

# **State of Alaska FY2007 Governor's Operating Budget**

## **Department of Transportation/Public Facilities Fairbanks Airport Administration Component Budget Summary**

**Component: Fairbanks Airport Administration**

**Contribution to Department's Mission**

Provide the overall airport management and leadership necessary to assure that all airport functions are conducted in accordance with appropriate laws, regulations, policies, and procedures and in a safe, efficient and cost-effective manner.

**Core Services**

- Plan, organize, direct and control airport functions.
- Develop and implement strategic management plans.
- Develop operating and capital budgets.
- Negotiate and administer 201 leases and other agreements.
- Administer airline operating agreements.
- Manage over 500 aircraft tie-down and float pond permits.
- Collect air carrier fees, rents, concession and other revenues.
- Collect and disseminate airport statistical and financial data.
- Maintain local area computer network backbone and workstations, and provide technical support to subsystems such as maintenance management, MSDS, HVAC.

FY2007 Resources Allocated to Achieve Results		
<b>FY2007 Component Budget: \$1,678,800</b>	<b>Personnel:</b>	
	Full time	13
	Part time	0
	<b>Total</b>	<b>13</b>

**Key Component Challenges**

- The Fairbanks International Airport (FAI) has embarked on a project to replace the existing terminal building. The need to replace this building resulted from three independent structural evaluations which found portions of the building structurally unsound and that, under a design level seismic event, the building could possibly collapse. Portions of the facility do not meet required fire and life safety codes, are functionally deficient and the building's physical systems are near the end of their useful lives, requiring major repair or replacement in the near future. A great deal of time and resources will be directed toward assisting in the management of this \$100 million project.
- Dealing with geo-political developments in world wide cargo transport that directly affect revenues. In fall of 2005 Lufthansa Airlines announced it was drastically reducing its weekly flights into Fairbanks and rerouting flights through Almaty Airport in Kazakhstan because of its "advantageous geographical location on the route from South-Eastern Asia to Europe and back." Global air transport will continue to change as economic and political conditions change in rapidly developing countries such as China and Russia, as well as in central Asia. The impacts to the Airport will be enormous as airlines make these important business decisions.
- One of FAI's greatest challenges is generating more revenue opportunities and maintaining existing revenues to support airport functions. In an effort to attract other air carriers or businesses to the airport to replace lost revenues, new FAI staff will concentrate on marketing and outreach efforts previously performed by a local consultant. When it makes sense to do so, projects will continue to be outsourced to private businesses.
- Efforts will be directed to develop and implement new competitive offerings for the food and beverage, news and gift, parking, vending, and telecommunications concession agreements in coordination with the Terminal Area Development Project.

## Significant Changes in Results to be Delivered in FY2007

No significant change anticipated.

## Major Component Accomplishments in 2005

- Completed planning and conceptual design phases of the terminal area development capital project
- Selected Rise Alaska as management consultants for the terminal area development capital project, which is a Construction Management at Risk project.
- Approved assignment of four land leases with established facilities to new airport tenants.
- Accommodated all persons on the taxi-through electrical wait list, thus eliminating the wait list for that category of tiedown space.
- Developed and implemented a leasing and tie-down customer service questionnaire.

## Statutory and Regulatory Authority

AS 2 Aeronautics

AS 44 State Govt.

17 AAC Chapter 40, Aviation

FAR Part 139

49 CFR, dealing with airport security: TSR 1500, 1503, 1520, 1540, 1542, 1544, and 1546

Contact Information
<p><b>Contact:</b> Jim Fiorenzi, Assistant Airport Manager <b>Phone:</b> (907) 474-2507 <b>Fax:</b> (907) 474-2513 <b>E-mail:</b> jim_fiorenzi@dot.state.ak.us</p>

**Fairbanks Airport Administration  
Component Financial Summary**

*All dollars shown in thousands*

	<b>FY2005 Actuals</b>	<b>FY2006 Management Plan</b>	<b>FY2007 Governor</b>
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	917.1	1,095.6	1,165.9
72000 Travel	13.6	17.9	17.9
73000 Services	535.2	463.6	435.0
74000 Commodities	55.5	60.0	60.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>1,521.4</b>	<b>1,637.1</b>	<b>1,678.8</b>
<b>Funding Sources:</b>			
1027 International Airport Revenue Fund	1,491.7	1,607.4	1,649.1
1061 Capital Improvement Project Receipts	29.7	29.7	29.7
<b>Funding Totals</b>	<b>1,521.4</b>	<b>1,637.1</b>	<b>1,678.8</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
<b>Unrestricted Revenues</b>				
Unrestricted Fund	68515	8,267.4	8,455.2	8,536.9
<b>Unrestricted Total</b>		<b>8,267.4</b>	<b>8,455.2</b>	<b>8,536.9</b>
<b>Restricted Revenues</b>				
Capital Improvement Project Receipts	51200	29.7	29.7	29.7
<b>Restricted Total</b>		<b>29.7</b>	<b>29.7</b>	<b>29.7</b>
<b>Total Estimated Revenues</b>		<b>8,297.1</b>	<b>8,484.9</b>	<b>8,566.6</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>1,637.1</b>	<b>1,637.1</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	20.0	20.0
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	2.3	2.3
-FY 07 Retirement Systems Cost Increase	0.0	0.0	37.5	37.5
<b>Proposed budget decreases:</b>				
-Risk Management Self-Insurance Funding Increase	0.0	0.0	-18.1	-18.1
<b>FY2007 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>1,678.8</b>	<b>1,678.8</b>

**Fairbanks Airport Administration  
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	13	13	Annual Salaries	722,565
Part-time	0	0	COLA	20,126
Nonpermanent	0	0	Premium Pay	6,247
			Annual Benefits	417,205
			<i>Less 0.02% Vacancy Factor</i>	(243)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>13</b>	<b>13</b>	<b>Total Personal Services</b>	<b>1,165,900</b>

**Position Classification Summary**

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	1	0	0	1
Accounting Tech II	0	1	0	0	1
Administrative Clerk III	0	2	0	0	2
Administrative Manager III	0	1	0	0	1
Administrative Svcs Mgr II	0	1	0	0	1
Airport Manager Fairbanks	0	1	0	0	1
Dev Spec I, Option A	0	1	0	0	1
Leasing Officer II	0	2	0	0	2
Leasing Officer III	0	1	0	0	1
Micro/Network Spec I	0	1	0	0	1
Secretary	0	1	0	0	1
<b>Totals</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>13</b>