

## **MINUTES OF THE JACKSON HOLE AIRPORT BOARD**

**DATE:** April 23, 2020

**BOARD PRESENT:** Bob McLaurin, Ed Liebrezeit, Rick Braun, John Eastman and Jerry Blann were present via the WebEx platform being streamed from the Jackson Hole Airport Board room.

**OTHERS PRESENT:** Jim Elwood, Michelle Anderson, Andrew Wells, Dustin Havel, Jackson Hole Airport. Mark Barron, Teton County, Jonathan Schechter, Town of Jackson, and Carl, Public. Other individuals who are not individually documented watched the meeting on a live stream from the Airport Board Room due to COVID-19.

**I. CALL TO ORDER:** Blann called the meeting of the Jackson Hole Airport Board to order at 9:00 am on Thursday, April 23, 2020. This meeting is a continuation of the Board meeting on April 17, 2020 that was terminated due to technical issues. Blann advised the Wind River Air action item has been removed from the agenda and will be handled at a Special Meeting on April 24, 2020 at 8:00am.

**II. CORONAVIRUS UPDATE:** Elwood gave an update on steps the airport is taking in response to COVID-19.

**III. COMMENTS FROM – NATIONAL PARK SERVICE, TOWN OF JACKSON, TETON COUNTY AND THE PUBLIC:** Jim Elwood read a public comment from Jeremy Barnum, Chief of Staff with Grand Teton National Park. Barnum provided an update on the steps GTNP is taking to promote social distancing in response to COVID-19. Barnum also said that all Park facilities and lodging are currently closed. Barnum said the Park is participating with local partners on reopening plans. Jonathan Schechter provided an update from the Town of Jackson. He said the Town is making significant budget cuts due to COVID-19 and reduced tax revenue. Mark Barron provided an update from Teton County. Barron thanked community entities for their response to COVID-19. Barron also said the decrease in tax revenues will be significant, but the impact is delayed by forty-five to sixty days. Public comment was provided by Carl (unknown last name) over the WebEx platform. Carl asked about the location of the helicopter tour operations and said he is opposed.

**IV. ACTIVITIES REPORTS REVIEW:** Elwood said the Average Daily Departures (ADDs) for the first quarter were 3.86 which is below the maximum quarterly limit of 6.5. Elwood said March passenger enplanements were 45% below March 2019, and year to date enplanements are 13% below 2019. He said the numbers in March are representative of the impacts of COVID-19 on the second half of the month. He said that the load factor for March 2020 was 70.87% and year to date load factor is 79.75%.

### **V. ACTION ITEMS:**

#### **A. Consent Agenda:**

- i. **Approval of the Minutes – March 18, 2020**
- ii. **JH Security Agreement**
- iii. **Car Wash Maintenance Agreement**
- iv. **Town of Jackson LEO MOU**

Eastman made a motion to approve consent agenda items A1-A4. Braun seconded the motion, which passed unanimously.

**B. Rates Review:** Liebrecht made a motion to approve Jackson Hole Aviation's proposed Jet-A rate decrease to \$6.76/gallon. Eastman seconded the motion, which passed unanimously.

**C. Payment of the Bills:** McLaurin made a motion to approve the checks as presented on the check register list dated April 17, 2020. Braun seconded the motion, which passed unanimously.

**D. Financial Reports:** Anderson said year to date the airport is tracking with the amended budget with income 3% better than amended budget amounts and expenses -1% below the amended budget. She said we expect to see the financial impacts of decreased passenger traffic due to COVID-19 in April. Anderson said staff has done a good job adapting to the rapidly changing conditions and we will closely monitor revenue and expenses as we move through the budget year. Blann asked what our projections are through the end of the Fiscal Year. Anderson said we are forecasting to be 95% below April 2019 enplanements for April 2020, 92% below May 2019 enplanements for May 2020, and 91% below June 2019 enplanements for June 2020. Braun made a motion to approve the financial reports for March 2020. Liebrecht seconded the motion, which passed unanimously.

**E. FY 2020/2021 Budget:** Anderson provided an overview of the Fiscal Year 2020/2021 budget. She said the budget was developed with a zero-based approach. Anderson said the budget this year uses the same three enterprise centers (airport operations, security operations, and fuel farm) and the same six cost centers that were used last year. She said the budget was developed with the goal of accomplishing the airport's financial objectives including security enhancements, environmental initiatives, and capital projects.

Anderson said to develop activity projections for FY 2020/2021, staff reviewed historical activity and then forecasted activity resulting from the impacts of COVID-19 and adjusted the various income areas impacted.

Anderson said the budgeted income for the airport operations enterprise center is \$9,149,302 and the total expenses budgeted to the airport operations enterprise center are \$13,036,841. She said the budgeted income for the security operations enterprise center is \$7,490,307 and the total expenses budgeted to the security operations enterprise center are \$7,791,147. She also said the budgeted income for the fuel farm enterprise center is \$19,384,394 and the total expenses budgeted to the fuel farm enterprise center are \$17,785,337.

Anderson said the budget also accounts for the anticipated \$16,494,770 in the recently approved CARES grant funding from Congress. She said the budget allocates the funding to offset the anticipated shortfall in the airport operating budget and to retire two debt bonds in the amount of \$2,086,483.

Anderson said capital expenses are funded through the Capital Improvement Program. Capital funds include the Federal Airport Improvement Program (AIP), state grant funds, Passenger Facility Charges (PFC's) and rental car Customer Facility Charges (CFCs). She said items in the capital list for the FY 2020/2021 budget include the runway rehabilitation project, designing checkpoint and restaurant remodels, purchasing equipment, and terminal upgrades.

Elwood said this budget is adaptive to circumstances related to COVID-19. He said this budget is a conservative forecast and until we have further information available a conservative budget is appropriate.

Blann provided information that the CARES grant money was allocated by the FAA based on a formula that incorporated enplanements and debt. Blann asked if employees will be receiving raises under this budget. Elwood said this budget does not include raises for staff. Blann asked about the cash reserves moving into the upcoming fiscal year. Elwood said the CARES grant will enable the airport to put several million dollars towards unrestricted cash and will also allow it to complete some capital projects. He said the CARES grant gives the airport some options that were not available without the funding and the focus is on looking towards where the airport will be in the future. Elwood said emphasis will be placed on maintenance and environmental initiatives and these projects will not begin until staff is certain the Airport is in a stable financial position.

Eastman asked what the anticipated loss is for the current fiscal year. Anderson said the loss is anticipated to be approximately \$700,000. Eastman asked how we are going to spend the CARES grant. Anderson said the money will be used to pay off debts and support the airport operations budget. Eastman asked if he is being asked to approve the spending of the CARES grant. Anderson said they are approving the inclusion of the CARES grant into the budget and it will be included in our income. Eastman asked what amount of the CARES grant will be held in reserves. Elwood said the CARES grant is included in the budget. He said that all larger expenditures will come back to the Board for approval before the money is expended. Elwood also said that the CARES grant money used to pay off debt will be spent at the beginning of the fiscal year. Eastman said he wanted to ensure he understood what he is approving. Elwood said he is approving the budget in totality. Elwood said staff will continue to make the smartest financial decisions based on the current situation and the budget is meant to be flexible to adapt to the current circumstances. Eastman asked Elwood to ensure we provide financial support to our vendors. Blann said we have received requests from vendors already and the airport is taking actions to support them. Eastman asked why the customer and community outreach expenses went down. Elwood said we are anticipating a lower number of passengers which impacts the needs for hosts and community engagement.

McLaurin made a motion to adopt the Fiscal Year 2020/2021 budget in the form presented. Braun seconded the motion, which passed unanimously.

**F. Runway Design – Phase 2:** Elwood said the runway needs to be rebuilt. He said the project is scheduled for the spring of 2022. Elwood said the project is extensive.

Havel said the runway reconstruction is scheduled for the spring of 2022. He said the scope of work is broken into three major components which include environmental work, the design process, and associated bidding of the project. Havel said the scope of work also includes pre-construction coordination to shorten the construction period.

Havel said the geotechnical report indicates a full reconstruction of the runway is necessary, which is a significant process and requires removing the base material. He said the last time a reconstruction was done was in 1987 and that was only on a portion of the runway. Havel said the work will include a full reconstruction of the runway surface, associated blast pads, and certain taxiway connectors. He said all lighting, signage, runway safety area grading, drainage, and work on impacted FAA navigational aids will also be completed.

Havel said the runway will be closed during the reconstruction for a period of time and that the airport will work to limit the length of closure and impact on the community. He said this contract with Aviation for the scope of work is in the amount of \$2,053,371, and an independent fee estimate was conducted which the FAA and WYDOT concurred with.

Blann asked what the overall cost for the runway reconstruction project will be. Havel said the total construction cost has not yet been bid, but the range is \$35 to \$40 million dollars. Blann asked about the surface of the current runway and what the new runway will have. Havel said the airport currently has a porous friction course surface runway and will be reconstructing the runway with a grooved surface which will require additional environmental mitigation to be determined through the design process.

Liebzeit asked how long the runway will be closed. Elwood said this contract is for design and the length of time the runway will be closed will be determined during the design process. Elwood said staff will do everything possible to limit the length of the closure to the shortest length of time possible. Blann said the airport will coordinate with community stakeholders regarding the closure.

Braun asked if the runway safety area on the south end of the runway will be retained as it is newer. Havel confirmed this portion will only be resurfaced and the base material will not need to be removed.

Liebzeit asked if the ramp will be redone in the future. Havel said the Capital Plan looks out five years and the next project after the runway reconstruction will be the taxiway. He said the commercial ramp will not need to be redone for a significant period of time and the general aviation ramp on the south end of the airport is approximately four years out for rehabilitation. Liebzeit asked if all of this work should be done at the same time since the airport will be closed. Havel said there are budgetary constraints. He said additionally, the taxiway can be done in a way that the airport can remain operational.

Blann said the National Park Service has been briefed on the project and there is a lot of work to be done from an environmental perspective. McLaurin asked about the treatment of the water runoff from the runway. Havel said the scope of work includes evaluating options for the runoff. McLaurin asked if the treatment of the runway stormwater is part of the project. Havel said it is not. McLaurin asked if the EPA was allowing us to move forward with the project without a plan for the runoff treatment. He also asked who would pay for community outreach related to the project. Elwood said the FAA grant would cover some community outreach and the airport would cover any additional outreach required. McLaurin asked when we anticipate opening bids. Havel said January 2021.

Eastman asked the airport to optimize all environmental opportunities available during this project. Elwood said that the airport will do everything to the highest level from an environmental perspective.

McLaurin asked about deicing on the updated runway surface. Elwood said the design process will investigate the options related to deicing on the grooved pavement surface.

Eastman asked if ARFF is being considered as the runway access is designed. Elwood said ARFF access is being accounted for in the design process.



Eastman moved approval of the 5<sup>th</sup> amendment to the base engineering services agreement with Jviation, Inc., for phase-2 of the design for the Runway 1-19 reconstruction project, in the form presented. Braun seconded the motion, which passed unanimously.

**X. EXECUTIVE DIRECTOR'S COMMENTS:** Elwood provided an update on the current summer airline schedule. He said the airlines continue to value the Jackson Hole market and look to bring air service back as soon as conditions warrant. Elwood thanked the team at the airport for their hard work.

**XI. BOARD COMMENTS:** Eastman thanked airport staff and IT for making this meeting happen. He said the Board is vested in ensuring everyone can participate in Airport Board meetings.

McLaurin thanked staff for their hard work.

Liebzeit echoed the thoughts of Eastman and McLaurin.

Braun thanked staff for their hard work.

Blann repeated the thank you to all staff.

**XII. EXECUTIVE SESSION:** Liebzeit made a motion to enter Executive Session for the purpose of receiving and discussing matters classified as confidential by law, including legal advice from the Board's attorney, pursuant to W.S. 16-4-405(a)(ix). Braun seconded the motion, which passed unanimously. The public meeting was adjourned into Executive Session at 10:47 am on Thursday, April 23, 2020. The Board came out of Executive session at 11:11 am. Blann said no decisions were made.

**XIII. ADJOURN:** Eastman made a motion to adjourn the meeting at 11:14 am on Thursday, April 23, 2020. Braun seconded the motion and the meeting was adjourned.

  
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Jerry Blann, President

  
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Ed Liebzeit, Secretary