

AIRPORT MANAGER'S REPORT – May 9, 2024

- a. FAA Alaskan Region Airport Division Director Departing Alaska. Director Kristi Warden has accepted a new position within the Federal Aviation Administration (FAA) – Tech Ops in Houston, starting June 16. It has been an absolute pleasure working with Kristi and her support of Alaska Airports on many issues and building airport infrastructure/funding. JNU sincerely wishes the best to Kristi in her new position. Current Deputy Director Rodney Clark will be acting Director until the position is permanently filled.
- b. Increase in Encampments on Airport Property. Airfield crew has seen a significant increase in the number of illegal campsites, trash and drug needles in the Jordan Creek greenbelt. Juneau Police Department Airport Police are called to assist with the eviction while Airfield cleans out the abandoned items. Signs are posted but these signs are pulled out of the ground and thrown into the creek, along with a lot of trash. This is at an ‘epidemic’ level and has become a daily clean-out. It is a strain on crew resources and costly for the Airport. Staff has alerted the City Manager’s office and the Law Department.
- c. Aircraft Rescue Fire Fighting (ARFF) Truck Update. The date to bring the leased ARFF truck online has been delayed due to contract language between the E-one company and CBJ. The Airport/Capital City Fire Rescue (CCFR) is hopeful that this is resolved quickly to bring the truck online.
- d. ARFF Program Manager Position. Brandon Bagwell has accepted the position of ARFF Program Manager for CCFR, starting in June. Brandon brings an impressive 21 years of ARFF experience to the team, with a diverse background in both large and small airports. He previously worked at the FedEx ARFF hub and is currently assigned to ARFF at Reno Tahoe Airport. Notably, Brandon deployed with Federal Emergency Management Agency to New York at the onset of the COVID-19 pandemic, where he managed supply logistics for six stations and 350 ambulances.
- e. Litigation Case. In the Fall of 2022, the Board was informed of pending litigation involving Fed Ex, R & L Leasing and the CBJ-Airport. In Spring 2023, the Airport was notified that R & L Leasing’s insurance would defend the CBJ Airport in this case. CBJ Law was notified April 17, 2024, that the case went to mediation and had been settled.
- f. Aviation Worker Screening Litigation. At the April 11, 2024, Airport Board meeting, the Board approved up to an additional \$10,000 toward the litigation costs with other airports nationwide, to appeal the Transportation Security Administration (TSA) (unfunded) mandate in implementing employee screening through a third-party law firm handling the federal case. The Stay of Implementation was filed with the U.S. Court of Appeals on April 11, 2024; and TSA filed their Opposition to the Stay on April 22, 2024. Attorney for the airports filed their support for a Stay on April 29, 2024; with TSA counsel basically filing their same opposition to the Stay on May 2, 2024. A date for oral arguments has not been set, but this case is finally seeing some movement.
- g. Airport Fund Balance (AFB) and Capital Revolving Account Balance (CRAB) (Attachment #2). The Airport Fund Balance page reflects updates to the proposed FY25/26 budgets and

reflects what has been submitted to the Assembly and approved by the Board. ***The Fund Balance is based on the balanced FY25 budget with increases to Airport Rates & Fees.*** The CRAB has been updated in format only and shows the remaining forward-funded projects and balance. The Board and Assembly will see some upcoming transfers and appropriating ordinances as the Airport cleans up the accounting on some of its projects and CIP/Revolving accounts.

h. CARES/CRRSAA/ARG Fund Balance (Attachment #3). This shows the update for actuals. The Airport will be doing final drawdowns and closing out these grants/funding. The Board and Assembly will see some upcoming transfers and appropriating ordinances as the Airport cleans up the accounting on some of its projects and other CIP/CARES accounts.

i. Hot Topics. The following is a list of on-going topics that staff is working on in addition to the regular Airport Project Reports:

- **NO CHANGE** – *Juneau Douglas North Crossing Project*. - Alaska Department of Transportation (ADOT) continues with the second channel crossing project between Juneau and Douglas. ADOT has released the GIS information used in the draft level 2 screening evaluation. A link to the mapper will also be made publicly available on the website:

<https://www.jdnorthcrossing.com/>. DOWL and the State continue to state: *‘Any alternative that conflicts with the approach surfaces or the ALP will be modified to eliminate conflicts or removed from consideration.’* Please visit the ADOT website for the project

www.jdnorthcrossing.com or make comment to the project email **JDNorthCrossing@dowl.com**.

- **NO CHANGE** – *Alaska Department of Environmental Conservation (ADEC) Site Contamination*. In 2014 during a project that required paving a drive lane just south of the old sand shed and Channel/Loken (Coastal) hangar, contamination of soil and groundwater was found. This contamination record was never mitigated, nor further testing done, and remained an open contamination case for both the Airport and Loken/Channel Flying. The Airport will continue to work with ADEC and Cox Environmental to close out this site, which may take some time.

- **NO CHANGE** – *Title 49 (Jordan Creek) Variance Request*. Staff is still looking to work with the CBJ on Title 49 language for limbing after the Planning Commission denied the Development Department (CDD) during their rewrite of Title 49 for inclusion of safety or other ways to allow limbing in this area. The Assembly has approved \$150,000 in their FY24 Capital Improvement Project plan for: *the Jordan Creek Greenbelt Improvements, for installation of lighting, improve pathway and improve sightlines for Jordan Creek Greenbelt.*

- **NO CHANGE** – *TSA Mandate for Employee Screening Going into Secured and Sterile Areas*. Staff continues to phase in the aviation workers screening (AWS) plan. This phase-in is part of the AWS implementation plan for the informed compliance period, which started September 25, 2023. Trial runs will continue weekly until fully implemented to nine hours/week. JNU and approximately ten other airports filed a Joint Petition for Judicial Review of TSA’s worker screening amendment; paralleling the random screening.

- **NO CHANGE**– *Alaska Department of Natural Resource (ADNR) Land Conveyance Close-out*. During the Runway Safety Area (RSA) project, the Airport through the Environmental Impact Statement (EIS) public process and mitigation, acquired wetlands parcels from the State for the extension of the RSA on both the RWY 8 and RWY 26 ends, and to accommodate portions of the approach lighting systems. The Airport is still working with ADNR to convey these parcels to the Airport’s property. Once this is completed and recorded, the Airport Layout Plan and ‘Exhibit A’ will need to be updated to reflect the airport boundaries.

- **NO CHANGE** – *Runway 26 Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights (MALSR) approach lighting*. After introduction by Senator Sullivan, the language that would include the MALSR in the FY24 Reauthorization Bill (that would allow the transfer, ownership and maintenance of approach lighting systems to the FAA upon completion) has support from the House. The language would add MALSR equipment to the list of allowable lighting equipment and allow the transfer of this to the FAA even if paid for through Airport Improvement Program (AIP) funding. This is now pending final approval within the Reauthorization Bill. A five-year Corps of Engineers wetlands permit has been issued.

- **NO CHANGE** – *PFAS Testing and Monitoring*. Cox Environmental continues with their quarterly testing of groundwater, surveying the test wells to determine flow direction, including two private wells within the test radius.

- **NO CHANGE** – *Egan/Yandukin Intersection Improvements Project*. ADOT has narrowed down design alternatives for the project. Please visit ADOT website for the project at <http://dot.alaska.gov/eganyandukin>.

- **NO CHANGE** – *FAA Compliance Land Use/Financial Letter (January 2019)*. Staff continues to work on the remaining compliance items. Staff is looking to acquire the Loken/Channel Flying property as a through-the-fence operation. See Project Manager Report.

- **NO CHANGE** – *Passenger Facility Charge (PFC) cap increase* JNU continues to discuss PFC increases with our DC Lobbyist and Congressional Delegation.

- **NO CHANGE** – *Capital Improvement Program (CIP) and Passenger Facility Charge (PFC) 10*. With FFY20 FAA AIP terminal grants covering the entire amount of FAA-eligible terminal construction, PFC (PFC9) collections may be abbreviated with less match required. Staff is monitoring the amount needed for the terminal project to assess when to start PFC10 application process.

- **NO CHANGE** – *Maintenance Programs* (roofs, heat pump equipment, baggage systems, etc.). Staff continues to develop maintenance contracts for specialized systems similar to what we do with airfield lighting and controls.

ATTACHMENT #2

Available Fund Balance Summary

Airport Fund

Last Update: 4/5/2024

	FY23 Actuals	FY24 Amended	FY24 Proj	FY25 Budget	FY26 Budget
Beginning Available FB	2,770,968	4,057,215	4,057,215	4,057,215	4,057,215
Operational Expenses:	(9,888,277)	(9,711,100)	(10,003,300)	(10,606,700)	(10,755,800)
Debt Service (OUT):	(2,994,200)	(3,091,200)	(3,091,200)	(2,505,100)	(2,583,400)
Transfers to Capital Projects:		(600,000)	(600,000)		
Other Non-Oper Expenses:	(271,923)	(541,400)	(1,266,300)	51,400	51,400
JNU Total Expenses:	(13,154,400)	(13,943,700)	(14,960,800)	(13,060,400)	(13,287,800)
Minus Non-operational Exp & Debt Serv:	3,266,123	4,232,600	4,957,500	2,453,700	2,532,000
Operational Expenses:	(9,888,277)	(9,711,100)	(10,003,300)	(10,606,700)	(10,755,800)
Operational Revenues:	6,629,028	7,510,200	7,872,900	10,606,700	10,610,000
CARES Reimb (operations):	4,369,641	2,200,900	2,130,400	-	-
***Other Financing Sources (Uses):	175,855				
JNU Total Revenues:	11,174,524	9,711,100	10,003,300	10,606,700	10,610,000
Increase (decrease) in Fund Bal (FB):	1,286,247	-	-	-	(145,800)
Ending Avail FB, including Reserve:	4,057,215	4,057,215	4,057,215	4,057,215	3,911,415
Less 3 Mo. Operating Reserve	(2,472,100)	(2,427,800)	(2,500,800)	(2,651,700)	(2,689,000)
Ending Available Fund Balance	1,585,115	1,629,415	1,556,415	1,405,515	1,222,415

*** Other Financing sources (uses) include: capital outlay, adjustments pertinent to modified accrual accounting, such as A/P, A/R, and leave accruals/deferrals; as well as changes in restrictions of fund balance.

ATTACHMENT #2
AIRPORT CAPITAL REVOLVING ACCOUNTS (combined)

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	\$819,246	-	-	-	BUDGET
Apr-19			(\$477,000)	**	NO LONGER REQ. Termnl Recon
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jan-21			(\$40,000)		Float Pond Fwr Fund Design
May-21			(\$108,000)		Float Pond Fwr Fund Design
Jan-05		\$542			\$541.95 adjustment
	\$144,788				AVAILABLE BUDGET on A50-001 to forward fund Projects

*Represents all 3 Capital Accounts: Airport Revolving Captial Reservec Acct (ARCRA), Airport Construction Contingency Reserve, Project Design

**Temp forward funded \$477K to be credited once Controller's complete transfer back to acct

ATTACHMENT #3

CARES/CRRSAA/ARPA Grant Funding Use/Availability

<u>Type of Expense</u>	<u>Description</u>	<u>Amount Proj</u>	<u>Actuals & Encumb</u>	<u>Status</u>
	CARES grant Award (#82, 94, 95 & 99)	21,736,343	21,736,343	
	CRSSA grant Award (#84)	3,324,451	3,324,451	
	ARPA grant Award (#87)	5,430,992	5,430,992	
	TOTAL GRANTS:	30,491,786	30,491,786	
Ops Deficit	FY20 Operational Expenses	(724,664)	(724,664)	Final
Ops Deficit	FY21 Operational Exp incl tenant relief; yearend	(3,693,321)	(3,693,321)	Final
Ops Deficit	FY22 Operational Exp incl tenant relief+ 107.9K int hit	(2,456,528)	(2,456,528)	Final
Debt Service	FY21 Airport GO Bond debt service	(602,375)	(602,375)	Final
Debt Service	FY22 Airport GO Bond debt service	(662,600)	(662,600)	Final
Debt Service	FY23 Airport GO Bond debt service	(660,300)	(660,300)	Final
Project	TWY Regulator Upgrade (appropriated)	(118,814)	(118,814)	Final
Project	Terminal Suspended Ceiling Tile Replac	(350,000)	(213,506)	Final
Project	Terminal Seating portion in FY23	(145,000)	(145,000)	Final
Project	SREB Circulation Pump Upgrade	(165,000)	(183,949)	Final
Project	SREB Wash Bay Protection	(49,925)	(49,925)	Final
Project	Float Pond Electrical Upgrades	(190,000)	(156,348)	Final
Project	Forklift vehicle	(48,715)	(48,715)	Final
Project	Bagwell Gas Detect \$43k desgn, CA+construct 195.4k pend	(238,400)	(217,043)	Final
Ops Deficit	FY23 Tenant Rent Relief	(1,250,000)		Final
Ops Deficit	FY23 Operational Expenses	(950,900)	(3,342,716)	Final
	Exp thru FY23	(12,306,542)	(13,275,804)	
Ops Deficit	FY24 Tenant Rent Relief (est)	(1,600,000)	(1,600,000)	Final
Ops Deficit	FY24 Operational Expenses (est)	(118,700)	(403,229)	Final
Debt Service	FY24 Airport GO Bond debt service	(657,125)	(657,125)	Final
Project - Match	Ramp Project Match	(312,500)	(312,500)	Final
Project	Terminal Seating portion in FY24	(305,000)	(305,000)	Final
Project	NWDA Electrical Upgrades	(296,400)	(296,400)	Final
Project	Temsco Sewer hookup	(295,000)	0	NOT eligible
Project	Bag Belt Replace - Est; + \$50K design (10/21)	(1,469,716)	(1,469,716)	Final
Project	Parking Lot Design & Construction	(10,454,010)	(10,454,010)	Final
Project	Parking Lot Construction - Quantity Amendment	(600,000)	(460,857)	Final
Project	Gate K Culvert Replace (Design + Constr estimate)	(670,426)	(670,426)	Final
PENDING	Gate K culvert Replace PFAS/Dewatering & remediation	(600,000)	(137,559)	Final
Project	Sand/Chem bldg Back-up Electric Boiler Design&Trenching	(175,000)	(175,000)	Final
	Sand/Chem bldg Portable oil-fired Boiler		0	Final
Project	Fuel Station Access Control & Generator	(35,000)	0	Abandoned
Project	1 Buried Tank Removal & Replacmt (Old Shop UST remove/replace/cleanup)	(254,950)	(254,950)	Final
Project	Man Lift	(20,000)	(19,210)	Final
	FY24 Expenses	(17,863,827)	(17,215,982)	

Available CARES: 321,417 0

Actuals Lower than expected