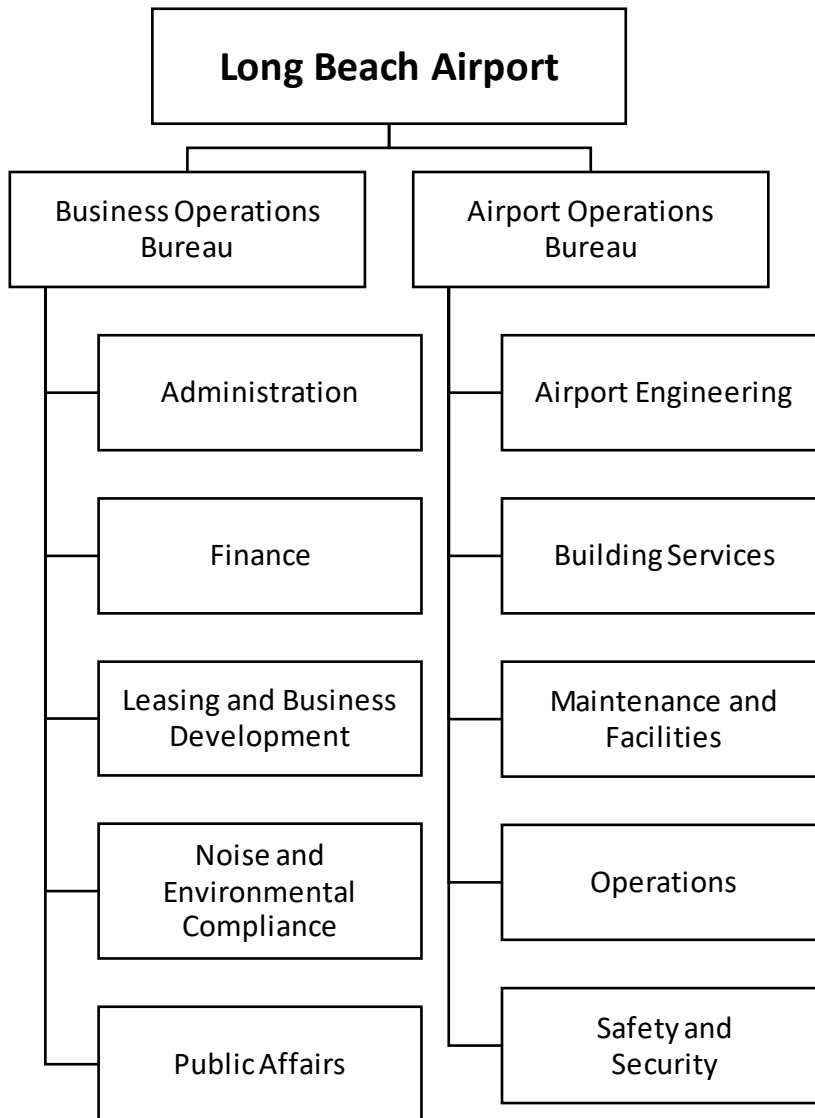


Long Beach Airport



Cynthia Guidry, 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 the Long Beach Airport (LGB) to its stakeholders, including the Long Beach community
- Maintain an efficient and effective business model

FY 21 Focus:

In light of the impacts that COVID-19 has had on the travel industry, the Long Beach Airport (Airport) remains resilient and continues its focus on delivering its core services in the most efficient manner. This includes making sound business decisions to address changes in the aviation industry, providing the highest level of customer service to its business partners, and maintaining an award-winning travel experience.

Fiscal Year 2021 (FY 21) brings several unique challenges for the airport including the recovery of passenger activity, providing safe travel during a pandemic and a drastic change in air carrier mix among other challenges that the industry faces. These challenges have driven the Airport to make decisions that help preserve the Airport's resilience to weather through an unprecedented time for the industry while positioning itself to swiftly adjust on a quick recovery.

The Airport is projected to serve less than 2.4 million passengers in FY 21 – a decline of over 30% from activity seen in pre-COVID years. However, passenger activity continues to recover from the lowest points seen during the second half of the prior fiscal year when activity dropped over 95% in certain months.

A large portion of the Airport's revenues is directly related to passenger activity; thus, budgeted operating revenues are reduced for FY 21. However, with the direct receipt of the Coronavirus Aid, Relief and Economic Security (CARES) Act in 2020, the Airport is able to indirectly offset some of these revenue declines for FY 21 preventing further reductions to its operating budget.

To balance out the decline in operating revenues, the Airport is reducing its expenditure budget by over \$6.3 million. This includes a reduction to materials and supplies purchased, service contracts, overtime usage, vehicle fleet expenses, capital expenditures and labor expenses realized through a hiring freeze. These reductions help fill the budget gap and provide for a flexible operation that allows the Airport to adjust in the event of a quick recovery.

The Airport is also focused on improving its infrastructure to maintain the safety and security of the Airport and its operations. Through the funding from the Federal Aviation Administration (FAA), the Airport is able to complete the construction of Taxiway C and begin the rehabilitation of Taxiway B and Taxiway D. The Airport is also in the design stages of the reconstruction of Taxiway L for commencement in future years. These projects provide needed improvements to the airfield and are largely funded by federal grants.

In addition to airfield projects, improvements to the terminal area continue to provide for a more efficient air service operations and an enhanced travel experience at Long Beach Airport. These improvements include the construction of a new ticketing facility and baggage screening facility. Through a variety of funding sources, the Airport is able to make these improvements and position itself for rebounding on a full recovery of passenger activity.

Department Performance Measures

Key Measure	FY 20 Actual	FY 21 Target	FY 21 Estimate	FY 22 Projection
Number of public safety calls responded to	39,106	40,000	40,000	42,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 21 to decrease as passenger activity decreases. These public safety responses help to ensure a safe and secure environment across the Airport vicinity. Ongoing construction related activities continue to require security support for escort services and ID checks. As passenger traffic is expected to increase, the number of call outs is expected to increase to levels seen in the prior years.

Key Measure	FY 20 Actual	FY 21 Target	FY 21 Estimate	FY 22 Projection
Airline Cost per enplaned passenger	\$9.38	\$10.83	\$10.83	\$12.48

Airline cost per enplanement is expected to increase in FY 21 over the prior year. This trend will continue on as passenger activity and revenues recover to historical levels.

Key Measure	FY 20 Actual	FY 21 Target	FY 21 Estimate	FY 22 Projection
Number of airfield and facility maintenance request responses completed	2,193	2,400	2,400	2,400

The Long Beach Airport uses 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. With the on-going construction in the terminal area, more frequent maintenance and servicing of equipment and facilities, especially those that share the same infrastructure as the construction projects. These construction projects will increase the number of call outs for site-preparation and modifications to minimize the impact to operations and travelers during construction. Furthermore, the Airport has a larger portfolio of facilities to manage than ever before that continues to grow as the Airport acquires more properties and office spaces. The Airport is also focused on responding to the facility needs during the COVID pandemic and these call-outs are prioritized to ensure the safety of travelers and employees.

FY 20 Accomplishments

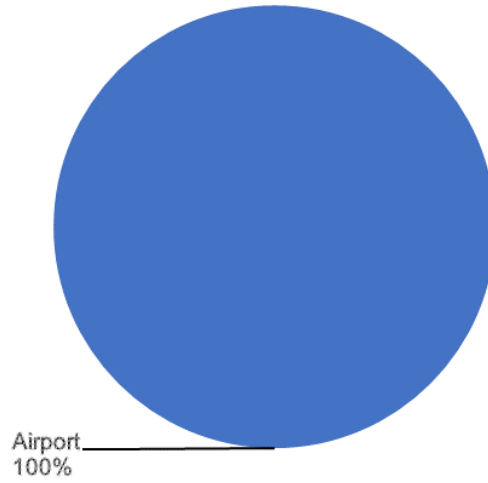
- Long Beach Airport was awarded “Top 10 Best Small Airport” in the 2020 USA Today/10Best.com Readers’ Choice poll.
- To enhance safety and reduce the spread of COVID-19, Long Beach Airport procured new solutions, such as a PPE vending machine for travelers and an electrostatic disinfection machine to efficiently sanitize public areas of the Airport. New signage, floor decals and plexiglass barriers were also installed.
- Through a partnership with the Office of Civic Innovation, Long Beach Airport conducted more than 500 customer experience surveys with travelers.
- Long Beach Airport launched the STARS (Simple Therapy and Real Smiles) program, which provides trained therapy dogs to comfort travelers making their way through the airport.
- After City Council approval, Long Beach Airport broke ground on the \$110M Phase II construction program of pre-security improvements, including construction of a new ticketing lobby and a seismic retrofit and renovation of the 1941 historic terminal.
- The Taxiway C improvement project, funded through federal grants, was completed at Long Beach Airport. The \$26M in construction work was required to meet current FAA standards and enhance the overall safety of the airfield.
- Long Beach Airport staff replaced approximately 180 airfield lights and signs with LED bulbs, which are brighter and more energy efficient. Approximately 82,000 linear feet of airfield markings were repainted for safety.
- A new exterior LED lighting system for the historic terminal and Parking Structures A & B fixtures at Long Beach Airport was installed to commemorate holidays and significant occasions and to enhance the overall customer experience at the airport.
- Long Beach Airport released an Economic Impact Report that showed that the LGB Aviation Complex supports 46,000 jobs and generates \$8.6 billion for the regional economy, confirming the importance of the Airport as an economic engine and its positive financial impact on the community.
- The U.S. Department of Transportation awarded approximately \$18.4 million in Coronavirus Aid, Relief and Economic Security (CARES) Act funding to assist in maintaining a safe and reliable airport operation, keep airport employees employed and assist in meeting financial obligations.
- Two Federal Aviation Administration (FAA) Airport Improvement Program grants totaling \$38.9 million – more than any other California airport - were awarded for infrastructure projects at Long Beach Airport.
- Long Beach Airport met our noise emission goals and no residences were exposed to noise levels exceeding 65 Community Noise Equivalent Level.

FY 20 Accomplishments

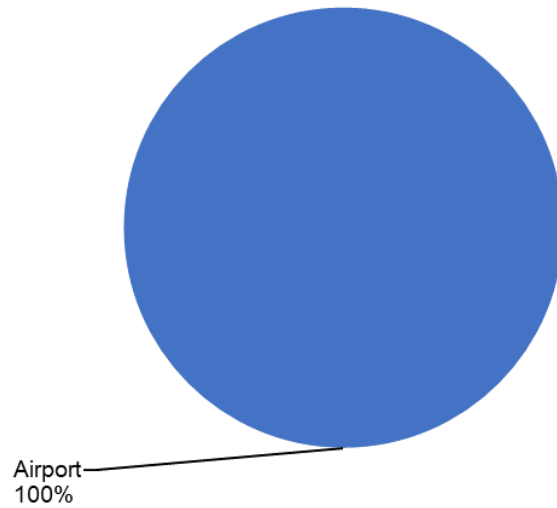
- Long Beach Airport installed 15 state-of-the-art electronic chargers to reduce emissions for airline ground support equipment, achieving 100% electrification for all 11 commercial gates.
- Long Beach Airport's passenger concourse building received LEED Silver Certification from the U.S. Green Building Council.
- Long Beach Airport established a partnership with The Good Traveler, a program for travelers to voluntarily offset their environmental impact by purchasing carbon offsets.
- A colorful ceiling sculpture, designed in the shape of an arc to represent the motion of flights taking off and landing, was installed in the Airport's South Concourse.
- More than 15,000 people attended the free 2019 Festival of Flight, Long Beach Airport's largest community event of the year.

FY 21 Budget

FY 21 Revenues by Fund Group



FY 21 Expenditures by Fund Group



Fund Impact

Fund Group	Revenues	Expenditures	Fund Impact
Airport	47,229,263	44,942,444	2,286,819
Total	47,229,263	44,942,444	2,286,819

Summary of Changes*

AIRPORT FUND	Impact	Positions
Increase revenues to reflect FY 21 Airline Rate Increase changes of 10 percent.	(1,039,000)	-
Reduce revenues to reflected projected passenger enplanements decreasing from 1.8 million to 1.2 million in FY 21. (Airport)	14,072,614	-
One-time increase to budgeted revenue offset by CARES Act Airport Grant funding.	(4,611,627)	-
Implement reductions to various materials and supplies budgets to reflect necessary costs savings within the Airport. Items include less funding for: advertising, marketing and sponsorships including cancelling the Festival of Flight and reducing agreement with CVB; employee trainings and seminars; janitorial, office, facilities and equipment supplies; and legal, technical, consulting, and other contract services.	(1,704,200)	-
Reduce budget for Capital Improvement Programs in Terminal Improvement Projects and Airside Operations in order to defer large projects until airport activity increases.	(3,000,000)	-
Reduce budget for maintenance and engineering services provided by the Public Works Department, which can be provided by the Airport Maintenance Division.	(180,825)	-
Reduce budget for overtime in Administration, Public Affairs, Operations and Maintenance Divisions.	(73,000)	-
One-time reduction in personnel budget equivalent to the cost of twenty-three positions which will be held vacant until airport activity increases.	(1,159,350)	-
One-time reduction to vehicle replacement fund for Airport vehicles.	(351,096)	-
Add one Assistant Administrative Analyst position as a technical correction to the Public Affairs Division to support LGB marketing strategies and branding efforts including coordinating social media efforts. This position is being added as a technical correction as it was approved in FY 20.	99,480	1.00
Convert one Special Services Officer III armed position to a Special Services Officer III un-armed position to align with actual duties.	-	-

*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

Business Operations	Actuals FY 19	Adjusted* FY 20	Adopted** FY 21
Revenues	31,159,369	56,693,454	40,720,123
Expenditures	14,534,033	17,847,748	16,493,924
FTEs	28.52	29.22	33.22

Note: With the conversion to the new financial system, the amounts and character categories have been updated to match the revised Chart of Accounts in the system. The City is still going through a stabilization period with the new system and future reports may have further adjustments.

*Adjusted Budget as of August 31, 2020

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

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

Airport Operations	Actuals FY 19	Adjusted* FY 20	Adopted** FY 21
Revenues	43,345,696	38,592,167	6,509,140
Expenditures	49,073,301	98,530,139	28,448,520
FTEs	84.52	85.82	84.82

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Financial Summary by Category

	Actual FY 19	Adopted* FY 20	Adjusted** FY 20	Adopted* FY 21
Revenues:				
Property Taxes	-	-	-	-
Sales and Use Taxes	-	-	-	-
Other Taxes	-	-	-	-
Utility Users Tax	-	-	-	-
Franchise Fees	-	-	-	-
Licenses, Permits and Fees	64,586	76,560	76,560	76,560
Fines and Forfeitures	21,460	15,000	15,000	15,000
Use of Money & Property	44,478,739	44,481,382	44,481,382	34,896,424
Revenue from Other Agencies	29,282,773	11,023,452	49,035,238	12,187,279
Charges for Services	156,370	52,000	52,000	52,000
Other Revenues	177,662	2,000	2,000	2,000
Intrafund Services	-	-	1,623,441	-
Intrafund Transfers	-	-	-	-
Interfund Services	282,897	-	-	-
Interfund Transfers	40,579	-	-	-
Other Financing Sources	-	-	-	-
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Total Revenues	74,505,065	55,650,394	95,285,621	47,229,263
Expenditures:				
Salaries and Wages	6,965,658	7,880,126	8,426,087	7,189,297
Employee Benefits	4,384,276	4,871,554	4,957,905	5,109,698
Overtime	886,512	324,380	261,255	251,380
Materials, Supplies and Services	27,773,816	12,864,982	80,617,392	8,256,767
Interfund Support	14,397,410	14,891,120	12,985,566	14,886,744
Intrafund Support	-	(76,451)	(76,451)	(76,451)
Capital Purchases	231,517	3,000	(72,296)	3,000
Insurance Premiums and Losses	77,525	100,000	100,000	100,000
Other Non-Operational Expenditures	8,679,210	9,223,920	9,178,429	9,222,009
Operating Transfers	211,411	-	-	-
Intrafund Transfers Out	-	-	-	-
Purchase of Gas & Water	-	-	-	-
Depreciation and Non Cash Expenditures	-	-	-	-
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Total Expenditures	63,607,334	50,082,631	116,377,887	44,942,444
Personnel (Full-time Equivalents)	113.04	115.04	115.04	118.04

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

**Adjusted Budget as of August 31, 2020

Note: With the conversion to the new financial system, the amounts and character categories have been updated to match the revised Chart of Accounts in the system. The City is still going through a stabilization period with the new system and future reports may have further adjustments.

Personnel Summary

Classification	FY 19 Adopt FTE	FY 20 Adopt FTE	FY 21 Adopt FTE	FY 20 Adopted Budget	FY 21 Adopted Budget
Airport Director	1.00	1.00	1.00	226,101	222,090
Accountant III	2.00	2.00	2.00	158,370	174,171
Accounting Clerk III	2.00	2.00	2.00	108,193	98,113
Administrative Analyst II	2.00	3.00	3.00	225,292	218,584
Administrative Analyst III	4.00	5.00	7.00	429,504	631,953
Administrative Intern - NC/H44	2.04	2.04	2.04	104,665	104,654
Administrative Officer-Airport	1.00	1.00	1.00	118,139	118,139
Airport Deputy Director	1.00	1.00	1.00	180,480	180,480
Airport Engineering Officer	1.00	1.00	1.00	153,938	153,938
Airport Operations Assistant II	7.00	7.00	7.00	344,019	361,783
Airport Operations Assistant I-NC	4.00	4.00	4.00	189,204	189,183
Airport Operations Officer	1.00	1.00	1.00	111,466	119,269
Airport Operations Specialist I	6.00	6.00	6.00	353,992	371,066
Airport Operations Specialist II	7.00	7.00	7.00	503,615	526,161
Airport Public Affairs Assistant	2.00	2.00	2.00	153,560	153,560
Airport Public Affairs Officer	1.00	1.00	1.00	100,857	115,049
Assistant Administrative Analyst II	1.00	1.00	2.00	66,278	126,085
Building Services Supervisor	1.00	1.00	1.00	58,265	58,265
Capital Projects Coordinator III	1.00	1.00	1.00	82,455	82,455
Civil Engineer	2.00	2.00	2.00	222,128	201,397
Civil Engineering Associate	1.00	1.00	1.00	94,731	99,598
Clerk Typist II	3.00	3.00	3.00	121,394	125,503
Clerk Typist III	6.00	6.00	6.00	289,287	285,486
Construction Inspector II	1.00	1.00	1.00	93,539	93,539
Electrician	2.00	2.00	2.00	136,281	144,566
Equipment Operator II	2.00	2.00	2.00	108,718	116,481
Executive Assistant	1.00	1.00	1.00	72,447	72,447
Facilities Management Officer	1.00	1.00	1.00	104,083	104,083
Financial Services Officer	1.00	1.00	1.00	108,165	108,165
General Maintenance Assistant	4.00	4.00	4.00	216,412	234,115
Maintenance Assistant I	11.00	11.00	11.00	416,602	444,125
Maintenance Assistant II	8.00	8.00	8.00	328,190	355,251
Maintenance Assistant III	5.00	5.00	5.00	240,110	258,530
Manager-Administration & Financial Services	1.00	1.00	1.00	157,153	157,153
Manager-Airport Operations	1.00	1.00	1.00	157,153	157,153
Mechanical Supervisor	1.00	1.00	1.00	85,491	89,951
Noise Abatement Officer	1.00	1.00	1.00	117,350	117,350
Painter II	2.00	2.00	2.00	117,267	129,321
Painter Supervisor	1.00	1.00	1.00	56,811	63,601
Real Estate Project Coordinator II	1.00	1.00	1.00	84,951	104,116
Senior Accountant	1.00	1.00	1.00	78,831	96,505

Personnel Summary

Classification	FY 19 Adopt FTE	FY 20 Adopt FTE	FY 21 Adopt FTE	FY 20 Adopted Budget	FY 21 Adopted Budget
Senior Civil Engineer	2.00	2.00	2.00	242,366	254,357
Special Projects Officer	-	-	1.00	-	120,411
Special Projects Officer-Airport	1.00	1.00	-	120,411	-
Special Services Officer II	4.00	4.00	4.00	228,370	218,763
Special Services Officer III	1.00	1.00	1.00	62,819	62,819
Superintendent-Airport Security	1.00	1.00	1.00	153,938	126,053
Subtotal Salaries	113.04	115.04	118.04	7,883,390	8,345,836
Overtime	-	-	-	324,380	251,380
Fringe Benefits	-	-	-	4,713,174	4,946,035
Administrative Overhead	-	-	-	168,380	179,738
Attrition/Salary Savings	-	-	-	(156,568.00)	(1,315,918)
Expenditure Transfer	-	-	-	143,304	143,304
Total	113.04	115.04	118.04	13,076,060	12,550,375