

State of Alaska FY2013 Governor's Operating Budget

Department of Transportation/Public Facilities International Airport Systems Office Component Budget Summary

Component: International Airport Systems Office

Contribution to Department's Mission

Provide system planning oversight/coordination as well as relevant and reliable financial information to the Alaska International Airports System (AIAS) and its stakeholders.

Core Services

- Under Commissioner delegated authority, establish uniform rates and charges for air carriers, concessionaires, and others using the AIAS, which consists of the Ted Stevens Anchorage International Airport (ANC) and Fairbanks International Airport (FAI). Perform ongoing evaluation of those rates and charges to ensure financial goals are achieved.
- Provide for timely and informative financial reporting for use by State, Federal Aviation Administration (FAA), airport management, air carriers, rating agencies, bondholders, and other AIAS stakeholders.
- Ensure effective and appropriate accounting and financial internal controls, policies and procedures are in place for AIAS.
- Evaluate the fiscal impact of airport development and administration plans such as terminal and field expansion, parking garages, land lease rates and aircraft tie-down fees. Develop fiscal constraints to be followed by management.
- Identify auditing needs and arrange for, and oversee the annual enterprise fund external financial audit by independent Certified Public Accountants.
- Assist in the negotiation of the airport operating agreement and in the implementation and monitoring of its requirements.
- Monitor AIAS capital project funding needs, ensuring that appropriate financing methodologies are employed and alternatives are reviewed and considered as market conditions and funding requirements warrant.
- Coordinate with the Department of Revenue on AIAS revenue bond issues and assure timely fulfillment of ongoing disclosure requirements.

Key Component Challenges

- While capital project activity at the two AIAS airports have decreased significantly upon completion of major terminal projects, AIAS continues to monitor ongoing and recurring capital projects, especially regarding financing. This entails managing funds from revenue sources which affect airline rates, such as revenue bonds, passenger facility charges, and international airport revenue funds collected through rates and charges. The AIAS is also closely involved in ensuring airline approval and adequate legislative authority is obtained for the AIAS capital program to help ensure completing individual projects on time and within budget.

Significant Changes in Results to be Delivered in FY2013

A full-time Transportation Planner position was transferred to the Alaska International Airport Systems Office (AIASO) component in FY12 and some continued restructuring to enhance AIAS function in support of individual airports may occur in FY13.

Major Component Accomplishments in 2011

- Continued analysis of certified activity reporting process (the self reporting system under which a majority of AIAS revenues are collected) and identified significant opportunities to implement enhanced internal controls over revenue collection activities through enhanced electronic reporting methods and use of independent audit sources. Initiated a program to modify existing methodologies and implement additional internal controls.
- Continued contract with Megadata Passur for enhanced flight tracking system data used in revenue auditing and in support of operational activities.

- Administered several Capital Improvement Program (CIP) ballot processes in accordance with AIAS operating agreement in order to secure required airline concurrence on capital project program additions.
- Continued Anchorage International and Fairbanks International Airports' passenger facility charge programs and worked to secure 100% of current collection levels as source of funding for debt service related to capital projects.
- Issued \$171 million aggregate principal amount of Revenue and Revenue Refunding Bonds, Series 2010A, B, C, & D, to provide for the defeasance and optional redemption of a portion of the outstanding principal amount of AIAS Revenue Bonds and to finance capital improvements to ANC facilities.
- Developed AIAS web pages intended to provide general information about AIAS and serve as investor relations resource.
- Substantially completed AIAS Debt Policy draft for review by State Bond Committee in FY12. Policy will provide internal guidance and help inform external stakeholders regarding AIAS debt activities.

Statutory and Regulatory Authority

FAR Part 108, 612
AS 18 Health, Safety, and Housing
AS 37.15.430 International Airports Revenue Fund

Contact Information
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**International Airport Systems Office
Component Financial Summary**

All dollars shown in thousands

	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	382.0	685.3	684.4
72000 Travel	12.8	45.0	45.0
73000 Services	328.9	149.6	159.8
74000 Commodities	5.2	4.1	4.1
75000 Capital Outlay	4.9	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	733.8	884.0	893.3
Funding Sources:			
1027 International Airport Revenue Fund	733.8	884.0	893.3
Funding Totals	733.8	884.0	893.3

**Summary of Component Budget Changes
From FY2012 Management Plan to FY2013 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2012 Management Plan	0.0	0.0	884.0	0.0	884.0
Adjustments which will continue current level of service:					
-FY2013 Salary Increases	0.0	0.0	6.4	0.0	6.4
-FY2013 Health Insurance Increases	0.0	0.0	2.9	0.0	2.9
FY2013 Governor	0.0	0.0	893.3	0.0	893.3

International Airport Systems Office Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2012 Management Plan	FY2013 Governor		
Full-time	6	5	Annual Salaries	433,431
Part-time	0	0	COLA	5,779
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	245,192
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	6	5	Total Personal Services	684,402

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant II	1	0	0	0	1
Accountant IV	1	0	0	0	1
Asst Commissioner	1	0	0	0	1
Intl Airpts Controller	1	0	0	0	1
Trans Planner I	1	0	0	0	1
Totals	5	0	0	0	5

Component Detail All Funds
Department of Transportation/Public Facilities

Component: International Airport Systems Office (1649)
RDU: Aviation (532)

	FY2011 Actuals	FY2012 Conference Committee	FY2012 Authorized	FY2012 Management Plan	FY2013 Governor	FY2012 Management Plan vs FY2013 Governor	
71000 Personal Services	382.0	685.3	685.3	685.3	684.4	-0.9	-0.1%
72000 Travel	12.8	45.0	45.0	45.0	45.0	0.0	0.0%
73000 Services	328.9	138.8	138.8	149.6	159.8	10.2	6.8%
74000 Commodities	5.2	4.1	4.1	4.1	4.1	0.0	0.0%
75000 Capital Outlay	4.9	10.8	10.8	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	733.8	884.0	884.0	884.0	893.3	9.3	1.1%
Fund Sources:							
1027 Int Airprt (Other)	733.8	884.0	884.0	884.0	893.3	9.3	1.1%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	733.8	884.0	884.0	884.0	893.3	9.3	1.1%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	6	6	6	6	5	-1	-16.7%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Transportation/Public Facilities

Component: International Airport Systems Office (1649)

RDU: Aviation (532)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2012 Conference Committee To FY2012 Authorized *****												
FY2012 Conference Committee												
ConfCom		884.0	685.3	45.0	138.8	4.1	10.8	0.0	0.0	6	0	0
1027 Int Airprt		884.0										
Subtotal		884.0	685.3	45.0	138.8	4.1	10.8	0.0	0.0	6	0	0
***** Changes From FY2012 Authorized To FY2012 Management Plan *****												
ADN 25-2-7750 Transfer Authority to Meet Increased Legal Costs												
LIT		0.0	0.0	0.0	10.8	0.0	-10.8	0.0	0.0	0	0	0
Transfer authorization from capital outlay to services line to realign expenditures based on historical spending patterns. The funding is available in the capital outlay based on past and projected expenditures. An adjustment is necessary to meet the anticipated legal costs for FY12.												
Subtotal		884.0	685.3	45.0	149.6	4.1	0.0	0.0	0.0	6	0	0
***** Changes From FY2012 Management Plan To FY2013 Governor *****												
Transfer Alaska International Airport Planner (25-3546), to Statewide Aviation												
Trout		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Transfer out vacant PCN 25-3546, a permanent full-time Alaska International Airport System Planner, Range 21 located at Anchorage International Airport from the International Airport Systems Office (IASO) to the Statewide Aviation (SWA) component in Anchorage.												
IASO and SWA agreed to the following exchange of positions:												
-Move PCN 25-3737, Transportation Planner I from the SWA component to the IASO component. This position is currently filled. The duty station is Anchorage, but will be moved to Anchorage International Airport. PCN 25-3737 has been performing the duties, tasks and assignments of the Alaska International Airport System (AIAS) Transportation Planner for over two years via annual Reimbursable Services Agreements (RSAs).												
-Move PCN 25-3546 from the IASO component to the SWA component in exchange for 25-3737. 25-3546 is a vacant Right of Way Agent V located at Anchorage International Airport that will be moved to Anchorage. The PCN is budgeted as an AIAS Planner, but still classified as a Right of Way Agent V in the Online Position Description (OPD) system. The transfer provides for the more appropriate PCN (Planner vs ROW Agent) for IASO and will provide for the cessation of accomplishing this function through an RSA.												
Action was approved 10/6/11 via ADN 25-2-7763 by OMB.												
Transfer Transportation Planner (25-3737) from Statewide Aviation												
Trin		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Transfer in filled PCN 25-3737, a permanent full-time Transportation Planner, Range 21 to the International Airport Systems Office (IASO) located at Anchorage												

Change Record Detail - Multiple Scenarios With Descriptions
Department of Transportation/Public Facilities

Component: International Airport Systems Office (1649)

RDU: Aviation (532)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP	
										PFT	PPT		
International Airport from the Statewide Aviation (SWA) component in Anchorage.													
IASO and SWA agreed to the following exchange of positions:													
-Move PCN 25-3737, Transportation Planner I from the SWA component to the IASO component. This position is currently filled. The duty station is Anchorage, but will be moved to Anchorage International Airport. PCN 25-3737 has been performing the duties, tasks and assignments of the Alaska International Airport System (AIAS) Transportation Planner for over two years via annual Reimbursable Services Agreements (RSAs).													
-Move PCN 25-3546 from the IASO component to the SWA component in exchange for 25-3737. 25-3546 is a vacant Right of Way Agent V located at Anchorage International Airport that will be moved to Anchorage. The PCN is budgeted as an AIAS Planner, but still classified as a Right of Way Agent V in the Online Position Description (OPD) system. The transfer provides for the more appropriate PCN (Planner vs ROW Agent) for IASO and will provide for the cessation of accomplishing this function through an RSA.													
Action was approved 10/6/11 via ADN 25-2-7763 by OMB.													
Delete Long-Term Vacant Positions													
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
Position(s) that have been vacant for a year are being deleted. This transaction is for: 25-2611 (FT)													
Align Authority to Comply with Vacancy Factor Guidelines													
	LIT	0.0	-10.2	0.0	10.2	0.0	0.0	0.0	0.0	0.0	0	0	0
Transfer of funding is required to ensure adequate contact expense sufficient to address anticipated increased costs needed for audit, process review, and concession audit/review(s). Funding is available to transfer from personal services due to long-term vacant position reductions which have resulted in excess personal services funding authority.													
FY2013 Salary Increases													
	SalAdj	6.4	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		6.4											
FY2013 Salary Increases: \$6.4													
FY2013 Health Insurance Increases													
	SalAdj	2.9	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		2.9											
FY2013 Health Insurance Increases: \$2.9													
Totals		893.3	684.4	45.0	159.8	4.1	0.0	0.0	0.0	0.0	5	0	0

Department of Transportation/Public Facilities

Scenario: FY2013 Governor (9494)
Component: International Airport Systems Office (1649)
RDU: Aviation (532)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
25-2554	Asst Commissioner	FT	A	XE	Anchorage Intl Airport	NAA	27E / E	12.0		111,144	2,926	0	57,673	171,743	0
25-2556	Intl Airpts Controller	FT	A	XE	Anchorage Intl Airport	NAA	24J	12.0		103,560	2,853	0	55,075	161,488	0
25-2611	Admin Asst III	FT	A	GP	Anchorage Intl Airport	200	15A	12.0		0	0	0	0	0	0
25-2975	Accountant II	FT	A	GP	Anchorage Intl Airport	200	16E / F	12.0		56,377	0	0	37,904	94,281	0
25-3458	Accountant IV	FT	A	GP	Anchorage Intl Airport	200	20G / J	12.0		76,814	0	0	45,623	122,437	0
25-3737	Trans Planner I	FT	A	GP	Anchorage Intl Airport	200	21J	12.0		85,536	0	0	48,917	134,453	0

		Total Positions	New	Deleted			Total Salary Costs:	433,431
							Total COLA:	5,779
Full Time Positions:		5	0	1			Total Premium Pay::	0
Part Time Positions:		0	0	0			Total Benefits:	245,192
Non Permanent Positions:		0	0	0			<hr/>	
Positions in Component:		5	0	1			Total Pre-Vacancy:	684,402
							Minus Vacancy Adjustment of 0.00%:	(0)
							Total Post-Vacancy:	684,402
Total Component Months:		60.0					Plus Lump Sum Premium Pay:	0
							<hr/>	
							Personal Services Line 100:	684,402

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1027 International Airport Revenue Fund	684,402	684,402	100.00%
Total PCN Funding:	684,402	684,402	100.00%

Line Item Detail
Department of Transportation/Public Facilities
Travel

Component: International Airport Systems Office (1649)
RDU: Aviation (532)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000	Travel		12.8	45.0	45.0
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
72000 Travel Detail Totals			12.8	45.0	45.0
72110	Employee Travel (Instate)	Instate Employee travel (per diem, airfare, mileage, and parking).	6.2	26.0	26.0
72400	Out Of State Travel	Out of state employee travel for airline meetings (per diem, airfare, mileage, parking).	6.6	19.0	19.0

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: International Airport Systems Office (1649)
RDU: Aviation (532)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor	
73000	Services		328.9	149.6	159.8	
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor	
73000 Services Detail Totals			328.9	149.6	159.8	
73025	Education Services	Conference registration, memberships and employee tuition.	49.6	27.5	27.5	
73050	Financial Services	Contract for financial audit for international airports.	45.0	45.0	55.2	
73150	Information Technlgy	All information technology (IT) contractual costs such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes Microsoft Enterprise Agreement.	1.0	1.0	1.0	
73225	Delivery Services	Freight, courier and postage.	0.3	0.3	0.3	
73650	Struc/Infstruct/Land	Room rental fee.	0.6	0.0	0.0	
73675	Equipment/Machinery	Equipment/machinery repair/maintenance.	0.4	0.5	0.5	
73750	Other Services (Non IA Svcs)	Other services including PASSUR contract (radar based aircraft activities recording system).	135.6	57.0	57.0	
73805	IT-Non-Telecommunication	Enterprise Technology Services	Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	6.0	6.1	6.1
73806	IT-Telecommunication	Enterprise Technology Services	Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	0.7	0.7	0.7
73809	Mail	Central Mail	Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	0.0	0.1	0.1
73810	Human Resources	Personnel	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	0.1	0.2	0.2

Line Item Detail
Department of Transportation/Public Facilities
Services

Component: International Airport Systems Office (1649)

RDU: Aviation (532)

Expenditure Account		Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
73000 Services Detail Totals				328.9	149.6	159.8
73812	Legal	Transportation Section	Legal services.	29.1	10.8	10.8
73815	Financial	Finance	Chargeback fees for AKSAS and AKPAY.	0.3	0.3	0.3
73816	ADA Compliance	Americans With Disabilities	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	0.1	0.1	0.1
73819	Commission Sales (IA Svcs)	State Travel Office	Processing fees paid to the State Travel Office.	0.1	0.0	0.0
73979	Mgmt/Consulting (IA Svcs)	Statewide Aviation	RSA to Statewide Aviation for personal services to assist with work on Alaska International Airport System issues.	60.0	0.0	0.0

Line Item Detail
Department of Transportation/Public Facilities
Commodities

Component: International Airport Systems Office (1649)
RDU: Aviation (532)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000	Commodities		5.2	4.1	4.1
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
74000 Commodities Detail Totals			5.2	4.1	4.1
74200	Business	Books, office supplies, subscriptions.	5.2	4.1	4.1

Line Item Detail
Department of Transportation/Public Facilities
Capital Outlay

Component: International Airport Systems Office (1649)
RDU: Aviation (532)

Line Number	Line Name		FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
75000	Capital Outlay		4.9	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2011 Actuals	FY2012 Management Plan	FY2013 Governor
75000 Capital Outlay Detail Totals			4.9	0.0	0.0
75700	Equipment	Purchase of information technology equipment.	4.9	0.0	0.0

Inter-Agency Services
Department of Transportation/Public Facilities

Component: International Airport Systems Office (1649)
RDU: Aviation (532)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2011 Actuals	FY2012		
					Management Plan	FY2013 Governor	
73805	IT-Non-Telecommunication	Computer services provided by the Department of Administration, Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	Inter-dept	Enterprise Technology Services	6.0	6.1	6.1
73805 IT-Non-Telecommunication subtotal:				6.0	6.1	6.1	
73806	IT-Telecommunication	Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.	Inter-dept	Enterprise Technology Services	0.7	0.7	0.7
73806 IT-Telecommunication subtotal:				0.7	0.7	0.7	
73809	Mail	Chargeback fees for central mail services such as mailing vendor payments (AKSAS) and payroll warrants (AKPAY).	Inter-dept	Central Mail	0.0	0.1	0.1
73809 Mail subtotal:				0.0	0.1	0.1	
73810	Human Resources	Chargeback fees for human resource services such as labor relations, position classifications and payroll processing.	Inter-dept	Personnel	0.1	0.2	0.2
73810 Human Resources subtotal:				0.1	0.2	0.2	
73812	Legal	Legal services.	Inter-dept	Transportation Section	29.1	10.8	10.8
73812 Legal subtotal:				29.1	10.8	10.8	
73815	Financial	Chargeback fees for AKSAS and AKPAY.	Inter-dept	Finance	0.3	0.3	0.3
73815 Financial subtotal:				0.3	0.3	0.3	
73816	ADA Compliance	Chargeback fees for the statewide coordinator of the Americans with Disabilities Act (ADA).	Inter-dept	Americans With Disabilities	0.1	0.1	0.1
73816 ADA Compliance subtotal:				0.1	0.1	0.1	
73819	Commission Sales (IA Svcs)	Processing fees paid to the State Travel Office.	Inter-dept	State Travel Office	0.1	0.0	0.0
73819 Commission Sales (IA Svcs) subtotal:				0.1	0.0	0.0	
73979	Mgmt/Consulting (IA Svcs)	RSA to Statewide Aviation for personal services to assist with work on Alaska International Airport System issues.	Intra-dept	Statewide Aviation	60.0	0.0	0.0
73979 Mgmt/Consulting (IA Svcs) subtotal:				60.0	0.0	0.0	
International Airport Systems Office total:				96.4	18.3	18.3	
Grand Total:				96.4	18.3	18.3	