

# **State of Alaska FY2007 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 relevant and reliable financial information to the international airport system.

**Core Services**

- Set rates and charges for air carriers serving Alaska International Airport System (AIAS).
- Ensure appropriate accounting and financial policies and procedures are in place for the airport system.
- Arrange for and oversee the annual audit by independent Certified Public Accountant (CPA).
- Provide uniform fee structures for use of the airports' facilities and services.
- Assist in the negotiation of the airport operating agreement and in the implementation and monitoring of its requirements.
- Monitor capital project funding needs for the airport system and financing alternatives.
- Coordinate AIAS revenue bond issues on behalf of the airport system.

FY2007 Resources Allocated to Achieve Results		
<b>FY2007 Component Budget: \$950,100</b>	<b>Personnel:</b>	
	Full time	4
	Part time	0
	<b>Total</b>	<b>4</b>

**Key Component Challenges**

An important AIAS FY2007 objective is to complete negotiations with signatory airlines for the development of a new AIAS Operating Lease and Use agreement. This agreement will likely determine the signatory carriers at Alaska's international airports for the next five years and define the related capital program and its financing plan.

In conjunction with the 2007-2009 Terminal Area Development project, the AIAS will finalize a new Passenger Facility Charge (PFC) application for Fairbanks International Airport (FAI). Consulting costs associated with developing the application will be absorbed without incremental resources, and this PFC program will help provide FAI with the funds needed to provide adequate terminal space for the next 30 years.

In an effort to improve it's long-term financial planning, the AIAS will work with System airports to refine capital improvement programs through 2015. To augment this goal, the AIAS began drafting a System debt policy during FY2006. This document, in combination with near-term updates of the airports' master plans, will provide the foresight to identify both infrastructure requirements and viable funding sources over the next 10 years. The existence of an updated CIP allows personnel to devote more time to individual project management and minimize that spent on long-range and prototype planning.

**Significant Changes in Results to be Delivered in FY2007**

No significant change anticipated.

**Major Component Accomplishments in 2005**

Completed master supplement to AIAS operating agreement, extending the term though 6/30/07 and restructuring

capital programs.

Balloted and secured signatory air carrier approval for \$387.8 million system 2006-2009 capital program.

### **Statutory and Regulatory Authority**

FAR Part 108, 612  
AS 18 Health/Safety  
AS 37.15.430

<b>Contact Information</b>
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**International Airport Systems Office  
Component Financial Summary**

*All dollars shown in thousands*

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	193.4	306.1	325.9
72000 Travel	9.7	23.0	23.0
73000 Services	264.7	278.9	586.3
74000 Commodities	1.1	4.1	4.1
75000 Capital Outlay	45.8	10.8	10.8
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>514.7</b>	<b>622.9</b>	<b>950.1</b>
<b>Funding Sources:</b>			
1027 International Airport Revenue Fund	514.7	622.9	950.1
<b>Funding Totals</b>	<b>514.7</b>	<b>622.9</b>	<b>950.1</b>

**Summary of Component Budget Changes  
From FY2006 Management Plan to FY2007 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2006 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>622.9</b>	<b>622.9</b>
<b>Adjustments which will continue current level of service:</b>				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	5.7	5.7
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	0.7	0.7
-FY 07 Retirement Systems Cost Increase	0.0	0.0	10.5	10.5
<b>Proposed budget increases:</b>				
-Airline representative contract cost	0.0	0.0	307.4	307.4
-Risk Management Self-Insurance Funding Increase	0.0	0.0	2.9	2.9
<b>FY2007 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>950.1</b>	<b>950.1</b>

**International Airport Systems Office  
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	4	4	Annual Salaries	207,902
Part-time	0	0	COLA	5,776
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	122,118
			<i>Less 2.96% Vacancy Factor</i>	(9,935)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>4</b>	<b>4</b>	<b>Total Personal Services</b>	<b>325,861</b>

**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
Accounting Clerk I	1	0	0	0	1
Intl Airpts Controller	1	0	0	0	1
<b>Totals</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>