

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 16 Focus:

In FY 16, the Airport will continue to focus on delivering its core services in the most efficient manner. That includes making sound business decisions to address the changes in the aviation industry and to promote the 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.

The Airport Capital Improvement Program is planning future projects to enhance the passenger experience. The Airport is intending to use Customer Facility Charges (CFC) which is a fee 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. Over the next five years, the Airport will begin a design-build of a new car rental customer service building (CSB), Quick Turnaround Facility (QTA) and a new Ground Transportation Center. In addition, improvements to the Lot A parking structure will make Long Beach Airport that much more convenient.

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, through FY 13, FY 14, and FY 15, passenger traffic has decreased primarily due to JetBlue's reduction in the number of their flights. For FY 16, the Long Beach Airport will be poised to seize opportunities to enhance revenue and improve the customer experience.

Department Performance Measures

Key Measure	FY 14 Actual	FY 15 Target	FY 15 Estimate	FY 16 Projection
Number of public safety calls responded to	29,196	24,000	24,000	24,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 16 to mirror that of FY 15. 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 14 Actual	FY 15 Target	FY 15 Estimate	FY 16 Projection
Dollar expenditure per passenger served	\$8.53	\$8.91	\$8.93	\$10.47

The Airline cost per passenger for FY 16 will increase over FY 15 due to an airline rate increase at the beginning of FY 16. JetBlue's under-utilization of its slots continue to 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 modest increases for a couple of the summer months.

Key Measure	FY 14 Actual	FY 15 Target	FY 15 Estimate	FY 16 Projection
Number of airfield and facility maintenance request responses completed	472	500	500	500

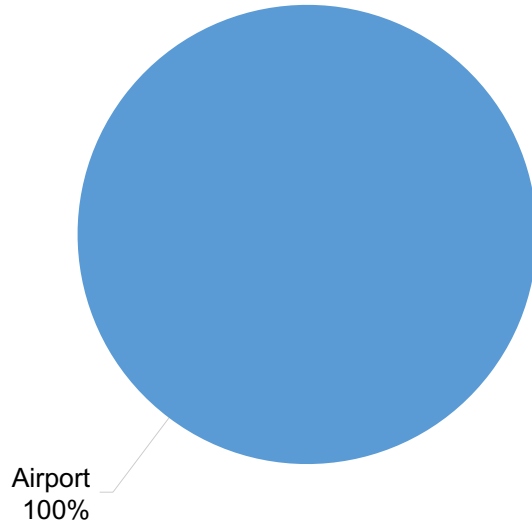
The number of airfield and facility maintenance requests completed will increase slightly for FY 15 and FY 16 as the Facilities Maintenance and Building Services divisions provide services for the concourse facility and the historic terminal. They are performing more services in-house such as steam-cleaning the terminal, carpet repair, carpet shampooing and window-washing the concourse glass.

FY 15 Accomplishments

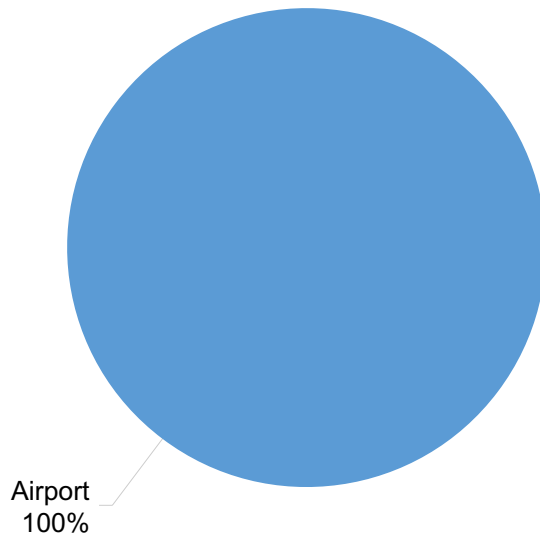
- The Airport passed its FAA annual inspection with zero discrepancies.
- The Airport completed the \$15.1M safety renovation of Runway 7L-25R and conducted the Run the Runway event to celebrate the reopening of Runway 7L-25R.
- The Airport completed construction for improved access to Taxiway E & F and completed construction of the final phase of the air carrier ramp improvements.
- The Airport completed the Geometry Study which provides several viable alternative geometric layout that will enhance aircraft safety.
- LED Edge lights and Guard lights were installed at various taxiways/runways on a per project basis that enhanced safety and electrical efficiency.
- Fourteen (14) high performance multi-sensor pan/tilt cameras utilizing thermal and visible-light imaging have been installed on the airfield to enhance security monitoring.
- Security and Engineering are in the planning phase of installing a radar based perimeter intrusion detection system. This system would be able to identify unauthorized breaches by vehicles or pedestrians and alert security in real time.
- The Airport received several recognitions and awards including:
 - Best Food and Beverage Program (Small hub category) from Airports Council International - North America
 - Transportation Project of the Year from Southwest Chapter of American Public Works Association
 - Long Beach Heritage Preservation Award
 - Named in *BBC* list of Top 10 Most Beautiful Airports
 - Ranked #1 of 42 Top-rated Long Beach attractions on TripAdvisor
- The Airport successfully hosted a live triennial disaster training exercise that tested the speed and effectiveness of emergency personnel and LGB staff in the event of a significant incident. Participants included Police and Fire Department, other law enforcement agencies, community partners, airlines, and volunteers from the community.
- The Airport's Stormwater Pollution Prevention program sustained no violations.
- Increased social media awareness with the use of the Go LGB Airport app, increased social media followers on Facebook and Twitter and maintained 4.5 star ratings on Yelp and TripAdvisor.

FY 16 Budget

FY 16 Revenue by Fund



FY 16 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
Airport	42,209,669	41,891,004	318,665
Total	42,209,669	41,891,004	318,665

Summary of Adopted Changes*

Airport Fund	Impact on Fund**	Positions
Increase fees paid by airplanes and parking rates to maintain budgeted levels of revenue and restructure pricing to better reflect industry practices.	\$ (1,140,000)	—
Decrease budgeted revenue to reflect decline in passenger onboardings and termination of Boeing's C-17 lease.	\$ 1,544,019	—
Implement various organizational, staffing, and materials budget changes to assist with operational and budget management, including the elimination of vacant positions.	\$ (415,906)	(4.00)
Non-recurring funding for Airport Terminal Area Improvements including emergency repairs and non-scheduled equipment replacement.	\$ 1,000,000	—
Non-recurring funding for new Airport Rental Car Facility.	\$ 1,500,000	—
Non-recurring funding for Airfield Pavement Rehabilitation.	\$ 1,000,000	—
Subtotal: Airport Fund	\$ 3,488,113	(4.00)

*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
- Training
- Payroll

2. Finance in Compliance with FAA

Regulations

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

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 16 Funding Source: Airport Fund 100%

Business Operations	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	37,163,285	37,612,890	37,033,348
Expenditures	14,288,318	16,293,323	16,199,416
FTEs	26.00	26.00	26.00

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** 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 Public Affairs divisions. Airport indirect airline revenue was reduced to reflect FY 14 and FY 15 actual trends which include the drop in revenues from parking and concessions due to lower enplanement levels. LGB is experiencing lower enplanement levels primarily due to JetBlue’s reallocation of aircraft to the East Coast and Caribbean/Latin America. The lower enplanements negatively impact airline fees and indirectly the concession revenues from food and gift sales and revenue from parking. Airport revenue from its leaseholds however, remains strong.

The number of enplaned passengers in FY 15 is lower than FY 14. As a result, the Airport will increase rates and fees charged to the airlines at the beginning of FY 16, to ensure that sufficient revenue is realized to meet bond covenant requirements. This will increase the cost to airlines to an estimated \$10.47 per enplaned passenger. Nonetheless, Long Beach Airport remains competitive and was recognized with having the lowest domestic average itinerary airfare in the United States by the Department of Transportation.

Business Operations Bureau

The Noise division's budget remains flat for FY 16. 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.

The Public Affairs division's budget for FY16 includes a reduction of \$119,970 as part of the Airport's cost containment strategy in response to declining revenues from decreased enplanements. The division will help the Airport host the 2015 Airports Council International - North America Conference and continue to promote the airport's brand and image to the public.

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 16 Funding Source: Airport Fund 100%

Airport Operations**	Actuals FY 14	Adjusted* FY 15	Adopted** FY 16
Revenues	18,223,108	25,309,898	5,176,321
Expenditures	36,278,647	45,193,421	25,691,588
FTEs	94.00	94.00	90.00

* Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

** 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.

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. Airport facilities must meet FAA, TSA and State standards.

The FY 16 expenditure budget for the Maintenance and Facilities and Building Services divisions remain flat as a result of the Airport's efforts to contain costs in response to the drop in revenue due to lower enplanement levels. Energy efficient designs of building and equipment help keep on-going costs of utilities and maintenance at a minimum.

For FY 16, the Safety and Security Division budget remains unchanged as the Airport looks to contain growing costs of the division by implementing new models of security coverage and applies for other funding sources to offset existing costs.

Financial Summary by Category

	Actual FY 14	Adopted* FY 15	Adjusted** FY 15	Adopted* FY 16
Revenues:				
Property Taxes	—	—	—	—
Other Taxes	—	—	—	—
Franchise Fees	—	—	—	—
Licenses and Permits	35,737	14,000	14,000	48,000
Fines and Forfeitures	—	—	—	—
Use of Money & Property	43,737,870	42,328,785	53,026,773	40,935,467
Revenue from Other Agencies	11,516,969	1,209,326	9,875,515	1,213,202
Charges for Services	—	—	—	—
Other Revenues	95,817	6,500	6,500	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	55,386,394	43,558,611	62,922,788	42,209,669
Expenditures:				
Salaries, Wages and Benefits	9,257,690	12,065,328	12,065,328	12,355,832
Overtime	751,387	199,380	199,380	229,380
Materials, Supplies and Services	19,705,661	10,941,338	30,305,825	10,401,868
Internal Support	11,524,285	9,674,071	9,674,071	9,661,783
Capital Purchases	84,811	8,000	8,000	8,000
Debt Service	9,243,131	9,234,140	9,234,140	9,234,140
Transfers to Other Funds	—	—	—	—
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Total Expenditures	50,566,965	42,122,257	61,486,744	41,891,004
Personnel (Full-time Equivalents)	120.00	120.00	120.00	116.00

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

** Amounts as published in the FY 16 Proposed Budget released July 2, 2015.

Personnel Summary

Classification	FY 14 Adopt FTE	FY 15 Adopt FTE	FY 16 Adopt FTE	FY 15 Adopted Budget	FY 16 Adopted Budget
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	168,410
Administrative Analyst III	3.00	3.00	3.00	272,816	272,816
Administrative Officer-Airport	1.00	1.00	1.00	96,759	111,326
Airport Director	1.00	1.00	1.00	196,329	198,082
Airport Engineering Officer	1.00	1.00	1.00	114,504	114,504
Airport Operations Assistant I	—	2.00	2.00	75,174	75,174
Airport Operations Assistant I-NC	6.00	4.00	4.00	172,009	178,303
Airport Operations Assistant II	6.00	6.00	6.00	305,852	289,341
Airport Operations Officer	1.00	1.00	1.00	98,166	98,165
Airport Operations Specialist I	5.00	5.00	3.00	274,574	164,744
Airport Operations Specialist II	5.00	5.00	5.00	334,123	353,155
Airport Public Affairs Officer	1.00	1.00	1.00	100,504	100,504
Airport Public Affairs Assistant	2.00	2.00	2.00	138,345	141,712
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 Engineer	2.00	2.00	2.00	192,726	192,741
Civil Engineering Associate	1.00	1.00	1.00	95,764	95,764
Clerk Typist II	3.00	3.00	3.00	134,212	135,256
Clerk Typist III	4.00	4.00	4.00	186,662	178,614
Construction Inspector II	1.00	1.00	1.00	70,927	70,927
Electrician	2.00	2.00	2.00	119,029	130,989
Equipment Operator II	3.00	3.00	2.00	139,487	97,593
Executive Assistant	1.00	1.00	1.00	56,047	57,090
Facilities Management Officer	1.00	1.00	1.00	105,093	105,093
General Maintenance Assistant	3.00	3.00	3.00	146,987	148,031
Maintenance Assistant I	5.00	6.00	6.00	203,880	231,088
Maintenance Assistant I-NC	1.00	—	—	—	—
Maintenance Assistant II	9.00	9.00	8.00	359,479	332,283
Maintenance Assistant III	4.00	6.00	6.00	247,421	242,663
Maintenance Assistant III-NC	2.00	—	—	—	—
Manager-Administration & Financial Services	1.00	1.00	1.00	129,347	129,347
Manager-Airport Operations	1.00	1.00	1.00	149,665	149,666
Mechanical Supervisor	1.00	1.00	—	84,205	—
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
Senior Accountant	1.00	1.00	1.00	90,939	90,939
Senior Civil Engineer	2.00	2.00	2.00	252,483	246,992
Special Services Officer II	4.00	4.00	4.00	220,000	220,000
Special Services Officer II-NC	5.00	5.00	—	212,569	—
Special Services Officer III	13.00	13.00	17.00	761,816	954,258
Special Services Officer IV	4.00	4.00	5.00	268,241	338,234
Special Projects Officer-Airport	1.00	1.00	1.00	128,061	128,061

