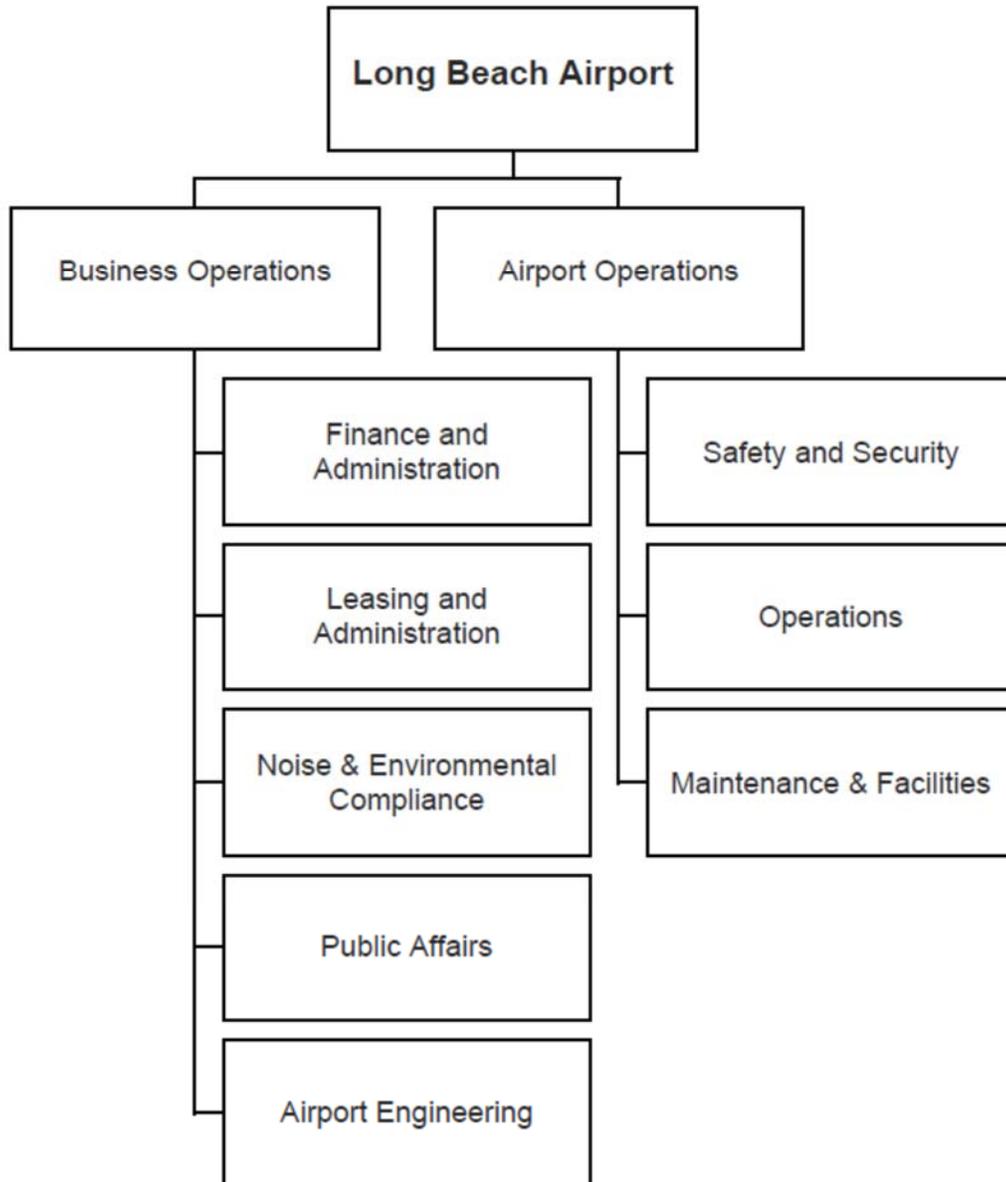


Long Beach Airport



Juan Lopez-Rios, Interim Director of 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 17 Focus:

In FY 17, the Long Beach Airport will continue to focus on delivering its core services in the most efficient manner. This includes making sound business decisions to address changes in the aviation industry and promoting long-term financial stability of the Airport. The Airport strives to provide the highest level of customer service to its business partners, including both airlines and tenants.

Passenger activity had declined over the past several years, but that trend is expected to reverse itself in FY 17 due to the addition of nine supplemental flight slots and alterations in flight activity from existing airlines. Passenger activity is projected to return to historic levels, generating greater revenues for the Airport.

The Airport Capital Improvement Program includes future projects to enhance the passenger experience. The Airport intends to use Customer Facility Charges (CFC), which is a fee charged by car rental agencies on each rental transaction, to develop a car rental facility. Over the next several years, the Airport will design/build/construct a new car rental customer service building (CSB), Quick Turnaround Facility (QTA) and a new Ground Transportation Center.

Planned projects in FY 17 include design of improvements to runway 7R-25L, construction of perimeter security improvements, and construction of improvements to the Lot A parking structure. Funding for these projects comes from several sources including federal grants, Passenger Facility Charges, and Airport operating revenues and bonds. These projects, along with other operational efficiencies, will improve existing infrastructure, enhance security, and make Long Beach Airport even more convenient and safe.

Department Performance Measures

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Number of public safety calls responded to	Unavailable	24,000	24,000	24,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 17 to mirror that of FY 16. The call responses are to ensure a safe and secure environment across the Airport property. On-going construction related activities continue to require security support for escort services and ID checks.

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Dollar expenditure per passenger served	\$8.92	\$10.47	\$10.47	\$10.47

Airline cost per enplanement for FY 17 will not change from FY 16 as no increases in airline rates and charges are expected. The commencement of supplemental flights along with alterations in flight activity of existing airlines will bring enplanement levels back to historic norms.

Key Measure	FY 15 Actual	FY 16 Target	FY 16 Estimate	FY 17 Projection
Number of airfield and facility maintenance request responses completed	481	510	510	530

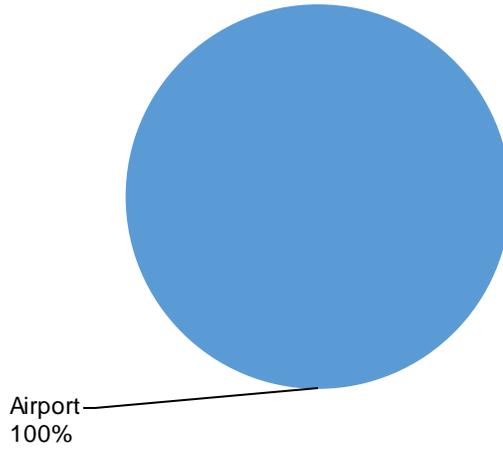
The number of airfield and facility maintenance requests completed will continue to slightly increase in FY 16 and FY 17 as the Facilities Maintenance and Building Services divisions provide services for an aging historic terminal and a new concourse facility whose infrastructure is no longer covered by initial warranties. In addition, the increase in passenger activity requires more frequent maintenance and servicing on equipment and facilities that are used more often. Staff are performing more services in-house such as steam-cleaning the terminal, carpet repair, carpet shampooing and window-washing the concourse glass.

FY 16 Accomplishments

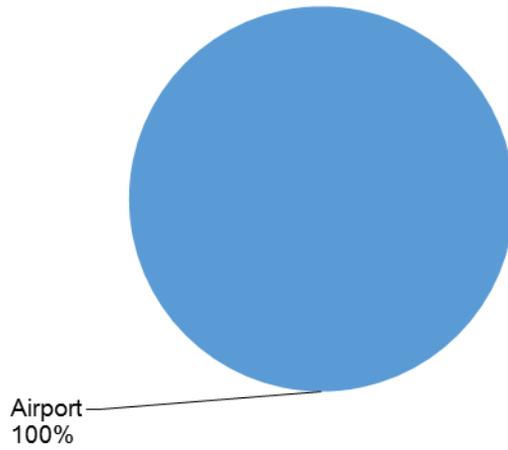
- Allocated all nine new air carrier slots to new and existing airlines which allowed for Southwest Airlines to begin services in Long Beach and for existing airlines to add new flights.
- Deployed a new identity management system in the access control office, improving customer service and accountability.
- Broke ground on a federally-funded \$7.1 million perimeter security upgrade with an expected completion date of February 2017.
- Developed a new security partnership working group with the general aviation tenants.
- Conducted a comprehensive vulnerability assessment and mitigation plan.
- Successfully held a full-scale active shooter exercise in partnership with the Long Beach Police Department.
- Released an Airport Filming and Special Events protocol to improve transparency in the process and build trust with the filming community.
- Hosted the production of more than a dozen movie and television productions at the Airport.
- An Airport staff member was recognized by *Airport Business* magazine as one of the top 40 under 40 award winners.
- Completed a \$7.5 million project for improvements to Taxiway J.
- Completed an update to the Airport Layout Plan.
- Hosted major special events, including the Fly-In, Special Olympics Plane Pull, 2015 ACI-NA Conference, and Reception at 2016 AAAE Conference.
- Participated in numerous community events, including Long Beach Marathon, Grand Prix, Long Beach Pride Parade, and Tour of Long Beach bike ride.
- Received USA Today 10 Best Readers' Choice award for Best Airport Dining.
- LGB recognized by Airport Revenue News magazine for Best Concessions Design in the Small Hub category.
- Cohosted Southwest destination announcement event on the Queen Mary and Southwest inaugural flight event at Airport.
- Maintained 4.5 star rating on Yelp and grew social media followers to 14,146 on Facebook and 8,062 on Twitter

FY 17 Budget

FY 17 Revenues by Fund



FY 17 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
Airport	47,566,705	44,570,978	2,995,727
Total	47,566,705	44,570,978	2,995,727

Summary of Proposed Changes*

AIRPORT FUND	Impact	Positions
Add Administrative Interns to assist the Engineering and Finance and Administration Divisions.	190,199	3.04
Add an Administrative Analyst III to manage the Department's personnel and administrative functions.	31,150	1.00
Add six Special Services Officer III positions to reduce overtime and respond to emergency and non-emergency calls for service in and around the Airport property.	454,061	6.00
Increase budget to purchase and implement new scheduling software, Telestaff, to improve coordination of staff resources.	23,106	-
Increase revenues to reflect higher projections for landing fee and ramp charges from new air carrier slots.	(4,900,000)	-
Increase revenues from fees related to filming permits, security badging and Live Scans for Airport personnel and tenants.	(29,560)	-
Increase budget for the ongoing maintenance of three vehicles to support Airport security, engineering and operations.	26,340	-
One-time funding to host the 2,000+ attendee American Association of Airport Executives annual conference in May 2017. Total \$450,000 over three years.	150,000	-
One-time funding for Airport Terminal Area improvements including emergency repairs and non-scheduled equipment replacement.	1,000,000	-
One-time funding for new Airport Rental Car Facility.	572,524	-
One-time funding for Airfield Pavement Rehabilitation.	1,000,000	-
One-time funding for the purchase of three vehicles to support Airport operations and ongoing budget for maintenance of those vehicles.	78,143	-

*For ease of review, reallocation of resources within departments, offsets, adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Business Operations Bureau

Key Services:

1. Administration

- Personnel and Payroll
- Training

2. Finance in Compliance with FAA Regulations

- Accounting and Accounts Payable
- Set Airline and Commercial Rates and Charges
- Manage General Airport Revenue Bond Payments and Covenants
- FAA Financial Reporting
- Budget

3. Leasing and Development in Compliance with FAA Regulations

- Ground Transportation
- Concessionaire agreements - Food and Beverage, Retail, Airline, Rental Car and Parking
- Ground Leases

4. Noise Management in Compliance with City Noise Ordinance

- Data accumulation, compilation and reporting
- Noise ordinance enforcement
- Pilot/Tenant Outreach
- Response to citizen noise complaints
- Working with FAA to mitigate noise impacts

5. Public Affairs in Compliance with FAA Regulations

- Monitor & Develop Airport-related legislation (federal & state)
- Community outreach / special events
- Advertising
- Social media

FY 17 Funding Source: Airport Fund 100%

Business Operations	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	35,216,062	37,033,348	41,933,348
Expenditures	14,118,062	16,704,686	16,497,936
FTEs	26.00	26.00	28.52

*Amounts exclude all-years carryover.

Narrative:

The Business Operations Bureau is comprised of the Finance and Administration, Leasing and Business Development, Noise and Environmental Compliance, and the Public Affairs divisions. The Bureau continues to focus on providing support to Airport operations while implementing revenue maximization and cost saving strategies to maintain a healthy and sustainable fund.

In FY 17, Airport revenues are updated to reflect projected increases in passenger and flight activity. These activities have a direct impact on revenues from airline rates and charge, car rentals, parking operations, and concession sales. The increases stem from allocation of supplemental flight slots and alterations in flight activity from existing carriers. Increases in rates and charges are not needed, therefore Cost per Enplanement (CPE) is expected to remain at \$10.47.

In 2017, the Airport will host the American Association of Airport Executives (AAAE) Conference from May 7th – 10th to market and promote the Airport’s brand and image. The opportunity allows the City of Long Beach to showcase itself to the airport and aviation industries.

Airport Operations Bureau

Key Services:

- | | |
|---|--|
| <p>1. Operational Compliance With FAR Part 139 Requirements</p> <ul style="list-style-type: none"> • Ensure FAA Safety and Management standards • Provide airfield escort services to contractors / vendors / and tenants • Respond to FAA alerts and Issue Notices to Airmen • Wildlife abatement <p>2. Maintenance</p> <ul style="list-style-type: none"> • Fulfill work orders from Operations in Compliance with FAR Part 139 • Facility maintenance • Grounds maintenance <p>3. Building Services</p> <ul style="list-style-type: none"> • Janitorial | <p>4. Security Compliance With FAR Part 1542 Requirements</p> <ul style="list-style-type: none"> • Airside and landside patrol • Airport security badging • Security and grant coordination with FAA and TSA • Dispatch <p>5. Airport Engineering</p> <ul style="list-style-type: none"> • Develop & coordinate CIP plan with FAA • FAA Grant and PFC Application submittals and reporting • Construction Management • Plan Review and Permit Checks |
|---|--|

FY 17 Funding Source: Airport Fund 100%

Airport Operations	Actuals FY 15	Adjusted* FY 16	Proposed* FY 17
Revenues	20,317,229	13,832,852	5,633,357
Expenditures	37,884,847	32,463,076	28,073,042
FTEs	94.00	90.00	97.52

*Amounts exclude all-years carryover.

Narrative:

The Airport Operations Bureau includes the Operations, Safety and 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 visitors.

In FY 17, the addition of several new vehicles will improve the responsiveness and capabilities of these divisions in providing essential core services as well as in emergency situations. Six new special services officers also enhance the security of the Airport to keep up with mandates and practices of the industry at a time of heightened security needs.

The investment in two new administrative intern positions under the Engineering Division provide an opportunity for entry-level employees to gain valuable knowledge and experience that benefit the Airport as positions become vacant or new positions are added. These positions also provide valuable support to the division.

FY 17 funding for airfield and terminal area maintenance and improvements allow for quicker response of emergency repairs as well as addressing operational needs as they occur. The success of these projects and responses are a result of the effort and coordination between the divisions.

Financial Summary by Category

	Actual FY 15	Adopted* FY 16	Adjusted* FY 16	Proposed* FY 17
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	76,303	48,000	48,000	76,560
Fines and Forfeitures	-	-	-	-
Use of Money & Property	40,905,837	40,935,467	41,702,678	46,112,943
Revenue from Other Agencies	14,509,837	1,213,202	9,102,522	1,364,202
Charges for Services	-	-	-	-
Other Revenues	41,314	13,000	13,000	13,000
Interfund Services - Charges	-	-	-	-
Intrafund Services - General Fund Charges	-	-	-	-
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	-	-
Operating Transfers	-	-	-	-
Total Revenues	55,533,291	42,209,669	50,866,200	47,566,705
Expenditures:				
Salaries, Wages and Benefits	9,465,106	12,355,832	12,530,619	13,137,059
Overtime	838,364	229,380	231,570	229,380
Materials, Supplies and Services	21,403,554	10,401,868	10,737,454	11,430,974
Internal Support	11,033,520	9,661,783	16,425,978	10,350,841
Capital Purchases	24,994	8,000	8,000	153,000
Debt Service	9,237,370	9,234,140	9,234,141	9,269,725
Transfers to Other Funds	-	-	-	-
Total Expenditures	52,002,908	41,891,004	49,167,762	44,570,978
Personnel (Full-time Equivalents)	120.00	116.00	116.00	126.04

* Amounts exclude all-years carryover.

Personnel Summary

Classification	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 17 Prop FTE	FY 16 Adopted Budget	FY 17 Proposed Budget
Airport Director	1.00	1.00	1.00	198,082	198,082
Accountant III	2.00	2.00	2.00	164,125	164,125
Accounting Clerk III	2.00	2.00	2.00	101,953	101,953
Administrative Analyst II	2.00	2.00	2.00	168,410	153,056
Administrative Analyst III	3.00	3.00	4.00	272,816	340,960
Administrative Intern - NC	-	-	3.04	-	146,992
Administrative Officer-Airport	1.00	1.00	1.00	111,326	111,326
Airport Engineering Officer	1.00	1.00	1.00	114,504	114,504
Airport Operations Officer	1.00	1.00	1.00	98,165	98,165
Airport Operations Assistant I	2.00	2.00	2.00	75,174	74,889
Airport Operations Assistant II	6.00	6.00	6.00	289,341	290,413
Airport Operations Specialist I	5.00	3.00	3.00	164,744	164,744
Airport Operations Specialist II	5.00	5.00	5.00	353,155	334,639
Airport Public Affairs Assistant	2.00	2.00	2.00	141,712	144,703
Airport Operations Assistant I-NC	4.00	4.00	4.00	178,303	178,311
Airport Public Affairs Officer	1.00	1.00	1.00	100,504	100,504
Building Services Supervisor	1.00	1.00	1.00	54,904	54,904
Capital Projects Coordinator III	1.00	1.00	1.00	86,327	86,327
Civil Engineering Associate	1.00	1.00	1.00	95,764	95,764
Civil Engineer	2.00	2.00	2.00	192,741	197,752
Clerk Typist II	3.00	3.00	3.00	135,256	135,256
Clerk Typist III	4.00	4.00	4.00	178,614	180,868
Construction Inspector II	1.00	1.00	1.00	70,927	70,927
Electrician	2.00	2.00	2.00	130,989	130,989
Equipment Operator II	3.00	2.00	2.00	97,593	100,155
Executive Assistant	1.00	1.00	1.00	57,090	66,413
Facilities Management Officer	1.00	1.00	1.00	105,093	105,093
General Maintenance Assistant	3.00	3.00	3.00	148,031	148,031
Maintenance Assistant I	6.00	6.00	6.00	231,088	231,167
Maintenance Assistant II	9.00	8.00	8.00	332,283	324,706
Maintenance Assistant III	6.00	6.00	6.00	242,663	237,749
Mechanical Supervisor	1.00	-	-	-	-
Manager-Administration & Financial Services	1.00	1.00	1.00	129,347	129,347
Manager-Airport Operations	1.00	1.00	1.00	149,666	149,666
Noise Abatement Officer	1.00	1.00	1.00	114,706	114,706
Painter II	2.00	2.00	2.00	118,419	118,419
Painter Supervisor	1.00	1.00	1.00	65,494	65,494
Special Services Officer II	4.00	4.00	4.00	220,000	209,819
Special Services Officer II-NC	5.00	-	-	-	-
Special Projects Officer-Airport	1.00	1.00	1.00	128,061	128,061
Special Services Officer III	13.00	17.00	23.00	954,258	1,237,315

Personnel Summary

Classification	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 17 Prop FTE	FY 16 Adopted Budget	FY 17 Proposed Budget
Special Services Officer IV	4.00	5.00	5.00	338,234	341,736
Senior Accountant	1.00	1.00	1.00	90,939	90,939
Senior Civil Engineer	2.00	2.00	2.00	246,992	206,866
Superintendent-Airport Security	1.00	1.00	1.00	124,852	124,852
Superintendent-Facility Maintenance	-	1.00	1.00	72,366	72,366
Subtotal Salaries	120.00	116.00	126.04	7,445,011	7,873,054
Overtime	-	-	-	229,380	229,380
Fringe Benefits	-	-	-	4,430,347	4,859,798
Administrative Overhead	-	-	-	141,625	162,081
Attrition/Salary Savings	-	-	-	-	-
Expenditure Transfer	-	-	-	338,849	242,125
Total	120.00	116.00	126.04	12,585,212	13,366,439

