

Long Beach Airport



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Department Overview

Mission:

To provide the highest level of customer service while operating a safe, efficient and environmentally sustainable airport.

Core Services:

- Provide the highest level of customer service
- Maintain the highest level of safety and security
- Improve the quality of life of the surrounding community
- Provide a fair and reasonable operating cost to our business partners
- Enhance the value and economic impact of LGB to its stake-holders, including the Long Beach community
- Maintain an efficient and effective business model

FY 13 Focus:

In FY 13, the Airport will focus on delivering its core services in the most efficient manner possible. That includes making sound business decisions that promote long-term financial stability while maintaining excellent relations with business partners. The Airport will strive to provide the highest level of customer service during construction of the new concourse and post-construction as the airlines and their passengers transition to the new concourse.

The Airport began collecting a new Customer Facility Charge (CFC) in FY 12 from on-airport car rental agencies. This new fee is charged by car rental agencies on each rental transaction and passed on to the Airport to expend on a car rental facility or transportation system between the rental facility and the terminal. In FY 13, when sufficient CFC funds are received, the Airport will begin design and construction of a new ready-return car rental facility. This new revenue stream will fund the new facility and improve the development and use of Airport property.

The Airport continues to monitor and curtail its spending to ensure a low cost per enplaned passenger. Potential external factors such as the volatility of fuel prices can impact the Airport's revenue. However, signs of increased confidence in the economy are evident in the increased passenger traffic at Long Beach Airport. That increase along with having the lowest average airfare in the state and second lowest average in the continental U.S. are statistics that validate the direction in which the Airport has headed. FY 13 will be an exciting year because of the opening of the new terminal concourse. The Airport is poised to seize opportunities to enhance revenue, but also to withstand the dynamics of the aviation industry.

Department Performance Measures

Key Measure	FY 11 Actual	FY 12 Target	FY 12 Estimate	FY 13 Projection
Number of law enforcement calls responded to	30,629	31,000	31,000	32,000

The Airport anticipates an increase in the number of calls requiring Airport law enforcement response in FY 13. The increased number is expected based upon a couple of factors. The Airport's new parking structure with an additional 59 cameras providing "eyes" has generated additional requests for service. In FY 13, the Terminal concourse construction project will be complete but construction related activities for a new rental car facility will require increased security support for escort services and ID checks.

Key Measure	FY 11 Actual	FY 12 Target	FY 12 Estimate	FY 13 Projection
Dollar expenditure per passenger served	\$6.65	\$6.78	\$6.50	\$6.60

It is estimated that Airport cost per passenger for FY 12 will decrease over FY 11 due to an increase in realized Indirect and Non-Airline revenues relative to operating and maintenance expenses. Costs not offset by these revenues from parking, restaurant concessions, car rentals, land rents and fixed base operator leases are passed on to the airlines directly and impact the cost per enplaned passenger served.

Key Measure	FY 11 Actual	FY 12 Target	FY 12 Estimate	FY 13 Projection
Number of airfield and facility maintenance request responses completed	950	950	1,326	1,400

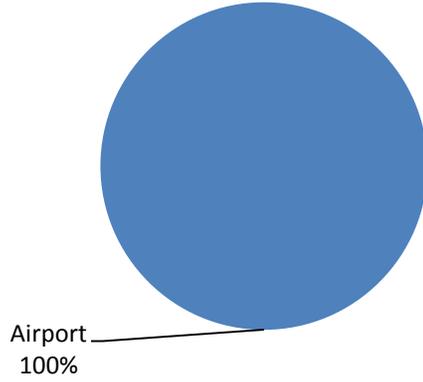
The number of airfield and facility maintenance requests completed will increase for FY 12 and FY 13 as the Facilities Maintenance and Building Services divisions perform more services in-house that were previously provided by outside vendors, such as steam-cleaning the terminal, carpet repair and shampooing.

FY 12 Accomplishments

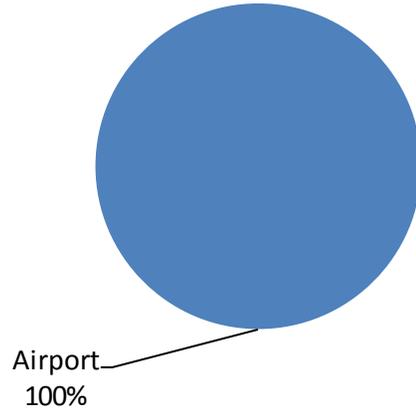
- The Airport passed its annual FAA Certification Inspection and obtained FAA approval for its new Airport Emergency Plan.
- The Airport broke ground in December 2010 on the first phase of its Terminal Area Improvements. The improvements are to be constructed in multiple phases beginning with the most critical. Phase 1 includes construction of hold rooms, associated restrooms and circulation areas, post security concessions, and a consolidated passenger screening area. This phase is anticipated to create an estimated 340 jobs and will be completed in FY 13 ahead of schedule.
- The Airport continued safety monitoring, and provided an enhanced operational safety training program focused on the prevention of runway incursions with no incursions/deviations or safety violations by contractor personnel.
- The Airport successfully managed the Special Olympics Plane-Pull, a Triennial Emergency Exercise and monitoring of on-going construction, with no safety, security, service or operational issues.
- The Airport's Stormwater Pollution Prevention program sustained no violations.
- The Airport identified and processed 100 percent of the aircraft Noise Compatibility Ordinance violations.
- The Airport completed the noise attenuation improvements on Phase 2 homes of the Long Beach Quieter Homes® Program.

FY 13 Budget

FY 13 Revenues by Fund



FY 13 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
Airport	42,806,960	41,125,319	1,681,641
			-
Total	42,806,960	41,125,319	1,681,641

Summary of Adopted Changes

AIRPORT FUND	Impact on Fund	Positions
Develop new service model for traffic control.	\$(266,814)	(4.0)
Reflect increased revenue for land use rent for Skylinks Golf Course property, new airport concourse concessions vendor, airport parking lot revenue, increased revenue received from airline carriers and various rents from businesses and tenants Passenger Facility Charges revenue for debt service and Customer Facility Charges.	\$(7,941,545)	--
Increase debt service for 2009 and 2010 Airport Revenue Bonds related to construction of new passenger concourse.	\$2,352,421	--
Increase budget for service contracts, engineering services, and budget for a noise contours study and other miscellaneous line-items.	\$83,800	--
Increase marketing services and advertising budget for the Airport in general.	\$548,750	--
Increase budget for needed airfield and terminal area improvements and replace Airport Noise and Operations Monitoring System equipment.	\$738,000	--
Increase marketing services budget to rebrand the Airport.	\$165,000	--
Construct a new Car Rental Facility (Phase 1) to house all rental car companies and a surface parking lot to be used for vehicle storage. A \$10 Customer Facility Charge (CFC) will be collected per rental contract starting March 2012 for the purpose of building this structure without issuing any debt.	\$1,450,000	--
Evaluate the mechanical and electrical components of the Terminal Building and provide for a Facilities Condition Assessment.	\$1,300,000	--
Subtotal: Airport Fund	\$(1,570,388)	(4.00)

Business Operations Bureau

Key Services: Human Resources, Training, Risk Management, Employee Safety, Workers' Compensation, Budget and Accounting, Audits, Purchasing, Billing and Collections, Contract Management, Records Management, Parking Operations, Property Contracts, Tenant Lease Management, Flight Slot Allocations, Rate and Fee Reviews, Ground Transportation Administration, Aircraft Noise Compliance; Community Outreach and Public Information Services (Tours, Brochures, Presentations, Website); Citizen Inquiry and Complaint Responses; Aviation Industry Partnerships.

FY 13 Funding Source: Airport Fund 100%

Business Operations	Actual FY 11	Adjusted* FY 12	Estimated* FY 12	Adopted** FY 13
Revenues	57,541,238	34,720,134	36,227,592	37,468,478
Expenditures	35,548,476	16,578,551	16,111,886	16,087,816
FTEs	30.00	29.75	29.75	28.75

*Numbers as published in the FY 13 Proposed Budget released August 1, 2012.

**Amounts exclude all-years carryover

Narrative:

The FY 13 Administration includes funding adjustments for the Airport's 2009 and 2010 Revenue Bonds debt service and increased revenue for several of the Airport's funding sources. Based upon a fair market value assessment, the Airport will resume collection of land use rent for the Skylinks property. The Airport also expects an increase to concessions revenue with the opening of the new passenger concourse with expanded offerings.

The Long Beach Airport had minimal decreases in its passenger traffic during the economic recession and did not experience as great a decline as other airports. The number of enplaned passengers in FY 11 was 5.0 percent higher than FY 10. FY 12 estimates forecast a healthy six percent increase to 1.625 million enplaned passengers. This growth contributes to the financial stability of the Airport and helps it remain competitive as one of the lowest average cost per enplaned passenger airports in California. The Airport is also recognized for having some of the lowest average airfares in the nation.

The Public Affairs Division budget for FY 13 includes a one-time enhancement for marketing services to develop a new "brand" for the Airport and promote Long Beach Airport as a gateway to the City. Other increases are proposed for advertising and community-focused marketing services provided by the Parks, Recreation and Marine Department under a Memorandum of Understanding arrangement.

The Noise Division budget will be increased \$26,000 for noise service providers for ad hoc noise reports and noise monitoring system equipment calibration. The QuieterHome ® Program which began in FY 10 completed its pilot phases to mitigate the effects of aviation noise for 27 eligible homes within the Airports 65 CNEL contour as was approved by City Council. The majority of the funding for this program is from the Federal Aviation Administration (FAA). The first 10 homes were completed in FY 11 and 15 of the 17 selected for Phase II will be completed in FY 12. Two of the seventeen homes elected to not participate due to foreclosure.

Airport Operations Bureau

Key Services: Aircraft and Airfield Security Assessments; Access Control Background Checks, Airport identification badges; Law Enforcement Responses; Traffic control and enforcement; Security/Safety Training Classes; Tenant Security Plans Validation; TSA Compliance; Airfield Safety Inspections, Marking Inspections and Maintenance, Runway and Taxiway Lighting and Signage (Inspections, Maintenance and Repairs); Monitoring of Airfield Infrastructure and Grounds; Facility and Building Mechanical System Maintenance and Repairs; Parking Facility (Inspections, Maintenance and Repairs); Construction Coordination and Safety reviews; Coordination and Monitoring of Special Events, Wildlife Management, Terminal Custodial Services; Airport Infrastructure Capital Improvement program.

FY 13 Funding Source: Airport Fund 100%

Airport Operations	Actual FY 11	Adjusted* FY 12	Estimated* FY 12	Adopted** FY 13
Revenues	53,374,734	8,541,691	19,803,126	5,338,482
Expenditures	64,020,446	31,171,539	56,689,525	25,037,503
FTEs	84.00	83.00	83.00	80.00

*Numbers as published in the FY 13 Proposed Budget released August 1, 2012.

**Amounts exclude all-years carryover

Narrative:

The Airport Operations Bureau includes the Operations, Security, Maintenance and Facilities, Building Services and Airport Engineering divisions. Each division provides essential core services to either ensure compliance with FAA Part 139 requirements or to assure the safety and comfort of Long Beach Airport (LGB) visitors. The FY 11 actuals include revenues and expenditures related to the use of bond funds for the parking structure and terminal improvement construction. The FY 12 and FY 13 budgets present a picture of on-going operations and capital improvements as these major projects are completed.

The Operations, Maintenance and Facilities and Building Services divisions propose a slight increase for FY 13 for wildlife mitigation, on-call electrical services, airfield lighting software, training, machinery rental and uniforms as they continue to provide critical support for all the construction projects underway at the Airport, provide training to airport and airline employees and tenants on operational safety in the prevention of runway incursions, maintain airfield lighting and the heavily-used terminal facilities. In FY 12, the Maintenance and Facilities Division repainted the Lot A parking structure and the Security Division applied to the Transportation Security Administration for a Law Enforcement Officer (LEO) Reimbursement Program to offset personnel costs to man the security checkpoints.

The FY 13 budget for the Airport Engineering Division includes slight operational increases for training, reprographic services and planning studies. For its annual capital improvement program, this division proposes a Terminal Mechanical and Electrical evaluation, Facilities Condition Assessment program, LEED-certified Car Rental facility, and to budget the Passenger Facility Charge (PFC)-backed debt service payments for the Airport's 2010 revenue bonds. Typically, PFCs are used to construct projects, but with FAA approval, the Airport is using PFCs to finance the terminal concourse project funded with 2010 bond proceeds. The rental car Customer Facility Charge (CFC) revenue and expenses are included within the capital improvement budget.

Financial Summary by Category

	Actual FY 11	Adopted* FY 12	Adjusted** FY 12	Estimated** FY 12	Adopted* FY 13
Revenues:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	19,523	14,000	14,000	14,000	14,000
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	39,368,480	33,285,173	33,445,173	42,606,964	41,259,508
Revenue from Other Agencies	9,670,960	1,557,837	9,796,152	13,274,941	1,526,952
Charges for Services	-	-	-	-	-
Other Revenues	505,814	6,500	6,500	134,814	6,500
Interfund Services - Charges	534	-	-	-	-
Intrafund Services - GP Charges	-	-	-	-	-
Harbor P/R Revenue Transfers	-	-	-	-	-
Other Financing Sources	61,350,662	-	-	-	-
Operating Transfers	-	-	-	-	-
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Total Revenues	110,915,973	34,863,510	43,261,825	56,030,718	42,806,960
Expenditures:					
Salaries, Wages and Benefits	9,201,954	11,187,532	11,187,532	9,975,251	11,352,856
Overtime	809,630	227,877	227,877	872,884	227,877
Materials, Supplies and Services	50,075,075	9,910,563	18,066,370	37,925,816	10,079,363
Internal Support	12,608,399	9,687,386	9,587,386	15,348,528	10,153,264
Capital Purchases	21,506	8,000	8,000	-	46,000
Debt Service	26,852,359	8,377,925	8,672,925	8,678,931	9,265,960
Transfers to Other Funds	-	-	-	-	-
Prior Year Encumbrance	-	-	-	-	-
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Total Expenditures	99,568,922	39,399,283	47,750,090	72,801,410	41,125,319
Personnel (Full-time Equivalent)	114.00	112.75	112.75	112.75	108.75

*Amounts exclude all-years carryover. See budget ordinance in the front section of this document.

**Numbers as published in the FY 13 Proposed Budget released August 1, 2012.

Personal Services

Classification	FY 11 Adopt FTE	FY 12 Adopt FTE	FY 13 Adopt FTE	FY 12 Adopted Budget	FY 13 Adopted Budget
Airport Director	1.00	1.00	1.00	170,070	170,070
Accountant III	2.00	2.00	2.00	139,271	154,065
Accounting Clerk III	2.00	2.00	2.00	95,179	101,968
Administrative Analyst II	2.00	2.00	2.00	157,231	168,442
Administrative Analyst III	3.00	3.00	3.00	254,707	272,866
Administrative Officer-Airport	1.00	1.00	1.00	93,037	93,037
Airport Engineering Officer	1.00	1.00	1.00	110,100	110,100
Airport Operations Officer	1.00	1.00	1.00	75,872	75,872
Airport Operations Assistant I - NC	1.00	1.00	1.00	38,136	40,856
Airport Operations Assistant II	6.00	6.00	6.00	262,892	293,719
Airport Operations Specialist II	5.00	5.00	5.00	314,777	347,637
Airport Public Affairs Officer	1.00	1.00	1.00	97,374	92,037
Airport Public Affairs Assistant	2.00	2.00	2.00	135,764	132,642
Assistant Administrative Analyst II	2.00	2.00	2.00	107,787	115,473
Building Services Supervisor	1.00	1.00	1.00	51,464	55,959
Capital Projects Coordinator III	1.00	1.00	1.00	80,598	86,344
Civil Engineer	2.00	2.00	2.00	179,897	184,633
Civil Engineer Associate	1.00	1.00	1.00	84,000	84,000
Clerk Typist II	3.00	3.00	3.00	125,144	135,285
Clerk Typist III	5.00	5.75	5.75	241,765	259,873
Construction Inspector II	1.00	1.00	1.00	63,291	67,797
Electrician	2.00	2.00	2.00	111,122	131,010
Equipment Operator II	3.00	3.00	3.00	138,272	148,059
Executive Assistant	1.00	1.00	1.00	48,550	48,550
Facilities Maintenance Officer	1.00	1.00	1.00	85,036	91,037
General Maintenance Assistant	3.00	3.00	3.00	131,693	153,261
Leasing Officer	1.00	-	-	-	-
Maintenance Assistant I	5.00	5.00	5.00	173,476	192,662
Maintenance Assistant II	9.00	9.00	9.00	339,319	359,059
Maintenance Assistant III	4.00	4.00	4.00	171,077	185,706
Maintenance Assistant III - NC	2.00	2.00	2.00	67,468	72,280
Maintenance Assistant I - NC	1.00	1.00	1.00	34,577	37,044
Mechanical Supervisor	1.00	1.00	1.00	79,660	85,265
Manager-Administration & Financial Services	1.00	1.00	1.00	127,971	127,971
Manager- Airport Operations	1.00	1.00	1.00	135,056	137,056
Noise Abatement Officer	1.00	1.00	1.00	85,036	85,036
Subtotal Page 1	80.00	79.75	79.75	4,606,669	4,896,672

Personal Services

Classification	FY 11 Adopt FTE	FY 12 Adopt FTE	FY 13 Adopt FTE	FY 12 Adopted Budget	FY 13 Adopted Budget
Subtotal Page 1	80.00	79.75	79.75	4,606,669	4,896,672
Painter II	2.00	2.00	2.00	110,558	118,441
Painter Supervisor	1.00	1.00	1.00	62,188	66,549
Plumber	1.00	-	-	-	-
Senior Accountant	1.00	1.00	1.00	84,902	90,955
Senior Civil Engineer	2.00	2.00	2.00	219,152	219,152
Special Services Officer II	4.00	4.00	4.00	203,781	220,033
Special Services Officer III	16.00	16.00	13.00	877,745	731,194
Special Services Officer IV	4.00	4.00	4.00	257,105	274,549
Special Services Officer V	1.00	1.00	-	61,264	-
Special Projects Officer-Airport	1.00	1.00	1.00	123,136	123,136
Superintendent- Airport Security	1.00	1.00	1.00	85,036	85,036
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Subtotal Salaries	114.00	112.75	108.75	6,701,536	6,835,718
Overtime	---	---	---	227,877	227,877
Fringe Benefits	---	---	---	4,241,680	4,242,897
Administrative Overhead	---	---	---	244,316	274,241
Attrition/Salary Savings	---	---	---	---	---
To Be Negotiated Savings	---	---	---	---	---
Mayoral Veto	---	---	---	---	---
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Total	114.00	112.75	108.75	11,415,409	11,580,733

