

State of Alaska FY2011 Governor's Operating Budget

Department of Transportation/Public Facilities Fairbanks International Airport Results Delivery Unit Budget Summary

Fairbanks International Airport Results Delivery Unit

Contribution to Department's Mission

Provide for the safe movement of people and goods at Fairbanks International Airport (FAI).

Core Services

- Administration including airport planning, marketing, operating and capital budget development, leasing, finance, engineering, environmental and Occupational Safety and Health Administration (OSHA) management, and information technology support.
- Building maintenance, housekeeping, and repair services including the airport terminal and other state-owned or managed buildings, exterior electrical systems for airfield lighting, aircraft and vehicle parking areas.
- Maintenance and repair of paved and unpaved airside and landside surfaces, signage, security fencing/gates, and airport-owned heavy equipment; snow removal and ice control, vegetation and dust control; hazardous materials handling and disposal.
- Airport operations duties including daily inspections and surface friction reports, Notices to Airmen (NOTAM), maintenance of the airport's Federal Aviation Administration (FAA) Certification Manual and Safety Manual, airfield safety training, and assistance to aircraft, tenants and construction project staff on the airfield.
- Aircraft rescue, fire fighting, law enforcement, 24-hour central dispatch radio communications, and required federal/state airport security response capability.

Results at a Glance

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

END RESULT A: Ensure safe operations on the airport.

- The Fairbanks International Airport's occupational injury and illness incidence rate increased from 12.1 in 2007 to 15.3 in 2008, which is above the national rate of 9.9.
- Employee lost hours due to workplace injury decreased to 208 in 2008 from 896 in 2007, a reduction of 77%.
- The number of settled property and injury claims against the Fairbanks International Airport decreased from one in FY2007 to zero in FY2008.

Status of Strategies to Achieve End Result

- Fairbanks International Airport had two notices of violation so far in 2009, the same number of notices as 2008.
- The Fairbanks International Airport (FAI) had zero notices of violation or letters of non-compliance for environmental issues in 2008.
- There was one closure of Fairbanks International Airport's main runway from January through October of 2009. It was closed for twelve minutes to test braking action during icy conditions.
- The number of airfield deviations or incursions at Fairbanks International Airport (FAI) in 2009 was seven compared to the 3-year average of 6.33.
- Airport Police and Fire officers performed 2,920 law enforcement responses in FY2009, all within federal guidelines.
- Provided Emergency Trauma Technician coverage which included over 36 medical emergencies during the year.
- Provided required coverage in 2008, during which 42 emergency fire responses were made, all meeting federal guidelines.

END RESULT B: Decrease revenue gap.

- The gap between expenditures and revenues increased by 5.1% between FY2008 and FY2009.

Status of Strategies to Achieve End Result

- Concession and permit revenues increased by 7.9% between FY2008 and FY2009 at the Fairbanks International Airport.
- Land lease revenues decreased by 1.4% at Fairbanks International Airport between FY2008 and FY2009.
- Private investment in FY2009 dropped by 59% from the five year average because most tenant funded build-out for the new passenger terminal was completed in FY2008.
- The operational costs per enplaned passenger increased from 9.52 in 2007 to 9.70 in 2008 at Fairbanks International Airport as compared to the change in the 3-year average of 1.93.

END RESULT C: Enhance customer satisfaction.

- There were no customer complaints logged associated with facility cleanliness or maintenance during FY2009.

Status of Strategies to Achieve End Result

- The Fairbanks International Airport (FAI) staff responded to all public maintenance requests within three business days throughout FY2009 as they did in FY2008.
- The Fairbanks International Airport again maintained a 100% customer service satisfaction rating for assistance and processing of land leases, building permits and supplements during FY2009.

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> • Comply with FAA safety directives including snow/ice removal • Maintain airfield lighting and signage in 100% working order • Maintain clear and safe access around the terminal • Aggressively promote FAI in national and international passenger and cargo carrier markets 	<ul style="list-style-type: none"> • Collect all monthly rents and fees due to the airport and aggressively pursue any overdue payments • Utilize state contract awards and "buy in bulk" whenever possible • Automated work order system tracks timely response to customer requests and scheduled maintenance • Review leasing customer satisfaction survey distributed to business partners

Key RDU Challenges

- Final Disposition of hundreds of "punch list" items for FAI's new passenger terminal before the contract expires in December and the contract management team leaves.
- Despite forced vacancies and other budget restrictions resulting from the global recession, (FAI) is committed to maintaining current service levels.
- FAI continues to seek out new business opportunities and attract new air carriers to the Airport.
- Fuel costs continue to have a major impact on operating expenses despite significant reductions in oil and electricity consumption upon demolition of the old passenger terminal.
- Geopolitical developments in worldwide cargo transport directly affect revenues. Global air transport business has been directly impacted by the global recession.

Significant Changes in Results to be Delivered in FY2011

Continuation of existing service levels may be adversely affected if the recession continues to affect air cargo activity in Alaska.

Major RDU Accomplishments in 2009

- The last section of the new passenger terminal opened on time and under budget on May 7, 2009.
- Commuter air carriers moved overnight from the old terminal to the new with no break in service.
- Demolished the old passenger terminal in June, 2009.
- Continued to attract international tourist flights from Japan and Germany despite the recession.
- Received an extension of the Small Community Airport Air Service Development Program grant from the Federal Aviation Administration (FAA).
- Received the American Institute of Architects Honor Award for the new passenger terminal.
- After several years of negotiations on complex issues, new Operating Agreements were distributed to major air carriers at FAI and Ted Stevens Anchorage International Airport (ANC).
- Began work on the main air carrier runway rehabilitation project. This included bringing Taxiway Alpha up to FAA standards so that it could be commissioned as the temporary main runway during the project.
- Developed a new Stormwater Management Plan.
- Handled many aircraft diversions from Eielson Air Force Base and Anchorage due to weather and volcano eruptions.
- Moved the Communications Dispatch Center into a completely refurbished, modern facility in the airport rescue and fire fighting building.

Contact Information

Contact: Jesse VanderZanden, Airport Manager
Phone: (907) 474-2500
Fax: (907) 474-2513
E-mail: jesse.vanderzanden@alaska.gov

**Fairbanks 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												
FIA	0.0	0.0	1,735.9	1,735.9	0.0	0.0	1,793.7	1,793.7	0.0	0.0	1,795.8	1,795.8
Administration												
FIA Facilities	0.0	0.0	3,232.3	3,232.3	0.0	0.0	3,115.2	3,115.2	0.0	0.0	3,115.2	3,115.2
FIA Field & Equipment Maint	0.0	0.0	3,173.3	3,173.3	0.0	0.0	3,542.0	3,542.0	0.0	0.0	3,542.0	3,542.0
FIA Operations	0.0	0.0	1,078.8	1,078.8	0.0	0.0	1,240.7	1,240.7	0.0	0.0	1,240.7	1,240.7
FIA Safety	0.0	243.7	3,393.3	3,637.0	0.0	320.0	3,961.0	4,281.0	0.0	320.0	4,105.3	4,425.3
Totals	0.0	243.7	12,613.6	12,857.3	0.0	320.0	13,652.6	13,972.6	0.0	320.0	13,799.0	14,119.0

**Fairbanks 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	320.0	13,652.6	13,972.6
Adjustments which will continue current level of service:				
-FIA Administration	0.0	0.0	2.1	2.1
-FIA Safety	0.0	0.0	144.3	144.3
FY2011 Governor	0.0	320.0	13,799.0	14,119.0