

State of Alaska FY2018 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.
- Process, negotiate, and manage Fairbanks International Airport (FAI) real estate leases, airline and terminal space leases, concession agreements and other third party agreements and encourage and promote new and expanded airline service and concession opportunities for the benefit of the traveling public and other airport users.
- Provide engineering analysis to assure compliance with Federal Aviation Regulations and Federal Aviation Administration (FAA) Advisory Circulars. Provide analysis, cost estimation, and bid proposal development support for the Northern Region Department of Transportation & Public Facilities planning, design and construction of airport facilities. Perform direct project management for other airport maintenance projects.
- Develop and implement employee safety training programs; resolve environmental assessment, remediation, and hazardous waste prevention problems at airport and tenant facilities; and maintain permit compliance for various environmental programs.

Major Component Accomplishments in 2016

- Created and implemented a social media plan for FAI including the addition of Twitter and the Chinese social media application, WeChat.
- Completed the update of the FAI Marketing and Communications plans and assisted in updating the Alaska International Airport System Passenger Service Development Action Plan.
- Executed an agreement with new food and beverage concessionaire resulting in the construction, completion and opening of two new food venues with a significant increase in food and beverage revenues.
- Offering for a new In-Terminal Rental Car Concession Agreement and award of five new agreements to rental car concessionaires with Minimum Annual Guarantees in excess of \$400k over last offering.
- Offering for a new Advertising Concession Agreement and award to a new advertising concessionaire resulting in significant upgrades and revenues to FAI.
- Updated and applied for annual Air Quality, Owner Requested Limit Permit.
- Updated the FAI Integrated Pest Management Plan.
- Passed 15 annual regulatory inspections with no violations.
- Continued to assist seven FAI tenants with site remediation activities.
- Negotiated agreement with Tesoro and Alaska Department of Environmental Conservation for management of contaminated soil as a result of the Aircraft Rescue and Fire Fighting remodel project. This agreement resulted in substantial budget savings over hiring a more expensive contractor to perform this service.
- Employee safety training increased by more than 50% and employee injuries decreased by more than half from FY2015.
- Successfully transitioned to the state's new finance and procurement system, Integrated Resource Information System (IRIS).

Key Component Challenges

- Increasing revenues from concessions.
- Ongoing integration efforts of the FAI information technology (IT) systems to IT systems that are supported and maintained by the Information Systems and Services Division.
- Working with airlines and ground service companies doing aircraft deicing to prepare for additional restrictions on aircraft deicing fluids.

- Increasing employee proficiency and their ability to function efficiently while fully leveraging the new statewide accounting and procurement system, IRIS.

Significant Changes in Results to be Delivered in FY2018

- Results Based Alignment will be used to fine tune performance measures that quantify outcomes (not activities), drive decision making, and determine program and service priorities.
- Continuing to learn and use the finance, procurement, and human resource modules in IRIS.
- Participate in department-wide organizational review and implement organizational changes.

Statutory and Regulatory Authority

AS 2 Aeronautics

AS 44 State Government

17 AAC Chapter 42, Ted Stevens Anchorage International Airport and Fairbanks International Airport

18 AAC Environmental Conservation

Federal Aviation Regulations Part 139 (Airport Certification)

29 CFR Occupational Safety and Health Standards (OSHA)

40 CFR Environmental Protection

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

49 CFR, dealing with hazardous materials transportation

Uniform Fire Code (tank management/OSHA standards)

National Fire Protection Association Codes and Standards (tank and hazardous materials management, OSHA standards)

American National Standards Institute (ANSI) – environmental/OSHA related

Contact Information
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Fairbanks Airport Administration Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2017 Management Plan	FY2018 Governor		
Full-time	11	11	Annual Salaries	921,456
Part-time	0	0	Premium Pay	3,902
Nonpermanent	0	0	Annual Benefits	540,867
			<i>Less 0.22% Vacancy Factor</i>	(3,225)
			Lump Sum Premium Pay	0
Totals	11	11	Total Personal Services	1,463,000

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Tech I	0	1	0	0	1
Administrative Assistant II	0	1	0	0	1
Administrative Officer I	0	1	0	0	1
Airport Leasing Specialist II	0	1	0	0	1
Airport Leasing Specialist IV	0	1	0	0	1
Airport Manager Fairbanks	0	1	0	0	1
Division Operations Manager	0	1	0	0	1
Engineer/Architect III	0	1	0	0	1
Engineering Assistant III	0	1	0	0	1
Environ Program Spec II	0	1	0	0	1
Environ Program Spec IV	0	1	0	0	1
Totals	0	11	0	0	11

Component Detail All Funds
Department of Transportation/Public Facilities

Component: Fairbanks Airport Administration (619)
RDU: International Airports (189)

Non-Formula Component

	FY2016 Actuals	FY2017 Conference Committee	FY2017 Authorized	FY2017 Management Plan	FY2018 Governor	FY2017 Management Plan vs FY2018 Governor	
71000 Personal Services	1,244.6	1,424.6	1,424.6	1,366.7	1,463.0	96.3	7.0%
72000 Travel	24.5	40.0	40.0	40.0	40.0	0.0	0.0%
73000 Services	534.4	573.5	573.5	573.5	573.5	0.0	0.0%
74000 Commodities	20.7	10.3	10.3	10.3	10.3	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,824.2	2,048.4	2,048.4	1,990.5	2,086.8	96.3	4.8%
Fund Sources:							
1027Int Airprt (Other)	1,787.4	2,047.8	2,047.8	1,989.9	2,004.2	14.3	0.7%
1061CIP Rcpts (Other)	36.8	0.6	0.6	0.6	82.6	82.0	13666.7%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	1,824.2	2,048.4	2,048.4	1,990.5	2,086.8	96.3	4.8%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	12	12	12	11	11	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Transportation/Public Facilities

Component: Fairbanks Airport Administration (619)
RDU: International Airports (189)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2017 Conference Committee To FY2017 Authorized *****												
FY2017 Conference Committee												
	ConfCom	2,048.4	1,424.6	40.0	573.5	10.3	0.0	0.0	0.0	12	0	0
1027 Int Airprt		2,047.8										
1061 CIP Rcpts		0.6										
Subtotal		2,048.4	1,424.6	40.0	573.5	10.3	0.0	0.0	0.0	12	0	0
***** Changes From FY2017 Authorized To FY2017 Management Plan *****												
Transfer to Fairbanks Airport Operations to Reduce Overtime and Improve Staffing Coverage												
	Trout	-97.9	-97.9	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1027 Int Airprt		-97.9										
<p>This position has been transferred from Fairbanks Airport Administration to Fairbanks Airport Operations and reclassified to an Airport Operations Officer to reduce the amount of overtime incurred by ensuring 24/7 staffing coverage for the Fairbanks International Airport and provide more flexible staffing for an increased number of international charter flight operations that arrive or depart during the late evening and early morning hours. In addition, this brings the Fairbanks International Airport into compliance with Federal Aviation Regulations, Part 139, which require 24/7 operational coverage. This will help the Fairbanks International Airport to avoid fines and penalties imposed by the Federal Aviation Administration for non-compliance.</p> <p>Transfer includes the following position and associated funding:</p> <p>25-3544, full-time, Dev Spec I, Option A, range 18, Fairbanks International Airport</p>												
Transfer from Fairbanks Airport Safety to Offset Increased Federal Revenue												
	Trin	40.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		40.0										
<p>Personal services authority was transferred from Fairbanks Airport Administration to Fairbanks Airport Safety during FY2016 Management Plan to offset a reduction in federal revenue. The Transportation Security Administration, Law Enforcement Officer reimbursement agreement has been renewed and increased for FFY2017. With these increased federal revenues, authorization is being returned to Fairbanks Airport Administration to ensure the component can meet vacancy factor requirements.</p>												
Subtotal		1,990.5	1,366.7	40.0	573.5	10.3	0.0	0.0	0.0	11	0	0
***** Changes From FY2017 Management Plan To FY2018 Governor *****												
FY2018 Salary and Health Insurance Increases												
	SalAdj	2.4	2.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		2.2										
1061 CIP Rcpts		0.2										

Includes: ACOA COLA, 2.25% per contract ending 6/30/2018; GGU HI increase from \$1346 to \$1389; LTC HI increase from \$1363 to \$1432.: \$2.4

Change Record Detail - Multiple Scenarios with Descriptions
Department of Transportation/Public Facilities

Component: Fairbanks Airport Administration (619)
RDU: International Airports (189)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
FY2018 PS Health Ins.: \$2.4												
Transfer from Knik Arm Crossing to Meet Vacancy Factor Guidelines												
	Trin	81.4	81.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		81.4										
Transfer authority to Fairbanks Airport Administration to bring two positions on budget allowing vacancy factor guidelines to be met. Authority is available to transfer due to the dissolution of the Knik Arm Crossing component.												
Supervisory Unit 15 Hour Furlough Contract Terms												
	SalAdj	-2.5	-2.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		-2.3										
1061 CIP Rcpts		-0.2										
Alaska Public Employees Association, supervisory unit, 15 hours of furlough required for each permanent full-time employee in each year from July 1, 2016 to June 30, 2018.												
FY2018 Alaska Care & PSEA Health Insurance Increase												
	SalAdj	15.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		14.4										
1061 CIP Rcpts		0.6										
Alaska Care rate increase from \$1346 to \$1555 per month for APEA members. \$12.5												
Alaska Care rate increase from \$1346 to \$1555 per month for exempt and partially exempt employees. \$2.5												
Totals		2,086.8	1,463.0	40.0	573.5	10.3	0.0	0.0	0.0	11	0	0

Personal Services Expenditure Detail
Department of Transportation/Public Facilities

Scenario: FY2018 Governor (13956)
Component: Fairbanks Airport Administration (619)
RDU: International Airports (189)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
25-3022	Environ Program Spec IV	FT	A	SS	Fairbanks	203	20M / N	12.0		97,394	0	0	55,076	152,470	0
25-3044	Engineer/Architect III	FT	A	SS	Fairbanks	203	25L / M	12.0		133,154	0	0	68,014	201,168	0
25-3069	Airport Manager Fairbanks	FT	A	XE	Fairbanks	N03	24M / N	12.0		127,131	0	0	65,994	193,125	0
25-3070	Division Operations Manager	FT	A	SS	Fairbanks	203	24F / J	12.0		110,874	0	0	60,091	170,965	0
25-3071	Accounting Tech I	FT	A	GP	Fairbanks	203	12B	12.0		40,464	0	778	32,156	73,398	0
25-3073	Administrative Assistant II	FT	A	GP	Fairbanks	203	14B / C	12.0		47,712	0	917	34,904	83,533	0
25-3076	Administrative Officer I	FT	A	SS	Fairbanks	203	17M / N	12.0		79,685	0	0	48,489	128,174	0
25-3078	Airport Leasing Specialist IV	FT	A	SS	Fairbanks	203	20J	12.0		86,148	0	500	51,079	137,727	0
25-3377	Environ Program Spec II	FT	A	GP	Fairbanks	203	16B / C	12.0		53,894	0	613	37,090	91,597	0
25-3464	Airport Leasing Specialist II	FT	A	GG	Fairbanks	203	16J	12.0		65,880	0	500	41,507	107,887	0
25-3517	Engineering Assistant III	FT	A	GP	Fairbanks	203	21C / D	12.0		79,120	0	594	46,467	126,181	0

	Total Positions	New	Deleted
Full Time Positions:	11	0	0
Part Time Positions:	0	0	0
Non Permanent Positions:	0	0	0
Positions in Component:	11	0	0

Total Salary Costs:	921,456
Total COLA:	0
Total Premium Pay:	3,902
Total Benefits:	540,867
Total Pre-Vacancy:	1,466,225
Minus Vacancy Adjustment of 0.22%:	(3,225)
Total Post-Vacancy:	1,463,000
Plus Lump Sum Premium Pay:	0
Personal Services Line 100:	1,463,000

Total Component Months: 132.0

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1027 International Airport Revenue Fund	1,384,388	1,381,343	94.42%
1061 Capital Improvement Project Receipts	81,837	81,657	5.58%
Total PCN Funding:	1,466,225	1,463,000	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail (1676)
Department of Transportation/Public Facilities
Travel

Component: Fairbanks Airport Administration (619)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000	Travel		24.5	40.0	40.0
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
2000 Travel Detail Totals			24.5	40.0	40.0
2000	In-State Employee Travel	Transportation and per diem for administration and leasing staff to attend meetings and training in Anchorage and Juneau with Anchorage International Airport staff and DOT&PF headquarters staff, respectively.	10.7	17.5	17.5
2002	Out of State Employee Travel	Transportation and per diem to attend occasional American Association of Airport Executives (AAAE) conferences by administrative, leasing, and engineering staff, marketing staff trips to major passenger and/or cargo carrier expositions or for visits with specific air carriers considering Fairbanks International Airport as a stop. Travel by environmental staff to Environmental Protection Agency standards workshops and training.	13.8	22.5	22.5

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Fairbanks Airport Administration (619)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000	Services		534.4	573.5	573.5
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			534.4	573.5	573.5
3000	Education Services	Airport membership in American Association of Airport Executives, Airports Council International, Fairbanks Chamber of Commerce, conference registrations and tuition.	23.8	23.8	23.8
3001	Financial Services	Service fee charged by bank on credit card fee payments made by airport tenants and concessionaires.	11.3	11.3	11.3
3003	Information Technology	All information technology contractual costs such as software licensing, software maintenance, IT training, IT consulting, and IT equipment leases. Includes passenger flight tracking software licensing and maintenance and Oracle, LANDesk and Microsoft Enterprise. Oracle LANDesk and Microsoft Enterprise expenditures will be paid by the Information Systems division after consolidation effective FY2016.	35.4	35.4	35.4
3004	Telecommunications	Local equipment, long distance, data/network, cellular phone service.	17.8	17.8	17.8
3006	Delivery Services	Postage, courier or freight charges.	9.9	9.9	9.9
3007	Advertising and Promotions	Public notices, airport marketing brochures.	15.0	15.0	15.0
3009	Structure/Infrastructure/Land	Fairbanks International Airport lease appraisals.	7.0	7.0	7.0

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Fairbanks Airport Administration (619)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			534.4	573.5	573.5
3010	Equipment/Machinery	Maintenance and repair of office multi-function printer.	3.1	3.1	3.1
3011	Other Services	Marketing consultant services, rent studies, land appraisals, other professional services as needed. FAI Administration anticipates increases in expenditures related to consultant services for contract negotiations between the Alaska International Airport System (AIAS) and the airlines.	130.5	169.6	169.6
3015	Inter-Agency Conservation/Environmental	EnvCon - Department-wide			
		Purchase of Air Quality Permit for Fairbanks International Airport operations. Expenditures of the environmental section of Fairbanks International Airport were moved from the Airport Operations component (AR 57553) to the Administration component (AR 57550) mid-year of FY2013 to align Alaska International Airport Systems (AIAS).	0.5	0.5	0.5
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide			
		Computer services provided by Department of Administration Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.	31.2	31.2	31.2
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide			
		Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way	71.4	71.4	71.4

Line Item Detail (1676)
Department of Transportation/Public Facilities
Services

Component: Fairbanks Airport Administration (619)

Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3000 Services Detail Totals			534.4	573.5	573.5
		radio, and video conferencing.			
3021	Inter-Agency Mail	Admin - Department-wide			
		Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.	0.8	0.8	0.8
3026	Inter-Agency Insurance	Admin - Department-wide			
		Risk Management property and airport liability premiums.	169.7	169.7	169.7
3027	Inter-Agency Financial	Admin - Department-wide			
		Chargeback fees for AKPAY/IRIS/ALDER.	6.8	6.8	6.8
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide			
		Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	0.2	0.2	0.2

Line Item Detail (1676)
Department of Transportation/Public Facilities
Commodities

Component: Fairbanks Airport Administration (619)

Line Number	Line Name		FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000	Commodities		20.7	10.3	10.3
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
4000 Commodities Detail Totals			20.7	10.3	10.3
4000	Business	Office supplies.	20.4	10.0	10.0
4002	Household/Institutional	Cleaning supplies, soap and paper products for kitchen and conference room supplies.	0.2	0.2	0.2
4006	Signs and Markers	Purchase of signs and markers for construction projects in terminal and bid meetings hosted by the administrative office.	0.1	0.1	0.1

Revenue Detail (1681)
Department of Transportation/Public Facilities

Component: Fairbanks Airport Administration (619)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
5061 CIP Rcpts (1061 CIP Rcpts)			36.8	0.6	82.6
5351 Capital Improvement Project Inter-Agency		Capital improvement project receipts for work in direct support of capital projects.	36.8	0.6	82.6
6027 Int Airprt (1027 Int Airprt)			10,993.3	0.0	0.0
6382 International Airport Revenue Fund - Chrgs for Srvcs Misc		Charges for miscellaneous services.	1.3	0.0	0.0
6383 International Airport Revenue Fund - Rents and Royalties		Rents and royalties.	-50.9	0.0	0.0
6390 International Airport Revenue Fund - PY Reimbrsmnt Recovery		Prior year reimbursement recovery.	39.5	0.0	0.0
6391 International Airport Revenue Fund - Miscellaneous		Fees collected for the following: Landing, parking, sales of diesel and gasoline, concession, electric energy, sales of surplus property, terminal building/space rental, land lease, aircraft gate, ramp rental, land rental, aircraft tie-downs and conference room rentals.	11,003.4	0.0	0.0

Inter-Agency Services (1682)
Department of Transportation/Public Facilities

Component: Fairbanks Airport Administration (619)

				FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
Component Totals				280.6	280.6	280.6
With Department of Environmental Conservation				0.5	0.5	0.5
With Department of Administration				280.1	280.1	280.1
Object Class	Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor	
3015	Inter-Agency Conservation/Environmental	EnvCon - Department-wide	0.5	0.5	0.5	
Purchase of Air Quality Permit for Fairbanks International Airport operations. Expenditures of the environmental section of Fairbanks International Airport were moved from the Airport Operations component (AR 57553) to the Administration component (AR 57550) mid-year of FY2013 to align Alaska International Airport Systems (AIAS).						
3017	Inter-Agency Information Technology Non-Telecommunications	Admin - Department-wide	31.2	31.2	31.2	
Computer services provided by Department of Administration Enterprise Technology Services, such as central server, data storage, printing, network services, open connect, and task order system.						
3018	Inter-Agency Information Technology Telecommunications	Admin - Department-wide	71.4	71.4	71.4	
Telecommunications services provided by the Department of Administration, Enterprise Technology Services, such as basic telephone services, equipment and features, dedicated voice/data line service, statewide paging, two-way radio, and video conferencing.						
3021	Inter-Agency Mail	Admin - Department-wide	0.8	0.8	0.8	
Chargeback fees for central mail services such as mailing vendor payments and payroll warrants.						
3026	Inter-Agency Insurance	Admin - Department-wide	169.7	169.7	169.7	
Risk Management property and						
FY2018 Governor				Released December 15, 2016		
Department of Transportation/Public Facilities				Page 15		

Inter-Agency Services (1682)
Department of Transportation/Public Facilities

Component: Fairbanks Airport Administration (619)

Object Class		Servicing Agency	Explanation	FY2016 Actuals	FY2017 Management Plan	FY2018 Governor
3027	Inter-Agency Financial	Admin - Department-wide	airport liability premiums. Chargeback fees for AKPAY/IRIS/ALDER.	6.8	6.8	6.8
3028	Inter-Agency Americans with Disabilities Act Compliance	Admin - Department-wide	Chargeback fees for the statewide coordinator for the Americans with Disabilities Act (ADA).	0.2	0.2	0.2