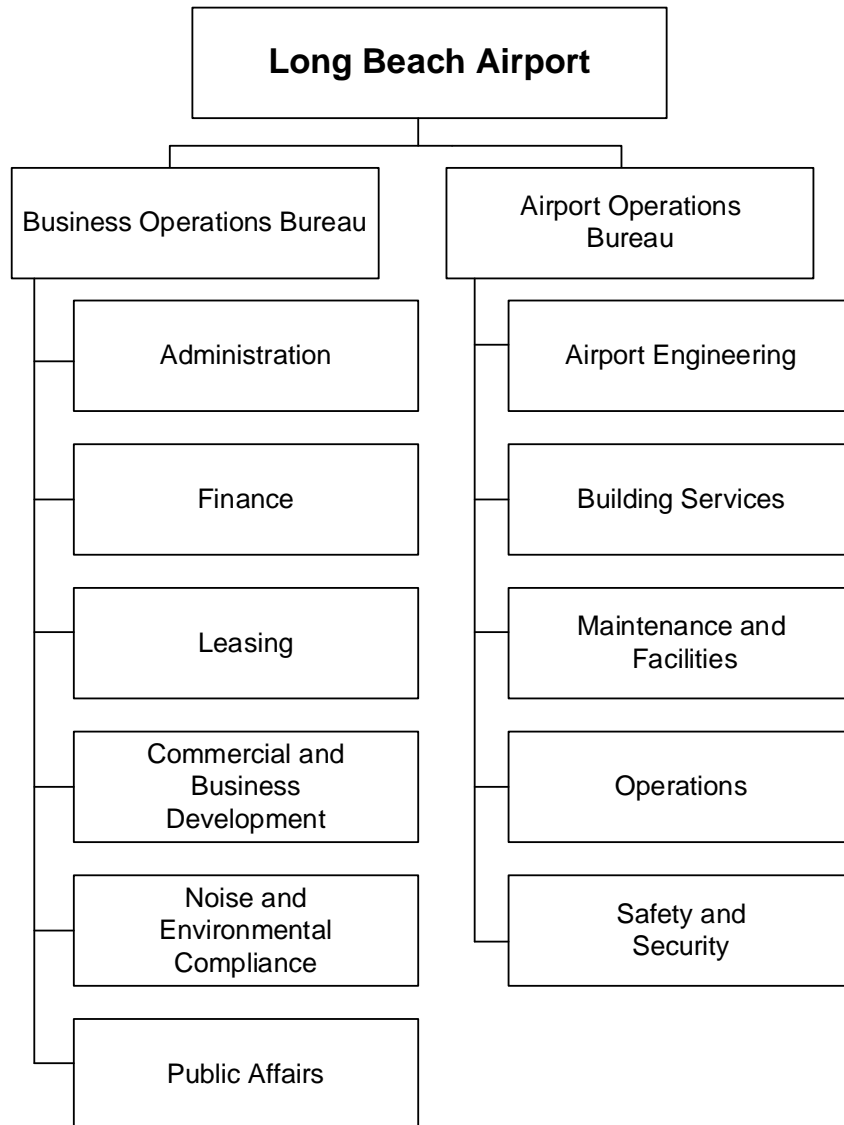


# Long Beach Airport



Cynthia Guidry, 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

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## **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 23 Focus:**

As the travel industry moves past the pandemic, the Long Beach Airport (Airport) is poised to be in a much stronger position with new, modern facilities paired with a more competitive air service profile beginning FY 23. This allows the Airport to shift its focus from recovery to delivering its core services in the most efficient manner. The Airport is committed to making sound business decisions to adapt to changes in the industry, providing the highest level of customer service to its business partners, and maintaining an award-winning travel experience.

The Airport reasonably expects passenger activity to be at pre-pandemic levels of 3.6 million in FY 23, over 30 percent more than the budgeted level of the previous year. The recovery in activity provides significant increases in revenues that allow the Airport to be financially self-sustaining again as relief funds are exhausted. The Airport's cost per enplanement (CPE) for airlines remains stable and competitive compared to other Airports in California which highlights the resilience of the Airport's business environment in weathering financial downturns.

FY 23 brings new opportunities as well as new challenges for the Airport as the industry continues to adapt to a post-pandemic world. The new Ticketing Facility and Common Use Passenger Processing System (CUPPS) enhances the customer experience and provides added flexibility to the unique operations at the Airport but also brings new cost for maintaining and operating the facility and system. The Airport has a different mix of airline business partners and travel destinations compared to before which will provide a strong footing for the Airport in the post-pandemic years but requires adapting to customer preferences and evolving technology use. The return of in-person attendance leads to more resources allocated for hosting conferences, travel, and events such as the 100<sup>th</sup> year anniversary of the Airport. Enhancements to the Airport's FY 23 operating budget includes increases that support these operational changes.

The Airport continues to manage a large capital improvement program on both the airfield and terminal area. The program is expected to grow in size and complexity with funding from Bipartisan Infrastructure Law (BIL) and other sources. Sustainability remains a key focus in the Airport's capital improvement program as well as improving safety, security and efficiency. The structural enhancement to the Airport's capital budget will provide more flexibility to act on opportunities as well as continue managing a robust program.

Revenue opportunities also remains a key focus of the Airport and it is more crucial than ever as the Airport balances the growing needs of operating an airport with the limited resources available. The Airport continues to look for new revenue opportunities as well as strengthening the existing sources to ensure that revenue growth outpaces expenditure growth, which is a growing challenge as pressure from inflation increases among other factors that drive up cost of operations. The FY 23 outlook for the Airport remains very positive as the industry moves past the pandemic, providing the Airport confidence in addressing the challenges ahead as well as seizing opportunities that come.

## Department Performance Measures

Key Measure	FY 21 Actual	FY 22 Target	FY 22 Estimate	FY 23 Projection
Number of public safety calls responded to	32,402	38,235	38,235	42,000

The Airport anticipates the number of calls requiring Airport public safety response in FY 23 to increase as passenger activity increases. These public safety responses help to ensure a safe and secure environment across the Airport vicinity. In addition, ongoing construction related activities continue to require security support for escort services and ID checks.

Key Measure	FY 21 Actual	FY 22 Target	FY 22 Estimate	FY 23 Projection
Airline Cost per enplaned passenger	\$13.65	\$12.75	\$12.75	\$11.68

Airline cost per enplanement is expected to decrease in FY 22 over the prior year. This trend is expected to continue into in FY 23 as passenger activity recovers to pre-pandemic levels. The benefits of economies of scale are realized as passenger activity increases which leads to lower cost per enplaned passenger for airlines.

Key Measure	FY 21 Actual	FY 22 Target	FY 22 Estimate	FY 23 Projection
Number of airfield and facility maintenance request responses completed	1,650	2,000	1,850	2,200

With the on-going construction and improvements in the terminal area, more frequent maintenance and servicing of equipment and facilities is required, 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.

## FY 22 Accomplishments

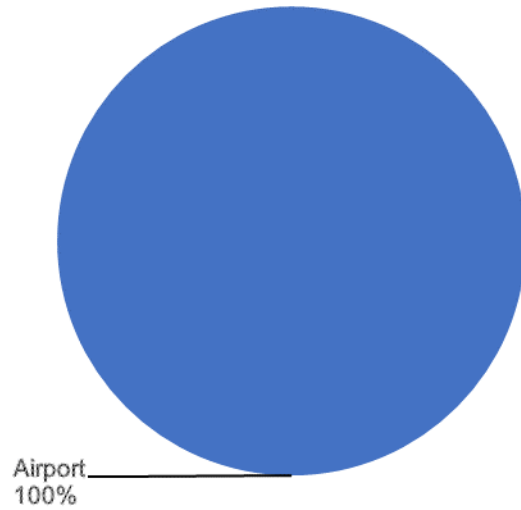
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- Hawaiian Airlines further invested in its operations at Long Beach Airport with the establishment of a 3,000 square-foot supply and maintenance base to perform scheduled and non-scheduled maintenance on their Airbus A321 passenger jet fleet. One of only four Hawaiian Airlines maintenance and supply base in North America, the new operation created approximately 15 to 20 new positions.
- Long Beach Airport met noise emission goals and no residences were exposed to noise levels exceeding 65 Community Noise Equivalent Level.
- Long Beach Airport hosted its first Festival of Flight since the pandemic began, attracting approximately 5,000 attendees to the free community event featuring static aircraft displays, live music, food trucks, and family-friendly activities.
- Long Beach Airport opened a new Ticketing Lobby and Checked Baggage Inspection System facility, marking a major milestone in Airport history and making the passenger experience even more convenient than before.
- Long Beach Airport completed a major construction project to improve the safety of the airfield. The \$25 million Taxiway L reconstruction project, primarily funded by grants from the Federal Aviation Administration (FAA), will bring the airport in line with the latest FAA standards and includes the replacement of all existing taxiway lights and signage with LED lights.
- Long Beach Airport supported the local arts community through multiple art projects, including the “Plane to See” contest to localize and diversify Airport coloring sheets and an exhibit featuring artists from Able ARTS Work, a creative arts organization for people of all abilities and ages.
- Long Beach Airport received \$15.1 million in American Rescue Plan Act funds to support the economic recovery of businesses at the Airport and fund Airport’s operating and debt service expenses.
- Long Beach Airport issued 2022 Series Bonds with A- and A3 ratings, securing approximately \$30 million in funding that will support the completion of the Phase II Terminal Area Improvement Program.
- Long Beach Airport was awarded the Airport Carbon Accreditation (ACA) program Level 2 certification and pledged to reduce greenhouse gas emissions on a per passenger basis by 20% in 2025 and 40% in 2030, compared to 2016 levels. Administered by Airports Council International (ACI), the ACA program helps airports identify, manage and reduce their carbon emissions.
- Long Beach Airport continued to promote sustainability by recycling approximately 9,000 pounds of plastic bottles and aluminum cans, as well as working with its concessionaire to donate approximately 550 pounds of edible food to Food Finders.

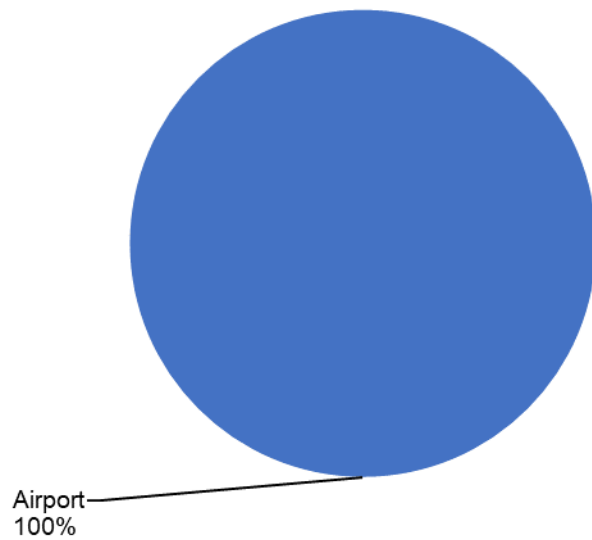
# FY 23 Budget

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## FY 23 Revenues by Fund Group



## FY 23 Expenditures by Fund Group



## Fund Impact

<b>Fund Group</b>	<b>Revenues</b>	<b>Expenditures</b>	<b>Fund Impact</b>
Airport	61,065,806	53,262,491	7,803,315
<b>Total</b>	<b>61,065,806</b>	<b>53,262,491</b>	<b>7,803,315</b>

## Summary of Changes\*

Airport Fund Group	Impact	Positions
Increase revenue to reflect higher projections based on an enplanement forecast from 1.35 million to 1.80 million in FY 23.	(11,700,000)	-
Increase revenue for Passenger Facility Charges (PFC) based on enplanement forecast.	(1,368,000)	-
Increase revenue for Customer Facility Charges (CFC) based on deplanement forecast.	(400,000)	-
Add two Maintenance Assistant I to Building Services Division to support maintenance of Airport facilities.	133,382	2.00
Add an Accounting Technician position and upgrade an Administrative Analyst II to an Administrative Analyst III position in the Finance Division. The Accounting Technician position will support accounting functions and collection efforts, freeing up capacity of other Accountant positions to perform higher level auditing, financial controls, and grant support work. The Administrative Analyst III position upgrade will align the position with the budget and fiscal duties needed.	96,015	1.00
Increase budget for as needed terminal, airfield, and airside improvements.	1,000,000	-
Increase budget for runway maintenance for passenger safety and to ensure compliance with FAA regulations.	40,000	-
Increase budget for maintenance of the Airport Flight Information Display System (FIDS) that were installed in the ticketing lobby as part of the Department's Phase II construction.	32,000	-
Increase budget for maintenance expenses department-wide (i.e., ground maintenance services, tree trimming, and inspections) and higher operational expenses (i.e., safety equipment, custodial supplies, and uniforms) based on enplanement forecasts.	153,323	-
Increase budget for the annual reporting of sustainability progress that is required to maintain the Airport's Level 2 Airport Carbon Accreditation and meet the Department's sustainability goals.	30,000	-
Increase budget for travel, training, and memberships that was reduced during the pandemic; the restored budget will help keep staff current on federal regulations, market changes, and industry trends.	46,000	-
Increase budget for the financing of the Airport security system servers procured by Technology Innovation Department.	123,000	-

## Summary of Changes\*

<b>Airport Fund Group (cont.)</b>	<b>Impact</b>	<b>Positions</b>
One-time funding for a paint striper truck for airfield markings to meet FAA requirements.	100,000	-
One-time funding for miscellaneous expenses related to the preparation for the Airport Council International Conference that will bring an estimated 2,200 airport professionals and executives from across the nation to Long Beach.	25,000	-
One-time funding to support the Long Beach Airport 100th Anniversary Celebration, which will commence January 2023.	100,000	-
One-time funding for upgrades to the Airport voice print system used to record air traffic control and identify tail numbers for aircrafts in violation of the Noise Ordinance.	25,000	-

<b>Capital Projects Fund Group</b>	<b>Impact</b>	<b>Positions</b>
Upgrade a Capital Projects Coordinator III position to a Capital Projects Coordinator IV in the Engineering Division to provide project management support for upcoming projects at the Airport, funded by capital grants. (Adopted Budget Change)	9,783	-

\*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

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**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

<b>Business Operations</b>	<b>Actuals FY 21</b>	<b>Adjusted* FY 22</b>	<b>Adopted** FY 23</b>
Revenues	38,359,984	48,317,255	52,017,255
Expenditures	22,199,999	17,986,139	18,970,044
Budgeted FTEs	33.22	36.22	37.52

\*Adjusted Budget as of April 30, 2022.

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

Note: The City is currently maintaining two different financial systems and until a new budget development software is established, the financial information displayed in the future may have further adjustments.

# Airport Operations Bureau

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**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

<b>Airport Operations</b>	<b>Actuals FY 21</b>	<b>Adjusted* FY 22</b>	<b>Adopted** FY 23</b>
Revenues	18,416,500	7,277,940	9,048,550
Expenditures	59,854,355	32,323,366	34,292,446
Budgeted FTEs	84.82	88.82	90.52

\*Adjusted Budget as of April 30, 2022.

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## Financial Summary by Category

	Actual FY 21	Adopted* FY 22	Adjusted** FY 22	Adopted* FY 23
<b>Revenues:</b>				
Property Taxes	-	-	-	-
Sales and Use Taxes	-	-	-	-
Other Taxes	-	-	-	-
Utility Users Tax	-	-	-	-
Franchise Fees	-	-	-	-
Licenses, Permits and Fees	11,700	76,560	76,560	76,560
Fines and Forfeitures	15,397	15,000	15,000	17,610
Use of Money & Property	28,971,665	39,105,183	39,105,183	50,805,183
Revenue from Other Agencies	27,409,608	16,344,452	16,344,452	10,112,452
Charges for Services	117,079	52,000	52,000	52,000
Other Revenues	29,336	2,000	2,000	2,000
Intrafund Services	(0)	-	-	-
Intrafund Transfers	-	-	-	-
Interfund Services	221,699	-	-	-
Interfund Transfers	-	-	-	-
Other Financing Sources	-	-	-	-
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<b>Total Revenues</b>	<b>56,776,484</b>	<b>55,595,195</b>	<b>55,595,195</b>	<b>61,065,806</b>
<b>Expenditures:</b>				
Salaries and Wages	7,020,413	9,204,907	9,204,907	9,510,331
Employee Benefits	4,238,417	5,585,595	5,585,595	5,997,260
Overtime	456,172	251,380	251,380	279,877
Materials, Supplies and Services	46,699,085	9,566,396	9,692,970	11,732,831
Interfund Support	14,419,195	16,189,064	16,189,064	16,247,782
Intrafund Support	-	(76,451)	(76,451)	(76,451)
Capital Purchases	-	3,000	3,000	3,000
Insurance Premiums and Losses	-	100,000	100,000	100,000
Other Non-Operational Expenditures	9,221,071	9,236,040	9,236,040	9,221,861
Operating Transfers	-	-	123,000	246,000
Intrafund Transfers Out	-	-	-	-
Purchase of Gas & Water	-	-	-	-
Depreciation and Non Cash Expenditures	-	-	-	-
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<b>Total Expenditures</b>	<b>82,054,354</b>	<b>50,059,931</b>	<b>50,309,504</b>	<b>53,262,491</b>
<b>Budgeted FTEs</b>	<b>118.04</b>	<b>125.04</b>	<b>125.04</b>	<b>128.04</b>

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

\*\*Adjusted Budget as of April 30, 2022.

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## Personnel Summary

Classification	FY 21 Adopt FTE	FY 22 Adopt FTE	FY 23 Adopt FTE	FY 22 Adopted Budget	FY 23 Adopted Budget
Airport Director	1.00	1.00	1.00	231,040	235,662
Accountant III	2.00	2.00	2.00	168,472	179,043
Accounting Clerk III	2.00	2.00	2.00	104,371	107,012
Accounting Technician	-	-	1.00	-	55,759
Administrative Analyst II	3.00	3.00	2.00	242,017	160,635
Administrative Analyst III	7.00	7.00	8.00	700,373	814,089
Administrative Intern - NC/H44	2.04	2.04	2.04	109,949	112,758
Administrative Officer-Airport	1.00	1.00	1.00	122,899	125,358
Airport Deputy Director	1.00	1.00	1.00	187,754	191,508
Airport Engineering Officer	1.00	1.00	1.00	160,142	163,344
Airport Operations Assistant II	7.00	7.00	7.00	375,717	389,121
Airport Operations Assistant I-NC	4.00	4.00	4.00	183,085	178,448
Airport Operations Officer	1.00	1.00	1.00	124,076	126,557
Airport Operations Specialist I	6.00	5.00	5.00	343,640	374,503
Airport Operations Specialist II	7.00	8.00	8.00	632,227	652,169
Airport Public Affairs Assistant	2.00	3.00	3.00	230,209	236,033
Airport Public Affairs Officer	1.00	1.00	1.00	119,685	122,080
Assistant Administrative Analyst II	2.00	2.00	2.00	141,475	158,637
Building Services Supervisor	1.00	1.00	1.00	63,674	66,409
Capital Projects Coordinator III	1.00	2.00	1.00	185,168	99,920
Capital Projects Coordinator IV	-	-	1.00	-	129,117
Civil Engineer	2.00	2.00	2.00	223,540	222,082
Civil Engineering Associate	1.00	1.00	1.00	108,900	112,191
Clerk Typist II	3.00	2.00	2.00	82,771	87,557
Clerk Typist III	6.00	7.00	7.00	369,972	385,752
Construction Inspector II	1.00	1.00	1.00	98,672	101,117
Electrician	2.00	2.00	2.00	150,406	138,724
Equipment Operator II	2.00	2.00	2.00	118,811	121,187
Executive Assistant	1.00	1.00	1.00	75,367	76,874
Facilities Management Officer	1.00	1.00	1.00	108,276	110,441
Financial Services Officer	1.00	1.00	1.00	112,524	114,775
General Maintenance Assistant	4.00	4.00	4.00	238,798	238,798
Maintenance Assistant I	11.00	11.00	13.00	445,239	501,691
Maintenance Assistant II	8.00	8.00	8.00	362,356	385,366
Maintenance Assistant III	5.00	5.00	5.00	253,908	257,716
Manager-Administration & Financial Services	1.00	1.00	1.00	163,487	166,756
Manager-Airport Operations	1.00	1.00	1.00	163,487	166,756
Mechanical Supervisor	1.00	1.00	1.00	99,759	101,754
Noise Abatement Officer	1.00	1.00	1.00	122,079	124,521
Painter II	2.00	2.00	2.00	135,307	123,083
Painter Supervisor	1.00	1.00	1.00	72,138	76,352

## Personnel Summary

Classification	FY 21 Adopt FTE	FY 22 Adopt FTE	FY 23 Adopt FTE	FY 22 Adopted Budget	FY 23 Adopted Budget
Real Estate Project Coordinator II	1.00	1.00	1.00	110,757	113,559
Real Estate Project Coordinator III	-	1.00	1.00	96,871	99,310
Senior Accountant	1.00	1.00	1.00	102,660	105,258
Senior Civil Engineer	2.00	2.00	2.00	261,467	268,043
Special Projects Officer	1.00	2.00	2.00	250,527	255,537
Special Services Officer II	4.00	7.00	7.00	407,626	417,464
Special Services Officer III	1.00	1.00	1.00	67,420	69,046
Superintendent-Airport Security	1.00	1.00	1.00	131,132	133,755
<b>Subtotal Salaries</b>	118.04	125.04	128.04	9,360,228	9,753,625
<b>Overtime</b>	-	-	-	251,380	279,877
<b>Fringe Benefits</b>	-	-	-	5,389,007	5,762,104
<b>Administrative Overhead</b>	-	-	-	212,663	251,231
<b>Attrition/Salary Savings</b>	-	-	-	(193,920)	(281,893)
<b>Expenditure Transfer</b>	-	-	-	22,524	22,524
<b>Total</b>	118.04	125.04	128.04	15,041,882	15,787,467