending Authority from the Assembly in the amount of \$43,900, for FY17 projected expense increase; and forward to the Assembly for approval.”*

C. Maplesden Road - Access for Bicknell Property. On March 13, 2017, the Airport Board Operations Committee will discuss the request/options for Bicknell, Inc. to gain access to their property via Maplesden Road. Bicknell owns the property north of TEMSCO and east of Maplesden Road, commonly known as the ‘Honsinger Pond’ area. Bicknell is looking to develop the property and has recently been granted a rezone for 23 acres from Rural Reserve to Industrial, contingent upon them acquiring legal access to their property. Their current access is a driveway located on the on-ramp from Yandukin to Egan. Any changes to the rezone/use would negate the State of Alaska Department of Transportation (DOT) permit for the driveway since they cannot have legal public access on an acceleration ramp. Additionally, State DOT is looking to develop the West Egan Drive Corridor (WEDCOR) that was planned in 2003 which could further impact this area.

The Airport must follow FAA requirements since the land that Maplesden Road is located on was acquired and developed through Federal means and funding. The FAA will have the final decision/approval once the Airport and Bicknell choose a path. Staff will provide an update at the time of the Board meeting and suggestions (if any) from the March 13 Airport Board Operations Committee meeting.

D. Airfield Updates – Presentations by Scott Rinkenberger, Airport Superintendent
1. Fence Line Brushing/Tree Trimming and Wildlife Mitigation Update. Airfield crew has been trimming brush/tree limbs along Berners Avenue, along the Fuel Farm and JPD impound lot area. The fence to the fuel farm/police impound yard has been cut two times since last summer. The fence line break-ins are occurring in the thicker brush and

low tree limb area. Airfield is cleaning the area up to not only discouraging camping and break-ins, but this is a TSA security-mandate to maintain a six-foot clear area around the fence line.

2. **‘Eagle Sweeper’ Anti-perching Device.** USDA Wildlife Services and our Airfield crew have looked at innovative ways to keep wildlife (birds) from perching on building, navigational aids and anything ‘perchable’ on the approach paths of the Airport. They have kept the Board apprised of these ideas that utilize recycled items from the airport whenever possible, which has kept costs to a minimum. The newest idea is the Eagle Sweeper to keep eagles off the 26 end approach MALSR building.

E. Airport Manager’s Report:

1. Wings of Alaska - Fjord Flying Operations. The Airport has been verbally notified that Wings of Alaska – Fjord Flying ceased operations in February. We will work with them over the next few weeks to cancel leases and vacate their premises.

2. Airport Engineer Report (Attachment #4)

3. Airport Architect Report (Attachment #5)

VIII. CORRESPONDENCE:

IX. COMMITTEE REPORTS

A. **Finance Committee:** The Airport Board Finance Committee met March 6, 2017. See VII New Business, B. for summary/action item on budget.

B. **Operations Committee:** The Airport Board Operations Committee met March 13, 2017. An update and Agenda Addendum will be provided at the time of the Airport Board meeting.

X. ASSEMBLY LIAISON

XI. PUBLIC COMMENTS

XII. BOARD MEMBER COMMENTS

XIII. ANNOUNCEMENTS

XIV. TIME AND PLACE OF NEXT MEETING:

A. Airport Board, 6:00 p.m., March 14, 2017, Alaska Room

XV. EXECUTIVE SESSION

XVI. ADJOURN