

SPECIAL SUN VALLEY AIR SERVICE BOARD MEETING
SUN VALLEY CITY HALL
81 ELKHORN ROAD
SUN VALLEY, ID
December 3, 2014 - 2:00 P.M.

Members Present: Dewayne Briscoe – Mayor of Sun Valley
Nina Jonas – Mayor of Ketchum
Fritz Haemmerle – Mayor of Hailey

Members absent: Lawrence Schoen – Chair, Blaine County Commission

Staff present: Sun Valley City Administrator – Susan Robertson
Hailey City Administrator – Heather Dawson
Ketchum City Administrator – Suzanne Frick

CALL TO ORDER

The Sun Valley Air Service Board meeting was called to order at 2:03 p.m. in Sun Valley City Hall.

PLEDGE OF ALLEGIANCE

Lead by Hailey Mayor Fritz Haemmerle.

PUBLIC COMMENT

None.

REMARKS FROM THE CHAIR

Mayor Dewayne Briscoe mentioned that on a recent trip he was bussed from the Twin Falls airport to the Sun Valley airport and it went very smoothly.

REMARKS FROM THE BOARD

Mayor Nina Jonas remarked that she recently did some price shopping on a trip she was planning and found it was cheaper to fly from Sun Valley than from Boise.

CONSENT AGENDA

Mayor Nina Jonas moved to approve the September 25, 2014 Air Service Board Meeting minutes, seconded by Mayor Dewayne Briscoe. A roll call vote was taken. Mayor Fritz Haemmerle abstained because he did not attend the meeting. All in favor. Motion carried.

Mayor Fritz Haemmerle moved to receive and file the 1% Local Option Tax Reports for August 2014 and September 2014, seconded by Mayor Nina Jonas. A roll call vote was taken. Motion carried unanimously.

PRESENTATIONS

Fly Sun Valley Alliance, Semi-Annual Report and request for allocation of excess year-end LOT funds

Fly Sun Valley Alliance Executive Director Carol Waller presented the Fiscal Year 14 Results and a Fiscal Year 15 Winter Update. She noted that there were excess LOT funds and encouraged the Board to consider contributing those to the marketing fund.

Mayor Nina Jonas asked whether there were more seats flying into Sun Valley this year. Carol Waller replied that the seat capacity was up; although frequency dropped, the planes coming in had larger capacity than last year. She noted that there was an overall 26% increase in seat capacity for 2014.

Carol Waller stated that they have seen downward trend on fares, which resulted in a 20% average overall drop in fares for Sun Valley. She also reported that the overall economic impact on the County showed a \$44 million increase from 2013 to 2014.

Mayor Nina Jonas asked how the Fly Sun Valley Alliance arrived at its figure that over 12,000 new people visited the Valley in FY 2014. Carol Waller explained that these figures came from the new visitor survey that they conducted on the ground in the airport. She reported they collected over 1,000 surveys and the direct spending impact of these new visitors was estimated to be \$16 million.

Mayor Fritz Haemmerle asked about the work being done to encourage local residents to take outbound flights from Sun Valley. Carol Waller replied that the focus of the Fly Sun Valley Alliance is on these passengers, while the Sun Valley Marketing Alliance focuses on bringing people to Sun Valley.

Mayor Fritz Haemmerle asked whether people from the Magic Valley were coming to fly out of Sun Valley more frequently. Carol Waller mentioned that the airport conducted a leakage study that showed that there were more local people moving through the airport.

Mayor Dewayne Briscoe asked about how far in advance the airlines make their decision to divert flights to Twin Falls. Carol Waller explained that they generally try to make those decisions at least four hours in advance. She noted that the airport was working with FAA to decrease the number of diversions.

Mayor Dewayne Briscoe mentioned that he thought the desk agents in the Salt Lake City airport could be more positive about rerouting decisions and suggested that be a training emphasis for the airlines.

Sun Valley Marketing Alliance, Semi-Annual Report and request for allocation of excess year-end LOT funds

Sun Valley Marketing Alliance President Arlene Shieven gave a presentation on the Alliance's Summer 2014 results. She stated the Alliance spent just under \$450,000 for its summer campaign, targeting the flight markets (Denver, San Francisco, Salt Lake City, Seattle and Los Angeles) and New York. She noted that there were increases in room nights sold in every month of the summer, except September, compared to 2013.

Arlene Shieven presented an overview of the Alliance's Winter marketing campaign trends and strategies.

Mayor Nina Jonas asked about the Alliance's "Seek ____" campaign and whether they were considering changing it. Arlene Shieven stated that the Alliance first started using the campaign during the 2014 summer, so it was the first time it was used in the winter. She commented that it was a flexible campaign that was customizable to different markets.

Mayor Fritz Haemmerle asked about whether filling airline seats to full capacity will lead to more flights to Sun Valley. Carol Waller responded that when seats are filled, the airlines are more motivated to provide additional flights. She noted that because they added two new flights in FY 2014, the focus of FY 2015 would be to increase seat utilization. Mayor Fritz Haemmerle asked whether there would be a focus on getting people from the Magic Valley to fly out of Sun Valley to help reach that goal. Carol Waller responded that

the focus of Fly Sun Valley's work is to increase local use of the Sun Valley airport.

Eric Seder from Fly Sun Valley noted that the enplanement issue is a complex subject, but the basic goal is to get more people to visit Sun Valley. He explained that increasing enplanements from local residents does not bring the same financial benefit to the area as an increase in visitors does.

Mayor Dewayne Briscoe asked a question about the Ski Magazine polls, in which Sun Valley was ranked third. Arlene Shieven responded that she has not yet analyzed the results.

ACTION/DISCUSSION

Discussion and review of 1% Local Option Tax Actual Expenditures Report – January – September 2014

City Administrator Susan Robertson discussed the expenditures report. She stated that there was approximately \$27,000 beyond the projected LOT and explained that amount can either stay in the fund balance or be allocated for services. She noted that Fly Sun Valley Alliance and Sun Valley Marketing Alliance recommend it be allocated for marketing. She stated if that was the action taken, the Board should consider authorizing an addendum to the existing contracts to account for additional services.

Mayor Fritz Haemmerle asked whether the \$27,000 was an amount beyond the budgeted \$54,175 reserve. Susan Robertson stated that it was and that this year there was a lower reserve budgeted.

City Administrator Heather Dawson asked why there was a reduced reserve budget this year. Susan Robertson responded that the Board didn't think it was necessary to keep a legal reserve going forward but still wanted to keep some fund balance.

Discussion and possible action regarding requests for allocation of excess year-end LOT funds

Mayor Fritz Haemmerle asked which organization would receive the funding if it were distributed for marketing purposes. Carol Waller, of the Fly Sun Valley Alliance, stated that all funds would go to the Sun Valley Marketing Alliance. Mayor Haemmerle stated that he would support that; Mayors Nina Jonas and Dewayne Briscoe agreed.

Mayor Fritz Haemmerle moved to direct staff to prepare the necessary information and contracts to allocate the excess year-end LOT funds for marketing purposes, seconded by Mayor Nina Jonas. Motion carried unanimously.

Authorization of Payment of Bills on-hand through November 24, 2014

Mayor Fritz Haemmerle moved to pay invoices as indicated on page 9 of the meeting packet, seconded by Mayor Nina Jonas. Motion carried unanimously.

Discussion and action regarding Resolution 2014-05 setting the Air Service Board Meeting Dates For 2015

Mayor Fritz Haemmerle moved to authorize the Chairman to sign Resolution 2014-05 setting the Air Service Board Meeting Dates for 2015, seconded by Mayor Nina Jonas. Motion carried unanimously.

Review and direction regarding rotation of Sun Valley Air Service Board officers

Mayor Fritz Haemmerle stated that the City of Hailey does not have the capacity to take on certain tasks, such as maintaining the financials for the Air Service Board. He suggested that the Treasurer and Chair duties rotate between Ketchum and Sun Valley.

Mayor Dewayne Briscoe commented that when the Board was created they had agreed that they wanted all members to take part in all roles.

Mayor Nina Jonas asked why Hailey did not want to take on these duties. Mayor Fritz Haemmerle responded that both Hailey's staff and tax base is smaller and other cities had more capacity to take on these roles.

Mayor Nina Jonas stated she wanted to hear from staff about their opinions and noted that there may be some benefit from consistency in the different roles. City Administrator Susan Robertson noted that while it does add a certain amount of work, staff also gets used to the routine of doing it. City Administrator Heather Dawes noted that this was a resource issue for Hailey, especially as it pertains to the accounting duties.

City Administrator Suzanne Frick noted that another option was to alter or rotate who is the Chair and Treasurer without changing staffing duties. Mayor Fritz Haemmerle stated he would be happy with that arrangement. Mayor Nina Jonas noted that while that made the most sense in terms of efficiency, all cities were obliged to create the resources to conduct the duties when they joined the Board.

City Administrator Susan Robertson noted there is nothing in bylaws that requires the staff duties to move with the Board titles.

Mayor Fritz Haemmerle moved to defer action on the rotation of officers until the January 29, 2015 meeting, seconded by Mayor Nina Jonas. Motion carried unanimously.

EXECUTIVE SESSION

None called.

Mayor Nina Jonas moved to adjourn; seconded by Mayor Fritz Haemmerle. Motion carried unanimously.

Meeting adjourned at 3:11 pm.



Dewayne Briscoe, Chair

ATTEST:



Nina Jonas, Secretary/Treasurer