

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

**June 6, 2017
5:30 P.M.**

IN ATTENDANCE:

BOARD MEMBERS: Chairman – Don Keirn, Vice-Chairman – Jacob Greenberg, Secretary - Lawrence Schoen, Treasurer – Ron Fairfax, Board - Fritz Haemmerle, Angenie McCleary, Pat Cooley
FRIEDMAN MEMORIAL AIRPORT STAFF: Airport Manager – Chris Pomeroy, Contracts/Finance Administrator – Lisa Emerick, ASC/Special Projects Coordinator/Executive Assistant – Steve Guthrie, Airport Operations Manager – Todd Emerick; Administrative Assistant/Security Trusted Agent – Roberta Christensen, Administrative Assistant – Cecilia Vega, Administrative Assistant/IT Systems Maintenance Coordinator – April Matlock
CONSULTANTS: T-O Engineers – Dave Mitchell, Joe Ginther, JD Heithoff; Centerlyne – Candace Crew, Sarah Shepard
AIRPORT TENANTS/PUBLIC: R/L/B – Mike Smith; Atlantic Aviation – Brian Blackburn; Len Harlig; GCA – John Strauss; Lisa Enourato
AIRPORT LEGAL COUNSEL: Lawson Laski Clark & Pogue, PLLC – Jim Laski

CALL TO ORDER:

The meeting was called to order at 5:30 p.m. by Chairman Keirn.

I. APPROVE AGENDA

The agenda was approved as presented.

MOTION:

Made by Board Member Fairfax to approve the June 6, 2017 FMAA Regular Board Meeting Agenda as presented. Seconded by Board Member Cooley.

PASSED UNANIMOUSLY

II. PUBLIC COMMENT

No public comment was made.

**III. APPROVE FMAA
MEETING MINUTES**

A. May 2, 2017 Regular Meeting (See Brief)

The May 2, 2017 Friedman Memorial Airport Authority Meeting Minutes were approved as presented.

MOTION:

Made by Board Member Haemmerle to approve the May 2, 2017 Friedman Memorial Airport Authority Regular Meeting Minutes as presented. Seconded by Board Member Fairfax.

PASSED UNANIMOUSLY

IV. REPORTS

A. Chairman Report

No report was given.

B. Blaine County Report

Board Member Schoen reported that the Board of Blaine County Commissioners met with Airport Manager Pomeroy before the FMAA meeting to discuss the Airport budget.

C. City of Hailey Report

No report was given.

D. Airport Manager Report (See PPT)

Airport Manager Pomeroy reported on following:

- The EMB-175 test flights were successful and the inaugural flight by United is scheduled for June 30th.
- The Airport has received more than 40 volunteer applications to participate in the Triennial Emergency Drill which will take place on June 10th.
- Airport Manager Pomeroy will be attending the Contract Tower Association Workshop June 18-22 in Washington, D.C. The Board briefly discussed privatization of towers.
- A P3 Airport Summit (Public-Private Partnership) will be held in San Diego July 24-25 if the Board would like to consider sending Airport Staff and Board representation to the conference.
- T-O Engineers and the Board have received the American Council of Engineering Companies (ACEC) National Award for work done on the RSA project.

The Board approved the attendance of Contracts/Finance Administrator Emerick and Vice-Chairman Greenberg at the P3 Airport Summit (Public-Private Partnership) in San Diego July 24-25 after briefly discussing how it could help with funding projects like the airline ticketing office and rental car facilities improvement projects.

Chairman Keirn encouraged the Board to read the review correspondence regarding the breakdown of airline industry budgets.

Airport Manager Pomeroy also updated the Board on the SAAC artist reception, the summer flight schedule, July and August activity planning, FAA ADO visit to the Airport, and Senator Risch staff visit at the Airport (See Power Point Presentation).

Board Member Schoen asked what the Board's fiscal responsibility will be for the approach planning project mentioned in Airport Manager Pomeroy's brief.

Airport Manager Pomeroy answered that in order to develop an approach based on aircraft equipment and capabilities it will be necessary for the approach planner to work closely with Airport Staff. An estimated cost of \$84,000 was proposed for development and design criteria for the procedure with an additional annual maintenance of approximately \$18,000-\$22,000 will also be required. Discussions with airlines regarding cost responsibility have not yet taken place.

Board Member Greenberg asked if the maintenance fee is a royalty fee for the new approach procedure as the development of the approach seems static.

Airport Manager Pomeroy answered that the current approach procedures in use are monitored and updated by the FAA. This maintenance fee will be required in order to obtain FAA approval of a new private approach procedure developed by an approach planner.

Board Member Schoen asked if the Airport currently pays the FAA to maintain approach procedures in use.

Airport Manager Pomeroy answered that the Airport does not pay the FAA maintenance fees for updating the current approach procedures.

E. Fly Sun Valley Alliance Report

Airport Manager Pomeroy reported that the 1% Local Option Tax (LOT) for air serviced was passed in May by the cities of Hailey, Ketchum, and Sun Valley.

V. AIRPORT STAFF BRIEF

A. Noise Complaints (See Brief)

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

C. Airport Commercial Flight Interruptions (See Brief)

D. Review Correspondence (See Brief)

VI. OLD BUSINESS

A. Construction and Capital Projects

a. Runway Safety Area Improvements Project – Update (See Brief & PPT)

b. Terminal Air Carrier Apron and Parking Lot Improvements Update (See Brief & PPT)

Airport Engineer Mitchell updated the Board on the negotiations with the bidder, Knife River, for the Terminal Air Carrier Apron Improvement project.

Board Member Greenberg commented that the areas of the bid that were assumed to have the least discretion were the areas that were reduced during renegotiation with Knife River for the project. This would indicate that Knife River inflated prices in those areas as the scope of work, time and materials did not change.

Engineer Mitchell commented that due to the risk and demand of construction projects in the area for the specified time-period, Knife River only received one bid from subcontractors for each work category, which eliminated the competitive pricing that usually produces lower bids.

Airport Engineer Mitchell updated the Board on the configuration strategies and parking booth options for the Parking Lot Improvement project.

Board Member Schoen asked if the Board could decrease the cost of the project by maintaining the current configuration of the passenger vehicle parking lot as much as possible for the time being.

Airport Manager Pomeroy answered that Engineer Mitchell's Parking Lot Strategy recommendation on slide 28 of the power point presentation displays the minimum scope of work necessary in order to complete the apron project.

Board Member Schoen asked if the exit lane of the parking lot could be left as it is rather than constructing a double exit lane.

Airport Engineer Mitchell answered that he would not recommend removing the double exit lane construction from the project as there is already a significant amount of congestion in this area of the parking lot.

Vice-Chairman Greenberg asked if the estimated \$400,000-500,000 cost for the revised parking lot strategy included the AIP-eligible portion.

Airport Engineer Mitchell answered that the estimate is the total cost of the project which includes both the AIP-eligible and Airport portions.

Airport Manager Pomeroy recommended that the Board follow Airport Engineer Mitchell's suggestion to rebid the project with a revised scope of work.

The Board agreed with Airport Engineer Mitchell's recommendations and directed Staff to rebid the project in two weeks with a modified scope of work.

Airport Engineer Mitchell commented that the parking lot project will begin in the fall and the apron project will begin next spring. He also briefed the Board that he did consider bidding the projects separately but decided to keep it as one project due to time constraints.

Board Member Schoen asked if the Board would receive lower bids if the projects were bid separately.

Airport Engineer Mitchell answered that since there are so many different types of work involved with the projects, it is considered best suited for a general contractor to bid on rather than a subcontractor.

c. Runway Rehabilitation – Update and consideration of (See Brief & PPT)

1. Proposed Work Order and Scope of Work for T-O Engineers Bidding and Construction Services for Schedule C – Runway Pavement Maintenance

Airport Engineer Mitchell introduced from T-O Engineers, JD Heithoff, as the Project Manager for the Runway Maintenance project, briefed the Board on the progress of the runway maintenance project and asked the Board to consider approval for T-O Engineers Work Order 17-03 for engineering services (See Brief/Package).

Chairman Keirn opened the discussion for public comment. No public comment was made.

MOTION: *Made by Board Member Schoen to approve Work Order 17-03 with a total fee not to exceed \$53,665.00 for bidding and construction services performed by T-O Engineer. Seconded by Board Member Haemmerle.*

PASSED UNANIMOUSLY

d. Snow Removal Equipment Acquisition Update and consideration of (See Brief & PPT)

1. Proposed Work Order for Professional Services to Prepare the Bidding Documents and Assist with Bidding and Delivery

Airport Engineer Mitchell updated the Board on the Snow Removal Equipment Acquisition and asked the Board to consider approving T-O Engineers Work Order 17-05 for engineering services (See Brief/Package).

Board Member Schoen asked what the price range of the SRE is and what type of services the engineers do to help with the acquisition.

Airport Engineer Mitchell answered that the SRE is estimated to cost between \$300,000 - \$320,000. He also answered that T-O Engineers will be preparing the SRE specifications to meet airport and FAA requirements, preparing a design report to justify the acquisition, conducting grant administration and providing bidding and delivery services which are conservatively priced in the work order. Fees for the equipment inspection may be waived by T-O Engineers if Airport Staff completes this inspection.

Vice-Chairman Greenberg asked what percentage of the cost of the SRE acquisition is AIP-eligible.

Airport Manager Pomeroy answered that 93.75% of the cost of the SRE acquisition is AIP-eligible.

MOTION: *Made by Board Member Haemmerle to approve Work Order 17-05 with a total fee not to exceed \$19,900.00. Seconded by Vice-Chairman Greenberg.*

PASSED UNANIMOUSLY

B. Airport Planning Projects

a. Environmental Assessment for Runway Protection Zone/Approach Protection – Project Kick-off Presentation (See Brief & PPT)

T-O Engineer Environmental Project Manager Joe Guenther gave the Board a Kick-Off Presentation for the Environmental Assessment for Runway Protection Zone (RPZ)/Approach Protection.

Chairman Keirn opened the discussion for public comment. No public comment was made.

Chairman Keirn asked what would happen if yellow-billed cuckoo birds were found nesting in the cottonwood trees and if there are any other ecological concerns the Board should be aware of.

Mr. Guenther answered that a mitigation plan would be put in place and strategies would be implemented to remove the birds if necessary. He answered that the results of the historical survey could also potentially affect the assessment report.

VII. NEW BUSINESS

A. FY '18 Draft Budget Review (See Brief & PPT)

Airport Manager Pomeroy briefed the Board on aspects of the preliminary FY '18 Draft Budget including assumptions and inclusions, operational expenses and capital expenses.

Chairman Keirn commented that the bidding process for the Terminal Apron and Parking Lot Improvement project has been difficult and has forced the Airport to budget with educated guessing.

Board Member McCleary asked what the anticipated cost is for the apron project.

Airport Manager Pomeroy answered that the apron and parking lot project is currently estimated at \$2.6 million. He commented that Staff may have the ability to revise these costs once the local share component is known.

Board Member Fairfax commented that he appreciates all the work done on the budget; however, it still needs further development and modifications. In order for the budget to present an increase in revenue and decrease in costs the Board should consider the inclusion of increased rates and charges, additional or new service charges, and increased fees to airlines as well as budget cuts.

Airport Manager Pomeroy commented that he hopes to provide a more holistic Capital Improvement Plan (CIP) in the future that includes upcoming non AIP-eligible projects that need to be completed. He commented that Staff is still evaluating the budget to prioritize expenses.

Chairman Keirn agreed that the Airport needs to make a profit as it does not receive local tax revenue. He commented that the Board and Staff should analyze the rates and charges to ensure the Airport remains competitive but not behind industry standards.

Airport Manager Pomeroy commented that the Board has the option of hiring a financial consultant to conduct a professional analysis on the Airport's rates and charges.

Board Member Schoen commented that he is concerned about the budget being presented to the Board and uncomfortable approving a budget deficit. He also commented that while he appreciates the work being done on the budget, more analysis is needed for rates and charges and he would prefer hiring a consultant to audit our budget and rates and charges rather than continuing to charge airport fees that are not consistent with industry standards.

Board Member McCleary commented that hopefully next month will give the Board more positive revenue projections and cost savings once the rates and charges are analyzed. She suggested that the assistant manager position be budgeted for next year rather than this year.

Board Member Greenberg commented that the Board needs to ensure that the amount in the operational reserves account meets industry standards for a similar-sized airport and encouraged the Board to think about the impact the decisions they make have on cash flow, limit discretionary spending and budget conservatively.

Board Member Fairfax suggested that the assistant manager position stay in the budget as a 6-month expenditure rather than a year expenditure as according to industry standards, the Airport Staff is most likely significantly smaller than either Aspen or Jackson Hole airports. He also suggested that the Board work towards finding ways to increase revenue streams through PFCs, parking lot revenue, airline space usage, hangar rentals, etc.

Board Member Schoen asked why PFC revenue and revenue from the Small Community Air Service Development Grant are not included as revenue on the Budget.

Contracts/Finance Administrator Emerick answered that PFC revenue has already been allocated until 2022 and the SCASDP expenses for MRGs will be offset by the grant revenue. She commented that Staff expects PFC collections to be accelerated due to increased enplanements.

B. FY '18 Draft Rates and Charges (See Brief & PPT)

Airport Manager Pomeroy briefed the Board on aspects of the preliminary FY '18 Draft Rates and Charges.

Board Member Fairfax asked if any parking lot rates have been increased. He also

commented that if the rates and charges do not have to be approved at the same time the budget is required to be approved then they should be analyzed by a financial consultant as soon as possible.

Contracts/Finance Administrator Emerick commented that Staff has been researching the rates and the possibility of decreasing the free 30-minute parking time allowance.

C. Request for Proposal Parking Lot Concession (See Brief & PPT)

Airport Manager Pomeroy asked the Board to consider approval to publish a Parking Lot Concession Request for Proposals as well as identify a selection process.

Board Member Haemmerle asked who has served on a Selection Committee in past Parking Lot Concession RFPs.

Contracts/Finance Administrator Emerick answered that she can research who was part of the Selection Committee during the last RFP process. She briefed the Board that no interviews were conducted during the last RFP process for the parking lot as there were only two proposals submitted and one proposal was more qualified than the other.

Board Member Schoen proposed that the Board issue the RFP after Board review, accept the proposals, conduct an administrative review and present administration's recommendations to the Board for final selection.

The Board agreed with Board Member Schoen's proposal.

D. Request for Proposal Auditor (See Brief & PPT)

Airport Manager Pomeroy asked the Board to consider approval to publish an Auditor Request for Proposals as well as identify a selection process.

Chairman Keirn directed Staff to send out the Auditor RFP and follow the same selection process as identified for the Parking Lot RFP. He commented that it may be worthwhile to hire the same firm that conducts the City of Hailey and Blaine County's audit.

Attorney Laski commented that the auditing position must go out for bid and hiring the same accounting firm as the City and County may qualify as a conflict of interest and he will need to research the matter further.

Board Member Schoen asked why an Auditor RFP is necessary.

Airport Manager Pomeroy answered that the Airport's regular auditors decided that due to time constraints they would be unable to continue services for the Airport.

Attorney Laski commented that it is a good idea to change auditors periodically.

E. July Meeting Date – Consideration to reschedule the date (See Brief & PPT)

Airport Manager Pomeroy asked the Board to consider changing the July meeting date as the regular meeting falls on the July 4th holiday.

The Board agreed to reschedule the July meeting date to July 6, 2017.

VIII. PUBLIC COMMENT

Airport Manager Pomeroy sent out thoughts and prayers to Heather Dawson’s husband who was involved in a motorcycle accident today.

**IX. EXECUTIVE SESSION –
I.C. §74-206 (a)(c)(f)**

MOTION:

Made by Board Member McCleary to enter into executive session pursuant to Idaho Code §74-206 paragraph (a) to consider action regarding Airport Manager position, 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 Keirn	Yes
Vice-Chairman Greenberg	Yes
Board Member Fairfax	Yes
Board Member Schoen	Yes
Board Member Haemmerle	Yes
Board Member McCleary	Yes
Board Member Cooley	Yes

PASSED UNANIMOUSLY

IX. ADJOURNMENT

The June 6, 2017 Regular Meeting of the Friedman Memorial Airport Authority was adjourned at approximately 7:29 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.