



AIRPORT BOARD FINANCE COMMITTEE AGENDA

February 04, 2025 at 9:00 AM

Airport Alaska Room/Zoom

<https://juneau.zoom.us/j/88624676603>

Or Join via audio: 253-215-8782, Webinar ID: 886 2467 6603

**TO TESTIFY: CONTACT PAM CHAPIN, 907-586-0962
BY 3:00 PM ON JANUARY 27, 2025**

- A. CALL TO ORDER
- B. ROLL CALL
- C. PUBLIC COMMENTS
- D. UNFINISHED BUSINESS

1. **FY25 Projected and FY26 Revised Budgets as presented last meeting 'without' rate increases (see Attachments #1, #2, #3 and #7)**

Attachment #7: Airport OVERVIEW in the City Finance Department's format (before rate increases).

Last week staff explained shortfalls as shown below. Only the FY26 shortfall needs to be addressed:

FY25 Projected shortfall (\$309,100) *to be covered by residual CARES money draw in FY25*

FY26 Revised shortfall (\$400,453) *see proposed rates/fees increase*

The Finance Committee requested staff to put together three different scenarios.

2. **Proposed Airport Rates & Fees Regulation Adjustments and Balancing FY26 Revised Budget (Attachments #4-6, #8-16)**

SCENARIO A as presented at 1/21/25 meeting (Attachments #4, #5, #6 and #8)

FY26 Shortfall Allocation by Cost Center:

Security: \$338,137	(91% \$225,600/ less shared 9% \$112,537)	\$225,600 (91%) pay w/SSF*
		*Security Screening Fee
Terminal: (\$379,084)	(plus 50% security residual: \$56,269)	(\$322,816)
Airfield: \$441,400	(plus 50% security residual: \$56,269)	\$497,688
	Balance owed on Airfield	\$174,853 (see allocations below)
	Airfield Balance Allocation 85/15	\$174,853
	85% Air Carrier (large)	\$148,625
	15% 135/GA (small)	\$ 26,228

1. *SECURITY SCREENING FEES (SSF). Security Program expense increases (personnel and badging system) began mid-FY25, coupled with TSA terminating the Law Enforcement Officer (LEO) Reimbursement agreement starting in FY25, a deficit of \$338,137 shows up in the Security Cost Center. The Screening Fees are determined through 91% allocation for screening checkpoint hours. For FY26, the passenger Security Screening Fees would need to increase from \$2.69 to \$3.35 per passenger in FY26. This would generate \$225,600 in additional revenue for this cost center. The remaining 9% (\$112,537) is 50/50 split with terminal and airfield per allocations.

Airfield shortfall calculated by applying terminal overage credit, and applying the 9% security residual, then applying the 85/15 allocations.

2. *LANDING FEES (LF). The airfield shortfall plus 50% residual security requires \$148,625 in 121/Air Carrier 85% contribution. Based on landed weights projected, an increase in LF from \$3.34 to \$3.50 (signatory)/1,000lbs and \$4.18 to \$4.38 (non-signatory)/1,000 lbs. is required. This anticipates \$148,600 in additional revenue.

3. FUEL FLOWAGE FEES (FFF). The airfield shortfall plus 50% residual security requires \$26,228 in 135/GA 15% contribution. Based on gallons projected, an increase in FFF from \$0.33 to \$0.345 (signatory)/gallon and \$0.41 to \$0.43 (non-signatory)/gallon is required. This anticipates \$24,900 in additional revenue.

The increase in SSF, LF and FFF, as detailed above, leaves a balance of \$1,353 to cover with fund balance.

SCENARIO B (Attachments #9, #10, #11 and #12)

FY26 Shortfall Allocation by Cost Center:

Security: \$338,137	(91% \$225,600/ less shared 9% \$112,537)	\$225,600 (91%) pay w/SSF*
		*Security Screening Fee
Terminal:(\$379,084)	(plus 50%: sec residual & \$50K: \$81,269)	(\$297,816)
Airfield: \$441,400	(plus 50%: sec residual & \$50K: \$81,269)	\$522,668
	Balance owed on Airfield	\$224,853 (see allocations below)
	Airfield Balance Allocation 85/15	\$224,853
	85% Air Carrier (large)	\$191,125
	15% 135/GA (small)	\$ 33,728

1. *SECURITY SCREENING FEES (SSF). Same allocation on all 3 scenarios.

2. *LANDING FEES (LF). The airfield shortfall plus 50% residual security and \$50K Contingency Reserve requires \$191,125 in 121/Air carrier 85% contribution. Based on landed weights projected, an increase in LF from \$3.34 to \$3.54 (signatory)/1,000lbs; and \$4.18 to \$4.43 (non-signatory)/1,000 lbs. is required. This anticipates \$191,500 in additional revenue.

3. FUEL FLOWAGE FEES (FFF). The airfield shortfall plus 50% residual security and \$50K Contingency Reserve requires \$33,728 in 135/GA 15% contribution. Based on gallons projected, an increase in FFF from \$0.33 to \$0.35 (signatory)/gallon; and \$0.41 to \$0.435 (non-signatory)/gallon is required. This anticipates \$32,600 in additional revenue.

The increase in SSF, LF and FFF, as detailed above, leaves a balance of \$753 to cover with fund balance.

SCENARIO C (Attachments #13, #14, #15 and #16)

FY26 Shortfall Allocation by Cost Center:

Security: \$338,137	(91% \$225,600/ less shared 9% \$112,537)	\$225,600 (91%) pay w/SSF*
		*Security Screening Fee
Terminal:(\$379,084)	(plus 50%: sec residual & \$100K: \$106,269)	(\$272,816)
Airfield: \$441,400	(plus 50%: sec residual & \$100K: \$106,269)	\$547,668
	Balance owed on Airfield	\$274,853 (see allocations below)
	Airfield Balance Allocation 85/15	\$274,853
	85% Air Carrier (large)	\$233,625
	15% 135/GA (small)	\$ 41,228

1. *SECURITY SCREENING FEES (SSF). Same allocation on all 3 scenarios.

2. *LANDING FEES (LF). The airfield shortfall plus 50% residual security and \$100K Contingency Reserve requires \$233,625 in 121/Air carrier 85% contribution. Based on landed weights projected, an increase in LF from \$3.34 to \$3.59 (signatory)/1,000lbs and \$4.18 to \$4.49 (non-signatory)/1,000 lbs. is required. This anticipates \$234,300 in additional revenue.

3. FUEL FLOWAGE FEES (FFF). The airfield shortfall plus 50% residual security and \$50K Contingency Reserve requires \$41,228 in 135/GA 15% contribution. Based on gallons projected, an increase in FFF from \$0.33 to \$0.3675 (signatory)/gallon and \$0.41 to \$0.4425 (non-signatory)/gallon is required. This anticipates \$41,200 in additional revenue.

The increase in SSF, LF and FFF, as detailed above, creates an over-collection of \$647.

***NOTE: IN PAST YEARS, 121 AIR CARRIERS REQUESTED SECURITY SCREENING FEES, FUEL FLOWAGE FEES AND LANDING FEES TO BE IMPLEMENTED AT THE START OF THE SUMMER SEASON RATHER THAN JULY 1. STAFF PROPOSES TO START THESE FEE INCREASES EFFECTIVE MAY 1, 2025.**

Attachment #8: Available Fund Balance Summary with rate increases.

3. **FY26 Revised Budget Approval (Scenario A, B or C)**

Once the budget and any rates/fees increases are approved, the Airport Board Finance Committee will need to forward the budget and the proposed increases to the Airport Rates & Fees Regulation to the Board. While the budget would go to CBJ Assembly Finance Committee, it would be contingent upon the Airport Rates & Fees Regulation public process that includes going out for a 21-day public comment period, then back to the Board to consider any comments. After approval, the regulation would need to go to the Assembly for adoption (one meeting). This would need to parallel the budget process.

Staff requests the Finance Committee approve one of the proposed budget scenarios for FY25 Projected and FY26 Revised and corresponding increases to the Airport Rates & Fees as follows, and forward to the Airport Board:

SCENARIO A: (as presented 1/21/25; no contingency)

Finance Committee Motion: *"Approve the increases to the Airport Rates & Fees Regulation, shown in Attachment #4 and forward the full Regulation to the Airport Board for approval and to start the public regulation process."*

AND

Finance Committee Motion: *"Approve the FY25 Projected and FY26 Revised budgets as shown in Attachments # 5, #6 and #8, with the corresponding increases to the Airport Rates & Fees Regulation, and use of Airport Fund Balance for the remaining balance of \$1,353; and forward to the Airport Board for approval."*

OR

SCENARIO B: (with the added \$50K contingency)

Finance Committee Motion: *"Approve the increases to the Airport Rates & Fees Regulation, shown in Attachment #9 and forward the full Regulation to the Airport Board for approval and to start the public regulation process."*

AND

Finance Committee Motion: *"Approve the FY25 Projected and FY26 Revised budgets as shown in Attachments # 10, #11 and #12, with the corresponding increases to the Airport Rates & Fees Regulation,*

and use of Airport Fund Balance for the remaining balance of \$753; and forward to the Airport Board for approval."

OR

SCENARIO C: (with the added \$100K contingency)

Finance Committee Motion: *"Approve the increases to the Airport Rates & Fees Regulation, shown in Attachment #13 and forward the full Regulation to the Airport Board for approval and to start the public regulation process."*

AND

Finance Committee Motion: *"Approve the FY25 Projected and FY26 Revised budgets as shown in Attachments # 14, #15 and #16, with the corresponding increases to the Airport Rates & Fees Regulation; and forward to the Airport Board for approval."*

E. NEXT MEETING DATE: February 7, 2025 (if needed)

F. ADJOURNMENT

ADA accommodations available upon request: Please contact the Clerk's office 36 hours prior to any meeting so arrangements can be made for closed captioning or sign language interpreter services depending on the meeting format. The Clerk's office telephone number is 586-5278, TDD 586-5351, e-mail: city.clerk@juneau.gov.