

AIRPORT BOARD SPECIAL MEETING

AGENDA

2:00 P.M., FRIDAY, APRIL 1, 2016

ALASKA ROOM

Conference Bridge Line (907) 789-2014

I. CALL TO ORDER

II. ROLL CALL

III. APPROVAL OF AGENDA

IV. PUBLIC COMMENTS

V. UNFINISHED BUSINESS

A. Snow Removal Equipment Facility (SREF) Shop Roof Repair /FY 16 Budget Projected (Attachments #1, #2 and #3): As mentioned at the March 8, 2016, Airport Board meeting, and as approved at the March 24, 2016, Airport Finance Committee meeting, Snow Removal Equipment Facility (SREF) roof repairs could be funded through non-FAA funds Capital Improvement Project (CIP) funds to pay for the \$300,000 shop roof repair rather than using the Airport Reserve/Fund. The Maintenance & Operations fund balance reserve was originally approved (June 10, 2015 Airport Board meeting) for the roof repairs based on the Capital Improvement Project (CIP) having a complete SREF project. The building has subsequently been phased due to funding challenges and federal eligibility of specific spaces. The Board must reverse the original funding source from the Airport Reserve/ Fund Balance to the SREF CIP funding source. The use of these funds would impact Phase 1b of the SREF (non-FAA eligible portion of the facility). The Airport has both City & Borough of Juneau (CBJ) sales tax and a special State of Alaska Legislative grant as ‘other’ funding for the SREF that can be used for the shop roof work. This would unencumber the previously appropriated Airport Reserve/Fund Balance for FY16 budget. Note that the FY 16 Projected Budget is slightly under the FY 16 Updated Budget; therefore, no Supplemental Spending Authority is required.

Board Motion: *Approve the use of \$300,000 of non-FAA Snow Removal Equipment Facility Capital Improvement Project funds for the Shop Roof Repair, and reinstate the Airport Fund Balance for FY16 by \$300,000.*

B. Airport Rates and Fees Regulation Update (Attachment #4): A draft of proposed changes to 07 CBJAC 10.020 Airport Rates and Fees Regulation (Attachment #4) incorporates all the rates and fees increases approved by the Airport Finance Committee and as proposed in the budgets in Section IV. The Airport Finance Committee approved the fee increases at their February 29 and March 24, 2016, meetings. The Board already approved the increase to the Airline Fee for Airport Security Screening at their March 8, 2016, meeting, for an effective date of May 1, 2016. This fee was singled out for early approval base on an earlier start date than the other rates and fees. However, all rates and

fees in the regulation must still be codified. Once approved by the Airport Board, the draft regulation will go through the public process with the required 21-day public comment period, before coming back to the Airport Board for final consideration. The FY 17 and FY 18 budgets are based on these increases.

The draft regulation includes the increase to the Airline Fee for Airport Security Screening from \$1.08 to \$1.43/per screened passenger and establishes a non-signatory rate at 25% more than the established signatory rate (both effective May 1, 2016); an increase to the small aircraft (12,500 lbs. or less) Fuel Flowage Fees from \$0.17 to \$0.22/gallon and the corresponding non-signatory Fuel Flowage Fee from \$0.215 to \$0.28/gallon (both effective July 1, 2016); and signatory Landing Fees from \$2.38 to \$2.45/per 1,000 lbs. and the corresponding non-signatory Landing Fees from \$2.98 to \$3.06/per 1,000 lbs. (both effective July 1, 2016). The proposed increases represent increases of \$218,400 for FY 17 and \$219,600 for FY 18. Staff recommends moving forward on the rates and fees regulation public process.

Board Motion: *Approve the proposed changes to the Airport Rates and Fees Regulation 07 CBJAC 10.020, as outlined in Attachment #4, and commence with the 21-day public comment period before bringing back to the Board and subsequently the Assembly for final approval and adoption.*

C. FY 16 Projected, and FY 17 / FY 18 Proposed Budgets (Attachments #1, #2 and #3): FY 16: If approved by the Board (above Section II motion), the switch to funding the \$300,000 for the shop roof repair out of the SREF CIP would save Airport Reserve/Fund Balance funds, and project FY 16 in the black by \$275,800. This budget scenario is presented in Attachments #1, #2 and #3. Again, no supplemental spending authority is required since FY 16 Projected is less than FY 16 Updated.

FY17/18: At the March 24, 2016, Airport Finance Committee meeting, the Committee also approved the increases to the Rates and Fees Regulation, as well as the use of Airport Reserve/Fund Balance to balance the FY 17 budget. The FY 17/18 budgets as presented in Attachments #1 , #2 and #3 include the proposed Airport Rates and Fees Regulation increases (as presented in Section III, above, and in Attachment #4) as well as the use of Airport Reserve/Fund Balance for FY17. The increase in fees generates an additional \$218,400 in revenues for FY 17 and \$219,600 in additional revenues for FY 18.

FY 17 also requires the use of Airport Reserve/Fund Balance to balance the budget. FY 17 applies \$137,600 (\$61,200 as 15% of the 135/General Aviation part of the excess reserves, plus \$76,400 of the reserves as a placeholder). Note that FY 18 still shows a deficit of \$157,600 after fee increase. FY 18 budget will be submitted as a deficit budget with a plan to revisit this deficit in the spring of 2017. The use of Airport Reserves/Fund Balance for FY 17 and deficit budget for FY 18 were approved by the Finance Committee at their March 24, 2016, meeting.

Board Motion: *Approve the FY 17 and FY 18 Proposed Budgets as outlined in Attachments # 1, #2 and #3, which include the increases to the rates and fees outlined in Attachment #4, and correspondingly approve the use Airport Reserve/Fund Balance in the amount of \$137,600 to balance FY 17 and forward the budgets to the City Assembly.*

VI. PUBLIC COMMENTS

VII. BOARD MEMBER COMMENTS

VIII. TIME AND PLACE OF NEXT MEETING:

A. Airport Board Operations Committee, 9:00 a.m., April 11, 2016, Alaska Room

B. Airport Board, 6:00 p.m., April 12, 2016, Alaska Room

IX. ADJOURN