

MEMORANDUM

DATE: August 13, 2020

GENERAL BOARD MEETING ACTION ITEMS:

RESOLUTION 2020-06 – A TRIBUTE TO CHIEF TODD SMITH: Police Chief Todd Smith has announced his retirement from the Jackson Police Department. He has been a valuable liaison to the airport. We appreciate his partnership and wish him well in his next chapter. Resolution 2020-06 pays tribute to Chief Smith's history with the Police Department and the relationship the airport has enjoyed.

CONSENT AGENDA: Items on the consent agenda are considered routine and can be approved by a single motion. Board members may ask that an item be removed from the Consent Agenda and considered individually. The following five items are listed on the Consent Agenda.

1. Approval of Minutes: Presented for Board review and approval are the minutes from the Public Hearing and Board meeting held on July 15, 2020 and the Special Board meeting held on July 31, 2020.
2. Ameriflight Agreement: Ameriflight provides cargo services on a contract basis for UPS and FedEx. The Airport's current agreement with Ameriflight expires at the end of August. This updated License to Conduct Aeronautical Business with Ameriflight is in the standard form for the Airport and has a term of one-year.
3. United Airlines 16th Amendment: United Airlines has requested the removal of lease space B4 in the basement of the Terminal. All other terms and conditions of the United agreement remain the same. This space will become available for lease to other interested parties.
4. Glycol System Maintenance Agreement: Liquid Automation Systems (LAS) provides pre-season start up, post-season shut down, and support and maintenance for the Glycol dispensing system at the Airport. LAS provided these services under a similar agreement last year.
5. Tower Equipment Maintenance Agreement: This agreement with Jviation is for maintenance of equipment in the Air Traffic Control Tower. Jviation has hired a technician with extensive experience in this field and has suggested some enhancements that will provide significant cost savings for the Airport as described below.

A few months ago the airport received word from a vendor that the ATCT Radio Equipment was reaching the end of its service life and they were no longer going

to be able to maintain it. Based on that information staff reached out to some vendors for replacement options and associated costs. Those initial quotes came in well over \$100,000. Staff subsequently reached out to Aviation for options regarding the equipment. Aviation was in the process of hiring Todd Anderson who retired from the FAA and has numerous years of experience with the FAA maintaining ATCT equipment. Photos of the airport's existing equipment was sent to Mr. Anderson and some operational enhancements were discussed. Ultimately it was determined that the existing radios are in numerous FAA towers and the recommendation was to purchase some spares. Under this agreement Mr. Anderson can certify the radios as a direct replacement. This decision will save us around \$100,000 over the other options.

FINANCIAL REPORTS: Both June and July have experienced activity levels slightly above the sensitivity analysis however, operations income was down for July. Some July income is reflective of June activity levels such as rental car percent of gross and airline landing fees. The majority of the impact to the July income is due to the adjustment in rental car payments from minimum annual guarantees (MAGs) to a percent of gross. As allowed in the rental car agreements, when the passenger activity drops below a certain value, the rental cars are not longer required to remit MAG payments and will then only pay 10% of gross revenue. Airline, parking and general aviation income were all slightly above projections for July. Staff was able to manage security and operations expenses which were under budget 12% and 1% respectively. Fuel farm revenues and expenses tracked with each other at approximately 63% below budget which is reflective of lower airline fuel sales.

	Income	Expenses
Airport Operations	-18%	-1%
Security Operations	-1%	-12%
Fuel Farm Operations	-64%	-63%
Sub-Total	-47%	-43%
Cares	0%	0%
Capital	527%	19%
Total	-20%	-41%

JEDEDIAH'S AMENDMENT: Proposed is the First Amendment to the Jedediah's Agreement which provides for adjustments to the MAG (Minimum Annual Guarantee). The reason for the amendment is that the lease with Jedediah's does not have an adjustment clause to the MAG if commercial airline traffic drops. The proposed amendment to Jed's recognizes the challenges of the pandemic and creates a formula to allow the MAG to adjust with the airline passenger traffic.

The MAG adjustment approach developed by the airport reflects either payment of the MAG or percent of gross (whichever is higher) as already outlined in the agreement. Each month Jed's will pay the greater of their MAG times a predefined multiplier or 10% of gross (whichever is higher).

BIPOLAR IONIZATION SYSTEM PURCHASE: The Jackson Hole Airport terminal has two (2) very large air handling units and one (1) smaller unit that provide conditioned air in the buildings. Those 3 units would be retrofitted with the 9 AtmosAir pieces of equipment as part of the scope of work. The airport would run power to the site and AtmosAir would then do the installation of the system. It will take roughly 6-8 weeks to get the equipment and the intent would be to have the units installed prior to the winter season. These bipolar ionization units will: improve indoor air quality; reduce indoor odors; lower operating and energy costs; and extend the life of the HVAC equipment.

FAA GRANT AGREEMENT AUTHORIZATION: Staff has been working closely with the FAA to secure end of year grant funding for the runway reconstruction project. Staff is requesting Board approval for the members of the Board to execute the FAA grant in order to meet the end of the federal fiscal year on September 30, 2020 deadline as well as the need to take the grant to the Town and County for approval. The FAA is working on finding funding and is optimistic that a grant is likely to become available. Approval of this authorization will allow the airport to move quickly if funds become available ahead of the end of the federal fiscal year.