

State of Alaska FY2011 Governor's Operating Budget

Department of Transportation/Public Facilities Ted Stevens Anchorage International Airport Results Delivery Unit Budget Summary

Ted Stevens Anchorage International Airport Results Delivery Unit

Contribution to Department's Mission

The mission of the Ted Stevens Anchorage International Airport (ANC) is to safely, effectively, and efficiently operate and maintain the airport consistent with federal regulatory requirements, high customer service standards, sensitivity to user needs, and awareness of community goals.

Core Services

- Airport police and fire protection.
- Airfield and equipment maintenance.
- Land and airside operational monitoring, health and safety, security and control operations.
- Facilities maintenance.
- Airport administration, marketing, development, environmental, leasing, information systems, engineering, planning, noise program, and public relations.

Results at a Glance

(Additional performance information is available on the web at <http://omb.alaska.gov/results.>)

END RESULT A: Safe operations on the airports.

- The rate of public injuries and incidents decreased from 1.7 in FY2007 to 1.2% in FY2008.
- The incidence rate of occupational injuries and illnesses decreased from 6.7% in 2006 to 5.1% in 2007, but remained below the national average of 6.7%.
- In 2007 the number of days of employee lost time due to work-related injuries decreased to 106 from 261 in 2006.
- The amount of property damages increased to \$71,100 in FY2008, an increase of 62.4% over the prior year.

Status of Strategies to Achieve End Result

- For the 4th year in a row the airport met all ADA compliance requirements.
- The number of accidents/incidents on airport maintained roads and sidewalks decreased from nine in FY2007 to seven in FY2008.
- The number of complaints regarding signage decreased from 10 in FY2007 to 8 in FY2008.
- For the 3rd year in a row the Anchorage Airport had no closures due to acts of nature.
- For the 4th year in a row the airport law enforcement officer/medical emergency response time averaged less than 2 minutes per incident, which is well within the goal of 10 minutes.
- The airport received 0 safety related Notice of Violation in FY2008 which was a decrease of 1 over FY2007.

END RESULT B: Customer satisfaction.

- The number of negative comment cards decreased from 57 in FY2007 to 48 in FY2008.
- In FY2007 there was 53% of all concessionaires and airlines participating in airport-wide programs to enhance customer satisfaction, the percentage increased to 66% in FY2008.
- In FY2008, 98.2% of all problem work orders were resolved.

Status of Strategies to Achieve End Result

- For the 5th year in a row the airport staff responded to maintenance requests within an average of 1 day, which is well within the 3-day goal.
- The airport used preferential runways at least 75% of the time in FY2008 to minimize noise impact on the surrounding communities during night operations.

END RESULT C: Optimize revenue.

- In FY2008 the Anchorage Airport increased concessionaire revenues by 3.1%.
- Personnel costs per 1,000 pounds of take-off weight increased from \$815 in FY2007 to \$921 in FY2008.

Status of Strategies to Achieve End Result

- Since 2004 there have been enough building permits issued that would indicate the airport will meet this target well before 2014.

END RESULT D: Regulatory compliance at all levels.

- The Anchorage International Airport (ANC) passed the FAA Airport Certification Part 139 inspections for the past five years.

Status of Strategies to Achieve End Result

- For the sixth year in a row the Anchorage Airport had no NOVs for environmental issues.

END RESULT E: Economic development.

- Private investment increased by 16% in FY2008 over FY2007.
- In FY2008 international cargo aircraft landed weight decreased by 6.31% over the prior year.

Status of Strategies to Achieve End Result

- The number of private sector contracts increased in FY2008 by 7.6% to a total of 384 contracts.

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Provide police and fire protection • Comply with Federal Aviation Administration (FAA) safety directives including snow/ice removal • Maintain airfield lighting and signage • Maintain clear and safe access around the terminal • Aggressively promote ANC in national and international passenger and cargo carrier markets 	<ul style="list-style-type: none"> • Maintain airfield equipment • Develop plans for future airport development • Keep the terminal facilities clean and appealing through excellent janitorial services • Monitor the land and airside operations

Key RDU Challenges

- Impacting all levels of airport management, staff and expenses is the continuing federal and state updates/changes to airport security requirements and guidelines. The administrative changes associated with responding to nationwide political and economic concerns will occupy significant amounts of time, energy and resources throughout each budget year.
- The closure of Kulis Air National Guard Base is going to have an airport wide impact. The Base has begun the closure process, and will be complete by calendar year 2011. The Anchorage International Airport (ANC) has been working on the impacts and issues for several months. With the Base closure, the Field and Equipment Maintenance Component will acquire an additional 31 road miles to maintain, plus grasslands, sidewalks, exterior roadway lighting and a Kulis taxiway. The Facilities Component will acquire over 20 buildings to maintain, requiring additional maintenance manpower. The Safety Component will acquire an additional fire station to man, requiring additional police and fire officers, a fire truck and police vehicle. The Administrative Component's Leasing Section will acquire over 130 acres of leasable land. All of these issues and operating cost projections are being worked on now.
- The costs associated with deicing chemicals will increase in FY2011 if the currently projected prices do not fall significantly. The vendor that supplied the deicing chemical urea has closed. The cost of urea was \$290 per ton delivered and the cost of NAAC (anhydrous grade sodium acetate) is \$2,500 per ton delivered. ANC has stock supplies for the 2009/2010 winter as long as this winter is not severe with ice and snow. However, for 2011, this product will be re-stocked with NAAC. E-36 (potassium acetate) went from \$6.15 per gallon to \$10.65 per gallon.
- Efforts are needed to reduce fuel and power consumption in an attempt to minimize the increase in utility and services costs. Electricity, natural gas and water have all increased significantly over the past year and are expected to increase even further in 2011.
- To ensure that the airport is maintained to the highest level of safety and proficiency requires a highly trained and qualified staff. It is becoming more and more difficult to recruit qualified equipment operators, mechanics, electricians, and airport police and fire fighters. A new equipment operator will take 2 to 3 seasons to become proficient with the specialized airport equipment and to be able to maneuver that equipment safely around the airport. It is also becoming more difficult to recruit qualified administrative staff, including engineers, leasing professionals and radio dispatch operators. The present state pay rate has not kept pace with the local economy.

Significant Changes in Results to be Delivered in FY2011

No significant changes are anticipated at this time.

Major RDU Accomplishments in 2009

- The Administration Component, Planning Section successfully completed a difficult two phase Federal AIP Grant

year utilizing \$16,371,988 Cargo Entitlements, \$3,510,787 Passenger Entitlements, and \$16,492,514 Discretionary funding.

- The Facilities Component successfully transferred A/B concourse Building Automation System over to the C Concourse Building Automation System.
- The Field and Equipment Maintenance Component reopened the airport within hours after the eruption of Mt. Redoubt.
- The Operations Component closely coordinated and commissioned the airport's new Access Control System.
- The Safety Component, (Airport Police and Fire) and many other agencies participated in the FAA Required Triennial drill. The drill consisted of a mockup plane crash with survivors, and also a water rescue drill. The drill was a success and much was learned for future emergencies at the airport.

Contact Information
<p>Contact: Christine Klein, Deputy Commissioner, Aviation Phone: (907) 266-2529 Fax: (907) 243-0663 E-mail: Christine.Klein@alaska.gov</p>

**Ted Stevens Anchorage International Airport
RDU Financial Summary by Component**

All dollars shown in thousands

	FY2009 Actuals				FY2010 Management Plan				FY2011 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
Formula Expenditures												
None.												
Non-Formula Expenditures												
AIA	0.0	0.0	7,228.2	7,228.2	0.0	0.0	7,811.4	7,811.4	0.0	0.0	7,605.4	7,605.4
Administration												
AIA Facilities	0.0	0.0	18,562.1	18,562.1	0.0	0.0	19,750.4	19,750.4	0.0	0.0	19,750.4	19,750.4
AIA Field & Equipment Maint	0.0	0.0	11,424.6	11,424.6	0.0	0.0	12,071.7	12,071.7	0.0	0.0	11,936.7	11,936.7
AIA Operations	0.0	0.0	5,033.8	5,033.8	0.0	0.0	5,387.9	5,387.9	0.0	0.0	5,387.9	5,387.9
AIA Safety	0.0	751.0	8,146.6	8,897.6	0.0	2,484.4	8,575.0	11,059.4	0.0	2,248.5	8,917.8	11,166.3
Totals	0.0	751.0	50,395.3	51,146.3	0.0	2,484.4	53,596.4	56,080.8	0.0	2,248.5	53,598.2	55,846.7

**Ted Stevens Anchorage International Airport
Summary of RDU Budget Changes by Component
From FY2010 Management Plan to FY2011 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2010 Management Plan	0.0	2,484.4	53,596.4	56,080.8
Adjustments which will continue current level of service:				
-AIA Administration	0.0	0.0	2.7	2.7
-AIA Safety	0.0	0.0	342.8	342.8
Proposed budget decreases:				
-AIA Administration	0.0	0.0	-208.7	-208.7
-AIA Field & Equipment Maint	0.0	0.0	-135.0	-135.0
-AIA Safety	0.0	-235.9	0.0	-235.9
FY2011 Governor	0.0	2,248.5	53,598.2	55,846.7