

**Juneau International Airport
Finance Committee Meeting
February 10, 2015, 9:00 a.m.
Alaska Room**

I. **Introduction.** The following were in attendance:

Joe Heueisen, Airport Board
E. Robert Mackey, Airport Board
Mal Menzies, Airport Board
Patty deLaBruere, Airport Manager
John Coleman, Airport Business Mgr.
Debbie White, CBJ Assembly

Catherine Fritz, Airport Architect
Ken Nichols, Airport Engineer
Kathy Smith, Alaska Airlines*
Marty Myers, Airport Board*

*via phone

- II. **FY 14 Close-out Overview (see Attachments #1, #2 and #3).** Airport Manager Patty deLaBruere introduced the three attachments to the agenda: Expense Summary, Revenue Summary, and Expense vs. Revenue Summary. She said that FY14 Expenses were \$296,000 less than anticipated, and Revenues were \$249,000 more than anticipated. Board Member Robert Mackey asked if it was possible to take advantage of current low fuel prices into the future. Ms. deLaBruere said that the Airport is party to the City fuel contract and does not have storage for excess fuel bought at low prices.
- III. **FY 15 Projected (see Attachments #1, #2 and #3).** Ms. deLaBruere said that the FY15 budget was balanced using Fund Balance when it was established, but is now projected to balance without those funds, even with the addition of \$105,000 for the Alex Holden Way (cargo road) “Band-Aid” which consists of asphalt rap from the Runway Rehabilitation project, SECON amendment, force account effort, and oil. She said the Airport will need Supplemental Spending Authority of \$104,800.
- IV. **FY16 Updated (see Attachments #1, #2, and #3).** Ms. deLaBruere said that the FY16 budget was approved with a \$400,000 deficit, so that it could be re-evaluated at this time. She said that expenses are projected to be down \$170,000 due to savings from the cost of Health/Wellness, and leaving two Airfield On-Call positions (unused for a couple of years) and one Terminal part-time position vacant. Other savings were in Travel/Training and Supplies. She said new revenues are from Delta Air Lines landings, security fees, and rents, as well as new leases for Alaska Seaplanes and Glacier Aviation (Airlift Northwest). All told, a \$182,000 surplus is now projected for FY16.

Committee Chair Joe Heueisen asked whether the cuts would affect necessary training. Ms. deLaBruere said that required training is still being budgeted for ARFF and Airfield; Administration has been cut and now relies on online and CBJ seminars. She explained the three suggested motions in the agenda, the Fund Balance accounting, and the request to set aside the FY14 surplus and FY16 projected surplus (total \$570,000) for capital improvement program (CIP) required local match. She said that the Fund Balance is projected at \$2.1 million, and that the target is three months of operating expenses which was set last year with input from tenants. Kathy Smith, Alaska Airlines, said she concurred with Ms. deLaBruere.

Board Member Robert Mackey said there could be merit to setting the reserve higher, considering all the capital needs that have been outstanding long-term. Ms. deLaBruere said for some tenants it can be a make or break issue.

Mal Menzies moved, Robert Mackey seconded, to approve spending \$105,000 (not to exceed) of FY 15 Maintenance and Operations Budget Expenses, to repair Alex Holden Way (cargo road) resurfacing; using our Runway Rehabilitation contractor, Secon, through a Supplemental Contract Amendment. The motion passed unanimously.

Mal Menzies moved, Robert Mackey seconded, to approve the FY 15 'Projected' and FY 16 'Updated' Budgets, as presented in Attachments #1, #2 and #3, and forward to the Airport Board for approval and submittal to the Assembly for final adoption; and approve the corresponding \$104,800 Supplemental Spending authority for the FY 15 projected additional expenses. The motion passed unanimously.

Mal Menzies moved, Robert Mackey seconded, to approve the use of \$387,756 from FY 14 budget (excess revenues) as well as the \$182,782 (anticipated excess revenues) from the FY 16 budget, and set aside for CIP local matches; for a total CIP match fund of \$570,538. The motion passed unanimously.

- V. **Capital Improvement Project Review** (Attachment #4). Ms. deLaBruere outlined the changes in the CIP list, and referred to Attachment 4 which is the updated CIP list. *Mal Menzies moved, Robert Mackey seconded, to concur with the CIP list as presented, and forward to the Airport Board for approval. The motion passed unanimously.*

Mr. Menzies said that he read the Snow Removal Equipment Facility report and would like to see it on the website. Mr. Mackey said that he would like to see as much information as possible online. Airport Architect Catherine Fritz said that the City is rebuilding the website, so it is a good time to do the Airport site, too.

- VI. **Adjourn.** *Robert Mackey moved, Mal Menzies seconded, to adjourn. The motion passed without objection at 9:40 a.m.*
- VII. **Next Finance Meeting: TBD**