

SALT LAKE CITY DEPARTMENT OF AIRPORTS MINUTES OF ADVISORY BOARD MEETING

23 March 2016

Members Present: Mickey Gallivan - Chair
Christine Botosan
Senator Karen Mayne
Larry Pinnock

Conference Call: JT Martin

Excused: Robert Bergman
Igor Best-Devereux
Natalie Gochnour

Mayor's Office: Mayor Jacqueline M. Biskupski

City Council Office: James Rogers

Department of Airports: Maureen Riley, Executive Director
John Buckner, Director of Administration & Commercial Services
LuJean Christensen, Management Support Coordinator
Eddie Clayson, Director of Maintenance
Pete Higgins, Director of Operations
Marco Kunz, Attorney
Allen McCandless, Director of Planning
Kevin Robins, Director of Engineering
Dave Teggin, Operations Manager
Ryan Tesch, Director of Finance
Nancy Volmer, Director of Public Relations
Mike Williams, TRP Program Director

Chair Mickey Gallivan called the meeting to order at 8:01 a.m. and notified the Board that JT Martin would be attending the meeting via conference call. Gallivan stated that the proposed FY2017 Budget would require approval, which needed a quorum for a vote.

AGENDA

A. Minutes

The motion was made by Larry Pinnock and seconded by JT Martin to approve the minutes of February 17, 2016 as modified. All votes were affirmative; motion passed.

B. Director's Report

Maureen Riley, Executive Director, updated the Airport Advisory Board regarding current events.

- Riley updated the Board on the effect the Transportation Network Companies (TNCs) have had on ground transportation fares. Salt Lake City created two zones. The first zone, from the airport to downtown, had the maximum base fare set at not to exceed \$25. The second zone, which was east of 500 East, had the maximum base fare set at not to exceed \$30. The data collection process revealed that the average fare for all ground transportation providers for the period from September to February dropped. The overall fare from the Airport to the City in September averaged \$25.64. The overall fare from the Airport to the City in February averaged \$20.66. The average fares from the City to the Airport have gone from \$22.57, in September, to \$20.86, in February. The data for Uber show the average fare in October from the Airport to the City was \$17.15 and dropped to \$12.14 in February.
- Riley reported that during the ski season, the check points have seen growing congestion. Expectations are the check points will continue being busy during the summer months. During the peak periods queue lines have extended out the door. The Public Relations Department will be working diligently to get the word out to arrive early to allow enough time to process through the checkpoints. The Airport is about to enter into a solicitation process to acquire queuing software that will notify passengers on the current wait times in the checkpoint lines. The software will have a link to the Airports website and digital displays located at the checkpoints.
- Riley updated the Board on the budget calendar. The budget will be presented to the Board today, where the Board will vote on whether to recommend it to the Mayor. The next budget presentation would be to the airlines scheduled for tomorrow. The following week the budget will be presented to the Mayor for review. The budget will be presented to the City council on April 12th. City Council approves all the City budgets at once and that is usually the end of June.

Pinnock wondered if the traditional cab companies were adapting to the changes in ground transportation. Riley stated that if you look in our taxi queue, it used to be filled with the traditional taxi cabs, but now the nontraditional taxis are increasing.

Discussion ensued on the evolutionary change in the ground transportation industry to the industry and drivers and how they are adapting.

Gallivan welcomed Mayor Biskupski, Senator Karen Mayne and David Litvack. Mayor Biskupski introduced David Litvack, Deputy Chief of Staff, stating that he is over policy. Patrick Leary, Chief of Staff, is over operations for the City.

C. Airport Budget for FY2017

Ryan Tesch, Finance Director, gave a presentation on proposed FY2017 Budget to the Board (presentation and budget proposal on file). Main points included were:

- Budget goals and objectives

- Operating statement forecast
- Operating revenues
- Comparison of airline revenues
- Airport use agreement
- Concession revenues
- Operating expenses including salaries and benefits
- Capital equipment budget requests
- CIP program and new projects
- Terminal Redevelopment Program budget

Pinnock inquired what increased the operating expenses in 2017, and if that related to the construction process. Tesch answered that the increase in passenger growth and the transition during the construction process impacted the increase in operating expenses.

Christine Botosan questioned the increase in the operating statement forecast for FY2016 on the PFCs for equipment. Tesch replied that the Airport applies and submits a PFC application on selected equipment that is eligible for PFC reimbursement. It is very fluid from year to year depending on the equipment need.

Botosan requested an explanation on why the number of enplaned passengers is declining. Tesch replied that the forecast number is an estimate we receive directly from airlines and is based on their forecasts. Riley answered that we rely on their estimate of passengers and will not adjust that estimate because it affects the rates that they have to pay.

Gallivan inquired if there was as a comparison between airports across the country and the CPE that could be provided. Riley stated that it was not provided as part of this presentation but can be compiled and shared with the Board. A few examples are Denver is currently in the \$12 range, Sacramento is in the \$17 range and Miami is forecast to be in the \$35 range. Salt Lake City is considered very affordable.

Pinnock wondered if there are plans for a concierge section in the new parking structure. Riley stated that the Airport is currently working on the designs for the parking garage. Currently, the design has a premium parking area, spaces for electrically charged vehicles and spaces for alternative fueled vehicles.

Botosan inquired about the eleven unfilled staff positions and the impact those unfilled positions have on the existing employees. Riley answered that eleven unfilled positions is a normal vacancy rate for the number of employees we have. The unfilled positions consist of vacancies in the Control Center, Engineering, Finance and positions that have become open through retirements and natural attrition.

Mayne questioned if we use the State standard for procurement. Tesch stated we follow State and City procurement rules.

Pinnock inquired if a decision had been made on the possibility of the North Concourse being built. Riley stated the decision may be made soon. The Airport would need airline approval for the North Concourse project.

The motion was made by Christine Botosan and seconded by Larry Pinnock to approve the budget as presented, and approved the budget be forwarded to the Mayor for her subsequent approval. All votes were affirmative; motion carried.

D. Terminal Redevelopment Program Update

Mike Williams, Terminal Redevelopment Program (TRP) Director, presented an update on the TRP (presentation on file). Main points included were:

- Rental car companies completed a phased move-in during the month of February and facilities are in full operation. Existing rental car facilities are vacated and pre-demolition activities are underway.
- Fence and barrier installation were started to capture airside and landside work areas for parking deck ramp and canopy area demolition.
- Fence and barrier installation are underway to capture the airside area for the south concourse west.
- The Concourse E Holdroom partial demolition will begin in April.
- Critical fuel line tie-in work at Gate D2 is underway and scheduled to be completed March 25.
- Park and Wait lot work is underway.

James Rogers inquired on how large the parking deck would be upon completion. Williams responded that the parking deck would have 3,600 parking spaces and the current parking deck has 1,800.

Gallivan wondered when construction on the new parking structure would start. Williams answered that the construction will begin in early 2017.

E. Unmanned Aircraft System Update

Dave Teggins, Operations Manager, presented an update on unmanned aircraft systems (drones) to Board members (presentation on file).

The presentation covered:

- Difference between unmanned aircraft systems (UAS) and drones.
- Certification of authority (COA)
- UAS operating categories
- Airport areas of responsibility
- Airport response
- Legislation regarding UAS and drones.

Riley stated that there was an incident in the trade news yesterday of a drone coming within 200 feet of an aircraft at LAX and asked if Teggins had more information to share. Teggins stated it

was an A380 on approach and the drone came within 200 feet. The crew did notice it and did have to take evasive maneuvers to avoid it.

Botosan inquired if studies had been done to determine the type of damage that would happen to an airplane when struck by a drone. Teggin stated that studies are underway and the manufacturers are completing their own destructive testing. Riley mentioned that from the aviation perspective the main concern is if a drone impacts an engine.

The next Board meeting will be held the 27 April 2016.

Mickey Gallivan adjourned the meeting at 9:16 a.m.

Igor Best-Devereux, Chair

Date

Jacqueline M. Biskupski, Mayor

Date