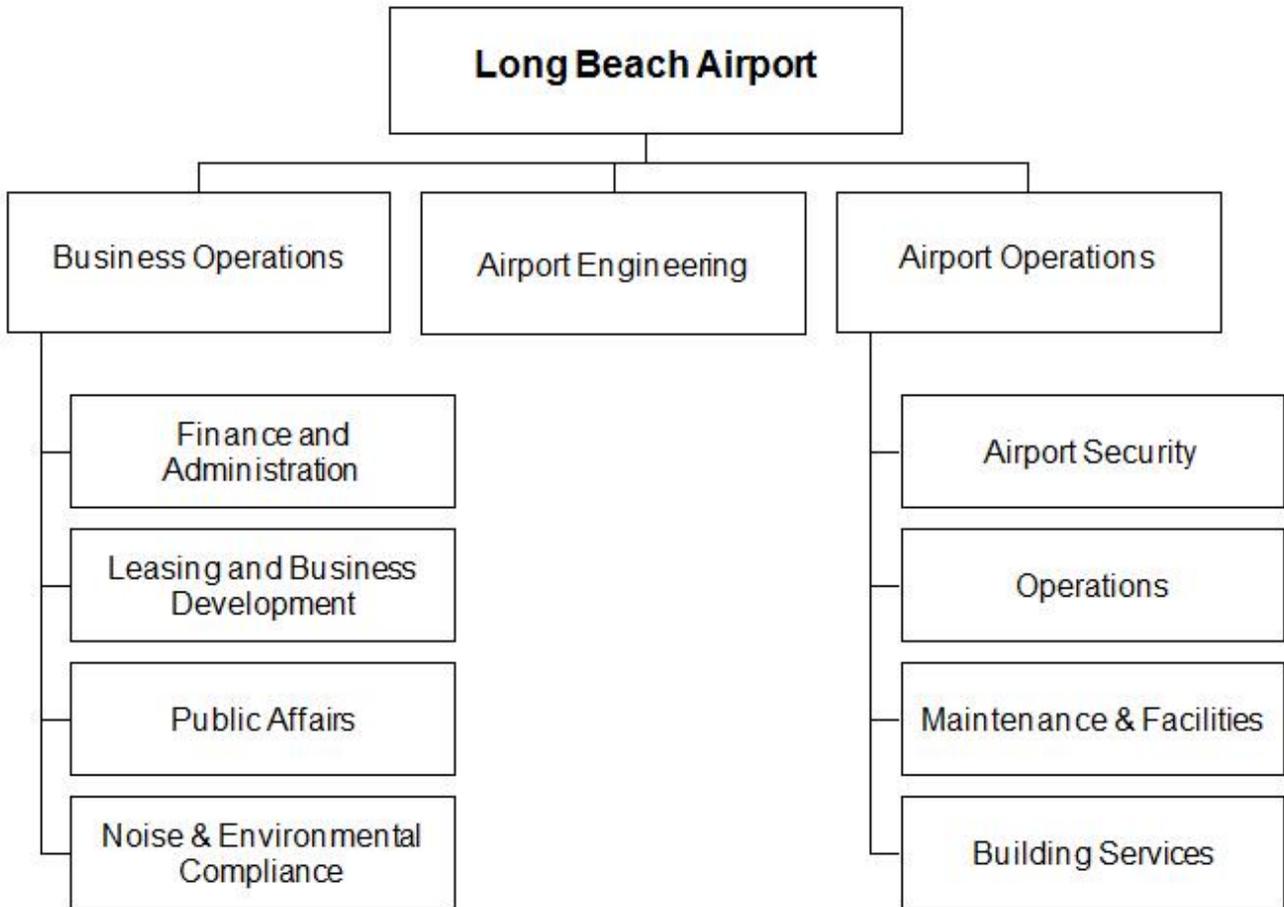


Long Beach Airport



Mario Rodriguez, Director of Long Beach Airport

Claudia Lewis, Manager, Business Operations Bureau

Carolyn Carlton-Lowe, Manager, Airport Operations Bureau

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 14 Focus:

In FY 14, the Airport will focus on delivering its core services in the most efficient manner possible. That includes making sound business decisions that address the changes in the aviation industry and promote long-term financial stability while maintaining excellent relations with our business partners. The Airport strives to provide the highest level of customer service and is planning future projects to enhance the passenger experience.

The Airport began collecting a new Customer Facility Charge (CFC) in FY 12 from on-airport car rental agencies. This 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, the Airport began design of the new ready-return car rental facility. Moving the car rental facility and rental storage lot will free up prime space in front of the terminal for other improvements.

The Airport continues to monitor and curtail its spending to ensure a low cost per enplaned passenger. Signs of increased confidence in the economy were evident in the increased passenger traffic at Long Beach Airport in FY 12. However, for FY 13, passenger traffic has decreased due to JetBlue's reduction in the number of their flights. For FY 14, the Long Beach Airport will be poised to seize opportunities to enhance revenue, but also to withstand the dynamics of the aviation industry.

Department Performance Measures

Key Measure	FY 12 Actual	FY 13 Target	FY 13 Estimate	FY 14 Projection
Number of law enforcement calls responded to	32,624	33,500	33,500	34,000

The Airport anticipates an increase in the number of calls requiring Airport law enforcement response in FY 14. The increased number is expected based upon a couple of factors. The Airport's new concourse adds additional area for Airport security to monitor and the additional cameras in the structure providing "eyes" will generate additional requests for service. On-going construction related activities and additional concessionaire deliveries will require increased security support for escort services and ID checks.

Key Measure	FY 12 Actual	FY 13 Target	FY 13 Estimate	FY 14 Projection
Dollar expenditure per passenger served	\$6.54	\$7.59	\$7.59	\$8.52

The Airline cost per passenger for FY 13 will increase over FY 12 due to an airline rate increase enacted mid-year. JetBlue's decision to under-utilize its slots has negatively impacted airport revenues by reducing airline fees collected and driving down parking, ground transportation and concession revenues. At this time, JetBlue has no intentions of increasing its number of flights except for a couple of the summer months.

Key Measure	FY 12 Actual	FY 13 Target	FY 13 Estimate	FY 14 Projection
Number of airfield and facility maintenance request responses completed	1,065	1,200	1,200	1,200

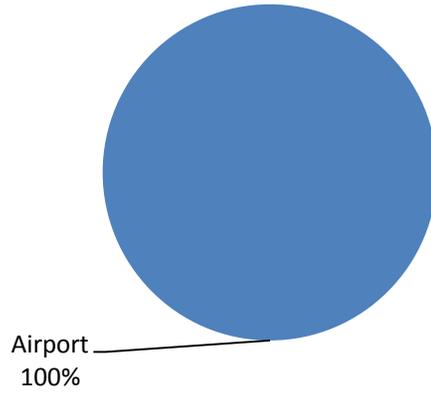
The number of airfield and facility maintenance requests completed will increase for FY 13 and FY 14 as the Facilities Maintenance and Building Services divisions provide services for a large concourse facility in addition to the historic terminal and perform more services in-house that were previously provided by outside vendors, such as steam-cleaning the terminal, carpet repair and shampooing.

FY 13 Accomplishments

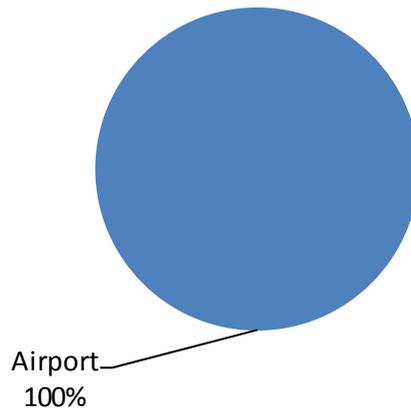
- The Airport passed its annual FAA and State of California Certification Inspections and obtained FAA approval for its new interim wildlife hazard management plan.
- The Airport opened a new concourse, the first phase of its Terminal Area Improvements on December 12, 2012, five months ahead of schedule. The concourse project which included construction of hold rooms, associated restrooms and circulation areas, post security concessions, and a consolidated passenger screening area was named the Aviation Project of the Year by the California Transportation Foundation.
- The Airport completed construction of multi-year improvements to the air carrier ramp including installation of aircraft ground power pedestals and enhanced high-mast lighting.
- The Airport relocated two perimeter roads as improvements to the runway safety area of Runway 7L-25R.
- The Airport completed Phase One of the Rehabilitation of the Access to Taxiways E and F which included rehabilitation of the pavement, improved drainage systems and pavement markings adjacent to many Airport tenant leaseholds.
- 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, and monitoring of on-going construction, with no safety, security, service or operational issues.
- The Airport's Stormwater Pollution Prevention program sustained no violations.

FY 14 Budget

FY 14 Revenues by Fund



FY 14 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
Airport	42,964,976	41,974,235	990,741
			-
Total	42,964,976	41,974,235	990,741

Summary of Adopted Changes

AIRPORT FUND	Impact on Fund	Positions
Add 5 Airport Operations Specialist I positions to improve operations, maintenance and safety dispatch.	\$447,060	5.00
Airfield and Terminal Improvements As-Needed.	\$1,500,000	--
Car Rental Facility Project offset by \$1.5 million in Customer Facility Charges (CFC) Revenue.	--	--
Passenger Experience Program Project funding for various capital improvements.	\$500,000	--
Increase Airline Fee Revenues and reduce Indirect Airline Revenue from parking, car rentals, concessions and the ground transportation program.	\$(220,130)	--
Increase Finance and Administration for concourse utilities, internet, and other contractual facility services.	\$215,800	--
Increase budget for Flight Information Display (FID) lease.	\$159,900	--
TSA's Law Enforcement Officer (LEO) Reimbursement Program Agreement.	\$65,266	--
One-Time Increases for Airfield Lighting Control Management System and Baggage Handling System.	\$110,000	--
One-time purchase of vacuum sweeper/scrubber and scissor lift.	\$40,000	--
Reduced Federal Subsidy due to Sequestration.	\$61,430	--
Implement various organizational, staffing, and materials budget changes to assist with operational management and oversight.	\$(295,914)	--
Subtotal: Airport Fund	\$2,583,412	5.00

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 14 Funding Source: Airport Fund 100%

Business Operations	Actual FY 12	Adjusted* FY 13	Estimated* FY 13	Adopted** FY 14
Revenues	36,028,960	37,468,478	36,072,354	37,640,509
Expenditures	15,468,567	16,052,509	15,324,719	16,265,941
FTEs	29.75	28.75	28.75	26.00

*Numbers as published in the FY 14 Proposed Budget released August 1, 2013.

**Amounts exclude all-years carryover

Narrative:

The FY 14 Finance and Administration division budget includes funding adjustments for outside audit services, increased utilities for the new terminal concourse, and a lease agreement for a Flight Information Display service. The Airport is realizing an increase in concessions revenue from the expanded offerings in the new passenger concourse.

The Long Beach Airport has experienced a sizable decrease in its passenger traffic during the first half of FY 13 due to the planned under-utilization of flight slots by JetBlue. The number of enplaned passengers in FY 13 is 8.9 percent lower than FY 12. As a result, the Airport increased rates and fee charges to the airlines mid-year, to ensure that sufficient revenue was realized to meet its bond covenant requirements. This will increase the cost to airlines to an estimated \$7.59 per enplaned passenger. Nonetheless, the Airport remains competitive and was recognized with having the second lowest domestic airfare in the United States for eight consecutive quarters by the Department of Transportation.

The Public Affairs Division budget for FY 14 includes enhancements for marketing and advertising services to introduce the new "brand" for the Airport and promote Long Beach Airport as a gateway to the City.

The Noise Division budget remains flat for FY 14. The division will continue to monitor aircraft noise and enforce the City's Noise ordinance to improve the quality of life in the surrounding community.

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 14 Funding Source: Airport Fund 100%

Airport Operations	Actual FY 12	Adjusted* FY 13	Estimated* FY 13	Adopted** FY 14
Revenues	314,297	303,376	240,500	238,150
Expenditures	18,037,699	17,832,138	18,067,722	18,624,653
FTEs	76.40	73.40	73.40	87.40

*Numbers as published in the FY 14 Proposed Budget released August 1, 2013.

**Amounts exclude all-years carryover

Narrative:

The Airport Operations Bureau includes the Operations, Security, Maintenance and Facilities, and Building Services 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.

FY 14 expenditures for the Facilities and Maintenance and Building Services divisions include increases related to the completion of the new concourse. Additional equipment, supplies and services are required to clean and maintain the new expanded passenger and enhanced concession areas. One-time allocations for a scissor lift and vacuum sweeper/scrubber are approved as are one-time for a computer system replacement for the baggage handling system and a redundant computer system for the crucial Airfield Lighting Control Management System. The Operations division is increased for a contract with the United States Department of Agriculture Wildlife Services (USDA) to provide wildlife management services such as banding and relocating of birds and preparing a wildlife hazard plan.

The Security Division applied to the Transportation Security Administration in FY 13 to continue in a Law Enforcement Officer (LEO) Reimbursement Program to offset personnel costs to man the security checkpoint. An award was received, with the option for two additional years so this reimbursement is budgeted for FY 14.

Airport Engineering

Key Services: Pavement Surface Inspections, Repairs, Design and Rehabilitation; Marking Upgrades; Runway and Taxiway Lighting and Signage replacement or upgrades; Airfield Infrastructure, Drainage systems, Landscaping, Utilities, major maintenance and upgrades; Facility and Building Mechanical Systems repairs; Parking Facilities major maintenance and upgrades; Facility Planning, Design and on-going maintenance.

FY 14 Funding Source: Airport Fund 100%

Airport Engineering	Actual FY 12	Adjusted* FY 13	Estimated* FY 13	Adopted** FY 14
Revenues	13,112,980	7,982,758	24,518,656	5,086,317
Expenditures	30,541,305	9,764,476	36,211,276	7,083,642
FTEs	6.60	6.60	6.60	6.60

*Numbers as published in the FY 14 Proposed Budget released August 1, 2013.

**Amounts exclude all-years carryover

Narrative:

The Airport Engineering Division provides airport infrastructure planning, design, maintenance, and construction management support so Long Beach Airport users can have safe, reliable, efficient and environmentally-friendly access to air travel. The facilities must meet FAA, TSA and State standards.

The FY 14 operating budget for the Airport Engineering Division remains flat. For the Airport capital improvement program, this division proposed new funding for Lot A Parking Structure improvements of a new elevator tower, stairwells, and exit lanes, on-going design and construction of a LEED-certified car rental facility, and budget for 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 Customer Facility Charge (CFC) revenues that the Airport began collecting in March 2012 are budgeted in the capital improvement budget for the car rental facility and associated rental car storage lot.

The Airport is continually repairing or rehabilitating its pavement based upon a Pavement Condition Index (PCI). Priority is given to projects rated lower than “good” and also based on available funding. With over 5,300,000 square feet of pavement to maintain, the Airport’s goal is to complete an average of 200,000 to 400,000 square feet per year.

Financial Summary by Category

	Actual	Adopted*	Adjusted**	Estimated**	Adopted*
	FY 12	FY 13	FY 13	FY 13	FY 14
Revenues:					
Property Taxes	-	-	-	-	-
Other Taxes	-	-	-	-	-
Licenses and Permits	14,328	14,000	14,000	14,000	14,000
Fines and Forfeitures	-	-	-	-	-
Use of Money & Property	42,651,679	41,259,508	41,259,508	42,792,682	41,544,220
Revenue from Other Agencies	6,342,972	1,526,952	4,474,604	17,416,718	1,400,256
Charges for Services	-	-	-	-	-
Other Revenues	447,258	6,500	6,500	608,110	6,500
Interfund Services - Charges	-	-	-	-	-
Intrafund Services - GP Charges	-	-	-	-	-
Harbor P/R Revenue Transfers	-	-	-	-	-
Other Financing Sources	-	-	-	-	-
Operating Transfers	-	-	-	-	-
Total Revenues	49,456,236	42,806,960	45,754,612	60,831,510	42,964,976
Expenditures:					
Salaries, Wages and Benefits	9,740,509	11,352,856	11,116,720	10,304,704	11,946,650
Overtime	930,250	227,877	227,877	583,809	227,877
Materials, Supplies and Services	31,414,104	10,079,363	12,839,302	37,539,208	10,516,838
Internal Support	12,234,686	10,153,264	10,153,264	11,736,703	9,858,076
Capital Purchases	504,403	46,000	46,000	148,000	158,000
Debt Service	9,223,619	9,265,960	9,265,960	9,291,293	9,266,794
Transfers to Other Funds	-	-	-	-	-
Prior Year Encumbrance	-	-	-	-	-
Total Expenditures	64,047,572	41,125,319	43,649,122	69,603,717	41,974,235
Personnel (Full-time Equivalents)	112.75	108.75	108.75	108.75	120.00

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

** Numbers as published in the FY 14 Proposed Budget released August 1, 2013.

Personal Services

Classification	FY 12 Adopt FTE	FY 13 Adopt FTE	FY 14 Adopt FTE	FY 13 Adopted Budget	FY 14 Adopted Budget
Airport Director	1.00	1.00	1.00	170,070	170,070
Accountant III	2.00	2.00	2.00	154,065	164,123
Accounting Clerk III	2.00	2.00	2.00	101,968	101,951
Administrative Analyst II	2.00	2.00	2.00	168,442	168,411
Administrative Analyst III	3.00	3.00	3.00	272,866	272,816
Administrative Officer-Airport	1.00	1.00	1.00	93,037	93,037
Airport Engineering Officer	-	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	6.00	40,856	255,857
Airport Operations Assistant II	6.00	6.00	6.00	293,719	300,882
Airport Operations Specialist I	-	-	5.00	-	303,554
Airport Operations Specialist II	5.00	5.00	5.00	347,637	352,089
Airport Public Affairs Officer	1.00	1.00	1.00	92,037	92,037
Airport Public Affairs Assistant	2.00	2.00	2.00	132,642	135,076
Assistant Administrative Analyst II	2.00	2.00	-	115,473	-
Building Services Supervisor	1.00	1.00	1.00	55,959	54,904
Capital Projects Coordinator III	1.00	1.00	1.00	86,344	86,328
Civil Engineer	2.00	2.00	2.00	184,633	186,815
Civil Engineer Associate	1.00	1.00	1.00	84,000	82,956
Clerk Typist II	3.00	3.00	3.00	135,285	133,314
Clerk Typist III	5.75	5.75	4.00	259,873	188,649
Construction Inspector II	1.00	1.00	1.00	67,797	61,441
Electrician	2.00	2.00	2.00	131,010	130,987
Equipment Operator II	3.00	3.00	3.00	148,059	146,985
Executive Assistant	1.00	1.00	1.00	48,550	48,550
Facilities Management Officer	1.00	1.00	1.00	91,037	91,037
General Maintenance Assistant	3.00	3.00	3.00	153,261	155,685
Maintainance Assistant I	5.00	5.00	5.00	192,662	185,814
Maintainance Assistant II	9.00	9.00	9.00	359,059	363,238
Maintainance Assistant III	4.00	4.00	4.00	185,706	184,626
Maintainance Assistant III - NC	2.00	2.00	2.00	72,280	72,267
Maintainance Assistant I - NC	1.00	1.00	1.00	37,044	37,036
Mechanical Supervisor	1.00	1.00	1.00	85,265	84,206
Manager-Administration & Financial Services	-	1.00	1.00	127,971	127,971
Manager- Airport Operations	-	1.00	1.00	137,056	137,056
Noise Abatement Officer	1.00	1.00	1.00	85,036	85,036
Painter II	2.00	2.00	2.00	118,441	118,420
Subtotal Page 1	82.75	81.75	88.00	5,015,113	5,359,198

Personal Services

Classification	FY 12 Adopt FTE	FY 13 Adopt FTE	FY 14 Adopt FTE	FY 13 Adopted Budget	FY 14 Adopted Budget
Subtotal Page 1	82.75	81.75	88.00	5,015,113	5,359,198
Painter Supervisor	1.00	1.00	1.00	66,549	65,494
Senior Accountant	1.00	1.00	1.00	90,955	90,939
Senior Civil Engineer	2.00	2.00	2.00	219,152	219,152
Special Services Officer II	4.00	4.00	4.00	220,033	219,999
Special Services Officer III	16.00	13.00	13.00	731,194	761,808
Special Services Officer IV	4.00	4.00	4.00	274,549	271,110
Special Services Officer V	1.00	-	-	-	-
Special Services Officer II-NC	-	-	5.00	-	212,573
Special Projects Officer-Airport	1.00	1.00	1.00	123,136	123,136
Superintendent- Airport Security	-	1.00	1.00	85,036	85,036
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Subtotal Salaries	112.75	108.75	120.00	6,835,718	7,418,444
Overtime	---	---	---	227,877	227,877
Fringe Benefits	---	---	---	4,242,897	4,225,298
Administrative Overhead	---	---	---	274,241	302,909
Attrition/Salary Savings	---	---	---	---	---
To Be Negotiated Savings	---	---	---	---	---
Mayoral Veto	---	---	---	---	---
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Total	112.75	108.75	120.00	11,580,733	12,174,527