



Check SUN fares first when making travel plans  
Book early and save



# Friedman Memorial Airport Authority

## Regular Board Meeting

June 14, 2016

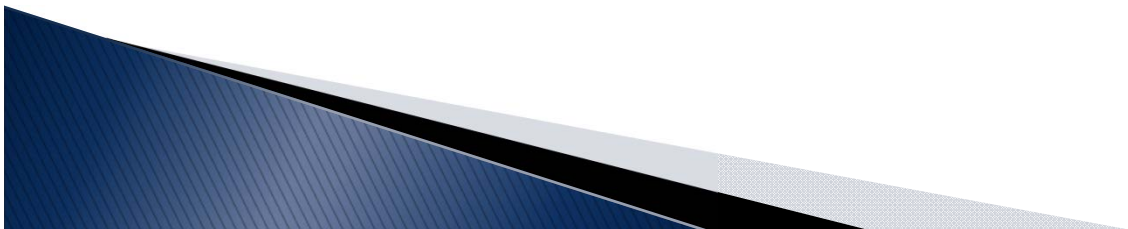


1616 Airport Circle • Hailey, ID 83333 • 208.788.4956

» PUBLIC COMMENT

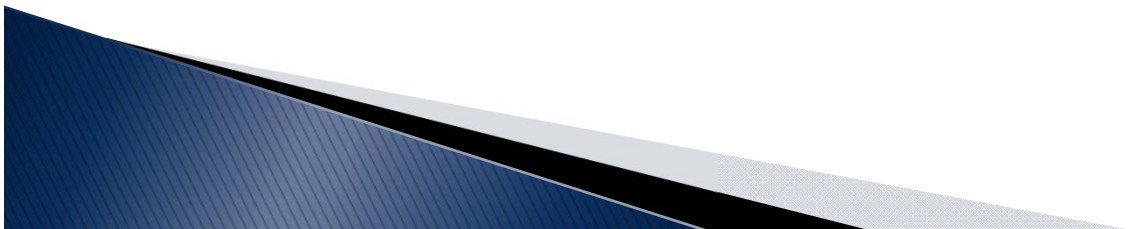
# Approve Friedman Memorial Airport Authority Meeting Minutes

- May 3, 2016 Regular Meeting



# Reports

- ▶ Chairman Report
- ▶ Blaine County Report
- ▶ City of Hailey Report
- ▶ Airport Manager Report
- ▶ Communications Director Report (Centerlyne)
- ▶ Fly Sun Valley Alliance Report

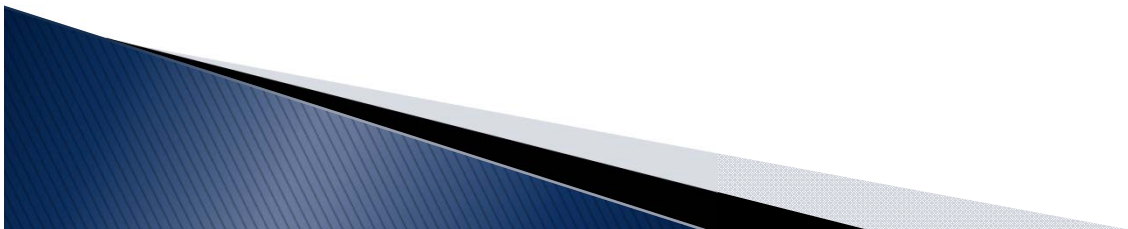


# Report Communications

## ► Communications Director Report

- Presented by:

- Ms. Nancy Glick, Centerlyne
- Airport Manager



# FMAA Communications

June 2016

**CENTERLYNE**

WEB & GRAPHIC DESIGN + SOCIAL MEDIA MARKETING + SEO



# FMAA Communications

## June 2016

### Print + Other Media:

- Bus 30
- Installed at Campion Ice
- Print
  - Mountain Express
  - Weekly Sun
  - The Chamber
  - BigLife
  - SVPN
  - Symphony



CONNECTING BUSINESSES. BUILDING COMMUNITY.

# CENTERLYNE

WEB & GRAPHIC DESIGN + SOCIAL MEDIA MARKETING + SEO

# FMAA Communications

## May 2016

### FMA Arts Committee

#### Titled SUN Art Exhibit

- Announced:
  - Social Media
  - News outlets
- Brochure
  - Assets Gathered
  - Ready in 2–3 weeks
  - Reception to follow



**CENTERLYNE**

WEB & GRAPHIC DESIGN + SOCIAL MEDIA MARKETING + SEO



TOOK PLACE LAST WEEK AND WEEK BEFORE



RESULTS...

**CENTERLYNE**

WEB & GRAPHIC DESIGN + SOCIAL MEDIA MARKETING + SEO

## Social Media

December 15, 2015

219 Likes

April 30, 2016

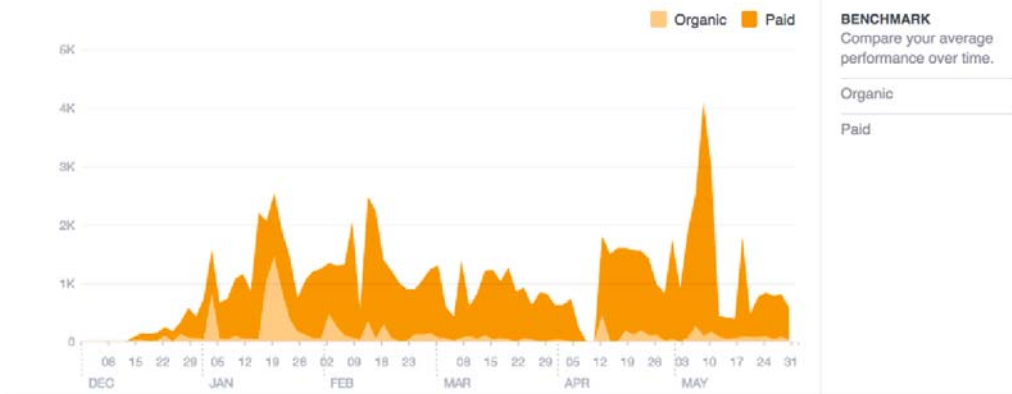
488 Likes

Total Page Likes as of Today: 488



### Post Reach

The number of people your posts were served to.



Why do we care?

Educate & Engage  
the community

**CENTERLYNE**

WEB & GRAPHIC DESIGN + SOCIAL MEDIA MARKETING + SEO

# FMAA Communications

## May 2016

### Website:

- All content is transferred
- Currently developing visual assets
  - Have interior
  - Arial's in process
  - Exterior next



**CENTERLYNE**

WEB & GRAPHIC DESIGN + SOCIAL MEDIA MARKETING + SEO



# AIRPORT STAFF BRIEF QUESTIONS



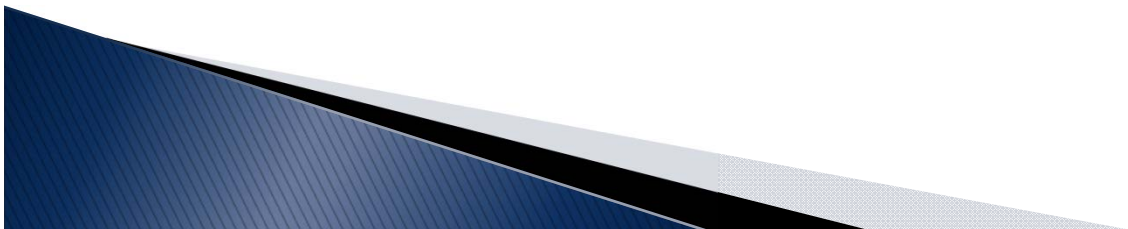


# OLD BUSINESS

# Airport Solutions Existing Site

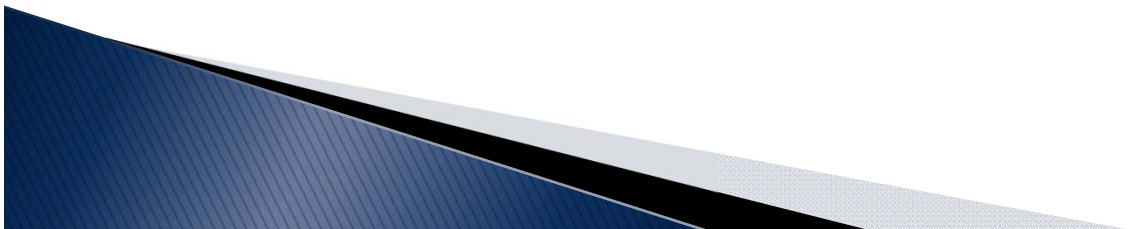
## ► Plan to Meet 2015 Congressional Safety Area Requirement

- Presented by:
  - Mr. Dave Mitchell



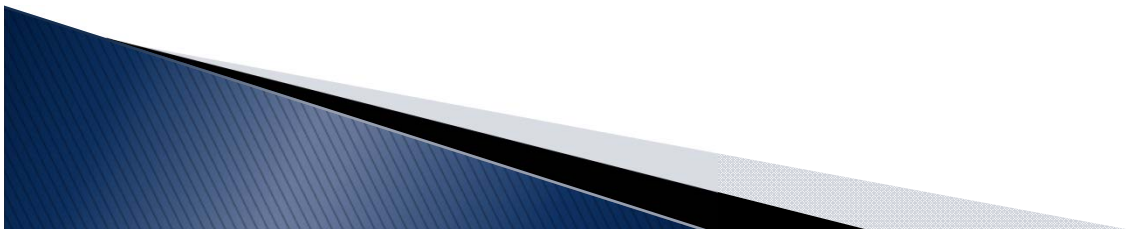
# Runway Safety Area Improvements

- ▶ Work is completed on:
  - Humidification for TSA IT room
  - Ice melt/gutters on two roof areas
- ▶ Working on one issue with the metal detector
- ▶ Only other remaining tasks:
  - As-constructed survey
  - Closeout (AIP '041)



# RSA Improvements: Grant Amendment

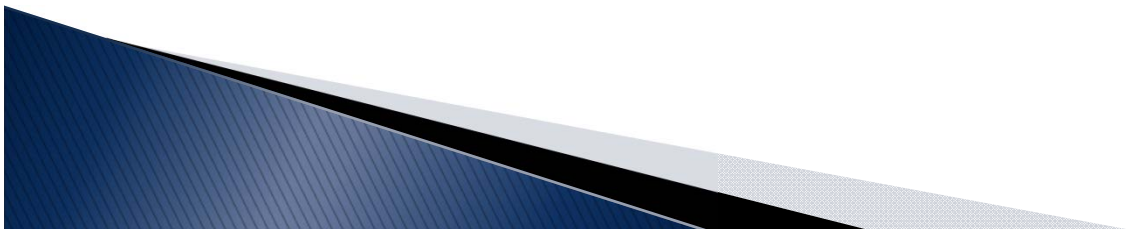
- ▶ Primarily due to terminal change orders and the “Public Lounge”
- ▶ Total amount needed = \$49,393.20
- ▶ Will request \$50,000
- ▶ Letter request will be routed through City and County





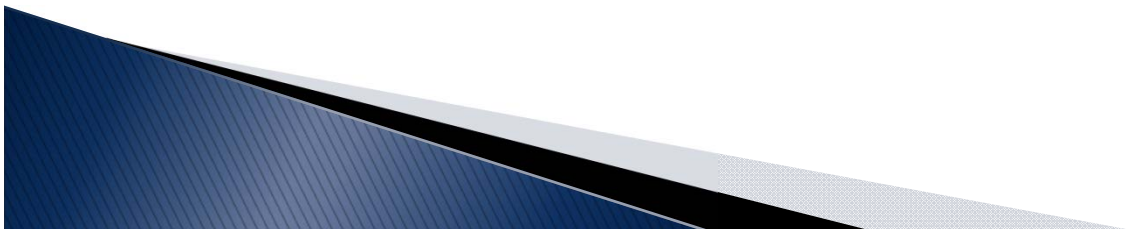
# Future Projects

- ▶ Terminal Aircraft Parking Improvements – No Update
- ▶ Terminal Parking Lot Improvements – No Update
- ▶ Airline Ticketing Office Improvements



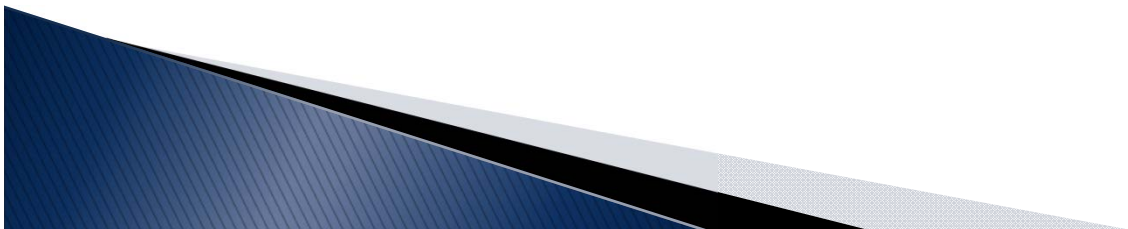
# Airline Ticketing Office Improvements

- ▶ RLB met with Architectural Committee on 6/14
  - Reviewed multiple schemes
  - Received comments
- ▶ Next steps:
  - RLB is revising schemes
  - Will meet with Architectural Committee again
  - Present concept(s) to Board in July



# Runway 13-31 Pavement Maintenance

- ▶ Delayed again by weather
- ▶ Working to schedule for late September

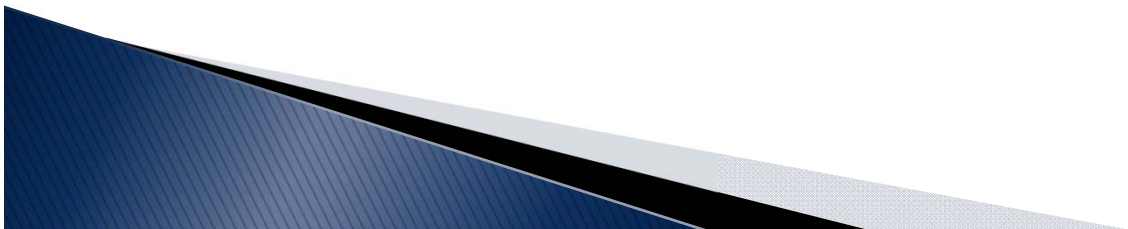






# Voluntary Noise Abatement Program Review Committee

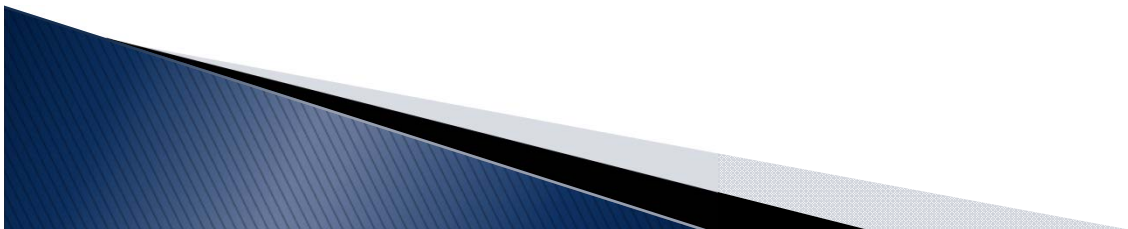
- ▶ Committee Chairman Walt Denekas will give the Board an update on committee progress



# Master Plan Discussion


## Consideration of Accepting Chapter E and Discussion related to Chapter F

- ▶ Based on feedback received from the FMAA Board, a final revised version of Chapter E, Siting Evaluation for Replacement Airport is back in front of the Board
- ▶ The Master Plan Team would like the Board to accept Chapter E



# Master Plan Discussion

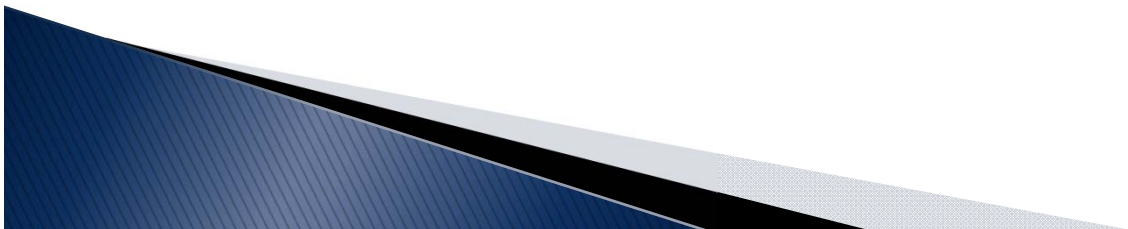
## Consideration of Accepting Chapter E and Discussion related to Chapter F – Continued

- ▶ A memorandum presenting preliminary table and assumption that will form the basis for Chapter F, Financial Feasibility Analysis has been submitted for Board review and Comment
  - ▶ Chapter F has been available for review on the Airport's Website and announcement of location was sent out on a "On the Fly"
  - ▶ Geoffrey Wheeler from Ricondo & Associates will present the Chapter F material
- 

# Master Plan Discussion

## Consideration of Accepting Chapter E and Discussion related to Chapter F – Continued

- ▶ Mark McFarland from Mead & Hunt will attend the July Board meeting to discuss final steps for completing the Master Plan







# FINANCIAL PLAN ANALYSIS PRESENTATION

Friedman Memorial Airport  
Master Plan Update

RICONDO

# Agenda

- Financial Implementation Analysis Scope of Work Tasks
- Assumptions: Funding Sources
- Existing Airport Scenario
  - Capital Improvement Plan [CIP] (2017–2034)
  - Annual Funding and Cash Flow
- Replacement Airport Scenario
  - CIP (2017–2034)
  - Annual Funding and Cash Flow
- Discussion
  - Replacement Airport Scenario CIP
  - Existing Airport Scenario CIP

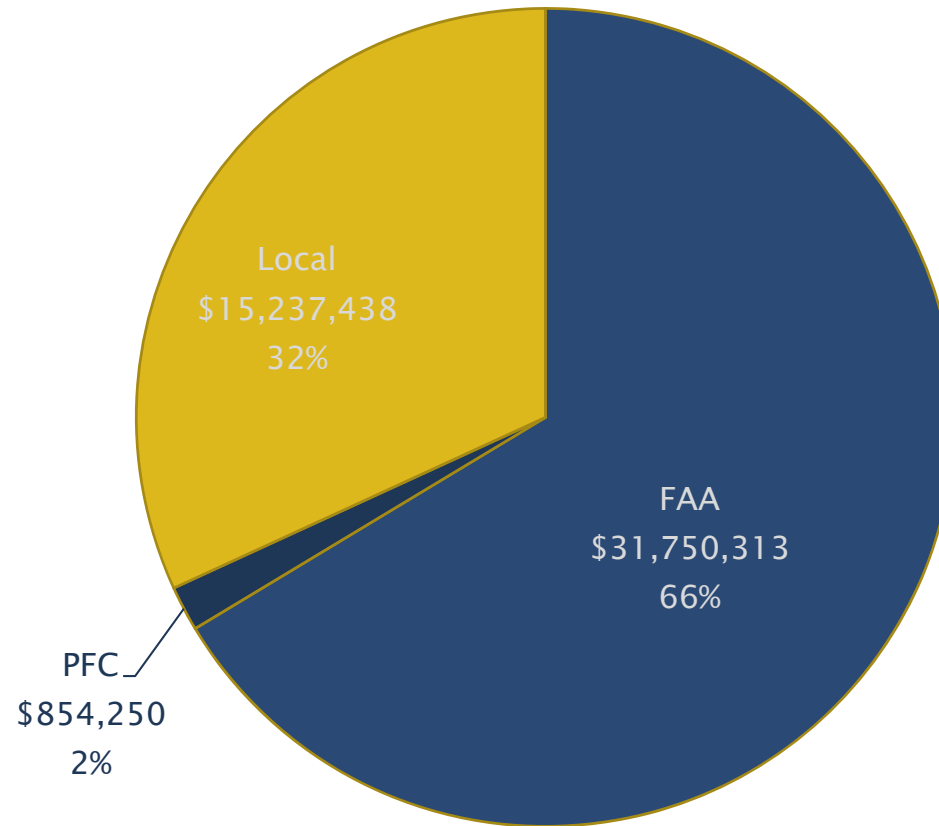
# Scope of Work Tasks

- ▶ Develop Capital Improvement Program
  - Existing Airport Scenario
  - Replacement Airport Scenario
- ▶ Identify Funding Sources
- ▶ Provide Projections of Operating Revenues and Expenses
- ▶ Develop Cash Flow Analysis

# Assumptions: Funding Sources

- Master Plan Activity Levels (3.48% enplanement & 1.4% operations growth)
  - 2024 Enplanements: 93,496
  - 2034 Enplanements: 131,630
- Funding Sources
  - FAA Airport Improvement Program (AIP)
  - Passenger Facility Charge (PFC) Revenues
  - Local – Annual Airport Authority Net Operating Revenues
  - Customer Facility Charge (CFC) Revenues
  - Private/3<sup>rd</sup> Party

# Existing Airport Scenario CIP (2017-2034)



**\$47.8 Million Investment**

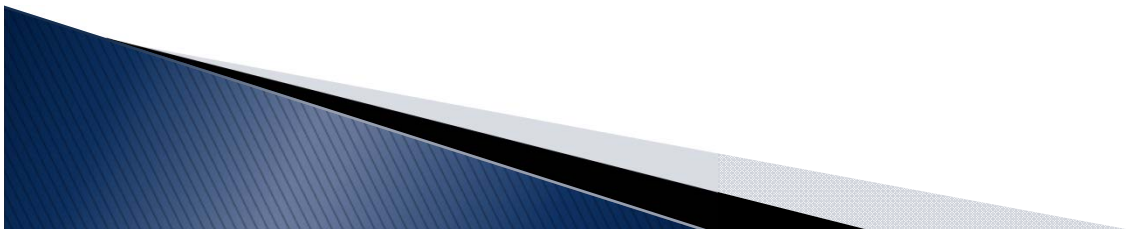


# Existing Airport Scenario CIP: Assumptions

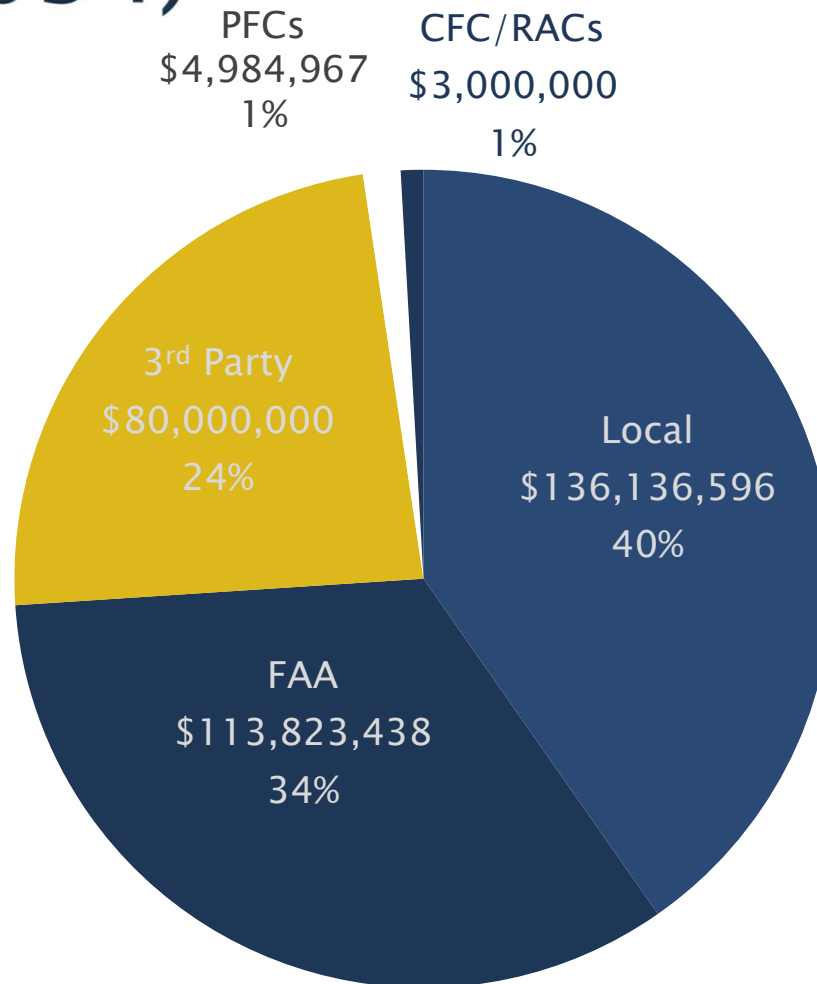
- ▶ \$31.8 million FAA
  - \$18.5 million entitlement – \$850,000 AIP Entitlement carryover (FY2017 projects)
  - \$13.3 million discretionary
- \$0.85 million PFC Revenue
  - Current applications commit collection/use through FY2023
  - Future applications
    - Fund FY2024 – 2034 eligible Projects
    - Reimburses Airport Authority for FY2017–2023 Projects
- \$15.2 million Local (Airport Authority Net Operating Revenue)
  - Beginning Operating Reserve Balance – \$2.0 million
  - Parking Projects: 100% Airport Authority Funded – \$12.8 million of Total \$15.2 million Local Share
    - 2017 – Alternative 2 (107 spaces) – \$670,000
    - 2022 – Alternative 3 Phase 1 (286 spaces) – \$761,000
    - 2022 – Acquire Land Auto Parking – \$900,000
    - 2030 – Alternative 3 Phase 2 (125 spaces) – \$440,000
    - 2034 – Construct Parking Structure (net increase 150 spaces) – \$10.0 million

# Existing Airport Scenario: Funding and Cash Flow

- ▶ \$7.5 million projected Airport Authority Ending Balance as of FY2033; prior to Parking Structure
- ▶ Airline Cost Per Enplaned Passenger (CPE)
  - 2019 – \$4.00
  - 2034 – \$4.22
- ▶ Conclusions
  - Plan can be funded without incurring debt with exception of Parking Structure (2034)
  - Airline CPE is reasonable and within industry norm



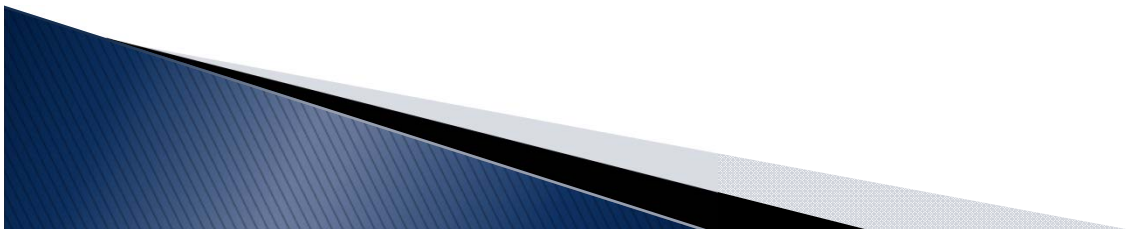
# Replacement Airport Scenario CIP (2017-2034)



**\$337.9 Million Investment**

# Replacement Airport Scenario CIP

- ▶ 20 Year Investment of \$337.9 million
  - \$850,000 AIP Entitlement carryover – FY2017 projects
  - Existing Airport Projects (FY2017–2021) – \$15.9 million total
    - Expand Commercial Apron      Terminal ATO/Ticketing
    - Construct ATCT      ARFF Equipment
    - Rehabilitate Runway      Snow Removal Equipment
- ▶ Replacement Airport: \$322.0 million
  - Work Commences – FY2022
  - Date of Building Occupancy – FY2034



# Replacement Airport Scenario: Funding and Cash Flow Analysis

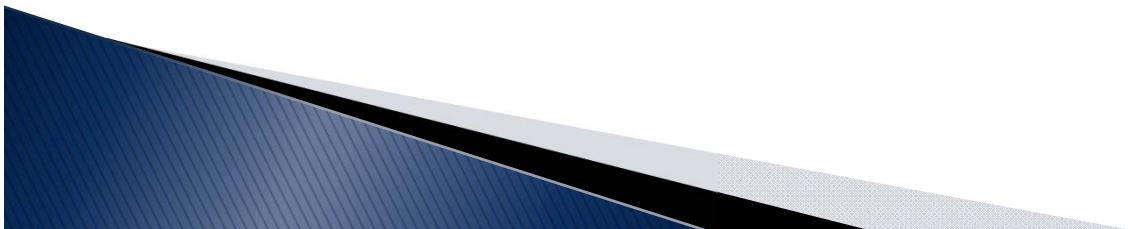
- Replacement Airport Investment (Excludes Existing Airport)
  - \$134.0 million Authority
    - \$100.0 million FAA
      - \$13.0 million entitlement
      - \$87.0 million discretionary
    - \$80.0 million Private/3<sup>rd</sup> Party
    - \$4.8 million PFC
    - \$3.0 million CFC
- FAA Funding dedicated to Airfield, Control Tower, and Nav aids



# Replacement Airport Scenario: Funding and Cash Flow Analysis

- ▶ Beginning Operating Reserve Balance – \$2.0 million
- ▶ \$127.6 million funding shortfall as of FY2034
- ▶ Options for Funding Shortfall
  - Investment in Project by Local Airport Stakeholders
  - FMA Airport Revenue Bonds
  - Blaine County General Obligation Bonds
  - Tax increment financing

*Annual Debt Service = \$13.0 million (estimated)*

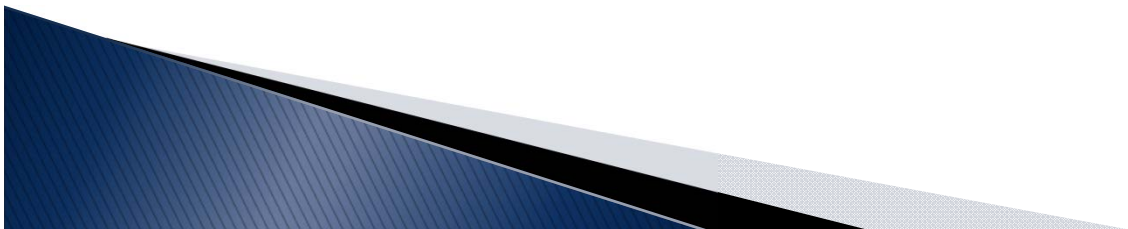


# Discussion – Replacement Airport Scenario CIP

- \$127.6 million Local Funding Shortfall
- Shortfall Could Increase if FAA Funding is not Attained
  - Historical FAA Funding for Small/Non-hub Replacement Airports
    - St. George Airport – \$90.0 million (2008–2015)
    - Northwest Arkansas Regional Airport – \$29.5 million (1998–2002)
    - Sloulin Field International Airport – \$120.0 million (Pending Decision)
  - FAA Letter of Intent (LOI) Trends
    - 10 LOIs are currently active; Total Value of \$1.0 billion
    - All 10 are for medium- to large-hub airports
    - FY2016 payments total \$170.0 million
    - FAA has reduced issuance of LOIs in Recent Years
    - Decrease in Available Discretionary Funds due to Protection of Entitlement Carryover

# Discussion – Existing Airport Scenario CIP

- Implement with Positive Cash Flow and Borrow only for Parking Garage (2034)
- Requires Future PFC Applications
- Airport Authority Operating Reserves Reimbursed through PFC Revenue





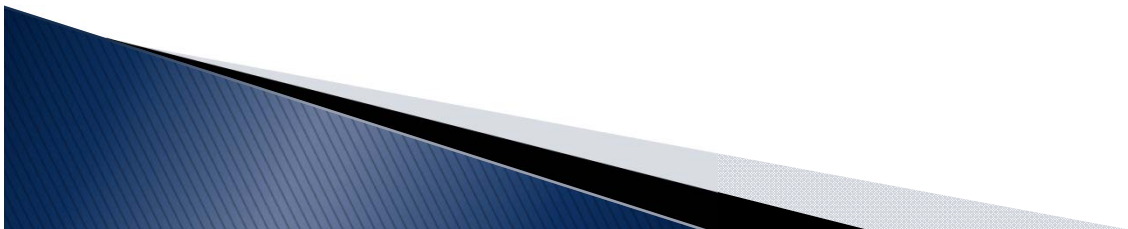
# FINANCIAL PLAN ANALYSIS PRESENTATION

Friedman Memorial Airport  
Master Plan Update

RICONDO

# Noise Monitoring/Modeling

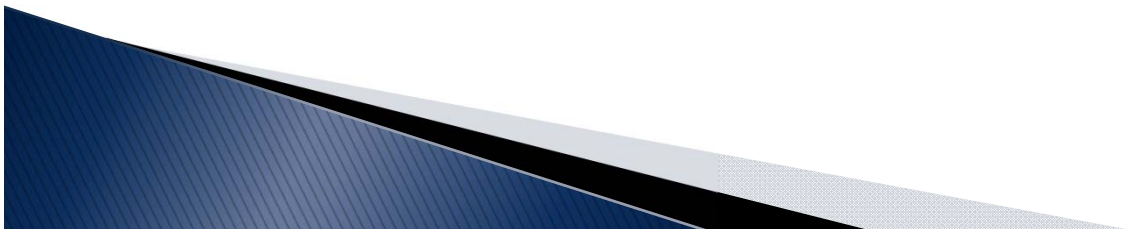
- ▶ Mr. Rob Adams, Landrum & Brown, an expert on Noise Monitoring and Modeling will attend the July meeting to discuss components of such studies and answer question





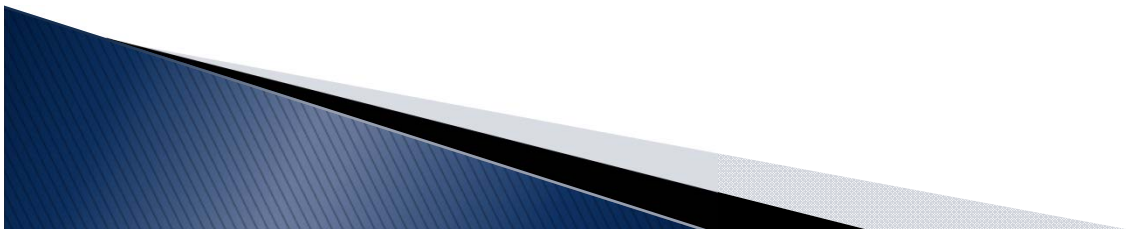
# Noise Monitoring/Modeling Continued

- ▶ Text



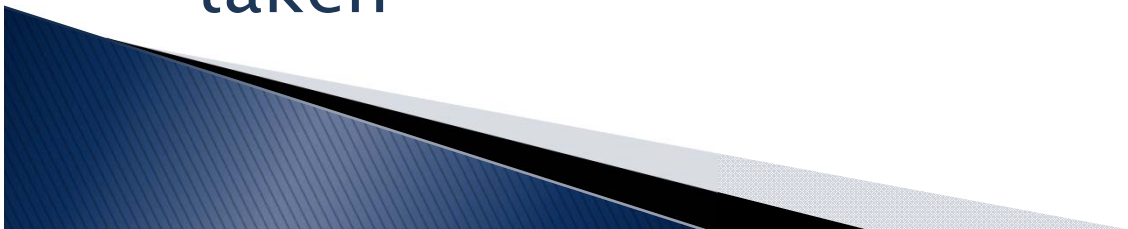
# Air Quality Monitoring/Modeling

- ▶ Mr. Rob Adams, Landrum & Brown will be at the July Board an expert in Air Quality Monitoring and Modeling will be at the July meeting to discuss components of such a study and answer questions



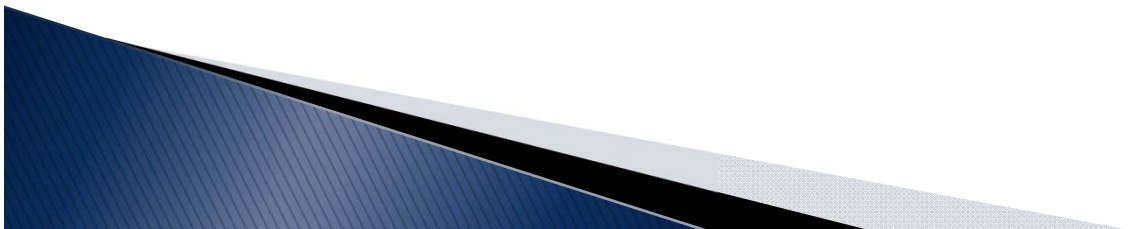
# Opposite Direction Traffic

- ▶ As a means to understand the nature of complaints filed with FAA regarding Opposite Direction Traffic, the Airport Manager submitted a FOIA request
- ▶ A summary was included in this Board material for Board and Public review
- ▶ The complaint contained 7 allegations
- ▶ Four allegations were not substantiated
- ▶ Two allegations were substantiated – In both substantiated cases appropriate action was taken



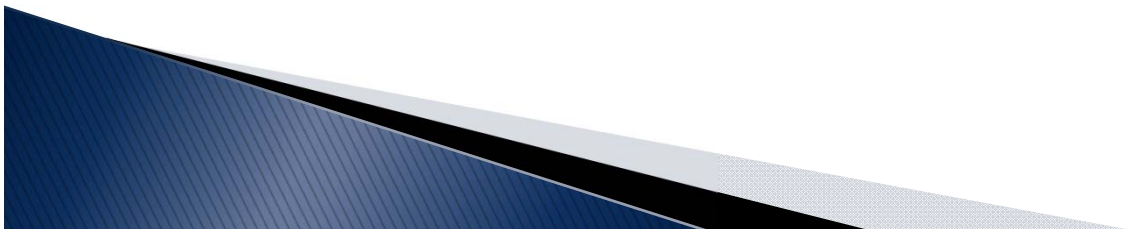
# Opposite Direction Traffic Continued

- ▶ One allegation regarding hearing aircraft flying low over the community was handled in an informative manner
- ▶ Appropriate reporting procedures were delineated



# Discussion of Airport Manager Succession and Next Steps

- ▶ The Board conducted interviews on July 10, 2016
- ▶ This item is on the agenda to facilitate discussion of actions the board feel may be appropriate

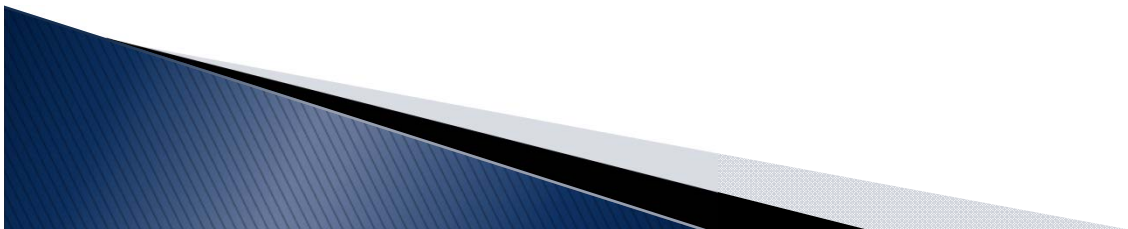




» NEW BUSINESS

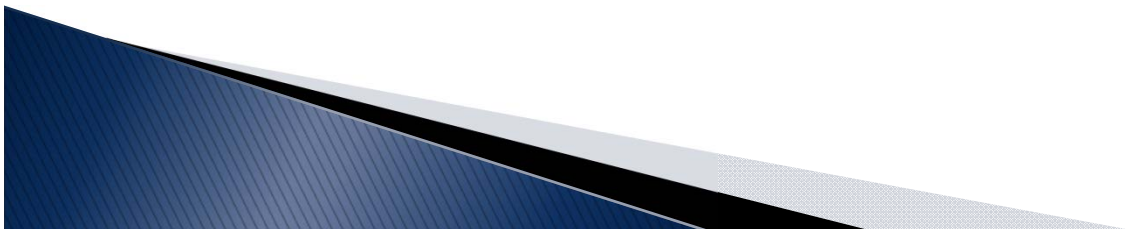
# FY '17 Draft Budget

- ▶ Airport Staff and the Board's Finance Committee have been working on a Draft Budget for weeks
- ▶ The Draft FY'17 Budget:
  - Provides the board the ability to operate FMA and meets all of the coming year's needs
  - Provides flexibility to the new Airport Manager
  - Acknowledges new airfield layout



# FY '17 Draft Budget

- Acknowledges larger and busier air passenger terminal complex
- Recognizes additional expenses related to new landscaping
- Acknowledges additional snow removal requirements based on:
  - Increased airline schedules
  - New airfield configuration



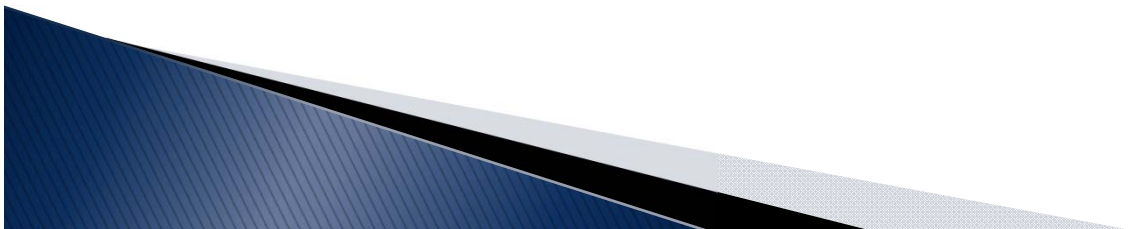
# FY '17 Draft Budget

- Facilitates the continued Master Planning process
- Provides Chair and new Airport Manager flexibility to compensate employees based on merit. Does not propose any CPI pay adjustment
- Continues the process of replenishing Operational Reserves
- Does not consider adjustments proposed to the Rates and Charges Schedule. If approved, revenues can be adjusted accordingly



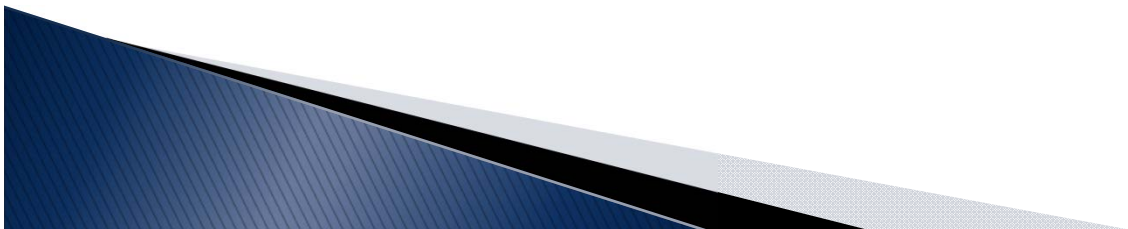
# FY '17 Draft Rates and Charges

- ▶ Rates & Charges, when integrated into the FY'17 Budget will provide the Board the ability to operate FMA and meet all of the coming years's needs
- ▶ Staff is recommending that the Board adjust the following areas
  - Daily Auto Parking fees
  - Advertising
  - Landing Fees
  - Fuel Flowage



# FY '17 Draft Rates and Charges

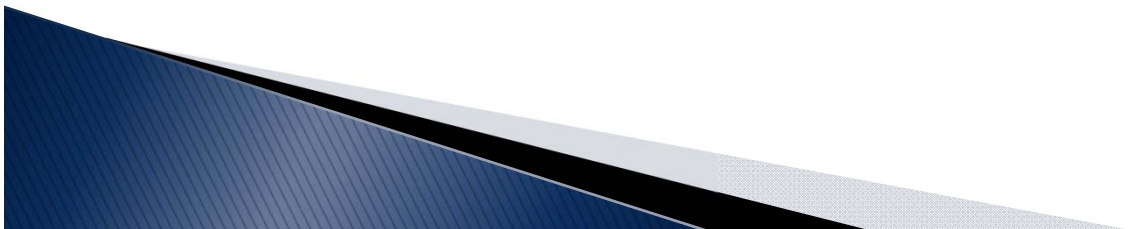
- ▶ Staff Recommendation is supported by an independent review of the FY' 17 Draft Budget and rates of competitive set airports
- ▶ If the Board chooses to move the Draft Rates and Charges to Public Hearing next month Staff will Estimate increased cash flow
- ▶ The outcome of adjustments will be continued replenishment of operational reserves and providing the Board the ability to ensure that air services survive and thrive in the future





# July Meeting Date

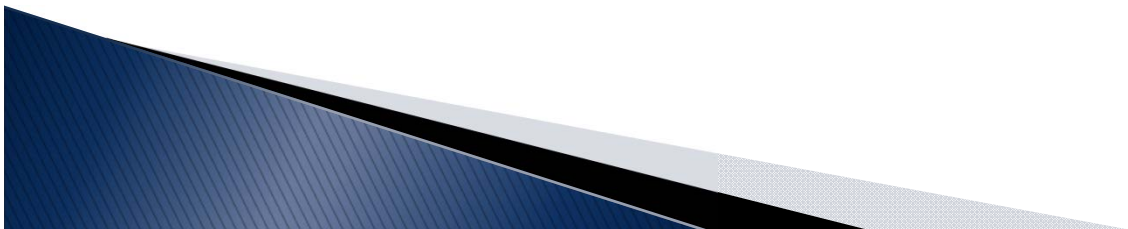
- ▶ This item is on the agenda to initiate discussion of the appropriate date to hold the July Regular Board meeting



» PUBLIC COMMENT

# Executive Session

- ▶ I.C §74-206 (a) To consider employment action regarding Airport Manager position
- ▶ 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





Check SUN fares first when making travel plans  
Book early and save



# Thank you



*1616 Airport Circle • Hailey, ID 83333 • 208.788.4956*