

**Sun Valley Air Service Board
Meeting Minutes
February 1, 2017
Hailey City Hall Meeting Room 2 pm**

Present: Peter Hendricks – Mayor, City of Sun Valley
Fritz Haemmerle – Mayor, City of Hailey
Nina Jonas – Mayor, City of Ketchum

Absent: Larry Schoen – Blaine County Commissioner

Staff Present: Ketchum – Suzanne Frick
Sun Valley – Susan Robertson

CALL TO ORDER

2:01:30 PM Call to Order by Fritz Haemmerle

ROLL CALL

Hendricks, Jonas, Haemmerle.

ELECTION OF OFFICERS

2:02:17 PM Hendricks moves to keep current officers, Haemmerle as Chair, Hendricks as Vice-Chair, and Jonas as Secretary / Treasurer, motion seconded by Jonas, motion passed unanimously.

PUBLIC COMMENTS

No public Comments.

REMARKS FROM CHAIR

None.

REMARKS FROM BOARD

Jonas asked Carol Waller if we would be discussing the ballot initiative. Waller confirmed we could discuss it. Haemmerle suggested now. Waller announced that she will be going to Hailey and Ketchum next week and Sun Valley in March to meet with them on the proposal to extend the 1% LOT for air by having an election in each municipality to extend the time. It would basically be the same ballot, extending the timeframe another 5 years, in a May 2017 special election.

Discussion ensued about LOT and the possible May election.

Question about expanding to a state wide LOT broader taxing.

CONSENT AGENDA

2:06:00 PM Motion to approve Consent Agenda items, made by Hendricks, Jonas seconds, motion passed with roll call vote. Hendricks, yes. Jonas, yes. Haemmerle, yes.

PRESENTATIONS

2:07:04 PM Dennis Brown CPA, presented the FY16 audited financial statement. Brown explained the unique situation of the Air Service Board having the task to waiting on the municipalities to collect and then remit the tax the monthly after collection, creating a 60 day lag in revenue receipts. The Air Services Board does not have large expenses, has 2 contracts with outside agencies, and minor other services, leaving a net position in the fund balance of \$446,347 to carry over to the next year. Brown asked if anyone had any questions.

No questions from the Board members.

2:10:36 PM Susan Robertson announced there is less of a fund balance than anticipated due to a duplication of revenue accounting. Robertson met with both Fly Sun Valley Alliance and the Sun Valley Marketing Alliance to let them know about the shortfall and that there is a good chance that the revenue will be higher than budgeted as we saw with the last fiscal year. At this time though, we cannot pay the entire balance to both of these agencies and keep the fund balance where we need it to stay. The solution was that both of these agencies billed only partial amounts for now. Jonas asked what the fund balance would be after paying the recent invoices. 2:12:03 PM Discussion ensued about the fund balance.

Fly Sun Valley Alliance Semi-Annual Report

2:17:44 PM Presentation of the Fly Sun Valley Alliance Semi-Annual report given by Carol Waller. Waller reviews the results and successes from 2014-2016 including: new airline, United; 3 new flights, Denver, Portland and San Francisco. This translates to 40,000 new air-travel visitors spending \$55 million here. Waller then explained the 2016 economic impact and breakdown by category, visitors, and part-time residents. Approximately 80% are visitors and part-time residents and 20% are full-time residents.

2:25:16 PM Jonas asks a question on the surveys. Waller responded that a total of 1625 surveys were conducted throughout the year, except for the months of May and November where those travelers are primarily local residents.

2:26:16 PM Waller then covered the Importance and Evaluation parts of the surveys. 72% of Visitors and Part-time residents said that availability of the flights was very

important in their decision to visit with top factors being convenience and price. All passengers indicated increased frequency to SUN over the past year and the Net Promoter Score (NPS) improved from 61% to 68% over the past year – “How likely one is to recommend visiting to Sun Valley to friends and family.”

How to Improve the SUN experience was covered by Waller, survey suggestions include; more food options at terminal, reduced delays/cancellations, lower fares faster check-in and baggage claim. 2:28:01 PM Jonas asked if there were any stats on other airports and their flight cancellation rate compared to ours. Waller responded that most areas don't have busing like we do. Waller said Aspen buses occasionally but not like we do.

Waller then reviewed the Direct Spend economic impact of these visitors from the annual survey.

2:29:48 PM Haemmerle asked what is a good NPS score? Waller responded that Sun Valley's score is around 80, this should be the goal.

Waller then talked about the economic impact to the spending to the new travelers to the valley from 2014 through 2016.

2:31:27 PM Waller then presented the FY17 Strategic Goals which include retaining contracted nonstop flights to 5 cities, expand service schedules and frequency, increase non-peak months service, increase load factors, reduce leakage to Boise and pursue new nonstop flight markets for FY18.

Discussion ensued about the diversion rate of Alaska Airlines with the other airlines. Alaska has new technology and has been able to land with the new standards and equipment. Waller responded that we should have more information on that in the future.

2:34:55 PM Hendricks asks if we are looking at the load factors for the 5 direct flight cities to determine whether or not we should assess and continue them? Waller responded.

Discussion ensued about general market loads of the flights to nonstop cities.

2:40:39 PM Waller then reviewed the FY17 winter update, there have been 20% more seats added for this winter for Delta, to Denver and Seattle. There are new flights to Portland (Alaska Airlines) and to Seattle (Delta Airlines). From Dec to March 2016 saw a 12% increase in 3rd flight days SUN-SLC – during the non-contract service time.

2:42:38 PM Waller discussed that they are finalizing the summer and fall schedule service plans and continue to strategize expansion of service.

2:43:21 PM Haemmerle asks a question, do we ask them what they like to do when visiting? Waller responds, shorter survey now, don't get that detail.

NEW BUSINESS:

2:45:02 PM Receive and file Allocation of Voting Rights Report for 2017.

2:46:53 PM **Jonas moves to accept and receive the allocation of voting rights for 2017, seconded by Hendricks. Motion passed with roll call vote. Hendricks, yes. Jonas, yes. Haemmerle, yes.**

2:47:30 PM Payment of bills on hand

2:48:08 PM **Motion to approve bills on hand through January 27, 2017, made by Jonas, Hendricks seconds, motion passed unanimously.**

2:49:05 PM **Hendricks makes a motion to adjourn meeting, seconded by Jonas. Motion passed unanimously.**



Fritz Haemmerle, Chairman

ATTEST:



Nina Jonas, Secretary/Treasurer