

## MEMORANDUM

DATE: February 15, 2019  
TO: Airport Board  
FROM: Jim Elwood, A.A.E.

### **SUBJECT: EXECUTIVE SUMMARY**

**CERTIFICATE OF ORGANIZATION:** The Board adopted the Certificate of Organization of the Airport Board for 2019. This Certificate of Organization also lists the Registered Agent for the Airport. The Board and Registered Agent also provided completed and signed Annual Conflict of Interest Declarations to the new Board President.

### **GENERAL BOARD MEETING ACTION ITEMS:**

**CONSENT AGENDA:** The Board approved the following five items that were on the Consent Agenda.

1. Approval of Minutes: Presented for Board review and approval were the minutes from the regular Board meeting held on December 19, 2018.
2. Official Depositories – At least annually the Board is required to name the financial institutions in which they will deposit funds. The Board fulfills this requirement in February of each year. This year the Board named Wells Fargo, Bank of the West and First Interstate Bank. Once these depositories have been named, there is no requirement to deposit funds at any of the named institutions.
3. Ventilation Project: Radon testing was conducted in the terminal basement areas. Based on the levels it was determined mitigation was advisable. Staff worked with the environmental consultant and contractors to get multiple options and estimates on how to best mitigate the issue. Three estimates were received and Teton Radon Services, LLC was approved to perform the mitigation work. This was not a budgeted item, however there is room to cover this item in the Building R&M budget.
4. Glycol Collection and Disposal Agreement: The Board has non-exclusive agreements with two companies for the collection and disposal of used glycol at the airport. Ancon Marine, Inc. has submitted a proposal to collect the used glycol from the airport and transport it to a licensed facility where it can be recycled or disposed of in an environmentally friendly manner. The contract approved by the Board is consistent with currently paid rates for disposal. The Board is reimbursed for this expense through an administrative fee on the gallons of glycol sold. The term of this agreement is from January 1, 2019 through October 9, 2019 with two one-year options.

5. Power Wash Equipment Purchase: The Board approved the purchase of a portable heated power washer that will slide into the back of a truck. The portability of this equipment will allow operations staff to use the power washer on the landside to clean sidewalks, and other public areas. The heated power washer will also be used on the airfield to clean signs and on occasion used to help thaw out frozen lights and equipment.

**RATES REVIEW:** The Board approved a price adjustment to the Jet A rate to \$7.60 per gallon. The Jet A price remains commensurate with other inter-mountain airports as determined on the Board's fuel survey.

**PASSENGER FACILITIES CHARGE:** PFCs collected in the fourth quarter 2018 were \$336,376. The airport is receiving approximately \$1,250,000 annually from PFC's for approved projects such as the terminal expansion and baggage claim remodel. At the current rate of \$4.50 per enplaned passenger, all currently approved PFC projects will be collected by February 2038.

**FINANCIAL REPORTS:** The fiscal year through the end of December saw income 8% above budget and expenses even with the budget. Year to date January 31 the airport is tracking with budget with income 8% above budget and expenses 1% above budget. As expected, income and expenses are beginning to track closer together as we move through the winter and incur expenses on items such as fuel, snow removal and additional winter staffing.

Customer Facility Charges are another part of the airport's financials and continue to be collected by on airport rental cars at a rate of \$5 per transaction day. CFC collections for December were \$40,380 and for January were \$63,259. Through January 31, we have spent \$9,527,443 on the QTA project.

**WATER MONITORING AGREEMENT:** USGS has been monitoring groundwater quality at the airport for the past 10 years. The proposed scope includes water-quality monitoring at 10 monitoring wells and water-level monitoring at about 18 wells. Each of the monitoring wells would be sampled 8 times for major inorganics, nutrients, dissolved organic carbon and benzotriazoles. USGS will provide a written report at the end of the sampling period. The Board approved the joint funding agreement with the USGS for monitoring ground water quality at the airport with the USGS for a 5-year term.

**PARKING LOT PROJECT AGREEMENT:** This project includes several components including: paving, improved signage to be similar to the Gros Ventre roundabout, installing dark skies approved LED lighting, installing islands and associated conduit for the parking lot access revenue control system and coordination with the ongoing landside project. The Board approved Amendment 7 to the Wadman agreement for the parking lot construction project.

**PARKING LOT PROJECT CONSTRUCTION ADMINISTRATION AND CONSTRUCTION OBSERVATION AGREEMENT:** Nelson Engineering has completed the design work for the parking lot project. The next phase is the Construction Administration and Observation of the parking lot project. The Board approved the

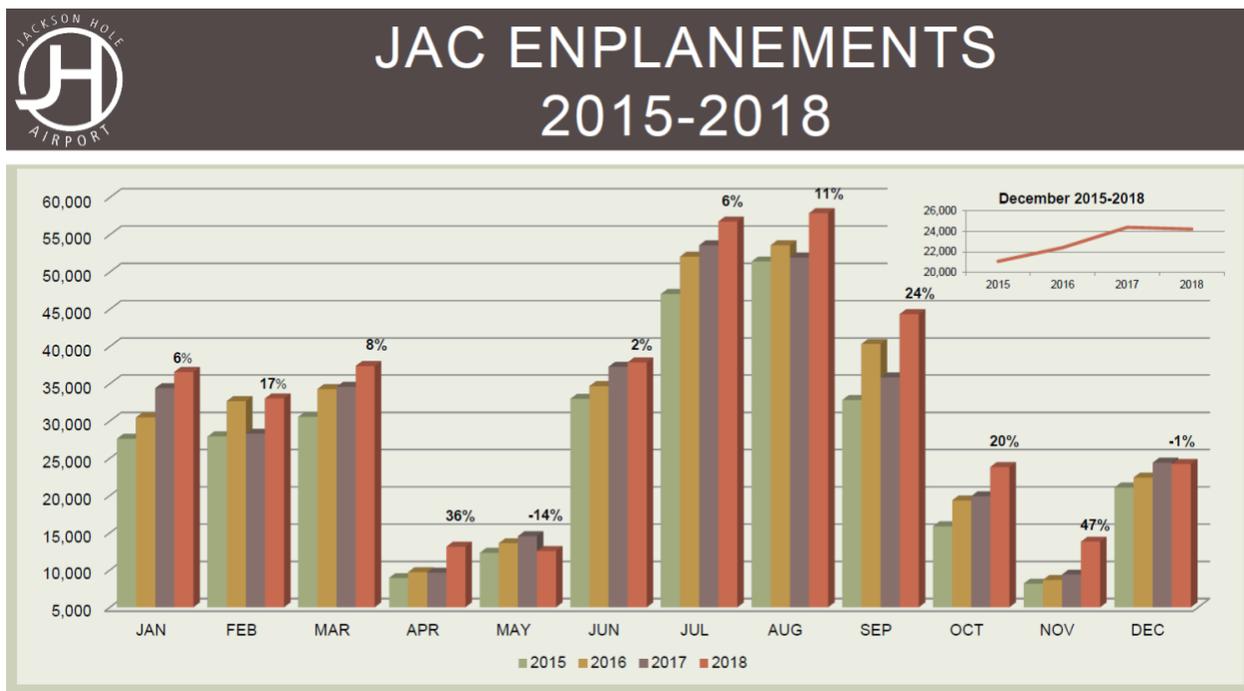
construction administration and construction observation agreement with Nelson Engineering for the parking lot construction project.

**PARKING LOT ACCESS CONTROL SYSTEM AGREEMENT:** The airport staff worked with Walker Consulting on developing specifications for a parking lot access control system in coordination with the civil parking lot development project. Four bids were received for this project. The review committee narrowed the selection down to 2 companies which were interviewed in late January. The review committee recommended SKIDATA as the top ranked vendor for this project to provide the hardware and software components that will be used to manage parking lot access and payment services for parking. The Board approved the parking lot access control system agreement with SKIDATA.

**GENERAL BOARD MEETING UPDATES:**

**YEAR END ACTIVITIES REPORTS:**

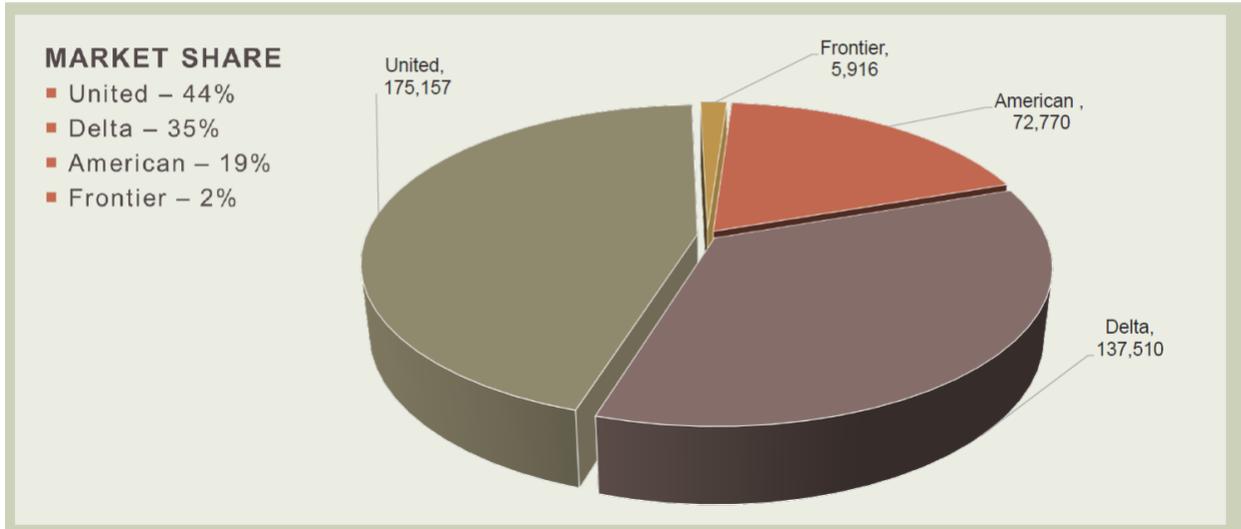
For calendar year ended December 31, 2018 the airport saw a record number of visitors with 391,353 enplanements for the year. December 2018 enplanements were down 1% over December 2017 which was up 9% over December 2016. A contributing factor to this decrease may have been Christmas being on a Tuesday which pushed air travel later in the week/month. Below is the activity report for calendar year 2018.



The following chart shows the breakdown of enplaned passengers by air carrier for 2018. United continue to dominate the market (44%) in Jackson with Delta following at 35% market share.



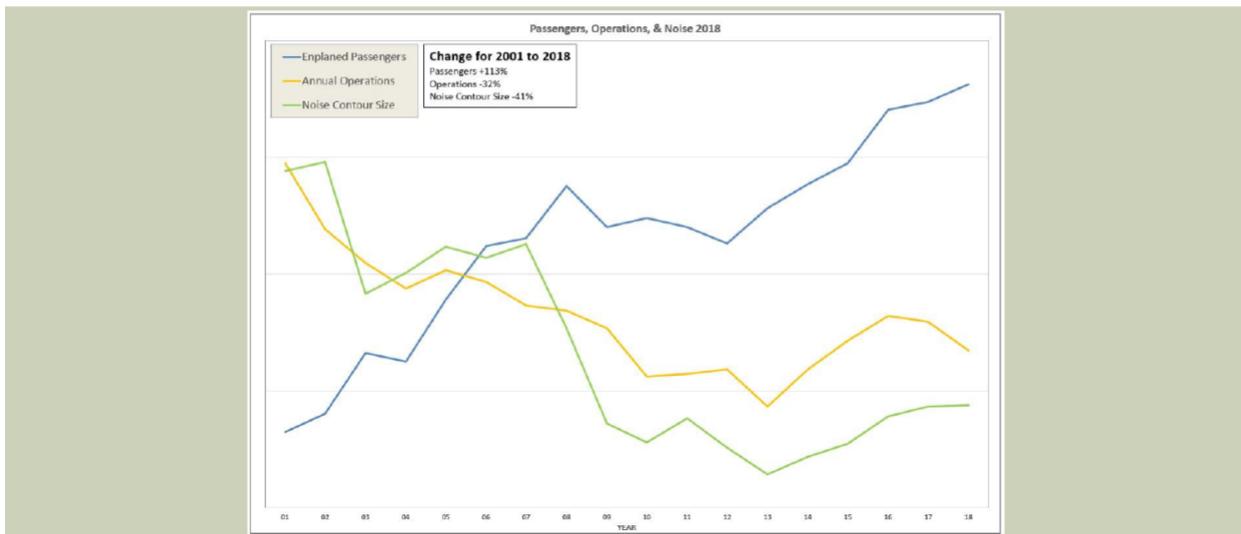
# JAC ENPLANEMENTS BY AIR CARRIER 2018



Finally, the below chart depicts passenger traffic from 2001-2018 compared with the change in air craft operations and noise. What is evident from this chart is that as passenger activity has increased, aircraft operations and noise associated with those operations has gone down. This can be attributed to a number of factors including larger planes that accommodate more passengers per flight and newer technology making the planes quieter during operation.

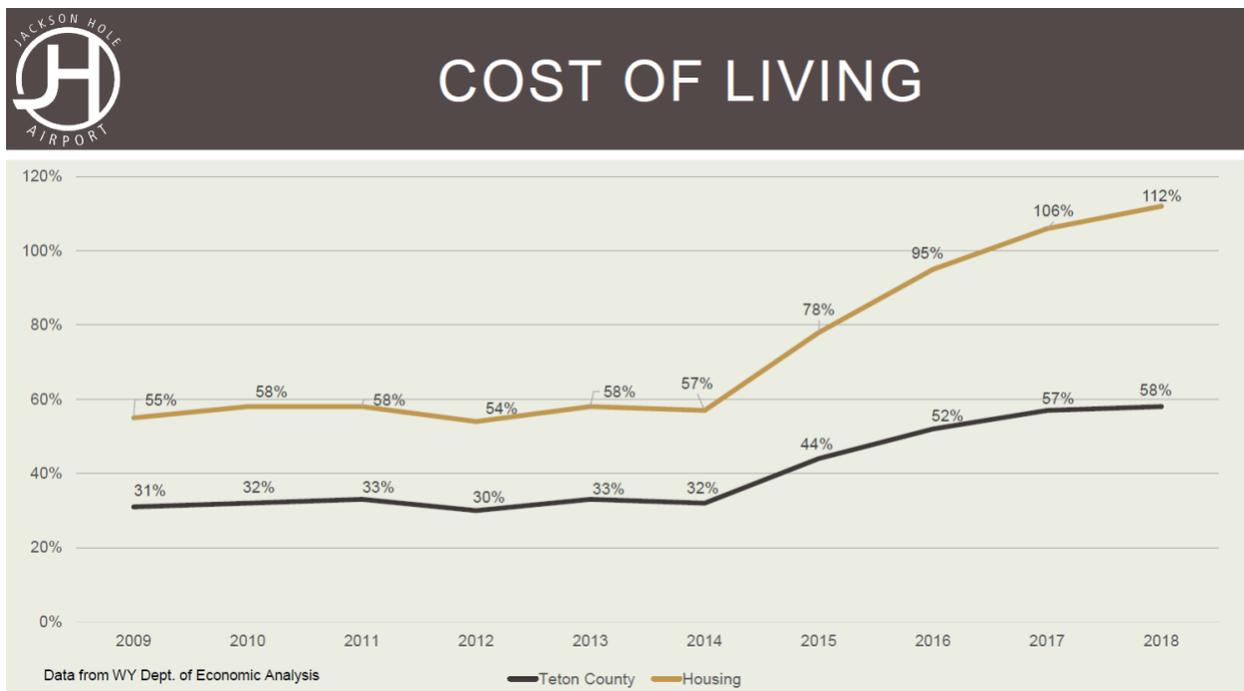


# JAC PASSENGERS, OPERATIONS & NOISE 2001-2018



## HR & HEALTH:

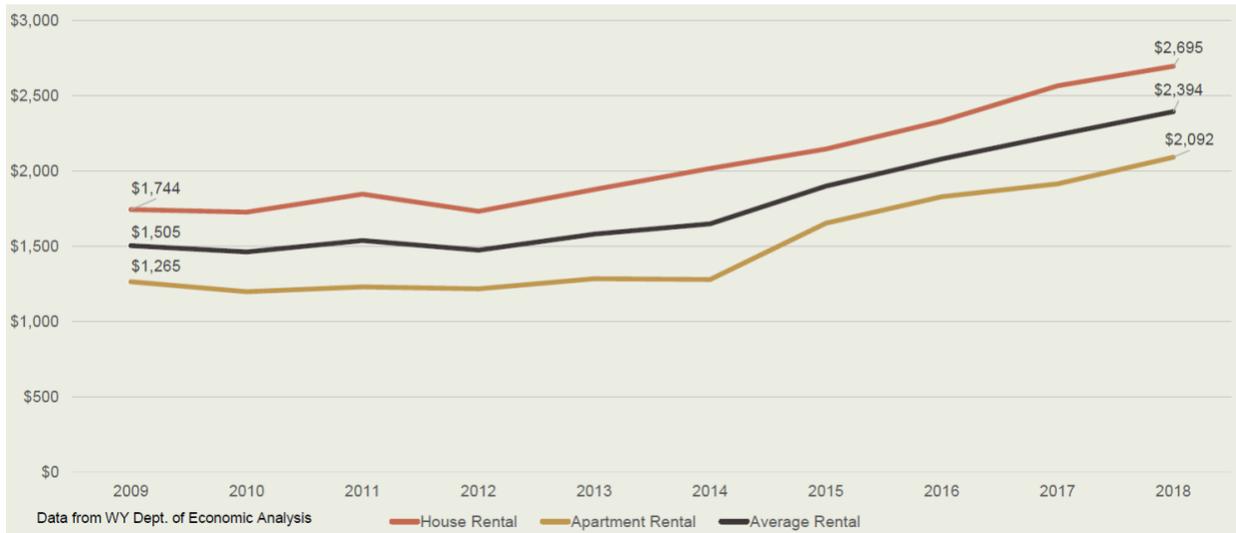
During the Board meeting this month, staff gave a 2018 HR review presentation. The airport was able to maintain full staffing for 2018 and turnover was significantly reduced. In 2015 the airport experienced a 33% turnover rate; that number was 9% in 2018. Some of the initiative which the Board put in place including the move-in loan assistance and parental leave programs continue to be utilized over this past year and have been very successful. The Board also implemented a housing/transportation stipend to help meet employees needs in 2017. The chart below shows the cost of living compared with the State average (0%) as the base line. Overall the cost of living has nearly doubled in the las 10 years from 31% higher than the State average to 58% higher with most of that change occurring in the last 4 years. Housing more than doubled over that same period from 55% higher than the State average to 112% higher.



The chart below shows the change in rental costs over a 10-year period. The average rental cost has grown from \$1,505 in 2009 to \$2,394 in 2018. In the past 3 years, the rate of growth of rental costs has been 25%.



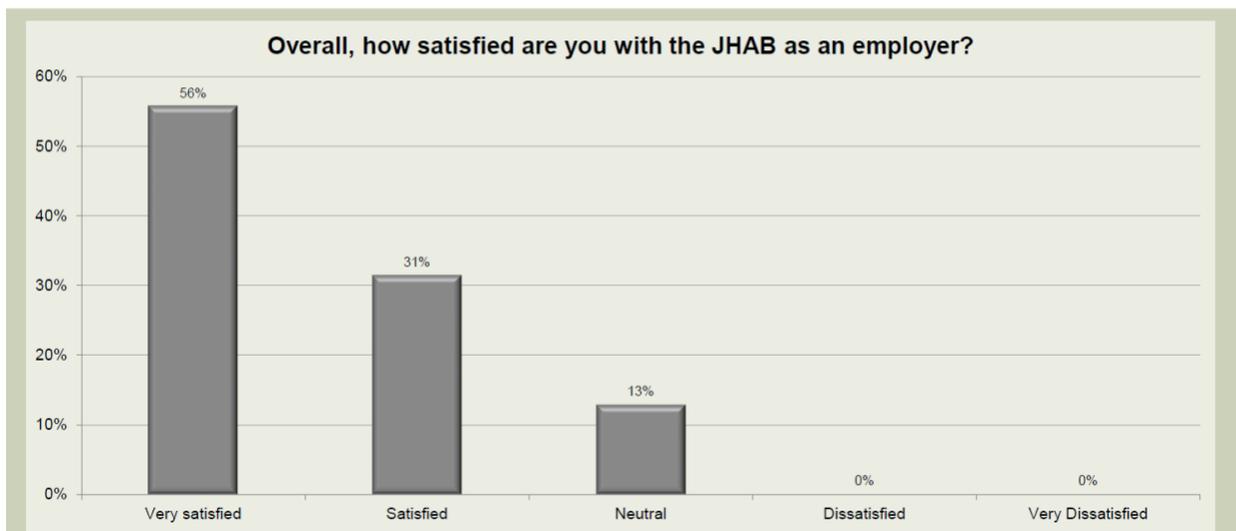
## AVERAGE RENTAL COSTS



In Fall 2018 the airport conducted an employee survey and received a 92% response rate. The survey was very comprehensive covering a variety of topics including demographics, workplace and job satisfaction, culture, and benefits. Workplace satisfaction ranked well with 87% of the respondents very satisfied or satisfied with JHAB as an employer.

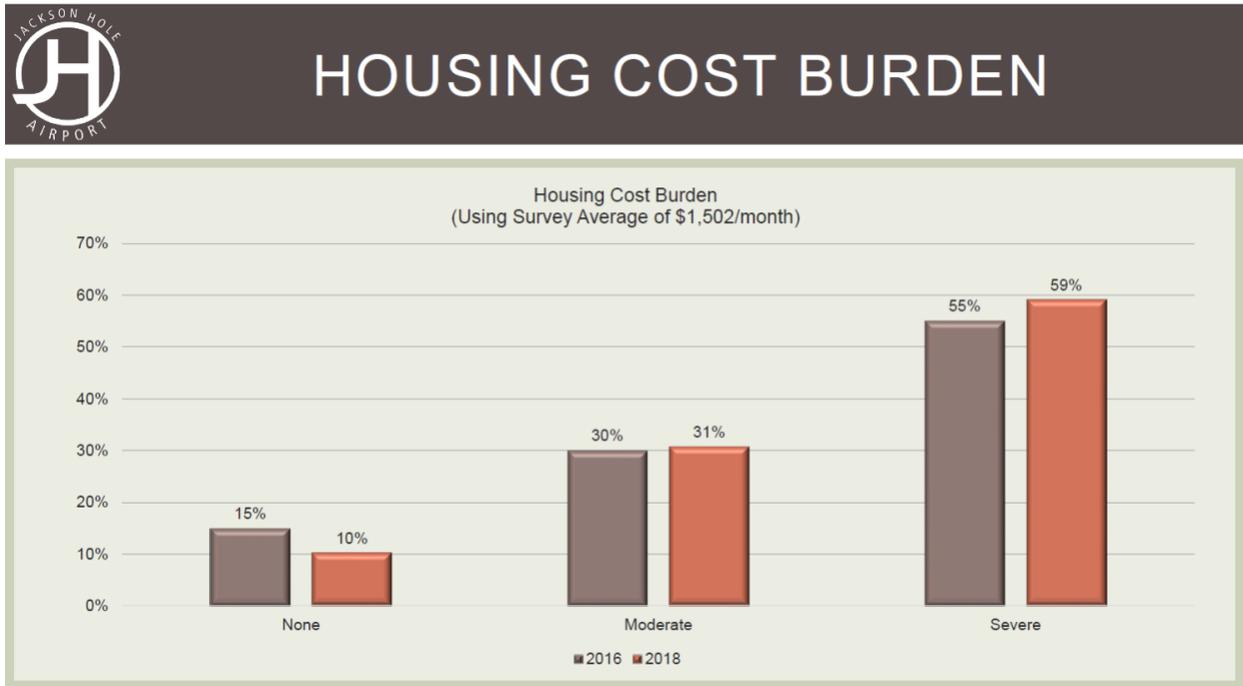


## WORKPLACE SATISFACTION



The housing profile of employees remains similar to the 2015 survey with 47% of staff living in Teton County and 53% living outside of Teton County. Employees reported in the survey an average increase in their housing cost of 26% over what they had

reported in the 2015 survey. The housing cost burden data below shows the importance of the housing/transportation stipend implemented by the Board in 2017. This chart includes the 2017 housing/transportation stipend and indicates that 59% of our staff are severely impacted by their housing cost burden and 90% have a moderate or severe impact. Without the stipend, employees would have fallen significantly behind the growth curve of the cost of living and rental cost segments.



Based on the information gathered in the employee survey and the market research conducted, the Board decided to implement a \$1.00 per hour raise for Transportation Security Officer staff, increase the HSA to match the deductible and increase the housing/transportation stipend by 25%.