

**NOTICE OF A REGULAR MEETING
OF
THE FRIEDMAN MEMORIAL AIRPORT AUTHORITY**

PLEASE TAKE NOTICE that a regular meeting of the Friedman Memorial Airport Authority shall be held Thursday, February 5, 2015 at 5:30 p.m. at the **Hailey City Hall Meeting Room**, Hailey, Idaho. The proposed Agenda for the meeting is as follows:

**AMENDED AGENDA
February 5, 2015**

- I. **APPROVE AGENDA**
 - II. **PUBLIC COMMENT (10 Minutes Allotted)**
 - III. **FMAA FINANCIAL STATEMENTS & OTHER FINANCIAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2014 – Attachment #11** ACTION
 - IV. **APPROVE FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
 - A. January 6, 2015 Regular Meeting – Attachment #1 ACTION
 - V. **REPORTS**
 - A. Chairman Report DISCUSSION
 - B. Blaine County Report DISCUSSION
 - C. City of Hailey Report DISCUSSION
 - D. Airport Manager Report DISCUSSION
 - E. Communication Director Report DISCUSSION
 - VI. **AIRPORT STAFF BRIEF (5 Minutes Allotted)**
 - A. Noise Complaints
 - B. Parking Lot Update
 - C. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data – Attachments #2 - #4
 - D. Review Correspondence – Attachment #5
 - E. Airport Commercial Flight Interruptions
 - F. Employee of the 2nd Quarter, 2014 – Attachment #6
 - G. Election of Officers
 - VII. **UNFINISHED BUSINESS**
 - A. Airport Solutions
 - 1. Existing Site
 - a. Plan to Meet 2015 Congressional Safety Area Requirement
 - i. Project 3 Terminal Reconfiguration DISCUSS/DIRECT
 - ii. Project 4 Airport Operations Building DISCUSS/DIRECT
 - iii. Project 6 Relocate Taxiway B/Remove Taxiway A/
North Apron – Attachment #7 DISCUSS/DIRECT/ACTION
 - iv. Facility Acquisitions DISCUSS/DIRECT
 - v. Future Projects – Attachment #8 DISCUSS/DIRECT/ACTION
 - b. Retain/Improve/Develop Air Service
 - i. Fly Sun Valley Alliance Update – Attachments #9 #10 DISCUSS/DIRECT
 - c. SUN Instrument Approach Improvements – Phase 2 Update DISCUSS/DIRECT
 - 2. Master Plan Update DISCUSSION
- VIII. **PUBLIC COMMENT**
- IX. **EXECUTIVE SESSION – I.C. §67- 2345**
- X. **ADJOURNMENT**

FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETINGS ARE OPEN TO ALL INTERESTED PARTIES. SHOULD YOU DESIRE TO ATTEND A BOARD MEETING AND NEED A REASONABLE ACCOMMODATION TO DO SO, PLEASE CONTACT THE AIRPORT MANAGER'S OFFICE AT LEAST ONE WEEK IN ADVANCE BY CALLING 788-4956 OR WRITING TO 1616 AIRPORT CIRCLE, HAILEY, IDAHO 83333.

**III. FMAA FINANCIAL STATEMENTS & OTHER FINANCIAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2014 - Attachment #11**

Attachment #11 is the draft *Friedman Memorial Airport Authority Financial Statements and Other Financial Information for the Year Ended September 30, 2014* and will be distributed separately to the Board. A portion of the Financial Statements is the *Management Discussion and Analysis (MD&A)* letter prepared by Staff.

Ms. Laurie Harberd, Rexroat, Harberd & Associates will be available to present and answer any questions the Board may have. Mr. Brad Hodges, Simmons and Clubb will be available to answer questions via teleconference. Simmons and Clubb prepared the audit and Rexroat, Harberd & Associates prepared the financial statements.

BOARD ACTION: 1. Approve the draft financial statements and direct Staff/Auditor to finalize for distribution to appropriate government agencies.

IV. APPROVE FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES

A. January 6, 2015 Regular Meeting – Attachment #1

BOARD ACTION: 1. Action

V. REPORTS

A. Chairman Report

This item is on the agenda to permit a Chairman report if appropriate.

BOARD ACTION: 1. Discussion

B. Blaine County Report

This item is on the agenda to permit a County report if appropriate.

BOARD ACTION: 1. Discussion

C. City of Hailey Report

This item is on the agenda to permit a City report if appropriate.

BOARD ACTION: 1. Discussion

D. Airport Manager Report

This item is on the agenda to permit an Airport Manager report if appropriate.

BOARD ACTION: 1. Discussion

E. Communication Director Report

This item is on the agenda to permit a Communication Director report if appropriate.

BOARD ACTION: 1. Discussion

VI. AIRPORT STAFF BRIEF (5 Minutes Allotted)

A. Noise Complaints:

LOCATION	DATE	TIME	AIRCRAFT TYPE	INCIDENT DESCRIPTION	ACTION TAKEN
Chanterelle	1/1	3 calls – after noon	Jet	Caller reported commercial aircraft flying too low over Chanterelle.	Research did not support this opinion. Msg left for caller.
Hailey	1/4	11:39 am	Misc	Caller was concerned about the number of aircraft departing north, over Hailey, when winds did not appear to be a factor.	The airport experienced unusually high traffic volume during this holiday period. Many departing aircraft elected to utilize north departures in order to avoid taxi delays well in excess of 90 minutes. Ops Chief briefed the caller.
Bellevue	1/14	3:50 am	Twin Turbine	Late Operation and low, over Bellevue	This was a Life Flight operation which also departed at approximately 5:15 am. Caller was notified.
Bellevue	1/14	3:50 am	Twin Turbine	Late Operation over Bellevue.	Same Life Flight operation. Caller was surprised to learn that Life Flight operations could be conducted at night.
Chanterelle	1/14	3:50 am	Twin Turbine	Late Operation over Chanterelle	Same Life Flight operation. Caller advised that he would confirm that it was in fact a Life Flight, with his spouse, and employee at the hospital.
Hailey	1/25	7:05 am	Jet	Excessive noise. Caller said the aircraft idled at the north end of the airfield for an excessive period of time.	This aircraft taxied north and underwent de-icing, then upon tower clearance, departed at 7:01 am. Ops Chief spoke with caller, who was satisfied.

B. Parking Lot Update

The Car Park Gross/Net Revenues

Month	FY 2013 Gross	FY 2013 Net	FY 2014 Gross	FY 2014 Net	FY 2015 Gross	FY 2015 Net
December	\$12,358.00	\$4,189.80	\$15,115.00	\$5,931.74	\$23,436.00	\$12,277.71

C. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data - Attachments #2 - #4

Attachment #2 is Friedman Memorial Airport Profit & Loss Budget vs. Actual. Attachment #3 is 2001 - 2015 ATCT Traffic Operations data comparison by month. Attachment #4 is 2014 Enplanement, Deplanement and Seat Occupancy data. The following revenue and expense analysis is provided for Board information and review:

November 2013/2014		
Total Non-Federal Revenue	November, 2014	\$138,493.36
Total Non-Federal Revenue	November, 2013	\$121,574.95
Total Non-Federal Revenue	FY '15 thru November	\$355,815.53
Total Non-Federal Revenue	FY '14 thru November	\$327,974.34
Total Non-Federal Expenses	November, 2014	\$186,077.07
Total Non-Federal Expenses	November, 2013	\$219,775.78
Total Non-Federal Expenses	FY '15 thru November	\$424,281.44
Total Non-Federal Expenses	FY '14 thru November	\$445,335.53
Net Income to include Federal Programs	FY '15 thru November	\$-896,027.11
Net Income to include Federal Programs	FY '14 thru November	\$-191,533.83

D. Review Correspondence - Attachment #5

Attachment #5 is information included for Board review.

**E. Airport Commercial Flight Interruptions: 12-20-14 thru 1-20-15
All diversions/cancellations in this period were weather-related.**

<u>Airline</u>	<u>Flight Cancellations</u>	<u>Flight Diversions</u>
Horizon Air	1	3
Delta	1	3
United Express	7	1

F. Employee of the 2nd Quarter, 2014 – Attachment #6

Ms. Chelsey Gough, Horizon Air, was selected as the Employee of the 2nd Quarter, 2014. Customer service, knowledge of the airport, responsibility, flexibility and professionalism are among the qualities considered in the selection process. Chelsey is a Horizon Air Passenger Service Agent/Trainer and a leader and role model for new agents. Her dedication to making sure the passengers have a great experience traveling through the airport specifically attributes to her selection as Employee of the Quarter. It is a pleasure to have Chelsey as part of the Horizon Air Team and to announce her nomination and selection as Employee of the Quarter.

G. Election of Officers

In preparation for the Election of Officers in March, The Amended and Restated By-Laws Friedman Memorial Airport Authority Board of Commissioners states "The Board shall elect its Chairman, Vice Chairman, Secretary and Treasurer by a majority vote of the members of the Board. This election shall take place during the regular meeting of the Board in March in every odd-numbered year unless the Board, by majority vote, selects a different date for the election".

VII. UNFINISHED BUSINESS

A. Airport Solutions

1. Existing Site

a. Plan to Meet 2015 Congressional Safety Area Requirement

i. Project 3 Terminal Reconfiguration

Work on this project is progressing well, with structural steel construction underway and foundation work nearly complete. Additional work includes electrical and mechanical work in the existing terminal, to the extent possible while maintaining the operational functionality of the terminal. A full update on the project will be presented at the meeting.

BOARD ACTION: 1. Discuss/Direct

ii. Project 4 Airport Operations Building

This project is also going well, with structural steel construction scheduled to begin the week of February 2. The structure is expected to go up rapidly, which will allow inside work to proceed quickly. Consultants will attend the meeting to provide a progress update.

BOARD ACTION: 1. Discuss/Direct

iii. Project 6 Relocate Taxiway B/Remove Taxiway A/North Apron – Attachment #7

Design of this project is proceeding, with the 95% design submitted for FAA and staff review on January 27. The project is on schedule to be distributed to contractors for bidding on February 9. Staff and Consultants met with a large group of pilots on January 14 to discuss a potential relocated threshold to allow for use of part of the runway during construction this Spring. Based on the outcome of this meeting, design proceeded assuming the relocated threshold would not be included in the project, but this issue will be discussed at the meeting to get final direction from the Board. Airport Manager and Consultants traveled to Helena, Montana to meet with the FAA on January 22. The meeting went well, reviewing the project and the overall funding status for the ongoing RSA improvements. A full report will be presented at the meeting. As discussed at the January meeting, demolition of facilities has been added to this project. A proposed amendment to T-O Work Order 14-06 for professional

services related to design and construction administration of these demolitions is included at Attachment #7.

BOARD ACTION: 1. Discuss/Direct
2. Approve amendment to Work Order 14-06

iv. Facility Acquisitions

Facility acquisitions are complete. Demolition of the five hangars and Forest Service facility acquired will be included in Project 6, as described above.

BOARD ACTION: 1. Discuss/Direct

v. Future Projects – Attachment #8

Parking Lot, Pavement, Terminal and SRE Work is progressing on several smaller projects, including the following:

- Snow Removal Equipment Acquisition: Purchase agreement is under review.
- Terminal Parking Lot Improvements: The layout for the parking lot has been revised and is under review. Design will proceed, with the goal of constructing the project during the closure in April and May.
- Runway Rehabilitation: The runway rehabilitation design is nearly completed and has been incorporated into the Project 6 documents.
- Terminal Tenant Finish Out/Remodel: A concept for finish out and remodel of the south end of the terminal has been developed and is included at Attachment #8. The goal is to complete improvements for TSA office space, a conference room and public lounge space during the planned airport closure. Additional work to remodel the airlines' space will be delayed until later this year, due to the large amount of work planned in the terminal this spring. A scope and fee for professional services related to development of the overall concept, along with design and construction administration of the portion planned for construction this year will be discussed at the meeting.

BOARD ACTION: 1. Discuss/Direct/Action

b. Retain/Improve/Develop Air Service

i. Fly Sun Valley Alliance Update – Attachments #9, #10

Attachment #9 is the November 20, 2014 Fly Sun Valley Alliance Meeting Minutes. Attachment #10 is the January 15, 2014 Fly Sun Valley Alliance Meeting Agenda. This item is on the agenda to permit a Fly Sun Valley Alliance report if appropriate.

BOARD ACTION: 1. Discuss/Direct

c. SUN Instrument Approach Improvements – Phase 2 Update

DAC is finalizing initial design of the RNAV (GPS) W and RNAV X approaches. As previously discussed, the main challenge has been designing for missed approach due to surrounding terrain. At the time of this write-up for the board packet, no additional information is available however some initial details may be available to share at the meeting on Thursday the 5th. In addition, in the past month DAC has been in contact with Sarah Dalton, Manager of Northwest Mountain Region - Airports Division. Sarah was interested in the progress of the analysis and DAC provided her a summary of activities to date.

The development of a draft report and procedures design remains tentatively scheduled for delivered by the end of February 2015. A project update and report on final findings remains tentatively scheduled for the March 2015 FMAA Regular Board Meeting.

BOARD ACTION: 1. Discuss/Direct

B. Master Plan Update

PROGRESS REPORT

- The Preliminary Master Plan facility inventory and activity forecasts were submitted to the FAA Helena Airports District Office (ADO) on January 22nd for initial FAA comment.
- The Consultant Team is currently developing Chapter 3 of the Master Plan, *Facility Requirements*.
- The Consultant Team plans to submit a second round of working papers in late February, and will attend the March 3rd Board Meeting to present the following work products:
 - Finalized Forecasts
 - Draft Facility Requirements
 - Initial Discussion of Future SUN Development Alternatives

BOARD ACTION: 1. Discussion

VIII. PUBLIC COMMENT

IX. EXECUTIVE SESSION - I.C. §67- 2345

X. ADJOURNMENT

**MINUTES OF A REGULAR MEETING ATTACHMENT #1
OF THE
FRIEDMAN MEMORIAL AIRPORT AUTHORITY***

**January 6, 2015
5:30 P.M.**

IN ATTENDANCE:

BOARD MEMBERS: Chairman – Ron Fairfax, Vice-Chairman – Don Keirn, Board – Lawrence Schoen, Fritz Haemmerle, Jacob Greenberg, Angenie McCleary, Pat Cooley
FRIEDMAN MEMORIAL AIRPORT STAFF: Airport Manager – Rick Baird, Emergency/Operations Chief – Peter Kramer, Contracts/Finance Administrator – Lisa Emerick, ASC/Special Projects Coordinator/Executive Assistant – Steve Guthrie, Administrative Assistant/Alternate Security Coordinator – Roberta Christensen, Administrative Assistant – Cecilia Vega

CONSULTANTS: T-O Engineers – Dave Mitchell, Doug Blakney Nathan Cuvala; R/L/B – Nicholas Latham; Mead & Hunt – Todd Hardin

AIRPORT TENANTS/PUBLIC: Bellevue City Council – James Stireman, Lisa Phillips; BCPA – Tom Lenze; Glass Cockpit Aviation – John Strauss; Atlantic Aviation – Michael Rasch, Susan Harris, Annette Carraway; FSVA - Carol Waller, Donna Serrano, Len Harlig, Felicity Roberts, Marc Reinemann

AIRPORT LEGAL COUNSEL: Lawson Laski Clark & Pogue, PLLC – Jim Laski

PRESS: Idaho Mountain Express – Greg Moore

CALL TO ORDER:

The meeting was called to order at 5:34 p.m. by Chairman Fairfax.

I. APPROVE AGENDA

The agenda was approved with the following changes:

IV. AIRPORT STAFF BRIEF

- A.** ~~F.~~ Employee of the 2nd Quarter, 2014 – Attachment #6
- B.** ~~G.~~ Employee of the 3rd Quarter, 2014 – Attachment #7

VI. ~~V.~~ AIRPORT STAFF BRIEF CONT. (5 Minutes Allotted)

- C.** ~~A.~~ Noise Complaints
- D.** ~~B.~~ Parking Lot Update
- E.** ~~C.~~ Profit & Loss, ATCT Traffic Operations Count and Enplanement Data – Attachments #2 - #4
- F.** ~~D.~~ Review Correspondence – Attachment #5
- G.** ~~E.~~ Airport Commercial Flight Interruptions
- ~~F.~~ Employee of the 2nd Quarter, 2014 – Attachment #6
- ~~G.~~ Employee of the 3rd Quarter, 2014 – Attachment #7

MOTION:

Made by Vice-Chairman Keirn to move the Employee of the Quarter agenda items after agenda item III. Approve FMAA Meeting Minutes. Seconded by Board Member Schoen.

PASSED UNANIMOUSLY

II. PUBLIC COMMENT

No public comment was made.

III. APPROVE FMAA MEETING MINUTES

A. December 2, 2014 Regular Meeting (See Brief)

The December 2, 2014 Friedman Memorial Airport Authority Meeting Minutes were approved with the following changes:

IN ATTENDANCE: **BOARD MEMBERS:** Chairman – Ron Fairfax, Vice-Chairman – Don Keirn, Board – Lawrence Schoen, Fritz Haemmerle, Jacob Greenberg, Angenie McCleary, Pat Cooley
FRIEDMAN MEMORIAL AIRPORT STAFF: Airport Manager – Rick Baird, Emergency/Operations Chief – Peter Kramer, Contracts/Finance Administrator – Lisa Emerick, ASC/Special Projects Coordinator/Executive Assistant – Steve Guthrie, Administrative Assistant – Cecilia Vega
CONSULTANTS: T-O Engineers – Dave Mitchell; R/L/B – Nick Latham; Mead & Hunt – Evan Barrett, Todd Hardin, Matt Dubbe, Mark McFarland
AIRPORT TENANTS/PUBLIC: Glass Cockpit Aviation – John Strauss; Atlantic Aviation – Mike Rasch; FSVA – Walt Denekas, Carol Waller, Eric Seder; Pam & Ed Jenkins, Bob Leahy, Evan Stelma, Donna Serrano, Len Harlig, Chuck Matthiesen, Michelle Griffith, Peter Hendricks, Rich Pogue, Baird Gourlay, James Stireman, Larry Plott, Bob Crosby, Diane Shay
AIRPORT LEGAL COUNSEL: Lawson Laski Clark & Pogue, PLLC – Jim Laski
PRESS: Idaho Mountain Express – Greg Moore

MOTION:

Made by Vice-Chairman Keirn to approve the January 6, 2015 Friedman Memorial Airport Authority Regular Meeting Minutes as amended. Seconded by Board Member McCleary.

PASSED UNANIMOUSLY

IV. AIRPORT STAFF BRIEF

A. F. Employee of the 2nd Quarter, 2014 (See Brief)

Airport Manager Baird rescheduled this agenda item for the February Board Meeting.

B. G. Employee of the 3rd Quarter, 2014 (See Brief)

Airport Manager Baird announced that Ms. Annette Carraway of Atlantic Aviation was selected as the Employee of the 3rd Quarter for Calendar Year 2014. He congratulated Ms. Carraway and thanked her for her efforts and service to the Friedman Memorial Airport.

Atlantic Aviation General Manager Mike Rasch complimented Ms. Carraway for her excellent customer service talents and thanked her for doing such a fantastic job for Atlantic Aviation.

V. IV. REPORTS

A. Chairman Report

No report was given.

B. Blaine County Report

Board Member Schoen reported that the Blaine County Commissioners are currently undergoing the process of revising County's Comprehensive Plan, which includes a transportation and aviation section, and invited the public to participate in the process.

C. City of Hailey Report

No report was given.

D. Airport Manager Report

Airport Manager Baird briefed the Board on the following items:

- Upcoming Northwest Mountain FAA Airport Conference will be held in Seattle, Washington on April 7th and 8th; Board Members are welcome and encouraged to attend the conference.
- Congress passed a bill that will fund the Airport Control Tower for all of 2015.
- He will be attending a Contract Tower Policy Board meeting on January 27th through the 31st to discuss funding for the next four years.
- General aviation and commercial air traffic was heavy during this holiday season but successful despite the ongoing construction in the terminal and decrease in available parking spaces.

Chairman Fairfax asked if funding for the tower will ever increase as it has been the same allocation of \$3.35 billion for the last 10 years.

Airport Manager Baird answered that the American Association of Airport Executives (AAAE) will be arguing the point with legislature that since airlines are able to find unique ways to ensure improved cash flow by implementing things like baggage fees, airports should be allowed to increase their PFC fees.

Board Member Schoen asked what the status is of FMA's legislative lobbying efforts.

Airport Manager Baird answered that FMA is a member of the AAAE organization as well as the United States Contract Tower Association (USCTA) who both support airport rights on a national level.

E. Communications Director Report

Airport Manager Baird reported on the following items:

- December Coffee Talk was not well attended.
- Two Airport Tours were scheduled for December.
- No Coffee Talk or Airport Tour will be scheduled for January.

VI. V. AIRPORT STAFF BRIEF

A. Noise Complaints (See Brief)

B. Parking Lot Update (See Brief)

C. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data (See Brief)

D. Review Correspondence (See Brief)

E. Airport Commercial Flight Interruptions (See Brief)

**VII. VI. UNFINISHED
BUSINESS**

A. Airport Solutions

1. Existing Site

a. Plan to Meet 2015 Congressional Safety Area Requirement (See Brief)

i. Formulation (See Brief)

No update was given.

ii. Project 1 Relocate Hangar Taxilane/Overlay Apron/Security Fence Improvements (See Brief)

No update was given.

iii. Project 2 Relocate/Extend Taxiway B and Runway Safety Area Grading (See Brief)

No update was given.

iv. Project 3 Terminal Reconfiguration (See Brief)

Engineer Mitchell along with Mead and Hunt Aviation Architect, Todd Hardin, updated the Board on the current status of Project 3 of the RSA Improvements Project.

v. Project 4 Airport Operations Building (See Brief)

Engineer Mitchell and Ruscitto/Latham/Blanton Architect, Nick Latham, updated the Board on the current status of Project 4 of the RSA Improvements Project.

vi. Project 5 Terminal Apron Reconstruction/Site Preparations (See Brief)

No update was given

vii. Project 6 Relocate Taxiway B/Remove Taxiway A/North Apron (See Brief)

Engineer Mitchell updated the Board on the current status of Project 6 of the RSA Improvements Project. He also asked the Board to discuss the option of opening the Airport for a 17-day period to small general aviation aircraft during the 30 day closure in April and May at an additional cost of \$160,000 .

The Board discussed aspects of the option proposed by Engineer Mitchell including the following items:

- The additional financial cost of keeping the Airport open rather than disposing of excess dirt from the project on site.
- Safety concerns of opening the runway partially.
- How much and what kind of general aviation traffic traditionally operates during the closure period.
- Impacts on the community as a result of increased materials hauling.

Glass Cockpit Aviation owner, John Strauss, commented that he had to shut down his flight instruction business during last year's entire 30 day closure and suggested that the Board seek input from the Blaine County Pilot's Association before a decision is made.

Chairman Fairfax commented that most of the pilots recognize that the closure is the best option in this circumstance, however the closure does incur a significant cost to the pilots and aircraft owners that traditionally use the airport in the Spring. He commented that he would support a meeting with the local general aviation community before a decision is made.

The Board agreed to discuss the matter further during the February Board Meeting and directed Airport Staff and Engineer Mitchell to gather input from the general aviation community for Board review.

viii. Facility Acquisitions (See Brief)

Engineer Mitchell updated the Board on the current status of the facility acquisition part the RSA Improvements Project.

ix. Work Order 14-08 Acquire Snow Removal Equipment (See Brief)

Engineer Mitchell and Airport Manager Baird briefed the Board on the proposed Snow Removal Acquisition Scope of Work (SOW) and requested that the Board approve the SOW and authorize staff to move forward with the acquisition process.

The Board discussed aspects of the snow removal equipment acquisition request including the following items:

- The life expectancy of this type of snow removal equipment.
- The age of the snow removal equipment the Airport currently utilizes.
- The reason engineers are a necessary involvement in the purchase and acquisition of this kind of equipment.
- What the bidding process is for the equipment acquisition and how 'piggy-backing' on an Idaho Falls acquisition works.

Board Members Haemmerle and Cooley commented that in their opinion, the engineer's fees of \$12,447.00 seems excessive for this kind of project.

MOTION: ***Made by Board Member Schoen to approve Work Order 14-08 concerning the acquisition of snow removal equipment in an amount not-to-exceed \$12,447.00 to be billed on a time and materials basis and to authorize Staff to move forward with the acquisition process. Seconded by Vice-Chairman Keirn.***

PASSED

BOARD MEMBER COOLEY OPPOSED

x. Work Order 14-09 Terminal Parking Lot Improvements (See Brief)

Engineer Mitchell briefed the Board on the proposed Terminal Parking Lot Improvements Project SOW and requested that the Board approve the SOW in an amount not-to-exceed \$58,420.

The Board discussed aspects of Engineer Mitchell's request including the following items:

- The County's preference to minimize light trespass and their Dark Sky Ordinance.
- Whether or not lighting will also be replaced with more efficient lighting as they are relocated in the parking lot.

MOTION: *Made by Board Member Schoen to authorize the Chair to execute Work Order 14-09 Terminal Parking Lot Improvements with a not-to-exceed amount of \$58,420.00 subject to Staff and Legal Counsel review. This motion is made also in light of Airport Manager Baird's remarks that this project may be reduced in scope. Seconded by Board Member Greenberg.*

PASSED UNANIMOUSLY

xi. Work Order 14-10 Rehabilitate Runway (See Brief)

Engineer Mitchell briefed the Board on the proposed Rehabilitate Runway Project SOW and requested that the Board approve the SOW in an amount not-to-exceed \$24,655.

The Board discussed aspects of Engineer Mitchell's request including the following items:

- Whether or not the engineer fees are appropriate and how the Board can be sure that the fees are standard for this type of project.
- The reason why there are two Exhibit B's in the SOW.

MOTION: *Made by Board Member Greenberg to authorize the Chair to execute Work Order 14-10 Rehabilitate Runway with a not-to-exceed amount of \$24,655.00, subject to Staff and Legal Counsel review. Seconded by Board Member Haemmerle.*

PASSED UNANIMOUSLY

xii. Future Projects (See Brief)

Engineer Mitchell and Airport Manager Baird updated the Board on the current status of upcoming future projects of the RSA Improvements Project including a possible additional Terminal Remodel and Tenant Build Out.

The Board discussed technical aspects of Engineer Mitchell and Airport Manager Baird's presentation including the following items:

- Why the proposed Terminal Remodel and Tenant Build Out was not included in the current terminal project.
- Whether it would be possible to add a nice restroom and part of a pilot briefing area in the terminal.
- At what time the Board made the decision to proceed with the non-eligible terminal remodel.

b. Retain/Improve/Develop Air Service

i. Fly Sun Valley Alliance Update (See Brief)

Fly Sun Valley Alliance representative, Carol Waller, updated the Board on the results for the 2014 Annual Passenger Survey.

Len Harlig commented that the transportation section of the County's Comprehensive Plan will be on the Planning and Zoning Committee's agenda this Thursday but will not include any agenda items relative to the Airport.

c. SUN Instrument Approach Improvements – Phase 2 Update (See Brief)

Airport Manager Baird updated the Board on Phase 2 of the Sun Instrument Approach Improvements Project.

B. Master Plan Update

Airport Manager Baird briefed the Board on the development of the Master Plan Update.

C. Independent Board Member Selection Process (See Brief)

Board Member Schoen briefed the Board that the Airport received four resumes for the Independent Board Member position and after reviewing the resumes the Board Selection Committee determined that three of the four candidates did not meet the 5-year residency requirement listed in the conditions of eligibility. He suggested that the Board decide to either, wave that requirement and interview all four candidates, or support the approved criteria and select the only candidate that met the residency criteria, Ron Fairfax, as the Independent Board Member.

Board Member Haemmerle commented that all the candidates were highly qualified for the position with the exception of the residency criteria and encouraged them to reapply in the future.

Attorney Laski commented that the Board already re-elected Chairman Fairfax as the Independent Board Member during the December meeting so no action is needed.

Airport Manager Baird reminded the Board that the election of officers will take place during the March Board Meeting.

Board Member Haemmerle suggested that Staff send out thank you letters to the candidates for the Independent Board Member position.

VIII. ~~VII.~~ NEW BUSINESS

A. Website Privacy Policy Statement (See Brief)

Airport Manager Baird briefed the Board on the draft Website Privacy Policy Statement and requested that they approve the policy to be posted on the Airport website.

MOTION:

Made by Board Member Haemmerle to the Draft Website Privacy Policy Statement and direct Staff to post the document on the FMAA website. Seconded by Board Member Greenberg.

PASSED UNANIMOUSLY

IX. ~~VIII.~~ PUBLIC COMMENT

Board Member Schoen asked the Board to consider rescheduling the February Board Meeting to accommodate the Blaine County Commissioners who will be out of town on February 3, 2015.

The Board agreed to reschedule the February meeting to Thursday, February 5, 2015.

Len Harlig asked if the 5-year residency requirement was part of the Independent Board Member Applicant Guidelines.

The Board answered that the residency requirement was included in the criteria. Airport Manager Baird added that it was also included in the advertisement in the paper to request the applicant guidelines from Staff or retrieve them from the FMAA website.

X. ADJOURNMENT

The January 6, 2015 Regular Meeting of the Friedman Memorial Airport Authority was adjourned at approximately 8:05 p.m.

Lawrence Schoen, Secretary

* *Additional resources/materials that should be reviewed with these meeting minutes include but are not limited to the Friedman Memorial Airport Authority Board Packet briefing, the PowerPoint presentation prepared for this meeting and any referenced attachments.*

Friedman Memorial Airport

Profit & Loss Budget vs. Actual Combined

October through November 2014

Ordinary Income/Expense	Oct - Nov 14	Budget	\$ Over Budget	% of Budget
Income				
4000-00 · AIRCARRIER				
4000-01 · Aircarrier - Lease Space	14,086.74	84,600.00	-70,513.26	16.7%
4000-02 · Aircarrier - Landing Fees	13,002.80	120,101.00	-107,098.20	10.8%
4000-03 · Aircarrier - Gate Fees	200.00	1,200.00	-1,000.00	16.7%
4000-04 · Aircarrier - Utility Fees	60.00	7,600.00	-7,540.00	0.8%
4010-06 · Aircarrier - '12 PFC App	42,510.56			
4010-07 · Aircarrier - '14 PFC App	0.00	250,000.00	-250,000.00	0.0%
Total 4000-00 · AIRCARRIER	69,860.10	463,501.00	-393,640.90	15.1%
4020-00 · TERMINAL AUTO PARKING REVENUE				
4020-01 · Automobile Parking - Terminal	13,223.66	100,100.00	-86,876.34	13.2%
Total 4020-00 · TERMINAL AUTO PARKING REVENUE	13,223.66	100,100.00	-86,876.34	13.2%
4030-00 · AUTO RENTAL REVENUE				
4030-01 · Automobile Rental - Commission	39,996.00	390,000.00	-350,004.00	10.3%
4030-02 · Automobile Rental - Counter	2,116.80	12,800.00	-10,683.20	16.5%
4030-03 · Automobile Rental - Auto Prkng	40,054.58	60,900.00	-20,845.42	65.8%
4030-04 · Automobile Rental - Utilities	0.00	1,000.00	-1,000.00	0.0%
Total 4030-00 · AUTO RENTAL REVENUE	82,167.38	464,700.00	-382,532.62	17.7%
4040-00 · TERMINAL CONCESSION REVENUE				
4040-01 · Terminal Shops - Commission	0.00	1,200.00	-1,200.00	0.0%
4040-02 · Terminal Shops - Lease Space	440.68	6,120.00	-5,679.32	7.2%
4040-03 · Terminal Shops - Utility Fees	0.00	600.00	-600.00	0.0%
4040-10 · Advertising - Commission	4,107.50	33,000.00	-28,892.50	12.4%
4040-11 · Vending Machines - Commission	966.49	12,000.00	-11,033.51	8.1%
4040-12 · Terminal ATM	13.50			
Total 4040-00 · TERMINAL CONCESSION REVENUE	5,528.17	52,920.00	-47,391.83	10.4%
4050-00 · FBO REVENUE				
4050-01 · FBO - Lease Space	35,125.94	231,500.00	-196,374.06	15.2%
4050-02 · FBO - Tie-down Fees	23,791.50	375,000.00	-351,208.50	6.3%
4050-03 · FBO - Landing Fees - Trans.	24,960.29	345,000.00	-320,039.71	7.2%
4050-04 · FBO - Commission	2,020.76	20,000.00	-17,979.24	10.1%
Total 4050-00 · FBO REVENUE	85,898.49	971,500.00	-885,601.51	8.8%
4060-00 · FUEL FLOWAGE REVENUE				
4060-01 · Fuel Flowage - FBO	18,599.88	200,000.00	-181,400.12	9.3%
Total 4060-00 · FUEL FLOWAGE REVENUE	18,599.88	200,000.00	-181,400.12	9.3%
4070-00 · TRANSIENT LANDING FEES REVENUE				
4070-02 · Landing Fees - Non-Comm./Gov't	200.06	500.00	-299.94	40.0%
Total 4070-00 · TRANSIENT LANDING FEES REVENUE	200.06	500.00	-299.94	40.0%
4080-00 · HANGARS REVENUE				

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4080-01 - Land Lease - Hangar	80,632.55	430,100.00	-349,467.45	18.7%
4080-02 - Land Lease - Hangar/Trans. Fee	140.40	1,000.00	-859.60	14.0%
4080-03 - Land Lease - Hangar/Utilities	373.04	1,400.00	-1,026.96	26.6%
4080-20 - Land Lease - Government Revenue	1,176.53	7,150.00	-5,973.47	16.5%
Total 4080-00 - HANGARS REVENUE	82,322.52	439,650.00	-357,327.48	18.7%
4090-00 - TIEDOWN PERMIT FEES REVENUE				
4090-01 - Tiedown Permit Fees (FMA)	11,997.10	10,000.00	1,997.10	120.0%
Total 4090-00 - TIEDOWN PERMIT FEES REVENUE	11,997.10	10,000.00	1,997.10	120.0%
4100-00 - POSTAL CARRIERS REVENUE				
4100-01 - Postal Carriers - Landing Fees	1,759.68	12,000.00	-10,240.32	14.7%
4100-02 - Postal Carriers - Tiedown	2,970.00			
Total 4100-00 - POSTAL CARRIERS REVENUE	4,729.68	12,000.00	-7,270.32	39.4%
4110-00 - MISCELLANEOUS REVENUE				
4110-06 - Misc. - Security-Prox. Cards	18,890.00	27,000.00	-8,110.00	70.0%
4110-09 - Miscellaneous Expense Reimburse	-1,120.88			
Total 4110-00 - MISCELLANEOUS REVENUE	17,769.12	27,000.00	-9,230.88	65.8%
4120-00 - GROUND TRANSP. PERMIT REVENUE				
4120-01 - Ground Transportation Permit	4,400.00	12,000.00	-7,600.00	36.7%
4120-02 - GTSP - Trip Fee	520.00	3,200.00	-2,680.00	16.3%
Total 4120-00 - GROUND TRANSP. PERMIT REVENUE	4,920.00	15,200.00	-10,280.00	32.4%
4400-00 - TSA				
4400-02 - Terminal Lease	1,090.74	6,545.00	-5,454.26	16.7%
Total 4400-00 - TSA	1,090.74	6,545.00	-5,454.26	16.7%
4510-00 - DOT/Small Community Air Service				
4510-01 - Small Community Air Service	0.00	200,000.00	-200,000.00	0.0%
Total 4510-00 - DOT/Small Community Air Service	0.00	200,000.00	-200,000.00	0.0%
4520-00 - INTEREST INCOME				
4520-06 - Interest Income - '12 PFC	15.31			
4600-00 - Interest Income - General	1,109.93	10,000.00	-8,890.07	11.1%
Total 4520-00 - INTEREST INCOME	1,125.24	10,000.00	-8,874.76	11.3%
4739-00 - AIP 39 - Safety Area Proj. Imp.				
4739-01 - AIP '39 Project I	4,199.00			
Total 4739-00 - AIP 39 - Safety Area Proj. Imp.	4,199.00			
4740-00 - AIP 40 - Safety Area Proj. Imp.				
4740-01 - AIP '40 Project II	-84,475.00	9,375,000.00	-9,459,475.00	-0.9%
4740-00 - AIP 40 - Safety Area Proj. Imp. - Other	1,695,926.00			
Total 4740-00 - AIP 40 - Safety Area Proj. Imp.	1,611,451.00	9,375,000.00	-7,763,549.00	17.2%

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4741-00 · AIP 41 - Project TBD				
4741-01 · AIP 41 Project TBD	0.00	7,500,000.00	-7,500,000.00	0.0%
Total 4741-00 · AIP 41 - Project TBD	0.00	7,500,000.00	-7,500,000.00	0.0%
Total Income	2,015,082.14	19,848,616.00	-17,833,533.86	10.2%
Gross Profit	2,015,082.14	19,848,616.00	-17,833,533.86	10.2%
Expense				
EXPENDITURES				
"A" EXPENSES				
5000-01 · Salaries - Airport Manager	26,150.00	156,900.00	-130,750.00	16.7%
5010-00 · Salaries - Contracts/Finance Adm	15,371.20	88,841.37	-73,470.17	17.3%
5010-01 · Salaries - Office Assist.	29,607.53	176,404.04	-146,796.51	16.8%
5020-00 · Salaries - ARFF/OPS Chief	15,371.20	88,841.37	-73,470.17	17.3%
5030-00 · Salaries - ARFF/OPS Specialist	50,489.01	323,743.52	-273,254.51	15.6%
5040-00 · Salaries-ASC/Sp.Prjct./Ex. Assi	11,422.04	63,740.68	-52,318.64	17.9%
5050-00 · Salaries - Temp.	0.00	20,000.00	-20,000.00	0.0%
5050-02 · Salaries - Merit Increase	0.00	22,247.13	-22,247.13	0.0%
5060-01 · Overtime - General	0.00	2,000.00	-2,000.00	0.0%
5060-02 · Overtime - Snow Removal	0.00	15,000.00	-15,000.00	0.0%
5060-04 · OT - Security	0.00	2,500.00	-2,500.00	0.0%
5100-00 · Retirement	17,230.55	111,481.32	-94,250.77	15.5%
5110-00 · Social Security/Medicare	10,731.79	73,456.68	-62,724.89	14.6%
5120-00 · Life Insurance	304.08	1,500.00	-1,195.92	20.3%
5130-00 · Medical Insurance	29,947.93	183,000.00	-153,052.07	16.4%
5160-00 · Workman's Compensation	0.00	15,000.00	-15,000.00	0.0%
Total "A" EXPENSES	206,625.33	1,344,656.11	-1,138,030.78	15.4%
"B" EXPENDITURES				
"B" EXPENSES - ADMINISTRATIVE				
6000-00 · TRAVEL EXPENSE				
6000-01 · Travel	1,186.03	15,000.00	-13,813.97	7.9%
Total 6000-00 · TRAVEL EXPENSE	1,186.03	15,000.00	-13,813.97	7.9%
6010-00 · SUPPLIES/EQUIPMENT EXPENSE				
6010-01 · Supplies - Office	1,671.41	13,000.00	-11,328.59	12.9%
6010-03 · Supplies - Computer	120.00			
Total 6010-00 · SUPPLIES/EQUIPMENT EXPENSE	1,791.41	13,000.00	-11,208.59	13.8%
6020-00 · INSURANCE				
6020-01 · Insurance - Liability	9,700.00	11,237.60	-1,537.60	86.3%
6020-02 · Insurance - Public Officials	4,867.72	4,489.10	378.62	108.4%
6020-03 · Insurance-Bldg/Unlic.Veh./Prop	46,329.00	33,962.50	12,366.50	136.4%
6020-04 · Insurance - Licensed Vehicles	6,276.00	6,659.40	-383.40	94.2%
Total 6020-00 · INSURANCE	67,172.72	56,348.60	10,824.12	119.2%

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6030-00 · UTILITIES				
6030-01 · Utilities - Gas/Terminal	73.47	13,000.00	-12,926.53	0.6%
6030-02 · Utilities - Gas/Maintenance	88.24	9,500.00	-9,411.76	0.9%
6030-03 · Utilities - Elect./Runway&PAPI	1,037.82	6,700.00	-5,662.18	15.5%
6030-04 · Utilities - Elec./Office/Maint.	1,567.66	11,000.00	-9,432.34	14.3%
6030-05 · Utilities - Electric/Terminal	3,973.27	30,000.00	-26,026.73	13.2%
6030-06 · Utilities - Telephone	2,864.17	12,000.00	-9,135.83	23.9%
6030-07 · Utilities - Water	157.06	1,200.00	-1,042.94	13.1%
6030-08 · Utilities - Garbage Removal	1,472.97	8,500.00	-7,027.03	17.3%
6030-09 · Utilities - Sewer	534.80	2,500.00	-1,965.20	21.4%
6030-10 · Utilities - Elec./Sewer	8.25	750.00	-741.75	1.1%
6030-11 · Utilities - Electric/Tower	735.06	6,000.00	-5,264.94	12.3%
6030-12 · Utilities - Elec./Brdfrd.Hghl	91.79			
6030-15 · Utilities - Elec./AWOS	413.59	2,000.00	-1,586.41	20.7%
6030-16 · Utilities - Elec. Wind Cone	17.69	210.00	-192.31	8.4%
6030-17 · Utilities - Elec.- Hangar	374.81			
6040-01 · Service Provider - Weather	0.00	2,000.00	-2,000.00	0.0%
6040-02 · Service Provider - Term. Music	151.60	1,000.00	-848.40	15.2%
6040-03 · Service Provider - Internet/ISP	932.48	6,500.00	-5,567.52	14.3%
6040-05 · Service Provider - ISP/Terminal	300.00	2,000.00	-1,700.00	15.0%
6040-06 · Service Provider - SSI Movement	9,850.00	12,000.00	-2,150.00	82.1%
6040-07 · Serv. Provider - Arpt Ins. Soft	0.00	3,750.00	-3,750.00	0.0%
Total 6030-00 · UTILITIES	24,644.73	130,610.00	-105,965.27	18.9%
6050-00 · PROFESSIONAL SERVICES				
6050-01 · Professional Services - Legal	3,977.00	35,000.00	-31,023.00	11.4%
6050-02 · Professional Services - Audit	0.00	30,000.00	-30,000.00	0.0%
6050-03 · Professional Services - Enginee	0.00	10,000.00	-10,000.00	0.0%
6050-04 · Professional Services - ARFF	3,000.00	2,000.00	1,000.00	150.0%
6050-05 · Professional Services - Gen.	1,170.00			
6050-07 · Professional Services - Archite	0.00	1,000.00	-1,000.00	0.0%
6050-08 · Professional Services - Securit	0.00	4,000.00	-4,000.00	0.0%
6050-10 · Prof. Svcs.-IT/Comp. Support	975.00	14,000.00	-13,025.00	7.0%
6050-11 · Professional Services - Wildlif	0.00	1,000.00	-1,000.00	0.0%
6050-12 · Prof. Serv.- Planning Air Serv.	805.00	15,000.00	-14,195.00	5.4%
6050-15 · Prof. Serv. - Public Outreach	3,178.35	20,000.00	-16,821.65	15.9%
Total 6050-00 · PROFESSIONAL SERVICES	13,105.35	132,000.00	-118,894.65	9.9%
6060-00 · MAINTENANCE-OFFICE EQUIPMENT				
6060-01 · Maint.-Office Equip./Gen.	96.00	10,000.00	-9,904.00	1.0%
6060-04 · Maintenance - Copier	669.21			
6060-05 · Maintenance - Phone	1,214.10			
Total 6060-00 · MAINTENANCE-OFFICE EQUIPMENT	1,979.31	10,000.00	-8,020.69	19.8%
6070-00 · RENT/LEASE OFFICE EQUIPMENT				
6070-01 · Rent/Lease - Office Equip./Gen	0.00	3,400.00	-3,400.00	0.0%
6070-02 · Rent/Lease - Postage Meter	0.00	1,400.00	-1,400.00	0.0%

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Total 6070-00 · RENT/LEASE OFFICE EQUIPMENT	0.00	4,800.00	-4,800.00	0.0%
6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E				
6080-01 · Dues/Memberships/Publications	4,251.76	15,000.00	-10,748.24	28.3%
6080-02 · Membership - Internet/Website	30.48			
6080-04 · Airport Marketing	1,999.37	25,000.00	-23,000.63	8.0%
6080-06 · Marketing - SCASDP	1,116.88	225,000.00	-223,883.12	0.5%
Total 6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E	7,398.49	265,000.00	-257,601.51	2.8%
6090-00 · POSTAGE				
6090-01 · Postage/Courier Service	439.01	1,500.00	-1,060.99	29.3%
Total 6090-00 · POSTAGE	439.01	1,500.00	-1,060.99	29.3%
6100-00 · EDUCATION/TRAINING				
6100-01 · Education/Training - Admin.	-30.00	25,000.00	-25,030.00	-0.1%
6100-03 · Education/Training - ARFF	1,035.47			
6100-05 · Education - Neighborl Flight	297.50			
6100-07 · Education - Public Outreach	1,684.91			
Total 6100-00 · EDUCATION/TRAINING	2,987.88	25,000.00	-22,012.12	12.0%
6110-00 · CONTRACTS				
6110-01 · Contracts - General	2,100.00	33,600.00	-28,000.00	16.7%
6110-02 · Contracts - FMAA	5,600.00	58,900.00	-49,100.00	16.6%
6110-03 · Contracts - SVA/Fee Collection	9,800.00	10,000.00	-9,456.00	5.4%
6110-04 · Contracts - COH LEO	544.00	20,000.00	-20,000.00	0.0%
6110-05 · Contracts - Janitorial	0.00	13,800.00	-11,500.00	16.7%
6110-06 · Electronic Filing System	2,300.00	15,000.00	-15,000.00	0.0%
6110-07 · Contracts - Snow Removal	0.00	30,000.00	0.00	100.0%
6110-08 · Contracts - Eccles Tree Lights	30,000.00	350.00	-110.00	68.6%
6110-09 · Contracts - Website	240.00	2,500.00	-2,252.00	9.9%
6110-10 · Online Email Server Access	248.00	50,000.00	-42,900.00	14.2%
6110-11 · Contracts -Security CMS	7,100.00			
Total 6110-00 · CONTRACTS	57,932.00	234,150.00	-176,218.00	24.7%
6120-00 · PERMITS				
6120-01 · Permits - General	0.00	100.00	-100.00	0.0%
Total 6120-00 · PERMITS	0.00	100.00	-100.00	0.0%
6130-00 · MISCELLANEOUS EXPENSES				
6130-01 · Misc. - General	1,566.55	6,500.00	-4,933.45	24.1%
6140-00 · Bank Fees	72.00	1,000.00	-928.00	7.2%
Total 6130-00 · MISCELLANEOUS EXPENSES	1,638.55	7,500.00	-5,861.45	21.8%
Total "B" EXPENSES - ADMINISTRATIVE	180,275.48	895,008.60	-714,733.12	20.1%
"B" EXPENSES - OPERATIONAL				
6500-00 · SUPPLIES/EQUIPMENT-ARFF/OPERATI				

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6500-01 · Supplies/Equipment - General	523.32	10,000.00	-9,476.68	5.2%
6500-05 · Supplies/Equipment - Deice	0.00	15,000.00	-15,000.00	0.0%
6500-06 · Supplies/Equipment - ARFF	2,400.00	5,000.00	-2,600.00	48.0%
Total 6500-00 · SUPPLIES/EQUIPMENT-ARFF/OPERATI	2,923.32	30,000.00	-27,076.68	9.7%
6510-00 · FUEL/LUBRICANTS				
6510-01 · Fuel/Lubricants - General	0.00	45,000.00	-45,000.00	0.0%
6510-02 · Fuel	3,842.67			
Total 6510-00 · FUEL/LUBRICANTS	3,842.67	45,000.00	-41,157.33	8.5%
6520-00 · VEHICLES/MAINTENANCE				
6520-01 · R/M Equipment - General	224.35	25,000.00	-24,775.65	0.9%
6520-02 · R/M Equip. '93 Schmidt Snow	979.04			
6520-17 · R/M Equip. '01 Case 921 Ldr.	98.00			
6520-19 · R/M Equip. '02 Ford F-150 PU	1,511.68			
6520-24 · R/M Equip. - '01 Ford F-250	98.00			
6520-30 · R/M Equip.-'05 Ford F-350	1,080.12			
Total 6520-00 · VEHICLES/MAINTENANCE	3,991.19	25,000.00	-21,008.81	16.0%
6530-00 · ARFF MAINTENANCE				
6530-01 · ARFF Maint. General	450.33	7,000.00	-6,549.67	6.4%
6530-04 · ARFF Maint. - Radios	388.89			
6530-05 · ARFF Maint. - '03 E-One	341.90			
Total 6530-00 · ARFF MAINTENANCE	1,181.12	7,000.00	-5,818.88	16.9%
6540-00 · REPAIRS/MAINTENANCE - BUILDING				
6540-01 · R/M Bldg. - General	0.00	29,000.00	-29,000.00	0.0%
6540-02 · R/M Bldg. - Terminal	1,404.82			
6540-03 · R/M Bldg. - Shop	485.00			
6540-04 · R/M Bldg. - Cold Storage	230.00			
6540-05 · R/M Bldg. - Manager's Bldg.	210.00			
6540-07 · R/M Bldg. - Tower	385.00			
Total 6540-00 · REPAIRS/MAINTENANCE - BUILDING	2,714.82	29,000.00	-26,285.18	9.4%
6550-00 · REPAIRS/MAINTENANCE - AIRSIDE				
6550-01 · R/M - General	0.00	12,000.00	-12,000.00	0.0%
6550-05 · R/M - Grounds	190.00			
Total 6550-00 · REPAIRS/MAINTENANCE - AIRSIDE	190.00	12,000.00	-11,810.00	1.6%
6560-00 · SECURITY EXPENSE				
6560-01 · Security	5,496.71	20,000.00	-14,503.29	27.5%
Total 6560-00 · SECURITY EXPENSE	5,496.71	20,000.00	-14,503.29	27.5%
6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU				
6570-01 · R/M Aeronautical Equip - NDB/DME	2,100.00	25,000.00	-22,900.00	8.4%
6570-04 · R/M Aeron. Equip. - AWOS/ATIS	2,850.00			

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Total 6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU	4,950.00	25,000.00	-20,050.00	19.8%
Total "B" EXPENSES - OPERATIONAL	25,289.83	193,000.00	-167,710.17	13.1%
Total "B" EXPENDITURES	205,565.31	1,088,008.60	-882,443.29	18.9%
"C" EXPENSES				
7000-00 · MISC. CAPITAL EXPENDITURES				
7000-01 · Contingency	0.00	20,000.00	-20,000.00	0.0%
7000-05 · Computer Equipment/Software	3,300.00	30,000.00	-26,700.00	11.0%
7000-34 · Security Upgrades/Equipment	0.00	16,000.00	-16,000.00	0.0%
7000-41 · Terminal Air Service Support	0.00	20,000.00	-20,000.00	0.0%
7000-42 · Runway Improvements	0.00	200,000.00	-200,000.00	0.0%
7000-43 · Parking Lot Improvements	0.00	500,000.00	-500,000.00	0.0%
7000-44 · Materials for Bench Fabrication	0.00	2,000.00	-2,000.00	0.0%
7000-45 · Heavy Duty Shelving	0.00	2,500.00	-2,500.00	0.0%
7000-46 · Tower Roof	0.00	4,000.00	-4,000.00	0.0%
7000-47 · New Office Improvements	0.00	40,000.00	-40,000.00	0.0%
7000-48 · 139 Compliance Rep. Software	0.00	3,500.00	-3,500.00	0.0%
7000-49 · Heavy Duty Air Over Hydraulic J	0.00	4,000.00	-4,000.00	0.0%
7000-50 · Welding Equipment	0.00	4,500.00	-4,500.00	0.0%
7000-51 · Impact Compressor Gun	0.00	3,500.00	-3,500.00	0.0%
Total 7000-00 · MISC. CAPITAL EXPENDITURES	3,300.00	850,000.00	-846,700.00	0.4%
7539-00 · AIP '39 EXPENSE - Imp. ALP	5,561.72			
7539-03 · AIP '39 -AIP/PFC	5,561.72			
Total 7539-00 · AIP '39 EXPENSE - Imp. ALP	5,561.72			
7540-00 · AIP '40/PFC EXPENSE - Safety Ar				
7540-01 · AIP '40	112.50	9,375,000.00	-9,374,887.50	0.0%
7540-02 · AIP '40 Non-Eligible	48,008.42			
7540-03 · AIP '40 AIP/PFC	2,143,077.60			
7540-04 · AIP '40 Non Eligible - Terminal	195.10	990,750.00	-990,554.90	0.0%
7540-05 · AIP '40 AIP 40/PFC 14	0.00	401,000.00	-401,000.00	0.0%
7540-06 · AIP '40 Non-Eligible - OPS/Adm.	16,761.02			
7540-07 · AIP '40 RETAINER	40,081.68			
Total 7540-00 · AIP '40/PFC EXPENSE - Safety Ar	2,248,236.32	10,766,750.00	-8,518,513.68	20.9%
7541-00 · AIP 41 Expense - Project TBD				
7541-01 · AIP '41 - Eligible	0.00	7,500,000.00	-7,500,000.00	0.0%
Total 7541-00 · AIP 41 Expense - Project TBD	0.00	7,500,000.00	-7,500,000.00	0.0%
9001-00 · PFC 14-09-C-00-SUN				
9001-02 · PFC '14 Acquire SRE	0.00	500,000.00	-500,000.00	0.0%
9001-03 · PFC '14 Master Plan	108,678.88	550,000.00	-441,321.12	19.8%
9001-04 · PFC '14 Relocate SW Taxilane By	205.41			
9001-05 · PFC '14 Relocate GA Apron	165.37			

12:33 PM

01/26/15

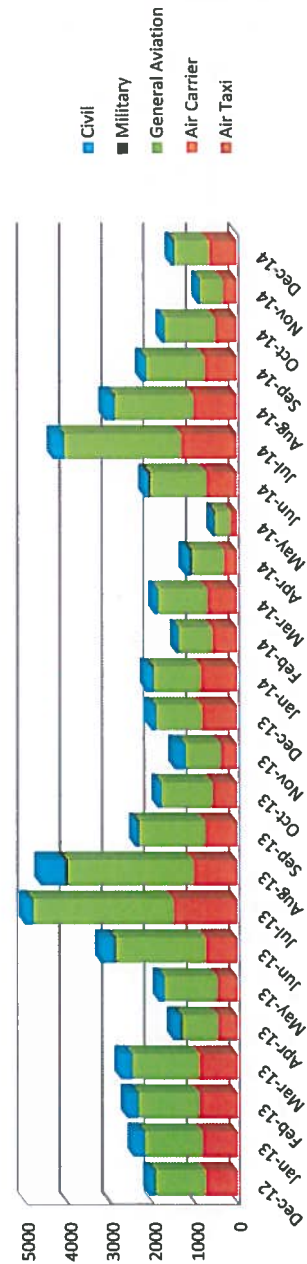
Accrual Basis

Friedman Memorial Airport Profit & Loss Budget vs. Actual Combined October through November 2014

	Oct - Nov 14	Budget	\$ Over Budget	% of Budget
9001-06 · PFC '14 Perimeter Fence Relocat	27.66			
9001-07 · PFC '14 RSA Grading	306.60			
9001-08 · PFC '14 Relocate Taxiway A & B	500.25			
9001-09 · PFC '14 Relocate Power to PAPI	8.39			
9001-10 · PFC '14 Relocate AWOS	2.34			
9001-11 · PFC '14 Relocate SRE/ARFF Bldg.	71,988.03			
9001-12 · PFC '14 Relocate Terminal Apron	33,048.74			
9001-13 · PFC '14 Relocate Cargo Apron	4,719.07			
9001-14 · PFC '14 Relocate Hangars	0.00			
9001-15 · PFC '14 Rehab Terminal Bldg.	32,270.77			
9001-20 · PFC '14 RETAINER	-9,960.39			
9001-00 · PFC 14-09-C-00-SUN - Other	0.00	1,125,000.00	-1,125,000.00	0.0%
Total 9001-00 · PFC 14-09-C-00-SUN	241,961.12	2,175,000.00	-1,933,038.88	11.1%
Total "C" EXPENSES	2,499,059.16	21,291,750.00	-18,792,690.84	11.7%
Total EXPENDITURES	2,911,249.80	23,724,414.71	-20,813,164.91	12.3%
Total Expense	2,911,249.80	23,724,414.71	-20,813,164.91	12.3%
Net Ordinary Income	-896,167.66	-3,875,798.71	2,979,631.05	23.1%
Other Income/Expense				
Other Income	140.55			
Finance Charges	140.55			
Total Other Income	140.55	0.00	140.55	100.0%
Net Other Income	140.55	0.00	140.55	100.0%
Net Income	-896,027.11	-3,875,798.71	2,979,771.60	23.1%

ATCT Traffic Operations Record

Month	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
January	3,622	3,893	3,912	2,600	3,028	2,787	4,547	2,520	2,070	2,379	2,408	2,098	2,454	2,128	
February	4,027	4,498	3,073	3,122	3,789	3,597	3,548	2,857	2,244	2,647	2,117	2,205	2,612	1,417	
March	4,952	5,126	3,086	4,097	3,618	2,918	4,677	3,097	2,145	2,709	1,813	1,921	2,753	1,924	
April	2,494	3,649	2,213	2,840	2,462	2,047	2,581	2,113	1,724	1,735	1,604	1,513	1,509	1,210	
May	3,905	4,184	2,654	3,282	2,729	2,134	1,579	2,293	2,280	1,891	1,533	1,693	1,852	555	
June	4,787	5,039	4,737	4,438	3,674	3,656	5,181	3,334	2,503	3,019	2,898	2,761	3,203	2,164	
July	6,359	8,796	6,117	5,910	5,424	5,931	7,398	4,704	4,551	5,005	5,004	4,810	5,345	4,345	
August	6,479	6,917	5,513	5,707	5,722	6,087	8,196	4,570	4,488	4,705	4,326	3,823	4,644	3,114	
September	3,871	4,636	4,162	4,124	4,609	3,760	4,311	2,696	3,376	3,128	3,359	2,396	2,403	2,237	
October	3,879	3,656	3,426	2,936	3,570	3,339	3,103	2,134	2,145	2,012	1,886	1,658	1,874	1,760	
November	3,082	2,698	2,599	2,749	2,260	2,912	2,892	1,670	1,901	1,309	1,114	1,325	1,475	908	
December	3,401	2,805	3,247	3,227	2,722	3,834	2,699	1,848	2,272	1,811	2,493	2,066	2,016	1,545	
Totals	50,858	55,897	44,739	45,032	43,607	43,002	50,712	33,836	31,699	32,350	30,555	28,269	32,140	23,307	

Operations
2012-2014
(Cumulative)

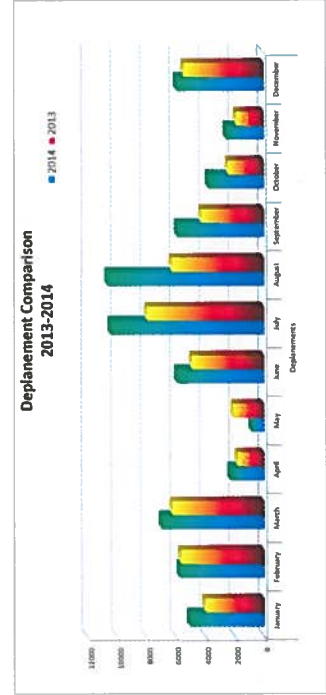
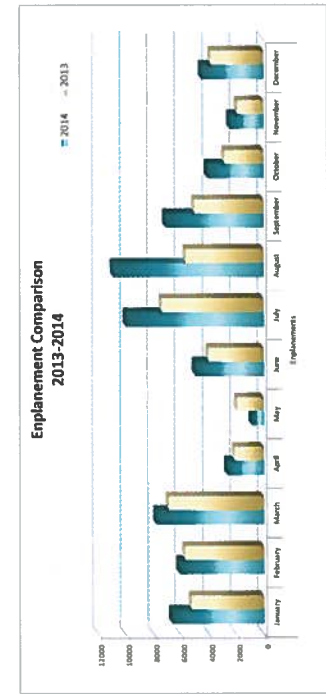
ATCT Operations Change (current month vs. same month last year)				
	2014	2013	% Change	
Air Taxi	457	720	-37%	
Air Carrier	186	105	77%	
General Aviation	822	1,088	-24%	
Military	15	7	129%	
Civil	64	96	-33%	
Total	1545	2016	-23.36%	

Month	2014 Enplanements									
	Alaska Airlines					Delta Airlines				
	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change
Jan-14	2,991	67	3,058	3,150	-3%	2,483	102	2,585	2,113	22%
Feb-14	2,871	78	2,947	3,374	-13%	2,249	62	2,311	2,366	-2%
Mar-14	3,187	98	3,285	3,717	-12%	3,275	119	3,394	3,185	7%
Apr-14	514	16	530	0	530%	2,011	107	2,118	2,114	0%
May-14	0	0	0	0	0%	792	31	823	1,925	-57%
Jun-14	1,437	66	1,503	1,173	28%	3,368	97	3,465	2,847	22%
Jul-14	3,413	66	3,479	3,405	2%	4,144	115	4,259	4,014	6%
Aug-14	3,534	88	3,622	2,608	39%	4,486	110	4,596	3,062	50%
Sep-14	2,264	69	2,333	1,832	27%	3,781	117	3,898	3,214	21%
Oct-14	509	15	524	0	0%	3,465	108	3,573	2,844	26%
Nov-14	0	0	0	0	0%	2,381	82	2,463	1,892	30%
Dec-14	1,322	43	1,365	1,438	-5%	2,212	93	2,305	1,890	22%
Totals	22,042	604	22,646	20,697	9%	34,647	1,143	35,790	31,466	14%

Legend for Chart:

Month	2014 Deplanements									
	Alaska Airlines					Delta Airlines				
	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change	Revenue	Non-Revenue	Total	Prior Year Month	Total % Change
Jan-14	2,366	66	2,432	2,398	1%	1,620	81	1,701	1,632	16%
Feb-14	2,543	88	2,631	3,294	-20%	2,334	52	2,386	2,360	1%
Mar-14	2,940	91	3,031	3,355	-10%	2,815	111	2,926	2,891	1%
Apr-14	408	17	425	0	425%	1,768	99	1,867	1,806	3%
May-14	0	0	0	0	0%	805	28	833	2,086	-60%
Jun-14	1,888	70	1,958	1,662	18%	3,832	96	3,928	3,242	21%
Jul-14	3,738	77	3,815	3,819	0%	4,308	87	4,395	4,137	6%
Aug-14	3,775	104	3,879	3,013	29%	4,395	104	4,499	3,250	38%
Sep-14	1,906	65	1,971	1,611	22%	3,226	111	3,337	2,665	25%
Oct-14	544	18	562	0	0%	3,145	94	3,239	2,458	32%
Nov-14	0	0	0	0	0%	2,489	79	2,568	1,870	37%
Dec-14	1,846	29	1,875	2,214	-15%	2,792	84	2,876	2,375	21%
Totals	21,954	625	22,579	21,366	6%	33,729	1,026	34,755	30,772	13%

Legend for Chart:

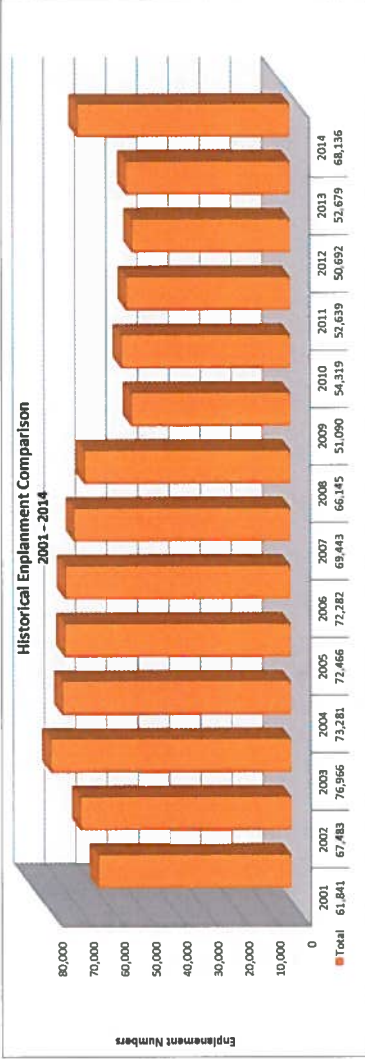
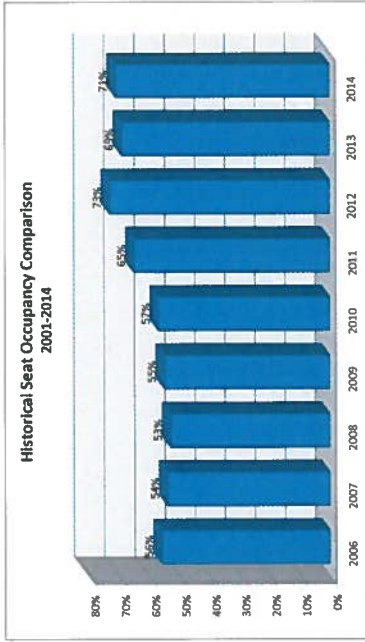


Friedman Memorial Airport

December 2014

2014 Seat Occupancy															
Month	Alaska Airlines				Delta Airlines				United Airlines				Seat Occupancy Totals		
	Departure Flights	Seats Available*	Seats Occupied	Percent Occupied	Departure Flights	Seats Available	Seats Occupied	Percent Occupied	Departure Flights	Seats Available	Seats Occupied	Percent Occupied	Total Seats Available	Total Seats Occupied	Total Percent Occupied
Jan-14	52	3,952	3,058	77%	74	3,390	2,585	76%	25	1,650	992	60%	8,992	6,635	74%
Feb-14	44	3,344	2,947	88%	54	3,726	2,311	62%	19	1,254	854	68%	8,324	6,112	73%
Mar-14	50	3,800	3,285	86%	71	4,899	3,394	69%	24	1,584	1,125	71%	10,283	7,804	76%
Apr-14	9	684	530	77%	48	3,312	2,118	64%	0	0	0	0%	3,996	2,648	66%
May-14	0	0	0	0%	20	1,380	823	60%	0	0	0	0%	1,380	823	60%
Jun-14	34	2,312	1,503	65%	80	5,520	3,465	63%	0	0	0	0%	7,832	4,968	63%
Jul-14	62	4,216	3,479	83%	88	6,072	4,259	70%	60	4,200	2,277	54%	14,488	10,015	69%
Aug-14	60	4,080	3,622	89%	86	5,934	4,596	77%	57	3,990	2,710	68%	14,004	10,928	78%
Sep-14	49	3,332	2,333	70%	84	5,796	3,898	67%	32	2,112	900	43%	11,240	7,131	63%
Oct-14	9	684	524	77%	62	4,278	3,573	84%	0	0	0	0%	4,962	4,097	83%
Nov-14	0	0	0	0%	51	3,519	2,463	70%	0	0	0	0%	3,519	2,463	70%
Dec-14	26	1,976	1,365	69%	54	3,726	2,305	62%	19	1,254	842	67%	6,956	4,512	65%
Totals	395	28,380	22,646	79.8%	772	51,552	35,790	69%	236	16,044	9,700	60%	95,976	68,136	71%

Note: Total of 68 Seats Available on aircraft for summer months
Total of 76 Seats Available on aircraft for winter months
Total of 66 Seats Available on aircraft from Jan. - June
Total of 70 Seats starting in July
*Seats are capped at 68 during some periods in the summer due to weight and balance requirements and other times of the year seats may be capped due to environmental conditions



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COMMUNITY BRIEFS

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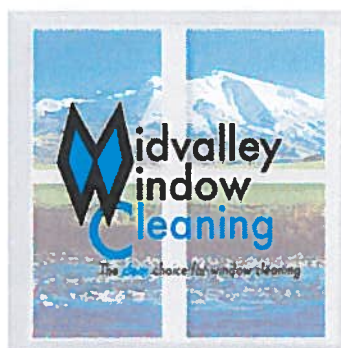
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Sardy Field, TSA staffers to address long lines at the airport

Aspen Daily News Staff Report
Tuesday, December 2, 2014

Printer-friendly version
Email this Story

Officials at the Aspen/Pitkin County Airport will be working with the Transportation Safety Administration as well as local air service providers to mitigate long lines this winter at the terminal, according to a statement released Monday.



"It's an ongoing problem," said Pat Bingham, county community relations specialist. "It gets very busy during the Christmas rush, Martin Luther King Jr.'s birthday weekend, President's Day, New Year's Eve, spring break and pretty much the entire month of March.

"This will be the first time the county has engaged in a proactive role to address the problem," she continued.

Those who opt-in on PitkinAlert will receive a notice if the airport is very busy, but flight times will not be available. The alerts will be available shortly before Christmas.

"It's designed to give people a head's up if the airport is really busy," said Bingham.

Airport staff hopes the alerts allow them to better manage the number of travelers waiting in the small, secure boarding area, which is bound to a capacity of little more than 300 by the county's fire code.

Brian Grefe, assistant airport director, noted in the statement that if capacity is met, airport staff must decide which travelers have precedent over others who may have longer until their flights. That will dictate how passengers are moved through the security line.



Courtesy photo

"We are getting more creative with how we encourage travelers to arrive at the airport early so they don't miss their flights standing in long security lines," Grefe's statement read. "We also have to work magic on the days when too many people wind up in our undersized secure-boarding area. Fire code prohibits more than 316 people at a time in that room."



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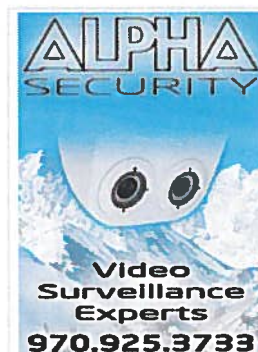
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Calendar

« December 2014

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			



Airport officials plan to work with the TSA and local airlines to manage long lines during the busiest times this winter at Sardy Field.

According to Bingham, the TSA, airlines and airport officials were meeting

during the fall to figure out the best methods to keep the flow of travelers moving through security and onto their flights, especially those who show up just before their boarding times.

"Because we're a small, quaint airport, travelers get lulled into thinking they don't need to arrive two hours before their flights," Grefe said. "They often don't need to arrive that early during the off-season and slower times, but during the holidays it's not that unusual for people to miss their flights by not arriving in time."

A public outreach effort also is planned to cover the busiest winter days, reminding travelers to arrive at least two hours early. The campaign will employ "real-time reminders" rather than a blanket, winter-long advisory, according to the statement. Once at the airport, travelers may be ushered through the long lines depending on the urgency of their departures.

"Many people who don't fly during the busy time of the year don't see [how busy it can get]," said Bingham. "It only takes one thing, like a flight cancellation ... if one domino falls it can be insanity in there."

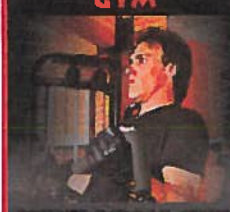
"This is going to be an all-out effort by all of us, the airport, airlines and TSA, to improve the traveling experience the best we can," Grefe added in the statement.

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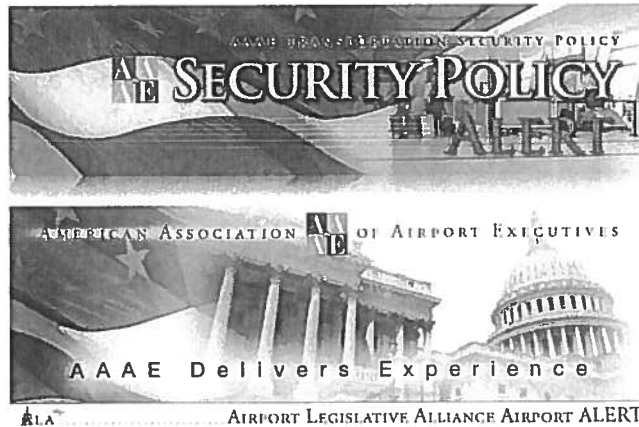
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Rick Baird

From: Colleen Chamberlain <colleen.chamberlain@aaae.org>
Sent: Wednesday, January 07, 2015 9:22 AM
To: Rick Baird
Subject: Security Policy/Airport Alert: Senator Schumer Calls on TSA to Implement 100 Percent Employee Screening



Senator Schumer Calls on TSA to Implement 100 Percent Employee Screening

January 7, 2015

In a press conference this morning, Senator Charles Schumer (D-NY), a member of the Senate Democratic leadership, will call on TSA to immediately implement a national requirement that all airports physically screen airline and airport employees each day before work. Senator Schumer has indicated that he believes the lack of 100 percent physical screening of most airline and airport employees poses a "dangerous loophole" in airport security. Schumer's call for 100 percent physical employee screening is a result of the recent high-profile gun running scheme, during which a former Delta Airlines employee carried backpacks and carry-on baggage full of guns and ammunition on nearly twenty commercial flights in 2014.

AAAE's Transportation Security Services Committee is meeting this afternoon to discuss this latest call for 100 percent employee screening. In 2007, when there were similar calls for 100 percent physical employee screening, AAAE formed an Employee Screening Task Force with TSA and other aviation associations. The task force recommended six options other than the costly and operationally burdensome process to physically screen all airline and airport employees:

The six options included the following elements:

1. **Behavioral recognition:** growing the population beyond TSA to include selected airport employees trained to recognize hostile intent.

2. **Employee training:** raising awareness of suspicious activity and implementing incentives for reporting anomalies.
3. **Targeted physical inspection:** building upon TSA's random, unpredictable employee screening measures to include roving security patrols and use of canines.
4. **Enhanced access control:** using technology, including cameras, to enhance access control and monitoring.
5. **Increased vetting of employees:** subjecting employees to a more rigorous level of scrutiny and reviewing current vetting processes.
6. **Technology deployment:** continuing to support the development and deployment of security technology including cameras and body imaging.

These options remain valid today and many if not all have been implemented in some fashion at airports across the country. Again, the AAAE TSS Committee will meet today to discuss next steps to counter-act current proposals for 100 percent employee screening, which is not in line with TSA's risk-based approach to aviation security and research has proved to be overwhelmingly costly and operationally burdensome.

It is clear that this issue will continue to receive attention on Capitol Hill, and we will keep you apprised of future developments.

Colleen Chamberlain, Vice President
Sarah Pilli, Director

Joel Bacon, Executive Vice President
Brad Van Dam, Senior Vice President
Gwen Basaria, Staff Vice President
Adam Snider, Director



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Rick Baird

From: Justin Towles <justin.towles@aaae.org>
Sent: Tuesday, January 13, 2015 9:34 AM
To: Rick Baird
Subject: AAAE Regulatory Alert: NTSB Announces Most Wanted List of Transportation Safety Improvements



NTSB Announces 2015 Most Wanted List of Transportation Safety Improvements

January 13, 2015

Today, Acting Chairman of the National Transportation Safety Board (NTSB), Christopher Hart, revealed the agency's 2015 Most Wanted List of Transportation Safety Improvements. This list is an annual initiative to highlight critical changes needed to reduce accidents and save lives across all modes of transportation. This year's list includes the reoccurring themes of eliminating distractions, ending substance impairment and implementing positive train control systems, while the remaining seven areas of focus take on new issues.

Of the ten items on the Most Wanted List, six are in some way related to aviation. The aviation related items include:

- Disconnect from Deadly Distractions
- End Substance Impairment in Transportation
- Enhance Public Helicopter Safety
- Prevent Loss of Control in Flight in General Aviation
- Require Medical Fitness for Duty
- Strengthen Procedural Compliance

Throughout the upcoming year, each of the NTSB Board Members will have specific points from the Most Wanted List which they are primarily responsible for promoting and supervising. Because of his background as an experienced pilot, Dr. Earl F. Weener will be overseeing the issues of preventing loss of control in flight in general aviation and strengthening procedural compliance, and Robert Sumwalt will be taking lead on enhancing public helicopter safety.

AAAE looks forward to working with the NTSB and the FAA in the coming months to help address these areas of critical safety need. For more information on the 2015 Most Wanted List visit www.nts.gov.

Melissa Sabatine, Senior Vice President
Gwen Basaria, Staff Vice President
Justin Towles, Staff Vice President
Janet Skelly, Director



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Rick Baird

From: Barbara Cook <barbara.cook@aaae.org>
Sent: Tuesday, January 13, 2015 7:58 PM
To: Rick Baird
Subject: Airport Report Today, January 14, 2015

airportreporttoday **AAAE**

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[Airlines Report Four Tarmac Delays In November](#)
[NTSB Issues 'Most Wanted' Safety List](#)
[Oakland Offers Free Parking For Texas-Bound Travelers](#)
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Delta Opens JFK Terminal 4 Expansion

Delta on Jan. 13 unveiled the newest expansion to Terminal 4 at New York's Kennedy International.

The \$175 million project adds 11 new gates and 75,000 square feet to Terminal 4's Concourse B and continues Delta's \$1.2 billion investment to enhance and expand the terminal.

The carrier said that, with the 11-gate expansion, it is relocating a majority of its Delta Connection flights from Terminal 2 to the expanded Concourse B in Terminal 4. The new gates at Terminal 4 feature enclosed jetways and offer customers proximity to a Sky Club and access to chef-inspired restaurants.

NTSB Issues 'Most Wanted' Safety List

FEATURED MEETING

AAAE Regional Basic Airport Safety and Operations Specialist (ASOS) School
April 26 - 27, 2014 | Buffalo, NY

UPCOMING EVENTS

Southwest Chapter AAAE Accreditation Final Interview Workshop
January 24, 2015 | Monterey, CA
Southwest Chapter AAAE Airport Management Short Course
January 25 - 28, 2015 | Monterey, CA

Ninth Annual ARFF Training Alliance/AAAE Joint ARFF Chief's & Leadership School
January 27 - 30, 2015 | Ft. Lauderdale, FL

The National Transportation Safety Board has released the agency's 2015 Most Wanted list of transportation safety improvements, with six related to aviation.

The aviation-related items on the list are:

- Disconnect from deadly distractions
- End substance impairment in transportation
- Enhance public helicopter safety
- Prevent loss of control in flight in general aviation
- Require medical fitness for duty
- Strengthen procedural compliance

Gerald Ford Airport To Open Remodeled Concourse

Michigan's Gerald R. Ford International has scheduled a ribbon-cutting for Jan. 28 for its newly remodeled and expanded Concourse B Terminal.

The remodeled facility includes new holdrooms, a gift shop, new restrooms and a restaurant and bar, as well as new signage, flooring and seating.

Huntsville International Completes Runway Project

After a nine-month, \$16.6 million improvement project, Huntsville International has reopened its east runway along with adjacent taxiways.

The project, which was aided by a \$15.8 million FAA grant, was undertaken in order to meet the requirements set for Panalpina's 747-8 freighters, which are classified as a Group VI aircraft, according to the airport.

Allegiant Air To Expand Service From Tulsa

Allegiant Air announced the expansion of nonstop jet service from Tulsa International to Tampa Bay, Los Angeles and Las Vegas.

"Allegiant's announcement of three new nonstop routes from Tulsa is great news for our community," said airport Director Jeff Mulder, A.A.E. "Ultra-low-cost service to more vacation destinations is one of the airport's top priorities and is a primary driver in leisure travelers choosing to fly Tulsa."

JetBlue Plans Reno-Tahoe Flights To JFK

JetBlue will add nonstop service between Nevada's Reno-Tahoe International and New York's Kennedy International on May 28.

26th Annual AAAE/Southeast Chapter AAAE Airport Finance & Administration Conference
February 8 - 10, 2015 | Miami, FL

ACC/AAAE Airport Planning, Design and Construction Symposium
February 18 - 20, 2015 | Denver, CO

AAAE/ACI-NA Washington Legislative Conference
March 3 - 4, 2015 | Washington, DC

AAAE/Great Lakes Chapter AAAE Ground Handling Initiatives Workshop
March 8, 2015 | Tucson, AZ


AAAE/Great Lakes Chapter AAAE National Air Service Conference
March 8 - 10, 2015 | Tucson, AZ

South Central Chapter AAAE Annual Conference and Exposition
March 9 - 11, 2015 | Tulsa, OK

Regional Basic ASOS School - ELP
March 18 - 19, 2015 | El Paso, TX

"Landing nonstop daily service on an incredible airline like JetBlue is an example of what this region can do when it works together for a common goal," Marily Mora, A.A.E., president/CEO of the Reno-Tahoe Airport Authority.

Airline Ticket Sales Increase In December

 The sale of domestic airfares in December rose less than 1 percent over the same month in 2013, according to the Airlines Reporting Corp. (ARC), which handles agency ticket sales for the airlines.

For 2014, domestic ticket sales increased 4 percent over the prior year to reach \$38 billion, ARC said.

On international routes in December, sales rose 3.8 percent. For the year as a whole, international sales at \$33.4 billion, were 2.4 percent ahead of 2013.

Airlines Report Four Tarmac Delays In November

The nation's major airlines in November reported four tarmac delays of more than three hours on domestic flights and no tarmac delays of more than four hours on international flights, DOT said.

Three of the reported tarmac delays involved flights departing Nov. 22 from Detroit Metro during an ice storm. All of the reported tarmac delays are under investigation by the department.

Also during November, the carriers posted an on-time arrival rate of 80.6 percent, down from the 83.5 percent on-time rate in November 2013, but up from the 80 percent mark in October 2014.

Oakland Offers Free Parking For Texas-Bound Travelers

Oakland International has a new parking promotion to reward travelers heading to Texas.

Effective Jan. 15, travelers departing the airport on any airline to any destination in Texas can receive up to three days' free parking worth up to \$66 in the airport's daily lot. To receive the discount, travelers must present a copy of their qualifying airline e-ticket itinerary, along with a Park Free promotion coupon to a cashier upon exiting the airport lot.

Boeing Sets Record For Aircraft Deliveries

Boeing announced that it has set an industry record for the most commercial airplanes delivered in a single year at 723 in 2014.

Boeing last year booked 1,432 net orders, valued at \$232.7 billion at list prices. The company also grew its backlog of unfilled commercial orders to a high of 5,789 airplanes.

Boeing's widebody family of airplanes — 747-8, 767, 777 and 787 Dreamliner —accounted for more than 60 percent of all twin-aisle deliveries last year.

American Provides Global Entry Benefit To Crews

DHS and U.S. Customs and Border Protection (CBP), in coordination with American Airlines, announced that the airline will provide Global Entry membership as a benefit to its pilots and crew.

Global Entry allows expedited CBP clearance for pre-approved, low-risk travelers upon arrival in this country.

Global Entry is operational at 42 U.S. airports and 12 preclearance locations.

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Not yet a Digicast subscriber? Contact Trina Hadden at 703-824-0500, Ext. 162, or trina.hadden@aaae.org to have your free 30-day trial started today.

Did You Know

The AAAE Foundation funds one of the largest scholarship programs in the aviation industry. With the 2014 scholarship awards, the AAAE Foundation will have provided nearly \$3.5 million to more than 2,200 students since 1989.

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Airline board recommends boosting Houston summer flight to daily schedule

By **Tom Ross**

Friday, January 16, 2015

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Steamboat Springs — Steamboat Springs' Local Marketing District board voted Friday to recommend that Steamboat Springs City Council boost the summer 2015 flight from Houston to daily service, partly as a hedge against the increasingly unreliable air service to Denver provided by Republic Airlines as United Express.

The vote came shortly after LMD board members heard disappointing details of the performance of United Express flights between Denver and Yampa Valley

Regional Airport during the critical December 2014 holiday week.

Steamboat Ski and Resort Corp. Airline Program Director Janet Fischer told LMD members that of 48 scheduled flight segments on United Express to and from Denver during the six-day period between Christmas and New Year's, 20 were canceled. And of the 28 that did fly, 10 experienced delays of more than two hours. Weather in Steamboat was not the issue.

"The service between Denver and Hayden this winter operated by Republic (Airlines as United Express) on the Q400 (turboprop) is not meeting our expectations on reliability," Fischer said. "And with that performance in mind, (ski area Senior Vice President of Sales and Marketing) Rob (Perlman) and I have been in communication with United to discuss reliability issues. That's weighed heavily on our thoughts about summer for Denver/Hayden."

County Manager Tom Sullivan told the LMD that he visited YVRA several times during the busy days at the airport between Christmas and New Year's and on one occasion came across 50 pieces of unclaimed luggage lined up on the terminal floor.

The airport was taking "tens if not hundreds of calls from passengers trying to find out where their bags were three days after they arrived," Sullivan said.

Sullivan cited a [Jan. 6 Denver Post article](#) in suggesting United's recent decision at Denver International Airport where SkyWest was replaced as below-wing luggage handler by another company may have contributed to the issues.

Fisher said Steamboat has had a long and beneficial partnership with United Airlines, but it's specifically the performance of Republic on the Denver route this winter that has led her and Perlman to approach airline officials about the possibilities of securing jet service operated by other United Express partners to fly between YVRA and Steamboat. Candidates include SkyWest, ExpressJet and Trans State.

Republic has been flying the route between the Yampa Valley and Denver for about 28 months, and Perlman indicated he is weary of the poor on-time performance.

“We’ve had a lot of discussions and it’s time for change instead of continuing the same discussions,” he said. “It leads to additional lack of performance due to reliability and we go through these self-fulfilling prophecies.”

The Local Marketing District is a committee comprising primarily business people with long tenures in the local resort industry. They make recommendations to City Council regarding air service and budgeting. The flights are secured with millions of dollars in local funds, including money from Ski Corp., a dedicated city lodging tax and a 0.25 percent general sales tax. The monies are used to provide the minimum revenue guarantees for the airlines that secure the flights.

However, revenue guarantees are not currently used to secure the Denver flights.

Fischer told the LMD board members that during an executive session Friday to discuss privileged airline contract details, she would brief them on the costs of boosting last summer’s Houston service, also on United, from four roundtrips weekly to either five days per week or daily. The dates of this year’s proposed schedule are June 25 through Aug. 31, plus two additional roundtrips to support Labor Day tourism.

Last summer’s jet service from Hayden was reliable and well-used; from June 26 to July 22, the first 30 legs of that flight [attracted 1,123 passengers](#).

The board emerged from executive to session to unanimously approve the daily flight schedule. Board President Chuck Porter said the decision to go to daily flights was based on a desire to make the service more convenient for travelers, allowing them to choose their own travel dates, and to provide them with an alternative to the Denver route.

The summer routes will be on the same Embraer RJ145 50-passenger jet that flew here last summer.

LMD Board member Rod Hanna predicted the daily flights would be easier to promote to the traveling public.

“I think there’s a huge advantage to being daily,” Hanna said. “It’s a much better marketing opportunity and puts a positive message out there — we have daily flights from Houston.”

The amount of minimum revenue guarantees needed to secure the flight are withheld at the airline’s insistence in their contract language.

To reach Tom Ross, call 970-871-4205, email tross@SteamboatToday.com or follow him on Twitter [@ThomasSRoss1](#)

ADF hiring Instructors

If you are a CFI looking for a job check out ADF Airways in Miami

More like this story

[Talks underway between Ski Corp and United on renewing Houston flights in summer 2015](#)

[Air service board revisits summer flights from Texas](#)

[Delta confirms new jet plan](#)

[Summer numbers down at YVRA](#)

[Houston flight attracts 1,123 passengers June 26 through July 22](#)

Comments



scott bideau 1 week, 2 days ago

0

United underperforms so we pay them to add another route instead of diversifying and going with a different carrier, like American to DFW.

I will repeat my data request to see the number of flights cancelled or delayed due to maintenance. The airport could pay the FAA maintenance technician to be onsite during all flight times and on call otherwise. This would solve probably 80% of the issues I have experienced flying out of HDN.

[Sign in to suggest removal](#)

[Please Login and/or Verify your account to reply](#)



John Weibel 1 week, 2 days ago

0

Don't bother people with the details of why the flights were delayed or cancelled. Details just muddy the water on how the carrier is failing in their job.

By the way, wouldn't that direct flight with a layover in Denver, where people do not need to deplane work almost as well if you are trying to add jet capacity into the airport to solve the puddle jumper maintenance problems? In addition, given that the recent oil boom is coming to an end, maybe adding capacity there is just going to cost the community money.

Though those details of people raising red flags, can't be bothered with as views contradicting ones own seemingly are not wanted in most cases. But it is easy to discard views that may not align with ones aspirations for more revenue, when playing with other people's money.

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Lee Cox 1 week, 2 days ago

0

Once again - the editors missed a big boo-boo. Re-read the paragraph starting with "Fisher said ..." and Tom Ross describes flights between YVRA and Steamboat. wonder how much that flight would cost!

[Sign in to suggest removal](#)

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George Krawzoff 1 week, 1 day ago

0

So "Steamboat" would be Bob Adams Field. LOL They should put in the train too.

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Scott Wedel 1 week, 1 day ago

0

Maybe we could build a hyperloop before Elon Musk.

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George Krawzoff 1 week, 1 day ago

0

Diane Mitsch Bush is working on it. Cracks me up that she is vice chair of the Colo legislature's transportation committee. While managing transit in Steamboat, I could count on Diane to come up with well-intentioned but completely clueless transit proposals to waste time and add expense. That continued when I was CDOT commissioner.

2 replies [Sign in to suggest removal](#)

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mark hartless 1 week, 1 day ago

0

"...well-intentioned but completely clueless..."

Unfortunately, actions have consequences which transcend good intentions...

[Sign in to suggest removal](#)

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Michael Bird 1 week ago

0

AGAIN the Routt County taxpayers will not have the benefit of "special" fares to help offset the costs. After all, zero revenue is always best seems to be the motto. Empty seats also seem to be a goal. After all, why give the locals a break and increase revenue by filling empty seats? And this absolutely could be done.

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Scott Wedel 1 week ago

0

"The amount of minimum revenue guarantees needed to secure the flight are withheld at the airline's insistence in their contract language."

This is a perfect example of why taxpayer money should not be spent for this purpose. If the government authority cannot say how taxpayer much is being spent then it needs to be avoided by government.

Oh well, at least this tax has a sunset. If I was Parks and Rec looking to form a district independent of the city then I'd take aim at the LMD tax and propose a similar sized tax as the LMD tax to be on the same ballot. And I'd then focus the campaign that a Parks and Rec tax would be so much better than the LMD tax, that it'd benefit locals and that spending decisions would be held in meetings open to the public.

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Rick Baird

From: Barbara Cook <barbara.cook@aaae.org>
Sent: Tuesday, January 20, 2015 5:32 PM
To: Rick Baird
Subject: Airport Report Today, January 21, 2015



DELIVERING THE NEWS YOU NEED ■ AMERICAN ASSOCIATION OF AIRPORT
EXECUTIVES ■ JANUARY 21, 2015

TOP STORIES IN THIS ISSUE

VOL. VI, NUMBER 5

- Administration Proposes New Infrastructure Bonds
- WestJet To Add Houston-Calgary Flights
- Delta Posts \$2.8 Billion Profit For 2014
- Houston Creates Construction Training Center
- WOW Air To Begin Service To BWI
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- Silver Airways Plans Expanded Florida Schedule

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Changes

Administration Proposes New Infrastructure Bonds

The Obama Administration late last week unveiled an infrastructure initiative that calls for new tax-exempt municipal bonds. If approved by Congress, the White House plan could help airports by lowering the financing costs for public-private partnerships.

The administration proposed a new municipal bond known as a Qualified Public Infrastructure Bond (QPIB). According to the administration, the new bond would "extend the benefits of municipal bonds to public private partnerships, like partnerships that involve long-term leasing and management contracts, lowering the cost of borrowing and attracting new capital."

A White House fact sheet suggests that QPIBs would "expand the scope" of Private Activity Bonds (PABs) to include financing for airports, ports, mass transit, and other infrastructure projects. Unlike PABs, however, QPIBs would not be subject to the Alternative Minimum Tax (AMT).

FEATURED MEETING

**AAAE Airports Energy
Efficiency Forum**
April 21 - 22, 2015 | New Orleans,
LA

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Alliance/AAAE Joint ARFF
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January 27 - 30, 2015 | Ft.
Lauderdale, FL

**26th Annual AAAE/Southeast
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February 8 - 10, 2015 | Miami, FL

**ACC/AAAE Airport Planning,
Design and Construction
Symposium**
February 18 - 20, 2015 | Denver,
CO

**AAAE/ACI-NA Washington
Legislative Conference**
March 3 - 4, 2015 | Washington,
DC

The administration's fiscal year 2016 budget request, which will be unveiled in February, is expected to include more details on the new bond proposal.

AAAE and ACI-NA are working together to urge Congress to retain the current tax exemption for municipal bonds and to exclude airport PABs from the AMT. A permanent AMT fix would help airports reduce their borrowing costs, allow them to invest in more infrastructure projects, and support more jobs.

As Congress gears up to consider another FAA reauthorization bill this year, AAAE and ACI-NA also are urging Congress to modernize PFCs and protect AIP. Raising the PFC cap continues to be a top legislative priority for the two associations and airports around the country.

Delta Posts \$2.8 Billion Profit For 2014

Delta said it earned a \$649 million profit for the December 2014 quarter, and a \$2.8 billion profit for the calendar year.

"Our 2014 performance – an industry-leading operation, superior customer service, and a 70 percent increase in profits – shows that Delta is focused on delivering growing value for its employees, customers and investors," said carrier CEO Richard Anderson. "As we begin 2015, we have a significant opportunity from lower fuel prices, which will drive more than \$2 billion in fuel savings over 2014. Through our capacity discipline, pricing our product to demand, and the fuel savings, we expect to drive double-digit earnings growth, along with increased free cash flow and a higher return on invested capital, in the upcoming year."

WOW Air To Begin Service To BWI

WOW air, a low-fare carrier based in Iceland, announced that, effective May 9, it will begin service with Airbus 321 equipment five days a week between Baltimore/Washington International and Reykjavik, Iceland, with connections available to European markets.

"This is great news for our travelers that WOW air has already announced plans to grow its low-fare international service," said BWI CEO Paul Wiedefeld, A.A.E. "We continue working to enhance air service opportunities for our customers."

DHL Opens New Facility At Chicago O'Hare

DHL Global Forwarding held a ribbon-cutting ceremony last week to mark the completion of its new, \$35 million facility in Chicago O'Hare International's cargo zone.

AAAE/Great Lakes Chapter AAAE Ground Handling Initiatives Workshop

March 8, 2015 | Tucson, AZ

AAAE/Great Lakes Chapter AAAE National Air Service Conference

March 8 - 10, 2015 | Tucson, AZ

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Accreditation/Certification Academy

March 22 - 28, 2015 | Dallas, TX

18th Annual AAAE Geographic Information Systems (GIS) Conference and Exhibition

March 22 - 25, 2015 | Savannah, GA

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Telluride Sets Record for Holiday Air Service & Performance

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TELLURIDE, Colo., Jan. 22, 2015 /Nassau News Live/ — With great early momentum, Telluride has set a likely record for holiday air service, and continues to lead all mountain airports in terms of flight performance, making it ski country's most reliable mountain airport and one of the easiest to get to.

For the two week Christmas/New Year's period, Telluride saw 348 flight operations and more than 31,000 seats come in and out of the Telluride-Montrose Airport (MTJ). This is a 6% increase at MTJ, and a 2% increase over the combined MTJ and Telluride (TEX) airports from last year. The 2013-14 holiday season also set a record, which had beaten the previous top holiday seat count by 13%, with numbers available back to 2000. All told in the last two seasons, Telluride has gained 15% in holiday air service, taking access to new levels for North America's #1 Resort (Conde Nast Reader's Poll).

"Telluride continues to establish itself as one of the most easily accessible and best performing mountain airports in the country," said Colorado Flights Alliance Chief Operating Officer Matt Skinner. "Skiers and riders can get to Telluride direct or with one-stop from all regions of the country, and we look forward to continuing to build on our network."

Looking at available data on the flights organized by Colorado Flights Alliance, holiday passenger traffic is showing a 16% increase over 2013, and an 8% increase over the previous high.

Where some other mountain airports faced performance challenges with the winter storms, all that snow in Telluride was just a bonus for skiers. Over the two week period, only one flight was diverted, and a total of 3 flights were cancelled, one out of the originating hub. This gave MTJ a 98% flight completion rate, consistent with its standard performance leading all mountain airports over the past five years.

Telluride-Montrose Airport (MTJ) sits at a similar elevation and in similar terrain to Denver, and has a runway about the same length (10,000 feet at MTJ vs 12,000 feet at Denver for their standard runways), and with consistent performance getting traveler's to their destination, makes MTJ the most reliable mountain airport in ski country.

For the balance of the winter, skiers and riders can easily get to the slopes, as Telluride is also at record or near-record levels for air service, with a 10% increase in flights and 17% increase in seats from the first week of February through the first week of April.

Major additions this year include 50% increases in service from Dallas and Newark, and new service from San Francisco (SFO) and Phoenix (PHX), contributing to the record levels.

Skiers and riders can fly daily or multiple times daily from Denver, Dallas, Houston and Chicago, and weekly or multiple times weekly from New York/Newark, Atlanta, Phoenix (PHX and IWA), San Francisco and Los Angeles (two airlines).

With a hub network covering the country on all major carriers, ranking in the top two or three resorts for direct flights from major hubs, plus a low-cost carrier option, and combined with the top performance marks, Telluride is now one of the easiest resorts in the country to get to.

Jingle Competition
January 26th

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For the full Telluride winter air schedule, please visit www.ColoradoFlights.org/schedule. For a custom booking page to see the best rates from around the country to Telluride/Montrose, please [Click Here](#).

For more information on Telluride, please visit www.VisitTelluride.com or www.TellurideSkiResort.com.

- www.visittelluride.com -

Media Contact:

Telluride Tourism Board
Kiera Skinner
970.369.2112
Kiera@VisitTelluride.com

Rick Baird

From: Barbara Cook <barbara.cook@aaae.org>
Sent: Friday, January 23, 2015 5:17 PM
To: Rick Baird
Subject: Airport Report Today, January 26, 2015



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TOP STORIES IN THIS ISSUE

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AAAE Establishes Airport Innovation Accelerator

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AAAE Establishes Airport Innovation Accelerator

AAAE President and CEO Todd Hauptli announced the establishment of the AAAE Airport Innovation Accelerator to help drive greater innovation for the benefit of the airport industry by directly assisting qualified companies in speeding the process of bringing their technology and services to the airport marketplace.

The AAAE Board of Directors unanimously approved the creation of the Airport Innovation Accelerator at its January meeting.

"The AAAE team has a demonstrated record in delivering service, innovation and results to airport executives and the aviation industry," Hauptli said. "The Airport Innovation Accelerator builds upon that heritage and represents an important enhancement aimed at serving our members and those who are eager to provide solutions in the airport environment."

The Accelerator will focus on assisting emerging companies, as well as established companies new to the aviation space or with fresh, innovative ideas. The assistance of the Airport Innovation Accelerator will serve critical needs for interested companies, but

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AAAE/Great Lakes Chapter AAAE National Air Service

also engage AAAE members in providing assistance, guidance and expertise that will in turn lead to better products and services in the airport marketplace.

Accelerator partner companies will be evaluated based upon a series of criteria, including:

- Business Potential - includes quality of business strategy, preliminary assessment of technology or product being proposed, clarity of market focus, assessment of competition and other business factors.
- Airport Industry Merit and Commercial Viability - based upon company descriptions of airport business merit and likely commercial viability addressing likely airport market opportunities as evaluated by the Accelerator team.
- Quality of Management Team - business and/or technical experience related to the focus of the business.
- Potential Impact on the Airport Industry - includes contribution to the development of the aviation sector generally, likely commercialization of technology, as well as probable benefit to AAAE members, their tenants and the traveling public.
- Ability to Utilize Accelerator Services - Accelerator needs and the Accelerator's potential ability to assist the business.

AAAE expects the Accelerator to begin operation in the second quarter of this year.

Orlando Begins Major Capital Improvements

Major projects at Orlando International designed to enhance operational efficiency, accommodate sustainable growth and expand accessibility are set to commence early this year, the airport announced.

Elements of the \$1.1 billion capital improvement plan include:

- Renovation of curbside canopies
- Baggage system improvements for increased efficiency
- Airfield projects to maintain gates and handle next-generation aircraft
- Replacement of Automated People Mover (APM) trains to Airsides 1 and 3

Conference

March 8 - 10, 2015 | Tucson, AZ

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AAAE/SC Chapter AAAE Loretta Scott, A.A.E.

Accreditation/Certification Academy

March 22 - 28, 2015 | Dallas, TX

18th Annual AAAE Geographic Information Systems (GIS) Conference and Exhibition

March 22 - 25, 2015 | Savannah, GA

U.S.-South Africa Aviation Summit

March 23 - 25, 2015 | Capetown, South Africa

- Ticket lobby expansion to incorporate new technology and provide greater capacity
- Addition of international gates to Airside 4 to accommodate new large aircraft
- Expansion of Customs and Border Protection facilities
- Increase in multi-modal transportation access
- Development of facilities to generate non-aviation revenue
- Development of a new travel plaza

Construction work on the ticket lobby, Airside 4 and South Airport APM complex, including the state of Florida-sponsored Intermodal Transportation Facility for rail initiatives, will occur simultaneously, according to the airport. Preliminary work already has begun and major completion of the projects is expected in 2018.

Airlines Post Strong Earnings For 2014

United, Southwest and Alaska Airlines posted strong balance sheets for the fourth quarter and full year 2014.

 **United** reported full-year 2014 net income of \$1.97 billion, an increase of 89 percent year-over-year, excluding \$834 million of special items. Including special items, the carrier recorded full-year net income of \$1.13 billion. The company also posted fourth-quarter 2014 net income of \$461 million, an increase of 86 percent year-over-year, excluding \$433 million of special items. Including special items, United reported fourth-quarter 2014 net income of \$28 million.

Southwest said it earned record fourth-quarter net income, excluding special items, of \$404 million, compared with fourth quarter 2013 net income, excluding special items, of \$236 million. In addition, the company posted record annual net income, excluding special items, of \$1.4 billion, compared with 2013 net income, excluding special items, of \$805 million.

Alaska Airlines reported record fourth-quarter net income, excluding special items, of \$125 million, compared with \$77 million for the same period in 2013. The company also posted record full-year net income, excluding special items, of \$571 million compared with \$383 million, in 2013.

American Gains DFW-Beijing Nonstop Authority

American said it has received DOT approval to institute daily nonstop service between Dallas/Fort Worth International and Beijing Capital International airports.

Flights will begin May 7, and the carrier will use Boeing 777-200 aircraft on the route.

U.S. International Travel Receipts Gain In 2014

International visitors to the U.S. spent \$18.4 billion on travel to, and tourism-related activities within, this country in November 2014, the U.S. Commerce Department reported.

For the first 11 months of 2014, international visitors spent \$203.6 billion on U.S. travel and tourism-related goods and services, an increase of 4 percent compared with the same period last year.

Americans spent an estimated \$133.9 billion abroad during the first 11 months of 2014, resulting in a balance of trade surplus nearly \$69.7 billion, Commerce said.

Carrier Employment Increases In November

U.S. scheduled passenger airlines employed 386,912 workers in November 2014, 1.5 percent more than in November 2013, DOT reported.

November was the 12th consecutive month that full-time employment for U.S. scheduled passenger airlines was higher than the same month of the previous year.

The six low-cost carriers — Spirit, Allegiant, Frontier, JetBlue, Southwest and Virgin America — all reported increases in employment from November 2013.

Four network airlines — Alaska, Delta, American and US Airways — increased employment from November 2013, while United reduced the size of its workforce.

Ex-Im Bank Schedules Annual Conference

The Export-Import Bank has scheduled its annual conference for April 23-24 in Washington, D.C.

Conference attendees include more than 1,100 exporters and representatives of financial institutions, foreign trade partners and government officials. At the event, participants also will meet Ex-Im Bank staff and obtain detailed information about export credit products and programs.

ATTACHMENT #6

To whom it may concern:

On behalf of Horizon Air I would like to nominate Chelsey Gough Horizon Air Passenger Service Agent/Trainer for the Friedman Memorial Airport employee of the quarter for the 2nd quarter of 2014. Chelsey goes above and beyond to make sure the passengers have a great experience traveling through our airport. She devotes her time to also making sure our agents are trained properly and always work safely. She is a leader and a role model for our new agents.

Sincerely,

Shawn J Schlosser
Passenger Services Supervisor
SUN-QX



Work Order 14-06 - Exhibit C

Friedman Memorial Airport (SUN)

Hailey, Idaho

RSA Improvements – Project 6

Amendment #1: Building Demolition Services

Introduction

This Amendment is attached to and incorporated into Work Order 14-06 for services related to RSA Improvements – Project 6 at Friedman Memorial Airport. Services included in this Amendment are necessary to incorporate demolition of facilities into Project 6. The following project description, tasks and fee information are hereby incorporated into this Work Order. Much of the services described in this amendment will be completed with the assistance of a subconsultant qualified in the areas of architecture and structural engineering.

Scope of Work

Provide professional services (primarily Architectural and Structural Engineering) for the proposed demolition of six (6) buildings located at Friedman Memorial Airport, including bidding and construction documents. Five (5) of the designated buildings are steel frame, metal clad aircraft hangars with motorized bi-fold doors. The sixth building is a stand-alone modular wood structure currently used by the US Forest Service as a Helitack staging center. This work will be incorporated into Project 6 for bidding and construction.

Task 1 - Administration

- 1.6 Prepare scope of work and fee estimate for amendment related to services for demolition project elements.

Task 2 – Preliminary Design

- 2.18 Complete project investigation and preliminary design for facility demolition project elements, to include the following:
- Assess and investigate existing structural systems, interior and exterior building materials, interior partition and construction assemblies, and the surrounding site conditions associated with the demolition and removal of the six (6) buildings indicated by T-O Engineers.
 - Photograph and document the interior and exterior of the six (6) existing buildings and the surrounding site conditions.
 - Coordinate with Airport Staff as needed to determine the schedule of proposed Work and to



- identify potential impacts on airport operations.
- Determine regulatory requirements related to the removal and disposal of Asbestos.
- Investigate potential costs associated with the disposal of demolition materials removed from the site.
- Review applicable code requirements.
- Provide Asbestos testing and assessment of each individual building by a qualified specialist.

Task 4 – Final Design

4.12 Develop and prepare construction documents for the facility demolition project elements, to include the following:

- Coordinate with the Owner to develop a list of salvageable items to retain and store prior to demolition.
- Develop Bidding and Construction documents including specifications and construction drawings as needed to clearly define the scope of demolition and salvage work.
- Prepare and submit demolition documents for permitting and other documentation required for approval by the City of Hailey.
- Update probable project costs in adequate detail for use in the review of bid amounts by the Owner.
- Develop appropriate description of the work for inclusion in the Engineer's Design Report for the project.

Task 5 – Bidding

Additional tasks are not anticipated during bidding, beyond those described in the original work order. Additional effort is expected, however, which is reflected in the attached fee estimate for this Amendment.

Task 6 – Construction

6.14 Provide the following services related specifically to the demolition elements of the project:

- Conduct weekly construction coordination meetings with the Demolition Contractor in order to coordinate demolition, salvage, and disposal work described within the contract documents.
- Visit the site at intervals appropriate to the progress of Work to become generally familiar with the progress and quality of the portion of the Work completed, and to determine, in general, if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents.
- Review and respond to request(s) for information about the Contract Documents, as related to the scope of demolition work.



Fees

Fees for services provided under this Amendment will be determined under the Lump Sum method for Phases 1-4 and the Time and Materials Method for Phases 5-8. Fees have been calculated using Consultant's current Fee Schedule. A detailed Fee Proposal, dated April 29, 2013, is attached as Exhibit D. Additional fees and revised total fees for this project are summarized below:

	<u>Original Fee</u>	<u>Added Fee</u>	<u>Revised Total Fee</u>
• Tasks 1-4, Lump Sum	\$380,090	\$29,310	\$409,400
• Tasks 5-8, Time and Materials	\$515,175	\$12,597	\$527,772
TOTAL	\$895,265	\$41,907	\$937,172



IN WITNESS WHEREOF, Client and Consultant have made and executed this AMENDMENT #1 to WORK ORDER 14-06 to the AGREEMENT the day and year first above written.

FOR: FRIEDMAN MEMORIAL AIRPORT AUTHORITY

By: _____
Title: _____
Date: _____

FOR: T-O ENGINEERS, INC.

By: David A. Mitchell, P.E.
Title: Vice President
Date: _____

EXHIBIT D - Amendment #1

**Friedman Memorial Airport
Work Order # 14-06**

**RSA Improvements - Project 6
Relocate Taxiway B, Connecting Taxiways.
Remove Taxiway A, RSA Grading,
Construct North Apron and Taxilane**

Fee Summary - Amendment #1

January 28, 2015

Tasks 1-4, Lump Sum

1. Personnel Costs

Classification	Title	Hours	Rate/Hour	Cost
Prin	Principal	9	\$170.00	\$1,530.00
PM	Project Manager	8	\$135.00	\$1,080.00
SP	Senior Planner	0	\$140.00	\$0.00
CM	Construction Manager/Specifier	18	\$120.00	\$2,160.00
SV	Surveyor	0	\$130.00	\$0.00
DE	Design Engineer	0	\$120.00	\$0.00
EIT	Engineer-In-Training	12	\$75.00	\$900.00
EIT (OT)	Engineer-In-Training (Overtime)	0	\$97.50	\$0.00
Insp	Inspector	16	\$90.00	\$1,440.00
Insp (OT)	Inspector (Overtime)	0	\$117.00	\$0.00
Adm.	Administrative Assistant	0	\$65.00	\$0.00
Totals:		63		\$7,110.00

2. Subconsultant Fees

Architect/Structural (RLB)		\$20,000.00
Mark-up	10.0%	\$2,000.00
Subtotal, Subconsultant Fees:		\$22,000.00

3. Reimbursable Expenses

Description	Number	Unit Cost	Cost
Vehicle Travel (Per Mile)	0	\$0.60	\$0.00
Airline Travel (Per Trip)	0	\$1,200.00	\$0.00
Rental Vehicles - (Per Day, incl. fuel)	0	\$120.00	\$0.00
Lodging (Per Night)	0	\$120.00	\$0.00
Meals (Day Trips - Lump Sum)	0	\$0.00	\$0.00
Per Diem (On Site Personnel - Per Day)	0	\$0.00	\$0.00
Document Reproduction (Lump Sum)	1	\$200.00	\$200.00
Telephone, Fax, Postage, Misc. (Lump Sum)	0	\$0.00	\$0.00
Subtotal, Reimbursable Expenses			\$200.00

TOTAL FEE, TASKS 1-4 (1+2+3):

\$29,310.00

EXHIBIT D - Amendment #1

**Friedman Memorial Airport
Work Order # 14-01**

**RSA Improvements - Project 6
Relocate Taxiway B, Connecting Taxiways.
Remove Taxiway A, RSA Grading,
Construct North Apron and Taxilane**

Fee Summary - Amendment #1

January 28, 2015

Tasks 5-8, Time and Materials

4. Personnel Costs

Classification	Title	Hours	Rate/Hour	Cost
Prin	Principal	5	\$170.00	\$850.00
PM	Project Manager	6	\$130.00	\$780.00
SP	Senior Planner	0	\$140.00	\$0.00
CM	Construction Manager/Specifier	9	\$120.00	\$1,080.00
SV	Surveyor	0	\$130.00	\$0.00
DE	Design Engineer	0	\$120.00	\$0.00
EIT	Engineer-In-Training	12	\$75.00	\$900.00
EIT (OT)	Engineer-In-Training (Overtime)	0	\$97.50	\$0.00
Insp	Inspector	4	\$90.00	\$360.00
Insp (OT)	Inspector (Overtime)	0	\$117.00	\$0.00
Adm.	Administrative Assistant	16	\$65.00	\$1,040.00
Totals:		52		\$5,010.00

5. Subconsultant Fees

Architect/Structural (RLB)		\$6,716.00
Mark-up	10.0%	\$671.00
Subtotal, Subconsultant Fees:		\$7,387.00

6. Reimbursable Expenses

Description	Number	Unit Cost	Cost
Vehicle Travel (Per Mile)	0	\$0.60	\$0.00
Rental Vehicles - (Per Month, incl. fuel)	0	\$1,650.00	\$0.00
Lodging (Per Night)	0	\$110.00	\$0.00
Meals (Day Trips - Lump Sum)	0	\$1,000.00	\$0.00
Per Diem (On Site Personnel - Per Day)	0	\$60.00	\$0.00
Document Reproduction (Lump Sum)	1	\$200.00	\$200.00
Telephone, Fax, Postage, Misc. (Lump Sum)	0	\$0.00	\$0.00
Subtotal, Reimbursable Expenses			\$200.00

TOTAL FEE, TASKS 5-8 (4+5+6):

\$12,597.00

TOTAL FEE, ALL TASKS:

\$41,907.00

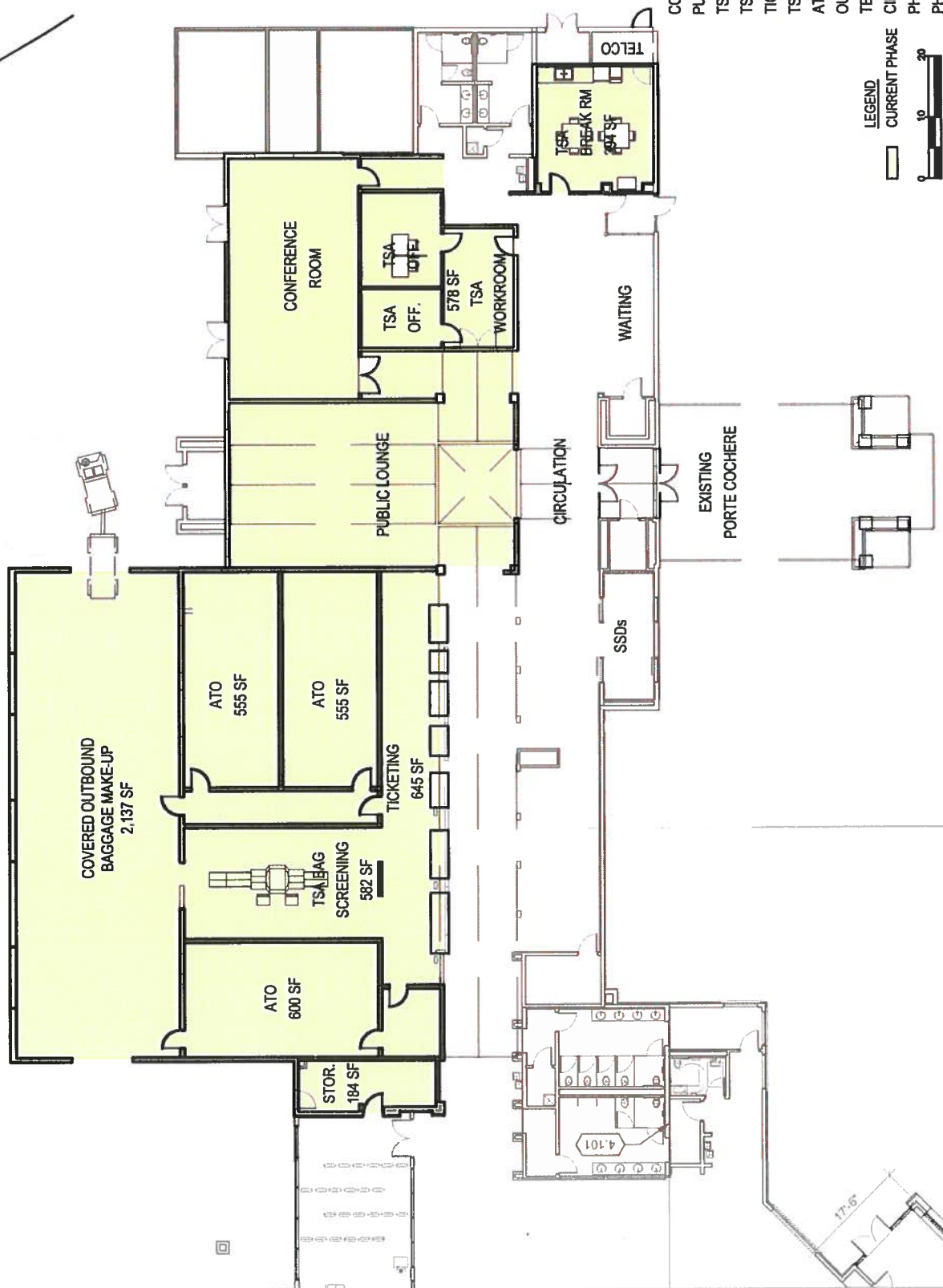
EXHIBIT D - Amendment #1

Friedman Memorial Airport										RSA Improvements - Project 6					
Work Order # 14-06										Relocate Taxiway B, Connecting Taxiways, Remove Taxiway A Runway Safety Area Grading, Construct North Apron and Taxilane					
Labor Worksheet - Amendment #1										January 28, 2015					
Task	Description	Personnel Hours												Total Hours	Fee
		Prin	PM	SP	CM	SV	DE	EIT	EIT	Insp	Insp	Adm.			
		DM	NC	CP	CS		DS	BF/MJ	(OT)	DB	(OT)	SV			
		\$170	\$130	\$140	\$120	\$130	\$120	\$75	\$98	\$90	\$117	\$65			
Task 1 - Administration															
1.6	Amendment Scope of Work/Fee	3												3	\$510
Subtotal, Task 1		3	0	0	0	0	0	0	0	0	0	0	0	3	\$510
Task 2 - 35% Design															
2.18	Demolition Preliminary Design	4	4		6			4		8				26	\$2,940
Subtotal, Task 2		4	4	0	6	0	0	4	0	8	0	0	0	26	\$2,940
Task 4 - Final Design															
4.12	Demoliton Final Design	2	4		12			8		8				34	\$3,620
Subtotal, Task 4		2	4	0	12	0	0	8	0	8	0	0	0	34	\$3,620
SUBTOTAL, TASKS 1-4		9	8	0	18	0	0	12	0	16	0	0	0	63	\$7,070

EXHIBIT D - Amendment #1

Friedman Memorial Airport Work Order # 14-06										RSA Improvements - Project 6 Relocate Taxiway B, Connecting Taxiways, Remove Taxiway A Runway Safety Area Grading, Construct North Apron and Taxilane						
Labor Worksheet - Amendment #1										January 28, 2015						
Task	Description	Personnel Hours												Fee		
		Prin DM	PM NC	SP CP	CM CS	SV	DE DS	EIT BF/MJ	EIT (OT)	Insp DB	Insp (OT)	Adm. SV	Total			
		\$170	\$130	\$140	\$120	\$130	\$120	\$75	\$98	\$90	\$117	\$65	Hours			
Task 5 - Bidding																
5.1	Pre-Bid Administration	2			2			2					6	\$730		
5.2	Pre-Bid Conference							1					1	\$75		
5.3	Questions/Addenda		2		4			4				1	11	\$1,105		
5.4	Bid Opening												0	\$0		
5.5	Bid Tabulations				1			2				1	4	\$335		
5.6	Bid Analysis/Recommendation of Award		1		1							2	4	\$380		
5.7	Award Documents				1			1					2	\$195		
5.8	FAA/Owner Coordination	1	1										2	\$300		
5.9	Travel Time												0	\$0		
Subtotal, Task 5		3	4	0	9	0	0	10	0	0	0	4	30	\$3,120		
Task 6 - Construction																
6.14	Demolition Construction Services	2	2					2		4		12	22	\$1,890		
Subtotal, Task 6		2	2	0	0	0	0	2	0	4	0	12	22	\$1,890		
SUBTOTAL, TASKS 5-8		5	6	0	9	0	0	12	0	4	0	16	52	\$5,010		
TOTAL, ALL TASKS														\$12,080		

OFA



CONFERENCE ROOM	845 SF
PUBLIC LOUNGE	1,268 SF
TSA TRAINING *	578 SF
TSA BREAKROOM *	394 SF
TICKETING:	645 SF
TSA BAG SCREENING:	582 SF
ATO:	1,710 SF
OUTBOUND BAGGAGE:	2,137 SF
TERMINAL STORAGE:	184 SF
CIRCULATION:	444 SF
PHASE TOTAL NET:	8,764 SF
PHASE TOTAL GROSS:	9,296 SF

* PER BOMA AREA TAKE-OFF STANDARDS

ATTACHMENT #8

Mead & Hunt

T-O ENGINEERS



PLAN
NORTH

FRIEDMAN MEMORIAL AIRPORT
TICKETING AREA
Terminal Tenant Finish Out - 30% Schematic Design
26 January, 2015

SUN



FLY SUN VALLEY ALLIANCE BOARD MEETING MINUTES

Thursday, November 20, 2014

Board Members Present: Eric Seder, Dick Fenton, Jack Sibbach, Peter Scheurmier, Arlene Schieven, Wally Huffman, Rick Baird, Walt Denekas, Baird Gourlay, Jacob Greenberg, Michelle Griffith, Deb Fox, Patrick Buchanan, Maurice Charlat. Staff: Carol Waller.
Board Members Absent: Tim Silva, Martha Burke

TOPIC DISCUSSED:

Consent Items:

- Oct Minutes: Jack moved to approve, Peter seconded VOTE: All in favor
- Oct FY14 YTD Financials & Payables: Wally moved to approve, Jack seconded VOTE: All in favor
- "Friends of Fly Sun Valley Alliance" nonprofit Corporation Dissolution: Wally moved, Peter seconded. VOTE: All in favor
- Board meeting discussion: Eric queried the group to get their input on frequency of board meetings. Majority agreed that monthly was good for information sharing but there could be some months where the meeting can be cancelled. Agreed that Dec 2014 meeting will not be held.

Reports:

Funding

- **1% LOT/Air Service Board**
 - The latest report, showing Jan-July 1% LOT collections and disbursements, was not yet available.
 - Next ASB meeting schedule for Dec 3, 2pm, Sun Valley City Hall. All FSVA board members welcome to attend.
- **Fundraising –**
 - **Realtors for Air:** \$28,400 in commitments for FY15 received to date from 7 offices – more anticipated.
 - **Air Support Business Ski Pass Program:** FY15 Ski Pass sales hit sales cap.
 - **Ski for Air Service Day:** Will run one more year on Jan 25, 2015.

Air Service Initiatives/Research/Promotions:

- **Air Service Reports:** Summer/fall YTD AS and UA MRG and winter booking reports were provided and reviewed.
- **Enplanement & Seat Occupancy Reports:** Oct YTD FMA reports provided and reviewed.
- **FSVA Meeting with TWF Airport officials –** at their request FSVA reps met with them to discuss mutual opportunities. FSVA made clear that our focus and resources were devoted to SUN air improvements but we would continue to be open to potential future opportunities as feasible.
- **Diversion Bussing:** SVE has started their enhanced diversion bussing as of Nov 1. Carol asked that all feedback (positive and negative) that board members have from personal experience or hear from others be shared with her via email so she can share with SVE. Carol will continue to monitor service as needed.
- **Research:** FSVA Summer SUN Air Passenger Survey results have been received and Carol will share report with FSVA board and others as soon as possible.
- **Air Service Marketing**
 - **Local Air Service Marketing (FSVA/FMAA):** Joint campaign underway (print, digital, tv); FSVA also recently executed Alaska winter fare sale campaign.
 - **External Air Service Marketing:** SVC and VSV joint winter marketing is underway. VSV will prepare consolidated community winter marketing plan for FSVA to share with each airline.
- **SUN Airport Update:** Rick gave update on airport projects.
 - FSVA collected and provided historical and projected data on lodging, airline seats, etc. for projected commercial air service to assist FMAA Master Planning team with their Airport Aviation Forecast part of the plan.
 - New leakage analysis has been completed and Rick will share data with Carol.
 - Improvement projects still all on track, have broken ground on terminal and operations building projects
 - Working with FAA on reliability system improvements, expect some positive news soon with improvements likely for the 2015/16 winter season.
- **Monthly Directors Report:** Provided for review.

Respectfully Submitted, Carol Waller, FSVA Director

	A	B	C	D	E	F	G	H	I
	2015 FLY SUN VALLEY BOARD OF DIRECTORS LIST								
1	Term Expires	NAME	BUSINESS/ORG	AFFILIATION	Email Address	PHONE	MOBILE	Joined	YEARS (w/2015)
2	VOTING BOARD MEMBERS								
3	2015	Eric Seder	SV Shutters&Shades	AT LARGE - BUSINESS	svshutters@cox-internet.com	726-9592	720-4718	2010	6
4	2015	Jack Sibbach	Sun Valley Resort	SUN VALLEY RESORT	jisibbach@sunvalley.com	622-2183	720-0150	2008	8
5	2015	Tim Silva	Sun Valley Resort	AT LARGE - BUSINESS	tsilva@sunvalley.com	622-2104		2012	4
6	2016	Deb Fox	Wyndham	AT LARGE - LODGING	dsofox@resortquest.com	726-5601	720-6340	2008	8
7	2016	Dick Fenton	MDF Realtors	AT LARGE - REAL ESTATE	dfenton@mdfrealtors.com	726-3317	720-0386	2008	8
8	2016	Patrick Buchanan	State Farm Insurance	HAILEY CHAMBER	patrick@5binsurance.com	928-7888	721-1405	2011	5
9	2016	Wally Huffman	Consultant/SV Resort	AT LARGE -BUSINESS	wallyhuffman@sunvalley.com	622-2105	720-1112	2012	4
10	2016	Walt Denekas	Marketron	AT LARGE - BUSINESS	wdenekas@marketron.com			2014	2
11	2017	Maurice Charlat		AT LARGE	mmcmec@cox.net	726-4092	720-0957	2008	8
12	2017	Peter Schuermier	Avis/Budget	AT LARGE -TRANSPORTATION	petersunvalley@gmail.com		720-6400	2010	6
13	2017	Arlene Schieven	SVMA	SV MARKETING ALLIANCE	arlene@visitsunvalley.com	725-2110	309-0969	2011	5
14	NON VOTING BOARD MEMBERS (EX OFFICIO) Appointed								
15		Martha Burke	Councilmember	CITY OF HAILEY	burkefamily203@cox.net	788-3144	720-2682	2010	6
16		Rick Baird	FMA Director	FRIEDMAN MEMORIAL AIRPORT	rick@flyfma.com	788-9003	720-1830	2008	8
17		Michelle Griffith	Councilmember	CITY OF SUN VALLEY	svmichelleski@gmail.com		721-7949	2012	4
18		Jacob Greenberg	Commissioner	BLAINE COUNTY	jgreenberg@co.blaine.id.us	788-5500	721-0440	2012	4
19		Baird Gourlay	Councilmember	CITY OF KETCHUM	bgourlay@ketchumidaho.org	726-7801	720-4769	2014	2
20	BOARD MEMBERS = 16; 10 VOTING, 5 EX-OFFICIO								
21	Executive Committee 2014								
22		NAME	OFFICE HELD						
23		Eric Seder	President						
24		Jack Sibbach	Vice-President						
25		Dick Fenton	Treasurer/Secretary						
26		STAFF							
27		Carol Waller	Director		carol@flysunvalleyalliance.com	720-3965			
28	note: FSVA incorporated on 8-22-2007 so full year board terms began in 2008.								



BOARD MEMBER CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY

Fly Sun Valley Alliance (FSVA) Board members have a duty to subordinate conflicting interests to the welfare of FSVA and those we serve. Conflicting interests can be financial, personal relationships, status or power.

Board members and employees are prohibited from receiving gifts, fees, loans, or favors from suppliers, contractors, consultants, or financial agencies, which obligate or induce the board member or employee to compromise responsibilities to negotiate, inspect or audit, purchase or award contracts, with the best interest of FSVA in mind.

Board members, employees and contractors shall not disclose confidential information about FSVA, nor use such information to the detriment of FSVA. This provision applies to all FSVA board materials and documents marked "Confidential" as well as all other FSVA materials and internal FSVA conversations which a board member, employee or contractor would reasonably be expected to understand to be confidential in nature.

Board members or employees may not have a significant financial interest in any property which FSVA purchases, or a direct or indirect interest in a supplier, contractor, consultant or other entity with which FSVA does business.

Since it is not possible to write a policy that covers all potential conflicts, board members and employees are expected to be alert for and avoid situations which might be construed as conflicts of interests.

Any possible conflict of interests on the part of any board member should be disclosed to the other board members and made a matter of record, either through an annual procedure or when the interest becomes a matter of board action.

Any board member having a conflict of interests or possible conflict of interests should not vote or use his/her personal influence on the matter, and he/she should not be counted as part of a quorum for the meeting. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting and the quorum situation.

These restrictions should not be construed as preventing the board member from briefly stating his/her position in the matter, nor from answering pertinent questions of other board members, since his or her knowledge could be of assistance to the deliberations.

All board members will be required to complete the "Conflict of Interests Statement." This policy will be reviewed by the board annually and given to each new board member for signature during orientation.

Conflict of Interests Statement

I have read and am familiar with the FSVA board policy concerning conflict of interests, and I have initialed the line opposite the appropriate paragraph below.

_____ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken any action which would contravene the policy of this board.

_____ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken any action which would contravene the policy of this board, except such interest or action fully disclosed below:

Board member signature _____ Date: _____



FLY SUN VALLEY ALLIANCE BOARD OF DIRECTORS

DISCLOSURE OF INTERESTS

I hereby represent that the following is a complete listing and brief explanation of all my (and/or immediate family members') business or personal interests in any:

- Businesses or entities providing goods or services to FSVA:

- Businesses or entities with whom FSVA has contracts to deliver services:

- Businesses, entities or property being evaluated by FSVA for prospective business activities or relationships:

Executed this _____ day of _____, 20____

Printed Name

Signature

EXHIBIT B-1
FY 15 PAYMENT SCHEDULE

1% LOT Generated	1% LOT Received	Sun Valley				Ketchum	Hailey	TOTAL	Communities' Direct Costs		LOT Funds from Communities	Air Service Board		Air Service Board Legal Reserve	Fund Balance Applied	Funds Available for Contracts	Fly SV Alliance		SVMA Contract Expenses	% of Available Funds
		Administrative Expenses	Board	Fund	Board				Contract Expenses	% of Available Funds										
Oct-14	Dec-14	19,190.19	112,891.69	4,230.38	136,312.26				-6,102.22	130,210.04	-3,245.83	0.00	54,175.00	54,175.00	10,835.00	20%	101,571.37	80%		
Nov-14	Jan-15		108,867.29	2,367.15				6,050.05	6,050.05	-145.83						20%		80%		
Dec-14	Feb-15							-6,129.58	-6,129.58	-145.83						20%		80%		
Jan-15	Mar-15							-6,129.58	-6,129.58	-145.83						20%		80%		
Feb-15	Apr-15							-6,129.58	-6,129.58	-145.83						90%		10%		
Mar-15	May-15							-6,129.58	-6,129.58	-145.83						90%		10%		
Apr-15	Jun-15							-6,129.58	-6,129.58	-145.83						90%		10%		
May-15	Jul-15							-6,129.58	-6,129.58	-145.83						90%		10%		
Jun-15	Aug-15							-6,129.58	-6,129.58	-145.83						90%		10%		
Jul-15	Sep-15							-6,129.58	-6,129.58	-145.83						95%		5%		
Aug-15	Oct-15							-6,129.58	-6,129.58	-145.83						95%		5%		
Sep-15	Nov-15							-6,129.58	-6,129.58	-145.83						73%		27%		
TOTAL		19,190.19	221,758.98	6,597.53	136,312.26			-61,348.00	74,964.26	-5,350.00	0.00	54,175.00	181,139.21	36,227.84	144,911.37					

LIMITED # OF TICKETS AVAILABLE,
DON'T MISS OUT!



WOW!

SKI FOR AIR SERVICE DAY

JANUARY 25
\$40 Full Day Lift Ticket

Advance Purchase January 14-24 ONLY at Participating Ski Shops

& 50% OFF Rentals & Demos
50% OFF Select Lodging

PURCHASE TICKETS AT:

Cash or credit card only (3% processing fee added to all credit card purchases)

- Board Bin • Formula Sports • PK's Ski & Sports
- Ski Tek • Sturtevants-SV • Sturtos Hailey • Elevation Sports (Twin Falls)

The shops listed above are also offering 50% OFF Rentals & Demos on January 25.

***No \$40 tickets will be sold on January 25 –
they must be purchased in advance.**



www.flysunvalleyalliance.com



SUN SEATS - ENPLANEMENTS - LOAD FACTOR REPORT 2014 vs 2013

WINTER	Alaska 2013	Alaska 2014	Delta 2013	Delta 2014	United 2013	United 2014	TOTAL 2013	TOTAL 2014	% Change	% Change
JAN										
Seats Available	4,484	3,952	3,210	3,390		1,650	7,694	8,992	17%	17%
Enplanements	3,150	3,058	2,113	2,585		992	5,263	6,635	26%	26%
LF % Avg	70%	77%	66%	76%		60%	68%	74%	5%	5%
FEB										
Seats Available	4,180	3,344	3,480	3,726		1,254	7,660	8,324	9%	9%
Enplanements	3,374	2,947	2,366	2,311		854	5,740	6,112	6%	6%
LF % Avg	81%	88%	68%	62%		68%	75%	73%	-2%	-2%
MARCH										
Seats Available	4,484	3,800	4,200	4,899		1,584	8,684	10,283	18%	18%
Enplanements	3,717	3,285	3,185	3,394		1,125	6,902	7,804	13%	13%
LF % Avg	83%	86%	76%	69%		71%	79%	76%	-4%	-4%
APRIL										
Seats Available		684	2,940	3,312			2,940	3,996	36%	36%
Enplanements		530	2,114	2,118			2,114	2,648	25%	25%
LF % Avg		77%	72%	64%			72%	66%	-6%	-6%
TOTAL WINTER	Alaska 2013	Alaska 2014	Delta 2013	Delta 2014	United 2013	United 2014	TOTAL 2013	TOTAL 2014	% Change	% Change
Seats Available	13,148	11,780	13,830	15,327		4,488	26,978	31,595	17%	17%
Enplanements	10,241	9,820	9,778	10,408		2,971	20,019	23,199	16%	16%
LF % Avg	78%	83%	71%	68%		66%	74%	73%	-1%	-1%
SUMMER										
MAY	Alaska 2013	Alaska 2014	Delta 2013	Delta 2014	United 2013	United 2014	TOTAL 2013	TOTAL 2014	% Change	% Change
Seats Available			2,742	1,380			2,742	1,380	-50%	-50%
Enplanements			1,925	823			1,925	823	-57%	-57%
LF % Avg			70%	60%			70%	60%	-11%	-11%
Note: SUN airport closed 4/28-5/22 in 2014										
JUNE										
Seats Available	1,836	2,312	5,010	5,520			6,846	7,832	13%	14%
Enplanements	1,173	1,503	2,847	3,465			4,020	4,968	19%	24%
LF % Avg	64%	65%	57%	63%			59%	63%	5%	
JULY										
Seats Available	4,148	4,216	6,330	6,072		4,200	10,478	14,488	38%	38%
Enplanements	3,405	3,479	4,014	4,259		2,277	7,419	10,015	35%	35%
LF % Avg	82%	83%	63%	70%		54%	71%	69%	-2%	
AUGUST										
Seats Available	3,808	4,080	5,550	5,934		3,990	9,358	14,004	50%	50%
Enplanements	2,608	3,622	3,062	4,596		2,710	5,670	10,928	93%	93%
LF % Avg	68%	89%	55%	77%		68%	61%	78%	17%	
SEPTEMBER										
Seats Available	2,788	3,332	4,560	5,796		2,112	7,348	11,240	53%	53%
Enplanements	1,832	2,333	3,214	3,898		900	5,046	7,131	41%	41%
LF % Avg	66%	70%	70%	67%		43%	69%	63%	-5%	
OCTOBER										
Seats Available	0	684	3,690	4,278	0	0	3,690	4,962		34%
Enplanements	0	524	2,844	3,573	0	0	2,844	4,097		44%
LF % Avg		77%	77%	84%			77%	83%		
TOTAL SUMMER/FALL YTD	Alaska 2013	Alaska 2014	Delta 2013	Delta 2014	United 2013	United 2014	TOTAL 2013	TOTAL 2014	% Change	% Change
Seats Available	12,580	14,624	25,140	27,600		10,302	37,720	52,526	39%	39%
Enplanements	9,018	11,461	15,981	19,791		5,887	24,999	37,139	49%	49%
LF % Avg	72%	78%	64%	72%		57%	66%	71%	4%	4%
NOVEMBER										
Seats Available			2,520	3,519			2,520	3,519	40%	40%
Enplanements			1,892	2,463			1,892	2,463	30%	30%
LF % Avg			75%	70%			75%	70%	-5%	
DECEMBER										
Seats Available	2,584	1,976	3,090	3,728	1,188	1,254	6,862	6,958	1%	1%
Enplanements	1,438	1,365	1,890	2,305	516	842	3,844	4,512	17%	17%
LF % Avg	56%	69%	61%	62%	43%	87%	56%	65%	9%	
TOTAL YTD ALL FLIGHTS	Alaska 2013	Alaska 2014	Delta 2013	Delta 2014	United 2013	United 2014	TOTAL 2013	TOTAL 2014	% Change	% Change
Seats Available	28,312	28,380	47,322	51,554	1,188	16,044	76,822	95,978	25%	25%
Enplanements	20,697	22,646	31,466	35,790	516	9,700	52,679	68,136	29%	29%
LF % Avg	73%	80%	66%	69%	43%	60%	69%	71%	2%	2%
TOTAL YTD CONTRACT FLIGHTS										
Seats Available	30,148	30,692			1,188	16,044	31,336	46,736		49%
Enplanements	21,870	24,149			516	9,700	22,386	33,849		51%
LF % Avg	73%	79%			43%	60%	71%	72%		1%



FLY SUN VALLEY ALLIANCE BOARD OF DIRECTORS MEETING
Thursday, January 15, 2014 8:00am – 10:00am
FRIEDMAN MEMORIAL AIRPORT

AGENDA:

1. Consent Items:

- **November Meeting Minutes:** review/approve (*attached*)
- **December YTD financials:** review/approve (*attached*)
- **2015 Board & Officer slate:** review/approve (*attached*)
- **BOD Conflict of Interest & Confidentiality Policy:** review/approve (*attached*)
- **Feb meeting:** discussion (if mtg is held, will be 2/26)

2. Reports/Funding:

- **Air Service Board:**
 - YTD 1% LOT collections and distribution report (*attached*)
 - Next ASB meeting: Jan 29, 2pm, Hailey City Hall
 - Communications- discussion
- **FSVA Fundraising/Private Sector Support:**
 - **Ski for Air Service Day:** Sunday, Jan 25, 2015 – planning completed/promotion in process
 - **Realtors for Air:** \$37,700 commitments secured to date for FY15.
 - **Air Support Business Ski Pass Program:** hit sales cap for FY15

3. Air Service Development/Research/Promotion

- **Airline Booking Report:** winter YTD (*attached*)
- **Summer air service contracts** – being finalized
- **SUN 2014 Enplanement & Seat Occupancy Reports:** Dec YTD (*attached*)
- **Diversion Bussing:** update
- **Research:** 2014 survey results shared, Winter air passenger surveys underway
- **Local Air Marketing/Communications (FSVA/FMA):**
 - Winter marketing & communications outreach – joint campaign with FMA (print, digital, tv)
 - Fare sale ads (print, digital, tv) – FSVA only - as needed
 - FSVA Community updates – SVK Rotary Jan 20-12noon, SVED membership meeting Jan 20 5:00pm, Hailey Chamber board meeting Jan 21-8am, others being planned
- **External Air Service Marketing (SVR, VSV):** update
- **FMAA Airport:** update
- **Other – FSVA Monthly Report**

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION**

September 30, 2014

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Independent Auditors' Report

To the Board
Friedman Memorial Airport Authority
Hailey, Idaho

Report on the Financial Statements

We have audited the accompanying financial statements of the Friedman Memorial Airport Authority (Authority), as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of September 30, 2014 and 2013, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information identified in the accompanying table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audits of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Authority's financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of revenue, expenditures and changes in net position – budget and actual and reconciliation of budgetary basis to GAAP are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2015, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 2, 2015

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the Friedman Memorial Airport Authority's (the Authority) financial performance provides an introduction to the financial statements for the fiscal year ended September 30, 2014. The information contained in the MD&A should be considered in conjunction with information contained in the Authority's financial statements.

Friedman Memorial Airport is located in the City of Hailey, within Blaine County. Blaine County is located in central Idaho, in an area known as the Wood River Valley. The Big Wood River runs from north to south between the Smoky, Pioneer and Boulder Mountains. Friedman Memorial Airport is located immediately south of the central business district of Hailey and approximately two miles north of the City of Bellevue. State Highway 75 runs directly adjacent to the east side of the Airport, southeast to northwest through the cities of Bellevue and Hailey, with Ketchum/Sun Valley 11 miles to the north and Twin Falls 75 miles to the south.

Since the 2011 suspension of the DEIS for a replacement airport, the Authority has continued to partner with the community and the FAA, to improve air service and safety at the current site while also maintaining the philosophy that pursuing a "Dual Path Forward" is the preferred approach. The dual path supports implementing FAA approved solutions identified in Alternative 6 of the Airport Alternatives Technical Analysis and also supports the Authority's commitment to continue the endeavor to relocate the airport when an acceptable site can be identified and funding can be secured. This approach allows the Authority to maintain or increase air service and improve safety and reliability at the existing airport while a permanent solution is explored.

Beginning in fiscal year 2013, the Authority began taking an aggressive approach to implement Alternative 6, which included an FAA Safety Risk Management study and the approval of five Modification to Standards (MOS) to accommodate an achievable solution to the congressional mandated safety standards at the existing site. These modifications consider and limit the size of aircraft to those that currently utilize Friedman rather than making alterations that would fully achieve a C-III compliant airport. Alternative 6 projects are expected to be concluded in fiscal year 2015.

The Authority has also begun the initial steps to conduct a Master Planning process. The Authority has determined that an appropriate component of the Master Plan will be a site selection chapter. The Authority would like that chapter to capture the Authority's specifically developed site study as well as the FAA's EIS Purpose and Need/Alternatives Working Paper.

Fiscal year 2014 also included commencement of additional Horizon flights into SUN, and a new partnership between Skywest/United to offer flights from San Francisco (December, 2013) and Denver (July, 2014). While these new flights are seasonal, they have shown indications of success and increased travel into SUN. Skywest has also transitioned from a turbo prop to regional jet fleet with Delta now managing their flights to and from Salt Lake City, UT. This aircraft transition resulted in an increased number of seats and a decreased number of flights. The decrease in flight frequency has caused some concern with regard to convenience and ability to make connecting flights.

The use of the DOT small community air service grant awarded in fiscal year 2013 benefited SUN travelers. It was utilized to identify, secure and market improved east coast air service connectivity through Denver, CO (United).

While the airport has been impacted by significant construction projects to include two separate month long closures, all indications are that the overall economy continues to stabilize and improve. Fiscal year 2014 reflects the recovery and also demonstrates the need for a viable airport with reliable air service. Inconvenience due to frequent flight cancellations and diversions is an often stated concern and the reason for travelers to be reluctant to return to SUN. This concern has not gone without consideration and the Authority and the community will continue to identify ways to improve service and reliability.

Overview of the Financial Statements

The Authority's financial statements are prepared on the accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). The Authority is structured as a single enterprise fund with revenues recognized when earned, not when received. Expenses are recognized when incurred, not when paid. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following this MD&A are the basic financial statements of the Authority, together with the notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The *Statements of Net Position* present information on all the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Over time, increases or decreases in net position may serve as a useful indicator of the Authority's financial position.

The *Statements of Revenue, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenue and expenses are reported in this statement for some items that will result in cash flows in future periods.

The *Statements of Cash Flows* relates to the flows of cash and cash equivalents. Consequently, only transactions that affect the Authority's cash accounts are recorded in this statement. A reconciliation is provided at the bottom of the *Statements of Cash Flows* to assist in understanding the difference between cash flows, operating activities and operating income.

In addition to the basic financial statements and accompanying notes, this report also presents the *Schedule of Revenue, Expenditures and Changes in Net Position Budget & Actual* and the *Reconciliation of Budgetary Basis to GAAP* as supplementary information.

Financial Position Summary

The changes in net position over time serve as a useful indicator of the Authority's financial position. The Authority's assets exceeded liabilities by \$44.5 million as of September 30, 2014, an increase of \$6.8 million from September 30, 2013.

A condensed summary of the Authority's financial position at September 30 is shown below.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>% Change 2014/2013</u>	<u>% Change 2013/2012</u>
ASSETS:					
Current Assets	6,317,770	5,765,334	5,805,084	9.6%	-0.7%
Capital Assets	<u>39,777,669</u>	<u>32,489,050</u>	<u>32,872,962</u>	22.4%	-1.2%
Total Assets	<u>46,095,439</u>	<u>38,254,384</u>	<u>38,678,046</u>	20.5%	-1.1%
LIABILITIES:					
Current Liabilities	1,346,729	374,619	379,585	259.5%	-1.3%
Noncurrent Liabilities	181,530	171,381	157,664	5.9%	8.7%
Deferred Inflows of resources	<u>27,654</u>	<u>0</u>	<u>91,530</u>	.0%	-100.0%
Total Liabilities & Deferred Inflows	<u>1,555,914</u>	<u>546,000</u>	<u>628,779</u>	185.0%	-13.2%

NET ASSETS:

Invested in capital assets	39,777,670	32,489,050	32,872,962	22.4%	-1.2%
Restricted	5,500	5,500	5,500	0.0%	0.0%
Unrestricted	<u>4,756,356</u>	<u>5,213,834</u>	<u>5,170,805</u>	-28.0%	0.8%
Net Position	<u>44,539,526</u>	<u>37,708,384</u>	<u>38,049,267</u>	15.5%	-0.9%

The largest portion of the Authority's net position is invested in capital assets (e.g. land, buildings, improvements and equipment). No outstanding debt is attributable to these assets. The Authority uses its capital assets to provide services to its aviation partners, passengers and fixed-base operators. This requirement includes the obligation to preserve and maintain airport facilities in a safe and serviceable condition and includes the responsibility to operate the aeronautical facilities and common use areas for the benefit of the public. Consequently, these assets are not available for future spending.

The Authority's unrestricted net position is available to meet current and future obligations. The Authority anticipates that these funds will be needed to pay future capital expenditures and maintain adequate levels of working capital.

The Authority's restricted net position represents an amount required to be set aside as a performance bond by a communications use lease with the Bureau of Land Management (BLM). These BLM funds are restricted as they must be held for the duration of the lease which terminates on December 31, 2031.

The current liabilities increased due to accounts payables related to capital improvement projects and the reflection of expenses related to small community air service grant. The noncurrent liability increased due to an increase in accrued compensated absences.

Summary of Operations and Changes in Net Position

Aircraft operations for the fiscal year ending September 30, 2014, decreased approximately 23.1% from 31,824 to 24,459. General aviation decreased by 25.1% and commercial airline operations decreased 31.1% while the economic indicators indicate an improved economy, this decrease can be attributed to winter weather conditions, closures due to construction and a decrease in air carrier operations to accommodate the transition from turbo prop aircraft to regional jets.

Enplaned passengers for the fiscal year ending September 30, 2014 increased approximately 27.7% for the same period from 51,392 to 65,655. Horizon Air enplanements increased by 8.1%, SkyWest Airlines experienced a 10.4% increase and, as this is the first year United Airlines has operated at the airport, prior year comparative data is not available. The increases are primarily attributed to the increased local marketing efforts, the transition to regional jets and the addition of a third air carrier that provided access to two additional connecting cities (SFO and DEN).

A condensed summary of the Authority's revenue, expenses and changes in net position for the fiscal year ending September 30 is shown below.

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>% Change 2014/2013</u>	<u>% Change 2013/2012</u>
Operating Revenue	2,472,425	2,184,874	2,199,031	13.2%	-0.6%
Operating Expenses	<u>4,423,387</u>	<u>3,580,984</u>	<u>3,713,175</u>	23.5%	-3.6%
Operating (income/loss)	-1,950,962	-1,396,110	-1,514,144	-39.7%	7.8%
Non Operating Revenue					
(Expenses)	-2,203,844	312,704	143,319	-804.8%	118.2%
Capital Contributions	<u>10,985,948</u>	<u>742,523</u>	<u>151,940</u>	1379.5%	388.7%
Changes in net position	6,831,142	-340,883	-1,218,885	2104.0%	-72.0%

Beginning net position	<u>37,708,384</u>	<u>38,049,267</u>	<u>39,268,152</u>	-0.9%	-3.1%
Ending net position	<u>44,539,526</u>	<u>37,708,384</u>	<u>38,049,267</u>	18.1%	-0.9%

Operating revenue increased 13.2% from the prior fiscal year. Highlights of the revenues are as follows:

- Automobile Parking revenue increased 68.9%. This increase is primarily attributed to increased parking lot use and the method of calculating once gross revenues collected exceed \$13,000. Once the \$13,000 is reached, the percent of commission due to the Airport escalates from 35% to 80% of the gross revenues collected. The gross revenue exceeded the \$13,000 in six of the reporting periods.
- Automobile rental revenue experienced a 25.8% increase. This increase is the result of commission revenue received from new agreement terms and the addition of an operator that was previously an off-airport operator. The new agreements include terms that included additional revenue collection abilities and increased airport use fees. Increased air service has also contributed to the additional revenue either by increases in enplanements or passengers renting cars to get to other airports when flights are diverted or cancelled.
- Terminal Concessions Revenue increased 22.1%. This can be primarily attributed to the vending machine revenue that the airport receives directly that was previously allotted to the airport food/gift vendor.
- FBO Revenue increased 17.3%. This increase is primarily due to the improving economy and increased rates and charges related to tiedown and landing fees commencing in fiscal year 2014.
- Miscellaneous Revenue decreased 50.1%. This is attributed to surplus equipment sales in fiscal year 2013 that did not occur in fiscal year 2014.

Operating expenses increased 23.5% over the prior fiscal year. Highlights of expenses are as follows:

- Utilities increased 24.2% primarily due to fuel costs and increased air passenger terminal use.
- Service Provider – SSI (Safety Security Instruction) is a new expense related to an airport operations/safety interactive driver's training software program that provides instruction and testing for driving in the airport operations areas. This program is a subscription service.
- Professional Services – Litigation decreased due to the FAA's threat of cessation of FAA funding for the Airport Contract Control Tower (Tower) in fiscal year 2013 and significant legal fees were expended to secure funding.
- Education Training increased 89.4%. The increases can be attributed to staff changes resulting in additional fire training required to be FAA ARFF compliant and an increase in the class fees. The increase can also be attributed to a kick-off ribbon cutting ceremony held at the commencement of the RSA improvement projects.
- Insurance – This expense decreased 24%. The decrease is a result of the Airport's insurance broker diligently monitoring the market, which resulted in a decrease in premium expenses.
- Contracts – Security CMS increased 77.3%. The contract was initiated in fiscal year 2013 included a partial year rather than the full year of fees as stated in fiscal year 2014.
- Fuel/Lubricants increased 31.4% due to a more concentrated snow removal effort. Even in a mild snow year, due to elevated runway condition operating criteria for the regional jet aircraft, which resulted in more equipment on the runway for longer periods of time to achieve approved braking action.

- Repairs/Maintenance Equipment increased 149.3% due to routine maintenance completed on vehicles that have an increased use and the age of the equipment is also a factor. Two notable items are the purchase of replacement snowplow blades which typically have a 4-5 year life and the increased need to replace brooms. The brooms are used to remove snow from the runway to achieve the elevated runway condition operation criteria for the regional jets and have become the most effective method and are being utilized more than in past years, hence the need for more frequent replacement.
- ARFF/Maintenance increased 161%. This increase can be attributed to maintenance requirements to include air value water value replacements on again ARFF response vehicles. It also included the replacement of operational/emergency portable radios that had surpassed their expected usefulness and were no longer serviceable.

Comparison of Budget and Actual Results

No amendments were made to the Authority's *Budgeted Revenue, Expenses and Changes in Net Position* during the fiscal year ending September 30, 2014. A summary of operating revenue and expenses based on the actual budgetary basis is shown below.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Total Operating Revenue	2,359,170	2,472,425	113,255
Total Operating Expenses	2,155,965	2,284,371	-128,406
Operating Income (loss)	203,205	188,054	-15,151

Actual results reported above may differ from the actual results as reported in the *Statement of Revenue, Expenses and Changes in Net Position* for the following reasons:

- Accruals of compensated absences are not budgeted.
- Depreciation is a non-cash item and therefore not budgeted.
- Passenger Facility Charges (PFC) are budgeted based on receipts but may be deferred for GAAP.
- Interest earned on PFCs are budgeted as interest but reportable as PFC revenue for GAAP.
- Capital asset purchases are budgeted but are an asset instead of an expense for GAAP.
- Losses from sale of fixed assets and impairment of fixed assets are not budgeted.

The Authority's budget philosophy is to conservatively estimate revenue while, at the same time, making certain that budgeted operating expenses are not understated. The fiscal year 2014 budget process was a direct reflection of the Authority's typical philosophy while also considering the aggressive approach needed to meet congressional mandated safety standards required by December, 2015.

Capital Acquisitions and Construction Activities

The increase to *Buildings and Improvements* includes a reconfiguration of air carrier area within the air passenger terminal to accommodate an additional air carrier.

The increase to *Airfield and General Improvements* includes congressionally mandated runway safety area improvements, replacement of an ATIS (automated terminal information system), controlled access equipment at the air traffic control tower and replacement of AWOS (automated weather observation system) equipment to meet FAA backup equipment requirements. A decrease included the disposal of badging equipment that was utilized in the airport security department.

The increase to *Office Equipment* includes the acquisition of a computer equipment for the administration and security departments. A decrease included a disposal of a projector and computer equipment.

The increase to *Maintenance Equipment/Vehicles* is related to the acquisition of driver's training software, snow removal equipment, operation equipment, operations radios, and security upgrades. The decrease included disposal of maintenance equipment.

The increase to *Assessments/Plans & Studies* is related to a portion of the disposal of maintenance equipment and Environmental Impact Study (EIS) work that was released by the FAA for future planning.

The decrease in Construction in Progress is related to the EIS and the increase is due to Runway Safety Improvements and Master Plan projects.

Long-term Liabilities

The only long-term liability is for compensated absences, which represents vacation, comp time and 25% of sick leave, which has been accrued but will be paid in future periods as used or on termination of employment. The total liability at September 30, 2014, was \$181,530. The total liability increase is related to the amount of benefits accrued but not used. Currently, the Authority has no other long-term debt outstanding nor are there any plans to incur any long-term debt.

Requests for Information

This financial report is designed to provide the Authority's Board, management, investors, creditors and customers with a general view of the Authority's net position and results of operations. Questions concerning any information contained in this report may be directed to the Airport Manager, 1616 Airport Circle, Hailey, ID 83333.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**STATEMENTS OF NET POSITION
ENTERPRISE FUND**

September 30, 2014 and 2013

ASSETS	<u>2014</u>	<u>2013</u>
Current Assets:		
Cash and cash equivalents	\$ 4,730,964	\$ 5,451,576
Operating accounts receivable	122,534	148,180
Due from other governments	1,427,273	156,233
Interest receivable	533	533
Prepaid expenses	3,312	3,312
Restricted cash and cash equivalents:		
BLM	5,500	5,500
Passenger Facility Charges	27,654	-
Total Current Assets	<u>6,317,770</u>	<u>5,765,334</u>
Noncurrent Assets:		
Capital assets:		
Land	6,712,067	6,712,067
Construction in progress	10,400,417	8,760,396
Airfield, buildings, equipment, improvements, plans and studies	<u>47,742,497</u>	<u>39,983,509</u>
	64,854,981	55,455,972
Accumulated depreciation	<u>(25,077,311)</u>	<u>(22,966,922)</u>
Total Capital Assets	<u>39,777,670</u>	<u>32,489,050</u>
 Total Assets	 <u>46,095,440</u>	 <u>38,254,384</u>
LIABILITIES		
Current Liabilities:		
Trade accounts payable	360,306	56,640
Payable City of Hailey	1,216	1,487
Accounts payable for capital improvements	901,180	223,671
Accrued payroll and benefits	5,221	3,029
Customer deposits	2,400	7,400
Accrued compensated absences	<u>76,407</u>	<u>82,392</u>
Total Current Liabilities	<u>1,346,730</u>	<u>374,619</u>
Noncurrent Liabilities:		
Long-term accrued compensated absences	<u>181,530</u>	<u>171,381</u>
Total Liabilities	<u>1,528,260</u>	<u>546,000</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - Passenger Facility Charges	<u>27,654</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>27,654</u>	<u>-</u>
NET POSITION		
Invested in capital assets	39,777,670	32,489,050
Restricted	5,500	5,500
Unrestricted	<u>4,756,356</u>	<u>5,213,834</u>
Total Net Position	<u>\$ 44,539,526</u>	<u>\$ 37,708,384</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND**

For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating Revenue:		
Airlines	\$ 204,365	\$ 176,753
Automobile rental	489,713	389,427
Auto parking	144,931	85,789
Rents, fees, commissions and leases	1,402,230	1,306,899
Fuel flowage fees	198,046	190,494
Other operating revenue	33,140	35,512
Total Operating Revenue	<u>2,472,425</u>	<u>2,184,874</u>
Operating Expenses:		
Employee wages, benefits and taxes	1,225,298	1,190,186
Supplies	58,424	59,234
Utilities	100,262	80,711
Services and contracts	316,153	378,053
Repairs and maintenance	104,230	90,988
Insurance	51,589	67,930
Other operating expense	424,251	69,009
Depreciation	2,143,180	1,644,873
Total Operating Expenses	<u>4,423,387</u>	<u>3,580,984</u>
Operating Income (Loss)	<u>(1,950,962)</u>	<u>(1,396,110)</u>
Nonoperating Revenue (Expenses):		
Passenger Facility Charges	222,438	304,284
Interest income	6,444	8,684
Federal grants	220,646	-
Impairment loss	(2,652,122)	-
Loss on sale of equipment	(1,250)	(264)
Total Nonoperating Revenue and (Expenses)	<u>(2,203,844)</u>	<u>312,704</u>
Income (Loss) before Capital Contributions	(4,154,806)	(1,083,406)
Capital Contributions	<u>10,985,948</u>	<u>742,523</u>
Change in Net Position	6,831,142	(340,883)
Net Position, Beginning of Year	<u>37,708,384</u>	<u>38,049,267</u>
Net Position, End of Year	<u>\$ 44,539,526</u>	<u>\$ 37,708,384</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**STATEMENTS OF CASH FLOWS
ENTERPRISE FUND**

For the Years Ended September 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,492,526	\$ 2,228,641
Cash payments for employees' services and benefits	(1,218,942)	(1,177,018)
Cash payments to suppliers for goods and services	<u>(751,514)</u>	<u>(810,030)</u>
Net cash provided (used) by operating activities	<u>522,070</u>	<u>241,593</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(11,407,663)	(1,201,065)
Grants and other amounts received for the purchase of capital assets	9,936,099	664,604
Passenger facility charges received for the purchase of capital assets	<u>250,092</u>	<u>212,754</u>
Net cash provided (used) by capital and related financing activities	<u>(1,221,472)</u>	<u>(323,707)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Receipts of interest	<u>6,444</u>	<u>9,119</u>
Net cash provided (used) by investing activities	<u>6,444</u>	<u>9,119</u>
Net increase (decrease) in cash and cash equivalents	<u>(692,958)</u>	<u>(72,995)</u>
Balances - beginning of the year	<u>5,457,076</u>	<u>5,530,071</u>
Balances - end of the year	<u><u>\$ 4,764,118</u></u>	<u><u>\$ 5,457,076</u></u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income (loss)	<u>\$ (1,950,962)</u>	<u>\$ (1,396,110)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,143,180	1,644,873
Change in assets and liabilities:		
(Increase) decrease in operating accounts receivable	25,646	43,667
(Increase) decrease in government receivable	(545)	-
(Increase) decrease in prepaid expenses	-	572
Increase (decrease) in accounts payable trade	303,395	(64,677)
Increase (decrease) in accrued payroll and benefits	2,192	(374)
Increase (decrease) in customer deposits	(5,000)	100
Increase (decrease) in accrued compensated absences	4,164	13,542
Total Adjustment and Changes	<u>2,473,032</u>	<u>1,637,703</u>
Net cash provided (used) by operating activities	<u><u>\$ 522,070</u></u>	<u><u>\$ 241,593</u></u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2014

Note 1. Summary of Significant Accounting Policies

1-A. Organization and Reporting Entity

Organization

Effective October 1, 1994, Blaine County, Idaho and the City of Hailey, Idaho entered into a Joint Powers Agreement creating the Friedman Memorial Airport Authority (Authority) for the purpose of operating and managing airport activities in Blaine County, Idaho. The Authority is a public entity of the State of Idaho and therefore the Authority's income is exempt from Federal and Idaho income taxes. The Authority is governed by a seven-member board with three members representing Blaine County, three members representing the City of Hailey and one member who is unanimously selected by the other four members. The Authority has hired employees to provide for the day-to-day operations and management.

Pursuant to the Joint Powers Agreement, all buildings, improvements, facilities, equipment, and personal property used by the Authority were conveyed by Blaine County and the City of Hailey to the Authority for use and benefit of the Authority and title thereof shall be held by the Authority. Upon termination of this Agreement, title to all buildings, improvements, facilities, equipment and personal property held by the Authority shall vest jointly in Blaine County and the City of Hailey.

Reporting Entity

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financial accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the Authority does not have component units. Accordingly, the accompanying financial statements include only the operations of the Friedman Memorial Airport Authority.

1-B. Measurement Focus, Basis of Accounting

The Friedman Memorial Airport Authority's financial statements have been prepared using the accrual basis of accounting. Under this method, revenue and receivables are recognized when services are provided and expense and liabilities are recorded at the time goods and services are received.

The Authority's accounting policies conform to generally accepted accounting principles applicable to proprietary funds of governmental units. Proprietary funds use the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net assets.

Proprietary operating revenue, such as charges for services, result from exchange transactions associated with the principal activity of the operating unit. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as interest or capital contributions, result from nonexchange transactions or ancillary activities. Nonexchange transactions, in which the Authority gives (or receives) value without directly receiving (or giving) value in exchange, include grants, donations and passenger facility charges (PFC's). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. PFC's along with related interest earnings are recorded as deferred revenue until authorized for matching payments on construction projects under an FAA approved Application to Use. Once authorized to use, PFC receipts are recognized and recorded as nonoperating revenue in the year collected.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2014

1-C. Assets, Liabilities and Equity

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash in bank accounts and funds deposited in the State Treasurer's Local Government Investment Pool. Because the State Treasurer's Local Government Investment Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is deemed to be a cash equivalent. These funds are carried at cost which is not materially different than fair value.

Accounts Receivable

Based upon past experience, uncollectible receivables are deemed immaterial by management and no allowance has been provided.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

Capital assets are stated at cost. Donated capital assets are recorded at their estimated fair market value when received. Only assets with a value over \$1,500 are capitalized. The Authority does include the cost of all infrastructure assets in capital assets. Assets held under capital leases are recorded at the lower of fair market value or the present value of future lease payments and amortized over the estimated life of the asset. Depreciation is calculated by the straight-line method over the estimated useful life of the depreciable property as follows:

Building and improvements	4 to 50 years
Airfield and general improvements	4 to 25 years
Office equipment	2 to 10 years
Maintenance equipment and vehicles	2 to 20 years
Assessments, plans and studies	4 to 20 years

Restricted Cash – BLM

This cash represents an amount required to be set aside as a performance bond by a communications use lease with the Bureau of Land Management. These funds are restricted as they must be held for the duration of the lease which terminates on December 31, 2031.

Restricted Cash – Passenger Facility Charges Funds

This cash represents Passenger Facility Charges (PFC) collections based on an approved FAA application to "impose" such charges on enplaned passengers at the Airport. These funds are restricted to funding designated capital projects.

Use of Restricted Resources

The Authority's policy is to first apply restricted resources when an eligible expenditure is made for which both restricted and unrestricted net assets are available.

Budget

The Airport is required by state law to adopt an annual budget. The budgetary basis is accrual but differs from the basis of accounting used for the financial statements in the following ways:

1. Accruals of compensated absences are not budgeted.
2. Depreciation is a non-cash item and therefore not budgeted.
3. Passenger Facility Charges (PFC) are budgeted based on receipts but may be deferred for GAAP.
4. Interest earned on PFCs is budgeted as interest but reportable as PFC revenue for GAAP.
5. Capital asset purchases are budgeted but are reported as an asset instead of as an expense for GAAP.
6. Losses from sale of fixed assets and impairment of fixed assets are not budgeted.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2014

Compensated Absences

All employees receive 96 hours of sick leave per year with no maximum accrual. Vacation is received based on years of service. Those having one to two years of service receive 80 hours of vacation annually and the hours received increase 8 hours per year for every two years of service. Compensated absences consist of accrued vacation, comp time and 25% of accrued sick leave that would be paid upon termination of employment.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimated.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

1-D. Subsequent Events

Management has evaluated subsequent events through February 2, 2015, the date on which financial statements were available to be issued.

Note 2. Deposits and Investments

The following is a reconciliation of the Authority's deposit and investment balances as of September 30, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Cash on hand	\$ 50	\$ 50
Bank deposits	33,083	22,970
Repurchase agreement	247,652	181,511
State of Idaho Local Government Investment Pool	4,483,333	5,252,545
	<u>\$ 4,764,118</u>	<u>\$ 5,457,076</u>

The Authority invests in the State of Idaho Local Government Investment Pool. These funds can be liquidated at cost as needed and are carried at cost which is not materially different than fair value. The invested amounts at year end are as listed above.

Deposit and Investment Policy

The Authority's Investment Policy limits investments to interest-bearing accounts through approved and chosen financial institutions and the State of Idaho Local Government Investment Pool. The accounts are to be reviewed monthly by the Board's financial review committee.

Credit Risk

The Authority's investment policy limits investment choices to interest-bearing accounts at approved banks or the State of Idaho Local Government Investment Pool. As of September 30, 2014 and 2013, the Authority's deposits and investment had the following credit ratings:

<u>Investment</u>	<u>2014</u> <u>Fair Value</u>	<u>2013</u> <u>Fair Value</u>	<u>Credit</u> <u>Rating</u>
Mountain West Savings	\$ 27,339	\$ 17,308	None
Mountain West Certificate of Deposit	5,744	5,662	None
Mountain West repurchase agreement	247,652	181,511	None
State of Idaho Local Government Investment Pool	4,483,333	5,252,545	None

Investment by the Authority in State of Idaho Local Government Investment Pool is considered unclassified as to credit risk because they are not evidenced by securities that exist in physical or book entry form. The type of investments allowed is regulated by *Idaho Code* and oversight is provided by the Idaho State Treasurer's Office.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2014

Custodial Credit Risk

The Authority's investment policy does not limit the amount of deposits in approved and chosen financial institutions.

As of September 30, 2014, the carrying amount of the Authority's bank deposits was \$280,735 and the respective bank balances totaled \$703,023. The Authority's deposits at September 30, 2014, were covered by \$250,000 of insurance from the Federal Depository Insurance Corporation and \$591,354 of collateral. None of these deposits were unsecured or uninsured. The securities serving as collateral are held in the name of the financial institution and not that of the Authority.

As of September 30, 2013, the carrying amount of the Authority's bank deposits was \$204,481 and the respective bank balances totaled \$290,577. The Authority's deposits at September 30, 2013, were covered by \$250,000 of insurance from the Federal Depository Insurance Corporation and \$275,896 of collateral. None of these deposits were unsecured or uninsured. The securities serving as collateral are held in the name of the financial institution and not that of the Authority.

Concentration Credit Risk

The Authority's investment policy does not place limits on amounts invested in any one issuer. Pooled investments and investments issued or explicitly guaranteed by the U.S. Government are not considered a concentration credit risk. On September 30, 2014, the Authority had more than 5% of its deposits and investments invested in the repurchase agreement with Mountain West Bank. On September 30, 2013, the Authority did not have 5% or more of its deposits and investments with one issuer.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Authority's investment policy limits their investments and deposits to interest-bearing accounts at approved and chosen financial institutions. The Authority had the following deposits and investments as of September 30, 2014 and 2013:

<u>Investment</u>	<u>2014</u> <u>Fair Value</u>	<u>Weighted</u> <u>Average</u> <u>Duration</u>	<u>2013</u> <u>Fair Value</u>	<u>Weighted</u> <u>Average</u> <u>Duration</u>
Repurchase agreement	\$ 247,652	1 day	\$ 181,511	1 day
Investment pool	4,483,333	144 days	5,252,545	135 days
Certificate of Deposit	5,744	1 year 16 days	5,662	2 years 16 days
Demand deposits	27,339	not applicable	17,308	not applicable

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2014**

Note 3. Capital Assets

Capital asset activity for the year ended September 30, 2014, was as follows:

	<u>Balance 9/30/2013</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Balance 9/30/2014</u>
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$	\$	\$	\$ 6,712,067
Construction in progress	8,760,396	9,821,906	(2,652,121)	(5,529,764)	10,400,417
Depreciable capital assets:					
Buildings and improvements	7,037,275	53,644			7,090,920
Airfield and general improvements	26,408,336	2,168,135	(7,420)	234,237	28,803,288
Office equipment	139,937	3,513	(14,953)		128,497
Maintenance equipment & vehicles	4,172,601	29,256	(11,669)		4,190,187
Assessments, plans & studies	<u>2,225,360</u>	<u>8,718</u>		<u>5,295,527</u>	<u>7,529,605</u>
	55,455,972	12,085,172	(2,686,163)	-	64,854,981
Accumulated depreciation	<u>(22,966,922)</u>	<u>(2,143,180)</u>	<u>32,791</u>		<u>(25,077,311)</u>
	<u>\$ 32,489,050</u>	<u>\$ 9,941,992</u>	<u>\$ (2,653,372)</u>	<u>\$ -</u>	<u>\$ 39,777,670</u>

Capital asset activity for the year ended September 30, 2013, was as follows:

	<u>Balance 9/30/2012</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Balance 9/30/2013</u>
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$	\$	\$	\$ 6,712,067
Construction in progress	8,017,411	817,105		(74,120)	8,760,396
Depreciable capital assets:					
Depreciating capital assets:					
Buildings and improvements	7,038,565	2,680	(3,970)		7,037,275
Airfield and general improvements	26,458,626	22,662	(72,952)		26,408,336
Office equipment	138,942	19,321	(18,326)		139,937
Maintenance equipment & vehicles	3,815,025	419,868	(74,209)	11,917	4,172,601
Assessments, plans & studies	<u>2,124,770</u>	<u>38,387</u>		<u>62,203</u>	<u>2,225,360</u>
	54,305,406	1,320,023	(169,457)	-	55,455,972
Accumulated depreciation	<u>(21,432,444)</u>	<u>(1,644,873)</u>	<u>110,395</u>		<u>(22,966,922)</u>
	<u>\$ 32,872,962</u>	<u>\$ (324,850)</u>	<u>\$ (59,062)</u>	<u>\$ -</u>	<u>\$ 32,489,050</u>

Note 4. Accounts Receivable

The Airport manager, under the direction of the Airport, charges fees and rents for parking (aircraft and automobiles), landing of aircraft, fuel flowage, hangars and concession commissions. Landing fees are based on the weight of the aircraft while parking fees are based on the class and weight of each aircraft. Auto parking is on a commission basis. The Airport clerk posts these charges on a regular basis and bills each user.

Based upon past experience, uncollectible receivables are deemed immaterial by management.

The Authority's uncollected accounts as of September 30, 2014 and 2013, are as follows:

	<u>2014</u>	<u>2013</u>
Current	\$ 119,599	\$ 147,385
30-60 days	1,898	72
60-90 days	1,093	738
90 days and over	<u>(56)</u>	<u>(15)</u>
	<u>\$ 122,534</u>	<u>\$ 148,180</u>
Government grants receivable	<u>\$ 1,427,273</u>	<u>\$ 156,233</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2014**

Note 5. Long-term Liabilities

Changes in long-term obligations for the year ended September 30, 2014, are as follows:

	<u>Balance at</u> <u>10/01/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/2014</u>	<u>Amount due</u> <u>within 1 year</u>
Compensated absences	\$ 171,381	\$ 10,149	\$ -	\$ 181,530	\$ -

Changes in long-term obligations for the year ended September 30, 2013, are as follows:

	<u>Balance at</u> <u>10/01/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>9/30/2013</u>	<u>Amount due</u> <u>within 1 year</u>
Compensated absences	\$ 157,664	\$ 13,717	\$ -	\$ 171,381	\$ -

Note 6. Pension Plan

The Authority adopted a Simplified Employee Pension Plan (SEP) which became effective January 1, 1998. Vesting in the plan is immediate and all employees whose compensation exceeds \$450 and have performed services in at least one of the immediately preceding 5 years receive contributions. Plan contributions were \$101,732 for the year ended September 30, 2014, and \$98,328 for the year ended September 30, 2013.

Note 7. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Authority purchases commercial insurance. There has been no significant reduction in insurance coverage in the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 8. Concentrations

The Authority enters into contracts with service providers at the Airport. Because of physical space limitations at the airfield, there are limited facilities available for service providers. During the current year, there were two airlines that provide scheduled commercial service, one fuel supplier, one fixed-base operator, one gift shop, one car park and three rental car agencies.

Note 9. Lease Revenue

The Airport leases its property to commercial airlines, car rental companies, concessionaires, fixed base operators who service the airline industry and hanger operations. The airlines have annual renewal dates and some concessionaires are month to month. The long-term leases can only be terminated by buying out the lease and vary from 3 to 20 years. Some of these leases are increased annually by an inflation factor based on the CPI. These inflation rates are unknown and have not been included in amounts calculated. The net book value of property held for operating lease as of September 30, 2014, is \$563,333, not including the value of the land leased by hangar owners/operators. No allocation of land values between leased and utilized land has been done. The projected lease revenue at current rates is as follows:

<u>Year Ended</u> <u>September 30</u>	
2015	\$ 540,428
2016	531,858
2017	226,738
2018	225,648
2019	202,377
2020 to 2024	974,089
2025 to 2029	<u>404,679</u>
Total	<u>\$ 3,105,817</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2014**

approved for use. The FAA has also approved PFC 14-09-C-00-SUN for collection from July 1, 2014, to July 1, 2028, in the amount of \$2,787,259. Of that amount, \$1,785,269 is approved for use.

PFC revenue is used as matching funds for capital projects funded with Airport Improvement Project funds. There was deferred revenue of \$27,654 at September 30, 2014. There was no deferred revenue at September 30, 2013.

The following schedule shows the amounts collected and expended:

	<u>2014</u>		<u>2013</u>	
	<u>Receipts</u>	<u>Expenditures</u>	<u>Receipts</u>	<u>Expenditures</u>
PFC 11-07-C-00-SUN	\$ -	\$ -	\$ 129,932	\$ -
PFC 12-08-C-00-SUN	250,081	126,619	82,822	400,103
PFC 14-09-C-00-SUN	-	492,310	-	-

Note 11. Capital Contributions

During the years ended September 30, 2014 and 2013, the Authority received the following capital contributions:

	<u>2014</u>	<u>2013</u>
Federal grants	\$ 10,985,948	\$ 742,523
State grants	-	-
Other sources	-	-
	<u>\$ 10,985,948</u>	<u>\$ 742,523</u>

Note 12. Commitments

The Authority had three open grants from the U.S. Department of Transportation Airport Improvement Program (AIP) as of September 30, 2014. A summary of these projects is as follows:

<u>Project Description</u>				
AIP 38	Construct runway safety areas planning			
AIP 39	Construct access road, apron, taxiway, install perimeter fence, remove obstructions and rehabilitate apron			
AIP 40	Construct runway safety areas to meet lateral dimension criteria which includes relocation of terminal apron and hangar access taxiway; relocation of part of parallel taxiway; acquire buildings; remodel terminal building; relocate ARFF/SRE building; grade portion of runway safety area			
		<u>Total</u>	<u>Federal</u>	<u>Expenditures</u>
		<u>Budget</u>	<u>Awards</u>	<u>to date</u>
AIP 38		\$ 737,984	\$ 691,860	\$ 731,959
AIP 39		2,383,738	2,234,754	2,211,571
AIP 40		19,200,000	18,000,000	9,583,476
		<u>\$ 22,321,722</u>	<u>\$ 20,926,614</u>	<u>\$ 12,527,006</u>

Note 13. Contingencies

The 2004 Master Plan adopted by the Authority and accepted by the FAA on August 12, 2004, concluded that a new airport is the best long-term solution for aviation safety and for meeting the air transportation needs of the Wood River Valley and surrounding communities. The

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2014

Note 13. Contingencies

The 2004 Master Plan adopted by the Authority and accepted by the FAA on August 12, 2004, concluded that a new airport is the best long-term solution for aviation safety and for meeting the air transportation needs of the Wood River Valley and surrounding communities. The Authority agreed that new airport issues would be addressed in various future feasibility studies. Conclusions also indicated that interim improvements would need to be made to the current facility. Both safety and capacity improvements will continue to be made at the current site so that it may continue to function at the highest levels. AIP 38 thru AIP 04 are all projects developed to implement the 2004 Master Plan vision and to search for a new airport location to resolve aviation safety and air transport needs and to make interim improvements while the relocation is studied and implemented. On August 22, 2011, the FAA notified the Authority that the Replacement Airport Environmental Impact Statement was suspended indefinitely due to increased anticipated costs and potential impacts to wildlife. Specifically, the FAA was concerned that the replacement airport project may not be affordable for either the FAA or the local community. The Authority held public discussions with the community and determined that there was a desire to identify any possible short-term mitigation available at the existing site while continuing to pursue the ultimate goal of a replacement airport at another site. At the FAA's direction, the Authority conducted an Airport Alternatives Technical Analysis to identify all conceivable configurations and options that could be implemented at the existing airport site. At the end of fiscal year 2013, the Authority began a series of construction projects to implement Alternative 6 of the Airport Alternatives Technical Analysis. The Authority began a Master Planning process at the conclusion of fiscal year 2014. The Master Planning process will be a public process and is anticipated to take over a year to complete. The Authority will continue to work with the community and the FAA to ensure that this process maintains or increases air service and improves safety and reliability at the existing airport while also being committed to continuing the research of the viability of a replacement airport as a permanent solution.

Note 14. Impairments

The Authority incurred expenses in relation to an Environmental Impact Study required by the FAA in relation to the assessment of a need for a new airport. The FAA was deemed the owner of the study and the Authority requested to be allowed to use the information gathered for purposes of future planning. In December 2013, the FAA gave the Authority permission to use portions of the study. Management considered that one third should be taken as a loss and two thirds should be considered placed in service and depreciated over ten years. The impairment loss recognized in the September 30, 2014, financial statements is \$2,652,122 while \$5,304,244 was placed in service.

Note 15. Related Party Transactions

The City of Hailey, Idaho is one of the entities that created the Authority by entering into a Joint Powers Agreement. The Authority contracts with the City of Hailey for certain security services and reimburses the City for the cost of these services. The Authority also pays the City of Hailey for sewer, water and garbage collection at the same rates as other customers. Other services may also be contracted for at comparable rates as others are charged. The amounts paid for these services are as follows:

	<u>2014</u>	<u>2013</u>
Security services	\$ 3,264	\$ 4,012
Utilities	12,894	8,818

The amount due to the City of Hailey at September 30, 2014, is \$1,216 and was paid within 30 days.

SUPPLEMENTARY INFORMATION

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
For the Year Ended September 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Operating Revenue:				
Airlines	\$ 194,600	\$ 194,600	\$ 204,365	\$ 9,765
Automobile rental	412,000	412,000	489,713	77,713
Auto parking	80,000	80,000	144,931	64,931
Rents, fees, commissions and leases	1,472,570	1,472,570	1,402,230	(70,340)
Fuel flowage fees	200,000	200,000	198,046	(1,954)
Other operating revenue	-	-	33,140	33,140
Total Operating Revenue	<u>2,359,170</u>	<u>2,359,170</u>	<u>2,472,425</u>	<u>113,255</u>
Operating Expenses:				
Employee wages, benefits and taxes	1,239,505	1,239,505	1,229,462	10,043
Supplies	88,000	88,000	58,424	29,576
Utilities	95,010	95,010	100,262	(5,252)
Services and contracts	367,650	367,650	316,153	51,497
Repairs and maintenance	184,000	184,000	104,230	79,770
Insurance	72,900	72,900	51,589	21,311
Other operating expense	108,900	108,900	424,251	(315,351)
Total Operating Expenses	<u>2,155,965</u>	<u>2,155,965</u>	<u>2,284,371</u>	<u>(128,406)</u>
Operating Income	<u>203,205</u>	<u>203,205</u>	<u>188,054</u>	<u>(15,151)</u>
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	216,000	216,000	250,103	34,103
Interest income	12,000	12,000	6,433	(5,567)
Federal grants	-	-	220,646	6,433
Total Nonoperating Revenue and (Expenses)	<u>228,000</u>	<u>228,000</u>	<u>477,182</u>	<u>34,969</u>
Capital Contributions	<u>15,900,000</u>	<u>15,900,000</u>	<u>10,985,948</u>	<u>(4,914,052)</u>
Capital Expenditures	<u>17,440,000</u>	<u>17,440,000</u>	<u>12,085,172</u>	<u>5,354,828</u>
Change in Net Position	<u>\$ (1,108,795)</u>	<u>\$ (1,108,795)</u>	<u>\$ (433,988)</u>	<u>\$ 460,594</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**RECONCILIATION OF BUDGETARY BASIS TO GAAP
For the Year Ended September 30, 2014**

	<u>Actual Budgetary Basis</u>	<u>GAAP Basis</u>	<u>Difference</u>	<u>Number of Explanation</u>
Operating Revenue:				
Airlines	\$ 204,365	\$ 204,365	\$ 0	
Automobile rental	489,713	489,713	0	
Auto parking	144,931	144,931	0	
Rents, fees, commissions and leases	1,402,230	1,402,230	0	
Fuel flowage fees	198,046	198,046	0	
Other operating revenue	33,140	33,140	0	
Total Operating Revenue	<u>2,472,425</u>	<u>2,472,425</u>	<u>-</u>	
Operating Expenses:				
Employee wages, benefits and taxes	1,229,462	1,225,298	(4,164)	1
Supplies	58,424	58,424	0	
Utilities	100,262	100,262	0	
Services and contracts	316,153	316,153	0	
Repairs and maintenance	104,230	104,230	0	
Insurance	51,589	51,589	0	
Other operating expense	424,251	424,251	0	
Depreciation	-	2,143,180	2,143,180	2
Total Operating Expenses	<u>2,284,371</u>	<u>4,423,387</u>	<u>2,139,016</u>	
Operating Income	<u>188,054</u>	<u>(1,950,962)</u>	<u>(2,139,016)</u>	
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	250,103	222,438	(27,665)	3, 4
Interest income	6,433	6,444	11	4
Federal grants	220,646	220,646	-	
Impairment loss	-	(2,652,122)	(2,652,122)	6
Loss on sale of equipment	-	(1,250)	(1,250)	6
Total Nonoperating Revenue and (Expenses)	<u>477,182</u>	<u>(2,203,844)</u>	<u>(2,681,026)</u>	
Capital Contributions	<u>10,985,948</u>	<u>10,985,948</u>	<u>-</u>	
Capital Expenditures	<u>12,085,172</u>	<u>-</u>	<u>12,085,172</u>	5
Change in Net Position	<u>\$ (433,988)</u>	<u>\$ 6,831,142</u>	<u>\$ 7,265,130</u>	

1. Accruals of compensated absences are not budgeted.
2. Depreciation is a noncash item and therefore not budgeted.
3. Passenger facility charges (PFC) are budgeted based on receipts but may be deferred for GAAP.
4. Interest earned on PFCs is budgeted as interest but reportable as PFC revenue for GAAP.
5. Capital asset purchases are budgeted but are reported as an asset instead of as an expense for GAAP.
6. Losses from sale of fixed assets and impairment of fixed assets are not budgeted.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT**

September 30, 2014

**OMB CIRCULAR A-133
SUPPLEMENTARY FINANCIAL REPORT**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of
Freidman Memorial Airport Authority
Hailey, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Friedman Memorial Airport Authority, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Friedman Memorial Airport Authority's basic financial statements, and have issued our report thereon dated February 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friedman Memorial Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matter

As part of obtaining reasonable assurance about whether Friedman Memorial Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Brad H. Clapp".

Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 2, 2015

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of
Friedman Memorial Airport Authority
Hailey, Idaho

Report on Compliance for Each Major Federal Program

We have audited Friedman Memorial Airport Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Friedman Memorial Airport Authority's major federal program for the year ended September 30, 2013. Friedman Memorial Airport Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of Friedman Memorial Airport Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Friedman Memorial Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of Friedman Memorial Airport Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Friedman Memorial Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2014.

Report on Internal Control Over Compliance

Management of Friedman Memorial Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures appropriate in the circumstances for the purpose of expressing an opinion on compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control over compliance. Accordingly we do not express an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 2, 2015

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2014

<u>Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>U.S. Department of Transportation</u> Airport Improvement Program	20.106	<u>\$ 10,985,953</u>
<u>U.S. Department of Transportation</u> Small Community Air Service Development Program	20.930	<u>220,646</u>
Total Federal Financial Assistance		<u>\$ 11,206,599</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2014**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Friedman Memorial Airport Authority under programs of the federal government for the year ended September 30, 2014. The Information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of Friedman Memorial; Airport Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Friedman Memorial Airport Authority.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: unqualified opinion

Internal control over financial reporting:

- Material weaknesses identified? _____ Yes X No
- Reportable conditions identified that are not considered to be material weaknesses? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weaknesses identified? _____ Yes X No
- Reportable conditions identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ Yes X No

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

Findings Relating to the Financial Statements

There were no findings relating to the financial statements which were required to be reported in accordance with GAGAS.

Findings and Questioned Costs – Major Federal Awards Program Audit

There were no findings and questioned costs for Federal award which we are required to report under §____.510(a)

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2014

There are no audit findings of Friedman Memorial Airport Authority which were reported for the year ended September 30, 2013.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**PASSENGER FACILITY CHARGE PROGRAM
FINANCIAL REPORT**

September 30, 2014

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of
Freidman Memorial Airport Authority
Hailey, Idaho

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Friedman Memorial Airport Authority, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise Friedman Memorial Airport Authority's basic financial statements, and have issued our report thereon dated February 2, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Friedman Memorial Airport Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matter

As part of obtaining reasonable assurance about whether Friedman Memorial Airport Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Ronald Hupp", with a long horizontal flourish extending to the right.

Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 2, 2015

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR THE PASSENGER FACILITY CHARGE
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

To the Board of
Friedman Memorial Airport Authority
Hailey, Idaho

Report on Compliance for the Passenger Facility Charge Program

We have audited the Friedman Memorial Airport Authority's compliance with the types of compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2014.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Friedman Memorial Airport Authority's passenger facility charge program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Passenger Facility Charge Audit Guide for Public Agencies*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Friedman Memorial Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the passenger facility charge program. However, our audit does not provide a legal determination of Friedman Memorial Airport Authority's compliance.

Opinion on the Passenger Facility Charge Program

In our opinion, Friedman Memorial Airport Authority's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended September 30, 2014.

Report on Internal Control over Compliance

Management of Friedman Memorial Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Friedman Memorial Airport Authority's internal control over

compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the passenger facility charge program and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Friedman Memorial Airport Authority's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the passenger facility charge program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the passenger facility charge program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Passenger Facility Charges Collected and Expended – Cash Basis

We have audited the financial statements of Friedman Memorial Airport Authority as of and for the year ended September 30, 2014, and have issued our report thereon dated February 2, 2015 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as specified in the Guide and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of passenger facility charges collected and expended – cash basis is fairly stated in all material respects in relation to the financial statements as a whole.



Simmons and Clubb
Certified Public Accountants

Boise, Idaho
February 2, 2015

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED – CASH BASIS
For the Year Ended September 30, 2014**

<u>Description</u>	<u>Application Number</u>	<u>Total Grant Award</u>	<u>Accrued (Deferred) PFC Revenue 9/30/13</u>	<u>Cash Received 10/1/13 thru 9/30/14</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Accrued (Deferred) PFC Revenue 9/30/14</u>
<u>U.S. Department of Transportation</u>							
Passenger Facility Charge	12-08-C-00-SUN	\$ 527,500	\$ 95,818	\$ 250,091	\$ 126,619	\$ 0	\$ (27,654)
Passenger Facility Charge	14-09-C-00-SUN	<u>2,787,259</u>	<u>0</u>	<u>0</u>	<u>481,443</u>	<u>18,421</u>	<u>499,864</u>
Total		<u>\$ 3,314,759</u>	<u>\$ 95,818</u>	<u>\$ 250,091</u>	<u>\$ 608,062</u>	<u>\$ 18,421</u>	<u>\$ 472,210</u>

The accompanying notes are an integral part of this schedule.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED
For the Year Ended September 30, 2014**

Note 1. Basis of Presentation

The accompanying schedule of passenger facility charges collected and expended is presented on the cash basis of accounting. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of the financial statements.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
PASSENGER FACILITY CHARGES SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2014

Findings Relating to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2014.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY
PASSENGER FACILITY CHARGES SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2014

Prior Year Findings to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2013.