

## AIRPORT MANAGER'S REPORT – July 13, 2023

### a. Recruitment Updates:

Airport Business Manager: The Airport has hired Angelica Lopez-Campos as the Airport Business Manager, following John Coleman's retirement in June. Ms. Lopez-Campos has 20 years of City & Borough of Juneau (CBJ) Finance experience ranging from department budgets to capital improvement programs administration/billing of federal payments. Ms. Lopez-Campos will officially start with the Airport July 24.

Airfield Senior Mechanic: The Airport has hired Justin Swick as the Airfield Senior Mechanic, following Mike Roggenkamp's retirement in May. Mr. Swick has nearly 20 years of experience on many types of specialized snow removal and other heavy equipment. Mr. Swick will start July 24.

b. Airport Fund Balance (AFB) and Capital Revolving Account Balance (CRAB) (Attachment #2). NO CHANGE since last month. The Airport Fund Balance page reflects updates to the FY23/24 budgets and reflects what has been submitted to the Assembly and approved by the Board. The FY24 shortage of \$118,700 will be covered with CARES funding. The CRAB reflects the approved use of the additional \$108K for funding the Float Pond Phase 2 Design work until reimbursed by the FAA grant.

c. CARES/CRRSAA/ARG Fund Balance (Attachment #3). The breakdown of CARES/CRRSAA/ARPA (or ARG) funds used and proposed is updated on Attachment #3. The Airport is looking at just under \$1.5M available in CARES funding.

*Further discussion at the Board meeting if the Board wants to pursue any further use of operational funding, bond interest payment, or project match (so long as the draw down occurs prior to April 27, 2024).*

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

- **NEW** – *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.

- **NEW** – *Alaska Department of Environmental Conservation (ADEC) Compliance Order by Consent (COBC) Close-out.* On March 9, 2020, ADEC performed a compliance inspection of the Airport's Storm Water Pollution Prevention Plan (SWPPP). Due to the inspection, a Notice of Violation was issued by ADEC and a COBC was signed March 1, 2021. The compliance order was issued for a two-year period and was adhered to for the duration. The paperwork has been sent in to ADEC for the termination of the COBC.

- **UPDATE** – *Juneau Douglas North Crossing Project*. Alaska Department of Transportation (ADOT) has started the North Crossing project, for a second crossing over the channel between Juneau and Douglas. The Airport participates in the Technical Advisory Committee due to protection of aircraft approach corridors coming down the channel. On June 23, the Airport Manger discussed the concerns of a bridge at either Sunny Point location and the Airport approaches with Federal Aviation Administration (FAA) Airports Division; they were equally concerned. FAA Airports met with Commissioner Binder and team to relay on the aviation concerns. JNU Airport will continue to voice concerns with any bridge option that will impact airport approaches, departures or future development. Please visit the ADOT website for the project [www.idnorthcrossing.com](http://www.idnorthcrossing.com) or make comment to the project email [JNorthCrossing@dowl.com](mailto:JNorthCrossing@dowl.com).

- **UPDATE** – *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 FY23 Reauthorization Bill (that would allow the transfer, ownership and maintenance of approach lighting systems to the FAA upon completion) has gained support in 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. In June, the Airport received a new five-year Corps of Engineers permit for the work in the wetlands.

- **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.

- **NO CHANGE** – *Transportation Security Administration (TSA) passenger screening checkpoint equipment*. This project is on hold due to construction requirements for the larger equipment.

- **NO CHANGE** - *Encampments on Airport Property*. Airfield crew continues to clean up the illegal campsites and trash in the greenbelt areas around the creeks. They perform weekly clean-outs of these sites and belongings. Of safety concern are the number of drug needles they are finding in the greenbelt.

- **NO CHANGE** - *United Parcel Service (UPS) Package Bin Theft*. Staff continues to work with UPS on the outgoing drop-boxes that fill/overflow to avoid theft of packages.

- **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 due to through-the-fence operations.
- **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

Date	CIP Revolving Balance*	Reimbursed Amount (+)	Forward Fund Amount (-) anticipate reimbursement	Encumbered Amount (-) permanent/ <u>no</u> reimbursement	Description
	<b>\$819,246</b>	-	-	-	<b>BUDGET</b>
Aug-18		\$23,438	(\$23,438)		PFC9 reimburse Master Plan match (portion)
Feb-16		\$3,000	(\$3,000)		SREF Geothermal remaining encumbrance
Jan-14		\$39,063	(\$39,063)		RWY Rehab match (portion) anticipate 2019 reimbur
Apr-15		\$32,849	(\$32,849)		RWY Rehab match (portion) anticipate 2019 reimbur
Jul-18		\$310,000	(\$310,000)		Sand/Chem/Fuel Design.
Nov-18		\$21,988	(\$21,988)		Sand/Chem/Fuel Construct match antic 2019 reimb (org \$106,250)
Apr-19			(\$477,000)	**	<i>NO LONGER REQ.Termnl Recon -less Float Pond Design (\$40k and \$108K) / Property Acq (\$50k)</i>
Jan-21			(\$50,000)		Property Acquisition Frwd Fund Specialist
Jan-21			(\$40,000)		Float Pond Frwd Fund Design
May-21			(\$108,000)		Float Pond Frwd Fund Design
	<b>\$144,246</b>				<b>AVAILABLE BUDGET</b>

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

\*\*Terminal bonds have been sold; all funding is in place; temp forward funded \$675K to be credited once Controller's completes transfer back to acct

## ATTACHMENT #2

**NET REVENUES v EXPENSES**  
Juneau International Airport  
For Fiscal Years ending June 30

	Revised 2022	Actual 2022	Revised 2023	Projected 2023	Adopted 2024	Revised 2024	-
<b>Operations Revenues (a)</b>	<b>\$6,103,600</b>	<b>\$5,922,987</b>	<b>\$7,260,000</b>	<b>\$7,591,900</b>	<b>\$7,498,000</b>	<b>\$9,592,400</b>	<b>\$0</b>
<b>O&amp;M Expenses (b)</b>	<b>(\$7,941,600)</b>	<b>(\$8,376,776)</b>	<b>(\$9,045,200)</b>	<b>(\$9,203,100)</b>	<b>(\$8,919,500)</b>	<b>(\$9,711,100)</b>	<b>\$0</b>
<b>Operations Surplus (Deficit)</b>	<b>(\$1,838,000)</b>	<b>(\$2,453,789)</b>	<b>(\$1,785,200)</b>	<b>(\$1,611,200)</b>	<b>(\$1,421,500)</b>	<b>(\$118,700)</b>	<b>\$0</b>
<b>Non-Operational Expenses</b>							
Other (c)	\$0	\$0	\$0	(\$2,340,400)	\$0	\$0	\$0
GO Bond debt service--Expense	(662,625)	(662,600)	-	(660,375)	-	(657,125)	-
<b>Total</b>	<b>(\$662,625)</b>	<b>(\$662,600)</b>	<b>\$0</b>	<b>(\$3,000,775)</b>	<b>\$0</b>	<b>(\$657,125)</b>	<b>\$0</b>
<b>Non-Operational Revenues</b>							
Airport fund balance applied	\$0	\$0	\$0	\$0	\$0	\$0	\$0
COVID-19 relief grants drawn							
CARES	\$0	\$0	\$0	\$0	\$0	\$775,825	\$0
CRRSA	-	1,559,564	-	1,764,887	-	-	-
ARPA	-	1,559,564	-	2,847,088	-	-	-
<b>Total (d)</b>	<b>\$0</b>	<b>\$3,119,128</b>	<b>\$0</b>	<b>\$4,611,975</b>	<b>\$0</b>	<b>\$775,825</b>	<b>\$0</b>
<b>Net Surplus (Deficit)</b>	<b>(\$2,500,625)</b>	<b>\$2,739</b>	<b>(\$1,785,200)</b>	<b>\$0</b>	<b>(\$1,421,500)</b>	<b>\$0</b>	<b>\$0</b>
<b>3-month Operating Reserve:</b>	<b>(\$1,985,400)</b>	<b>(\$2,094,194)</b>	<b>(\$2,261,300)</b>	<b>(\$2,300,775)</b>	<b>(\$2,229,875)</b>	<b>(\$2,427,775)</b>	<b>\$0</b>

**Note 1:** **Rent Abatements:** Revenue not collected due to Abatements (approx. \$1.25m) is not factored into the Budget Revenue line (a) for Adopted, Revised, Projected budgets, but is reflected in Actuals for FY22. i.e. budget lines for FY23 & FY24 are shown "whole" so that rates and fees can be accurately derived.

**Note 2:** **Board-Approved CARES Expenditures:** \$2,340,400 of Board-approved, grant-funded, expenditures are projected for FY23. These expenses are not included in the O&M expense line (b), so that they do not inflate the FY23 deficit for Rates and Fees calculations. The grant-funded expenses are shown on the Non-Operational Expenses line, Other (c).

**Note 3:** **Non-Operational Revenues, Total (d):** The CARES/CRSSA/ARPA grant draw for FY23 is projected at \$4.6M; this includes the operational deficit \$1.6M, GO Bond debt service \$660K, and Board-approved projects \$2.3M.

(a) See Attachment 1 for summary and Attachment 4 for detail by account.

(b) See Attachment 1 for summary and Attachment 3 for detail by account.

(c) Other includes: capital expenditures, transfer of sales tax to Airport fund, and transfers between Airport operations and

CIP projects, and other changes in restrictions of fund balance. At year end, the audited financial statements are not on a cash basis but on accrual--The Airport budgets/reports are revenues & expenditures – which are cash basis.

### ATTACHMENT #3

<u>Type of Expense</u>	<u>Description</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Final OR In Progress</u>
	CARES grant Award	21,736,343		
	CRSSA grant Award	3,324,451		
	ARPA grant Award	5,430,992		
	<b>TOTAL GRANTS:</b>	<b>30,491,786</b>		
Ops Deficit	FY20 Operational Expenses	(727,145)	2020	Final
Ops Deficit	FY21 Operational Exp incl tenant relief; yearend	(3,427,111)	2021	Final
Ops Deficit	FY22 Operational Exp incl tenant relief+ 107.9K int hit	(2,453,789)	2022	Final
Ops Deficit	FY23 Tenant Rent Relief (est)	(1,250,000)	2023	In Progress
Ops Deficit	FY23 Operational Expenses (est)	(1,611,200)	2023	In Progress
Ops Deficit	FY24 Tenant Rent Relief (est)	(1,600,000)	2024	In Progress
Ops Deficit	FY24 Operational Expenses (est)	(118,700)	2024	In Progress
Debt Service	FY21 Airport GO Bond debt service	(602,375)	2021	Final
Debt Service	FY22 Airport GO Bond debt service	(662,625)	2022	Final
Debt Service	FY23 Airport GO Bond debt service	(660,300)	2023	In Progress
Debt Service	FY24 Airport GO Bond debt service	(657,000)	2024	In Progress
Project - Match	Ramp Project Match	(312,500)	2023	pending
Project	TWY Regulator Upgrade (appropriated)	(203,028)	2023	In Progress
Project	Bag Belt Replace - Est; + \$50K design (10/21)	(1,469,716)	2023	In Progress
Project	Parking Lot Design (max) - Estimate	(767,783)	2023	In Progress
Project	Terminal Ceiling	(350,000)	2023	In Progress
Project	Parking Lot Construction -TBD -Est (in design)	(9,686,227)	2023	In Progress
Project	Terminal Seating	(450,000)	2023	In Progress
Project	SREB Circulation Pump Upgrade *May 22 bids	(165,000)	2023	In Progress
Project	Sand/Chem bldg Back-up Boiler TBB July 2022	(175,000)	2023	In Progress
Project	Fuel Station Access Control & Generator	(35,000)	2023	In Progress
Project	SREB Wash Bay Protection	(49,925)	2023	In Progress
Project	NWDA Electrical Upgrades	(296,400)	2023	In Progress
Project	Float Pond Electrical Upgrades	(190,000)	2023	In Progress
Project	Gate K Culvert Replace (Design + Constr estimate)	(670,426)	2023	In Progress
Project	Old Shop UST remove/replace/cleanup	(147,150)	2023	In Progress
Project	Forklift vehicle	(48,715)	2023	Final
Project	Bagwell Gas Detect \$43k desgn+construct 195.4k pend	(238,400)	2023	In Progress
Project	Man Lift	(20,000)	2025	In Progress
		<b>1,446,271</b>		