

MINUTES OF THE JACKSON HOLE AIRPORT BOARD

DATE: April 27, 2018

BOARD PRESENT: Jerry Blann, Rick Braun, Mary Gibson Scott, John Eastman and Jim Waldrop were present in the Airport Board Room.

OTHERS PRESENT: David Vela, Gary Pollock, National Park Service; Gene Murphy, Kevin Ensor, SEH; Inger Schou, Jackson Hole Aviation; Pete Lindell, Dave Coyle, Fly Jackson Hole; Thomas Kirsten, Jorgensen; Jeremy Mayo, Hertz; Allie Gross, Jackson Hole News & Guide; Paul Fiore, Jviation; Greg Herrick, Wyoming Jet Center; Jim Elwood, Michelle Anderson, Aimee Crook, Anna Valsing, Megan Jenkins, Tony Cross, Phillip Bollman, Rebecca Bollman, Esther Borja, Robin Usher, Jamey Miles, Chris Wells, Kaitlin Perkins, Jackson Hole Airport.

CALL TO ORDER: Blann called the meeting of the Jackson Hole Airport Board to order at 9:01 am on Friday, April 27, 2018.

Elwood stated that Action Item I will be moved to follow Comments from the National Park Service, Town of Jackson, Teton County and the Public. There were no objections to the agenda change.

I. EMPLOYEE OF THE MONTH: Elwood recognized Phillip Bollman as April's employee of the month.

II. COMMUNITY OUTREACH: Jenkins stated the Airport held the annual Tabletop Exercise on April 11th. She said the scenario was a bomb and hazmat incident. She thanked all of the participating agencies.

Crook stated the Airport hosted Leadership JH on April 11th. She said members of Leadership JH learned about the Airport and its contributions to the community. Blann asked for a summary of Cross and Crook's experience at Leadership JH at the June meeting.

III.COMMENTS FROM – NATIONAL PARK SERVICE, TOWN OF JACKSON, TETON COUNTY AND THE PUBLIC: Vela gave an update on the Gros Ventre Roundabout construction. He announced Pollock will be retiring on May 11th and acknowledged his service.

ACTION ITEM I: Resolution 2018-03 – A Tribute to Gary Pollock: Blann read Resolution 2018-03 in its entirety. Gibson Scott made a motion to adopt Resolution 2018-03, in the form presented, paying homage to Gary Pollock for the personal and professional demeanor by which he served as the National Park Service liaison to the Airport for the past sixteen years, recognizing him as a Friend of the Jackson Hole Airport and sincerely thanking him for his service. Waldrop seconded the motion, which passed unanimously. Pollock thanked the Board and stated his pride in the partnership between the Airport and the Park.

IV. COMMITTEE UPDATES: Waldrop gave an update for the Conceptual Committee stating some of the fuel tanks have been placed in the new Fuel Facility. He said the building permit has been received for the Quick Turnaround Facility. He said electrical relocation is underway.

Braun stated the Concessions & Contracts Committee worked on the Airline Rates and Charges Consulting Agreement that will be addressed later on the agenda. He said the Committee supports the work and recommends entering into the Agreement.

Blann spoke for the GA/FBO Committee stating the sale of FBO assets from Jackson Hole Aviation, LLC to the Airport was originally scheduled to close on April 30, 2018. He said that closing will be delayed to address financing requirements directly associated with the pending lawsuit challenging the Airport's authority to use bond financing. He said a new closing date has not yet been determined. He said the Airport is confident of its legal position, and therefore plans for the acquisition to move forward.

Gibson Scott stated that GTNP/Environmental Committee met on April 20. She said the FAR Part 150 Noise Study, Fly Quiet Program, Wildlife Hazard Mitigation Plan, and new Airport fire house were discussed. She showed an environmental video that the Airport has created to highlight environmental accomplishments. She said that the Airport will be attending the Eco-Fair on May 12th. She said there are two agenda items, a hazmat spill cart and hydration stations, which the Committee has reviewed and recommends approval.

Eastman spoke for the Transportation Committee stating that TNCs had a combined total of over 1,600 pick-ups and drop-offs in the month of March. He said that Ride2Fly reported 950 passengers for the month of March. He said that starting May 1st the rental car ready rows will be reconfigured, opening up two rows for public parking. He said that taxis with reservations will now utilize a portion of the newly enlarged short term parking to stage vehicles, which will relieve congestion on the curb.

Waldrop stated the 50th Anniversary Committee has secured the dates of September 4th and 5th for the 50th Celebration that will include a free community event at the Center for the Arts and a keynote guest at the Airline Rendezvous.

Gibson Scott spoke for the HR and Health Committee stating that the recruiting process for the IT Manager is nearing completion, with the hope the position will be filled in mid to late May. She said there will be three new TSOs joining the screening staff for the busy summer season. She thanked the seasonal Snow Plow Operators and Airport Hosts.

V. ACTIVITIES REPORTS REVIEW:

A. Quarterly ADDs: Elwood stated that ADDs for the quarter ending March 31 were 4.04. He said this number is well below the limits established in the Plan.

B. Activities Reports: Elwood said March passenger enplanements increased 8% over March 2017 enplanements. He said year to date enplanements have increased 10% over 2017. Elwood reported on ground transportation activity at the Airport, noting that JH Shuttle and Ride2Fly activity is calculated in passengers and TNC activity is calculated by pick-ups and drop-offs.

VI. ACTION ITEMS:

A. Consent Agenda:

A1. Approval of the Minutes – March 21, 2018

A2. Allclean, Inc. – Hazmat Spill Cart Purchase

A3. JB Mechanical, Inc. – Hydration Stations Purchase

Braun made a motion to approve consent agenda items A1-A3. Gibson Scott seconded the motion. With no further discussion, the motion passed unanimously.

B. Rates Review: Blann asked if the Airport used bio-diesel fuel in the summer. Elwood said staff will have an answer to the Board soon. Waldrop made a motion to approve Jackson Hole Aviation's proposed diesel fuel rate of \$3.29 per gallon and auto gasoline rate of \$3.19 per gallon. Eastman seconded the motion. With no further discussion, the motion passed unanimously.

C. Financial Reports:

1. Passenger Facility Charge (PFC): Anderson stated PFCs are authorized by the federal government to help fund approved capital projects at eligible airports. She said for the quarter ended March 31, PFCs remitted to the Airport were \$333,436. She said PFCs are currently being used to repay the funding for the terminal building project. She said PFCs are collected at a rate of approximately \$1.1 million per year and at this rate of collection, all currently approved projects should be collected by 2036.

2. Customer Facility Charge (CFC): Anderson said the CFC balance as of March 31, is \$3,691,141. She CFC collections for March were \$72,724. She said through March 31, \$700,689 has been expended for the QTA project.

3. Income & Expense Operating Statements: Anderson stated income remains above the budgeted amount by 5.08%. She said rental car, parking and ground transportation incomes are higher than predicted. She said expenses continue to track with the budget, and year to date are under budget at -0.69%. Gibson Scott made a motion to accept the financial reports for March 2018. Braun seconded the motion, which passed unanimously.

D. Payment of the Bills: Gibson Scott made a motion to approve checks 35163-35310, check 3027, check 100026 and ACH Payroll and Tax Deposits: March 31 and April 15, 2018. Eastman seconded the motion. Having no further discussion, the motion passed unanimously.

E. Budget FY 2018-2019: Elwood stated that a different format was used to create the budget than in the past. He said the new format used three enterprise centers: Airport Operations; Security Operations, and; the Fuel Farm. He said the budget has been created by assuming increased passenger activity and demands on the airport, with decreased operations. He said benchmarking was done on landing fees, average airline space rent and cost per enplaned passenger.

Anderson stated the Airport continues to use a zero based budget approach. She said staff provides input on anticipated expenses for the next budget year. She said it is then that sources and levels of income for the budget are determined. She said most income sources are fixed by contract, however some income areas that can be adjusted are terminal rents, landing fees and parking. She said as Elwood stated previously, the format for the budget has been changed to reflect three enterprise centers.

She said various income areas in the Airport Operations enterprise center include air carrier income, rental car income, general aviation income, parking and ground transportation income, concessions income and other income. She said air carrier income consists of airline rents and

landing fees. She said rental car income is comprised of minimum annual guarantees and rents. She said parking and ground transportation includes parking fees and ground transportation access fees. She said general aviation income is composed of landing fees, FBO concession fees and FBO and other GA rents. She said concessions income is predominately composed of restaurant revenue, however also contains catering and vending revenues. She said the total budget income amount for the Airport Operations enterprise center is \$11,251,350. She stated the Airport Operations enterprise center has been set up with cost centers to allocate the expenses to the areas used by each stakeholder group at the Airport. She said the expenses include terminal, airfield, landside, other buildings and grounds, environmental and community outreach. She said two projects that have been allocated to the terminal cost center are installing additional LED lights through buildings and conducting an HVAC study. She said IT infrastructure upgrades have been allocated primarily to airfield and terminal expense cost centers. She said included in the environmental cost center are enhanced environmental initiatives such as upgrading terminal recycling efforts, purchasing more green energy, the Fly Quiet Program and noise monitoring programs. She said the community outreach cost center includes historic community events such as the EcoFair and Touch-A-Truck event, as well as new items such as the 50th anniversary activities. She said the total expense budget for the Airport Operations enterprise center is \$9,808,978.

Anderson said the second enterprise center set up is Security Operations. She said all income and expenses related to conducting security operations at the Airport have been moved into the Security Operations enterprise center budget. She said the Security Operations enterprise center has historically had three income sources: TSA security reimbursement, security badges and TSA LEO reimbursement. She said this year, TSA LEO reimbursement has not been reflected in the budget due to the fact that congress may not choose to fund the program. She said the total budget income for the Security Operations enterprise center is \$6,494,657. She said the four cost centers related to Security Operations are TSA security operations, screening claims expense, night security contract and the Town of Jackson LEO contract. She said there are a number of things included in the TSA security operations expense such as labor, consumables, uniforms and medical and background checks. She said the total expense budget for Security Operations enterprise center is \$6,475,806.

Anderson stated the final enterprise center established is the Fuel Farm. She said the Fuel Farm will be online July 1st and fuel income and expenses will be new budget line items. She said the glycol operations will be conducted in the Fuel Farm because it was more environmentally friendly to have it co-located with fueling operations. She said because of this, glycol revenues and expenses have been moved to the Fuel Farm enterprise as well. She said there are five revenue areas in the Fuel Farm enterprise center: fuel revenue which is a pass-through; fuel facility fees; fuel facility use fees; glycol administration, and; glycol revenue, which is also a pass through. She said the total income budget for the Fuel Farm enterprise center is \$16,507,501. She said the expenses related to the Fuel Farm enterprise center are: fuel expense which offsets fuel revenue; labor expense for two full time employees, maintenance and overhead; glycol purchase expense which offsets glycol revenue; glycol trucking expense, and; insurance. She said the total expense budget for the Fuel Farm enterprise center is \$15,149,330.

Eastman asked for more detail on the community outreach expense in the Airport Operations enterprise center. Anderson said the community outreach expense includes the 50th Anniversary, Town of Jackson Parking Lot Lease, airport promotional items and advertising, salaries for certain staff members, and Airline Rendezvous.

Mayo inquired if the fees charged to rental car companies for parking spaces will be allocated to rental car income category or parking and ground transportation category. Anderson stated that income will be allocated to the rental car category.

Waldrop commended Anderson for a great presentation.

Waldrop made a motion to adopt the FY 2018-2019 proposed budget, in the form presented, for transmittal to the Town of Jackson and County of Teton. Braun seconded the motion, which passed unanimously.

F. Town of Jackson – Parking Lot Lease: Elwood stated that the Airport is proposing to lease parking spaces in the public parking garage from the Town of Jackson. He said the Airport would lease 141 parking spaces on Levels 3 and 4 from December through March, and 71 spaces on Level 4 from April through November. He said the Lease has a 35 month term, commencing on June 1, 2018. Elwood said the annual amount to lease the spaces is \$52,457. He said the Ground Transportation Committee has reviewed the Lease and recommends approval. Waldrop stated that the Lease has been reviewed by the Town Manager, the elected representatives for the Town and County, and the Town Attorney.

Gibson Scott made a motion to approve the Parking Lot Lease with the Town of Jackson, in the form presented, in the amount of \$52,547 annually with a 35 month term. Waldrop seconded the motion, which passed unanimously.

G. Jviation – Retreat Facilitation Contract: Elwood stated that Hilary Fletcher of Jviation will provide facilitation services for the Airport Staff Retreat and Board Retreat. He said the total proposed fee for the service is \$14,250, which includes travel expense. He said the Board President has reviewed the Contract and recommends approval.

Eastman made a motion to approve the Retreat Facilitation Agreement with Jviation, in the form presented, in the amount of \$14,250. Braun seconded the motion. With no further discussion, the motion passed unanimously.

H. Leibowitz & Horton – Airline Rates Negotiation Contract: Elwood said Leibowitz & Horton has developed a proposal to prepare documentation in support of presenting and negotiating FY 2019 Airline Rates and Charges at the Airline Rate Consultation and Negotiation Meeting that is scheduled in May 2018. He said the proposed Amendment to the original Leibowitz & Horton Agreement is for Time and Materials and not to exceed \$25,050. He said the Concessions & Contracts Committee has reviewed the Amendment and recommends approval. Blann asked how the proposed rates compare with previous years consulting fees for these services. Elwood said rates are comparable. He said the rates are slightly more because the consultants are developing financial background information.

Waldrop made a motion to approve the First Amendment to the Leibowitz & Horton Agreement, in the form presented, with a not to exceed fee of \$25,050. Eastman seconded the motion, which passed unanimously.

VII. DIRECTOR'S COMMENTS: Elwood gave a brief construction update. He recognized Jenkins for completing an advanced Public Information Officer training.

VIII. BOARD COMMENTS: Waldrop acknowledged Pollock for his work and recognized him as a friend of the Airport as well a friend.