

**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 Tuesday, February 9, 2016 at 5:30 p.m. at the old Blaine County Courthouse Meeting Room Hailey, Idaho. All matters shall be considered Joint Decision Matters unless otherwise noted. The proposed Agenda for the meeting is as follows:

**AGENDA
February 9, 2016**

- I. APPROVE AGENDA**
- II. PUBLIC COMMENT (10 Minutes Allotted)**
- III. FMAA FINANCIAL STATEMENTS & OTHER FINANCIAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2015 – Attachment #1** DISCUSS/PUBLIC COMMENT/ACTION
- VII. UNFINISHED BUSINESS**
 - C. Master Plan Update DISCUSS/DIRECT
- IV. APPPROVE FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:**
 - A. January 12, 2016 Regular Meeting – Attachment #2 ACTION
- V. REPORTS**
 - A. Chairman Report DISCUSSION
 - B. Blaine County Report DISCUSSION
 - C. City of Hailey Report DISCUSSION
 - D. Airport Manager Report DISCUSSION
 - E. Communications Director Report (Centerlyne) DISCUSSION
 - F. Fly Sun Valley Alliance 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 #3 - #5
 - D. Review Correspondence – Attachment #6
 - E. Airport Commercial Flight Interruptions
- VII. UNFINISHED BUSINESS (Continued)**
 - A. Airport Solutions
 - 1. Existing Site
 - a. Plan to Meet 2015 Congressional Safety Area Requirement
 - i. Runway Safety Area Improvements Project DISCUSSION
 - ii. Project Closeout DISCUSSION
 - b. Future Projects
 - i. Terminal Aircraft Parking Improvements – Attachment #7 DISCUSS/PUBLIC COMMENT/ACTION
 - ii. Terminal Parking Lot Improvements DISCUSS/DIRECT
 - iii. Terminal Airline Ticketing Office Improvements – Attachment #8 DISCUSS/PUBLIC COMMENT/ACTION
 - B. Voluntary Noise Abatement/Runway Use Program Review Committee - Consideration of Appointments DISCUSS/PUBLIC COMMENT/ACTION
 - C. Master Plan Update DISCUSS/DIRECT
- VIII. PUBLIC COMMENT**
- IX. EXECUTIVE SESSION – I.C. §74-206 (c) To acquire an interest in real property which is not owned by a public agency
I.C. §74-206 (f) To communicate with legal counsel to discuss legal ramifications for
controversy imminently likely to be litigated**
- X. ADJOURNMENT**

**III. FMAA FINANCIAL STATEMENTS & OTHER FINANCIAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2015 – Attachment #1**

Attachment #1 will be available prior to the February 9, 2016 FMAA meeting on the Airport's website at www.iflysun.com. It is the draft *Friedman Memorial Airport Authority Financial Statements and Other Financial Information for the Year Ended September 30, 2015*. A portion of the Financial Statements is the *Management Discussion and Analysis (MD&A)*.

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

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

VII. UNFINISHED BUSINESS

C. Master Plan Update

During the January FMAA meeting, in which Master Planning was discussed, the Board requested a representative from the BLM attend a future meeting for the purpose of elaboration and enlightenment regarding BLM land use policies pertaining primarily to Greater Sage Grouse habitat. Appropriate representatives from the BLM and State of Idaho will be present to discuss the aforementioned subject matter with the Board.

BOARD ACTION: 1. Discuss/Direct

IV. APPROVE FRIEDMAN MEMORIAL AIRPORT AUTHORITY MEETING MINUTES OF:

A. January 12, 2016 Regular Meeting – Attachment #2

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. Communications Director Report (Centerlyne)

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

BOARD ACTION: 1. Discussion

F. Fly Sun Valley Alliance Report

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

BOARD ACTION: 1. Discussion

VI. AIRPORT STAFF BRIEF (5 Minutes Allotted)

A. Noise Complaints:

Noise Complaints:	DATE	TIME	AIRCRAFT TYPE	INCIDENT DESCRIPTION	ACTION TAKEN
LOCATION					
Bellevue	1/2	8:07 pm	Turbo-prop	Loud arrival	Caller dislikes this particular type of aircraft as it emits an annoying sound. Ops Chief had a pleasant discussion with the caller.
Bellevue	1/3	12:45 pm	Unknown. Mult. Acft.	Caller's observation was that the acft may have been too low on approach to FMA.	Despite high traffic volume at the time, Staff researched what we believe to be the operation in question and found it to have operated at an appropriate altitude and rate of descent. An email was sent to the caller.
4 th Ave. Hailey	1/7	12:25 pm	Jet	North Departure.	The pilot in command elected for a northern departure, as winds were out of the north. Caller did not want a return call because he believed there was no wind and did not want to be told otherwise.
Woodside	1/31	11:07 pm	Jet	Late Arrival	This was an air carrier who was delayed at point of departure. Ops Chief left a msg with the caller, that was not returned.

B. Parking Lot Update**The Car Park Gross/Net Revenues**

Month	FY 2014 Gross	FY 2014 Net	FY 2015 Gross	FY 2015 Net	FY 2016 Gross	FY 2016 Net
December	\$15,115.00	\$5,931.74	\$23,436.00	\$12,277.71	\$24,201.90	\$12,902.34

C. Profit & Loss, ATCT Traffic Operations Count and Enplanement Data - Attachments #3 - #5

Attachment #3 is Friedman Memorial Airport Profit & Loss Budget vs. Actual. Attachment #4 is 2001 - 2016 ATCT Traffic Operations data comparison by month. Attachment #5 is 2016 Enplanement, Deplanement and Seat Occupancy data. The following revenue and expense analysis is provided for Board information and review:

November 2014/2015

Total Non-Federal Revenue	November, 2015	\$113,205.61
Total Non-Federal Revenue	November, 2014	\$138,493.36
Total Non-Federal Revenue	FY '16 thru November	\$378,717.39
Total Non-Federal Revenue	FY '15 thru November	\$355,922.53
Total Non-Federal Expenses	November, 2015	\$240,175.41
Total Non-Federal Expenses	November, 2014	\$186,320.95
Total Non-Federal Expenses	FY '16 thru November	\$499,835.31
Total Non-Federal Expenses	FY '15 thru November	\$424,666.04
Net Income to include Federal Programs	FY '16 thru November	\$-348,034.00
Net Income to include Federal Programs	FY '15 thru November	\$-785,292.52

* AIP '40 Grant amended and increased to \$2,700,000 on February 2, 2015

* AIP '41 Grant offer \$8,249,000 April 22, 2015

D. Review Correspondence - Attachment #6

Attachment #6 is information included for Board review.

E. Airport Commercial Flight Interruptions: 11/20/15 – 12/19/15

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

VII. UNFINISHED BUSINESS (Continued)

A. Airport Solutions

1. Existing Site

a. Plan to Meet 2015 Congressional Safety Area Requirement

i. Runway Safety Area Improvements Project

Work in the south end of the terminal is complete, with the exception of minor "punch list" items. This leaves one outstanding construction item: The installation of the polycarbonate panels at the entrance to the terminal. The panels are scheduled for delivery by Feb 15th, with installation to take place after President's Day.

BOARD ACTION: 1. Discussion

ii. Project Closeout

The AIP '040 closeout process is complete! All of the paperwork has been finalized and final reimbursement in the amount of \$1,784,498.00 should be received before the Board meeting.

BOARD ACTION: 1. Discussion

b. Future Projects

i. Terminal Aircraft Parking Improvements – Attachment #7

At the January FMAA meeting, the Board approved a Categorical Exclusion Checklist for a potential project to expand the terminal apron. This checklist was submitted to and approved by the FAA immediately following the meeting. In an effort to move forward with this project, T-O has prepared a draft Scope of Work for design of the project, included at Attachment #7. Note that this scope includes design of modifications to the terminal vehicle access and exit lanes. Again, it is important to clarify that preliminary design planning serves to assist the Board with determination of constructability and viability of these potential projects. The Board remains unobligated to initiation of any project. If the scope is acceptable to the Board, T-O will prepare a fee proposal and Staff will move forward with fee negotiations.

BOARD ACTION: 1. Discuss/Public Comment/Action
Approve Scope of Work

ii. Terminal Parking Lot Improvements

Improvements to the terminal parking lot to provide additional vehicle parking have been discussed previously. The configuration of the parking lot would change with construction of an additional aircraft parking space, therefore, this project will be addressed again once any apron reconfiguration and subsequent impacts to the parking lot are fully understood.

BOARD ACTION: 1. Discuss/Direct

iii. Terminal Airline Ticketing Office Improvements – Attachment #8

Improvements to the Airline Ticketing Officer area of the terminal have been discussed previously. The T-O/RLB team has prepared a proposed scope of work and fee (included at Attachment #8) to prepare a preliminary conceptual design for this area. The goal of this effort is simply to develop concepts for improvements to this area of the terminal for the Board to consider, including potential costs for the improvements. Once and if the Board selects a concept, the project can move forward into actual design.

BOARD ACTION: 1. Discuss/Public Comment/Action
 Approve Scope of Work and Fee

B. Voluntary Noise Abatement/Runway Use Program Review Committee – Consideration of Appointments

As the Board may recall, in the November FMAA meeting, the Airport Manager presented a recommended list of representatives who could comprise the structure of a Voluntary Noise Abatement Program Review Committee. At that time, the Board did offer comments on the structure of the committee. Staff is requesting the Board begin making committee appointments when appropriate

- 1 Representative from the Hailey City Council
 - 2 At large representatives appointed by the City of Hailey
 - 1 Representative from the Blaine County Board of Commissioners
 - 2 At large representatives appointed by the Blaine County Board of Commissioners
 - 1 Representative from the FBO, Atlantic Aviation Sun Valley
 - 3 Representatives from the Aviation Community, nominated by the Chair and Airport Mgr.
 - 1 Representative from the City of Bellevue
- Airport Manager
Airport Operations Chief
Hailey ATCT Chief

BOARD ACTION: 1. Discuss/Public Comment/Action

C. Master Plan Update

PROGRESS REPORT

The consultant team is in the process of developing phasing plans and cost estimates for potential future projects identified in Chapters D and E. Once these plans and estimates have been completed, Ricondo & Associates will begin work on the next chapter of the Master Plan, tentatively titled Chapter F, *Financial Feasibility Analysis*. This chapter will be delivered for FMAA review in spring.

BOARD ACTION: 1. Discuss/Direct

VIII. PUBLIC COMMENT

IX. EXECUTIVE SESSION - I.C. §74-206 (c) To acquire an interest in real property which is not owned by a public agency

I.C. §74-206 (f) To communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated

X. ADJOURNMENT

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**FINANCIAL STATEMENTS
AND
OTHER FINANCIAL INFORMATION**

September 30, 2015

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Simmons Clubb & Hodges, CPA's, PLLC

*Member American Institute of
Certified Public Accountants*

*Roger Clubb
Brad Hodges
Mary Kay Peterson*

Independent Auditor's 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, 2015 and 2014, 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, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

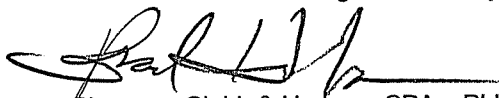
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information identified in the accompanying table of contents be presented to supplement the financial statements. Such information, although not a part 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 inquires 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, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic 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 basic 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 basic 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 8, 2016, 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 Clubb & Hodges, CPAs, PLLC
Certified Public Accountants

Boise, Idaho
February 8, 2016

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, 2015. 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 been committed to partnering 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" as the preferred approach. The dual path supports implementing FAA approved solutions identified in Alternative 6 of the Airport Alternatives Technical Analysis. Alternative 6 includes design wavers that bring the airport closer to mandated design standards while also supporting the Authority's commitment to continue the endeavor to relocate the airport when and if an acceptable site can be identified and funding can be secured. The dual path approach supports the communities desire to maintain or increase air service, improves safety and reliability at the existing airport and also enables the Authority to continue researching other alternatives.

Beginning in fiscal year 2013, the Authority initiated steps to take 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. The Authority achieved substantial completion of Alternative 6 projects prior to fiscal year end 2015 and anticipates being complete with required modifications by the end of calendar year 2015.

The Authority is in process of conducting a Master Planning process. In addition to studying and planning for the future at the existing site, the Authority determined that it would be appropriate to include a site selection element that will review the Authority's specifically developed site study as well as the FAA's EIS Purpose and Need/Alternatives Working Paper.

Even with extensive construction closures, fiscal year 2015 proved to be a successful year for all three air carriers that service Friedman. Even the new season flights offered by Horizon and United Air experienced an increase in enplanements and demonstrated the possibility of extended seasonal service. In 2014, Skywest transitioned from a turbo prop to regional jet fleet with Delta that provides service to and from Salt Lake City, UT. This transition resulted in an increased number of seats and a decreased number of flights. The decrease in flight frequency has identified some challenges with regard to convenience and ability to make connecting flights. It is anticipated this challenge will be resolved with an increase in flights starting winter 2015 or early spring 2016. With the assistance of a local non-profit air service organization, the Authority is committed to maintaining and improving air service at Friedman.

The use of the DOT small community air service grant awarded in fiscal year 2013 also benefited SUN travelers. The grant was effectively 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 financial and operational indications are that the overall economy continues to stabilize and improve.

Fiscal year 2015 reflects continued 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, 2015, an increase of \$6.8 million from September 30, 2014.

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>% Change 2015/2014</u>	<u>% Change 2014/2013</u>
ASSETS:					
Current Assets	5,363,315	6,317,031	5,765,334	-15.1%	9.6%
Capital Assets	<u>55,248,643</u>	<u>39,777,670</u>	<u>32,489,050</u>	38.9%	22.4%
Total Assets	<u>60,611,958</u>	<u>46,094,701</u>	<u>38,254,384</u>	31.5%	20.5%

LIABILITIES:

Current Liabilities	2,590,705	1,361,446	374,619	85.4%	263.4%
Noncurrent Liabilities	249,181	216,493	171,381	15.1%	26.3%
Deferred Inflows of resources	<u>0</u>	<u>27,654</u>	<u>0</u>	0%	0%
Total Liabilities & Deferred Inflows	<u>2,839,886</u>	<u>1,605,593</u>	<u>546,000</u>	72.7%	194.1%

NET POSITION:

Invested in capital assets	55,248,643	39,777,670	32,489,050	38.9%	22.4%
Restricted	13,913	5,500	5,500	153.0%	0.0%
Unrestricted	<u>2,509,516</u>	<u>4,705,938</u>	<u>5,213,834</u>	-45.3%	-9.7%
Net Position	<u>57,772,072</u>	<u>44,489,108</u>	<u>37,708,384</u>	30.0%	18.0%

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) and Passenger Facility Charges (PFC) collections. The BLM funds are restricted as they must be held for the duration of the lease which terminates on December 31, 2031. The PFC funds are collected and are restricted to funding designated capital projects.

The current liabilities increased due to accounts payables related to capital improvement projects and the reflection of expenses related to the airport's small community air service grant and AIP Projects. 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, 2015, increased approximately .28% from 24,459 to 24,528. General aviation increased by 3.9% and commercial airline operations decreased 4.1%. While the economic indicators indicate an improved economy, the airline 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. While this transition resulted in increased passenger seats, the number of scheduled flights were reduced.

Enplaned passengers for the fiscal year ending September 30, 2015 increased approximately 6.6% for the same period from 65,644 to 69,986. Horizon Air enplanements decreased .75%, SkyWest Airlines experienced a 6% increase and United Airlines increased 26%. The increases are primarily attributed to the increased local marketing efforts, the transition to regional jets and the addition of a third air carrier in December, 2014 that provided access to two additional connecting cities (SFO and DEN). The Authority is working with the local marketing group to increase flight schedules into the shoulder seasons.

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>% Change 2015/2014</u>	<u>% Change 2014/2013</u>
Operating Revenue	2,667,525	2,472,425	2,184,874	7.9%	13.2%
Operating Expenses	<u>4,750,893</u>	<u>4,473,272</u>	<u>3,580,984</u>	4.7%	24.9%
Operating (income/loss)	-2,083,368	-2,000,847	-1,396,110	-0.8%	-43.3%
Non operating Revenue					
(Expenses)	-4,199,037	(2,204,377)	312,704	-90.5%	-804.9%
Capital Contributions	<u>19,565,369</u>	<u>10,985,948</u>	<u>742,523</u>	78.1%	1,379.5%
Changes in net position	13,282,964	6,780,724	-340,883	96.9%	2,089.2%
Beginning net position	<u>44,489,108</u>	<u>37,708,384</u>	<u>38,049,267</u>	18.0%	-0.9%
Ending net position	<u>57,772,072</u>	<u>44,489,108</u>	<u>37,708,384</u>	30.0%	18.0%

Operating revenue increased 7.9% from the prior fiscal year. Highlights of the revenues are as follows:

- Airline Landing Fees increased 16.5%. This increase is primarily related to the addition of landing fees being collected for United Airlines that were waived in fiscal year 2014 as part of the Authority's contribution to the DOT Small Community Air Service Grant. The second factor is the transition Skywest made from a turboprop aircraft to a regional jet. While this transition resulted in a decrease in flights, the fees actually increased 160% per landing due to the increased landing weight.
- Automobile Parking revenue increased 37.9%. This increase is primarily attributed to increased parking lot use and the method of calculating once gross revenues. Once the revenue reaches a certain amount, the airports portion of the proceeds increase significantly. This occurred in eleven of the reporting periods compared to six periods in fiscal year 2014.
- FBO Tiedown Fees Revenue increased 35.7%. This increase is primarily due to the improving economy, increased rates and charges, mild winter conditions and an increase in a trend of a larger aircraft mix.

Operating expenses increased 4.7% over the prior fiscal year. Highlights of expenses are as follows:

- Office Supplies/Computers increased 167.9%. This increase is primarily due to expenses to equip, furnish and set up the new administrative office. The second factor is with an increase in equipment and requirements, the support of those systems has increased.
- Professional Services – Auditor increased 36.4%. This increase is primarily related to the additional auditing requirements associated with amount of FAA/AIP grants received and the complexity of the projects.
- Maintenance – Office Equipment increased 43.4%. This increase is primarily related to relocation of the phone equipment to the new administrative office.
- Dues/Memberships/Publications decreased 58.9%. This decrease is related to the DOT Small Community Air Service grant. The significant amount of expenses related to this grant were expended in fiscal year 2014.
- Postage increased 80%. This increase is related to an increase in postage rates, increased local & expedited delivery fees.
- Contracts increased 22.5%. This increase is primarily related to the addition of terminal janitorial and maintenance of terminal concession services.

- Supplies/Equipment – ARFF/Operational increased 256.5%. This increase is related to the purchase of terminal parking lot signage, runway deice fluid and the purchase of ARFF radios.
- ARFF Maintenance increased 35.7%. This is related to replacing an engine control module (ECM) on an aging ARFF vehicle.
- Repairs/Maintenance Equipment increased 37.6%. This increase was related to repairs/maintenance to snow removal equipment that have an increased use. Age of equipment is also a factor.
- Repairs/Maintenance – Buildings decreased 35.7%. This decrease is primarily related to the passenger terminal renovation project. In previous years, the Authority has expended a significant amount maintaining an aging building that was updated and expanded in fiscal year 2015.
- Repairs/Maintenance – Airside increased 47.1%. This increase is related to fence and runway light repairs.

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, 2015. 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	2,513,616	2,667,525	153,909
Total Operating Expenses	<u>2,432,665</u>	<u>2,421,685</u>	<u>10,980</u>
Operating Income (loss)	<u>80,951</u>	<u>245,840</u>	<u>164,889</u>

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:

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 are budgeted as interest but reportable as PFC revenue for GAAP.
5. Capital asset purchases are budgeted but are an asset instead of an expense for GAAP.
6. Impairment of fixed assets is 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 2015 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 capital assets of the Authority are those assets that are used in the performance of the Authority's functions. At September 30, 2015, net capital assets totaled \$55,248,643. The Authority acquired or constructed more than \$22 million in capital assets this year as detailed in Note 3 of the Notes to the Basic Financial Statements. The increase is due primarily to ongoing airfield improvements and modifications as part of a multi-year phase project to achieve FAA mandated runway safety area requirements. During the year, \$16 million of existing capital assets, with a net remaining cost of \$4.7 million, were demolished or disposed of in relation to the FAA mandated runway safety improvement project.

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, 2015 was \$249,181. 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, 2015 and 2014**

ASSETS	<u>2015</u>	<u>2014</u>
Current Assets:		
Cash and cash equivalents	\$ 2,449,369	\$ 4,730,964
Operating accounts receivable	145,337	122,534
Due from other governments	2,750,888	1,427,273
Prepaid expenses	3,808	3,106
Restricted cash and cash equivalents:		
BLM	5,828	5,500
Passenger Facility Charges	8,085	27,654
Total Current Assets	<u>5,363,315</u>	<u>6,317,031</u>
Noncurrent Assets:		
Capital assets:		
Land	6,712,067	6,712,067
Construction in progress	32,751,280	10,400,417
Airfield, buildings, equipment, improvements, plans and studies	31,878,131	47,742,497
	<u>71,341,478</u>	<u>64,854,981</u>
Accumulated depreciation	<u>(16,092,835)</u>	<u>(25,077,311)</u>
Total Capital Assets	<u>55,248,643</u>	<u>39,777,670</u>
 Total Assets	 <u>60,611,958</u>	 <u>46,094,701</u>
LIABILITIES		
Current Liabilities:		
Trade accounts payable	250,079	360,306
Payable City of Hailey	5,708	1,216
Accounts payable for capital improvements	2,229,289	901,180
Accrued payroll and benefits	6,565	5,221
Customer deposits	2,000	2,400
Accrued compensated absences	97,064	91,123
Total Current Liabilities	<u>2,590,705</u>	<u>1,361,446</u>
Noncurrent Liabilities:		
Long-term accrued compensated absences	249,181	216,493
Total Liabilities	<u>2,839,886</u>	<u>1,577,939</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenue - Passenger Facility Charges	-	27,654
Total Deferred Inflows of Resources	<u>-</u>	<u>27,654</u>
NET POSITION		
Invested in capital assets	55,248,643	39,777,670
Restricted	13,913	5,500
Unrestricted	2,509,516	4,705,938
Total Net Position	<u>\$ 57,772,072</u>	<u>\$ 44,489,108</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

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

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Operating Revenue:		
Airlines	\$ 238,108	\$ 204,365
Automobile rental	512,038	489,713
Auto parking	199,841	144,931
Rents, fees, commissions and leases	1,500,520	1,402,230
Fuel flowage fees	216,149	198,046
Other operating revenue	869	33,140
Total Operating Revenue	<u>2,667,525</u>	<u>2,472,425</u>
Operating Expenses:		
Employee wages, benefits and taxes	1,384,894	1,274,977
Supplies	128,852	58,424
Utilities	106,150	100,262
Services and contracts	379,417	316,153
Repairs and maintenance	111,655	104,230
Insurance	67,173	51,795
Other operating expense	282,173	424,251
Depreciation	2,290,579	2,143,180
Total Operating Expenses	<u>4,750,893</u>	<u>4,473,272</u>
Operating Income (Loss)	<u>(2,083,368)</u>	<u>(2,000,847)</u>
Nonoperating Revenue (Expenses):		
Passenger Facility Charges	302,173	222,438
Interest income	6,319	5,911
Federal grants	279,354	220,646
Impairment loss	(4,786,883)	(2,652,122)
Loss on sale of equipment	-	(1,250)
Total Nonoperating Revenue and (Expenses)	<u>(4,199,037)</u>	<u>(2,204,377)</u>
Income (Loss) before Capital Contributions	(6,282,405)	(4,205,224)
Capital Contributions	<u>19,565,369</u>	<u>10,985,948</u>
Change in Net Position	13,282,964	6,780,724
Net Position, Beginning of Year	<u>44,489,108</u>	<u>37,708,384</u>
Net Position, End of Year	<u>\$ 57,772,072</u>	<u>\$ 44,489,108</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

STATEMENTS OF CASH FLOWS

ENTERPRISE FUND

For the Years Ended September 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 2,644,322	\$ 2,492,526
Cash payments for employees' services and benefits	(1,344,921)	(1,218,942)
Cash payments to suppliers for goods and services	(1,181,857)	(751,514)
Net cash provided (used) by operating activities	<u>117,544</u>	<u>522,070</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Operating grants	<u>305,795</u>	<u>220,646</u>
Net cash provided (used) by noncapital financing activities	<u>305,795</u>	<u>220,646</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(21,220,326)	(11,407,663)
Grants and other amounts received for the purchase of capital assets	18,215,313	9,715,453
Passenger facility charges received for the purchase of capital assets	<u>274,519</u>	<u>250,092</u>
Net cash provided (used) by capital and related financing activities	<u>(2,730,494)</u>	<u>(1,442,118)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	<u>6,319</u>	<u>6,444</u>
Net cash provided (used) by investing activities	<u>6,319</u>	<u>6,444</u>
Net increase (decrease) in cash and cash equivalents	<u>(2,300,836)</u>	<u>(692,958)</u>
Balances - beginning of the year	<u>4,764,118</u>	<u>5,457,076</u>
Balances - end of the year	<u><u>\$ 2,463,282</u></u>	<u><u>\$ 4,764,118</u></u>
RECONCILIATION OF CASH BALANCES TO STATEMENTS OF NET POSITION		
Cash and cash equivalents	\$ 2,449,369	\$ 4,730,964
Restricted cash and cash equivalents:		
BLM	5,828	5,500
Passenger Facility Charges	<u>8,085</u>	<u>27,654</u>
	<u><u>\$ 2,463,282</u></u>	<u><u>\$ 4,764,118</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	<u>\$ (2,083,368)</u>	<u>\$ (2,000,847)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,290,579	2,143,180
Change in assets and liabilities:		
(Increase) decrease in operating accounts receivable	(22,803)	25,646
(Increase) decrease in government receivable	-	(545)
(Increase) decrease in prepaid expenses	(702)	206
Increase (decrease) in accounts payable trade	(105,735)	303,395
Increase (decrease) in accrued payroll and benefits	1,344	2,192
Increase (decrease) in customer deposits	(400)	(5,000)
Increase (decrease) in accrued compensated absences	<u>38,629</u>	<u>53,843</u>
Total Adjustment and Changes	<u>2,200,912</u>	<u>2,522,917</u>
Net cash provided (used) by operating activities	<u><u>\$ 117,544</u></u>	<u><u>\$ 522,070</u></u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2015

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, 2015

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. Impairment of fixed assets is not budgeted.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS For the Year Ended September 30, 2015

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 estimates.

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 8, 2016, 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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cash on hand	\$ 50	\$ 50
Bank deposits	14,405	33,083
Repurchase agreement	859,563	247,652
State of Idaho Local Government Investment Pool	1,589,264	4,483,333
	<u>\$ 2,463,282</u>	<u>\$ 4,764,118</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 investment choices to interest-bearing accounts at approved 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 has no formal policy on managing credit risk. As of September 30, 2015 and 2014, the Authority's deposits and investment had the following credit ratings:

<u>Investment</u>	<u>2015</u> <u>Fair Value</u>	<u>2014</u> <u>Fair Value</u>	<u>Credit</u> <u>Rating</u>
Mountain West Checking	\$ 8,577	\$ 27,339	None
Mountain West Certificate of Deposit	5,828	5,744	None
Mountain West repurchase agreement	859,563	247,652	None
State of Idaho Local Government Investment Pool	1,589,264	4,483,333	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, 2015**

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's bank deposits will not be returned to it. The Authority's investment policy does not limit the amount of deposits in approved and chosen financial institutions.

As of September 30, 2015, the carrying amount of the Authority's bank deposits was \$873,968 and the respective bank balances totaled \$917,680. The Authority's deposits at September 30, 2015, were covered by \$24,870 of insurance from the Federal Deposit Insurance Corporation and \$892,810 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, 2014, the carrying amount of the Authority's bank deposits was \$280,735 and the respective bank balances totaled \$708,767. The Authority's deposits at September 30, 2014, were covered by \$134,743 of insurance from the Federal Deposit Insurance Corporation and \$574,024 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 of Credit Risk

Concentration of credit risk is the risk of a loss attributed to the magnitude of an investment in a single issuer. 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. At September 30, 2015 and 2014, the Authority had more than 5% of its deposits and investments invested in a repurchase agreement with Mountain West Bank. At September 30, 2015, 100% of the repurchase agreement was invested in the Federal Home Loan Mortgage Corporation.

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 had the following deposits and investments as of September 30, 2015 and 2014:

<u>Investment</u>	<u>2015 Fair Value</u>	<u>Weighted Average Duration</u>	<u>2014 Fair Value</u>	<u>Weighted Average Duration</u>
Repurchase agreement	\$ 859,563	1 day	\$ 247,652	1 day
Investment pool	1,589,264	96 days	4,483,333	144 days
Certificate of Deposit	5,828	1 year 16 days	5,744	2 years 16 days
Demand deposits	8,577	not applicable	27,339	not applicable

Note 3. Capital Assets

Capital asset activity for the year ended September 30, 2015, was as follows:

	<u>Balance 9/30/2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Transfer</u>	<u>Balance 9/30/2015</u>
Nondepreciable capital assets:					
Land	\$ 6,712,067	\$ -	\$ -	\$ -	\$ 6,712,067
Construction in progress	10,400,417	22,350,863	-	-	32,751,280
Depreciable capital assets:					
Buildings and improvements	7,090,920	3,201	(1,595,481)	-	5,498,640
Airfield and general improvements	28,803,288	159,229	(14,422,684)	-	14,539,833
Office equipment	128,497	22,452	(7,807)	-	143,142
Maintenance equipment & vehicles	4,190,187	16,073	(39,349)	-	4,166,911
Assessments, plans & studies	7,529,605	-	-	-	7,529,605
	64,854,981	22,551,818	(16,065,321)	-	71,341,478
Accumulated depreciation	(25,077,311)	(2,290,579)	11,275,055	-	(16,092,835)
	<u>\$ 39,777,670</u>	<u>\$ 20,261,239</u>	<u>\$ (4,790,266)</u>	<u>\$ -</u>	<u>\$ 55,248,643</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

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>-</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>-</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>

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, 2015 and 2014, are as follows:

	<u>2015</u>	<u>2014</u>
Current	\$ 150,332	\$ 119,599
30-60 days	(4,960)	1,898
60-90 days	-	1,093
90 days and over	<u>(35)</u>	<u>(56)</u>
	<u>\$ 145,337</u>	<u>\$ 122,534</u>
Government grants receivable	<u>\$ 2,750,888</u>	<u>\$ 1,427,273</u>

Note 5. Long-term Liabilities

Changes in long-term obligations for the year ended September 30, 2015, are as follows:

	<u>Balance at 10/01/2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2015</u>	<u>Amount due within 1 year</u>
Compensated absences	\$ 216,493	\$ 32,688	\$ -	\$ 249,181	\$ -

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

	<u>Balance at 10/01/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 9/30/2014</u>	<u>Amount due within 1 year</u>
Compensated absences	\$ 171,381	\$ 45,112	\$ -	\$ 216,493	\$ -

Note 6. Pension Plan

The Authority adopted a Simplified Employee Pension Plan (SEP) effective January 1, 1998. Vesting in the plan was immediate and all employees whose compensation exceeded \$450 and had performed services in at least one of the immediately preceding 5 years received contributions. Plan contributions were \$27,060 for the year ended September 30, 2015, and \$101,732 for the year ended September 30, 2014.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

The Authority adopted the Friedman Memorial Airport 401(a) Plan (Plan) on January 1, 2015, for its employees. The Plan is a defined contribution money purchase pension plan administered by the Authority. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Authority. The Authority is required to contribute 11.61% of each employee's annual gross compensation to individual employee accounts for each employee. No employee contributions are permitted. For the year ended September 30, 2015, the Authority recognized pension expense of \$84,799. Employees are immediately vested in the contributions they receive and the earnings on those contributions. The Authority had no liability to the Plan at September 30, 2015.

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all employees, permits them to defer a portion of their current salary until future years. Employees contributed \$65,102 for the year ended September 30, 2015, and \$60,646 for the year ended September 30, 2014.

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 three 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:

Year Ended September 30	
2016	\$ 706,331
2017	541,430
2018	537,429
2019	524,455
2020	512,502
2021 to 2025	2,537,040
2026 to 2030	1,462,227
2031 to 2035	94,963
Total	<u>\$ 6,916,377</u>

Note 10. Passenger Facility Charges

Passenger Facility Charges (PFC) at the rate of \$4.50 per enplaned passenger have been imposed by the Authority under a Federal Aviation Administration (FAA) approved application, PFC 14-09-C-00-SUN, effective July 1, 2014 to July 1, 2028, in the amount of \$2,787,259. The total amount has been approved for use.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

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, 2015.

The following schedule shows the amounts collected and expended:

	<u>2015</u>		<u>2014</u>
	<u>Receipts</u>	<u>Expenditures</u>	<u>Receipts</u>
PFC 12-08-C-00-SUN	\$ 56,732	\$ -	\$ 250,081
PFC 14-09-C-00-SUN	216,952	1,737,435	-
			\$ 126,619
			772,077

Note 11. Capital Contributions

During the years ended September 30, 2015 and 2014, the Authority received the following capital contributions:

	<u>2015</u>	<u>2014</u>
Federal grants	\$ 19,565,369	\$ 10,985,948
State grants	-	-
Other sources	-	-
	<u>\$ 19,565,369</u>	<u>\$ 10,985,948</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, 2015. A summary of these projects is as follows:

<u>Project Description</u>			
AIP 38	Construct runway safety areas planning		
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; acquisition of buildings; remodel of terminal building; relocation of ARFF/SRE building; and grading a portion of runway safety area		
AIP 41	Construct runway safety areas which includes relocation of parallel Taxiway B; remodel of existing Terminal Building; relocation of ARFF/SRE Building; construction of replacement cargo apron; construction of replacement hangar access taxiway; removal of buildings; construction of bypass taxiways; and grading a 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	\$ 732,008
AIP 40	22,080,000	20,700,000	21,809,058
AIP 41	<u>9,870,000</u>	<u>9,253,125</u>	<u>8,826,014</u>
	<u>\$ 32,687,984</u>	<u>\$ 30,644,985</u>	<u>\$ 31,367,080</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 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.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2015

On August 22, 2011, the FAA notified the Authority that the Replacement Airport Environmental Impact Statement was suspended and subsequently terminated 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 Authority achieved substantial completion of these projects prior to fiscal year end 2015. 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

An impairment loss was recognized at September 30, 2015. In relation to the various AIP grant projects listed in Note 12, the Authority demolished multiple existing assets which had not yet been fully depreciated. The remaining undepreciated cost in these assets was recognized as an impairment loss at September 30, 2015, of \$4,786,883.

An impairment loss was recognized at September 30, 2014. 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 at September 30, 2014, was \$2,652,122.

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>2015</u>	<u>2014</u>
Security services	\$ 3,264	\$ 3,264
Utilities for FMAA	12,244	11,567
Construction-related utilities fully reimbursed by the construction companies	24,950	1,056
Infrastructure engineering reimbursement	4,143	-

The amount due to the City of Hailey at September 30, 2015, is \$5,708 and was paid within 60 days. During the year ended September 30, 2015, the City of Hailey reimbursed the Authority \$800 for the overassessment of permit fees.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2015**

Note 16. Restatement

The Authority has determined that certain transactions were recorded incorrectly in the prior year. Accrued interest was overstated by \$533, prepaid expenses were overstated by \$206, and accrued compensated absences were understated by \$49,679. Accordingly, the Authority restated its financial statements for the year ended September 30, 2014. The effect of the restatement was to decrease the Authority's net position and change in net position by \$50,417.

SUPPLEMENTARY INFORMATION

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
NET POSITION - BUDGET AND ACTUAL
For the Year Ended September 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Positive</u>
			<u>Basis</u>	<u>(Negative)</u>
Operating Revenue:				
Airlines	\$ 213,501	\$ 213,501	\$ 238,108	\$ 24,607
Automobile rental	464,700	464,700	512,038	47,338
Auto parking	100,100	100,100	199,841	99,741
Rents, fees, commissions and leases	1,535,315	1,535,315	1,500,520	(34,795)
Fuel flowage fees	200,000	200,000	216,149	16,149
Other operating revenue	-	-	869	869
Total Operating Revenue	<u>2,513,616</u>	<u>2,513,616</u>	<u>2,667,525</u>	<u>153,909</u>
Operating Expenses:				
Employee wages, benefits and taxes	1,344,656	1,344,656	1,346,265	(1,609)
Supplies	88,000	88,000	128,852	(40,852)
Utilities	112,860	112,860	106,150	6,710
Services and contracts	383,900	383,900	379,417	4,483
Repairs and maintenance	108,000	108,000	111,655	(3,655)
Insurance	56,349	56,349	67,173	(10,824)
Other operating expense	338,900	338,900	282,173	56,727
Total Operating Expenses	<u>2,432,665</u>	<u>2,432,665</u>	<u>2,421,685</u>	<u>10,980</u>
Operating Income	<u>80,951</u>	<u>80,951</u>	<u>245,840</u>	<u>164,889</u>
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	250,000	250,000	303,007	53,007
Interest income	10,000	10,000	5,485	(4,515)
Federal grants	200,000	200,000	279,354	79,354
Total Nonoperating Revenue and (Expenses)	<u>460,000</u>	<u>460,000</u>	<u>587,846</u>	<u>127,846</u>
Capital Contributions	<u>16,875,000</u>	<u>16,875,000</u>	<u>19,565,369</u>	<u>2,690,369</u>
Capital Expenditures	<u>21,291,750</u>	<u>21,291,750</u>	<u>22,548,435</u>	<u>(1,256,685)</u>
Change in Net Position	<u>\$ (3,875,799)</u>	<u>\$ (3,875,799)</u>	<u>\$ (2,149,380)</u>	<u>\$ 1,726,419</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**RECONCILIATION OF BUDGETARY BASIS TO GAAP
For the Year Ended September 30, 2015**

	<u>Actual Budgetary Basis</u>	<u>GAAP Basis</u>	<u>Difference</u>	<u>Number of Explanation</u>
Operating Revenue:				
Airlines	\$ 238,108	\$ 238,108	-	
Automobile rental	512,038	512,038	-	
Auto parking	199,841	199,841	-	
Rents, fees, commissions and leases	1,500,520	1,500,520	-	
Fuel flowage fees	216,149	216,149	-	
Other operating revenue	869	869	-	
Total Operating Revenue	<u>2,667,525</u>	<u>2,667,525</u>	<u>-</u>	
Operating Expenses:				
Employee wages, benefits and taxes	1,346,265	1,384,894	38,629	1
Supplies	128,852	128,852	-	
Utilities	106,150	106,150	-	
Services and contracts	379,417	379,417	-	
Repairs and maintenance	111,655	111,655	-	
Insurance	67,173	67,173	-	
Other operating expense	282,173	282,173	-	
Depreciation	-	2,290,579	2,290,579	2
Total Operating Expenses	<u>2,421,685</u>	<u>4,750,893</u>	<u>2,329,208</u>	
Operating Income	<u>245,840</u>	<u>(2,083,368)</u>	<u>(2,329,208)</u>	
Nonoperating Revenue and (Expenses):				
Passenger Facility Charges	303,007	302,173	(834)	3, 4
Interest income	5,485	6,319	834	4
Federal grants	279,354	279,354	-	
Impairment loss	-	(4,786,883)	(4,786,883)	6
Total Nonoperating Revenue and (Expenses)	<u>587,846</u>	<u>(4,199,037)</u>	<u>(4,786,883)</u>	
Capital Contributions	<u>19,565,369</u>	<u>19,565,369</u>	<u>-</u>	
Capital Expenditures	<u>22,548,435</u>	<u>-</u>	<u>22,548,435</u>	5
Change in Net Position	<u>\$ (2,149,380)</u>	<u>\$ 13,282,964</u>	<u>\$ 15,432,344</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. Impairment of fixed assets is not budgeted.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

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

September 30, 2015

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

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Simmons Clubb & Hodges, CPA's, PLLC

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Roger Clubb
Brad Hodges
Mary Kay Peterson

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, 2015, 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 8, 2016.

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 Hodges", with a long horizontal flourish extending to the right.

Simmons Clubb & Hodges, CPAs, PLLC
Certified Public Accountants

Boise, Idaho
February 8, 2016

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Brad Hodges
Mary Kay Peterson*

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, 2015. 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, 2015.

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 Clubb & Hodges, CPAs, PLLC
Certified Public Accountants

Boise, Idaho
February 8, 2016

Federal Grantor Program Title:	Federal CFDA Number	Expenditures
<u>U.S. Department of Transportation</u> Airport Improvement Program	20.106	\$ 19,553,595
<u>U.S. Department of Transportation</u> Small Community Air Service Development Program	20.930	<u>279,354</u>
Total Federal Financial Assistance		<u>\$ 19,832,949</u>

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2015**

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, 2015. 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, 2015

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, 2015

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, 2015

There are no audit findings of Friedman Memorial Airport Authority which were reported for the year ended September 30, 2014.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**PASSENGER FACILITY CHARGE PROGRAM
FINANCIAL REPORT**

September 30, 2015

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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, 2015, 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 8, 2016.

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.

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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 Hodges", with a stylized flourish at the end.

Simmons, Clubb & Hodges, PLLC
Certified Public Accountants

Boise, Idaho
February 8, 2016

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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, 2015.

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, 2015.

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 weakness 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, 2015, and have issued our report thereon dated February 8, 2016 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 8, 2016

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED – CASH BASIS
For the Year Ended September 30, 2015**

<u>Description</u>	<u>Application Number</u>	<u>Total Grant Award</u>	<u>Accrued (Deferred) PFC Revenue 9/30/14</u>	<u>Cash Received 10/1/14 thru 9/30/15</u>	<u>Expenditures</u>	<u>Transfers</u>	<u>Accrued (Deferred) PFC Revenue 9/30/15</u>
<u>U.S. Department of Transportation</u>							
Passenger Facility Charge	12-08-C-00-SUN	\$ 527,500	\$ (27,338)	\$ 57,065	\$ 0	\$ (84,403)	\$ 0
Passenger Facility Charge	14-09-C-00-SUN	<u>2,787,259</u>	<u>499,864</u>	<u>216,993</u>	<u>657,820</u>	<u>84,403</u>	<u>856,288</u>
Total		<u>\$ 3,314,759</u>	<u>\$ 472,526</u>	<u>\$ 250,091</u>	<u>\$ 657,820</u>	<u>\$ 0</u>	<u>\$ 856,288</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, 2015**

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, 2015

Findings Relating to Passenger Facility Charges

There are no audit findings for the year ended September 30, 2015.

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

**PASSENGER FACILITY CHARGES SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 2015**

Prior Year Findings to Passenger Facility Charges

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

**MINUTES OF A REGULAR MEETING ATTACHMENT #2
OF THE
FRIEDMAN MEMORIAL AIRPORT AUTHORITY***

**January 12, 2016
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, ASC/Special Projects Coordinator/Executive Assistant – Steve Guthrie, Administrative Assistant/Alternate Security Coordinator – Roberta Christensen, Administrative Assistant – Cecilia Vega, Administrative Assistant/IT Systems Maintenance Coordinator – April Matlock
CONSULTANTS: T-O Engineers – Dave Mitchell; Landrum & Brown – Mark Perryman, Monica Geygan; Mead & Hunt – Evan Barrett; Centerlyne – Sarah Shepard, Nancy Glick, Carson Johnston
AIRPORT TENANTS/PUBLIC: Donna Serrano, ATCT – George White, Peter Hendrick, Richard Paus, Garry Pearson, Ed Jenkins, Mike Thompson, Helen Stoe, Walt Denekas, Ben Schepps, Felicity Roberts, Richard Fassino, Martin Wemless, Craig Wolfrom, Drew Avery, Bellevue City Council – Lisa Phillips, James Stireman, Charles Ferries, Atlantic Aviation – Mike Rasch, Doug Brown, Full Moon Inc. – Brian Ahern, Bill Rae, FHR – Marc Reinemann, Bob Leahy, Mike and Amber Mattias, FSVA – Carol Waller
AIRPORT LEGAL COUNSEL: Lawson Laski Clark & Pogue, PLLC – Jim Laski
PRESS: Idaho Mountain Express – Ryan Thorne

CALL TO ORDER:

The meeting was called to order at 5:35 p.m. by Chairman Fairfax.

I. APPROVE AGENDA

The agenda was approved as presented.

II. PUBLIC COMMENT

Drew Avery commented that he is a professional pilot that just moved to the Wood River Valley and from his perspective the Board is doing a great job with the Airport.

Ed Jenkins commented that he would like an update to a question he had raised in a previous meeting regarding a flight path that would require aircraft to veer to the west after takeoff to lessen the noise impacts over Bellevue.

Brian Ahern, owner of Full Moon Inc. in Bellevue, commented that he feels positive about the recent improvements at the Airport and has received good feedback from clients and pilots who are happy with the direction the Board is going. He also commented that the growth of the local economy is directly related to the Airport and if it were to be moved further south, it would have severe economic impacts.

III. PUBLIC HEARING

A. Master Plan Update – Draft Master Plan Chapter D – Existing Airport Site Alternatives (See Brief & Power Point Presentation)

Landrum & Brown consultants Mark Perryman and Monica Geygan gave the Board a presentation on Chapter E of the Master Plan Update (MPU).

Board Member Haemmerle asked why the replacement airport project was suspended by the FAA.

Airport Manager Baird answered that the replacement airport project was suspended due to the high projected cost of building a replacement airport and wildlife issues pertaining to greater sage grouse.

Mr. Perryman and Ms. Geygan continued the presentation on Chapter E of the MPU.

Board Member Haemmerle asked if the FAA would still have concerns about greater sage grouse habitats if a replacement airport was built on private land with federal funds.

Mr. Perryman answered that the FAA could have the same concerns; however the BLM would not be as involved in the process.

Board Member Schoen added that the BLM does not have jurisdiction on private lands but can become involved if development on private lands impacts an adjacent priority habitat management area. He also briefed the Board on the different levels of greater sage grouse land-use management on BLM land (Minutes Attachment #1).

Board Member Haemmerle asked if the BLM had any reservations about sites 4, 5, 12 or 17.

Mr. Perryman answered that the BLM had no issues with sites 4, 5, 12 or 17 during the initial study.

Board Member Schoen commented that there may be adjacency issues with some of those sites.

Vice-Chairman Keirn asked if the consultants could rotate Site 17 by 5 degrees.

Mr. Perryman answered that they could rotate Site 17; however, that task is not in the scope of work for development of the MPU and suggested that the Board look at Site 17 more extensively in a future site selection study.

Chairman Fairfax commented that Site 12 does not offer better reliability than the current site for VFR approaches.

Mr. Perryman commented that overall reliability for commercial aircraft would be more reliable on Site 12 than the current site, however pilots who use the VFR approach would not have better reliability.

Vice-Chairman Keirn asked if Site 10A was initially chosen due its projected construction costs being less than the projected costs of Site 12.

Mr. Perryman answered that building a replacement airport on Site 12 would have been more expensive than Site 10A and the Board also preferred that the replacement airport would be located off of Highway 75.

Board Member Haemmerle asked if the FAA could at any time choose to restart the replacement airport process.

Mr. Perryman answered that he does not suspect that the FAA will participate in restarting a replacement airport study at FMA for a long time; however, the FAA could always change their mind.

Board Member Schoen asked if a replacement airport could be financed if it were categorized as a regional airport. He commented that in order for Blaine County to become engaged about building a replacement airport, it would need to be able to demonstrate an ability to finance it, and in order to support a regional airport, the Board would need interest from surrounding counties before the replacement airport process could begin.

Mr. Perryman answered that Landrum & Brown did not research plans for a regional airport as that is an entirely different study. He commented that for the replacement airport to be considered regional there would need to be an intercounty and state agreement.

Attorney Laski commented that a regional airport authority would need to be created from all counties in the South Central region of Idaho.

Board Member Schoen asked if the replacement airport sites from the Environmental Impact Statement (EIS) should be included in the MPU if financing for the project is unknown.

Mr. Perryman answered that currently, Blaine County does not have a level of aviation activity demand that will generate a cash flow to pay for a replacement airport; however, if demand increases in the future, the County will most likely be in a better position financially. He also commented that if the aviation activity demand increases to a certain level, the FAA may find the current Modifications of Standards inadequate and consider restarting the replacement airport process.

Board Member Haemmerle commented that the Board needs an alternative plan to the current site included in the MPU in case the Airport is forced to restart the replacement airport process due to high levels of demand.

Vice-Chairman Keirn asked if the FAA is funding the construction of any other replacement airports.

Mr. Perryman answered that the FAA is currently helping an airport in North Dakota with land acquisition but will not be funding the construction of the airport itself. He commented that the FAA is not currently in a position to help finance replacement airport projects and are not participating in any replacement airport projects or studies at this time.

Board Member Greenberg asked if the Board should do a feasibility analysis on all the sites and then amend the MPU accordingly.

Mr. Perryman recommended that the Board finish the MPU for the existing airport and include the information from the EIS for the Board's future use.

Board Member Cooley suggested that the Board consider asking the BLM to attend a FMAA Board meeting to identify sage grouse land.

Board Member Haemmerle suggested that the Board include the alternative of a regional airport in the MPU in case the current site becomes inadequate due to high levels of demand and a replacement airport is not a feasible alternative.

Mr. Perryman commented that he does not believe the FAA will shut the Airport down due to a high level of demand but may disallow certain aircraft from using the Airport which may or may not affect commercial operations.

Board Member Schoen commented that it may not make sense to conduct a financial feasibility analysis for a specific site and suggested that the Board conduct a generic financial feasibility analysis instead.

Mr. Perryman and Evan Barret of Mead & Hunt commented that the financial planning chapter of the MPU will only include a non-site specific financial feasibility analysis.

Vice-Chairman Keirn commented that it does not make sense to build a financial feasibility plan for a specific site 10 to 15 years in advance of considering a replacement airport site.

Chairman Fairfax commented that Chapter E provides a good starting point for future consideration of a replacement airport.

Board Member McCleary commented that Chapter E is a valuable chapter and should be included in the MPU. She asked how the financial feasibility analysis will be different from the analysis that was completed in the EIS. She also commented that as part of the dual-path forward, a regional airport should be considered for inclusion in the MPU and expressed concern that some of the criteria for site selection in Chapter E does not include important criteria outlined in the Blaine County Comprehensive Plan.

Mr. Perryman answered that the financial feasibility analysis will be similar to the financial analysis completed in the EIS.

Chairman Fairfax opened the discussion for public comment.

Walt Denekas suggested that the Board research which sites are located on or adjacent to greater sage grouse habitats and to initially base the financial feasibility analysis on one site.

Craig Wolfrom thanked the Board for the healthy discussion on Chapter E and commented that he is glad the Board is discussing the possibility of a regional airport. Mr. Wolfrom suggested that the Board include a savings plan for financing a replacement airport in the MPU and encouraged the Board to build a replacement airport for safety reasons and to consider development of a replacement airport on Site 12 as it had no issues regarding the greater sage grouse.

Board Member Schoen commented that, if necessary, he would be willing to pass a resolution as a Blaine County Commissioner that the County will not approve development that violates the Blaine County Comprehensive Plan or Land Use Codes in order to eliminate sites that, realistically, would not be considered by the County. He commented that the Board should be clear to the public about what is or isn't a feasible site option in the MPU.

Mr. Perryman commented that some of the replacement airport sites that Blaine County would not consider were in the EIS because the FAA cannot pre-decision any element of a site. He commented that Landrum & Brown can change Chapter E to meet the Board's needs.

Board Member Haemmerle commented that it is an unfortunate fallacy to think that sites 4, 5, and 17 are realistic options. He suggested that the Board ask the BLM and a lawyer with an extensive background on wetland and endangered species regulations to give a presentation at an upcoming Board meeting and commented that he would like to hear from them before the next chapter of the MPU is started.

Vice-Chairman Keirn commented that the Board should keep in mind that the issue of greater sage grouse habitat may not exist 10 to 15 years from now and agreed that hearing from the BLM would be helpful.

Chairman Fairfax directed Staff to contact the BLM to inquire about giving the Board a presentation regarding greater sage grouse habitat areas and directed Attorney Laski to search for a lawyer to present wetland and endangered species information to the Board.

IV. APPROVE FMAA MEETING MINUTES

A. December 1, 2015 Regular Meeting (See Brief)

The December 1, 2015 Friedman Memorial Airport Authority Meeting Minutes were approved as presented.

MOTION:

Made by Board Member McCleary to approve the December 1, 2015 Friedman Memorial Airport Authority Regular Meeting Minutes as presented. Seconded by Vice-Chairman Keirn.

PASSED UNANIMOUSLY

V. REPORTS

A. Chairman Report

Chairman Fairfax thanked Airport Staff for a job well done removing snow from the airfield and keeping the Airport open as much as possible over the Christmas holidays.

B. Blaine County Report

No report was given.

C. City of Hailey Report

No report was given.

D. Airport Manager Report

Airport Manager Baird reported that overtime, diesel usage, contracting for hauling snow, shoveling snow off roofs, usage of broom bristles and use of de-ice fluid were all significant during December and Staff hopes to provide the Board with a financial update of the impacts of the December weather at the February meeting.

E. Airport Treasurer's Report

Board Member Greenberg reported on the projected cash flow position for the year ended 2016.

F. Communications Director Report (Centerlyne)

Centerlyne representatives Nancy Glick and Jeff Bacon reported on the following:

- The Board's *On the Fly* newsletter has been redesigned and will be replacing the *Airport Solutions* campaign. The newsletters are scheduled to be released before and after Airport meetings.
- A print campaign was created as a public service announcement for passengers to arrive 2 hours early during holidays and inclement weather.
- Facebook was fine-tuned and a Twitter account has been created and will continue being developed.
- Evaluation of the current Airport website will continue with recommended updates and an audit of content.

VI. 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. UNFINISHED BUSINESS

A. Airport Solutions

1. Existing Site

a. Plan to Meet 2015 Congressional Safety Area Requirement

i. Runway Safety Area Improvements Project (See Brief)

Engineer Mitchell updated the Board on construction and completion of TSA's break room, public spaces in the south end of the terminal and the conference room in the terminal.

ii. Project Closeout (See Brief)

Engineer Mitchell updated the Board on the closeout process for AIP '40 and AIP '41 grants.

iii. Project Financial Update (See Brief)

Airport Manager Baird updated the Board on the final costs of the Runway Safety Area Improvements project.

Board Member Schoen asked if the projected reimbursements will be collected during this fiscal year.

Airport Manager Baird answered that the majority of the reimbursements will be collected from Passenger Facility Charges (PFCs) over the next 10 years.

b. Future Projects

i. Terminal Aircraft Parking Improvements (See Brief)

Engineer Mitchell updated the Board on the status of the Categorical Exclusion Checklist for the Terminal Aircraft Parking Improvements project.

Airport Manager Baird commented that there were two occasions over the holidays where four parking spaces for terminal aircraft were needed. He briefed the Board that the commercial aircraft had to be taxied to staging areas which caused late departure times for passengers.

MOTION: ***Made by Board Member Greenberg to approve the Categorical Exclusion Checklist and authorize Staff to complete the documents and submit to the FAA prior to January 15, 2016. Seconded by Board Member Cooley.***

PASSED UNANIMOUSLY

Board Member Schoen commented that the Board will discuss the design of the Terminal Aircraft Parking area after the FAA has approved the Categorical Exclusion Checklist.

Airport Manager Baird added that submittal of the checklist does not commit the Board to moving forward with the project at this time.

ii. Terminal Parking Lot Improvements

No update was given.

iii. Terminal Airline Ticketing Office Improvements (See Brief)

No update was given.

c. Retain/Improve/Develop Air Service

i. Fly Sun Valley Alliance Update

Fly Sun Valley Alliance representative Carol Waller updated the Board on the following:

- Over the last two years seat occupancy has increased by 19% and enplanements have increased by 33%.
- FSVA is actively engaged with airline partners to solidify the summer and fall schedules for which they are hoping for expanded service.
- Delta Airlines will be offering a new weekly non-stop service to Los Angeles on Saturdays starting in February.
- FSVA is currently researching potential service and schedules for the winter.
- Complaints about bussing have decreased significantly and FSVA recently received a compliment about the bussing program.

B. Voluntary Noise Abatement/Runway Use Program Review Committee – Consideration of Appointments (See Brief)

Airport Manager Baird asked that the Board discuss committee appointments to the Voluntary Noise Abatement/Runway Use Program Review Committee.

Board Member Greenberg commented that the County is still in discussions regarding committee appointments and should be able to provide a decision at the February meeting.

Board Member Haemmerle commented that the City knows who their committee appointees will be but they have not been formally appointed by the City yet.

Airport Manager Baird commented that the City of Bellevue is also still discussing their committee appointment.

Chairman Fairfax directed Staff to expect possible appointments from the Board at the February Board meeting.

C. Airport Art Committee (See Brief)

Airport Manager Baird asked that the Board discuss FMAA appointment to the Airport Art Committee.

The Board agreed to appoint Chairman Fairfax to serve on the Airport Art Committee.

MOTION:

Made by Board Member Greenberg to appoint Chairman Fairfax to represent the FMAA on the Airport Arts Committee. Seconded by Vice-Chairman Keirn.

PASSED UNANIMOUSLY

VIII. NEW BUSINESS

A. FMAA Record Classification and Retention Policy (See Brief)

Airport Manager Baird briefed the Board that revisions have been made to the FMAA Record Classification and Retention Policy.

Attorney Laski added that the revisions have been made to follow a new statute that requires identification of a custodian and location of records.

MOTION:

Made by Board Member Haemmerle to revise the FMAA Record Classification and Retention Policy per the recommendations of legal counsel. Seconded by Board Member McCleary.

PASSED UNANIMOUSLY

IX. PUBLIC COMMENT

Craig Wolfrom encouraged the Board to consider whether the expense of creating another parking space for commercial aircraft is worth saving passengers a ten minute departure delay.

Board Member McCleary was asked to relay public comment asking that the Board refrain from appointing individuals to the Voluntary Noise Abatement/Runway Use Program Review Committee that have a financial or business interest.

X. EXECUTIVE SESSION – I.C. §74-206 (c)(f)

MOTION:

Made by Board Member McCleary to enter into executive session pursuant to Idaho Code §74-206 paragraph (c) to acquire an interest in real property and paragraph (f) to communicate with legal counsel to discuss legal ramifications for controversy imminently likely to be litigated. Seconded by Board Member Haemmerle.

ROLL CALL VOTE:

Chairman Fairfax	Yes
Vice-Chairman Keirn	Yes
Board Member Greenberg	Yes
Board Member Schoen	Yes
Board Member Haemmerle	Yes
Board Member McCleary	Yes
Board Member Cooley	Yes

PASSED UNANIMOUSLY

XI. ADJOURNMENT

The January 12, 2016 Regular Meeting of the Friedman Memorial Airport Authority was adjourned at approximately 8:30 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.

BLM

Sage-Grouse Implementation



Greater Sage-Grouse Plan Amendment



IMPLEMENTATION

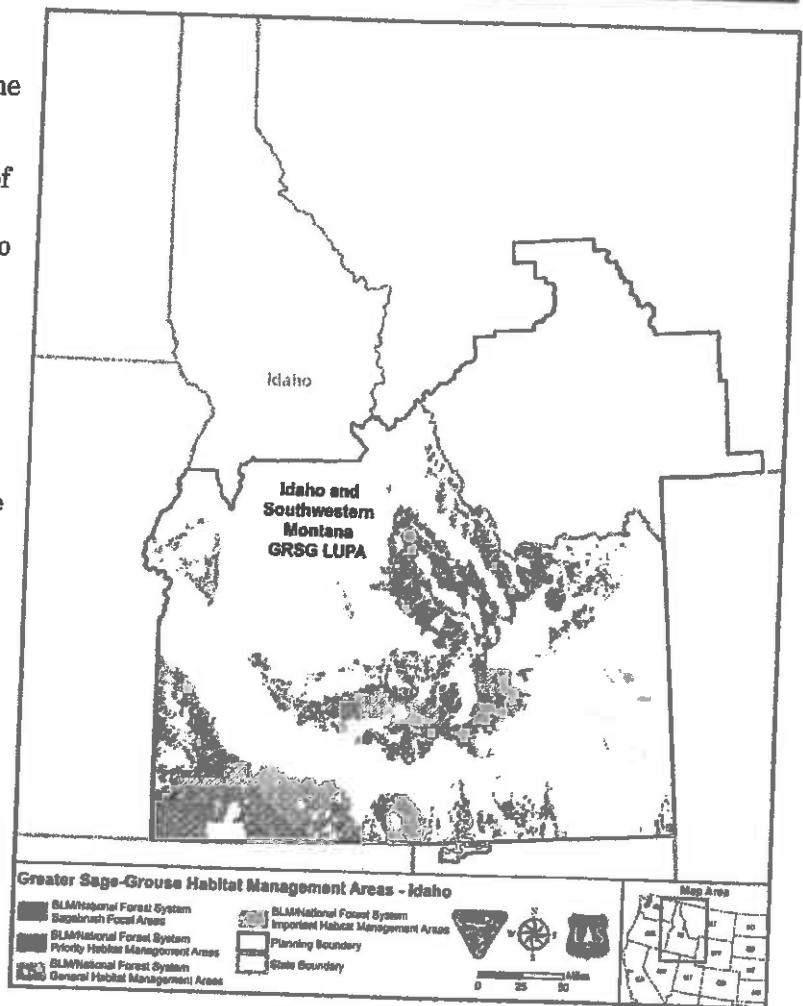
Idaho Implementation Major Components

- Desired Future Conditions – What are we trying to achieve
 - Goal SSS 1: Maintain and/or increase the abundance, distribution and connectivity of GRSG by conserving, enhancing and restoring GRSG habitat to maintain resilient populations by reducing, eliminating or minimizing threats to GRSG habitats.



BLM-USFS Greater Sage-Grouse Conservation Plans in ID

- The Bureau of Land Management (BLM) and the U.S. Forest Service (USFS) amended the land-use plan in Idaho to address threats to the greater sage-grouse. The BLM-USFS plans provide a three-tiered habitat management approach that focus protections on the areas of highest importance to the species:
 - The highest levels of protections are applied to Sagebrush Focal Areas (SFA), which are landscapes with high breeding population densities of sage-grouse, high-quality sagebrush habitat and a preponderance of federal ownership or protected areas that serve to anchor the conservation value of the landscape. These areas are prioritized for habitat improvement and vegetation management efforts and proposed for locatable mineral withdrawal.
 - Priority Habitat Management Areas (PHMA), equivalent to Core Areas, are managed to avoid and minimize further disturbance. Surface energy and mineral development is limited in these areas. Development is capped with limits on the amount and density of disturbance allowed. All of the SFAs are incorporated within PHMA.
 - Important Habitat Management Areas (IHMA) have moderate-to-high conservation value for greater sage-grouse populations. While IHMA is managed less-conservatively than PHMA, more protection allocations may be instituted through the adaptive management strategy.
 - General Habitat Management Areas (GHMA) provide greater flexibility for land use activities. Mitigation and required design features ensure that impacts from development are avoided, minimized and mitigated in GHMA.



SFA Acres	PHMA Acres	IHMA Acres	GHMA Acres
3.8 million acres	4.5 million acres	3.1 million acres	2.3 million acres

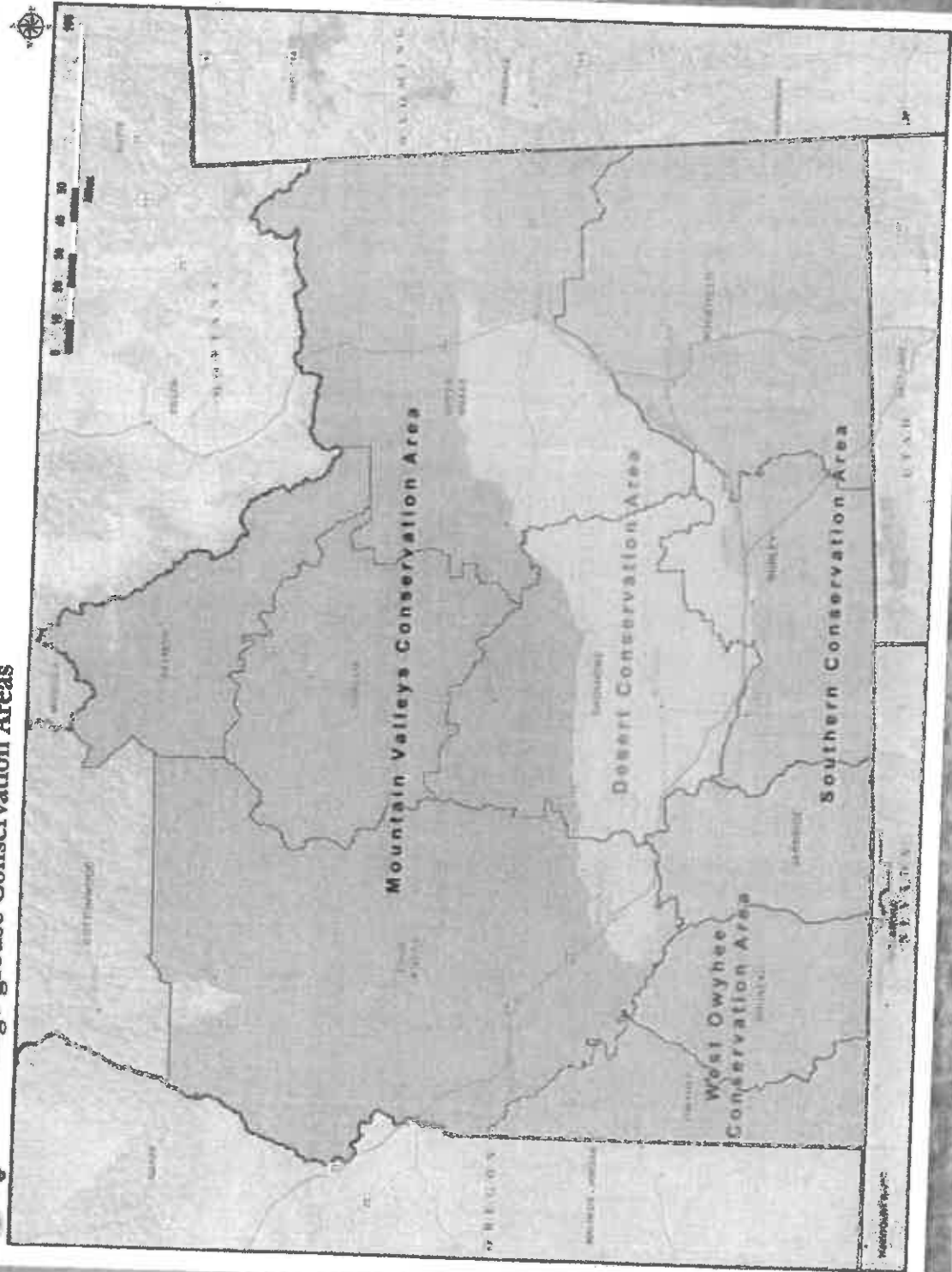
- The plans respect valid, existing rights, including those for oil and gas development, renewable energy, rights-of-way, locatable minerals and other permitted projects.
- During grazing permit renewals and modifications on lands within greater sage-grouse habitat, the BLM will incorporate locally developed management objectives for sage-grouse habitat and rangeland health standards, consistent with ecological potential. The BLM and USFS will prioritize monitoring for compliance, review and processing of grazing permits in important areas for greater sage-grouse first, SFA, followed by PHMA with a focus on lands containing riparian areas and wet meadows.

All of the federal lands with high and medium gas potential in Idaho are outside of federally managed priority conservation areas. There is no high and medium oil potential in Idaho.

Acres of High & Medium Oil and Gas Potential and Lease Status on Federal Lands and Minerals within PHMA								
	High/Medium Oil Potential				High/Medium Gas Potential			
State	Within PHMA Already Leased	Within PHMA Subject to BLM/USFS RMP Decisions for Priority Habitat	Outside of PHMAs	Total High/Medium Oil Potential	Within PHMA Already Leased	Within PHMA Subject to BLM/USFS RMP Decisions for Priority Habitat	Outside of PHMAs	Total High/Medium Gas Potential
Idaho	0	0	0	0	0	0	10,000	10,000

Conservation Areas

 Idaho Sage-grouse Conservation Areas



that, in accordance with applicable law, achieves the long-term conservation of GRSG and its habitat.

Conservation of the GRSG is a large-scale challenge that requires a landscape-scale solution that spans 11 western states. The Idaho and Southwestern Montana GRSG LUPA/EIS achieves consistent, range-wide conservation objectives as outlined below. Additionally, the Idaho and Southwestern Montana GRSG LUPA/EIS aligns with the States of Idaho and Montana's priorities and land management approaches consistent with conservation of GRSG. The Proposed Plan incorporates adaptive management habitat and population hard and soft triggers as well as management actions to reduce surface disturbance.

3 Objectives

Minimize additional surface disturbance. The most effective way to conserve the GRSG is to protect existing, intact habitat. The BLM and Forest Service aim to reduce habitat fragmentation and protect key habitat areas. The Idaho and Southwestern Montana GRSG LUPA/EIS minimizes surface disturbance on over 11 million acres of BLM-administered and National Forest System lands by allocating lands as SFA, PHMA, IHMA, and GHMA with decisions that aim to conserve GRSG habitat.

The Proposed Plan includes numerous management actions and strategies to reduce surface disturbance. Some key components include applying a 3 percent anthropogenic disturbance cap, requiring RDFs, implementing anthropogenic disturbance exception and development criteria, requiring mitigation to provide a net conservation gain to GRSG, and prioritizing oil and gas development outside of GRSG habitat.

Improve habitat condition. While restoring sagebrush habitat can be very difficult in the short term, particularly in the most arid areas, it is often possible to enhance habitat quality through purposeful management. The Idaho and Southwestern Montana GRSG LUPA/EIS commits to management actions necessary to achieve science-based vegetation and GRSG habitat management objectives established in the Proposed Plan.

The Proposed Plan includes numerous management actions and strategies to improve habitat condition. Some key components include specifying decadal treatment objectives for mechanical, prescribed fire, and grass restoration treatments; incorporating GRSG seasonal habitat objectives into the design of projects or activities; using the Wildland Fire and Invasive Species Assessments to identify priority areas for fuels management, fire management, and restoration; and managing livestock grazing and wild horses to achieve GRSG habitat objectives.

Reduce threat of rangeland fire to GRSG and sagebrush habitat. Rangeland fire can destroy sagebrush habitat and lead to the conversion of previously healthy habitat into nonnative cheatgrass-dominated landscapes.

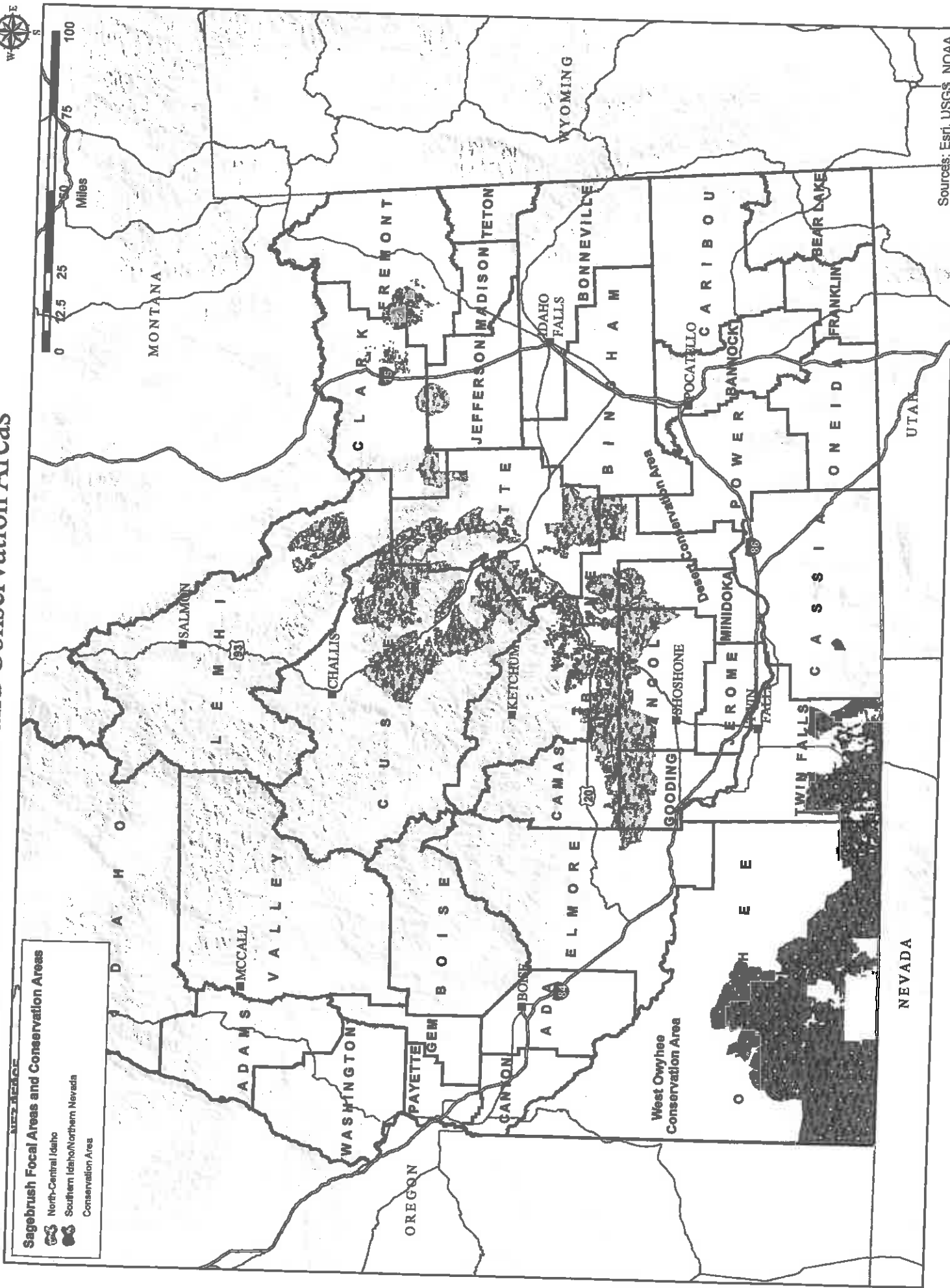
Table ES-2
Key Components of the Idaho and Southwestern Montana Proposed Plan
Addressing COT Report Threats

Threats to GRSG and its Habitat (from COT Report)	Key Component of the Idaho and Southwestern Montana Proposed Plan
	<ul style="list-style-type: none"> with special stipulations) • GHMA in Montana: Avoidance area
Infrastructure – major Rights-of-Way (ROW)	<ul style="list-style-type: none"> • PHMA: Avoidance area (may be available for major ROWs with special stipulations) • IHMA: Avoidance area (may be available for major ROWs with special stipulations) • GHMA in Montana: Avoidance area (may be available for major ROWs with special stipulations)
Infrastructure – minor ROWs	<ul style="list-style-type: none"> • PHMA: Avoidance area (may be available for minor ROWs with special stipulations) • IHMA: Avoidance area (may be available for minor ROWs with special stipulations)
Mining—locatable minerals	<ul style="list-style-type: none"> • SFA: Recommend withdrawal from the Mining Law of 1872
Mining—non-energy leasable minerals	<ul style="list-style-type: none"> • PHMA: Closed area (not available for non-energy leasable minerals)
Mining—saleable minerals	<ul style="list-style-type: none"> • PHMA: Closed area (not available for saleable mineral development) with a limited exception (may remain open to free use permits and expansion of existing active pits if criteria are met)
Mining—coal	<ul style="list-style-type: none"> • Not applicable in the Idaho and Southwestern Montana Sub-region.
Livestock Grazing	<ul style="list-style-type: none"> • Prioritize the review and processing of grazing permits/leases in SFAs followed by PHMA. (BLM only) • Adjust grazing management to move towards desired habitat conditions consistent with ecological site capability. (Forest Service only) • The NEPA analysis for renewals and modifications of grazing permits/leases will include specific management thresholds, based on the GRSG Habitat Objectives Table, Land Health Standards, and ecological site potential, to allow adjustments to grazing that have already been subjected to NEPA analysis. (BLM only) • Consider closure of grazing allotments, pastures, or portions of pastures, or managing the allotment as a forage reserve as opportunities arise under applicable regulations, where removal of livestock grazing would enhance the ability to achieve desired habitat conditions. (Forest Service only) • Prioritize field checks in SFAs followed by PHMA to ensure compliance with the terms and conditions of grazing permits. (BLM only)
Free-Roaming Equid Management	<ul style="list-style-type: none"> • Manage Herd Management Areas (HMAs) in GRSG habitat within established Appropriate Management Level (AML) ranges to achieve and

- **Surface Disturbance Caps** – Research clearly shows that sage-grouse decline as the amount of nearby surface disturbance (from roads, oil and gas wells, buildings, etc.) increases. The plans balance open space and development through a disturbance cap in priority habitat that limits how much fragmentation of habitat can occur. The caps take into account both existing disturbance and new authorized disturbance.
- **Fluid Mineral Resources (oil, gas and geothermal)** – The plans will reduce surface disturbance from oil, gas and geothermal development while recognizing valid existing rights. The BLM will work with lessees, operators and proponents of proposed fluid mineral projects on existing leases to mitigate adverse impacts to sage-grouse by avoiding, minimizing and compensating for unavoidable impacts. The plans prioritize future leasing and development outside of Priority and General Habitat Management Areas, and limit surface disturbance associated with new federal leases in Sagebrush Focal Areas and Priority Habitat Management Areas. For oil and gas, approximately 90% of lands with high to medium potential are located outside of federally managed priority habitat.
- **Surface Occupancy** – Advances in drilling technology have enabled companies to access oil and gas deposits without disturbing the surface directly above those deposits, making it possible to conserve sensitive habitats while still developing subsurface resources. In states without a demonstrated all-lands regulatory approach to managing disturbance, the BLM will require no-surface occupancy measures in new federal oil and gas leases in Sagebrush Focal Areas and, with exceptions, in Priority Habitat Management Areas. Exceptions, which will be determined by federal and state sage-grouse biologists, are limited to proposed development that will have no impact or a positive impact on sage-grouse.
- **Lek Buffers** – Leks are at the heart of the sage-grouse life-cycle, serving as sites that sage-grouse return to every year to mate. Scientific literature also suggests that other activities, including nesting, occur within a limited distance from a lek site. The plans identify buffers, consistent with the distances identified in a USGS study, as areas in which disturbance should be limited or eliminated to protect sage-grouse. As the study acknowledges, there is no single distance that's appropriate for all populations and all habitats across the range, so distance variations based on local data, best available science, landscape features and existing protections will be considered during the project-specific NEPA processes.
- **Renewable Energy** – Large-scale wind and solar projects have been demonstrated to negatively impact sage-grouse populations. While allowed in general habitat, the plans steer wind and solar development projects to areas outside of priority sage-grouse habitat. The plans complement the BLM's Western Solar Plan which developed solar energy zones, all of which are located outside sage-grouse habitat.
- **Transmission** – Large-scale wind and solar energy projects require transmission to deliver electricity to demand centers. The plans require developers seek to avoid placing transmission lines and other linear developments in sage-grouse habitat. Where important habitat cannot be avoided, mitigation measures will be required.
- **Mining** – The plans minimize surface disturbance caused by mining activities, subject to valid existing rights, in priority habitat and ensure that sagebrush habitat will be an important consideration in the BLM review of proposed coal mines or coal mine expansions. The plans



Idaho Sagebrush Focal Areas and Conservation Areas



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Accrual Basis

Friedman Memorial Airport

Profit & Loss Budget vs. Actual (Combined '16)

October through November 2015

Ordinary Income/Expense	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
Income				
4000-00 · AIRCARRIER				
4000-01 · Aircarrier - Lease Space	14,086.86	84,520.44	-70,433.58	16.7%
4000-02 · Aircarrier - Landing Fees	12,153.60	150,000.00	-137,846.40	8.1%
4000-03 · Aircarrier - Gate Fees	200.00	1,200.00	-1,000.00	16.7%
4000-04 · Aircarrier - Utility Fees	60.00	16,041.00	-15,981.00	0.4%
4010-07 · Aircarrier - '14 PFC App	44,683.35	301,500.00	-256,816.65	14.8%
Total 4000-00 · AIRCARRIER	71,183.81	553,261.44	-482,077.63	12.9%
4020-00 · TERMINAL AUTO PARKING REVENUE				
4020-01 · Automobile Parking - Terminal	30,882.69	200,000.00	-169,117.31	15.4%
Total 4020-00 · TERMINAL AUTO PARKING REVENUE	30,882.69	200,000.00	-169,117.31	15.4%
4030-00 · AUTO RENTAL REVENUE				
4030-01 · Automobile Rental - Commission	40,533.86	485,000.00	-444,466.14	8.4%
4030-02 · Automobile Rental - Counter	4,457.64	25,000.00	-20,542.36	17.8%
4030-03 · Automobile Rental - Auto Prkng	22,402.32	59,285.27	-36,882.95	37.8%
4030-04 · Automobile Rental - Utilities	0.00	2,500.00	-2,500.00	0.0%
Total 4030-00 · AUTO RENTAL REVENUE	67,393.82	571,785.27	-504,391.45	11.8%
4040-00 · TERMINAL CONCESSION REVENUE				
4040-10 · Advertising - Commission	4,177.50	33,000.00	-28,822.50	12.7%
4040-11 · Vending Machines - Commission	1,849.40	15,000.00	-13,150.60	12.3%
4040-12 · Terminal ATM	24.50			
Total 4040-00 · TERMINAL CONCESSION REVENUE	6,051.40	48,000.00	-41,948.60	12.6%
4050-00 · FBO REVENUE				
4050-01 · FBO - Lease Space	38,201.23	225,189.60	-186,988.37	17.0%
4050-02 · FBO - Tiedown Fees	32,368.82	460,000.00	-427,631.18	7.0%
4050-03 · FBO - Landing Fees - Trans.	25,661.67	275,000.00	-249,338.33	9.3%
4050-04 · FBO - Commission	1,601.26	18,000.00	-16,398.74	8.9%
Total 4050-00 · FBO REVENUE	97,832.98	978,189.60	-880,356.62	10.0%
4060-00 · FUEL FLOWAGE REVENUE				
4060-01 · Fuel Flowage - FBO	17,638.26	210,000.00	-192,361.74	8.4%
Total 4060-00 · FUEL FLOWAGE REVENUE	17,638.26	210,000.00	-192,361.74	8.4%
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				
4080-01 · Land Lease - Hangar	91,923.27	571,006.43	-479,083.16	16.1%

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Friedman Memorial Airport
Profit & Loss Budget vs. Actual (Combined '16)
 October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
4080-02 · Land Lease - Hangar/Trans. Fee	141.40	5,384.00	-5,242.60	2.6%
4080-03 · Land Lease - Hangar/Utilities	348.04	1,563.00	-1,214.96	22.3%
Total 4080-00 · HANGARS REVENUE	92,412.71	577,953.43	-485,540.72	16.0%
4090-00 · TIEDOWN PERMIT FEES REVENUE				
4090-01 · Tiedown Permit Fees (FMA)	9,048.00	11,649.00	-2,601.00	77.7%
Total 4090-00 · TIEDOWN PERMIT FEES REVENUE	9,048.00	11,649.00	-2,601.00	77.7%
4100-00 · POSTAL CARRIERS REVENUE				
4100-01 · Postal Carriers - Landing Fees	1,550.72	13,000.00	-11,449.28	11.9%
4100-02 · Postal Carriers - Tiedown	2,970.00			
Total 4100-00 · POSTAL CARRIERS REVENUE	4,520.72	13,000.00	-8,479.28	34.8%
4110-00 · MISCELLANEOUS REVENUE				
4110-06 · Misc. - Security-Prox. Cards	20,350.00	32,000.00	-11,650.00	63.6%
4110-09 · Miscellaneous Expense Reimburse	-505.14			
Total 4110-00 · MISCELLANEOUS REVENUE	19,844.86	32,000.00	-12,155.14	62.0%
4120-00 · GROUND TRANSP. PERMIT REVENUE				
4120-01 · Ground Transportation Permit	4,200.00	13,500.00	-9,300.00	31.1%
4120-02 · GTSP - Trip Fee	560.00	3,080.00	-2,520.00	18.2%
Total 4120-00 · GROUND TRANSP. PERMIT REVENUE	4,760.00	16,580.00	-11,820.00	28.7%
4400-00 · TSA				
4400-02 · Terminal Lease	1,090.74	40,000.00	-38,909.26	2.7%
Total 4400-00 · TSA	1,090.74	40,000.00	-38,909.26	2.7%
4510-00 · DOT/Small Community Air Service				
4510-01 · Small Community Air Service	0.00	150,000.00	-150,000.00	0.0%
Total 4510-00 · DOT/Small Community Air Service	0.00	150,000.00	-150,000.00	0.0%
4520-00 · INTEREST INCOME				
4520-07 · Interest Income - '14 PFC	1.20			
4600-00 · Interest Income - General	540.69	3,080.00	-2,539.31	17.6%
Total 4520-00 · INTEREST INCOME	541.89	3,080.00	-2,538.11	17.6%
4740-00 · AIP 40 - Safety Area Proj. Imp.				
4740-01 · AIP '40 Project II	0.00	25,000.00	-25,000.00	0.0%
Total 4740-00 · AIP 40 - Safety Area Proj. Imp.	0.00	25,000.00	-25,000.00	0.0%
4741-00 · AIP 41 - Safety Area Phase III				
4741-01 · AIP '41 SA Phase III	355,903.00	1,500,000.00	-1,144,097.00	23.7%

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Profit & Loss Budget vs. Actual (Combined '16)

October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
4741-02 · TSA Office RA	0.00	210,000.00	-210,000.00	0.0%
Total 4741-00 · AIP 41 - Safety Area Phase III	355,903.00	1,710,000.00	-1,354,097.00	20.8%
4742-00 · AIP 42 - Project TBD				
4742-01 · AIP '42 Project TBD	0.00	1,125,000.00	-1,125,000.00	0.0%
Total 4742-00 · AIP 42 - Project TBD	0.00	1,125,000.00	-1,125,000.00	0.0%
Total Income	779,304.94	6,265,998.74	-5,486,693.80	12.4%
Gross Profit	779,304.94	6,265,998.74	-5,486,693.80	12.4%
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	15,828.80	92,217.86	-76,389.06	17.2%
5010-01 · Salaries - Office Assist.	31,875.67	181,696.16	-149,820.49	17.5%
5020-00 · Salaries - ARFF/OPS Chief	15,371.20	92,217.86	-76,846.66	16.7%
5030-00 · Salaries - ARFF/OPS Specialist	50,451.21	319,890.40	-269,439.19	15.8%
5040-00 · Salaries-ASC/Sp.Prjct./Ex. Assi	11,757.84	65,652.90	-53,895.06	17.9%
5050-00 · Salaries - Temp.	899.00	25,000.00	-24,101.00	3.6%
5050-02 · Salaries - Merit Increase	0.00	36,000.00	-36,000.00	0.0%
5080-01 · Overtime - General	0.00	2,000.00	-2,000.00	0.0%
5080-02 · Overtime - Snow Removal	0.00	20,000.00	-20,000.00	0.0%
5060-04 · OT - Security	0.00	2,500.00	-2,500.00	0.0%
5100-00 · Retirement	17,685.92	114,290.95	-96,605.03	15.5%
5110-00 · Social Security/Medicare	9,700.47	75,307.99	-65,607.52	12.9%
5120-00 · Life Insurance	343.74	1,500.00	-1,156.26	22.9%
5130-00 · Medical Insurance	36,183.99	190,000.00	-153,816.01	19.0%
5160-00 · Workman's Compensation	0.00	15,000.00	-15,000.00	0.0%
Total "A" EXPENSES	216,247.84	1,390,174.12	-1,173,926.28	15.6%
"B" EXPENDITURES				
"B" EXPENSES - ADMINISTRATIVE				
6000-00 · TRAVEL EXPENSE	1,840.65	12,000.00	-10,159.35	15.3%
6000-01 · Travel	1,840.65	12,000.00	-10,159.35	15.3%
Total 6000-00 · TRAVEL EXPENSE	1,840.65	12,000.00	-10,159.35	15.3%
6010-00 · SUPPLIES/EQUIPMENT EXPENSE				
6010-01 · Supplies - Office	17,781.65	13,000.00	4,781.65	136.8%
6010-03 · Supplies - Computer	861.73			
Total 6010-00 · SUPPLIES/EQUIPMENT EXPENSE	18,643.38	13,000.00	5,643.38	143.4%
6020-00 · INSURANCE				
6020-01 · Insurance - Liability	9,700.00	11,800.00	-2,100.00	82.2%

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Profit & Loss Budget vs. Actual (Combined '16)

October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
6020-02 - Insurance - Public Officials	5,161.54	4,715.00	446.54	109.5%
6020-03 - Insurance-Bldg/Unlic.Veh./Prop	42,359.00	35,660.00	6,699.00	118.8%
6020-04 - Insurance - Licensed Vehicles	6,559.00	6,992.00	-433.00	93.8%
Total 6020-00 - INSURANCE	63,779.54	59,167.00	4,612.54	107.8%
6030-00 - UTILITIES				
6030-01 - Utilities - Gas/Terminal	1,730.83	9,000.00	-7,269.17	19.2%
6030-02 - Utilities - Gas/Maintenance	851.89	5,062.00	-4,210.11	16.8%
6030-03 - Utilities - Elect./Runway&PAPI	1,257.65	7,000.00	-5,742.35	18.0%
6030-04 - Utilities - Elec./Office/Maint.	1,688.31	15,000.00	-13,311.69	11.3%
6030-05 - Utilities - Electric/Terminal	5,279.23	34,600.00	-29,320.77	15.3%
6030-06 - Utilities - Telephone	2,055.97	12,184.46	-10,128.49	16.9%
6030-07 - Utilities - Water	112.06	798.90	-686.84	14.0%
6030-08 - Utilities - Garbage Removal	1,674.39	9,849.99	-8,175.60	17.0%
6030-09 - Utilities - Sewer	493.00	2,384.52	-1,891.52	20.7%
6030-11 - Utilities - Electric/Tower	716.39	6,000.00	-5,283.61	11.9%
6030-12 - Utilities - Elec./Brdfrd.Hghl	131.61	723.18	-591.57	18.2%
6030-15 - Utilities - Elec/AWOS	653.76	2,552.53	-1,898.77	25.6%
6030-16 - Utilities - Elec. Wind Cone	24.71	140.24	-115.53	17.6%
6030-17 - Utilities - Elec. - Hangar	11.28	210.82	-199.54	5.4%
6040-01 - Service Provider - Weather	0.00	2,079.00	-2,079.00	0.0%
6040-02 - Service Provider - Term. Music	261.67	895.00	-633.33	29.2%
6040-03 - Service Provider - Internet/ISP	990.00	10,000.00	-9,010.00	9.9%
6040-05 - Service Provider - ISP/Terminal	300.00	1,800.00	-1,500.00	16.7%
6040-06 - Service Provider - SSI Movement	9,850.00	9,850.00	0.00	100.0%
Total 6030-00 - UTILITIES	28,082.75	130,130.64	-102,047.89	21.6%
6050-00 - PROFESSIONAL SERVICES				
6050-01 - Professional Services - Legal	10,549.00	35,000.00	-24,451.00	30.1%
6050-02 - Professional Services - Audit	0.00	45,000.00	-45,000.00	0.0%
6050-03 - Professional Services - Engineer	0.00	10,000.00	-10,000.00	0.0%
6050-04 - Professional Services - ARFF	0.00	2,000.00	-2,000.00	0.0%
6050-05 - Professional Services - Gen.	3,997.50	63.75	3,933.75	6,270.6%
6050-07 - Professional Services - Archite	0.00	66,000.00	-66,000.00	0.0%
6050-08 - Professional Services - Securit	0.00	4,000.00	-4,000.00	0.0%
6050-10 - Prof. Svcs.-IT/Comp. Support	5,660.00	14,000.00	-8,340.00	40.4%
6050-12 - Prof. Serv.- Planning Air Serv.	3,436.25	15,000.00	-11,563.75	22.9%
6050-13 - Prof. Serv.-Website Des.& Maint	977.50	1,912.50	-935.00	51.1%
6050-15 - Prof. Serv. - Public Outreach	4,178.75	20,000.00	-15,821.25	20.9%
Total 6050-00 - PROFESSIONAL SERVICES	28,799.00	212,976.25	-184,177.25	13.5%
6060-00 - MAINTENANCE-OFFICE EQUIPMENT				
6060-01 - Maint.-Office Equip./Gen.	0.00	10,000.00	-10,000.00	0.0%
6060-04 - Maintenance - Copier	794.60			
6060-05 - Maintenance - Phone	1,401.38			

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Friedman Memorial Airport
Profit & Loss Budget vs. Actual (Combined '16)
October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
Total 6060-00 · MAINTENANCE-OFFICE EQUIPMENT	2,195.98	10,000.00	-7,804.02	22.0%
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%
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	5,820.70	13,000.00	-7,179.30	44.8%
6080-04 · Airport Marketing	215.00	20,000.00	-19,785.00	1.1%
Total 6080-00 · DUES/MEMBERSHIPS/PUBLICATIONS E	6,035.70	33,000.00	-26,964.30	18.3%
6090-00 · POSTAGE				
6090-01 · Postage/Courier Service	344.74	1,500.00	-1,155.26	23.0%
Total 6090-00 · POSTAGE	344.74	1,500.00	-1,155.26	23.0%
6100-00 · EDUCATION/TRAINING				
6100-01 · Education/Training - Admin.	0.00	15,000.00	-15,000.00	0.0%
6100-02 · Education/Training - OPS	1,376.30			
6100-03 · Education/Training - ARFF	65.00			
6100-05 · Education - Neighborl Flight	2,400.00			
Total 6100-00 · EDUCATION/TRAINING	3,841.30	15,000.00	-11,158.70	25.6%
6110-00 · CONTRACTS				
6110-01 · Contracts - General	43,278.40			
6110-02 · Contracts - FMAA	7,000.00	42,000.00	-35,000.00	16.7%
6110-03 · Contracts - SVA/Fee Collection	9,800.00	58,900.00	-49,100.00	16.6%
6110-04 · Contracts - COH LEO	544.00	5,000.00	-4,456.00	10.9%
6110-05 · Contracts - Janitorial	2,400.00	30,000.00	-27,600.00	8.0%
6110-06 · Electronic Filing System	2,300.00	13,800.00	-11,500.00	16.7%
6110-07 · Contracts - Snow Removal	0.00	15,000.00	-15,000.00	0.0%
6110-08 · Contracts - Eccles Tree Lights	0.00	30,000.00	-30,000.00	0.0%
6110-09 · Contracts - Website	0.00	350.00	-350.00	0.0%
6110-10 · Online Email Server Access	476.00	15,000.00	-14,524.00	3.2%
6110-11 · Contracts -Security CMS	7,100.00	50,000.00	-42,900.00	14.2%
6110-13 · Contracts - FIDS	0.00	6,200.00	-6,200.00	0.0%
6110-14 · Contracts - TV	93.39	6,000.00	-5,906.61	1.6%
6110-15 · Contracts - 139 Airfield Rcord	0.00	3,000.00	-3,000.00	0.0%
Total 6110-00 · CONTRACTS	72,991.79	275,250.00	-202,258.21	26.5%
6120-00 · PERMITS				
6120-01 · Permits - General	23.00	100.00	-77.00	23.0%
Total 6120-00 · PERMITS	23.00	100.00	-77.00	23.0%
6130-00 · MISCELLANEOUS EXPENSES				

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October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
6130-01 - Misc. - General	1,437.13	6,500.00	-5,062.87	22.1%
6140-00 - Bank Fees	78.75	1,000.00	-921.25	7.9%
Total 6130-00 - MISCELLANEOUS EXPENSES	1,515.88	7,500.00	-5,984.12	20.2%
Total "B" EXPENSES - ADMINISTRATIVE	228,093.71	774,423.89	-546,330.18	29.5%
"B" EXPENSES - OPERATIONAL				
6500-00 - SUPPLIES/EQUIPMENT-ARFF/OPERATI				
6500-01 - Supplies/Equipment - General	779.66	10,000.00	-9,220.34	7.8%
6500-02 - Supplies/Equipment - Tools	1,077.74			
6500-03 - Supplies/Equipment - Clothing	95.38			
6500-04 - Supplies/Equipment - Janitorial	3,101.42			
6500-05 - Supplies/Equipment - Deice	26,591.05	20,000.00	6,591.05	133.0%
6500-06 - Supplies/Equipment - ARFF	118.50	5,000.00	-4,881.50	2.4%
Total 6500-00 - SUPPLIES/EQUIPMENT-ARFF/OPERATI	31,763.75	35,000.00	-3,236.25	90.8%
6510-00 - FUEL/LUBRICANTS				
6510-01 - Fuel/Lubricants - General	0.00	35,000.00	-35,000.00	0.0%
6510-02 - Fuel	3,895.95			
Total 6510-00 - FUEL/LUBRICANTS	3,895.95	35,000.00	-31,104.05	11.1%
6520-00 - VEHICLES/MAINTENANCE				
6520-01 - R/M Equipment - General	505.50	25,000.00	-24,494.50	2.0%
6520-09 - R/M Equip. - '96 Oshkosh Swp.	439.96			
6520-17 - R/M Equip. '01 Case 921 Ldr.	672.66			
6520-19 - R/M Equip. '02 Ford F-150 PU	748.81			
6520-24 - R/M Equip. - '01 Ford F-250	251.36			
6520-29 - R/M Equip.- 2010 Wausau Plow	438.01			
6520-30 - R/M Equip.-'05 Ford F-350	637.30			
Total 6520-00 - VEHICLES/MAINTENANCE	3,693.60	25,000.00	-21,306.40	14.8%
6530-00 - ARFF MAINTENANCE				
6530-01 - ARFF Maint. General	0.00	7,000.00	-7,000.00	0.0%
6530-03 - ARFF Maint. - '87 Oshkosh	279.02			
6530-05 - ARFF MAInt. - '03 E-One	78.63			
Total 6530-00 - ARFF MAINTENANCE	357.65	7,000.00	-6,642.35	5.1%
6540-00 - REPAIRS/MAINTENANCE - BUILDING				
6540-01 - R/M Bldg. - General	4.29	20,000.00	-19,995.71	0.0%
6540-02 - R/M Bldg. - Terminal	2,520.23			
6540-03 - R/M Bldg. - Shop	420.00			
Total 6540-00 - REPAIRS/MAINTENANCE - BUILDING	2,944.52	20,000.00	-17,055.48	14.7%
6550-00 - REPAIRS/MAINTENANCE - AIRSIDE				
6550-01 - R/M - General	0.00	10,000.00	-10,000.00	0.0%

9:50 AM

01/26/16

Accrual Basis

Friedman Memorial Airport
Profit & Loss Budget vs. Actual (Combined '16)
 October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
6550-04 · R/M - Lights	2,880.06			
6550-05 · R/M - Grounds	767.02			
Total 6550-00 · REPAIRS/MAINTENANCE - AIRSIDE	3,647.08	10,000.00	-6,352.92	36.5%
6560-00 · SECURITY EXPENSE				
6560-01 · Security	4,043.21	20,000.00	-15,956.79	20.2%
Total 6560-00 · SECURITY EXPENSE	4,043.21	20,000.00	-15,956.79	20.2%
6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU				
6570-01 · R/M Aeronautical Equip - NDB/DME	0.00	25,000.00	-25,000.00	0.0%
6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU - Ot...	5,148.00			
Total 6570-00 · REPAIRS/MAINT.-AERONAUTICAL EQU	5,148.00	25,000.00	-19,852.00	20.6%
Total "B" EXPENSES - OPERATIONAL	55,493.76	177,000.00	-121,506.24	31.4%
Total "B" EXPENDITURES	283,567.47	951,423.89	-667,836.42	29.8%
"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	0.00	30,000.00	-30,000.00	0.0%
7000-14 · Retrofit Kit - Broom	0.00	4,000.00	-4,000.00	0.0%
7000-17 · Battery Jump Kit Lrg. System	0.00	2,200.00	-2,200.00	0.0%
7000-18 · Sweeper Brushes	0.00	10,000.00	-10,000.00	0.0%
7000-19 · Fork Lift	0.00	20,000.00	-20,000.00	0.0%
7000-20 · Sweeper Axles (Brushes)	0.00	8,000.00	-8,000.00	0.0%
7000-21 · Truck Spreader	0.00	8,000.00	-8,000.00	0.0%
7000-22 · Airline Ticketing Office Improv	0.00	200,000.00	-200,000.00	0.0%
7000-23 · SRE (Took Cat)	0.00	60,000.00	-60,000.00	0.0%
Total 7000-00 · MISC. CAPITAL EXPENDITURES	0.00	362,200.00	-362,200.00	0.0%
7110-00 · Small Comm. Air Service				
7110-01 · Small Comm. Air Serv.	0.00	150,000.00	-150,000.00	0.0%
Total 7110-00 · Small Comm. Air Service	0.00	150,000.00	-150,000.00	0.0%
7540-00 · AIP '40/PFC EXPENSE - Safety Ar				
7540-01 · AIP '40	0.00	26,565.00	-26,565.00	0.0%
7540-02 · AIP '40 Non-Eligible	5,536.57			
7540-03 · AIP '40 AIP/PFC	0.00			
7540-04 · AIP '40 Non Eligible - Terminal	129.53			
7540-06 · AIP '40 Non-Eligible - OPS/Adm.	406.17			
Total 7540-00 · AIP '40/PFC EXPENSE - Safety Ar	6,072.27	26,565.00	-20,492.73	22.9%
7541-00 · AIP 41 SA Ph. III -Runway/Term.				
7541-01 · AIP '41	519,146.46	1,600,000.00	-1,080,853.54	32.4%

9:50 AM

01/28/16

Accrual Basis

Friedman Memorial Airport

Profit & Loss Budget vs. Actual (Combined '16)

October through November 2015

	Oct - Nov 15	Budget	\$ Over Budget	% of Budget
7541-02 · AIP '41 - Non-Eligible	9,337.66			
7541-05 · Non-Eligible - TSA	4,951.53	260,000.00	-255,048.47	1.9%
7541-06 · Non-Eligible - Terminal	709.80			
7541-07 · AIP '41 RETAINER	8,665.02			
7541-08 · AIP '41 RETAINER PFC	1,764.16			
7541-09 · AIP '41 Non-Elig Retainer	8,620.28			
7541-00 · AIP 41 SA Ph. III - Runway/Term. - Other	4,379.27			
Total 7541-00 · AIP 41 SA Ph. III - Runway/Term.	557,574.18	1,860,000.00	-1,302,425.82	30.0%
7542-00 · AIP '42 EXPENSE - TBD				
7542-01 · AIP '42 - Eligible	0.00	1,200,000.00	-1,200,000.00	0.0%
7542-00 · AIP '42 EXPENSE - TBD - Other	0.00	0.00	0.00	0.0%
Total 7542-00 · AIP '42 EXPENSE - TBD	0.00	1,200,000.00	-1,200,000.00	0.0%
9001-00 · PFC 14-09-C-00-SUN				
9001-02 · PFC '14 Acquire SRE	352.50	500,000.00	-499,647.50	0.1%
9001-03 · PFC '14 Master Plan	28,894.90	175,000.00	-146,105.10	16.5%
9001-04 · PFC '14 Relocate SW Taxiway By	29,076.02			
9001-07 · PFC '14 RSA Grading	227.64			
9001-08 · PFC '14 Relocate Taxiway A & B	371.43			
9001-09 · PFC '14 Relocate Power to PAPI	76.46			
9001-11 · PFC '14 Relocate SRE/ARFF Bldg.	4,347.72			
9001-14 · PFC '14 Relocate Hangars	173.55			
9001-16 · PFC '14 Relocate N. Taxiway	28.80			
9001-17 · PFC '14 Relocate Central Bypass	308.16			
9001-18 · PFC '14 Runway Rehabilitation	0.00	131,700.00	-131,700.00	0.0%
Total 9001-00 · PFC 14-09-C-00-SUN	63,857.18	806,700.00	-742,842.82	7.9%
Total "C" EXPENSES	627,503.63	4,405,465.00	-3,777,961.37	14.2%
Total EXPENDITURES	1,127,338.94	6,747,063.01	-5,619,724.07	16.7%
Total Expense	1,127,338.94	6,747,063.01	-5,619,724.07	16.7%
Net Ordinary Income	-348,034.00	-481,064.27	133,030.27	72.3%
Net Income	-348,034.00	-481,064.27	133,030.27	72.3%

Friedman Memorial Airport December 2015

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	2,249
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	2,268
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	2,023
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	1,337
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	668
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	2,387
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	4,159
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	2,932
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	2,292
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	1,789
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	1,229
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	1,482
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	24,815

Operations 2012-2015 (Cumulative)



ATCT Operations Change (current month vs. same month last year)			
	2015	2014	% Change
Air Taxi	462	457	1%
Air Carrier	170	186	-9%
General Aviation	801	822	-3%
Military	1	16	100%
Civil	48	64	-25%
Total	1,482	1,545	-4.08%

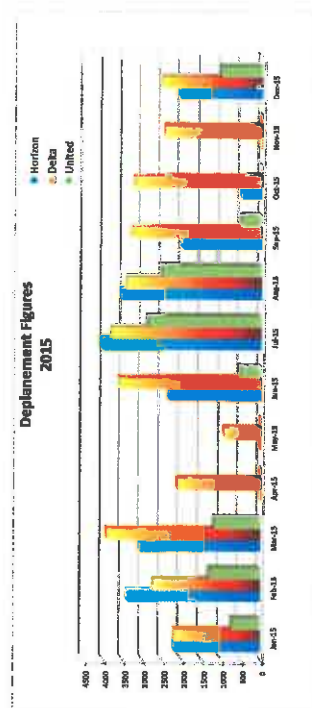
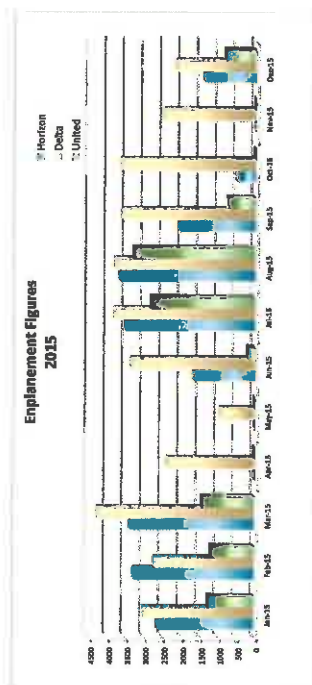
Friedman Memorial Airport
December 2015

Month	2015 Enplanements									
	Alaska Airlines					Delta Airlines				
	Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %
Jan-15	2,562	54	2,616	3,058	-14%	2,945	51	2,996	2,585	16%
Feb-15	3,205	56	3,261	2,947	11%	2,616	87	2,703	2,311	17%
Mar-15	3,266	96	3,362	3,285	2%	4,160	104	4,264	3,394	26%
Apr-15	0	0	0	530	-100%	2,296	77	2,373	2,118	12%
May-15	0	0	0	0	0%	915	20	935	823	14%
Jun-15	1,622	39	1,661	1,503	11%	3,255	89	3,344	3,465	-3%
Jul-15	3,438	70	3,508	3,479	1%	3,694	107	3,801	4,259	-11%
Aug-15	3,602	59	3,661	3,622	1%	3,685	101	3,786	4,596	-18%
Sep-15	2,036	35	2,071	2,333	-11%	3,535	64	3,599	3,888	-8%
Oct-15	498	12	511	524	-2%	3,542	73	3,615	3,573	1%
Nov-15	0	0	0	0	0%	2,445	75	2,520	2,463	2%
Dec-15	1,378	19	1,397	1,365	2%	2,100	35	2,135	2,305	-7%
Totals	21,608	440	22,048	22,646	-3%	35,188	883	36,071	35,790	1%
Legend for Chart:										
United Airlines										
Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %	Revenue
Jan-15	6,889	37	6,926	28%	1,240	0	1,240	992	28%	6,889
Feb-15	7,158	25	7,183	40%	1,169	0	1,169	854	40%	7,158
Mar-15	9,083	42	9,125	28%	1,395	0	1,395	1,125	28%	9,083
Apr-15	2,373	0	2,373	0%	0	0	0	0	0%	2,373
May-15	935	0	935	0%	0	0	0	0	0%	935
Jun-15	5,208	11	5,219	0%	192	11	203	0	0%	5,208
Jul-15	10,116	79	10,195	23%	2,728	79	2,807	2,277	23%	10,116
Aug-15	10,746	58	10,804	22%	3,241	58	3,299	2,710	22%	10,746
Sep-15	6,426	42	6,468	-16%	714	42	756	900	-16%	6,426
Oct-15	4,126	0	4,126	0%	0	0	0	0	0%	4,126
Nov-15	2,520	0	2,520	0%	0	0	0	0	0%	2,520
Dec-15	4,364	7	4,371	-1%	825	7	832	842	-1%	4,364
Totals	69,924	301	70,225	22%	11,504	301	11,805	9,700	22%	69,924

Legend for Chart:

Month	2015 Dependent Figures									
	Alaska Airlines					Delta Airlines				
	Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %
Jan-15	2,113	55	2,168	2,432	-11%	2,117	59	2,176	1,901	14%
Feb-15	3,338	52	3,390	2,631	29%	2,654	75	2,729	2,366	14%
Mar-15	2,987	99	3,086	3,031	1%	3,815	104	3,919	2,926	34%
Apr-15	0	0	0	425	-100%	2,021	71	2,092	1,867	12%
May-15	0	0	0	0	0%	899	29	928	833	11%
Jun-15	2,277	46	2,323	1,968	19%	3,543	61	3,604	3,928	-8%
Jul-15	3,986	50	4,036	3,815	6%	3,725	75	3,800	4,395	-14%
Aug-15	3,488	78	3,566	3,879	-9%	3,330	94	3,424	4,499	-24%
Sep-15	1,957	37	1,994	1,971	1%	3,224	67	3,291	3,337	-1%
Oct-15	487	12	499	562	-11%	3,148	74	3,222	3,239	-1%
Nov-15	0	0	0	0	0%	2,390	61	2,441	2,568	-5%
Dec-15	2,064	8	2,072	1,875	11%	2,512	34	2,546	2,876	-11%
Totals	22,657	437	23,094	22,579	2%	33,368	804	34,172	34,755	-2%
Legend for Chart:										
United Airlines										
Revenue	Non-	Total	Prior Year	Total %	Revenue	Non-	Total	Prior Year	Total %	Revenue
Jan-15	5,066	32	5,098	0%	690	32	722	719	0%	5,066
Feb-15	7,438	13	7,451	82%	1,306	13	1,319	723	82%	7,438
Mar-15	8,177	62	8,239	20%	1,130	62	1,192	993	20%	8,177
Apr-15	2,092	0	2,092	0%	0	0	0	0	0%	2,092
May-15	928	0	928	0%	0	0	0	0	0%	928
Jun-15	5,886	16	5,902	0%	531	16	547	0	0%	5,886
Jul-15	10,718	69	10,787	30%	2,813	69	2,882	2,214	30%	10,718
Aug-15	9,492	62	9,554	13%	2,460	62	2,522	2,233	13%	9,492
Sep-15	5,791	25	5,816	-12%	481	25	506	573	-12%	5,791
Oct-15	3,721	0	3,721	0%	0	0	0	0	0%	3,721
Nov-15	2,441	0	2,441	0%	0	0	0	0	0%	2,441
Dec-15	5,682	5	5,687	-9%	1,059	5	1,064	1,170	-9%	5,682
Totals	68,020	284	68,304	25%	10,470	284	10,754	8,825	25%	68,020

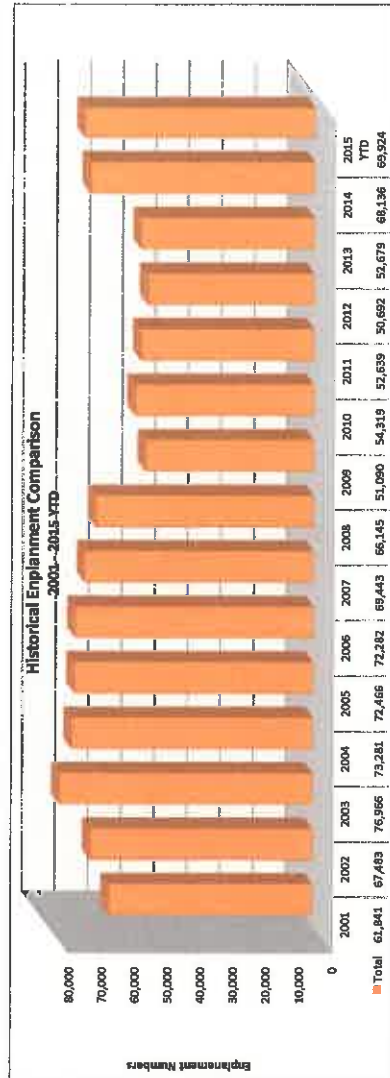
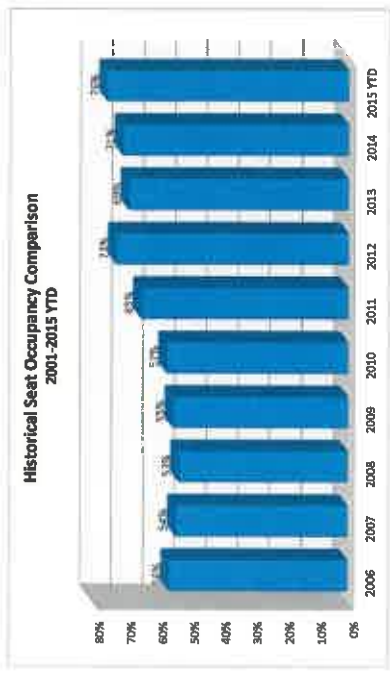
Legend for Chart:



Friedman Memorial Airport
December 2015

2015 Seat Occupancy															
Month	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	Total Seats Available	Total Seats Occupied	Total Percent Occupied	Comparison
Jan-15	44	3,344	2,616	78%	56	3,864	2,986	77%	31	2,046	1,277	9,254	6,889	74%	4%
Feb-15	55	4,180	3,261	78%	51	3,519	2,703	77%	29	1,914	1,194	9,613	7,158	74%	17%
Mar-15	55	4,180	3,362	80%	79	5,451	4,264	78%	33	2,178	1,437	11,809	9,063	77%	16%
Apr-15	0	0	0	0%	51	3,519	2,373	67%	0	0	0	3,519	2,373	67%	-10%
May-15	0	0	0	0%	18	1,242	935	75%	0	0	0	1,242	935	75%	14%
Jun-15	38	2,584	1,661	64%	66	4,554	3,344	73%	12	792	203	7,930	5,208	66%	5%
Jul-15	60	4,080	3,508	86%	69	4,761	3,801	80%	62	4,340	2,807	13,181	10,116	77%	1%
Aug-15	60	4,080	3,661	90%	67	4,623	3,786	82%	57	3,980	3,299	12,693	10,746	85%	-9%
Sep-15	36	2,448	2,071	85%	60	4,140	3,599	87%	19	1,254	756	7,842	6,426	82%	-10%
Oct-15	8	608	511	84%	61	4,209	3,615	86%	0	0	0	4,817	4,126	86%	1%
Nov-15	0	0	0	0%	45	3,105	2,520	81%	0	0	0	3,105	2,520	81%	2%
Dec-15	31	2,356	1,397	59%	46	3,174	2,135	67%	18	1,188	832	6,718	4,364	65%	-3%
Totals	387	27,860	22,048	79%	669	46,161	36,071	78%	261	17,702	11,805	91,723	69,924	76%	

Note: Total of 68 Seats Available on aircraft for summer months
Total of 78 Seats Available on aircraft for winter months
*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



From: Adam Snider <adam.snider@aaae.org>
Sent: Friday, December 18, 2015 12:54 PM
To: Rick Baird
Subject: Airport Alert: Congress Passes Omnibus Funding Bill Before Adjourning Until 2016



Congress Passes Omnibus Funding Bill Before Adjourning Until 2016

December 18, 2015

Today both chambers of Congress passed a bill funding the government for the remainder of FY 2016, clearing the way for lawmakers to adjourn for the rest of the year and conclude the First Session of the 114th Congress.

The "omnibus" funding package has good news for airports on several fronts with the anticipated full funding of AIP and the federal Contract Tower Program, as well as a provision that requires TSA to continue staffing exit lanes. A detailed summary of the FAA, TSA and CBP portions of the bill is available in an earlier [Airport Alert](#).

We should note, however, that while the omnibus anticipates certain funding levels for FAA programs, the authorization for those programs only runs through March 31, 2016. The programs need to be authorized for the rest of the fiscal year - either through a long-term FAA reauthorization or a short-term extension - for the funding levels in the omnibus to materialize. We do not foresee any problems in that area, but will need to stay vigilant.

President Obama is expected to sign the omnibus funding bill before the current short-term extension expires on December 22. That will clear the way for the FY 2017 appropriations process to start anew next year. This year, as you will recall, the appropriations process for DHS/TSA/CBP was complicated because lawmakers did not approve the FY 2016 DHS funding bill until March, five months into the fiscal year.

In other Congressional action this week, lawmakers passed a bill that extends a number of middle-class and business tax breaks that were set to expire at the end of the year. The omnibus-

tax package (the two bills were passed separately by the House but combined into one for the Senate vote) also includes changes to the existing Visa Waiver Program, which has drawn additional scrutiny from lawmakers following the Paris terrorist attack.

Also this week, the Senate passed the Pilots Bill of Rights 2, legislation that would loosen medical certificate rules and require that pilots verify they had a physical exam by their personal physician at least once every four years. More information on the bill is available in an earlier [Airport Alert](#).

Outlook for 2016

The House is scheduled to meet for the first time in 2016 on January 5, and the Senate will convene on January 11. Lawmakers will take one or two-week recesses for the major holidays throughout the year. In addition to the traditional month-long August recess, Senators and House Representatives will recess for October and the first two weeks of November to allow members to campaign for reelection in their home states and districts. Lawmakers will also be out of session the last two weeks of July to accommodate the Republican and Democratic national presidential conventions.

The preliminary 2016 calendars for the [House](#) and [Senate](#) are available online.

We expect to see action on a long-term FAA reauthorization bill early in 2016. Both House Transportation and Infrastructure Committee Chairman Bill Shuster (R-PA) and Senate Commerce Committee Chairman John Thune (R-SD) have indicated their desire to take up an FAA bill in 2016. Both committees held a series of hearings and roundtables on issues related to the bill this year. AAAE has been working with staff on both committees throughout the year as they prepare the legislation for its expected consideration in 2016.

New Airline Bag Fee Record Draws Media Attention

U.S. airlines collected more than \$1 billion in baggage fees in the third quarter of 2015, according to data released this week by DOT's Bureau of Transportation Statistics. That was the highest figure in a single quarter on record and the first time the quarterly bag fee collections have exceeded \$1 billion.

AAAE used the record bag fees - which came at the start of the busy holiday travel season - to again question why airlines oppose modernization of the Passenger Facility Charge program. Airlines have collected more than \$5 billion combined in bag and reservation change or cancellation fees through the first nine months of 2015 - well above the \$2.9 billion all airports collected via the PFC for all of 2014.

"While the airlines have filled their stockings with more than \$1 billion in quarterly bag fee revenues, they continue to play the Grinch when it comes to airport local self-help to build better facilities for the traveling public," AAAE President and CEO Todd Hauptli said in the press release. "The carriers' continued position of 'Bah Humbug' when it comes to modernizing the local Passenger Facility Charge program runs contrary to the interests of the traveling public - a fact made very clear as passengers take to the skies during the busy holiday season."

Several Washington, D.C. publications read widely by policymakers included the Hauptli quote in their coverage of the airline ancillary fees: Politico's [Morning Transportation](#) and [The Hill](#).

You can read the AAAE press release [here](#).

Airports Call on Congress to Address Pilot Shortage

Almost 100 airport officials joined together this week and signed a AAAE-drafted letter that urges Congress to address the current pilot shortage. For the past year and a half, AAAE has been highlighting the pilot shortage and the adverse impact that it is having on commercial air service to small- and medium-sized communities.

We'd like to offer a huge "thank you" to everyone who signed the letters to the House and Senate. We encourage you to forward the final [House letter](#) to your own representatives and the [Senate letter](#) to your two senators. If you'd prefer, you can send a similar letter to members of your congressional delegation that describes how the pilot shortage is impacting your community.

Thank you again for all your help and engagement in 2015 and we're excited to keep you apprised of all the action coming in 2016. It should be a busy year, so stay tuned. Until then, Happy Holidays and a safe New Year!

[Joel Bacon](#), Executive Vice President
[Brad Van Dam](#), Senior Vice President
[Gwen Basaria](#), Staff Vice President
[Adam Snider](#), Director



This email was sent to rick@flyfma.com by adam.snider@aaae.org | [Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [About our service provider](#)

AAAE | 601 Madison Street, Suite 400 | Alexandria | VA | 22314

Rick Baird

From: Spencer Dickerson <Spencer.Dickerson@aaae.org>
Sent: Monday, December 21, 2015 6:11 AM
To: Spencer Dickerson
Subject: Thank Members of Congress for contract tower funding

Importance: High

TO: Airports with FAA Contract Towers and ATC Contractors

Now that the FY 2016 omnibus spending bill has been passed by Congress and signed by the President with guaranteed and full funding of \$154.4 million for the contract tower program, it would be great if you can take a few minutes to send thank you emails to the staff of your House member(s) and your Senators if their offices were supportive of our collective efforts to achieve this funding level for the program.

These thank you's are always appreciated by our friends on the Hill!

Thanks and have a great holiday season!

From: Spencer Dickerson
Sent: Wednesday, December 16, 2015 1:20 PM
To: Spencer Dickerson
Subject: Good news on Contract Tower Funding for FY 2016
Importance: High

TO: Airports with FAA Contract Towers and ATC Contractors

We have very good news to report on contract tower funding for FY 2016!

As part of the massive federal government omnibus spending bill for FY 2016 announced late last night by congressional leaders, there is \$154.4 million in guaranteed and full funding included for the FAA contract tower program. Current indications are that both the House and Senate will pass the funding bill for the entire federal government later this week, including DOT/FAA, and then send to the President for signature.

The \$154.4 million funding level is expected to (1) fund all current 253 contract towers, including the 16 towers in cost share program; (2) fully fund one new start tower in FY '16, and (3) and provide catch-up funding for the U.S. Department of Labor mandated wage determinations that haven't been done for several years.



NOTE: While the omnibus anticipates the following funding levels for AIP, Contract Towers and other programs, the authorization for those programs currently runs through March 31, 2016. It is our expectation that Congress will eventually extend those authorizations beyond March 31, either as part of another FAA extension or a multi-year reauthorization bill, but it is unclear at this point exactly how that will happen. In other words, **the funding levels in the omnibus are aspirational at this point. Further action from will be required for full funding to materialize.** We do not anticipate problems in that process, but will need to stay vigilant.

Many thanks to all of you have worked tirelessly with your congressional offices earlier this year on funding for the program! You meetings, calls and emails clearly made a difference to achieve this record level of funding for the program.

Spencer Dickerson, C.M.
Senior Executive Vice President for Global Operations
AAAE/IAAE
601 Madison St., 4th Floor
Alexandria, VA 22314
phone 703/824-0500, ext. 130
sdickerson@aaae.org

Rick Baird

From: Barbara Cook <barbara.cook@aaae.org>
Sent: Tuesday, January 19, 2016 6:43 PM
To: Rick Baird
Subject: Airport Report Today, January 20, 2016



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Delta Posts Profit For Quarter, Year

House Panel May Draft FAA Bill In February

Michigan's Ford Airport Sets Passenger Record

JetBlue, Hawaiian Expand Codeshare Agreement

Southern Air Holdings To Be Acquired

Highlight Share Your Idea With Airport Magazine And Earn \$100

U.S. Travel To Japan Sets Record

Have You Scheduled Training For Your Team In 2016?

Digicast Offers ARFF Training

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Delta Posts Profit For Quarter, Year

Delta on Tuesday reported a record-breaking fourth quarter, with a \$926 million profit, up 51 percent over the same period in 2014.

The carrier also posted full-year 2015 adjusted pre-tax income of \$5.9 billion, up 29 percent from 2014.

Delta CEO Richard Anderson commented, "As we look ahead to 2016, we have a significant opportunity to improve our performance even further. With over \$3 billion in potential savings from lower fuel prices and numerous commercial, operational and cost initiatives already in place, we expect to again perform in the top tier of the S&P Industrials on earnings growth, margins and cash flows this year despite global economic challenges."

House Panel May Draft FAA Bill In February

The House Transportation and Infrastructure Committee tentatively has set Feb. 11 to mark up its FAA reauthorization bill, which could be released in draft form Feb. 4.

HIGHLIGHT

SHARE YOUR IDEA WITH AIRPORT MAGAZINE AND EARN \$100

AAAE's Airport Magazine is planning to add a new feature to highlight "out of the box" ideas at airports.

Perhaps your airport has become creative at developing joint projects with your community. Or, you may have developed non-traditional revenue-generating ideas such as making movies, marketing unused space for community events or hosting concerts. Your idea doesn't need to be a revenue generator, but it should demonstrate non-traditional thinking.

Committee Chairman Bill Shuster (R-Pa.) initially had planned to release the bill in early July, a date that was delayed indefinitely.

The current FAA extension expires March 31.

In other legislative news, the White House will release President Obama's fiscal year 2017 budget proposal Feb. 9, which will initiate this year's appropriations cycle.

The House and Senate Appropriations Committees will hold hearings on the various agency budgets, including FAA, TSA and Customs and Border Protection, before drafting the appropriations bills. House Speaker Paul Ryan (R-Wis.) and Senate Majority Leader Mitch McConnell (R-Ky.) each have said they want to pass all of the fiscal year 2017 appropriations bills before the Sept. 30 deadline.

Michigan's Ford Airport Sets Passenger Record

Michigan's Gerald R. Ford International reported that it set an all-time passenger record in 2015, surpassing the previous record set in 2014 by more than 215,000 passengers.

In 2015, 2.6 million passengers used the airport, an increase of 9.2 percent over 2014. Over the past three years, the airport has recorded the strongest growth in its 52-year history, serving more than 7.1 million passengers during the period.

"The past few years have been tremendous for the Gerald R. Ford International Airport, and we could not be more thrilled by the support received from our area business and leisure travelers who are choosing to fly to and from the Ford Airport," said GFIA Executive Director Brian Ryks, A.A.E. The airport will celebrate the new passenger record with daily surprises and giveaways through next week, he said.

JetBlue, Hawaiian Expand Codeshare Agreement

JetBlue said it has expanded its existing partnership with Hawaiian Airlines through a bilateral codeshare agreement. Customers purchasing a codeshare itinerary will benefit from having a single ticket that includes both Hawaiian and JetBlue-operated flights, as well as conveniences on their day of travel such as one-stop check-in and baggage transfer, the carrier said.

Southern Air Holdings To Be Acquired

Southern Air Holdings announced it has entered into a definitive agreement to be acquired by Atlas Air Worldwide Holdings, a global provider of outsourced aircraft and aviation operating services, in an all-cash, debt-free transaction valued at \$110 million.

The transaction is subject to DOT approval and is expected to close in the next few months.

The transaction includes Worldwide Air Logistics Group and its two operating subsidiaries, Southern Air and Florida West International Airways. Southern Air will continue to operate in Florence, Kentucky, and Florida West will continue to operate in Miami, upon closing of the agreement, according to the announcement.

Please share your story with us by contacting barbara.cook@aaae.org. If we publish your idea, you win \$100.

FEATURED MEETING

88th Annual AAAE Conference & Exposition
May 15 - 18, 2016 | Houston, TX

Prime Partners are AAAE corporate member companies that work with the association to support the airport community.



UPCOMING EVENTS

AAAE/ACI-NA Customer Service Experience
February 22 - 24, 2016 | Ft. Lauderdale, FL

ACC/AAAE Airport Planning, Design and Construction Symposium
March 2 - 4, 2016 | Salt Lake City, UT

South Central Chapter AAAE Annual Conference and Exposition
March 6 - 8, 2016 | Galveston, TX

AAAE/ACI-NA Washington Legislative Conference
March 15 - 16, 2016 | Washington, DC

AAAE/SC Chapter AAAE Loretta Scott, A.A.E. Accreditation/Certification Academy
March 20 - 26, 2016 | Dallas, TX

AAAE/ACI-NA Airport Board Members and Commissioners Conference
April 10 - 12, 2016 | Indianapolis, IN

Ground Handling Initiatives Workshop is now Airport FBO Ownership Workshop
April 11, 2016 | Raleigh, NC



National Air Service Conference is now National Airport Economic Development Conference
April 11 - 13, 2016 | Raleigh, NC

Southeast Chapter AAAE Annual Conference and Exposition
May 1 - 3, 2016 | Greenville-Spartanburg, SC

88th Annual AAAE Conference & Exposition
May 15 - 18, 2016 | Houston, TX

Rick Baird

From: Barbara Cook <barbara.cook@aaae.org>
Sent: Tuesday, January 26, 2016 2:52 PM
To: Rick Baird
Subject: Airport Report Today, January 27, 2016



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Blizzard-Related Flight Delays Continue	Alaska Airlines Unveils Brand Update
TSA Posts Screening Statistics For 2015	United's Pilots Approve Contract Extension
JetBlue To Increase Boston, Fort Lauderdale Routes	Airline Employment Increases In November
American To Add New York-Myrtle Beach Flights	Digicast Offers More Than Part 139 Training
Nearly 300,000 Owners Register UAS	Did You Know
Hyatt To Manage New San Francisco Airport Hotel	

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Blizzard-Related Flight Delays Continue

Flight delays and cancellations caused by the weekend blizzard that swept East Coast states continued to dominate aviation news on Tuesday.

By noon Tuesday, nearly 1,500 flight cancellations and 3,248 delays were reported for the day, according to FlightAware.

Cancellations reached more than 4,000 on Sunday and more than 2,000 on Monday, FlightAware said.

TSA Posts Screening Statistics For 2015

In its annual report for 2015, TSA said it screened more than 708 million passengers, 1.6 billion carry-on bags, 432 million checked bags and 12.9 million airport employees during the year.

Nationwide, fewer than 2 percent of passengers waited in line longer than 20 minutes, and 44 percent of passengers received some form of expedited screening, TSA said.

FEATURED MEETING

AAAE Regional Advanced Airport Safety and Operations Specialist (ASOS) School
April 23 - 24, 2016 | Buffalo, NY

Prime Partners are AAAE corporate member companies that work with the association to support the airport community.



UPCOMING EVENTS

Rick Baird

From: Barbara Cook <barbara.cook@aaae.org>
Sent: Tuesday, February 02, 2016 6:11 PM
To: Rick Baird
Subject: Airport Report Today, February 3, 2016



DELIVERING THE NEWS YOU NEED ■ AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES ■ FEBRUARY 3, 2016

TOP STORIES IN THIS ISSUE

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Highlight [Share Your Idea With Airport Magazine And Earn \\$100](#)

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[Virgin America To Expand Hawaii Service](#)

[American Reports Record Quarterly, Full Year Profits](#)

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[Horizon Contracts Open Way For Aircraft Purchase](#)

[Digicast Offers More Than Part 139 Training](#)

[JetBlue To Add Buffalo-Los Angeles Nonstops](#)

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FAA Reauthorization Legislation To Be Unveiled Feb. 3

* House Transportation and Infrastructure Committee Chairman Bill Shuster (R-Pa.), aviation subcommittee Chairman Frank LoBiondo (R-N.J.) and several committee members on Wednesday, Feb. 3, will hold a press conference to outline details of legislation "to reauthorize and reform federal aviation programs and the Federal Aviation Administration," according to an announcement.

The committee is expected to hold hearing on the measure Wednesday, Feb. 10, with a committee markup of the legislation to follow on Thursday, Feb. 11. It is unclear when the bill will reach the House floor.

Major Infrastructure Development Plan Set For O'Hare

A \$1.3 billion infrastructure plan for Chicago's O'Hare International was unveiled this week that includes a new runway (Runway 9C/27C), deicing pads and other airfield projects.

HIGHLIGHT

SHARE YOUR IDEA WITH AIRPORT MAGAZINE AND EARN \$100

AAAE's *Airport Magazine* is planning to add a new feature to highlight "out of the box" ideas at airports.

Perhaps your airport has become creative at developing joint projects with your community. Or, you may have developed non-traditional revenue-generating ideas such as making movies, marketing unused space for community events or hosting concerts. Your idea doesn't need to be a revenue generator, but it should demonstrate non-traditional thinking.

The projects will pave the way for additional improvements that will allow O'Hare to increase the number of gates and modernize the terminals, according to an announcement.

The \$648.5 million Runway 9C/27C, scheduled to be commissioned in 2020, will be used for arriving and departing aircraft. The 11,245-foot-long, 200-foot-wide runway, to be the second largest at O'Hare, will balance the capacity of the north airfield with that of the south airfield, providing increased flexibility for east and west flow operations, as well as balancing noise exposure among communities east and west of O'Hare, according to the announcement. The city also will provide for sound insulation of all eligible homes and schools.

"This project will further modernize O'Hare's airfield and significantly increase safety and efficiency; and give air traffic the most flexibility for routing aircraft," said Chicago Department of Aviation Commissioner Ginger Evans. "Chicago will now have a 21st century airfield."

American Reports Record Quarterly, Full Year Profits

American Airlines posted a \$1.3 billion profit for the fourth quarter of 2015, up 17 percent from the previous record set in the fourth quarter of 2014.

The carrier reported a record full year 2015 profit of \$6.3 billion, up 50 percent over the previous record set in 2014.

"We are extremely pleased to report record quarterly and full year earnings," said Chairman and CEO Doug Parker. "American Airlines enters 2016 well-positioned for the future. With the youngest aircraft fleet among our major competitors, more than \$2 billion of product investments underway, and the best aviation professionals in the business, we are well on our way to restoring American as the greatest airline in the world."

Rogue Valley, Oregon, Airport Bonds Rated

Standard & Poor's has assigned its A minus rating to Jackson County, Oregon's, \$14.7 million series 2016 airport revenue refunding bonds, issued for Rogue Valley International-Medford Airport. The outlook is stable.

"The rating reflects our view of the airport's small, but stable, traffic base; solid market position; and strong financial metrics," said S&P credit analyst Mary Ellen Wriedt.

The series 2016 bonds will be used to advance refund all or a portion of the airport's outstanding series 2007A bonds.

Horizon Contracts Open Way For Aircraft Purchase

Horizon Air announced that its flight attendants and pilots and their unions have approved new contracts.

Please share your story with us by contacting barbara.cook@aaaae.org. If we publish your idea, you win \$100.

FEATURED MEETING

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ACC/AAAE Airport Planning, Design and Construction Symposium

March 2 - 4, 2016 | Salt Lake City, UT

South Central Chapter AAAE Annual Conference and Exposition

March 6 - 8, 2016 | Galveston, TX

AAAE Unmanned Aircraft System (UAS) Training for Law Enforcement Officers

March 14 - 15, 2016 | Alexandria, VA

AAAE/ACI-NA Washington Legislative Conference

March 15 - 16, 2016 | Washington, DC

AAAE/SC Chapter AAAE Loretta Scott, A.A.E. Accreditation/Certification Academy

March 20 - 26, 2016 | Dallas, TX

AAAE/ACI-NA Airport Board Members and Commissioners Conference

April 10 - 12, 2016 | Indianapolis, IN

Ground Handling Initiatives Workshop is now Airport FBO Ownership Workshop

April 11, 2016 | Raleigh, NC

National Air Service Conference is now National Airport Economic Development Conference

April 11 - 13, 2016 | Raleigh, NC

AAAE Regional Advanced Airport Safety and Operations Specialist (ASOS) School

April 23 - 24, 2016 | Buffalo, NY



With these agreements in place, pending board approval and acceptable commercial terms for the aircraft, Horizon Air said it is set to move forward with its plan to add regional jets to its existing fleet of Q400s.

JetBlue To Add Buffalo-Los Angeles Nonstops

JetBlue said it will institute daily nonstop flights between Buffalo Niagara International and Los Angeles International, effective June 16.

Virgin America To Expand Hawaii Service

Virgin America said it will expand its service to Hawaii with daily nonstop flights from Los Angeles International to Honolulu, Oahu, effective May 5, and Kahului, Maui, beginning June 14.

Southwest, Transport Workers Reach Accord

Southwest said it has reached a tentative contract agreement with the Transport Workers Union Local 557, the union representing the company's flight instructors.

The agreement comes just four weeks after the group's current contract became amendable. During the next few weeks, the union will submit the agreement to its members for a ratification vote.

Mark Gale, A.A.E., Named To Fort Lauderdale-Hollywood Post

Mark Gale, A.A.E., this week was named director of Fort Lauderdale-Hollywood International.

Formerly CEO of Philadelphia International, Gale will assume his new position in late March. He succeeds Kent George, A.A.E., who is retiring.

Digicast Offers More Than Part 139 Training

Stay connected to Digicast (www.antndigicast.com) for training on every aspect needed to operate an airport. Start the new year off right with a subscription to Digicast. You can be trained on aircraft familiarization, how to handle an active shooter at your airport, improving customer service and so much more.

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Not yet a Digicast subscriber? Contact Trina Hadden at 703-575-2470, or trina.hadden@aaae.org to have your free 30-day trial started today.

Rick Baird

From: Spencer Dickerson <Spencer.Dickerson@aaae.org>
Sent: Wednesday, February 03, 2016 9:12 AM
To: Spencer Dickerson
Subject: Contract Tower Provisions in the House FAA Reauthorization Bill

TO: Airports in the FAA Contract Tower Program and ATC Contractors

We have good news to report on the contract tower provisions included in the FAA reauthorization bill introduced this morning by Bill Shuster (R-PA), Chairman of the House Transportation and Infrastructure (T&I) Committee.

Although not perfect, the legislation includes several pro-airport contract tower provisions in the base bill, including:

Reforms to the Benefit/Cost Analysis for the FAA Contract Tower Program

- Except for airports in the cost-share program, the FAA is prohibited from conducting benefit/cost (b/c) analyses on airports in the FAA Contract Tower Program unless air traffic activity at a contract tower airport drops by more than 25 percent in a single year or more than 60 percent of a three year period. Cost-share contract towers will have b/c's conducted annually.
- Ten (10) percentage points are automatically added to all contract tower b/c's to capture the non-quantifiable benefits of operating towers. The current cap on cost share payments is 20 percent. As such, the most an airport would pay to participate in the contract tower cost-share program is ten (10) percent.
- The FAA can only include the following costs of the FAA to calculate contract tower b/c's: (1) controller staffing costs; (2) FAA's telecommunication costs; (3) tower equipment paid for and installed by FAA, and (4) any travel costs for FAA personnel to maintain tower equipment owned by the FAA.
- If an airport is issued a new b/c that is below 1.0 and does not wish to appeal, the cost share payment for the airport goes into effect 12 months after receipt of the new b/c. If the airport decides to appeal the new b/c, there is a total of 19 months from the initial receipt of the new b/c for the appeal/review process to when the final b/c is issued and cost share payment becomes effective.

Protection for Contract Towers in the ATC Corporation

As expected, Chairman Shuster's bill would create a non-profit corporation to operate the air traffic control system. If the ATC corporation proposes to close a FAA contract tower that results in an airspace change or reclassification, the legislation requires the corporation to conduct a safety risk management assessment; an assessment of the impact of the proposed closure on the operation of the national airspace system; an assessment of the impact of the proposed closure on local communities, including air service, and any other safety or operational information that the Secretary of Transportation determines to be necessary to understand the safety impact of the proposed closure. The legislation also requires the corporation to develop a process to receive input from the public, impacted air traffic services users, local communities, and the airport operator of the airport where the contract tower proposed to be closed is located. It is important to note that the contact

tower program was the only FAA program that received a special carve out for protection in the proposed ATC corporation.

AIP Eligibility for Contract Tower Construction and Remote Towers

The legislation lifts the cap on AIP entitlement and state apportionment funds that an airport can use to construct and/or equip a FAA contract tower (current cap is \$2 million). The legislation also allows airports to use AIP entitlement and state apportionment funds for remote towers.

Chairman Shuster is expected to mark up the bill in the T&I Committee on February 11 and then move for consideration on the House floor in the next couple of weeks. The action will then move to the Senate, where we will continue to push for local airport approval to any proposed contract tower closure in addition to our other priorities. This is just the first step in what many expect will be a very long process to complete the FAA reauthorization bill on the Hill.

Thanks very much for your time and efforts the past year working with your respective House members. Your collective voices clearly made a positive difference in the contract tower provisions that were eventually included in the House bill!

Spencer Dickerson, C.M.
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Alexandria, VA 22314
phone 703/824-0500, ext. 130
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WORK ORDER 16-03 EXHIBIT A – Scope of Work Friedman Memorial Airport (SUN) Hailey, Idaho

Terminal Apron Expansion (Design Only)

This Scope of Work describes professional services to be provided in support of a project at Friedman Memorial Airport (SUN). The purpose of this project is to construct an additional aircraft parking space on the terminal aircraft parking at the airport. The airport recently completed a large effort to improve the Runway Safety Area at the airport. This effort included construction of a new terminal apron, sized to accommodate three regional jet-size aircraft. This apron is functioning well, but demand is growing for a fourth air carrier aircraft to remain overnight at the airport. Limited space is available on the airport to accommodate a fourth aircraft and all options to park such an aircraft would involve tugging or taxiing the aircraft to a different location on the airport. Tugging or taxiing brings significant safety risks and also environmental impacts in additional fuel burn, noise, etc. For these reasons, the airport prefers to accommodate this fourth aircraft adjacent to the terminal.

This project will design an expansion to the terminal apron to accommodate a fourth aircraft. Due to the topography and existing configuration of the terminal vehicle parking lot, expanding this apron will require construction of a large area of fill and relocation of the terminal parking lot exit lane and payment booth. Snow removal and storage are significant concerns at this location, and addition of apron space must consider this issue. This design will consider all of these impacts and develop a solution that provides the additional ramp space while providing space for snow storage and vehicle parking and access.

The concept for this apron expansion was developed to accommodate forecasted demand as part of the airport's ongoing Master Plan Update. Demand has accelerated, however, and the additional space will likely be needed by 2017 or earlier. The proposed improvements are illustrated in the following graphic:



Source: Mead & Hunt



PROJECT APPROACH:

Professional services provided under this design only work order shall include incidental planning, civil design, grant administration, preliminary design, final design and the overall coordination of all phases of the project with the Owner and the FAA. Design Services and associated expenses (Tasks 1-4 below) will be provided on a lump sum basis. Basic planning for this design was completed under the airport's Master Plan Update. This design effort will include validation and further development of the planning already completed.

The project is expected to be completed under one construction contract, and the design will be prepared with that in mind. Bidding and construction services are not included in this Scope of Work, but will be provided under a separate Work Order, when the FMAA decides to proceed with the project.

AVAILABLE INFORMATION:

- Previous Airport Layout Plan (ALP) drawings, most recently updated by T-O Engineers in 2010.
- Design, construction and as-constructed drawings, survey data and geotechnical information from AIP 3-16-0016-007 through '041 projects, prepared by T-O Engineers (previously Toothman-Orton Engineering Co.).
- Preliminary planning documents from an ongoing Master Plan Update at the airport.



SCOPE OF PROFESSIONAL SERVICES

TASK 1 - ADMINISTRATION

During the course of the Project the following general administrative services shall be provided.

- 1.1 Coordinate with Owner to evaluate scope, budget and approach to project. Travel to and meet with the Airport to discuss the project scope and approach.
- 1.2 Prepare a Work Order specifically addressing this project. The Work Order shall include a detailed Scope of Professional Services narrative. Review the Scope with Owner and FAA and modify as necessary, based on comments received. The Work Order shall also include a detailed cost proposal based on estimates of professional service man hours, hourly rates and lump sum costs required to accomplish the design development and construction administration of the work.
- 1.3 Provide Scope of Work and blank cost proposal spreadsheet to Owner for use in obtaining an Independent Fee Estimator for review. One teleconference is anticipated to describe and discuss the project scope.
- 1.4 Advise and coordinate with Owner and FAA through the Phase 1 tasks.
- 1.5 Project management and administration to include monthly cost accounting and budget analysis, invoicing and monitoring of project progress.

TASK 2 – PRELIMINARY (35%) DESIGN

The following Consultant tasks are necessary to complete the initial design of the project. This design will incorporate project formulation and planning completed under previous planning and formulation efforts.

- 2.1 Prepare for and participate in a pre-design conference with FAA personnel and the Owner. This conference shall be conducted according to current guidance from the FAA Northwest Mountain Region. The conference will take place via conference call. After the meeting, prepare notes to document what was discussed.
- 2.2 Develop a survey scope and collect topographical survey data in the project area. This will include investigation and survey of underground utilities in the area of the project.
- 2.3 Develop a scope of geotechnical investigation for the project area. As the apron expansion will include construction of a large fill and retaining wall, the amount of geotechnical information necessary will be significant. Geotechnical services are described under Task 5.
- 2.4 Prepare a preliminary geometric design of the apron expansion, to include layout of taxi routes for commercial aircraft into and out of the apron. This layout shall be prepared to meet the requirements of the FAA and the airlines and shall limit tug operations to the extent possible.
- 2.5 Based on the layout developed in Task 2.4, develop a preliminary grading design for the apron, in accordance with FAA standards. Grading design shall take into account snow removal and storage requirements.



- 2.6 With the assistance of a qualified structural subconsultant, design retaining walls along the southern and western edges of the cargo apron and north hangar taxilane, as required to construct these areas. The maximum height of wall anticipated is approximately 16 feet, and walls will be designed using modular blocks or similar construction techniques, if feasible. Due to local ordinance, the maximum height of any retaining wall is limited to four feet, therefore multiple walls will be required to achieve the necessary wall height.
- 2.7 Analyze and identify impacts of the apron expansion on the existing terminal vehicle parking lot and exit lane. Prepare a preliminary design of the new exit lane and identify other improvements that must be made to the lot, including relocation of the payment station and relocation of parking spaces. Note that improvements to the traffic movement lanes will be included in this design, but design and construction of other revenue-generating improvements will be designed and constructed separately.
- 2.8 Identify utilities that must be relocated and coordinate with various public utilities responsible. It is anticipated that utilities requiring relocation will include underground power and associated transformer(s), telephone, natural gas, water and sewer. Coordination with individual utilities and City of Hailey is included in Task 5 – Additional Services.
- 2.9 Prepare a preliminary surface and subsurface drainage design for disposal of storm drainage from the project areas and modifications to the existing storm drainage system. It is assumed the existing airport storm drainage system will be utilized to the extent practical, but additional swale(s) and drywell(s) will also be necessary.
- 2.10 Based on aircraft traffic on the airport, design a recommended pavement section. Design analysis shall be based on the current version of FAA AC 150/5320-6. Prepare a report for inclusion in the Engineer's Design Report. The pavement design shall include preparation of an FAA Form 5100-1 and design output from FAA's pavement design program, FAARFIELD.
- 2.11 With the assistance of a qualified subconsultant, prepare a preliminary area lighting plan for the apron area, in compliance with City of Hailey requirements to the extent possible. Prepare calculations and justification for lighting design, where it is not possible to meet the City's requirements.
- 2.12 Develop a preliminary Construction Safety and Phasing Plan (CSPP). This CSPP shall clearly describe the different construction phases and aircraft operations during each phase. The preliminary CSPP shall be submitted to FAA for review and comment as early in the project development process as possible.
- 2.13 Develop a draft table of contents for bid and contract documents and technical specifications, which will identify appropriate sections necessary for completion of the project.
- 2.14 Prepare preliminary drawings for the project, which will be limited to: Cover Sheet; Construction Layout Plan; Safety and Phasing Sheets; Apron Plan; Vehicle Road Plan and Profile; Grading and Drainage Sheets and a Marking Plan (estimated 20 sheets, total).



- 2.15 Prepare preliminary opinions of construction cost and construction time required to complete construction of the various elements of the project.
- 2.16 Meet with Owner in Hailey to discuss preliminary design, including review of preliminary plans. This meeting is anticipated to take place at the airport, with three members of the project team (Principal, Project Manager and Engineer in Training) in attendance.
- 2.17 Submit the proposed retaining wall and area lighting design to City of Hailey for review and approval.
- 2.18 Coordinate with the Owner and FAA during this phase of the project. This will include one meeting in Hailey with the Airport Staff and airport users (separate from the preliminary plan review above) to discuss the preliminary design and refine the project approach, schedule, phasing and budget. This meeting will be attended by Principal and Project Manager. This will also include one meeting at the Airports District Office in Helena, Montana, which will be attended by the project Principal.
- 2.19 Coordinate internally with T-O staff during this phase of the project as necessary.
- 2.20 Travel time required for Task 2.

TASK 3 – 65% DESIGN

The 65% design services shall commence upon completion of Phase 2 tasks. Preliminary design phase services shall include:

- 3.1 Finalize grading design for the project area, including both the apron and vehicle access lanes.
- 3.2 Finalize surface and subsurface drainage design for disposal of storm drainage from the project areas. Prepare a report for inclusion in the Engineer's Design Report.
- 3.3 Develop an erosion and sediment control plan for the project, to be included in the bidding and construction drawings. This plan shall apply approved Best Management Practices for the State of Idaho.
- 3.4 Develop a pavement marking plan and submit to FAA for review.
- 3.5 With the assistance of a qualified subconsultant, complete design of area lighting for the project.
- 3.6 Prepare preliminary construction specifications and bid documents. Specifications shall be based on the current version of FAA AC 150/5370-10 and current regional notices. Bid documents shall include Notice Inviting Bids, Bid Schedules, Agreement, forms and other contract documents and "boiler plate" items necessary to solicit bids and execute contracts following award.
- 3.7 Prepare a preliminary design and construction plan set to a completion level of approximately 65%. The anticipated number of sheets in this submittal is 25 sheets. Submit two sets to Owner for review and comment. Meet with Owner in Hailey to review the plans and obtain additional direction for completion of the design and construction plans. This meeting will be held in Hailey with three members of the project team (Principal, Project Manager and Specifier) in attendance.
- 3.8 Revise preliminary cost estimates, based on preliminary design.
- 3.9 Coordinate internally with T-O staff during this phase of the project to discuss key aspects of the



- design.
- 3.10 Coordinate with the Owner and FAA during this phase of the project, including a separate visit to discuss the design revisions and progress.
 - 3.11 Travel time required for Task 3.

TASK 4 - FINAL DESIGN

The Final Design task shall include the preparation of detailed construction plans and specifications, required design report, cost estimates, bid and contract documents suitable for obtaining competitive bids for construction of improvements. Final Design Services shall include the following work tasks:

- 4.1 Revise design to reflect comments from Owner at the 65% design review phase.
- 4.2 Prepare 95% design and construction plans. Total number of sheets is anticipated to be 60.
- 4.3 Prepare 95% construction specifications and bid documents based on the current version of FAA AC 150/5370-10 "Standards for Specifying Construction on Airports", including regional Notices published by the FAA Northwest Mountain Region.
- 4.4 Prepare a final engineer's opinion of probable construct cost, based on the final design.
- 4.5 Prepare a stand-alone Construction Safety and Project Phasing plan, including final versions of drawings submitted in Task 2.5, along with a narrative plan describing the project phasing implementation.
- 4.6 Prepare the Engineer's Design Report including plan review checklists in conformance with FAA guidelines and submit with plans and specifications for FAA review.
- 4.7 Submit 95% design drawings, specifications and design report to Owner and FAA for final review and comment. An on-site design review meeting with airport staff will be held at the airport in Hailey, with three members of the design team (Principal, Project Manager and Specifier) in attendance. Review comments from the FAA will be received by telephone or electronically.
- 4.8 Revise drawings and specifications based on final review comments and prepare 100% (bid set) documents. Submit up to three complete sets of final documents to Owner and one set of final documents to the FAA.
- 4.9 Coordinate internally with T-O staff during this phase of the project to discuss key aspects of the design.
- 4.10 Coordinate with the Owner and FAA during this phase of the project.
- 4.11 Travel time required for Task 4.

TASK 5 – ADDITIONAL SERVICES

Consultant shall provide the following services as "Additional Services":

- 5.1 Assist the Owner with Grant Administration tasks.
 - 5.1.1 Prepare a Grant Application for submittal to FAA. Update the Grant Application for FAA-AIP funding assistance based on project bid results. Assist Owner in coordination of Grant Application submittal and process.
 - 5.1.2 Assist the Owner to prepare and process required certifications for submittal to the FAA.



- 5.1.3 Provide periodic project budget updates to Owner during prosecution of the work.
- 5.1.4 Prepare a final report to document the project activities and costs to close out the grant for this work.
- 5.2 Assist the Owner with Disadvantaged Business Enterprise (DBE) reporting. Development of DBE goals is not necessary for this project, as the airport completed three-year goals in 2013. DBE services to be provided shall include annual reporting for FY 2016 , along with preparation of new three-year goals for the period of 2016-2018.
- 5.3 Provide geotechnical services required for the project. These services are anticipated to be performed by a qualified subconsultant and will include test pits or borings along the edge of the existing apron, down the slope to the vehicle exit lane and in the parking lot and surrounding areas. The investigation will pay special attention to the areas where retaining walls are anticipated. Adequate samples will be collected and tested to determine the engineering properties of all soils in the project area. The Consultant will provide coordination and oversight of all geotechnical operations.
- 5.4 Utility Coordination: Coordinate with Idaho Power regarding power lines and transformer(s) in the area of the project. Idaho Power will design and complete any required relocations under a separate agreement with the airport. Coordinate with CenturyLink regarding relocation of telephone service lines in the area of the project. Coordinate with Intermountain Gas regarding existing gas lines in the location of the apron and determine if relocation is necessary. Coordinate with City of Hailey regarding existing water lines in the area of the project, and to discuss any required relocations of these utilities.
- 5.5 Environmental Coordination: A Categorical Exclusion Checklist was prepared and approved for this work in January 2016. No further environmental coordination is necessary.
- 5.6 Coordinate with electrical subconsultant to assist with preparation of area lighting design.
- 5.7 Assist and coordinate with independent auditors to locate appropriate documents for performing A-133 annual audit. In addition to finding appropriate project files, answer questions concerning Contractors wage rates and interview forms as required.
- 5.8 Assist the Owner with preparation of a Notice of Intent to be filed for the project Storm Water Pollution Prevention Plan (SWPPP). The Contractor will be responsible to file a separate Notice of Intent and comply with the SWPPP as shown in the plans. Consultant shall monitor the Contractor's performance of these tasks throughout construction.
- 5.9 Prepare for and participate in a Safety Risk Management panel to evaluate the safety of the proposed construction project. Preparation will include graphics (in PowerPoint and/or mounted on display boards) and a narrative description of the project. Participation will include travel to and from Hailey by Principal or Project Manager and participation in the panel as an observer.
- 5.10 Prepare and submit the following FAA forms related to the work included in this project:
 - FAA Form 7460-1 for the construction project.
 - FAA Form 5010 (Airport Master Record) to reflect construction changes, including a graphic to be published in the Facilities Directory.



PROJECT SCHEDULE

The following dates summarize the target completion of significant project tasks.

ACTIVITY	COMPLETION
Preliminary Scope of Work Approval	February 9, 2016
Complete Independent Fee Estimate Review	April 2016
Work Order Negotiation Complete	May 2016
Grant Offer	June 2016
Initiate Design	July 2016
Preliminary Design Complete	October 2016
65% Design Complete	December 2016
95% Design Complete	January 2017
Final Design Complete/Advertise for Bids	February 2017
Closeout	June 2017

Dates are subject to change, based on grant timing, weather and the needs of the Owner.



Work Order 16-02
Friedman Memorial Airport (SUN)
Hailey, Idaho
Terminal Ticketing and Baggage Handling
Remodel/Addition – Conceptual Design

This Work Order shall be attached to, made a part of, and incorporated by reference into a Master Professional Services Agreement between the Friedman Memorial Airport Authority and T-O Engineers, Inc., dated October 14, 2013.

SCOPE OF WORK

The Scope of Work, dated February 3, 2016 for this effort is attached as Exhibit A. This document describes the anticipated work effort and in detail.

FEES

Fees for services provided under this Work Order will be determined and billed with the Lump Sum method, with a total amount of **\$20,000.00**.



IN WITNESS WHEREOF, Client and Consultant have made and executed this WORK ORDER 16-02 to the AGREEMENT the day and year first above written.

FOR: FRIEDMAN MEMORIAL AIRPORT AUTHORITY

By: _____
Ronald E. Fairfax
Title: _____
Chairman
Date: _____

FOR: T-O ENGINEERS, INC.

By: _____
David A. Mitchell, P.E.
Title: _____
Aviation Services Manager/Vice President
Date: _____



WORK ORDER 16-02

EXHIBIT A – Scope of Work

Friedman Memorial Airport (SUN)

Hailey, Idaho

Terminal Ticketing and Baggage Handling

Remodel/Addition – Conceptual Design

This Scope of Work describes professional services to be provided in support of a project that will remodel and expand the ticketing and baggage handling areas at Friedman Memorial Airport (SUN) in Hailey, Idaho. These services will include only the development of alternatives for the work in this area, so that the Friedman Memorial Airport Authority (FMAA) can make decisions about proceeding with the project. If the FMAA elects to move forward with the project, a subsequent Work Order will be negotiated for services to complete the project.

The existing ticketing and baggage handling area currently houses the operations for three airlines, operated by two carriers. Alaska conducts their own operations, while Skywest operates for both Delta and United. The existing space is very crowded and inefficient for this level of operations. United and Delta have also requested consideration for separate space for each of their operations and a fourth carrier is considering serving SUN, and will likely require additional space. The baggage makeup areas for the carriers are also substandard, as they are small and in some areas do not meet code.

In addition to the air carrier issues noted above, TSA baggage screening also takes place immediately behind the ticketing counters, in view of the public. This is not ideal, both operationally and from a security standpoint.

The purpose of this effort is to develop options to correct off of these issues with this area of the terminal. The conceptual design will evaluate the following:

- Re-configuring airline ticketing counters, air carrier office spaces, TSA baggage screening equipment, and ground service baggage handling areas to accommodate the addition of a fourth air carrier in the future.
- Relocating outbound baggage handling operations and enclose them within a new addition to the east of the existing baggage garages. The new baggage handling area will accommodate drive-through circulation allowing baggage crews and baggage carts to screen and load baggage for up to four outbound flights leaving within a one to two hour timeframe.
- Re-configuring and expanding air carrier offices into the area where baggage handling is currently located. Each air carrier will be provided with approximately six to seven hundred square feet (600 – 700 SF +/-) of office space to accommodate the needs of employees and to provide adequate space for airline staff operations, equipment and records storage.
- Relocating TSA security baggage screening operations to improve efficiency and conceal them from public view. Baggage screening functions will be observed and analyzed to determine the optimum location in conjunction with baggage handling, loading operations, and air carrier requirements.



- Adding a fourth air carrier ticketing desk and office space to the existing terminal program. Schematic designs will show possible locations for the new air carrier depending on the air carrier's programmatic needs and the timeframe within which the new air carrier begins independent operations at Friedman Memorial Airport and current building structural considerations.
- Re-configuring the airline ticketing counters to accommodate a future fourth air carrier and potentially utilize the newly remodeled public lounge space completed as part of RSA Improvements – Project 3 – Terminal Expansion.

PROJECT SCHEDULE

The schedule of this project is flexible, depending on the needs and desires of the airport. The entire scope of work will be completed within three months after receipt of Notice to Proceed from the Owner. It is anticipated that this work will be completed in the Spring and early Summer of 2016.

EXCLUDED ITEMS:

The following items are specifically excluded from this Scope of Work.

- Geotechnical engineering report services
- Digital Imagery Development and Exterior Color Renderings
- Landscape design services
- Fees associated with submittal requirements to applicable governmental agencies for review and approval including, but not limited to, City of Hailey design review and building permit applications

SCOPE OF SERVICES

The Consultant will be responsible for providing preliminary architectural and engineering design services as outlined in the following tasks.

Task 1 Project Management

This task provides project administration and coordination throughout the course of this project and will involve communicating project progress and issues with the Owner, coordinating with the team's activities, coordinating the design with the Owner, providing oversight and quality control, checking documents, organizing project information, administering invoices, and managing the project budget. Coordination with ongoing Master Planning and related facility design efforts are also contemplated with this effort. This will include one preliminary meeting with Airport Staff to discuss the scope of the project and one presentation of the scope to the FMAA Board.

Task 2 Schematic Design

The Consultant shall review the program and other information furnished by the Owner and airline tenants. The Consultant shall review codes and regulations applicable to the Consultant's services. The Consultant shall review the existing site and structural conditions as applicable to the scope of work. The Consultant shall notify the Owner of any inconsistencies discovered in the information provided, and other information or consulting services that may be reasonably needed for the Project. The Schematic Design Phase will include, but not limited to, the activities as listed below:



General Tasks

- Ticketing and Baggage Handling program development and summary of individual space requirements. Consider five-year growth projections and the inclusion of new air carriers.
- Document existing building and site conditions in the areas directly surround the scope of work.
- Preliminary analysis of existing structural systems to determine cost effective construction methods to be proposed in schematic designs.
- Coordinate, conduct and document results of Owner/Board/Airline/Ground Services Staff meetings to establish and confirm the required program for the project. (1 Meeting per air carrier anticipated).
- Conceptual site planning for the Ticketing and Baggage Handling Remodel / Addition and design coordination with the recently completed Airport Terminal Remodel and Addition – RSA Improvements – Project 3.
- Conceptual space planning based on Owner's program.
- Preliminary review of building codes and regulatory requirements.
- Creation of Schematic designs (floor plans, sections, elevations) for Owner and Air Carrier review and comment.
- Meeting with the Airport Manager and FMAA Architectural Committee to review progress of schematic design drawings. One (1) is anticipated.
- Airline and Ground Services Staff meeting to review progress of schematic design drawings. One meeting (1) is anticipated.
- Establish building system, energy efficiency, and sustainability design goals.
- Evaluation of preferred design concepts for development of schematic designs.
- Provide probable construction cost estimate for each scheme.
- FMAA board meeting and presentation of the prepared schemes and cost estimates. One (1) meeting is anticipated.

Deliverables

- Drawings of each scheme prepared (anticipate three total)
- Probable construction cost estimates for each scheme