

AIRPORT BOARD AGENDA ADDENDUM  
FINANCE COMMITTEE REPORT AND RECOMMENDATION  
FY 09/10 BUDGET  
7:00 P.M., WEDNESDAY, FEBRUARY 11, 2009  
AURORA ROOM

VI. UNFINISHED BUSINESS

A. **Finance Committee Report:** The Finance Committee held 3 meetings to discuss updates to the FY 09 and FY 10 budgets. We are currently halfway through FY 09. Both FY09 and FY 10 will see increases to expenses mainly due to Personnel increases (union wage increases). Assistance from the City has helped to keep FY 09 balanced by transferring \$312,500 in Marine Passenger Fees to the Airport Maintenance & Operations Budget (\$240,000 in general M & O assistance, \$72,500 in project reimbursement costs). The Airport is petitioning the City once again for M & O funding assistance for FY 10 in the amount of \$271,000 (based on numbers of cruise ship passenger through the Airport/aviation activities). This amount has been built into the budget. At their February 6, 2009, meeting, the Finance Committee approved the updated and projected budgets for FY 09 & 10 as presented in the attachments.

The submitted budgets have revised budget numbers for Board approval and for forwarding on to the Assembly. The updated budgets require the following Board action:

1. **General FY 09 & FY 10.** *As presented in the attachments, the Finance Committee recommends Board acceptance of the updated FY 09 and FY 10 budget.*
2. **FY 09 Supplemental:** The Assembly approved FY 09 Airport expenses at \$4,818,100, however, we are projecting expenses at \$4,962,300. Since we are in the middle of the FY 09 budget year, the Airport must submit a “*Supplemental*” for additional spending authority in the amount of \$144,200. The Airport has the additional revenue to cover the additional expenses due to the City’s Marine Passenger Fee contribution. The Finance Committee approved the Supplemental request at their February 6, 2009, meeting. *Finance Committee requests Board approval of a Supplemental spending request in the amount of \$144,200 for FY 09, and forward on to the Assembly for action.*
3. **FY 09 Transfer of Emergency Repairs Funds:** A portion of the additional FY 09 expenses is due to emergency grader repair (snow removal equipment). The amount of the repair is \$25,000. This amount is in the bottom line of the expenses and part of the Supplemental budget request. However, the funding for the repair would be from the Emergency Maintenance Reserves which is sitting in the Airport’s Retained Earnings, and must be officially transferred back into the budget (as shown on the budget summary, attached). The Finance Committee approved this transfer at their February 6, 2009, meeting. *Finance Committee requests Board approval to transfer \$25,000 of Airport Emergency Maintenance Reserves*

*within the Airport Retained Earnings to cover the grader emergency repairs, and forward this transfer on to the Assembly for action.*

4. **FY 10 Fee Increases.** FY 10 was submitted to the Assembly with a deficit budget. The increase in Personnel costs inflated this deficit. Even with the requested Marine Passenger Fees contribution from the City, the Airport was still facing a deficit of \$246,160 for FY 10. Using the financial model, the Finance Committee was able to balance FY 10 by increasing rates to the respective users (135/GA and 121 carriers).

*The Finance Committee requests the following Airport Rates and Fees Regulation increase for a July 1, 2009, implementation date:*

<i>Fuel Flowage Fee, Signatory &lt;12,500lbs</i>	<i>\$0.1550 per gallon</i>
<i>Fuel Flowage Fee, Signatory &gt;12,500lbs</i>	<i>\$0.085 per gallon</i>
<i>Fuel Flowage Fee, All Non-Signatory</i>	<i>\$0.195 per gallon</i>
<i>Landing Fee, Signatory &gt;12,500lbs</i>	<i>\$1.98 per 1,000 lbs</i>
<i>Landing Fee, Non-Signatory &gt; 12,500lbs</i>	<i>\$2.48 per 1,000 lbs</i>

These increases are already included in the projected FY 10 budget:

Upon approval, the Rates and Fees Regulation would go down to Law Department, followed by a 21-day public comment period prior to coming back before the Board and subsequently the Assembly.

**AIRPORT SUMMARY**  
**FY08 ACTUALS/ FY09 & FY10 BUDGETED**

	<b>FY08 Actuals</b>	<b>FY09 Budget</b>	<b>FY09 Projected Actuals</b>	<b>FY10 Assembly Approved</b>	<b>FY10 Request</b>
<b>REVENUES:</b>	4,737,409	4,714,400	4,692,240	4,715,700	4,919,440
<b>EXPENSES:</b>	4,748,699	4,818,100	4,962,300	4,970,400	5,190,500
<b>TRANSFERS:</b>		312,500	312,500		271,000
<b>DIFFERENCE:</b>	(11,290)	208,800	42,440	(254,700)	(60)
Retained Earnings (Emergency Reserves):			25,000		
<b>DIFFERENCE W/RETAINED EARNINGS APPLIED:</b>			67,440		(60)

JUNEAU INTERNATIONAL AIRPORT  
 REVENUE SUMMARY  
 FY 08 ACTUALS / FY 09 & FY 10 BUDGETED

REVENUE ITEM	FY08 Actuals	FY09 Budget	FY09 Projected Actuals	FY10 Assembly Approved	FY10 Request
RENTALS (Leases, Parking Lot, etc.)	2,357,743	2,406,100	2,370,740	2,406,100	2,409,440
USER FEES (Landing, Transient Parking)	1,398,200	1,543,700	1,533,100	1,543,700	1,566,200
TAXES (Fuel Flowage Fee)	187,200	302,300	273,000	302,300	486,000
STATE (Aviation Fuel and Shared Rev-PERS)	234,400	79,900	75,000	79,900	75,000
FEDERAL REIMBURSEMENT	135,100	85,000	133,000	85,000	133,000
FEES (Vending Machines)	15,000	19,800	14,700	19,800	14,700
FINES AND PENALTIES	2,800	3,000	5,000	3,000	3,500
OTHER/MISC/ EQUIP SALES	133,766	127,300	131,300	127,300	126,300
TRANSFERS	100,000	0	0	0	0
INTEREST AND PENALTIES	173,200	147,300	156,400	148,600	105,300
<b>TOTAL</b>	<b>4,737,409</b>	<b>4,714,400</b>	<b>4,692,240</b>	<b>4,715,700</b>	<b>4,919,440</b>

**REVENUE SUMMARY**

JUNEAU INTERNATIONAL AIRPORT  
EXPENSES SUMMARY

FY 08 ACTUALS / FY 09 & FY 10 BUDGETED

ITEM	FY08 Actuals	FY09 Budget Actuals	FY09 Projected Actuals	FY10 Assembly Approved	FY10 Request
TRAVEL & TRAINING	12,890	26,200	14,900	25,200	25,000
CAPITAL OUTLAY					
SUPPLIES	500,798	678,400	833,800	696,600	739,000
PERSONNEL	2,279,373	2,052,500	2,041,500	2,138,500	2,327,300
SERVICES & CHARGES	1,895,638	2,061,000	2,047,100	2,110,100	2,099,200
DEBT SERVICE	60,000				
<b>RESERVES (EMERGENCY)</b>			25,000		
<b>TOTAL</b>	4,748,699	4,818,100	4,962,300	4,970,400	5,190,500

**EXPENSES SUMMARY**