

# **State of Alaska FY2013 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.

**Major Activities to Advance Strategies**

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

**Key RDU Challenges**

- Impacting all levels of airport management, staff and expenses will be a challenge with 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 preliminary process has begun for a revision of Title 17, Chapter 42, of the Airport Regulations. This process can take up to two years and involves direct communication between the Leasing staff and the Airport's attorney to finalize a draft document which is then presented to the public through various public meetings prior to being finalized and approved.
- The current operating agreement with the signatory carriers expires on June 30, 2013. Negotiations for the next operating agreement will begin in late 2012 and continue into FY2013. The challenge is to complete negotiations and send the final agreement out to the airlines by March, 2013 in order to receive the signed documents back before the expiration of the current agreement.
- The closure of Kulis Air National Guard Base is going to have an airport wide impact. The Base officially closed in September 2011. With the Base closure, the Field and Equipment Maintenance Component acquired an additional 31 road miles to maintain, in addition to all the grasslands, sidewalks, exterior roadway lighting and the Kulis taxiway. The Facilities Component acquired over 20 buildings to maintain, requiring additional maintenance manpower. The Safety Component acquired an additional fire station to man. The Administrative Component's Leasing Section acquired 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 have increased significantly since the vendor that supplied the deicing chemical urea has closed. The cost of urea was \$340 per ton delivered up until 2009. The current contract price for urea is \$840 per ton delivered.
- Runway lights have been upgraded and the cost has gone from \$500 per fixture to \$2,500 per fixture.
- 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 2012 and 2013.

- 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.

### **Significant Changes in Results to be Delivered in FY2013**

No significant changes are anticipated.

### **Major RDU Accomplishments in 2011**

- The Marketing Section hosted the Alaska International Air Cargo Summit in August of 2011. Representatives from 18 air carriers including Asia, North America and Europe gathered to discuss the unique airline opportunities for international air cargo transfer in Alaska.
- Opened 4 new concessions: Yogurt Land, Cinnabon, Hudson News and AK & Co Gourmet Market.
- Replaced over 270 aircraft tiedowns in order to reduce the risk of property damage and aircraft loss.
- Completed Phase I of the Runway 7R/25L aircraft Design Group VI upgrade.
- The training and TSA certification of one new explosive detection K-9 team, to replace another recently "retired" K-9.

<b>Contact Information</b>
<b>Contact:</b> John Parrott, Airport Manager <b>Phone:</b> (907) 266-2526 <b>Fax:</b> (907) 243-0663 <b>E-mail:</b> John.Parrott@alaska.gov

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

*All dollars shown in thousands*

	FY2011 Actuals				FY2012 Management Plan				FY2013 Governor			
	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds	UGF+DGF Funds	Other Funds	Federal Funds	Total Funds
<b>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b>												
AIA Administration	0.0	6,668.8	0.0	6,668.8	0.0	7,930.1	0.0	7,930.1	0.0	8,044.3	0.0	8,044.3
AIA Facilities	0.0	18,951.9	0.0	18,951.9	0.0	20,844.4	0.0	20,844.4	0.0	21,613.3	0.0	21,613.3
AIA Field & Equipment Maint	0.0	12,885.9	0.0	12,885.9	0.0	12,718.2	0.0	12,718.2	0.0	14,816.7	0.0	14,816.7
AIA Operations	0.0	4,508.1	0.0	4,508.1	0.0	5,581.0	0.0	5,581.0	0.0	5,651.5	0.0	5,651.5
AIA Safety	0.0	8,363.1	557.2	8,920.3	0.0	9,204.9	2,248.5	11,453.4	0.0	9,400.3	2,262.2	11,662.5
<b>Totals</b>	<b>0.0</b>	<b>51,377.8</b>	<b>557.2</b>	<b>51,935.0</b>	<b>0.0</b>	<b>56,278.6</b>	<b>2,248.5</b>	<b>58,527.1</b>	<b>0.0</b>	<b>59,526.1</b>	<b>2,262.2</b>	<b>61,788.3</b>

**Ted Stevens Anchorage International Airport  
Summary of RDU Budget Changes by Component  
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>
<b>FY2012 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>56,278.6</b>	<b>2,248.5</b>	<b>58,527.1</b>
<b>Adjustments which will continue current level of service:</b>					
-AIA Administration	0.0	0.0	114.2	0.0	114.2
-AIA Facilities	0.0	0.0	18.9	0.0	18.9
-AIA Field & Equipment Maint	0.0	0.0	14.0	0.0	14.0
-AIA Operations	0.0	0.0	70.5	0.0	70.5
-AIA Safety	0.0	0.0	195.4	13.7	209.1
<b>Proposed budget increases:</b>					
-AIA Facilities	0.0	0.0	750.0	0.0	750.0
-AIA Field & Equipment Maint	0.0	0.0	2,084.5	0.0	2,084.5
<b>FY2013 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>59,526.1</b>	<b>2,262.2</b>	<b>61,788.3</b>