

FRIEDMAN MEMORIAL AIRPORT AUTHORITY

Regular Meeting

March 6, 2012



UNFINISHED BUSINESS

Replacement Airport

- Blaine County Report

Replacement Airport

- City of Hailey Report

Replacement Airport Airport Manager Report

- FAA Modernization and Reform Act of 2012
 - Act has been signed by the President
 - Act maintains PFC Cap at \$4.50
 - AIP is authorized at a flat rate of \$3.35 billion thru 2015
 - Pre-recession authorization higher
 - Contract Tower Program is fully funded
 - Small Community Air Service Development Program was funded at \$6 million per year
 - Essential Air Service Program (EAS) funded at \$193 million annually thru 2015, however FMA does not qualify.
 - **ALL STAGE II JETS TO BE PROHIBITED, EFFECTIVE 2016!**
 - **FMAA share of AIP grants may have changed from 5% to 10%**

Replacement Airport Airport Manager Report

- Meeting With QED & AFCO
 - On February 16 Chairman Bowman, Vice Chairman Burke, Interim Communications Director, Candice Pate, Legal Counsel Luboviski, and the Airport Manager met with QED's (Airport & Aviation Consultants) and Aviation Facilities Company, Inc. (AFCO)
 - QED previously had contacted Chairman Bowman to discuss a privately planned, designed, funded and operated airport
- The meeting is best characterized as informational

Replacement Airport Airport Manager Report

- QED & AFCO gathered information related to history & current situations surrounding the Replacement Airport Project
- FMAA gathered information related to QED's & AFCO's experience privately funding building and operating an airport
- Both firms are experienced aviation consulting firms
- AFCO is involved in the Branson Airport & provides airport management services at some large and very busy airfields
- FMAA's questions were also related to the ability to fund a large project

Replacement Airport Airport Manager Report

- FMAA questioned the relationship of a privately owned airport and existing assurances attached to FMA
- A proposal was not part of the discussion
- QED & AFCO agreed to contact us if areas exist that might be of interest to both


Replacement Airport Roadmap Toward Future – High Priority Items

Blaine County & City of Hailey, Airport Strategic Plans

- Blaine County Commissioners approved a County Airport Strategic Plan on February 28, 2012
- City of Hailey City Council March 5, 2012 approved Resolution NO. 2012, A Resolution of the Hailey City Council Adopting Guiding Principles for the Operation and Relocation and Discontinuation of the Friedman Memorial Airport
- Item is on agenda to facilitate discussion of both documents if appropriate

Replacement Airport Roadmap Toward Future – High Priority Items Existing Site

- Staff is working with the FAA to establish dates to discuss a path forward
 - Path forward will include discussions related to a Replacement Airport & The Existing Site
- Staff anticipates many from the Airports line of business will participate in the meeting
 - Carol Suomi, Manager Seattle Airports District office will determine which other lines of business will participate
- At a minimum Staff anticipates the Airport Manager & Dave Mitchel from T.O. will travel to Seattle. A member of the Program Management Team may also be part of the T.O. team



Replacement Airport Roadmap Toward Future – High Priority Items Replacement Airport

- Same as the update given in existing site discussion

Replacement Airport Roadmap Toward Future – High Priority Items Safety Management System Update

- Change proposal submitted week of February 13th 2012
- FMAA's goal is to determine if regional jet type air carrier aircraft can be included in the existing letter of agreement between the airport & the air traffic control tower
 - Would require a determination that the change will have no negative impact on the national airspace system
- Possible unintended consequences may be that other airfield procedures will be scrutinized
 - Obviously operation of the Q400 will be scrutinized
- Evaluation panel will be established soon

NEW BUSINESS

Auto Rental Concessions Possible Bid Process

- Auto Rental Concession Possible Bid Process
 - Process discussed in October-2011 FMAA meeting
 - Postponed to 2012
 - Key Discussion points:
 - Economic Climate
 - Multiple Branding
 - MAGs
 - Reliability of Existing Agreements
- “Bottom Line” Evaluation of Benefits to FMAA

Auto Rental Concessions - Continued

- Considerations in the Present Discussion May Include
 - The 2006 Process was conducted in a markedly different national and local economic landscape:
 - Enplanements – 2006: 72,282
 - Enplanements – 2011: 52,639 - Percentage of Change -27%
 - Available Air Carrier Seats – 2006: 130,080
 - Available Air Carrier Seats – 2011: 80,670 - Percentage of Change -38%
 - Fuel Prices in 2012 Projected to surpass \$5.00/gal (automotive) by Summer
 - Credible Evidence of Sustained Economic Recovery/Repair (National & Local) remains elusive
 - Present FMAA Replacement Airport Process endeavors make the future of FMA (enplanements, available seats, physical plant, etc.) uncertain, all such considerations are vulnerable to outcome of SMS conclusions

Auto Rental Concessions - Continued

- Board Decisions May Include
 - Postpone a New Competitive Bid Process to a later date TBD, based on credible evidence of improving economy and clarification/resolution of Replacement Airport issues.
 - Extend existing agreements a determined period of time, i.e., 24 months
 - Extend existing agreements on a month-to-month basis
 - Direct Staff to initiate a Competitive Bid Process for new Auto Rental Concession Agreements at FMA, upon determination of:
 - Multiple Branding Considerations
 - Number of Agreements Desired
 - Best Economic Benefit/Interest of FMAA

Interim Communication Director Report Project Title

- Previous reference name – Airport Replacement Project
- Now also exploring modification to FMA, broader reference name needed
- Recommendation – Airport Improvement Project

Interim Communication Director Report Airport Improvement Updates (AIU)

- Process
 - AIU to Board Wednesday afternoon
 - Feedback/modifications needed by COB Thursday
 - AIU posted to flyfma.com and sent to E-mail subscribers Friday midday
 - On weeks there is no new info, updates won't go out

Interim Communication Director Report Websites

- Currently two sites – flyfma.com and flysvra.com
 - Duplicative
 - Confusing
- Recommendation
 - Combine the two sites
 - Incorporate information on replacement airport process into FMA site
 - Also include information on exploration of improvements to FMA
- Action – Seeking permission to explore how best to combine the two sites and bring them back to the Board

Law Enforcement Officer (LEO) Reimbursement Program

- LEOs Required by TSA – Provided by HPD
- FMAA reimburses the City of Hailey thru a five year agreement, validated each year by an Annual Award Modification
- TSA reimburses FMAA for all but \$28,727/yr of LEO program costs
- Last year and again this year, TSA has fallen into arrears in reimbursement. Presently the TSA is four months behind in payments – approximately \$50,000.00
- TSA's explanation is sketchy at best.
- TSA is also informing FMAA that when this year's Annual Award Modification is issued, it will be for 11.5% less than anticipated and stipulated in the existing agreement
- FMAA could be subsidizing the LEO program as high as \$32,0000
- Staff is keeping Congressional Delegation staff informed of developments
- This is the second year in a row that airports nationwide have been addressed in this manner.

Airport Staff Brief

- Questions

Employee of the 4th Quarter 2011

Mr. Andy Miles
Overland West, Inc. dba
Hertz Car Rental





Public Comment



Thank You