

ATTACHMENT #6
AIRPORT BOARD AGENDA ADDENDUM
FINANCE COMMITTEE REPORT AND RECOMMENDATIONS
FY 11 & 12 BUDGETS
7:00 P.M., WEDNESDAY, MARCH 10, 2010
AURORA ROOM

VII. NEW BUSINESS

- A. **Finance Committee Report:** The Finance Committee held 3 meetings to discuss the biennial FY 11 and FY 12 budgets. Both proposed budgets show a decrease in expenses and revenues compared to FY 09 and FY 10. Since the final finance meeting wasn't held until March 9, the Committee's recommendations were not available when the Airport Board Meeting agenda was sent out. The biennial budget will need to be submitted downtown for final review this month.

The submitted budgets have been approved by the Finance Committee and are submitted for Board approval and for further forwarding to the Assembly. The biennial FY 11 & 12 budgets require the following Board action:

1. **General FY 11 & FY 12 (Attachments #6-1, #6-2 & #6-3).** Both FY 11 & 12 budgets show decreases of 4.3% and 1 %, respectively, on the Expense side; and 4.5% and 3.2%, respectively, on the Revenue side. FY 11 budget is presented as a balanced budget based on a approval of increased rates and fees, as outlined below. FY 12 is presented with aa a deficit budget. The Finance committee recommends reviewing the FY12 budget mid-budget cycle (Jan/Feb 2011) to re-assess or adjust rates and fees at that time, if necessary.

The Finance Committee recommends Airport Board approval of the proposed FY 11 and FY 12 budgets, as presented, and to forward on to the Assembly for final approval.

2. **FY 11 Rates & Fees Increases (Attachment #6-4).** FY 11 (and FY12) projected budget(s) include the following rates/fees increase. FY 11 budget balance is contingent upon the following rates and fees increases and implementation:

The Finance Committee requests the following Airport Rates and Fees Regulation increase for a July 1, 2010, implementation date:

- i. **Revise Non-Aviation Land Lease Rates:** Tenants affected-- ACS, AEL&P, Avis (storage area), Delta Western (garage site only), Hertz (storage area). Because these rates are not linked to Airfield Lease rates, Non-Aviation Land Lease rates are currently at, or only slightly above Airfield rates. *Committee recommendation (annual revenue increase \$8,900):*

Replace 07CBJAC 10.020(e)(2) Non-aviation Land Lease Rates in its entirety with *"Non-aviation land lease rates shall be set through competitive bid or other process, but shall not be less than the highest Airfield land lease rate plus 25%."*

ii. Badge Fee Increase: Current fees associated with issuing badges are: Initial Badge Fee \$10, Badge renewal Fee \$10, Deposit \$50 (refundable), Fingerprint Fee (\$45). So far, the cost of performing the Security Threat Assessment (STA) by the Transportation Security Clearinghouse (TSC), which is done on every badge applicant and annually thereafter, has not been passed on to the applicant. Staff recommends a \$5 increase to the Initial Badge Fee and the Renewal Badge Fee. The \$15 badge fee will help to recoup the estimated cost of staff time, equipment & supplies, and the additional STA charges. Staff also recommends a minor wording change to explicitly include the GA badges, which are a recent addition to the security program as of mid-2009. Committee recommendation (annual revenue increase \$8,000):

a. **Add to 07CBJAC 10.020(o)(1).**“ ..., *General Aviation AOA badges,...*”

b. **Replace 07CBJAC 10.020(o)(1)(A)** with “*Initial Issuance (\$15) & Deposit (\$50) \$65*”

c. **Replace 07CBJAC 10.020(o)(1)(B)** with “*Renewal (Annual) \$15*”

iii. Rental Car Ready Lot Rate Staff expects to have the rental car ready lot returned to the east end of the terminal at the end of 2010. We expect to have about 130 spaces again, and it will be paved and striped. With the dirt areas paved, and elimination of potholes, we expect to see improved access for vehicles in this area. Staff considers this location prime real estate, and would like to charge accordingly. Last increase, \$20 in 2003. Committee recommendation (annual revenue increase \$15,600):

Replace 07CBJAC 10.020(f)(1) with: “*\$60 per space, per month or any fraction thereof.*”

The attached draft regulation shows the rates and fees regulation changes as they appear in the regulation.

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 forwarded on to the Assembly for approval.

As of Mar 9, 2010

EXPENSE vs. REVENUE SUMMARY

	FY 09 ACTUALS	FY 10 APPROVED	FY 10 PROJECTED	FY 11 PROPOSED	FY 12 PROPOSED
EXPENSES	(5,112,511)	(5,190,400)	(4,887,200)	(4,970,500)	(5,137,600)
REVENUES	5,044,710	5,205,300	4,906,236	4,970,536	5,041,536
OVER/(SHORT)	(67,801)	14,900	19,036	36	(96,064)

ATTACHMENT #6-1

As of Mar 9, 2010

REVENUE SUMMARY

	FY 09 ACTUALS	FY 10 APPROVED	FY 10 PROJECTED	FY 11 PROPOSED	FY 12 PROPOSED
STATE/FED REVENUE	306,972	294,900	270,800	262,900	262,900
FUEL FLOWAGE FEES *	264,658	486,000	415,036	415,036	415,036
LANDING FEES *	1,384,404	1,461,000	1,406,500	1,406,500	1,406,500
USER FEES	96,287	105,200	101,800	96,300	96,300
RENTALS	2,259,860	2,337,500	2,240,200	2,418,700	2,489,700
INTEREST INCOME	311,545	105,300	95,100	96,800	96,800
FINES/MISC./OTHER	108,484	144,400	105,800	110,300	110,300
TRANSFERS/RESERVES	312,500	271,000	271,000	164,000	164,000
TOTALS	5,044,710	5,205,300	4,906,236	4,970,536	5,041,536

ATTACHMENT #6-2

As of Mar 9, 2010

EXPENSE SUMMARY

	FY 09 ACTUALS	FY 10 APPROVED	FY 10 PROJECTED	FY 11 PROPOSED	FY 12 PROPOSED
PERSONNEL	2,319,792	2,327,200	2,182,000	2,257,500	2,358,100
SUPPLIES	748,076	739,000	750,000	736,500	762,400
SERVICES/CHARGES	2,014,273	2,099,200	1,908,000	1,953,100	1,993,300
TRAVEL/TRAINING	705	25,000	22,400	23,400	23,800
MISCELLANEOUS	29,665	0	7,000	0	0
CAPITAL OUTLAY	0	0	17,800	0	0
DEBT SERVICE	0	0	0	0	0
RESERVES	0	0	0	0	0
TOTALS	5,112,511	5,190,400	4,887,200	4,970,500	5,137,600

ATTACHMENT #6-3

ATTACHMENT 6-4

A REGULATION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

**Adoption of Title 07, Juneau International Airport
Chapter 10, Rates and Fees**

PURSUANT TO AUTHORITY GRANTED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, THE MANAGER AND THE JUNEAU INTERNATIONAL AIRPORT BOARD HEREBY ADOPT THE FOLLOWING REGULATIONS:

Section 1. Authority. These regulations are adopted pursuant to CBJ 01.60 and CBJ 05.01.080.

Section 2. Amendment of Regulations. The City and Borough of Juneau Administrative Code is amended by the adoption of a new Title 07, Chapter 10, reading:

**City and Borough of Juneau Administrative Code
Title 07: Juneau International Airport
Chapter 10: Rates and Fees**

Sections:

010 Policy
020 Rates and Fees
030 Definitions

07 CBJAC 10.010 Policy. The policy of the City and Borough of Juneau, Juneau International Airport Board establishing the rates and fees for the Juneau International Airport are as follows:

- (a) The rates and fees charged at the Juneau International Airport shall be structured to assure that the Airport is as financially self-sustaining as possible, while ensuring fair and reasonable rates.
- (b) The Juneau International Airport shall monitor, assess and amend such rates and fees as needed to maintain (a) above.
- (c) Revenue derived from the use of obligated Airport property must be used for the operation, maintenance, or development of the Airport.
- (d) All space designated by the Airport Manager as aviation use at the Juneau International Airport shall be available for leasing on a first-come, first-served basis, but may be allocated by the Airport Manager to insure that the reasonable needs of all users may be met. All other space may be available through competitive bid or other process.
- (e) The Juneau International Airport may be required to furnish space to a governmental agency on a "rent-free" basis in order to obtain the services of a governmental agency, or to obtain a grant or other governmental participation in the operation or cost of improving or operating the airport facility, or to honor prior grant or participation agreements.
- (f) Failure to pay applicable rates and fees outlined in this Regulation, shall be subject to citation, fines and interest on past due amount.

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07 CBJAC 10.020 Rates and Fees. The following are rates and fees established by the Airport Board. These rates and fees may be subject to change by amendment and may be subject to City and Borough of Juneau Sales Tax.

- (a) **Fuel Flowage Fees.** For sales of aviation fuel and aviation fuel delivery services at the Juneau International Airport, the following fees shall apply:
 - (1) Signatory.
 - (A) Aircraft with maximum certificated gross weight of 12,500 lbs. or less shall pay fuel flowage fee of \$.155 per gallon.
 - (B) Aircraft with maximum certificated gross weight of more than 12,500 lbs. shall pay fuel flowage fee of \$.085 per gallon.
 - (2) Non-signatory.

All Non-signatory aircraft shall pay a fuel flowage fee of \$.195 per gallon.
 - (3) Exemption to Fuel Flowage Fees: The Civil Air Patrol (CAP) shall be exempt from Fuel Flowage Fees on missions, practice missions and fuel purchased in bulk by the CAP.
- (b) **Landing Fees.** Landing Fees shall be based on maximum take-off weight as certified by the FAA, for all types of aircraft whether empty or loaded, as follows:
 - (1) Signatory.
 - (A) Under 12,500 lbs., no fee.
 - (B) 12,500 lbs. and over, for each 1,000 lbs. or any fraction thereof: \$ 1.98 per 1,000 lbs.
 - (C) Exemptions to signatory landing fees:
 - i. Aircraft engaged in test flights.
 - ii. Aircraft compelled to return after take-off.
 - iii. Aircraft compelled to land under an emergency diversion situation.
 - iv. Public aircraft not engaged in commercial operations.
 - (2) Non-Signatory.
 - (A) Under 12,500 lbs., no fee.
 - (B) 12,500 lbs and over, for each 1,000 lbs. or any fraction thereof: \$ 2.48 per 1,000 lbs.
 - (C) Exemptions to non-signatory landing fees:

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- i. Aircraft engaged in test flights.
- ii. Aircraft compelled to return after take-off.
- iii. Aircraft compelled to land under an emergency diversion situation.
- iv. Public aircraft not engaged in commercial operations.

(c) **Air Carrier Terminal Lease Rates.**

- (1) Signatory. Terminal rental rates for air carriers are established by the Airport Board. Lease of terminal space preference shall be given to air carriers. The rates are per Square Foot, Annually, as follows:

Space Type	Rate
Counter (North Wing) plus 7 feet	\$24.62
Counter (East Wing)	\$31.01
Office (North Wing)	\$22.39
Office (East Wing)	\$24.87
Office (Old Tower, Ops)	\$24.87
Office (AK Maintenance)	\$24.87
Baggage Claim (Public)	\$24.87
Storage/Bag Make Up (Covered Bag Well)	\$19.90
Storage/Frt Rm (North Wing)	\$19.90
Canopy Storage (North Wing)	\$12.44
Hold Room/ Departure Lounge	\$ 31.01

- (A) The amended rental rate for the *Counter (East Wing)* and *Hold Room/Departure Lounge* in (c) (1) above, shall apply retroactive to July 1, 2009.

(2) Non-Signatory.

- (A) For non-signatory air carriers requiring the use of the terminal for one-time or occasional use (up to four times per month), the following fee schedule shall apply:

Wide Body Jets:	\$1,500 per use or turn
Narrow Body Jets:	\$ 500 per use or turn
Regional Prop (greater than 12,500 lbs)	\$ 75 per use or turn
Small carrier (12,500 lbs. or less)	\$ 25 per use or turn

- (B) Wide Body and Narrow Body jet use of the terminal shall be limited to departure lounge, available counter space, available jetway, bag claim, bag make-up and public circulation areas. Regional prop aircraft and small carrier use of terminal shall be limited to available counter space and public circulation area. Other non-signatory fees for airside use shall apply, such as landing fees, fuel flowage fees and parking or gate use also apply.

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(d) **Aircraft Parking Fees.**

(1) Assigned Parking per Month. Fees for all types of aircraft, regardless of size or weight, per month or any fraction thereof, for parking or tiedown privileges in areas designated by the Airport Manager are as follows:

(A)	Overnight parking at Air Carrier gate	\$220
(B)	Main Ramp, >12,500lbs	\$220
(C)	Main Ramp, Air Taxi	\$65
(D)	Hard-surfaced parking areas	\$49
(E)	Gravel-surfaced parking areas	\$38
(F)	Privately-owned seaplane floats	\$45
(G)	Publicly-owned seaplane floats	\$60

(2) Transient Parking. The parking fee for transient aircraft is determined by the maximum take-off weight as certified by the FAA, as follows:

(A)	Under 6,000 lbs.	\$5 per day
(B)	6,000 lbs. to 12,500 lbs.	\$50 per day
(C)	12,501 lbs to 100,000 lbs.	\$135 per day
(D)	100,001 lbs. and over	\$200 per day
(E)	Parking at Jetway 5 Air Carrier gate	\$100 per use

Aircraft parking fees are assessed for the first 24 hours or any fraction thereof. Subsequent days are charged for each 24 hour period or any fraction thereof. Non-commercial aircraft are exempt for the initial two hours of aircraft parking. Rates apply to the public parking areas of the airport.

(e) **Land Lease Rates.** Certain property at the Juneau International Airport has been designated by the Assembly as available for airport related purposes. CBJ Chapter 05.20 "Airport Lands," provides for the administration of such property and authorizes the Airport Manager to negotiate certain leases subject to Airport Board approval, and according to certain terms provided therein. Airport land lease rates shall be according to airport land type and/or use as follows:

(1) Airfield Land Lease Rates. The lease rate for airfield land is \$.43 per square foot per annum, except:

- (A) Land adjacent to the Main Ramp is \$.52 per square foot per annum.
- (B) Undeveloped Land is \$.17 per square foot per annum.

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(2) Non-aviation Land Lease Rates. ~~Non-aviation land lease rates shall be set through competitive bid or other process, but will not be leased at a rate less than those established for Airfield Land Lease Rates.~~ *“Non-aviation land lease rates shall be set through competitive bid or other process, but shall not be less than the highest Airfield land lease rate plus 25%.”*

(3) Land Lease Wait List Fees. The Juneau International Airport has established wait lists and application fees based on the land lease types and proposed construction types. Tenants wishing to apply for land lease space shall fill out an annual wait list application and pay the following annual application fees:

- (A) Commercial Leases: \$25/annually
- (B) Executive Hangar Leases: \$25/annually
- (C) T-Hangar Leases: \$25/annually

(f) **Rental Car Lot.** Rental car lot spaces shall be charged at the following rate:

(1) ~~\$50 per space, per month or any fraction of a month thereof.~~ *“\$60 per space, per month or any fraction thereof.”*

(g) **Commercial Vehicle Access Fees.** Access fees are per vehicle, per calendar year. A numerically sequenced permit/sticker is issued for each fee paid. Permit/sticker must be properly displayed and permanently affixed to the vehicle windshield prior to operating on the Airport premises. Failure to display and affix permit to the vehicle will be considered as conducting business at the airport without a valid permit. Prior year(s) permits must be removed or current year permit will be invalid. The following fee structure applies to the categories of Ground Transportation and Access users as indicated:

(1) Ground Transportation Fees. (Taxicab, bus, airporter, courtesy van, or limo.)

	<u>1-7 PAX</u>	<u>8-16 PAX</u>	<u>17 or MORE</u>
	<u>Rate</u>	<u>Rate</u>	<u>Rate</u>
Annual	\$125.00	\$165.00	\$200.00

For each calendar year, each tour operator permitting multiple large buses, shuttles and/or vans, may purchase as many annual vehicle permits as needed to conduct business on the Airport premises and pay the actual cost of permits per vehicle in accordance with the above table, or \$4,000, whichever is less.

(2) Commercial Freight Pick-up/Delivery Vehicles. Off-Airport businesses performing a commercial pick-up or delivery of freight transitting the Airport shall be required to purchase and display a Commercial Freight Pick-up/Delivery permit on their vehicle prior to conducting such business on the airport premises. This excludes any item that an airport tenant may use or consume for their own personal or business purposes.

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- (E) Employee vehicles must be registered with Airport Management. Vehicles parked in the employee parking lot that have not been registered will be towed and impounded at the owner's expense.
 - (2) The rate for parking in the employee parking lot is \$35 per space per month, or any fraction thereof.
 - (3) There will be two rental periods per year. The first period shall be from October through April, and the second period shall be from May through September.
 - (4) Use of a parking space may be shared between two eligible employees and a single fee charged, provided work schedules do not overlap and/or actual use is limited at all times to a single car in the single rented space.
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- (k) **Concession Fees.** Concessions which operate at the airport shall be awarded through Bid process, Request For Proposal (RFP) process or as a sole responder with a Letter of Interest. Concession fees are established through contract negotiations, but will not be leased at a rate less than those established for Airfield/Aviation Use Land Lease Rates.
 - (l) **Governmental Agency Rental Rates.** The Juneau International Airport may enter into an agreement with governmental agencies for the reimbursement of expenses incurred by the airport in providing services (which may include, but not be limited to: maintenance, utilities, supplies and janitorial services) to the "rent-free" space. The charge for such reimbursable expenses for services shall be based on the annual per square foot cost of providing such services to the entire area serviced.
 - (m) **Airport Reimbursable Costs.** The Juneau International Airport may charge tenants, users or patrons of the Airport for costs associated with reimbursement of personnel costs, equipment costs or supplies for which a tenant, user or patron requests a special service which is not covered by a tenant or user agreement or is not a normally provided function of Airport operations. This may include damage to airport property for which the tenant, user or patron is responsible and whereby additional cost has been incurred by the Airport. A detailed breakdown of all costs will be provided after an emergency situation or an estimate will be supplied in advance to a request if appropriate.
 - (n) **Fingerprint Fees.** For fingerprinting and electronic submission to the Federal Bureau of Investigation (FBI) for criminal history records check, the following fees shall apply:
 - (1) Employees, tenants, employees of tenants, or those employees of businesses and agencies directly working with/at the Juneau International Airport, the fingerprint fee shall be: \$45 per person.
 - (2) For all others, the fingerprint fee shall be: \$75 per person.
 - (o) **Badging Fees.** For access and identification badges issued at the Juneau International Airport, the following fees shall apply:

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- (1) Security Identification Display Area (SIDA), 135 ramp (Non-SIDA), *“General Aviation AOA badges,”* or Airport Employee identification badges, the fees shall be:

(A)	Initial Issuance (\$10) & Deposit (\$50)	\$ 60	<i>“Initial Issuance (\$15) & Deposit (\$50) \$65”</i>
(B)	Renewal (annual)	\$ 10	<i>“Renewal (Annual) \$15”</i>
(C)	Re-issuance for worn or damaged	\$ 10	
(D)	Lost badge	\$200	
(E)	Contractor Deposit	\$200	

Deposits shall only be refunded upon return of an individual’s current access badge to Airport Security or Airport Administration. If a “lost” badge is later recovered, a refund of \$190 may be issued only if the lost badge is of the current issuance lot (color, badge design).

In lieu of a deposit, an employer may issue a written letter of guarantee for their employee(s). Such letter will be on company or business letterhead, signed by an authorized agent of the company or business, and guarantee that if an authorized employee of their company or business does not return a badge or loses a badge, the company or business shall be responsible for the non-returned/lost badge and remit the \$200 fee to the Airport.

- (2) Proximity Cards (or gate access cards): \$5 per card / issuance
- (3) Non-airport identification media : \$10 per card / issuance

07 CBJAC 10.030 Definitions. For purposes of this chapter, unless the context plainly requires otherwise:

“Aviation Use” means the storage, operation, maintenance, or servicing of aircraft, or a use directly ancillary to such aviation use.

“Employee” a person employed by a company, business or governmental agency and who is stationed to work at the Juneau International Airport for that company, business or agency.

“Juneau International Airport” or “Airport” means the facilities and lands owned by the City and Borough of Juneau, or the administration which oversees the facilities and lands at the Airport, subject to this regulation.

“Signatory” means air carriers or aircraft owners/operators who have a written lease agreement with the Airport.

“Non-Signatory” means air carriers or aircraft owners/operators who do not have a written lease agreement with the Airport. A sublease agreement does not qualify at the “signatory” rate.

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“Commercial Land” means that area of the Airport which is designed for businesses and commercial activity, but may be leased to private individuals at the commercial rate.

“Non-Commercial Land” means that area of the Airport which is designed for private, non-business activities, but may be leased to commercial businesses at the commercial rate.

“Transient Aircraft” means an aircraft which is not assigned to a permanent parking space on the Airport, or which is not owned/leased by a tenant who has a written agreement with the Airport for the purpose of parking.

“Undeveloped Land” means raw land that has not been filled to grade or been permitted for development.

Section 3. Notice of Proposed Adoption of a Regulation. The notice requirements of CBJ 01.60.200 were followed by the agency. The notice period began on August 3, 2009, which is not less than 21 days before the date of adoption of these regulations as set forth below.

Adoption by Agency

After considering all relevant matter presented to it, the agency hereby amends these regulations as set forth above. The agency will next seek Assembly review and approval.

Date: _____

Jerry Godkin, Chairman
Juneau International Airport Board

Legal Review

These regulations have been reviewed and approved in accordance with the following standards set forth in CBJ 01.60.250:

- (1) Consistency with federal and state law and with the charter, code, and other municipal regulations;
- (2) The existence of code authority and the correctness of the required citation of code authority; and
- (3) Its clarity, simplicity of expression, and absence of possibility of misapplication.

Date: _____

John W. Hartle
City Attorney

Assembly Review

These regulations were presented to the Assembly at its meeting of _____. They were adopted by the Assembly.

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Date: _____

Laurie J. Sica, Clerk

Filing with Clerk

I certify, as the clerk of the City and Borough of Juneau, that the following statements are true:

1. These regulations were accepted for filing by the office of the clerk at ____:____ a.m./p.m. on the ____ day of _____, _____.
2. After signing I will immediately deliver or cause to be delivered copies of this regulation to the attorney and the director of libraries.
3. A permanent file of the signed originals of these regulations will be maintained in this office for public inspection.
4. Effective date: _____.

Date: _____

Laurie J. Sica, Clerk