



Legislation Details (With Text)

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Title: Actions pertaining to six additional positions at Fresno Yosemite International Airport (FAT) (Council District 4) - Airports Department
1. ***RESOLUTION - 13th Amendment to the Annual Appropriations Resolution (AAR) No. 2019-133 appropriating \$768,700 to Fresno Yosemite International Airport (Requires 5 affirmative votes) (Subject to Mayor's veto).
2. ***RESOLUTION - 4th Amendment to Position Authorization Resolution (PAR) No. 2019-134, adding six positions to the Airports Department (Subject to Mayor's veto).

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 12-12-19 Reso 13th Amendment for AAR_PAR, 2. 12-12-19 Reso 4th Amendment for AAR_PAR

Date	Ver.	Action By	Action	Result
12/12/2019	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

December 12, 2019

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Actions pertaining to six additional positions at Fresno Yosemite International Airport (FAT) (Council District 4) - Airports Department
1. ***RESOLUTION - 13th Amendment to the Annual Appropriations Resolution (AAR) No. 2019-133 appropriating \$768,700 to Fresno Yosemite International Airport (Requires 5 affirmative votes) (Subject to Mayor's veto).
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RECOMMENDATION

Staff recommends that Council adopt the Amendment to Resolution No. 2019-133 appropriating \$768,700 to Fresno Yosemite International Airport - Airports Department to allow the Director of Airports to hire two positions to assist with FATforward projects and procure additional resources

required for those projects, and adopt the Amendment to Resolution No. 2019-134 authorizing the addition of six full-time positions.

EXECUTIVE SUMMARY

The proposed amendments address the urgent need to rebalance the Department's budget against an expanded base of aeronautical activity. Fresno Yosemite International (FAT) Airport has experienced significant growth in recent years. Enplaning passengers grew 13.9% in FY 2019 alone, second only to San Jose in California, and passenger airlines' departures increased 9%. The amendments augment the Department's resources, facilitate the responsible management of growth, and support management's commitment to meeting service standards.

The amendments propose six (6) additional full time positions; three (3) service trucks; one (1) forklift; and an enhanced authorization to pay other operating costs, including higher contractual costs related to managing a larger parking facility.

BACKGROUND

Operating expenses in the airport industry are directly related to aeronautical activity, a correlation acknowledged by rating agencies, industry experts, and institutional investors - and experienced by airport managers. As airline departures, passengers, and landed weight grow - in the case of FAT driven by population growth, enhanced air service, and an improving regional economy - maintenance, staffing, and capital costs increase as well. FAT enplaning passengers grew 57% from FY 2009 to FY 2019, at an annual average compound growth rate of 4.6%, well above the industry average. Authorized annual operating budgets have not kept pace with activity growth. The FY 2019 operating budget was 24% higher than the FY 2009 budget, and the average annual growth rate was 2.2%, well below 4.6%.

Operating expenses per enplaning passenger in FY 2009 amounted to \$25.76. The ratio in FY 2019, was lower - \$20.29. Adjusted for inflation, a FY 2019 ratio equivalent to the FY 2009 quotient amounts to \$31.43. It is startling to observe that the Department's FY 2019 operating budget, adjusted for activity and inflation, was 35% lower than ten years prior (\$20.29 is 35% lower than \$31.43), even if economies of scale are considered. The observation underscores that a growth-based adjustment is imperative.

The six full-time positions include a Capitol Development Specialist, a Properties Specialist, an Accountant Auditor II, and an Account Clerk II in order to respond to increasing demands on FAT resources. The positions also include a Projects Administrator and a Staff Assistant where incumbents will work on FATforward projects during the next five years and will work on additional projects thereafter.

ENVIRONMENTAL FINDINGS

This is not a "project" for the purpose of CEQA pursuant to CEQA Guidelines Section 15378.

LOCAL PREFERENCE

The City's Local Preference Ordinance (FMC 4-108) does not apply - this is not a purchase of

services, materials, supplies or equipment, or a competitive bidding solicitation.

FISCAL IMPACT

There is no impact to the General Fund or to any Ratepayers of the City of Fresno from this item. Approval of the amendments will not compromise the Department's ability to meet or exceed its fiscal year 2020 rating agency oriented metrics, including debt service coverage ratio well above 2.0 times, low airline rates, and high liquidity.

Attachments:

- Resolution Adopting the 13th Amendment to Resolution No. 2019-133
- Resolution Adopting the 4th Amendment to Resolution No. 2019-134