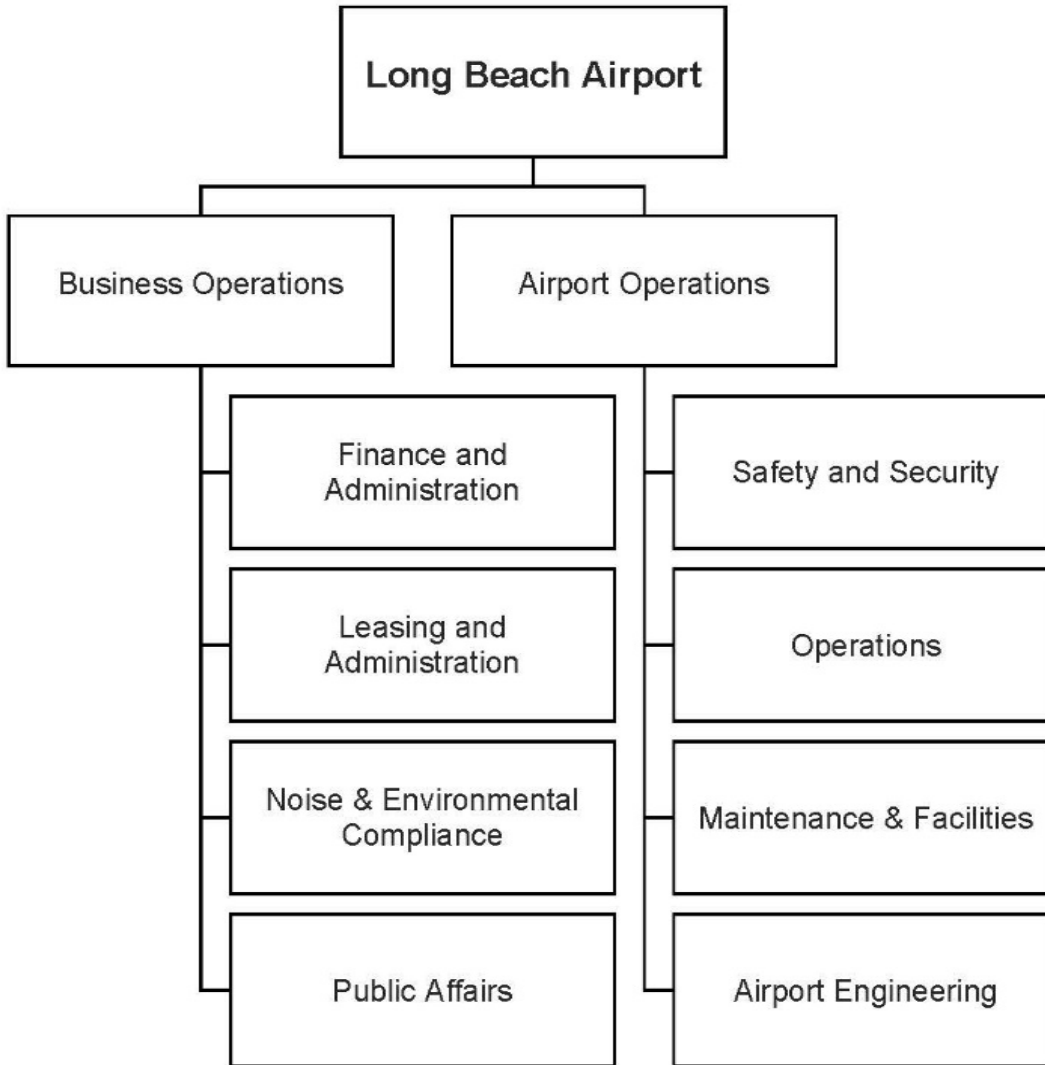


Long Beach Airport



Jess L. Romo, 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 stakeholders, including the Long Beach community
- Maintain an efficient and effective business model

FY 18 Focus:

The Long Beach Airport (Airport) is projected to serve over 3.5 million passengers in 2017. This volume of passenger traffic is expected to continue through 2018, defining a new period of 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 2018, the Airport will 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 updates to antiquated business models and changes to the Airport's fee structure will help enhance 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. Furthermore, 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 2018. In addition, major changes and improvements to runways and taxiways will improve runway traffic flow and safety and improve the Airport's key infrastructure. Enhancements to Airport staffing are necessary to sustain Airport projects and operations.

Enhancements to the Airport's FY 18 Budget enables the Airport to implement strategies that enhance services and 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 16 Actual	FY 17 Target	FY 17 Estimate	FY 18 Projection
Number of public safety calls responded to	42,574	24,000	43,000	43,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 18 to mirror that for FY 17. 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 16 Actual	FY 17 Target	FY 17 Estimate	FY 18 Projection
Dollar expenditure per passenger served	\$10.54	\$10.47	\$10.09	\$9.01

Airline cost per enplanement decreased in FY 17 and will continue to decrease in FY 18. Airport revenues have significantly increased due to flight and passenger activity reaching an all-time high for the Airport.

Key Measure	FY 16 Actual	FY 17 Target	FY 17 Estimate	FY 18 Projection
Number of airfield and facility maintenance request responses completed	Unavailable	530	1,800	1,900

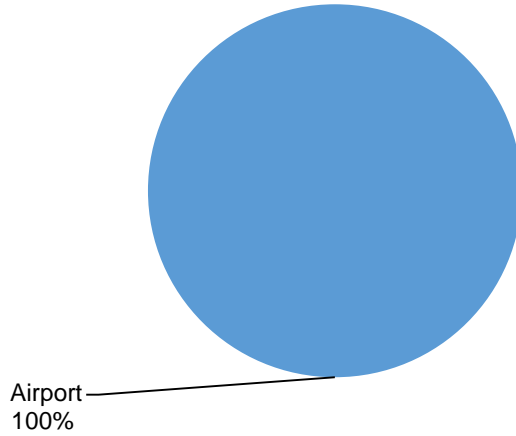
The Long Beach Airport implemented a new work order tracking system using SharePoint to request, assign, and track airfield and facility maintenance tasks. With this new system, the number of airfield and facility maintenance requests completed are more accurately tracked. In FY 18, the number of responses completed will continue to increase 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. The increase in passenger activity also requires more frequent maintenance and servicing on equipment and facilities that are used more often. Furthermore, the Airport has acquired additional office space in two different facilities that will also require maintenance services.

FY 17 Accomplishments

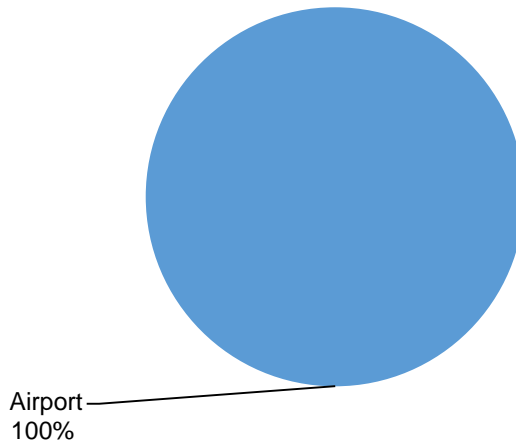
- Hosted major special events, including the Festival of Flight, Special Olympics Plane Pull, and the American Association of Airport Executives Conference.
- Held an FAA tabletop exercise, which focused on preparation for earthquakes, communication and recovery after a large scale earthquake.
- Coordinated the C-17 flyover and parachute drop activities at the Long Beach Grand Prix.
- 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.
- Maintained 4.5 star rating on Yelp and grew social media followers to 14,146 on Facebook and 8,062 on Twitter.
- Allocated all nine supplemental air carrier slots.
- Allocated two permanent slots to Southwest Airlines.
- Implemented a Transportation Network Company (TNC) Pilot Program that allowed TNCs, such as Uber, Lyft, Wingz and SeeJaneGo, to operate at Long Beach Airport.
- Completed the Perimeter Security Improvements which totaled \$7.1 million and included replacement of several thousand feet of perimeter fencing that had passed its effective service life. It also included perimeter intrusion detection analytics, and improvements to the security IT infrastructure.
- Conducted a comprehensive vulnerability assessment and mitigation plan.
- Successfully held a full-scale active shooter exercise in partnership with the Long Beach Police Department.
- Completed a \$7.5 million project for improvements to Taxiway J.
- Successfully updated the Airport Layout Plan (ALP) with the FAA per the safety enhancement recommendations from the Airfield Geometry Study.
- Completed the design, advertised, and executed a construction contract for the Improvements to Runway 7R-25L (Airport Improvement Program project).
- Received a new Airport Improvement Program grant for approximately \$13.6 million from the FAA.
- Completed the design and executed the Terminal Traffic Mitigation Project which included moving the center island to allow for better traffic flow.
- Executed the construction contract for the Improvements to Lot A which include demolition of the old elevator and stair tower and constructed a new dual cab elevator tower and outdoor stairwell. This is a \$4.9 million project.
- Completed the build out of a new office space for Airport Engineering, Accounting, and Security to adequately accommodate Airport staff employees.

FY 18 Budget

FY 17 Revenues by Fund



FY 17 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
Airport	48,103,182	43,403,868	4,699,314
Total	48,103,182	43,403,868	4,699,314

Summary of Proposed Changes*

AIRPORT FUND	Impact	Positions
Increase revenues to reflect higher projections based on an enplanement forecast and to reflect FY 17 mid-year fee changes.	(3,263,953)	-
Reduce airline rates and charges by five percent due to a projected increase in enplanements.	950,000	-
Add a Financial Service Officer in the Airport's Business Operations Bureau to assist in managing day-to-day operations, new revenue opportunities and cost containment strategies.	166,534	1.00
Add a Clerk Typist III to support the now fully staffed Engineering Division.	70,498	1.00
Add an Administrative Analyst II in the Noise and Environmental Affairs Division to enhance the ability to provide information to the public regarding Airport noise and flight activity.	111,528	1.00
Reclassify a Maintenance Assistant III to a General Maintenance Assistant in the Facility Maintenance Division to increase the level of service for maintaining and repairing of aging facilities and infrastructure.	6,635	-
One-time funding for Airfield Pavement Rehabilitation.	1,000,000	-
One-time funding for Airport Terminal Areas improvements including emergency repairs and non-scheduled equipment replacement.	1,000,000	-
One-time funds for final payment to host the 2,000+ attendee American Association of Airport Executives annual conference.	150,000	-

*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 18 Funding Source: Airport Fund 100%

Business Operations	Actuals FY 16	Adjusted* FY 17	Proposed* FY 18
Revenues	38,127,997	41,933,348	44,247,301
Expenditures	13,999,754	17,182,560	16,686,181
FTEs	26.00	28.52	31.52

*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 addition of a Financial Services Officer will enable the Bureau to 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 18, Airport revenues are adjusted to reflect increases 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’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. Adding an Administrative Analyst II to this Division will enhance the Division’s ability to provide prudent management of slot utilization and compliance with the Noise Ordinance, a key focus for FY 18.

Business Operations Bureau

Community outreach is essential to all aspects of the Airport's operations, from changes in business activities to airfield improvement. The Public Affairs Division continues to play 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.

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 18 Funding Source: Airport Fund 100%

Airport Operations	Actuals FY 16	Adjusted* FY 17	Proposed* FY 18
Revenues	17,677,360	5,633,357	3,855,881
Expenditures	35,781,958	28,083,455	26,717,688
FTEs	90.00	97.52	98.52

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

The fully staffed Engineering Division will be supported by the addition of a Clerk Typist III. Phase II of the Terminal Area Improvement Projects are in the design phase and will begin groundbreaking as early as 2018. These projects include a new consolidated baggage claim area, a new consolidated rental car facility, a new ground transportation center, and other improvements to the terminal area.

In 2018, the Airport will host another triennial training event to simulate an aircraft disaster response. The event will be led by the Airport Operations Division in coordination with Airport Security, TSA, FAA, local law enforcement agencies, fire department personnel, airlines and other organizations. This training reinforces training and protocols between all parties for responding to aircraft disasters.

The reclassification of a Maintenance Assistant III to a General Maintenance Assistant in the Facility Maintenance Division will increase the level of service for maintaining and repairing of aging Airport facilities and infrastructure.

Financial Summary by Category

	Actual FY 16	Adopted* FY 17	Adjusted* FY 17	Proposed* FY 18
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Franchise Fees	-	-	-	-
Licenses and Permits	124,911	76,560	76,560	76,560
Fines and Forfeitures	-	-	-	-
Use of Money & Property	44,308,381	46,112,943	46,112,943	46,649,420
Revenue from Other Agencies	11,356,215	1,364,202	1,364,202	1,364,202
Charges for Services	471	-	-	-
Other Revenues	15,378	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	55,805,357	47,566,705	47,566,705	48,103,182
Expenditures:				
Salaries, Wages and Benefits	9,940,460	13,137,059	13,142,610	13,960,038
Overtime	940,646	229,380	229,380	229,380
Materials, Supplies and Services	17,497,427	11,430,974	12,040,283	9,072,391
Internal Support	11,606,037	10,350,841	10,431,016	10,767,547
Capital Purchases	564,204	153,000	153,000	153,000
Debt Service	9,232,937	9,269,725	9,269,725	9,221,512
Transfers to Other Funds	-	-	-	-
Total Expenditures	49,781,712	44,570,978	45,266,014	43,403,868
Personnel (Full-time Equivalents)	116.00	126.04	126.04	130.04

* Amounts exclude all-years carryover.

Personnel Summary

Classification	FY 16 Adopt FTE	FY 17 Adopt FTE	FY 18 Prop FTE	FY 17 Adopted Budget	FY 18 Proposed Budget
Airport Director	1.00	1.00	1.00	198,082	221,667
Accountant III	2.00	2.00	2.00	164,125	170,756
Accounting Clerk III	2.00	2.00	2.00	101,953	106,072
Administrative Analyst II	2.00	2.00	3.00	153,056	214,897
Administrative Analyst III	3.00	4.00	4.00	340,960	362,427
Administrative Intern - NC/H44	-	3.04	3.04	146,992	152,913
Administrative Officer-Airport	1.00	1.00	1.00	111,326	115,823
Airport Deputy Director	-	-	1.00	-	176,941
Airport Engineering Officer	1.00	1.00	1.00	114,504	150,920
Airport Operations Assistant I	2.00	2.00	2.00	74,889	84,948
Airport Operations Assistant II	6.00	6.00	6.00	290,413	304,133
Airport Operations Assistant I-NC	4.00	4.00	4.00	178,311	185,493
Airport Operations Officer	1.00	1.00	1.00	98,165	102,131
Airport Operations Specialist I	3.00	3.00	3.00	164,744	171,400
Airport Operations Specialist II	5.00	5.00	5.00	334,639	361,009
Airport Public Affairs Assistant	2.00	2.00	2.00	144,703	136,888
Airport Public Affairs Officer	1.00	1.00	1.00	100,504	98,879
Building Services Supervisor	1.00	1.00	1.00	54,904	57,122
Capital Projects Coordinator III	1.00	1.00	1.00	86,327	80,838
Civil Engineer	2.00	2.00	2.00	197,752	198,543
Civil Engineering Associate	1.00	1.00	1.00	95,764	80,778
Clerk Typist II	3.00	3.00	3.00	135,256	139,635
Clerk Typist III	4.00	4.00	5.00	180,868	230,547
Construction Inspector II	1.00	1.00	1.00	70,927	86,767
Electrician	2.00	2.00	2.00	130,989	130,989
Equipment Operator II	2.00	2.00	2.00	100,155	102,494
Executive Assistant	1.00	1.00	1.00	66,413	68,010
Facilities Management Officer	1.00	1.00	1.00	105,093	109,339
Financial Services Officer	-	-	1.00	-	115,823
General Maintenance Assistant	3.00	3.00	4.00	148,031	189,478
Maintenance Assistant I	6.00	6.00	6.00	231,167	231,167
Maintenance Assistant II	8.00	8.00	8.00	324,706	321,764
Maintenance Assistant III	6.00	6.00	5.00	237,749	206,394
Manager-Administration & Financial Services	1.00	1.00	1.00	129,347	143,992
Manager-Airport Operations	1.00	1.00	1.00	149,666	155,712
Mechanical Supervisor	1.00	1.00	1.00	72,366	83,936
Noise Abatement Officer	1.00	1.00	1.00	114,706	119,341
Painter II	2.00	2.00	2.00	118,419	107,792
Painter Supervisor	1.00	1.00	1.00	65,494	67,959
Senior Accountant	1.00	1.00	1.00	90,939	94,613
Senior Civil Engineer	2.00	2.00	2.00	206,866	216,511

Personnel Summary

Classification	FY 16 Adopt FTE	FY 17 Adopt FTE	FY 18 Prop FTE	FY 17 Adopted Budget	FY 18 Proposed Budget
Special Projects Officer-Airport	1.00	1.00	1.00	128,061	133,235
Special Services Officer II	4.00	4.00	4.00	209,819	219,359
Special Services Officer III	17.00	23.00	23.00	1,237,315	1,274,457
Special Services Officer IV	5.00	5.00	5.00	341,736	356,361
Superintendent-Airport Security	1.00	1.00	1.00	124,852	87,429
Subtotal Salaries	116.00	126.04	130.04	7,873,054	8,527,682
Overtime	-	-	-	229,380	229,380
Fringe Benefits*	-	-	-	4,859,798	5,122,183
Administrative Overhead	-	-	-	162,081	175,569
Attrition/Salary Savings	-	-	-	-	-
Expenditure Transfer	-	-	-	242,125	134,604
Total	116.00	126.04	130.04	13,366,439	14,189,418