

AIRPORT BOARD
AGENDA
7:00 P.M., WEDNESDAY, MARCH 12, 2014
ALASKA ROOM

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES: Regular Monthly Meeting of February 12, 2014
- IV. APPROVAL OF AGENDA
- V. PUBLIC COMMENTS
- VI. UNFINISHED BUSINESS
- VII. NEW BUSINESS
 - A. **Airport FY 15 and FY 16 Budgets (Attachments # 1 through #3).** The Airport Board Finance Committee held two meetings on January 31, 2014, and February 19, 2014, to discuss the projected FY 14 budget (current) and the proposed FY 15 and FY 16 budgets. FY 14 budget is projected to come in at a deficit of -\$119,300, under the original projected deficit of -\$157,920. This means that less Revenue Surplus funds will be required in order to balance the budget. Prior to applying rates/fees increases and a portion of Revenue Surplus funds, proposed FY 15 and FY 16 budgets were short -\$255,354 and -\$527,654. The Committee passed motions to increase Fuel Flowage Fees and Security Screening fees, as outlined in B., below, as well as apply a portion of the Airport Revenue Surplus funds to balance FY 15. While the revenue increase also impacts subsequent years, FY 16 still shows a deficit. It was agreed to re-evaluate FY 16 next year. To finalize these budgets, the bottom line budget (expense and revenues) will need to be approved, the use of Revenue Surplus funds to balance the budget will need to be approved, and the changes to the Airport Rates and Fees Regulation will need to be approved (the latter is a separate discussion and motion). It was also noted that the Revenue Surplus account would have approximately \$1.8 million remaining after the proposed FY 15 budget. This amount is still within the approved 3-month threshold of Revenue Surplus to have on hand. These funds would need to remain around \$1.6 million into FY 16.

BOARD ACTION: Board moves approval of the FY 15 and FY 16 proposed budgets as presented in Attachments #1, #2 and #3, and correspondingly approve the use of \$128,487 in Airport Revenue Surplus funds to supplement the FY 15 budget in order to balance.
 - B. **Airport Rates and Fees Regulation (Attachment #4).** As a part of the Airport FY 15 and FY 16 budget process, the Finance Committee re-assessed the Airport Rates and Fees and the Airport Revenue Surplus funds. Approximately half of the deficit would be

supported through the use of Revenue Surplus funds, the remaining balance would need to be supported through revenues generated by increasing the Airport Rates and Fees (as presented in the proposed budgets, above). Based on the model allocation requirements for each user group, General Aviation/135 Operators would need to generate \$19,030 in additional revenues and the Air Carrier/121 Operators would need to generate \$107,837 in revenues, of which \$21,600 is directly related to Airport Security cost of officers at the checkpoint during screening. The Committee approved to increase the Security Screening Fees to \$1.08/per enplaned, screened passenger (up \$0.08). The Committee also approved the increases to the Fuel Flowage Fees for the General Aviation/135 Operators (aircraft 12,500 lbs. or less) to \$0.17/gallon (an increase of \$0.015); and the increase to the Fuel Flowage Fees for the Signatory Air Carrier/121 Operators (aircraft 12,501 lbs. or greater) to \$0.155/gallon (an increase of \$0.03). Correspondingly, the Non-signatory Fuel Flowage Fees would increase to \$0.215/gallon. Additionally, the Air Carrier Terminal Rents did not specify a corresponding non-signatory rate, so a line was added to that category to reflect a 25% increase over signatory rates. These increases and language changes were approved by the Finance Committee at the February 19, 2014, Finance meeting, and are reflected in the proposed budget, above.

BOARD ACTION: *Board moves approval of the updated Airport Rates and Fees Regulation 07 CBJAC 10.020, as presented in Attachment #4, and to begin the public process/comment period before coming back before the Airport Board for final approval and submission to the Assembly.*

C. Runway Rehabilitation: The Engineer's Estimate for construction is \$22,361,958.50; staff expects construction bids to be ready for Board review on April 9, after which it will be possible to apply for the Airport Improvement Program (AIP) grant based on the actual bid amount. Staff would like to introduce the funding appropriation at the April 7 Assembly meeting using the Engineer's Estimate, and follow up with the Public Hearing at the April 28 Assembly meeting using the actual amount of the AIP grant request and appropriate matching amounts.

BOARD ACTION: *"Board moves approval of the appropriation of the AIP grant, Alaska Department of Transportation matching grant, and Airport matching funds from dirt royalties, using the Engineer's Estimate for Introduction, and actual amount of the grant requests for Public Hearing."*

D. Airport Terminal Phase II Renovation: On February 19th, the Airport Board met in a work session to review design concepts for the terminal renovation. Comments from that meeting were incorporated into two schemes that were presented to the tenants and general public on February 27, 2014. Jensen Yorba Lott Architects will give a presentation on the two concepts at the March 12, 2014 meeting. Board approval of one of the concepts will allow the project to move into Schematic Design.

BOARD ACTION: *"Board moves approval of Concept __ for Phase II Terminal Renovation, and request the Concept be further developed, then be brought back to the Board as a Schematic Design with cost estimate and construction schedule."*

E. Airport Manager's Report:

1. TSA Baggage Screening Update. After receiving the Assembly's letter on the issues, Senator Begich sent a letter directly to the TSA reiterating the public concern. We also know that Congressman Young's office has been in communications with the TSA. We are standing by for more updates or additional information when needed.

2. Airport Engineer Report (Attachment #5)

3. Airport Architect Report (Attachments #6 and #7)

VIII. CORRESPONDENCE:

IX. COMMITTEE REPORTS

A. **Finance Committee:** Update. See New Business, above.

B. **Operations Committee:**

C. **Art Committee:** Update

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., April 9, 2014, Alaska Room

XV. EXECUTIVE SESSION

XVI. ADJOURN