



REDMOND AIRPORT COMMITTEE MINUTES

Thursday, May 14, 2015

Airport Event Conference Room, 2522 SE Jesse Butler Circle, Suite 17, Redmond, Oregon

Committee Members Present: Chair Marc Henegar (via phone), Vice-Chair Eric Sande, Ross Centers, David Foote, Sean Neary (absent: *Rob Berg, Kelly Coffelt, Doug Knight, Tim Moor*)

Youth Ex Officio: *Frank Reed* (absent)

City Staff: Jeffrey Tripp, *Airport Director*; Nettice Honn, *Executive Assistant*; Felila Narotski, *Airport Business Coordinator*; Keith Witcosky, *City Manager*; Cameron Prow, *TYPE-Write II*

Visitors: Jay Patrick, *Council Liaison*; Joe Roshak, *Century West Engineering*; Jon Faucher and Trina Froehlich, *Mead & Hunt* (via phone); Roger Lee, Executive Director, *Economic Development for Central Oregon (EDCO)*; Jon Stark, Manager, *Redmond Economic Development, Inc. (REDI)*; Don Lee, *NW Commercial*; Stan Clark, Garry Finley, Andy Herman

Media: None

(scribe CP's note: The minutes were created from an audio recording and notes taken at the meeting. The three digits after a motion title show the number of committee members voting in favor/opposed/abstaining.)

I. CALL TO ORDER

Vice-Chair Sande called the meeting to order at 5:35 p.m.

Ms. Prow called the roll and confirmed that a quorum of members (4 of 9) was not present.

II. ANNOUNCEMENTS

None.

III. COMMENTS FROM CITIZENS

Mr. Lee recommended communicating with businesses about how the Airport is working to ensure their economic viability.

V. CONSENT AGENDA

None.

VI. OLD BUSINESS

None.

VII. NEW BUSINESS

A. Development of FY 2015-2016 Work Plan

Mr. Tripp said he will present a draft work plan for committee feedback at the next meeting.

Mr. Henegar joined the meeting via telephone at 5:38 p.m., establishing a quorum.

VIII. COMMITTEE REPORTS

A. Rules and Regulations

Members: Kelly Coffelt, Sean Neary, Eric Sande, Stan Clark

Vice-Chair Sande reported meeting with Mr. Neary to review the rules/regulations and that Mr. Coffelt had also read them. The subcommittee will meet one more time.

B. Airport Lease Policy

Members: Marc Henegar, Doug Knight, Stan Clark, Don Lee

Mr. Clark said this subcommittee has not yet met.

IV. APPROVAL OF MINUTES

Motion 1 (5/0/0): Mr. Foote moved to approve the minutes of March 12 and April 16, 2015, as presented. Mr. Centers seconded the motion which passed unanimously.

IX. AIRPORT STAFF BRIEFINGS, REPORTS, and PRESENTATIONS

A. Airport Director's Report

Mr. Tripp presented the Airport Director's Report dated May 14, 2015, and provided additional details in response to committee interest. He introduced Ms. Narotski.

- 1. Airport Operations Performance Metrics:** Mr. Tripp presented the Airport Performance Metrics Report for March 2015 and reviewed key air service, revenue, and performance metrics. The number of passengers increased by 1,402 (6.7%) between March 2014 and March 2015 and is continuing to trend upward this year. The slight downturn in December 2014 was probably due to weather. Enplanements for 2014-2015 total 223,514; the FAA (Federal Aviation Administration) uses this number to calculate funding. Deplanements for 2014-2015 totaled 218,928. Total passengers for the year were at 442,442. In March 2015, Revenue per Enplanement was \$18.27 (goal: above \$15.00; the higher, the better), Airline Cost per Enplanement was \$6.10 (goal: under \$6.00, benchmark \$6.24; the lower, the better), and Operating Efficiency was \$15.63 (goal: under \$15.00; the lower, the better). The financials for this fiscal year are looking very positive. The Passenger Facility Charge (PFC), used for Airline Terminal Construction debt service, has generated nearly 25% more than it did in 2013-2014. More people are using the restaurant and gift shop numbers are strong each month. Forest Service leases are still trending upward. Overall, as of March 2015, Total Revenue was up 14.8% and Total Operating Cost increased 6.7%. Staff is researching why Cargo Shipped (pounds) has dropped to a rate lower than 2011-2012. Staff continues to analyze the numbers to determine what more can be done to help the Airport meet its goals.

Committee comments included difference between enplanements and deplanement numbers, when PFCs are charged, how landing fees are set, if concession operations are sustainable over the long term.

Ms. Narotski explained how the PFC and concession rents are calculated.

- 2. Air Service Initiatives & Updates:** Central Oregon Air Service Taskforce (COAST) will update City Council on May 26 about its efforts to improve air service options.

Mr. Tripp summarized capacity increases. On June 4, 2015, SkyWest will add a 3rd daily flight to San Francisco (round trip), making this the highest San Francisco capacity that the Airport has experienced to date. Also on June 4, United Airlines will reinstate a 2nd daily Denver (round trip) seasonal flight that will end in August 2015.

On June 7, 2015, Alaska Airlines will add a 5th round trip for the summer and a 4th Seattle round trip which will be permanent for the foreseeable future. Alaska Airlines has increased its capacity in Redmond 30% since 2013 and 13% since 2014.

Mr. Tripp said he, Mr. Lee (EDCO), and Mr. Stark (REDI) will attend the Airports Council International – North America JumpStart program in Seattle on June 1-3, 2015. As part of "Speed Dating for Airports and Airlines," they are scheduled to meet with American, Allegiant, Alaska, and United. Since the airlines choose who they want to meet with, this level of interest speaks well of the work done by COAST to make Redmond an attractive market.

3. **Runway 4-22 Project:** The first meeting of the Airport Task Force (including Chair Henegar and Vice-Chair Sande) will be on May 18, 2015. Council formed this task force to assist the Airport with transportation alternatives in/out of the region during the temporary closure (May 2-22, 2016) and public outreach/communications. Staff are continuing to provide project updates to stakeholders. Senator Wyden's office called this afternoon to report the Airport received a \$3.97 million discretionary grant from the FAA (Federal Aviation Administration). He is expecting to receive an additional grant to fund the rest of this project.
4. **Engineering Services RFQ:** On May 11, the Airport issued a Request for Qualifications for engineering design and construction oversight of Airport capital projects. The three-year term of service will cover 2015-2016 through 2017-2018 with two one-year extensions possible. A five-person selection committee (Airport Projects Coordinator, City Engineer, Airport Director, two Airport Committee representatives) will review the proposals.

The Airport Master Plan Update will be completed under a separate RFQ process. Development, advertisement, and selection of a qualified consultant will occur in late winter/early spring 2016 due to FAA funding constraints.

5. **Rental Car Concession RFP:** The Airport is preparing to issue a five-year Request for Proposals for qualified firms to provide rental car services from the Airport terminal. Mr. Neary is assisting with review of the draft RFP due to his experience with the rental car industry. Mr. Tripp said he wanted to verify how consolidated facility charges are covered. Building up a fund will allow the Airport to construct a better rental car facility with a wash facility, gas pumps, and expanded parking. A five-person selection committee (Airport Director, Airport Projects Coordinator, Airport Business Coordinator, two Airport Committee representatives) will review the proposals.

Committee concerns included cost benefit analysis, potential revenue, and if rental car companies were paying their fair share of overflow parking costs and not passing all costs onto the customer.

6. **Air Service Consultant RFQ:** The Airport is preparing to issue a three-year RFQ for air service consultant assistance (2015-2016 through 2017-2018) to get someone on board by August 2015. A five-person selection committee (Airport Director, Airport Executive Assistant, two COAST representatives, one Airport Committee representative) will review the proposals.
7. **USFS – Central Oregon Interagency Dispatch Center:** The U.S. Forest Service issued a Request for Lease Proposals for an approximately 7,000-square-foot building on March 23, 2015. The COIDC intends to move from the Prineville Airport

to the Redmond Airport. The City provided an initial response, expressing its interest in providing a build-to-suit facility near the Redmond Air Center. The City has contracted with BBT Architects for help in submitting the Airport's proposal by June 23, 2015. The City hired BBT to help with this project several years ago prior to the project's being placed on hold.

B. COAST Presentation

Mr. Tripp summarized the background and purpose since COAST began in 1985. This year's Central Oregon Air Service Taskforce members include Central Oregon Visitors Association (Alana Hughson), City of Redmond, City of Bend, EDCO (Mr. Lee), REDI (Mr. Stark), Redmond Chamber of Commerce (Mr. Sande), Bend Chamber of Commerce (Tim Casey), Redmond Airport (Mr. Tripp and other staff), Mead & Hunt (Ms. Froehlich), and a citizen representative (Mike Boggs). Mr. Tripp also discussed air traffic and capacity trends, air service development efforts and results, continual steps taken to assure the flow of information, and inbound tourism marketing efforts.

Mr. Lee, Mr. Stark, Mr. Sande, and Ms. Froehlich contributed information from their respective areas of expertise.

Committee concerns included new service targets (Phoenix, Arizona; Minneapolis; Chicago), impact of losing LAX (Los Angeles), impact of airline competition, changing "Redmond Municipal Airport" to "Redmond Regional Airport" to better reflect the service area, Redmond Airport's competition being the entire country not other Central Oregon airports, and emphasizing Redmond Airport's new facilities.

Councilor Patrick stated that branding the Airport effectively is important to Council.

Mr. Foote recommended that the COAST team make the Council presentation.

X. COMMITTEE MEMBER COMMENTS

Councilor Patrick said he was looking forward to the COAST presentation to Council.

Mr. Neary said COAST has done an amazing job and agreed with Chair Henegar's idea of rebranding the Airport as a regional asset.

Mr. Centers agreed with Chair Henegar's idea of dropping "Municipal" in connection with Redmond Airport. He reported attending the San Francisco conference last week and shared information about the potential increase in use of unmanned systems in Oregon.

Mr. Foote asked about the 2015-2016 budget and recommended the Airport begin working on a strategic (not tactical) plan starting in fall 2015. Mr. Tripp replied that the 2015-2016 budget was sent to all committee members weeks ago and a link was on the City webpage. He recommended involving the Airport Committee in preparing the 2016-2017 budget, starting in the fall of 2015.

XI. ADJOURN

The next meeting is scheduled for 5:30 p.m. on Thursday, June 11, 2015.

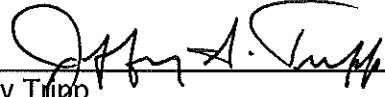
With no further business, Vice-Chair Sande adjourned the meeting at 6:57 p.m.

APPROVED by the Airport Commission and SIGNED by the Chair this 11 day of June, 2015.

ATTEST:



Eric Sande
Vice-Chair



Jeffrey Topp
Airport Director