



AIRPORT BOARD FINANCE COMMITTEE AGENDA

December 15, 2022 at 2:00 PM

Airport Alaska Room/Zoom

<https://juneau.zoom.us/j/82125910901?pwd=eFJKeGsvd0tQUFBwdVQyQzRheWtSUT09>

Meeting ID: 821 2591 0901, Passcode: 493358

Or Dial 888 475 4499 US Toll-free

TO TESTIFY: CONTACT PAM CHAPIN, 907-586-0962

BY 9:00 AM ON DECEMBER 15, 2023

A. CALL TO ORDER

B. ROLL CALL

C. NEW BUSINESS

1. **FY22 Close-out overview. (See Attachments #1 through #4).** FY22 was projected to have a deficit of (\$1,838,000). Between the lease rental credits, increased insurance premiums and the Board approved repairs/projects through the budget, the FY22 budget closed out with a deficit of (\$2,253,789). This deficit is covered through the FAA CARES grant. Note: while the summary includes non-operational GO Bond debt (covered with CARES funding), the deficits discussed here are strictly operational.
2. **DRAFT FY23 Projected and FY24 Updated. (See Attachments #1 through #4).** This is still draft. Staff is still waiting on final numbers from downtown (ARFF and JPD). FY23 was adopted to show a deficit of (\$1,572,100) due to predicted revenue shortfalls. FY23 is now looking at a deficit of (\$1,484,826), plus lease rental credits. FY24 was adopted with a deficit of (\$1,421,500) with some revenue shortfalls, but mostly due to anticipated increases in expenses (general economic increases). FY24 is now predicted to have a shortfall of (\$1,483,400). THESE ARE NOT FINAL REVENUE/EXPENSE PREDICTIONS AT THIS TIME. Note 1: There are differences in FY23 and FY24 expense and bottom line deficit between adopted (February 2022) and current due to insurance increases after budget adoption (FY23 expense increased \$80,300 and FY24 expense increased \$43,800). Note 2: while the summary includes non-operational GO Bond debt (covered with CARES funding), the deficits discussed here are strictly operational.

General Expense Increases:

Personnel Costs - increases to (union negotiated) wages, however vacancies and hiring at lower steps have mitigated.

Airfield Contractual—heat pumps Preventative Maintenance contacts

ARFF Contractual—ESTIMATED 10% incr in FY23, 2% in FY24

JPD Contractual—ESTIMATED 10% incr in FY23, 2% in FY24

It should also be noted that the Airport has carried a deficit budget forward since 2019/2020. The Airport was running a deficit budget with proposed rates and fees increases prior to COVID impacts. CARES funding delayed the increases to rates and fees and the deficit budget was carried through, compounded with inflation.

3. **Rates and Fees Discussion (Attachments #5, #6 and #7).** The current Airport Rates and Fees Regulation (07 CBJAC Chapter 10), was last updated July 1, 2016 (Attachment#5). The Airport has also compiled a comprehensive list of the History of Juneau Airport Rates and Fees showing when rates were established or last changed (Attachment #6). In February 2020, Staff proposed rates and fees increase (Attachment #7) that would have started bringing the operational expenses into balance. It is anticipated that these

proposed rates will be a springboard to begin balancing the budget. Additional discussion upon final budget numbers next month.

D. NEXT MEETING DATE: TBD

E. 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 907-586-5278, TDD 907-586-5351, e-mail: city.clerk@juneau.org.