

**Juneau International Airport
Finance Committee Meeting
August 20, 2013, 1:00 p.m.
Alaska Room**

I. Introduction: (meeting participants)

II. Meeting Room Rates/Discussion (Attachments #1 and #2)

A. Not For Profit Rate for Airport Meeting Rooms. This has been referred to the Finance Committee from the Airport Board meeting of August 14, 2013, in response to Glacier Valley Rotary's request for a lower meeting rate. A representative from Glacier Valley Rotary will be in attendance to participate and answer questions.

Prior to the Airport establishing an agreement and rates for the newly constructed meeting rooms, Glacier Valley Rotary requested to meet in the Alaska Room on an interim basis. The formal request was presented at the September 2011 Airport Board meeting. This matter was sent to the Airport Finance Committee on October 11, 2011, and came back before the Airport Board at their October 2011 meeting. The interim rate for Glacier Valley Rotary was set at \$50/meeting plus the additional percentage of concessions that the Airport would receive from lunch sales and parking at a minimum of \$25/week. The total room rental rate and percentage revenue would thus be at least \$75/week.

The agreements and rental rates were finalized in July 2013 (Attachment #1). It was at this time the Airport discovered that the base (interim) room rental fee of \$50/week had not been collected since the decision at the October 2011 Board meeting. Additionally, the Airport presented the new rates that had been established for the meeting rooms, which Glacier Valley Rotary felt was outside their budget and requested a special Not-for-Profit rate.

Staff has updated their comparison of rates throughout the Borough which will be presented at the meeting. Some places do not offer a 'special' non-profit rate. Additionally, there are several levels of non-profit throughout the Borough. Staff would ask that if a non-profit rate is to be established, that *non-profit* be defined for the purpose of this rate structure. This would also involve staff time to confirm non-profit status.

Discussion and recommendations from the Finance Committee are anticipated and will be forwarded on to the Airport Board for action. Staff has no recommendations at this time.

B. Glacier Valley Rotary's Use of the Alaska Room Since October 2011. As stated above, the Board approved the \$50 base rate for the interim use of the meeting room by Glacier Valley Rotary. This was approved on October 14, 2011. At the August 14, 2013, Airport Board meeting, staff provided a very rough estimate as to the revenue uncollected since that date. This is now updated to approximately \$4,100 to present date. There were 96 Wednesdays since the approval of the base rate and staff reduced (-14) to account for Pillars of America, holidays and other dates that the room was not in use by Rotary. The estimate is now $82 \times \$50 = \$4,100$. A letter from Glacier Valley Rotary (Attachment #2) requested that they start paying as of FY 2014 (from July 10, 2013, forward). This request would reduce their bill by \$3,800.

Discussion and recommendations from the Finance Committee are anticipated and will be forwarded on to the Airport Board for action. Staff has no recommendations at this time.

C. Glacier Valley Rotary's Request for Reduced Parking Fees (Attachment #2). Glacier Valley Rotary has an agreement with Glacier Restaurant to pay a reduced parking rate. This is currently included in the price of the lunch. This agreement would presumably discontinue as of January 1, 2014, as the current concession contract with the restaurant would discontinue even if they are chosen for the interim food concession. The new room rental agreements allow the 'user' to choose their own caterer with no concession payment to the Airport (Attachment #1). This allows for competitive rates and reduced fees to the 'user' knowing that parking is not included. This special parking arrangement is not with the Airport but between concessions. This may be a discussion for Glacier Valley Rotary and Republic Parking. Staff has no recommendations at this time.

III. Airport Fund Balance. An important part of the Airport Maintenance & Operations budget is establishing the Airport Fund Balance threshold. While it is not an exact amount, industry standards base that amount on a percentage of the budget or a specified number of months of expenses. In polling other airports on fund balance, many noted that the more (jet) operators that are based on an airfield, the less fund balance that was required. More operators diluted the need for more fund balance. Hence, they established a two-month balance.

JNU's current fund balance at FY 2013 end was estimated to be \$1.9M (while FY 2013 ended June 30, 2013, it is still going through close-out). With the project use of funds for FY 2014, the estimated Airport Fund Balance by the end of June 2014 would be \$1.74M. JNU Airport's current budget runs about \$5.9M, equating to roughly \$492,000 per month to operate. This number represents all contracts, payroll, chemical, commodities and is an average over the entire year (winter months are higher to operate due to winter operations and more personnel compared to summer). Based on current budget and information from other airports, staff would recommend a three month Airport Fund Balance, equating to just under \$1.5M commensurate with our current budget.

Additionally, of the approximate \$1.74M projected for FY 14 year-end, part of this 'balance' was established as emergency reserves (emergency repairs, etc.); not related to any fund balance (established in 2001). This portion is currently estimated to be \$126,257. Finance Committee needs to decide if this \$126,257 remains as part of the Airport Fund Balance or is separated out as an emergency repair/reserve (as previously approved in the budget process). If it is to become part of the Airport Fund Balance, it needs approval to remain part of that balance. If the Committee would like to separate from the Fund Balance as it was originally intended, the Committee will need to adjust the Airport Fund Balance to reflect that portion for emergency repairs. This would mean that the Airport Fund Balance at FY 14 yearend would be \$1.61M. Discussion and recommendations from the Finance Committee are anticipated and will be forwarded on to the Airport Board for action. Staff has no recommendations at this time.

IV. Other items for discussion.

V. Next Finance Meeting: TBD

VI. Adjourn.

ATTACHMENT #1



Juneau International Airport Meeting Room Use Request/Agreement

User's Contact Information

Name: _____ Primary Contact: _____
Company/Organization: _____ Address: _____
Phone: _____
Cell Phone: _____
Email: _____ Fax: _____

Event Information

Description of Event: _____

Will food and beverage be served at this event? : ☐ Yes ☐ No.

Will a caterer be used at this event? ☐ Yes ☐ No. Name of caterer: _____

Note: If alcoholic beverages will be served and/or food catering or delivery service used at the event, see Paragraph 8 of Meeting Room Use Agreement: Standard Terms and Conditions.

Date of Event	Set Up Time:	Event End Time:	Total Hours	Anticipated Number of Attendees
	☐ a.m. ☐ p.m. Event Start Time: ☐ a.m. ☐ p.m.	☐ a.m. ☐ p.m. Take Down/Departure Time ☐ a.m. ☐ p.m.		

Use Fee

Alaska Room	☐	\$50.00 – Up to 2 hours
	☐	\$100.00 – Up to 4 hours
	☐	\$200.00 – Up to 9 hours
	☐	\$300.00 – Up to 24 hours
Juneau Room	☐	\$50.00 – Up to 2 hours
	☐	\$80.00 – Up to 4 hours
	☐	\$120.00 – Up to 9 hours
	☐	\$200.00 – Up to 24 hours
Room Setup:		
<u>Alaska Room Predesigned Set-Up Options:</u>		
Option A1	☐	No extra charge
Option A2	☐	No extra charge
Option A3	☐	No extra charge
Option A4	☐	No extra charge
<u>Juneau Room Predesigned Set-Up Options:</u>		
Option B1	☐	No extra charge
Option B2	☐	No extra charge
Custom Set-Up Options	☐	\$25.00

ATTACHMENT #1

Juneau International Airport
1873 Shell Simmons Dr., Ste. 200
Juneau, AK 99801

www.juneau.org/airport
Telephone: (907) 789-7821
Fax: (907) 789-1227

Cleaning Fee (Non-Refundable):	☐	\$_____ Up to \$100.00, to be determined by JNU Manager's Office
Damage Deposit (Refundable):	☐	\$_____ Up to \$100.00, to be determined by JNU Manager's Office
Sales Tax – 5%	☐	\$_____
TOTAL USE FEE:		\$_____

Signatures / Approval

User's signature on this Use Request/Agreement constitutes an agreement to the terms and conditions of the Juneau International Airport Meeting Room Use Agreement: Standard Terms and Conditions ("Standard Terms and Conditions"), incorporated into this Agreement by reference and made a part hereof. Submission of this Use Request does not automatically grant approval for use of the meeting room. This Agreement will not be effective until signed by JNU Manager, and Use Fee has been paid in full. JNU reserves the sole right to deny use of the meeting room for any activity that violates the Standard Terms and Conditions, federal, state or local laws or codes or ordinances or for demonstrated past failure by User to comply with the foregoing.

By my signature below, I attest that:

- I am at least 18 years of age;
- I have read, understood, and agreed to the terms and conditions of this Meeting Room Use Request/Agreement and the Standard Terms and Conditions;
- I am authorized to execute this Agreement on behalf of the User; and
- I am responsible for the payment, clean-up, and overall supervision of the _____ Room during the use period stated in this Agreement.

Signature of User's Authorized Representative	Date
Signature of JNU Manager or Designated Representative	Date
☐ JNU Approved	☐ JNU Denied

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MEETING ROOM USE AGREEMENT: STANDARD TERMS AND CONDITIONS

1. Meeting Rooms: Descriptions and Availability

Meeting rooms are available for rent on a first come first serve basis equally to airport tenants, businesses, and the public. Juneau International Airport (JNU) reserves the sole right to deny use of the meeting rooms by any group, company, or individual for any activity that violates the Standard Terms and Conditions or federal, state or local laws, or for demonstrated past failure by User to comply with the foregoing. In consideration of the Use Fee payment, JNU grants User permission to use and occupy the specified meeting room (hereafter “meeting room” or “premises”) located at JNU, according to the terms of this agreement.

Alaska Room. The Alaska Room encompasses approximately 1,740 square feet. The maximum functional capacity of the Alaska Room is 120 persons. User is responsible to ensure that the maximum capacity is not exceeded.

Juneau Room. The Juneau Room encompasses approximately 1,100 square feet. The maximum functional capacity of the Juneau Room is 70 persons. User is responsible to ensure that the maximum capacity is not exceeded.

At no additional charge, tables, chairs, Wi-Fi service, and certain other equipment and features are available in the JNU meeting rooms. Users should work with the JNU Manager’s Office to determine what equipment and features are available on the date(s) and time(s) of its event(s).

There are no kitchen facilities available.

The non-exclusive use of the terminal’s public restrooms and hallways for ingress and egress shall be available to User; however they are not extensions of the meeting rooms and are not part of the rented space.

2. Reservation/Advance Payment of Use Fee

To reserve a meeting room, the JNU Manager’s Office must receive a completed and properly executed Juneau International Airport Meeting Room Use Agreement and payment of the full Use Fee. The Use Fee does not include: catering charges, clean-up fee, damage deposit, or custom room setup.

3. Room Setup

Room setup should be discussed with the JNU Manager’s Office prior to submittal of the Meeting Room Use Request/Agreement form. Users may select one of several predesigned set-up models included in the Use Fee or may, for an additional charge, arrange for a custom room setup. The predesigned setup options for the Alaska Room are illustrated in Exhibit A and those for the Juneau Room are illustrated in Exhibit B.

4. Damage Deposit and Cleaning Fee

JNU Manager’s Office may require advance payment of a refundable damage deposit and/or a non-refundable cleaning fee depending on the scope and nature of the planned use of the room. User may elect to remove its own trash at the end of the event in lieu of paying a cleaning fee.

5. Insurance

JNU reserves the right to require insurance coverage, depending on the proposed scope and nature of use.

6. Security

User is responsible for the safety and conduct of its agents, employees, guests and licensees under this agreement. JNU reserves the right to eject for cause any person or persons from JNU or any part thereof, and User waives any right and all claim for damages against either JNU or the City and Borough of Juneau (CBJ) for the exercise of such right.

7. Room Access

Access authorization to the premises by the User and User’s agents, employees, contractors, caterers, licensees and guests commences at the “start” time, and ends at the “end” time, as charged for and designated in this Use Agreement. User should therefore plan the rental period accordingly, to allow sufficient time for pre and post event set-up and take-down, cleanup, and the removal of User-provided equipment/property. User may be charged and agrees to pay for any time the premises is used or occupied in excess of the time provided in the Use Agreement.

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8. Catering

All alcoholic beverage service must be provided by a caterer a properly licensed and authorized to serve the alcohol being served. User's alcoholic beverage caterer, food caterer, and/or food delivery service must be current and in compliance with all state and local licensing and insurance requirements at the time of service.

9. Access to Rented Space by JNU

JNU reserves the right for its employees, and representatives to access and enter the rented space, when reasonably necessary, but will not unreasonably disturb User's quiet enjoyment and use of the premises.

10. Parking

Neither parking benefits nor fees are included or part of this agreement. User and User's agents, employees, guests and licensees are responsible for their own parking costs.

11. Cancellations

(a) JNU Cancellation. JNU reserves the right to cancel User's reservations due to reasons beyond its control. In such an event, the User shall be notified of a cancellation at the earliest possible date and offered the opportunity to reschedule or receive a full refund of fees paid.

(b) User Cancellation. If User cancels, by email or in writing, more than one week before event date, User will receive a full refund.

12. Indemnity

Throughout the period of its use and occupancy of the premises, the User is responsible for the safe conduct of activities on the premises and shall indemnify, defend, and hold harmless CBJ against any and all claims, demands or actions arising out of activities conducted by User, its employees, agents, caterers, licensees and guests, saving only claims for loss or injury caused by CBJ's gross negligence.

13. Payment for Damages.

If said premises, furnishings or any portion of the building occupied during the term of this use agreement shall be damaged by act, default, or negligence of User or by User's agents, employees, licensees or, guests, or any persons admitted to said premises by User, excepting loss by grossly negligent acts of the CBJ, its agents or employees, User will pay to CBJ upon demand such sum as shall be necessary to restore said premises to its previous condition. In the event of any such occurrence, User shall be subrogated to all rights, claims, and causes of action of the CBJ in such circumstances.

14. Expiration of Occupancy

At the expiration of the occupancy period contracted for herein, User shall quit the premises and return all equipment and facilities provided in the same or better condition and repair, except for ordinary wear. In the event User fails or refuses to surrender possession of the premises at the time herein agreed, User may be regarded as a trespasser and JNU may seek appropriate legal measures, including criminal prosecution.

15. Property Brought to Premises

All personal property brought to the premises by the User shall be the sole responsibility of the User, and CBJ shall not be liable for its damage or loss by fire, theft, or otherwise. If, upon expiration of the occupancy contracted for, User fails to remove User's personal property from the premises, JNU shall remove and dispose of the same according to law.

16. Acceptance of Premises

The User agrees that it has inspected the meeting room and any accessory equipment to be provided under this agreement and accepts them in their present condition. User acknowledges that JNU has made no representations or promises relied on by User regarding the fitness for a particular purpose of the meeting room or accessory equipment.

17. Signs, Posters, and Banners

All signage is restricted to the rented meeting rooms and times under the Use Agreement and shall be limited to freestanding easels.

18. Assignments and Subletting

No part of the meeting room may be assigned, pledged, transferred, or subleased by User, nor may a right of use of any portion of the room be conveyed or conferred on any third party by User by any other means, without prior written consent of JNU, which consent may be withheld in JNU's sole discretion.

19. Governing Law.

This agreement shall be governed by Alaska law and venue shall be in the State of Alaska, First Judicial District, at Juneau.

ATTACHMENT #2



Glacier Valley Rotary Club

P.O. Box 34418

Juneau, AK 99803

August 9, 2013

Patricia deLaBruere

Airport Manager

Juneau International Airport

1873 Shell Simmons Drive, Suite 200

Juneau, AK 99801

Dear Ms. deLaBruere:

In follow up to our discussions via email and over the phone, I am writing to inform you that Craig Dahl, a past-president of the Glacier Valley Rotary Club, will join you at the Airport Board meeting on August 14, 2013 to address the issue of Glacier Valley Rotary Club's (GVR) continued use of the Alaska Room.

As we have discussed, it is my understanding that as a result of a meeting with Airport Board roughly two years ago, an interim ruling was adopted which allowed GVR to move to the Alaska Room (roughly 18 months ago); although, no formal arrangement was reached with GVR. It appears that the Airport Board was anticipating Glacier Catering to bill us for the use of the room, which hasn't happened since we moved to the Alaska Room. Also, given a formal agreement was not communicated to GVR, the matter of a fee for rental of the Alaska Room was not taken up with the prior boards for the past two years. Further, it will be present a financial hardship for GVR to designate funds for the past use of the Alaska Room given we were not aware of the final outcome, the issue was not addressed with our members, nor had we designated funds in our prior budgets to accommodate the expense.

As indicated in our letter to you dated August 17, 2011 (copy included) GVR has been meeting at the airport for over 40 years. We'd like to continue this tradition; however, we will not be able to do so if the cost to use the Alaska Room creates a financial hardship for our members. Members of GVR embrace Rotary's motto of "Service above Self" and the club sponsors many worthwhile projects in our community with the money we raise – namely, scholarships for high school seniors, Pillars of America Speaker Series, Riverside Rotary Park – and we volunteers countless hours over the course of every year to support these programs.

Additionally, our continued presence at the airport provides a consistent, ongoing revenue stream for Glacier Restaurant (roughly \$25,000 a year) and for any other

ATTACHMENT #2

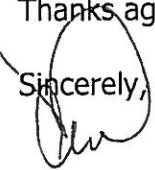
restaurant that may take over the space should Glacier Catering not continue after December 31st. Also, the agreement Glacier Catering has with Republic Parking, which allows our members to park for two hours for \$1 is an added benefit. It is our hope that this will continue should Glacier Restaurant be unsuccessful in their bid to retain space and the Airport Board were to select a new vendor.

We understand the need to provide revenue for the Airport. Under your current agreement, GVR would not be able to absorb a \$100 weekly cost for the roughly 3 – 4 hours (to include our meeting time) it takes Glacier Catering to setup and take down the room. GVR would like to continue meeting in the Alaska Room if we can reach an agreement for a nominal cost to use the space and we are prepared to pay a flat rate of \$50 per week, which would incorporate the setup and takedown time required by the caterer to run our meeting. As we have discussed, it is our intent to begin payment immediately - starting with the first meeting of FY 2014 year on July 10th.

Patty, it is my sincere hope that the Airport Board will consider the above arrangement and GVR can continue to meet at the Alaska Room for many years to come. Should you have any questions while I am out next week, please contact Craig Dahl at 790-5101, or contact me on my cell at 723-9711. I'll be in Nashville, but will get back to you at my earliest convenience.

Thanks again, Patty,

Sincerely,



Bill Peters
Juneau Glacier Valley Rotary Club, President