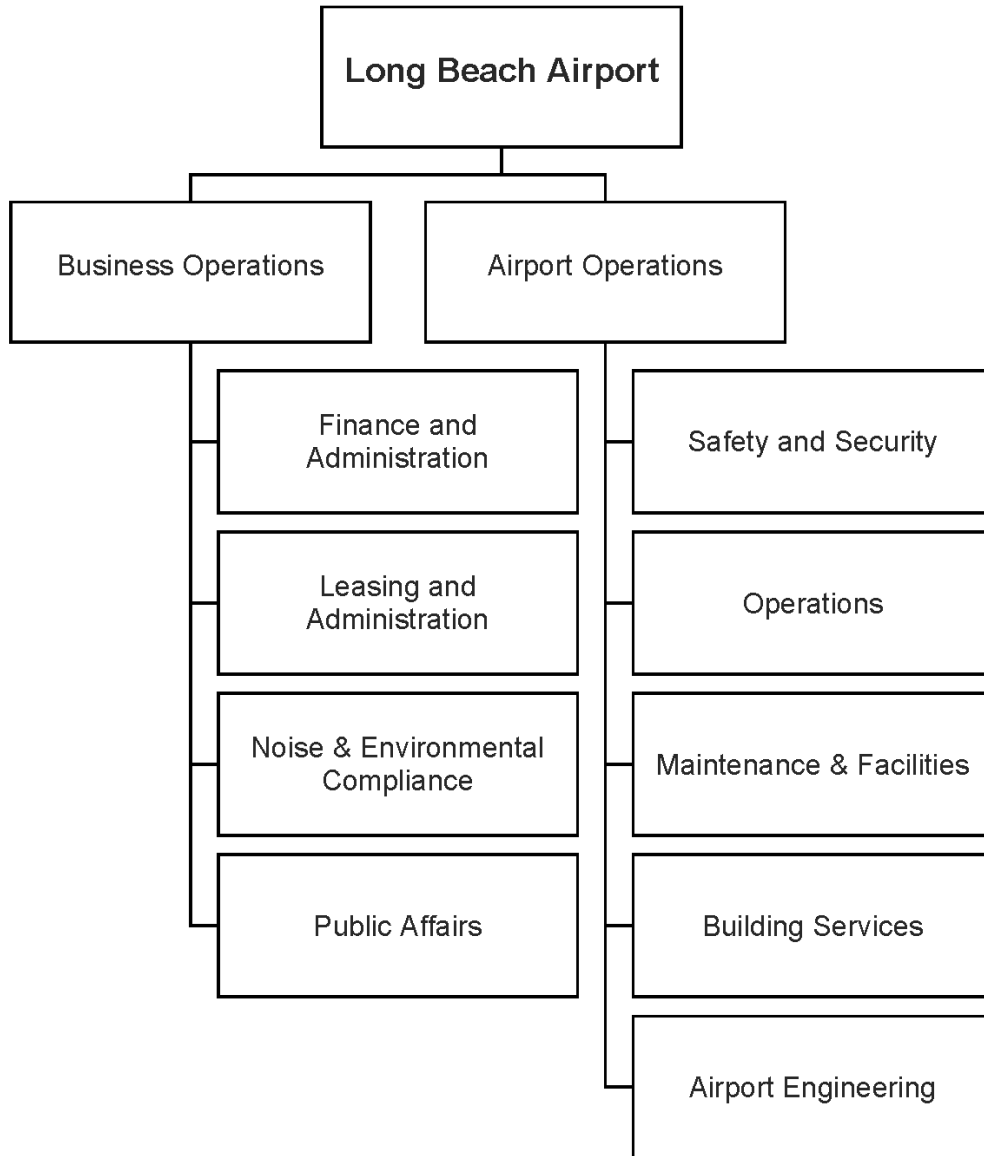


Long Beach Airport



Jess L. Romo, Director of Long Beach Airport

Juan López-Rios, Deputy Director of Long Beach Airport

Claudia Lewis, Manager, Business Operations Bureau

Ronald E. Reeves, 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 the Long Beach Airport (LGB) to its stakeholders, including the Long Beach community
- Maintain an efficient and effective business model

FY 19 Focus:

The Long Beach Airport (Airport) is projected to serve over 3.8 million passengers in FY 18. This volume of passenger traffic is expected to continue through FY 19, defining continuous financial strength and stability for the Airport. Although passenger activity is at an all-time high for the Airport, the Airport's focus remains the same – delivering its core services in the most efficient manner. This includes making sound business decisions to address changes in the aviation industry, promoting long-term financial stability of the Airport, and providing the highest level of customer service to its business partners, including airlines and tenants.

In FY 19, the Airport will continue to enhance existing services and invest in new business opportunities that will not only increase revenue, but also help diversify revenue sources. Revenue diversification is vital to the health of the Airport Fund, thus continuous updates to business models and changes to the Airport's fee structure will help maintain and preserve the financial position of the fund. The results of these efforts will also lead to a very competitive cost structure for airline partners – a key driver as they decide on which airports to serve. Airport stakeholders and passengers benefit from this approach as well.

The Airport's multi-year Capital Improvement Program will also enhance the travel experience at the Airport with several landside improvement projects in progress and more scheduled for groundbreaking in late 2018. In addition, major changes and improvements to runways and taxiways will support efficient runway traffic flow and safety and improve the Airport's key infrastructure.

Enhancements to the Airport's FY 19 Budget enable the Airport to implement strategies that improve operational efficiencies, while remaining prudent in meeting the needs of all stakeholders. The Airport strives to provide a fair and equitable business environment for all operations. Coupled with providing excellent customer service and an easy-going travel experience, the Airport continues to be recognized for its ease of travel and world-class concessions as well as being a major economic engine for the City of Long Beach and surrounding communities.

Department Performance Measures

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Number of public safety calls responded to	49,936	50,000	50,000	50,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 19 to mirror those in FY 18. These public safety responses help to ensure a safe and secure environment across the Airport campus. Ongoing construction related activities continue to require security support for escort services and ID checks.

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Airline Cost per enplaned passenger	\$10.76	\$9.97	\$9.36	\$9.01

Airline cost per enplanement decreased in FY 18 and will continue to decrease in FY 19. Airport revenues have significantly increased due to flight and passenger activity reaching an all-time high for the Airport.

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Number of airfield and facility maintenance request responses completed	1,744	1,400	1,400	1,600

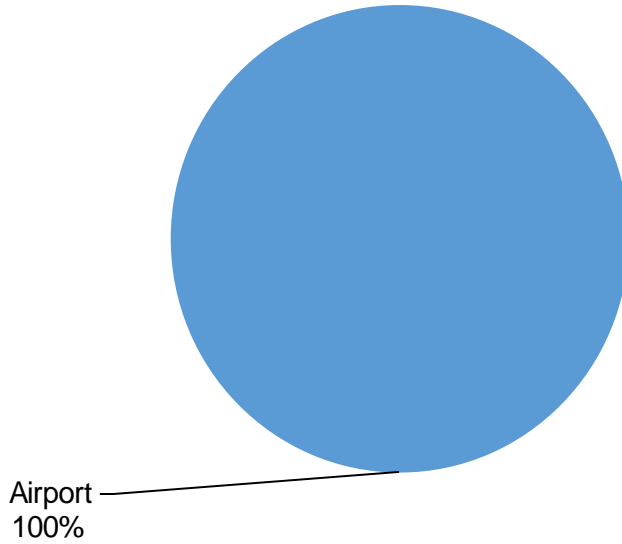
The Long Beach Airport implemented a new work order tracking system in 2017 using SharePoint to request, assign, and track airfield and facility maintenance tasks. The Facilities Maintenance and Building Services Divisions provide services for an aging historic terminal and a new concourse facility whose infrastructure is no longer covered by warranties. The increase in passenger activity requires more frequent maintenance and servicing of equipment and facilities, especially those used more often. Furthermore, the Airport has acquired additional office space in two different facilities that will also require maintenance services.

FY 18 Accomplishments

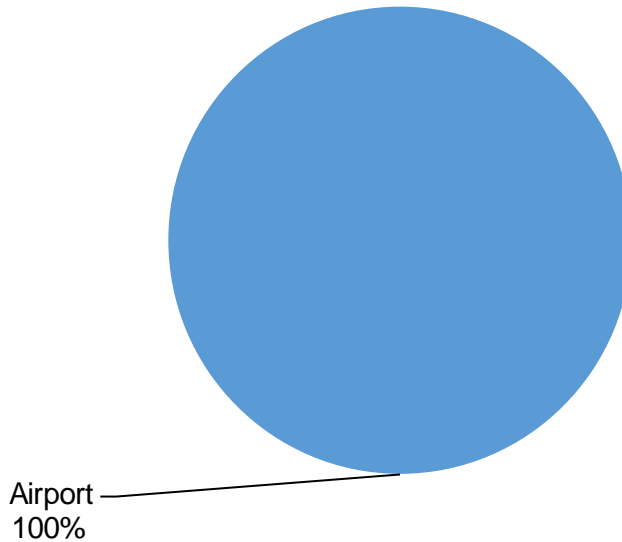
- Awarded a \$58.8 million Design-Build project for the Phase II Terminal Area Improvements
- Substantially Completed the construction for the Improvements to Runway 7R-25L (Airport Improvement Program project) for \$14.5 million.
- Successfully re-designated Runways 7R-25L and Runway 7L-25R to 8R-26L and 8L-26R, respectively.
- Welcomed a new airline entrant that added a new, non-stop route to Hawaii.
- Decreased airline rates and charges by 10 percent.
- Maintained Cost Per Enplanement (CPE) below \$10.
- Served an all-time high of more than 3.8 million passengers.
- Maintained a 4.5-star rating on Yelp; social media followers grew to 16,346 on Facebook, 11,967 on Twitter and 4,021 on Instagram.
- Conde Nast Traveler Reader's Choice for Best Airport in America list for fourth year in a row, moving up one spot from last year to #3.
- Sunset Magazine Best of 2017 Travel Award.
- Implemented a new ground transportation program.
- Conducted a full-scale Airport Emergency Exercise, which focused on the emergency response to a military aircraft accident. The exercise included participants from the U.S. Army, law enforcement agencies, Long Beach Fire Department, Transportation Security Administration, Federal Aviation Administration, Red Cross, other organizations and community volunteers.
- Exhibited at a variety of aviation-related conferences, including the Airports Council International – North America (ACI-NA) Conference, American Association of Port Authorities (AAPA) Conference and National Business Aviation Association (NBAA) Schedulers and Dispatchers Conference.
- Completed improvements to Parking Structure A.
- Participated in variety of community events such as Flames of Hope project, Youth Leadership Long Beach Orientation Day, Belmont Car Show, Martin Luther King Jr. Parade, Fiesta in the Park, Village Fest Hub of Beach Streets Uptown, Long Beach Innovation Summit, Belmont Shore Christmas Parade, Long Beach Pride Parade and many other events.
- Hosted 5th annual Festival of Flight.
- Implemented a new Airport Advertising Program.
- Successfully completed rehabilitation to Runway 12-30, the main air carrier runway.
- Executed a new Airport Improvement Program grant agreement for approximately \$15.3 million from the Federal Aviation Administration (FAA).
- Received a Transportation Security Administration (TSA) Other Transaction Agreement for design of the new Checked Baggage Inspection Screening (CBIS) facility for approximately \$427,000.
- Received a TSA Other Transaction Agreement for construction of the new CBIS for approximately \$6 million.
- Completed the 2017 Airfield Pavement Management and Maintenance System update.
- Initiated design for the \$17.5 million Taxiway C Improvements project.
- Designed and advertised the new Airport Monument Sign project.

FY 19 Budget

FY 19 Revenues by Fund



FY 19 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
Airport	55,611,877	48,994,737	6,617,140
Total	55,611,877	48,994,737	6,617,140

Summary of Changes*

AIRPORT FUND	Impact	Positions
Increase revenues to reflect higher projections based on an enplanement forecast and to reflect FY 18 mid-year fee changes.	(8,443,695)	-
Reduce airline rates and charges by five percent due to a projected increase in enplanements.	935,000	-
Add 5 Maintenance Assistant I positions in the Building Services Division to support increased passenger activity and maintain facilities, restrooms, walkways, sidewalks, parking lots, and other areas used by travelers.	301,319	5.00
Add net 4 Airport operations positions to improve coverage and support new requirements for the Airport's multi-year capital improvement program of the airfield.	424,064	4.00
Move 27 Special Service Officers from the Airport to the Police Department to integrate all armed security operations at the Airport under the command of the Police Department. The Airport budget will realign to reflect the revised MOU between the Airport and the Police Department.	593,060	(27.00)
Increase budget for Airport leases to reflect costs of staff office space.	219,679	-
Increase budget for art and aesthetic improvements at the airport and the installation of a designated entertainment space.	50,000	-
Increase budget for maintenance of the Airport's baggage handling system to keep up with increased passenger traffic.	792,000	-
Increase budget to better align with actual costs for materials and supplies, work orders, and overtime.	668,142	-
Increase budget for as-needed airfield improvements for emergency and major maintenance work.	2,000,000	-
Increase budget for as-needed Terminal area improvements for emergency and major maintenance work.	2,000,000	-
One-time funding for new Gateway signage at the Airport.	100,000	-

*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
 - Policy Development and Implementation
2. **Finance in Compliance with FAA Regulations**
 - Accounting and Accounts Payable
 - Set Rates and Charges
 - Manage Bond Payments and Covenants
 - FAA Financial Reporting
 - Budgeting and Financial Forecasting
3. **Leasing and Business Development in Compliance with FAA Regulations**
 - Ground Transportation
 - Airport Concessions Program - Food and Beverage, Retail, Vending, Advertising, Rental Car and Parking
 - Ground Leases and Permits
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 and Social Media

FY 19 Funding Source: Airport Fund 100%

Business Operations	Actuals FY 17	Adjusted* FY 18	Adopted** FY 19
Revenues	47,141,505	44,247,301	45,734,187
Expenditures	14,526,731	16,878,785	16,482,716
FTEs	28.52	31.52	28.52

*Amounts as published in the FY 19 Proposed Budget released July 3, 2018

**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 will continue 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 19, projected Airport revenues reflect an anticipated increase in passenger and flight activity. These activities have a direct impact on revenues from airline rates and charges, concession sales, car rentals, and parking operations. The Airport also reduced its fees to airlines for aircraft landings, gate use, ramp parking and common use charges to maintain an attractive business model for its partners and tenants.

The Airport's Noise and Environmental Compliance Division continues to play a vital role in actively responding to noise issues and ensuring compliance with federal, State and local regulations. Their work is instrumental to enforcement and protection of the Noise Ordinance.

The Airport's Leasing and Business Development Division manages the ground leases and land rentals for all Airport owned properties. This includes dozens of leases for commercial properties, fixed base operators, airfield uses, and permits and licenses for activities at the Airport. The Division is also

Business Operations Bureau

responsible for managing contracts related to supporting air travel services, such as parking operations, commercial airlines, ground transportation providers, facility rentals and airport concessions.

Community outreach is essential to all aspects of the Airport's operations, from changes in business activities to airfield improvements. The Public Affairs Division plays a key role in engaging the public and stakeholders and providing pertinent information to ensure accurate communication and transparency. The Airport's presence on social networking sites is also managed by the Public Affairs Division. In FY 19, an enhancement to the Public Affairs Division will provide resources for an Airport Arts and Entertainment program that provides an opportunity for and invests in local artists, musicians and entertainers while adding to the travel experience for passengers at Long Beach Airport.

Airport Operations Bureau

Key Services:

1. Operational Compliance with FAR Part 139 Requirements

- 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

2. Maintenance

- Fulfill work orders from Operations in Compliance with FAR Part 139
- Facility maintenance
- Grounds maintenance

3. Building Services

- Janitorial

4. Security Compliance with FAR Part 1542 Requirements

- Airside and landside patrol
- Airport security badging
- Security and grant coordination with FAA and TSA
- Dispatch

5. Airport Engineering

- Develop & coordinate CIP plan with FAA
- FAA Grant and PFC Application submittals and reporting
- Construction Management
- Plan Review and Permit Checks

FY 19 Funding Source: Airport Fund 100%

Airport Operations	Actuals FY 17	Adjusted* FY 18	Adopted** FY 19
Revenues	12,537,353	3,855,881	9,877,690
Expenditures	36,674,031	60,490,839	32,512,021
FTEs	97.52	98.52	84.52

*Amounts as published in the FY 19 Proposed Budget released July 3, 2018

**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 a unique and essential service to either ensure compliance with FAA Part 139 requirements or assure the safety and comfort of Long Beach Airport passengers and visitors.

In FY 19, the Airport Operations Division has a net increase of four positions that will provide greater coverage and support for airfield operations. The Division is also responsible for supporting construction projects, aviation activities on the airfield, compliance inspections and escorting in secure areas.

The Building Services Division is adding five Maintenance Assistant I positions to support the increased passenger activity and growing portfolio of facilities managed by the Airport. The Division is responsible for custodial duties for the terminal and concourse facilities, office spaces and public areas at the Airport. Cleanliness and appearance of facilities is crucial to providing a pleasurable travel experience to passengers.

Operational enhancements for materials and services for all Divisions under the Airport Operations Bureau will provide much needed resources to support and maintain smooth operations for air service and travel. As flight and passenger activities increase at the Airport, so do the materials and services used to support the activities.

The Airport's CIP program has a \$2 million enhancement for as-needed improvements and repairs to the airfield and a \$2 million enhancement for as-needed improvements and repairs for the landside and terminal areas. These enhancements provide more flexibility in responding to emergency pavement

Airport Operations Bureau

repairs and help to quickly address incidents that occur. The enhancements also provide support for larger, unforeseen projects that arise and need to be completed immediately.

As part of an agreement between the Airport and Police Departments, the Airport Security Division Special Services Officers (SSOs) and the Airport Police Detail will be integrated into one division. This newly integrated division will fall under the command and control of the Long Beach Police Department. The Superintendent of Airport Security and the Police Lieutenant will work together to ensure all pertinent federal regulations, the Airport Security Program and Airport Emergency Plan are followed.

Financial Summary by Category

	Actual FY 17	Adopted* FY 18	Adjusted** FY 18	Adopted* FY 19
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	109,074	76,560	76,560	76,560
Fines and Forfeitures	12,686	-	-	-
Use of Money & Property	55,300,642	46,649,420	46,649,420	54,158,115
Revenue from Other Agencies	3,989,688	1,364,202	1,364,202	1,364,202
Charges for Services	5,872	-	-	-
Other Revenues	260,896	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	-	-	-	-
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Total Revenues	59,678,858	48,103,182	48,103,182	55,611,877
Expenditures:				
Salaries, Wages and Benefits	11,397,551	13,960,038	13,909,936	12,310,231
Overtime	940,040	229,380	229,380	324,380
Materials, Supplies and Services	18,040,838	9,072,391	42,111,298	12,478,117
Internal Support	11,371,030	10,767,547	11,578,734	14,506,985
Capital Purchases	222,020	153,000	318,764	153,000
Debt Service	9,229,283	9,221,512	9,221,512	9,222,025
Transfers to Other Funds	-	-	-	-
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Total Expenditures	51,200,762	43,403,868	77,369,624	48,994,737
Personnel (Full-time Equivalents)	126.04	130.04	130.04	113.04

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

** Amounts as published in the FY 19 Proposed Budget released July 3, 2018.

Personnel Summary

Classification	FY 17 Adopt FTE	FY 18 Adopt FTE	FY 19 Adopt FTE	FY 18 Adopted Budget	FY 19 Adopted Budget
Airport Director	1.00	1.00	1.00	221,667	226,102
Accountant III	2.00	2.00	2.00	170,756	174,171
Accounting Clerk III	2.00	2.00	2.00	106,072	108,193
Administrative Analyst II	2.00	3.00	2.00	214,897	156,613
Administrative Analyst III	4.00	4.00	4.00	362,427	373,685
Administrative Intern - NC/H44	3.04	3.04	2.04	152,913	104,671
Administrative Officer-Airport	1.00	1.00	1.00	115,823	118,140
Airport Deputy Director	-	1.00	1.00	176,941	180,480
Airport Engineering Officer	1.00	1.00	1.00	150,920	153,937
Airport Operations Assistant I	2.00	2.00	-	84,948	-
Airport Operations Assistant II	6.00	6.00	7.00	304,133	353,730
Airport Operations Assistant I-NC	4.00	4.00	4.00	185,493	189,214
Airport Operations Officer	1.00	1.00	1.00	102,131	104,173
Airport Operations Specialist I	3.00	3.00	6.00	171,400	364,468
Airport Operations Specialist II	5.00	5.00	7.00	361,009	489,022
Airport Public Affairs Assistant	2.00	2.00	2.00	136,888	150,988
Airport Public Affairs Officer	1.00	1.00	1.00	98,879	100,857
Assistant Administrative Analyst II	-	-	1.00	-	61,259
Building Services Supervisor	1.00	1.00	1.00	57,122	58,265
Capital Projects Coordinator III	1.00	1.00	1.00	80,838	82,455
Civil Engineer	2.00	2.00	2.00	198,543	216,346
Civil Engineering Associate	1.00	1.00	1.00	80,778	90,093
Clerk Typist II	3.00	3.00	3.00	139,635	124,997
Clerk Typist III	4.00	5.00	6.00	230,547	287,362
Construction Inspector II	1.00	1.00	1.00	86,767	92,077
Electrician	2.00	2.00	2.00	130,989	136,281
Equipment Operator II	2.00	2.00	2.00	102,494	108,718
Executive Assistant	1.00	1.00	1.00	68,010	69,371
Facilities Management Officer	1.00	1.00	1.00	109,339	104,083
Financial Services Officer	-	1.00	1.00	115,823	118,140
General Maintenance Assistant	3.00	4.00	4.00	189,478	203,694
Maintenance Assistant I	6.00	6.00	11.00	231,167	397,767
Maintenance Assistant II	8.00	8.00	8.00	321,764	324,989
Maintenance Assistant III	6.00	5.00	5.00	206,394	223,191
Manager-Administration & Financial Services	1.00	1.00	1.00	143,992	157,153
Manager-Airport Operations	1.00	1.00	1.00	155,712	157,153
Mechanical Supervisor	1.00	1.00	1.00	83,936	76,795
Noise Abatement Officer	1.00	1.00	1.00	119,341	121,729
Painter II	2.00	2.00	2.00	107,792	114,618
Painter Supervisor	1.00	1.00	1.00	67,959	69,503
Real Estate Project Coordinator II	-	-	1.00	-	84,951

Personnel Summary

Classification	FY 17 Adopt FTE	FY 18 Adopt FTE	FY 19 Adopt FTE	FY 18 Adopted Budget	FY 19 Adopted Budget
Senior Accountant	1.00	1.00	1.00	94,613	78,831
Senior Civil Engineer	2.00	2.00	2.00	216,511	235,989
Special Projects Officer-Airport	1.00	1.00	1.00	133,235	135,900
Special Services Officer II	4.00	4.00	4.00	219,359	225,571
Special Services Officer III	23.00	23.00	1.00	1,274,457	62,819
Special Services Officer IV	5.00	5.00	-	356,361	-
Superintendent-Airport Security	1.00	1.00	1.00	87,429	122,451
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Subtotal Salaries	126.04	130.04	113.04	8,527,682	7,690,991
Overtime	-	-	-	229,380	324,380
Fringe Benefits	-	-	-	5,122,183	4,482,846
Administrative Overhead	-	-	-	175,569	153,827
Attrition/Salary Savings	-	-	-	-	(156,568)
Expenditure Transfer	-	-	-	134,604	139,135
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Total	126.04	130.04	113.04	14,189,418	12,634,611

