

SALT LAKE CITY DEPARTMENT OF AIRPORTS
MINUTES OF ADVISORY BOARD MEETING

19 March 2014

Members Present: Mickey Gallivan - Chair
Igor Best-Devereux
Wayne Holland
David Ibarra
J.T. Martin
Russ Pack
Larry Pinnock
Mike Zuhl

Mayor's Office: David Everett

Excused: Natalie Gochnour
James Rogers, Councilman, District 1

Department of Airports: Maureen Riley, Executive Director
Randy Berg, Director of Operations
John Buckner, Director Administration & Commercial Services
Ed Cherry, Chief Information Officer
LuJean Christensen, Management Support Coordinator
Carol Dean, Financial Reporting Manager
Barbara Gann, Director of Public Relations/Marketing
Pete Higgins, Director of Maintenance
Dave Korzep, Superintendent Terminal/Landside Operations
Marco Kunz, Attorney, SLCDA
Steve Marlovits, Chief of Police
Allen McCandless, Director of Planning
Kevin Robins, Director of Engineering
Mike Williams, TRP Program Director

Chair Mickey Gallivan called the meeting to order at 8:00 a.m.

AGENDA

A. Minutes

The motion was made by Russ Pack and seconded by Mike Zuhl to approve the minutes of 19 February 2014 as presented. All votes were affirmative; motion passed.

B. Director's Report

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

- Riley introduced the three volunteer Pet Partner teams made up of a handler and a specially trained dog that visit the Airport. The therapy dogs and handlers are Miss Sophie and Paulette Bennet, Annie and De Voeler, and Bert and Vickie King.
- Recap of the 2014 legislative issues, which were Airport specific or could have affected the Airport:
 - Proposed legislation on taxi cabs, which would have eliminated the minimum annual guarantee (MAG) that exists in the current taxi contract. MAG's are a standard in the concession industry and best practice at an airport. Language was removed from a proposed bill.
 - The Airport and rental cars that operate at the Salt Lake City Airport have been meeting the last eight months planning the new facility for the Terminal Redevelopment Program (TRP). An industry consultant analyzed survey data provided and produced an analysis that stated based on the size of the facility, market and operation characteristics that six operators would be ideal for Salt Lake City. Legislation was introduced that said that nine or ten operators would be best for the Airport. Agreement was made that the Airport would have nine or ten operators in the proposed facility. Language was removed from proposed bill.
 - A proposed bill that the State Division of the Blind would be able to install vending machines in any governmental building. Vending machines installed would have paid no rent or any revenue to facility where they were situated. Language was removed from bill.
 - Discussion item about smoking rooms being eliminated from the Airport.
 - Item added on the Legislative Study List for a study of the Salt Lake Airport Authority including management, leasing and vendors and oversight authority. Legislators may take up a study or analysis of how the Airport is structured and works.

Larry Pinnock inquired if the request for a study of the Salt Lake Airport Authority was for a specific concern or to better understand how the Airport runs. Riley stated the request appeared on the last day of the legislative session. Mike Zuhl clarified that hundreds of items are put on the master study resolution and only a small percentage end up being studied by interim legislative committees.

Discussion ensued after J.T. Martin requested to see a copy of the rental car study. Riley responded that a bound report or study was not prepared. The Airport and rental car companies jointly selected the consulting firm of Demattei Wong. Tony Demattei verbally presented the results of survey data collected and his conclusion. No formal official report was presented to the Airport and rental cars, only a verbal exchange.

Igor Best-Devereux remarked that it was a process embarked on the behalf of the rental car companies and the Airport. Riley stated it was a joint effort between the Airport and the rental car companies to determine how the new facility would function. The criteria examined were the

optimal number of rental car companies for the facility, the physical layout, and the infrastructure needs. Survey data was collected by Demattei Wong and compiled, which indicated optimally for the space available six companies would be best. David Everitt remarked that the community expressed having the rental car onsite was a top priority. Riley explained that space available is a major component when considering the optimal number of companies.

Discussion ensued when Martin inquired on the function of the Board members. Gallivan responded that Natalie Gochnour and Riley are in the process of putting together informational meetings that will increase the information flow as much as possible. This will allow the Board members to be better ambassadors to the community. David Ibarra responded that the Board members are advisory members to the Mayor. Everitt reminded members to refer questions to Riley or Barbara Gann, who are willing to respond to questions and concerns.

C. FY15 Budget

Carol Dean, Financial Reporting Manager, presented to the Board the FY 2015 Budget (presentation and budget proposal on file).

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

Russ Pack inquired if the Customer Facility Charges (CFC's) were included in the Airport net reserve, to which Dean responded that they were not.

Pinnock raised the question of where the cost per enplaned passenger (CPE) will be when the TRP is completed. Riley stated that in current dollars the CPE would be in the range of \$4.50. In 2026 dollars, the CPE would be between \$6.00 and \$7.00 dollars.

In response to Martin's question regarding what is part of the ground transportation fees, Dean responded AVI, taxis, and shuttles.

Pinnock questioned if employees have a parking charge or is it provided as part of their employment. Dean responded that Salt Lake City Airport employees do not pay a parking charge but other company employees do.

Pinnock inquired if the cameras and server requested in capital equipment was new or an upgrade. Dean answered the Airport is increasing the number of cameras.

Ibarra inquired about the Universal Passenger Processing System. Dean stated it allows flexibility in the use of gates. Ed Cherry stated it was a common use software, which allows the airlines the ability to share facilities.

Martin inquired how the airline branding would be done with Universal Passenger Processing System, to which Cherry responded instead of the use of aesthetic branding, dynamic branding would be utilized.

Best-Devereux commended the Airport Finance Department on a job well done in preparation of the budget.

Gallivan inquired on where the budget goes now, Dean stated that there would be a preliminary briefing to the Mayor. After the Mayor's approval, the budget would be presented to the City Council.

The motion was made by Russ Pack and seconded by Igor Best-Devereux to approve the budget as presented, and approved the budget be forwarded to the Mayor for his subsequent approval. All votes were affirmative; motion carried.

D. TRP Construction Phasing Update

Mike Williams, TRP Program Director, presented to the Board an update on the construction phasing for the TRP (presentation on file).

The presentation included:

- Preconstruction activities by HD Construction
- Overall building construction and paving sequencing
- Overall landside phasing
- Rental car access

Pinnock inquired if the Eco lot would be public parking, to which Williams responded it would.

Martin questioned the size and branding of the hotel for the future hotel site. Williams responded the site is a place holder or to preserve the location site. Pack stated that the place holder is a wise move and extensive further analysis would have to be done.

Pack asked if the Airport would pay for the Quick Turn-Around Facility (QTA) and service areas for the rental car agencies. Williams stated that they would be funded by CFC's as part of the TRP.

Holland inquired how many spaces would be in the south parking area, to which Williams responded 2,200.

Best-Devereux asked when the current schematics would be available on the Airport's website, Riley remarked that updates would be done frequently.

The next Board meeting will be held 16 April 2014.

The Board Chair closed the meeting at 9:10 a.m.

Natalie Gochnour, Chair

Date

Ralph Becker, Mayor

Date