

**Sun Valley Air Service Board
Meeting Minutes
January 30, 2019
Hailey City Hall Meeting Room 2 pm**

Present: Fritz Haemmerle – Mayor, City of Hailey
Neil Bradshaw – Mayor, City of Ketchum
Jacob Greenberg – Blaine County Commissioner

Absent: Peter Hendricks – Mayor, City of Sun Valley

Staff Present: Sun Valley – Susan Robertson
Hailey – Heather Dawson

CALL TO ORDER

2:04:05 PM call to order by Mayor Haemmerle

ROLL CALL

2:04:22 PM Jacob Greenberg present. Neil Bradshaw present. Fritz Haemmerle present.

ELECTION OF CHAIR:

Election of officers.

2:05:07 PM Haemmerle makes a suggestion on the seats, nominate Ketchum as Secretary/Treasurer, Peter Hendricks as Chair, and Fritz Haemmerle as Vice-Chair.

2:05:33 PM **Bradshaw moves to appoint Peter Hendricks as Chair, Fritz Haemmerle as Vice-Chair and Neil Bradshaw as Secretary/Treasurer, seconded by Haemmerle, motion passed with roll call vote, Bradshaw, yes. Haemmerle, yes.**

PUBLIC COMMENTS

No public Comments.

REMARKS FROM CHAIR

Haemmerle recently flew in bad weather conditions and had no delays or missed flights, not diverted – a very good experience.

REMARKS FROM BOARD

2:06:54 PM Bradshaw commented on the Eccles ranch deal that is coming together and almost complete. Haemmerle replied that the purchase and sell agreement has been signed.

2:07:15 PM Greenberg, what really makes this work is being able to remove the trees and prior to that you must complete the EA (Environmental Assessment), and the workers responsible for this have been furloughed, are now back at work and the EA is close to being approved. Once approved can remove the trees in the spring. We can cut trees sooner but risk kill the trees with trimming them prior to spring.

Greenberg added that he is honored to be here, he volunteered to be here representing the county as non-voter and part owner of airport. Appreciate being here.

CONSENT AGENDA:

2:09:20 PM **Bradshaw moved to approve all consent agenda items, seconded by Haemmerle, motion passed unanimously.**

PRESENTATIONS:

3. 2:09:48 PM Dennis Brown, a CPA with Workman and Company presents the audited financial statement. There is about a \$390,000 carryover balance, it is helpful for timing of payments since the revenue is delayed in getting to them from the cities. This year Brown has drilled down into the 2 agencies that this board has contracts with, Sun Valley Marketing Alliance and Visit Sun Valley (VSV). They are not quite finished with this report, they both have good books. Brown will give this board the report within the next few weeks. Haemmerle does not have questions but asked if Brown sees anything in his audit, to report back to this board that information. Brown replies that he will give reports to both agencies and this board.

4. 2:13:09 PM Semiannual report by Carol Waller with Fly Sun Valley Alliance (FSVA). Waller gives last 5 years results. 2013/14 – 2018, 3 new non-stop flights added. Growth in air passengers, all trends are up. LOT sales tax growth tracks air service and passenger growth, 68% growth in general city LOT revenues over past 5 years, tracks with 66% growth in air seats 86% growth in enplanements. 2018 summer/fall – 6% increase in enplanements. Air passenger survey results from 2017-18 summer, collected 1936 surveys, passenger mix has not really changed, 76% are part-time resident/visitors., steady growth in the past 5 years, in first time visitors. Our first-time visitors are primarily from west coast states. We have seen a 60% growth in first-time visitors, in the past 5 years. Comparisons, with us and other rocky mtn resort airports - we have fewer visitors that stay in paid lodging.

2:21:31 PM Haemmerle asked Waller why 46% stay in rental lodging here as opposed to 76% stay in lodging in other resort towns? Waller responds, our visitors are staying with friends and family or other managed lodging.

Waller discusses Strategic goals, which includes, retain/support contract nonstop flights, and work with airlines to optimize schedules for all flights.

Strategic planning framework 2:23:17 PM in Nov 2018 we had joint board meeting FSVA & VSV Executive boards and staff, they discussed key strategic alignment and

increased collaboration. Joint FSVA & VSV board session (Dec), this board has gotten an overview of history & results of air service and marketing program, including an overview of current analysis work by Dave Madaras with Couloir Consulting.

Waller goes on to discuss FY19 winter update 2:26:05 PM we added a 3rd daily flight from SLC for winter. Finalizing schedule for summer/fall service, it will be announced in Feb. 2019. Waller concludes by stating that this partnership is working, thank you.

2:27:41 PM Haemmerle, definition of resident, are we picking up neighboring county residents? Waller replies, will look into this, she thinks she has this information.

2:29:45 PM Fortner comments. Haemmerle, asked, do we market to Twin Falls? Fortner, no we do not. Waller adds, they have advertised in the past and the response from Twin Falls was not large.

2:31:04 PM Greenberg, the more first-time visitors we can get will broaden our base and will keep visitors coming if there is another down turn.

2:33:30 PM Bradshaw thanks Waller for increasing the collaboration with VSV, that is starting to happen, joint thought / decisions. Would like to see in time, could be 1 organization with 2 working groups. Allocation process is better and can be improved, likes direction you are moving on this. loves the 5-year strategic plan.

2:36:09 PM Scott Fortner, started out Alaska airlines promotional video with Limelight hotel, marketing. Social media posts, delta posted our photos. VSV has done their own social media posts. In Dec 2018, noticed a downside for bookings for Jan-March, put together flights and free nights, booking through non-stop cities, \$200 credit on flight, leveraged with ski.com, went to 200,000 of their database, began Jan 10,2019, to try to turn around reservations. Have not seen results yet. This is all new-found customers, will run through first part of February and then push out ourselves in social media marketing venues. Facebook page about flights, over 200 people commented on a Facebook post, I love it to I will never come again. One post, a person visited by train. Up to us to change that perception. One of most popular post we have.2:44:54 PM interesting to see the passionate responses of how their experiences have really made an impact.

2:45:36 PM Greenberg comments on bussing. The FMAA Board has approved funding and is working with a firm on a new approach. Once they have an approach they will try to get airline buy-in. The Board is investing money in this idea. Greenberg then discusses the feasibility study to develop a pilot approach for Delta/Skywest and United similar to what Alaska has done.

2:47:54 PM Fortner comments on the bussing process and the importance of educating the hotels so they can communicate with their travelers. And prior to travel day send a pre-travel message to educate them on potential diversions, VSV continues to work on this process.

Fortner, we keep working on their website, travel, showing flights in our area. For people that are aware of sun valley (vs. non sun valley), they are not interested in this website. Those who've never visited are very familiar with this website. Our advertising seems to be working, but the conversion is not happening as often as we'd like it to. Snapshot of data. 585 travelers x \$350 avg. cost of flight - \$204,557. 2515 room nights x \$250/avg. - \$628,750 x .03%-4% = \$25K in LOT from lodging – does not include restaurant/retail spend.

Bradshaw, comments this information is really great.

2:54:29 PM Fortner would like to expand the tracking to Twin Falls / Boise, starting to get a little bit of a sense of this data. Opportunities for improvement, conversation –path to purchase, diversions, lack of air service knowledge info. And other impacts.

2:56:02 PM Greenberg asked a question on the data shown December tracked, Boise 425, Hailey 73, Twin Falls, 2; these are where people ended of flying to, in December? Fortner responded yes. Fortner, not sure of the reasons for the data, maybe it is just expensive to fly into Sun Valley.

2:58:12 PM Bradshaw asked about marketing to other areas, did we ever ask an attorney this? Fortner responds, we cannot take marketing regionally. An example is we can promote flights from John Wayne airport into Boise or other markets that we feel have opportunity. But we can't market in Boise, by saying "come for the weekend to Sun Valley." We cannot use 1% LOT unless it is air service related.

3:00:29 PM Greenberg, responsibility is to market flights so that people end up here, not advertising in Boise. Fortner replied, doesn't always have to be ticket prices, broader marketing is okay.

3:02:12 PM Bradshaw, we would rather have a larger toolbox for opportunity.

3:03:06 PM Great presentations announced Haemmerle; he has watched this airport turn into a very legitimate airport. And it is working quite well. Direct flights have been quite full.

EXECUTIVE SESSION:

No exec session today.

NEW BUSINESS/REPORTS:

6 receive / file allocation of voting rights for 2019. 3:04:59 PM **Bradshaw moves to approve voting rights as presented, Haemmerle seconds, motion passed with roll call vote. Bradshaw, yes. Haemmerle, yes.**

7. want a full board for this. 3:05:29 PM Susan Robertson, this needs to be done by July, so however long, it needs to be complete by then. Haemmerle asks for staff to bring back in time for board to approve.

8. bills on hands pg 32, 3:06:41 PM **Bradshaw moves to approve bills on hand, seconded by Haemmerle, motion passed with roll call vote. Bradshaw, yes. Haemmerle, yes.**

9. 3:07:15 PM March 27 meeting date during spring break, meet a week earlier? Bradshaw is going to be gone the week of spring break. Robertson suggested the march meeting moved April 3rd in Sun Valley at 2 pm. 3:08:33 PM **Bradshaw moves to change the March 27th meeting to April 3rd in Sun Valley City Hall at 2 pm, seconded by Haemmerle, motion passed with roll call vote. Bradshaw, yes. Haemmerle, yes.**

3:08:53 PM **Bradshaw moves to adjourn meeting, seconded by Haemmerle, motion passed.**



Fritz Haemmerle, Chairman

ATTEST:



Neil Bradshaw, Secretary/Treasurer