



May 24, 2013

CALL AND NOTICE OF A SPECIAL MEETING
OF THE FINANCE & ADMINISTRATION COMMITTEE
OF THE
BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY

NOTICE is hereby given that a special meeting of the Finance & Administration Committee will be held Wednesday, May 29, 2013, at 11:30 a.m. in the Airport Skyroom of the Bob Hope Airport, 2627 Hollywood Way, Burbank, California, 91505.

The items to be discussed are listed on the attached agenda.

Sue Loyd, Board Secretary
Burbank-Glendale-Pasadena Airport Authority

SPECIAL MEETING
OF THE
FINANCE AND ADMINISTRATION COMMITTEE

Airport Skyroom
Wednesday, May 29, 2013
11:30 A.M

NOTE TO THE PUBLIC: Any discloseable public records related to an open session item on a regular meeting agenda and distributed by the Authority to the Commission less than 72 hours prior to that meeting are available for public inspection at Bob Hope Airport (2627 Hollywood Way, Burbank) in the administrative office during normal business hours.

▼ ▼ ▼

In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call the Board Secretary at (818) 840-8840 at least 48 hours prior to the meeting.

A G E N D A

1. Public Comment
2. Items for Discussion
 - a. FY 2013/2014 Budget Development

No staff report is attached. Staff will present the proposed full FY 2013/2014 Budget, including the Operations and Maintenance portion of the budget. Included in the agenda packet is a draft of the full budget, including O&M highlights.

3. Closed Session
 - a. Conference with Real Property Negotiators
(California Government Code Section 54956.8)

Property:	Bob Hope Airport Leasehold
Authority Negotiator:	Executive Director
Negotiating Party:	Seaport Airlines
Under Negotiation:	Price and Terms of Payment

Property:	Bob Hope Airport Leasehold
Authority Negotiator:	Executive Director
Negotiating Party:	AVJET Corporation
Under Negotiation:	Price and Terms of Payment

Property: B-6 Property Easements
Authority Negotiator: Executive Director
Negotiating Party: City of Burbank
Under Negotiation: Price and Terms of Payment

Property: Bob Hope Airport Leasehold
Authority Negotiator: Executive Director
Negotiating Party: Alaska Airlines, Delta Airlines, jetBlue Airways,
Southwest Airlines, United Air Lines, US Airways
Under Negotiation: Price and Terms of Payment

- b. Conference with Legal Counsel – Existing Litigation
(California Government Code Section 54956.9(d)(1))

Name of Case: In re Petition of Burbank-Glendale-Pasadena Airport Authority for
Order Permitting Entry on Property (Union Pacific) (Case No. BS131944)

4. Adjournment

ATTACHMENTS

Burbank-Glendale-Pasadena Airport Authority
FY 2013/2014 ("FY 2014") Budget Development
Proposed Operations & Maintenance ("O & M") Budget
Highlights

May 23, 2013

PROPOSED FY 2014 OPERATIONS AND MAINTENANCE (O & M) BUDGET

The Operations and Maintenance Budget totals \$37,877,515 an increase of \$409,588 (1.1%) from the current FY 2013 approved O & M Budget.

Noteworthy line items in the O & M budget are as follows:

Wages and Benefits: Accounts #8000 - #8111

These appropriations, amounting to approximately \$4.2 million, provide for the salaries and benefits associated with the Airport's police/public safety personnel. The budget was developed in accordance with the terms of the current Memorandum of Understanding ("MOU") which went into effect February 2011. This MOU will expire January 31, 2014. The proposed FY 2014 budget was developed without any scheduled salary increases due to the unknown results of a renegotiated MOU (negotiations will take place over the next several months). Once a new contract is approved, any cost increases impacting Wages/Benefits will be identified and incorporated via a budget amendment if necessary. The police department appropriations include no additional staffing positions. The increase in Workers Compensation insurance is based on the renewal premium estimate received from the Authority's broker (policy renewal date July 1, 2013).

During FY 2013, the Authority became a participant in the TSA Law Enforcement Officer ("LEO") reimbursement program which provides reimbursement for certain eligible law enforcement expenses (up to an annual cap of \$135,000 a year). The continuation of the program is subject to the federal budget process and due to the uncertainty regarding future funding for this program no assumptions for receipt of this reimbursement have been made in this line item.

Fuel Costs: Account #8302

Fuel prices continue to remain sensitive to fluctuating economic, domestic and international variables. During the current fiscal year, actual fuel usage has remained fairly stable; however the cost of fuel per gallon has consistently fluctuated and subsequently, this account is expected to be under budget. The proposed budget for FY 2014 of \$861,000 is consistent with the estimated FY 2013 actual amount and also reflects some anticipated operational modifications with respect to the Airport's bus fleet. Fuel costs will continue to be monitored and tracked throughout the fiscal year.

Aircraft Rescue and Fire Fighting (ARFF) Services: Account #8604

This line item provides for the costs associated with the contracted aircraft rescue and firefighting personnel. In November 2009, the Authority approved a five-year contract extension with Pro-Tec Fire Services effective November 1, 2009. The proposed FY 2014 budget appropriations for this service are based on the first option year extension contract costs. Note: Exercise of the first option year is subject to the Authority's approval.

O & M Highlights – continued

Contractual Vehicle Maintenance: Account #8620

This account reflects the anticipated costs associated with the fleet vehicle and special equipment repair/maintenance service contract ("Service Contract") with LSF Shuttle as well as costs associated with other vendors in support of the Authority's fleet. This account is budgeted flat with FY 2013 levels at \$674,000. The Authority's Service Contract with LSF Shuttle has expired and has been approved to continue on a month to month basis while Staff is in the process of evaluating alternatives for a potential turn-key shuttle bus transit and fleet maintenance structure to determine if such alternatives are viable operationally while providing cost savings and additional shuttle fleet flexibility.

Other Contracted O & M Costs: Account #8622

This account is used for a variety of contracted O & M costs including runway/taxi maintenance, hangar and parking lot repairs, the SuperShuttle courtesy transport fees, building repairs, and the annual Verdugo service fee. The proposed FY 2014 budgeted amount has been reduced from the FY 2013 budget primarily due to the acquisition of a crack sealing machine which reduces the need to utilize outside contracted vendors to address certain pavement maintenance repairs which will now be more efficiently accomplished by the Authority's maintenance staff.

Contracted Parking Services (Self-Park and Valet): Account #8625

This line item represents costs associated with the contracted services agreement with Standard Parking ("Standard") for parking/busing operations for the Authority's self-park and valet parking lots. The contracted services agreement with Standard became effective in February 2012. For FY 2013, this line item has been tracking under budget. The proposed FY 2014 budget reflects a reduction in expenses due to cost efficiencies realized from increased automation and other operational modifications and is based on Standard's forecast for FY 2014 activities.

Professional Management Services (TBI Contract): Account #8708

This line item represents the estimated costs for the TBI contract for FY 2014. It includes the contractual increases for maintenance staff under the Collective Bargaining Agreement, the cost of benefits which includes the estimated impact of the Healthcare Reform Act, TBI management fee, recommendations for changes in staffing positions (freezing of certain open positions; establishment of two new positions) and a merit pool for non-represented employees.

Other Professional Services: Account #8711

This line item provides for the costs associated with engaging contracted professional services in a variety of areas including operations, security, administration, public relations, parking, and noise/environmental. The proposed FY 2014 budget includes an increase over the FY 2013 budget primarily due to the estimated cost increase from a revised agreement for airport security and traffic services that is subject to the Authority's approval.

Insurance: Account #8816

The Authority's insurance policies renew on July 1, 2013. This line item reflects the anticipated costs the Authority's broker has estimated for the FY 2014 fiscal period.

Air Service Retention and Development: Account #8819

This account reflects the scope of services for the continued efforts to retain/develop air service and recover passenger levels at the Burbank Bob Hope Airport. This effort is comprised of several initiatives including costs associated with the recently approved "Thanks Again" customer loyalty program, the marketing agreement with IMG College, LLC in which the Airport becomes "the official airport" of the Rose Bowl Stadium as well as sponsor for UCLA athletics and possible participation in other marketing activities. Also included in this line item are appropriations for continued outreach efforts to current and potential new air carriers.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
PROPOSED FY 2013/2014 ("FY 2014") BUDGET**

**Operations & Maintenance ("O & M") : Equipment / Projects
Supplemental Information: Account Detail**

Date: May 23, 2013

ACCOUNT #	EQUIPMENT / PROJECT DESCRIPTION	AMOUNT
9010	VEHICLES / EQUIPMENT	
	Replacement Truck - Maintenance Dept.	\$37,000
	Replacement Golf Cart - Valet/Parking Operations	12,500
	Replacement Light Bars - Maintenance Dept. Truck #13 and #19	5,000
	Total Vehicles / Equipment	<u>\$54,500</u>
9022	OTHER MACHINERY / EQUIPMENT	
	Replacement Sign Cutting Machine - Maintenance Dept.	\$37,500
	Satellite Phone Equipment (3) - Emergency Preparedness	25,000
	Generators - Maintenance Dept.	9,000
	Manual Transfer Switch (2) - Maintenance Dept.	9,000
	Electric Insulated Tool Kits (4) - Maintenance Dept.	8,000
	Remote Area Lighting System - Maintenance Dept.	7,000
	Pressure Washer - ARFF Dept.	4,000
	Total Other Machinery / Equipment	<u>\$99,500</u>
9024	FURNITURE / FIXTURES	
	Total Furniture / Fixtures	<u>\$0</u>
9026	OFFICE EQUIPMENT / SYSTEMS	
	IT Items - Network Equipment (Server, Switch Replacement)	\$50,000
	Phase 2 - Operations Department Database Module	45,000
	IT Items - Desktop Computer Equipment	40,000
	Badging Printers (2) - Airport Security Dept.	16,000
	Replacement Communications Center Equipment	12,000
	Document Shredder - Administration	2,000
	Total Office Equipment / Systems	<u>\$165,000</u>
TOTAL REQUESTED O & M EQUIPMENT/ PROJECTS		\$319,000

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
PROPOSED FY 2013/2014 ("FY 2014") BUDGET**

Date: May 23, 2013

REVENUE SUMMARY

	Proposed Budget FY 2014	Adopted Budget FY 2013	\$ Change
*1) Rentals	\$13,925,000	\$13,350,000	\$575,000
*2) Parking	18,800,000	18,950,000	(150,000)
Concessions	8,075,000	8,075,000	0
*1) Landing Fees	2,950,000	3,395,000	(445,000)
Investment Income	1,500,000	2,150,000	(650,000)
Other Revenues	1,050,000	950,000	100,000
Total Operating Revenues	\$46,300,000	\$46,870,000	(\$570,000)
PFC Revenues / Reserves	\$15,840,010	\$22,042,156	(\$6,202,146)
AIP / Other Grants	6,280,990	9,564,255	(3,283,265)
CFC Fees / Reserves	5,600,000	9,112,685	(3,512,685)
*3) Facility Development Fund	3,144,000	5,169,814	(2,025,814)
Bond Proceeds (2012 Issue)	31,750,000	27,454,158	4,295,842
Total Nonoperating Revenues	\$62,615,000	\$73,343,068	(\$10,728,068)
Total Revenues	\$108,915,000	\$120,213,068	(\$11,298,068)

EXPENDITURE SUMMARY

	Proposed Budget FY 2014	Adopted Budget FY 2013	\$ Change
Bond P & I (2005 Issue)	\$5,415,588	\$5,417,613	(\$2,025)
*4) Bond P & I (2012 Issue) - see note below			0
Operations and Maintenance	37,877,515	37,467,927	409,588
Total Operating Expenses	\$43,293,103	\$42,885,540	\$407,564
Facility Improvements			
Noise Mitigation / Abatement	\$3,325,000	\$8,425,000	(\$5,100,000)
Other Improvements	11,310,000	14,184,500	(2,874,500)
Development	48,870,000	52,460,568	(3,590,568)
Total Improvement Program	\$63,505,000	\$75,070,068	(\$11,565,068)
O & M Reserve	\$102,397	\$222,460	(\$120,063)
Parking Tax	\$2,014,500	\$2,035,000	(\$20,500)
Total Expenditures	\$108,915,000	\$120,213,068	(\$11,298,068)

*1) No increase to current airline rates and charges.

*2) Includes full year of parking rate increases implemented mid FY 2013. In addition, this projection anticipates conclusion (within the first half of the fiscal year) of the reimbursement for the Lockheed environmental settlement and related legal costs resulting in the reallocation of the \$1 set aside to the general fund therefore increasing this revenue line item.

*3) Planned use of Facility Development Fund limited to specific programs identified by the Authority.

*4) FY 2014 Debt Service for the 2012 bond issue consists of \$4,332,095 of interest that is being capitalized during the construction phase of the Regional Intermodal Transportation Center ("RITC") project. These costs have been included in the budget as part of the total estimated FY 2014 RITC capital project costs.

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
PROPOSED FY 2013/2014 ("FY 2014") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENDITURES**

Date: May 23, 2013

ACCT #	DESCRIPTION	PROPOSED BUDGET FY 2013/2014	ADOPTED BUDGET FY 2012/2013	\$ AMOUNT CHANGE
8000	Regular Wages	\$2,217,525	\$2,176,419	\$41,106
8012	Overtime Wages	285,000	275,000	10,000
8100	Sick Leave	182,759	169,831	12,928
8102	Vacation	187,295	167,536	19,759
8103	Payroll Taxes	227,844	220,758	7,086
8104	Workers' Compensation Insurance	450,000	375,000	75,000
8105	Group Insurance	284,496	268,348	16,148
8106	State Unemployment Insurance	5,000	5,000	0
8109	Holiday	140,296	137,293	3,003
8110	Employee Retirement Plan	180,072	174,165	5,907
8111	Employee Medical Opt Out	37,800	36,000	1,800
8200	Office Supplies	63,250	66,500	(3,250)
8202	Periodicals, Maps and Pamphlets	10,400	11,350	(950)
8204	Printing and Binding	19,400	22,450	(3,050)
8206	Special Office / Other Supplies	79,500	79,750	(250)
8208	Postage	21,040	24,870	(3,830)
8210	Office / Noise Equipment Service	142,200	145,000	(2,800)
8212	Copy Machine Lease	9,500	9,500	0
8214	Office Equipment Rent	700	700	0
8216	Photographic Expense	2,750	3,600	(850)
8252	Recruitment Expense	35,000	42,500	(7,500)
8254	Membership Dues	109,000	110,000	(1,000)
8256	Uniform Expense	79,750	77,200	2,550
8258	Commission Meeting	198,000	205,000	(7,000)
8260	Conference Meeting	95,750	95,750	0
8261	Training Expense	248,810	235,810	13,000
8302	Fuel, Oil and Lubricants	861,000	890,000	(29,000)
8303	Low Value Communications Equipment	17,000	14,400	2,600
8304	Low Value Machinery / Equipment	20,250	20,250	0
8305	Low Value Furniture / Fixtures	21,750	17,500	4,250
8306	Vehicle Repair / Maintenance Supplies	99,800	92,500	7,300
8308	General Repair / Maintenance	125,575	75,750	49,825
8316	Shop Supplies	80,874	57,820	23,054
8318	Electrical Communications Supplies	36,500	17,000	19,500
8320	Plumbing, Heating and Air Conditioning	85,000	83,500	1,500
8322	Building / Construction Supplies	110,000	110,000	0
8324	Telephone Expense	245,000	215,000	30,000
8326	Communications Maintenance	41,500	53,950	(12,450)
8332	Industrial Chemical Supplies	15,000	15,000	0
8334	Operating / Maintenance Equipment Lease	46,500	46,500	0
8335	Other Leases / Rentals	36,000	36,000	0
8336	Utility – Gas	42,000	45,000	(3,000)
8338	Utility – Electric	1,550,000	1,550,000	0

**BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
PROPOSED FY 2013/2014 ("FY 2014") BUDGET
OPERATIONS & MAINTENANCE ("O & M") EXPENDITURES**

Date: May 23, 2013

ACCT #	DESCRIPTION	PROPOSED BUDGET FY 2013/2014	ADOPTED BUDGET FY 2012/2013	\$ AMOUNT CHANGE
8340	Utility – Water	\$345,000	\$370,000	(\$25,000)
8341	Sign Repair and Maintenance	57,500	57,500	0
8342	Landscaping Expense	190,000	190,000	0
8344	Paint Expense	135,000	135,000	0
8604	ARFF Services	2,066,667	1,975,000	91,667
8606	Tenant Janitorial Services	413,500	413,500	0
8607	Janitorial Services	622,250	622,250	0
8608	Refuse Collection	131,000	131,000	0
8610	Contractual Building Repair	225,000	201,000	24,000
8612	Contractual Systems Repair	800,000	772,000	28,000
8620	Contractual Vehicle Maintenance	674,000	674,000	0
8622	Other Contracted O & M Costs	714,000	827,500	(113,500)
8625	Contractual Parking Ops. (Self-Park / Valet)	6,650,000	6,850,000	(200,000)
8702	Noise Consultants	74,000	83,000	(9,000)
8704	Legal Services	875,000	900,000	(25,000)
8706	Audit Services	110,000	110,000	0
8708	Professional Management Services	10,400,000	10,094,577	305,423
8709	Engineering Services	60,000	60,000	0
8710	Financial Services	650,000	660,500	(10,500)
8711	Other Professional Services	1,465,000	1,362,000	103,000
8715	Environmental Services	41,000	56,800	(15,800)
8804	Bad Debt Expense	4,000	4,000	0
8816	Insurance	1,575,000	1,575,000	0
8818	Public Relations / Advertising	99,500	99,500	0
8819	Air Service Retention and Development	310,000	310,000	0
8822	Licenses, Permits and Fees	114,212	108,800	5,412
8825	Uninsured Loss	10,000	10,000	0

TOTAL O & M EXPENSES	\$37,558,515	\$37,128,427	\$430,088
---------------------------------	---------------------	---------------------	------------------

O & M EQUIPMENT AND PROJECTS

9010	Vehicles / Equipment	\$54,500	\$126,500	(\$72,000)
9022	Other Machinery / Equipment	99,500	94,500	5,000
9024	Furniture / Fixtures	0	17,000	(17,000)
9026	Office Equipment / Systems	165,000	101,500	63,500

TOTAL O & M EQUIPMENT / PROJECTS	\$319,000	\$339,500	(\$20,500)
---	------------------	------------------	-------------------

TOTAL OPERATIONS AND MAINTENANCE	\$37,877,515	\$37,467,927	\$409,588
---	---------------------	---------------------	------------------

BURBANK-GLENDALE-PASADENA AIRPORT AUTHORITY
PROPOSED FY 2013/2014 ("FY 2014") - Facility Improvement Program ("Capital") Budget

Date: 5/23/2013

PRIORITY CODE / PROJECT DESCRIPTION	Cost	Funded By PFC	Funded By Grant	Funded By CFC	Funded By Bond	Airport Share
BUILDING IMPROVEMENTS						
H CUPPS	\$ 2,000,000	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -
H Building #9 & #10 Electrical Upgrades	1,000,000	700,000				300,000
M Infrastructure Upgrades - Server Rooms	150,000	150,000				-
M Minor Building Improvements	100,000					100,000
TOTAL BUILDING IMPROVEMENTS	\$ 3,250,000	\$ 2,850,000	\$ -	\$ -	\$ -	\$ 400,000
OTHER IMPROVEMENTS						
H Leasehold Rehab. - Seismic Bracing Hangar #6	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000
L Storm Drain Filter Installation	50,000	50,000				-
TOTAL OTHER IMPROVEMENTS	\$ 200,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 150,000
IT / COMMUNICATIONS / SECURITY						
H Access Control / IET Upgrades	\$ 150,000	\$ 130,000	\$ -	\$ -	\$ -	\$ 20,000
H Public Address System Improvements	30,000	30,000				-
M Fiber Optic Installation: Phase 6	265,000		265,000			-
TOTAL IT / COMMUNICATIONS / SECURITY	\$ 445,000	\$ 160,000	\$ 265,000	\$ -	\$ -	\$ 20,000
EQUIPMENT						
H ARFF Truck	\$ 850,000	\$ 164,985	\$ 685,015	\$ -	\$ -	\$ -
M Maintenance Equipment	215,000	215,000				-
TOTAL EQUIPMENT	\$ 1,065,000	\$ 379,985	\$ 685,015	\$ -	\$ -	\$ -
RUNWAY / TAXIWAY / ROADWAY PROJECTS						
H Runway Lighting System Rehabilitation	\$ 4,200,000	\$ 4,200,000	\$ -	\$ -	\$ -	\$ -
H Runway Shoulder Rehabilitation	1,450,000	281,445	1,168,555			-
H Runway 33: RSA Improvements	200,000	38,820	161,180			-
H Taxiway B Rehabilitation: Design	50,000					50,000
M Parking Lot D Reconfiguration	300,000					300,000
M Blast Fence Hangar #42	150,000	150,000				-
TOTAL RUNWAY / TAXIWAY / ROADWAY	\$ 6,350,000	\$ 4,670,265	\$ 1,329,735	\$ -	\$ -	\$ 350,000
NOISE MITIGATION						
H Residential Acoustical Treatment Program	\$ 3,000,000	\$ 572,595	\$ 2,377,405	\$ -	\$ -	\$ 50,000
H Part 150 Study	155,000	31,000	124,000			-
H Noise Monitoring System Upgrade	70,000					70,000
L Public Information Kiosks	100,000	100,000				-
TOTAL NOISE MITIGATION	\$ 3,325,000	\$ 703,595	\$ 2,501,405	\$ -	\$ -	\$ 120,000
DEVELOPMENT						
H Regional Intermodal Transportation Ctr. ("RITC")	\$ 46,300,000	\$ 6,900,000	\$ 360,000	\$ 5,600,000	\$ 31,750,000	\$ 1,690,000
H Outreach and Consensus Initiative	1,000,000					1,000,000
H Transportation Planning	770,000		616,000			154,000
H Airport Master Plan	650,000	126,165	523,835			-
H Keswick Street Vacation	150,000					150,000
TOTAL DEVELOPMENT	\$ 48,870,000	\$ 7,026,165	\$ 1,499,835	\$ 5,600,000	\$ 31,750,000	\$ 2,994,000
TOTAL FACILITY IMPROVEMENT PROGRAM	\$ 63,505,000	\$ 15,840,010	\$ 6,280,990	\$ 5,600,000	\$ 31,750,000	\$ 4,034,000

*1 Denotes projects which are programmed not to commence until approved PFC or grant funding is in place.

*2 Denotes projects which are programmed to initially utilize Airport funds for costs associated with the bid and/or design process. Reimbursement for these initial costs will be requested through future PFC/Grant funding applications which will encompass total project costs.

*3 Denotes projects to be funded from reserves previously set aside in the Facility Development Fund.

*4 Represents amount to provide for completion of this multi-year project. This amount is in excess of the current approved PFC funding level due to the FAA decision to terminate radar data feed to US airports and replace it with a FAA approved sole source provider. An amendment application will be submitted to the FAA seeking PFC funding approval to reimburse the Airport for the additional costs.

*5 Note: The TSA funded Recapitalization Project (Checked Baggage Screening program) governed under an Other Transaction Agreement ("OTA") is a pass-through project which does not yield an asset to the Authority. Therefore, it is not included in the above. This project is currently in the design-only phase.