MINUTES OF THE JACKSON HOLE AIRPORT BOARD SPECIAL MEETING BUDGET UPDATE AND GENERAL AVIATION COMMITTEE MEETING



Date: March 15, 2023

BOARD PRESENT: Ed Liebzeit, Valerie Brown, Rob Wallace and Melissa Turley were present in person in the Airport Meeting Room.

OTHERS PRESENT: Jim Elwood, Michelle Anderson, Aimee Crook, Dustin Havel, Craig Foster, Tony Cross, Anna Valsing, Megan Jenkins and Jordyn McDougall, staff of Jackson Hole Airport Board; Mike Mahoney and Cassie McNames, of KLJ Engineering; Greg Hulne and David McWilliams, of Miller Dunwiddie; Tyler Shupe and Sam Venable, of Wadman Construction.

- I. CALL TO ORDER: Board President Liebzeit called the Special Meeting to order at approximately 11:20am on March 15, 2023.
- **II. BUDGET UPDATE:** Anderson updated the Board on the budget development. She shared the changes she had made to the formatting of the data to be presented at the next board meeting.

Brown requested the data always be compared with the previous budget year. Brown requested additional data for the general coverage ratio for capital projects and the debt service coverage ratios.

Liebzeit thanked Anderson for being responsive to the requests of the Board and giving a meaningful review and presentation. He stated she should continue to refine the data and opened the conversation for additional questions from the Board.

Brown asked for additional information on the payroll line item. She stated nationwide there is anticipated a 4% increase and asked for justification of the 8% and 10% that were proposed. Brown asked for clarification on how the line items within the payroll line were adjusted.

Elwood requested the Boards preference and direction to be able to refine the budget prior to the final presentation. He stated the 8% was for a merit pool for staff. He offered additional information from the Town of Jackson, sharing in 2022 there was a compensation study in which 4%-30% increases were given, adding that the Town Manager likes our merit pool system. Turley offered that Teton Village Association was considering around 3-5% increase this year and had 8% last year. Cross stated while reviewing the Wyoming Department of Economics and Labor Statistics study, inflation of 10.1% was specifically called out for the first time he can remember. Cross stated over the State there is estimated to be an increase of 7.2% across all industries and a higher percentage for Teton County. Brown inquired why the line item "Payroll" was showing an increase around 16% when the merit increase was slated for 8%. Anderson broke out that additional personnel, shift dependance wages and insurance for instance were covered within that line item. Elwood stated there is a bill before the Governor which could lead to a sizable increase in insurance, and we are covering that

increase if it passes. Liebzeit gave direction to Anderson to refine numbers using the 8% increase in merit pool after discussing with other members of the Board. He thanked Anderson and staff for the meetings and stated the vote for the 2023-24 Budget will be done with knowledge because of the extra work.

III. GENERAL AVIATION COMMITTEE UPDATE: Mahoney gave an overview of past projects and introduced the team that worked on those projects and are working on the General Aviation/Administration Facilities. He shared that they wanted to give a status update on the progress of the design of the facility. Mahoney shared groundwork has begun on Hanger 3 and the foundation will be in place soon. He stated that the proposed next phase would be Hangars 5a and 5b and the final phase would be Hanger 4/FBO Terminal/Administration. He shared that once the design is complete the plans can be shelved until the Board is prepared to move forward. He added that there could be extra costs associated with each project the longer it is put on hold.

Brown asked for further clarification on the sequencing. Elwood stated that Hanger 3 began first to replace previously demolished T-hangers. Brown asked if it was wise to delay the Terminal/Administration project that long. Elwood stated the sequencing was designed to allow for construction of hangers that would generate revenue first and be able to show said revenue for additional funding on the Terminal/Administration building.

Hulne gave an overview of the final construction plans of Hanger 3/GSE. He continued to share the design plans for Hanger 5a and 5b. Turley asked about the number of aircraft in each hanger along with estimated costs. Brown asked about the return on investment for construction and why hanger space is not rented higher to gain a return. Hulne stated there are additional factors with these hangars including the snow load, height restrictions and seismic engineering that increase the cost. Foster explained that hangar rent was not the primary revenue driver at the FBO, fuel sales were and all FBO revenues including fuel sales would cover the cost of hangar construction.

Brown asked about the electrical load in the buildings and if there were any redundancy plans if electricity becomes a problem. Havel stated there are large emergency generators with high enough capacity for backup use.

Hulne presented Hanger 4/Terminal/Administration design plans which he stated were at 90% completion. Brown stated the plans seem to be going in the direction of higher end and wanted to verify the level of the finishes. Hulne explained that the materials are the most durable options, and they are good quality for the use that is expected. Elwood stated the goal is for durability, to have the least amount of maintenance and the longest life expectancy with the materials. Mahoney echoed the plans shown are the scaled back version focused on durability.

Mahoney presented two options of construction timelines and the potential monetary ramifications of each. He shared that a year delay at the end of Hanger 3 construction would estimate a \$13,700,000 increase in costs. He stated there would be a start-up time of about five months for designs to come off the shelf, go through a review for any permitting changes and being able to start construction. He stated that he does not anticipate the cost of



construction to come down in the foreseeable future, and moving forward now quickly, without overloading the team is ideal.

IV. ADJOURN: Turley motioned to adjourn the special meeting at 1:35 PM. Wallace seconded the motion, which passed unanimously.

Ed Liebzeit, President

Melissa Turley, Secretary