

SALT LAKE CITY DEPARTMENT OF AIRPORTS
MINUTES OF ADVISORY BOARD MEETING

20 March 2013

Members Present: Natalie Gochnour (Vice-Chair)
 Igor Best-Devereux
 Mickey Gallivan
 David Ibarra
 Russ Pack
 Mike Zuhl

Excused: Wayne Holland

City Council: Carlton Christensen

Mayor's Office: David Everitt

Department of Airports: Maureen Riley, Executive Director
 Deborah Loertscher, Management Support Coord.

Vice-Chair Natalie Gochnour called the meeting to order at 8:00 a.m., explaining that Chair Wayne Holland would not be able to attend.

AGENDA

A. Minutes

The motion was made by Russ Pack and seconded by Mickey Gallivan to approve the minutes of February 20, 2013, as presented. All votes were affirmative; motion passed.

B. Director's Report

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

- Alaska Air begins service from Salt Lake City on April 4, 2013. It will be subleasing ticket counter space from Delta and operating from gates C-3 or C-5. Beginning service will be to Seattle.

- TRAX begins service on April 14, 2013. There will be a media event on April 13th and as details become available, the Board will be kept informed. There will also be a joint Airport and UTA emergency training exercise related to security on the platform.
- A taxicab hearing was held March 1, 2013, resulting in the Judge taking all motions under advisement.
- The Airline meeting (AAAC) was held the end of February. Airlines reviewed the budget and expressed appreciation regarding how the budget has been managed, staying relatively flat with the exception of higher costs for snow removal chemicals. The Board Finance Committee also reviewed the budget prior to the Board meeting.
- Riley informed the Board that Board Secretary, Deborah Loertscher, will be retiring and April will be her last meeting with the Board.

C. FY14 Budget

Janine Christiansen, Director of Finance, presented to the Board the FY 2014 Airport Budget (presentation and budget proposal on file). She expressed appreciation to her staff, particularly Cassie Fairbourn, for their work in the budget preparation. Additionally, she thanked Kevin Robins, Director of Engineering, and his staff for their work on the construction pieces of the budget.

The presentation included:

- Budget goals and objectives
- Operating statement forecast
- Operating revenues
- Comparison of airline revenue
- Concession revenues
- Operating expenses including salaries and benefits
- CIP program and new projects

In answer to Carlton Christensen's question regarding the 50/50 balance between landside and airline revenue, Riley indicated that every airport is different, but this is a very positive picture and one that the airlines appreciate. The Airport generates considerable non-airline revenue, so the ratio might be a little better than average. One reason Airport demographics are so good is because there is no debt. Once bonds are issued and debt service enters into the equation, the allocation changes significantly.

Natalie Gochnour asked what the history was for medical insurance rates remaining flat. Two years ago the increase was 10%, last year 5%, and this year flat. Part of the reason is the implementation of the HSA, which encourages employees to better manage their health care costs, enabling the City to avoid an increase this year.

Christensen asked if the Airport anticipated doing any borrowing next year for the Terminal Redevelopment Project. Riley indicated that the Airport does not anticipate issuing any bonds for the next couple of years. The essential funding plan is to spend down Airport cash, then issue

debt to repay itself, and spend that cash again. Right now, the approach is that there will be three bond issues and each time the money will be spent and repaid. At the end of the program, the Airport will expend its cash, basically serving as its own funding mechanism throughout the program, saving on borrowing and financing costs.

Mickey Gallivan stated the budget presentation was thorough and well prepared. He congratulated the staff on making it an understandable document and indicated the Board Finance Subcommittee did not see any issues.

The motion was made by Mickey Gallivan and seconded by Igor Best-Devereux to recommend approval of the budget as presented. All votes were affirmative; motion carried.

Riley stated the budget will be taken to the Mayor on March 25, 2013.

The next Board meeting will be held 17 April 2013.

The Board Vice-Chair closed the meeting at 8:45 a.m.

Wayne Holland, Chair

Date

Ralph Becker, Mayor

Date