

February 8, 2020

The City Council of the City of Idaho Falls met in Airport Leadership Workshop, Saturday, February 8, 2020, at the Idaho Falls Regional Airport Conference Room, 2140 N. Skyline Dr. in Idaho Falls, Idaho at 8:00 a.m.

Call to Order and Roll Call:

There were present:

Mayor Rebecca L. Noah Casper
Councilmember Thomas Hally
Councilmember Jim Francis
Councilmember Jim Freeman
Councilmember Shelly Smede
Councilmember Michelle Ziel-Dingman

Phone:

Councilmember John Radford

Also present:

Rick Cloutier, Airport Director
Jayme Verish, Airport Assistant Director Operations & Maintenance
Reeves Russell, Airport Safety & Security Manager
Brent Davis, Airport Administration Manager
Brook Edwards, Airport Administrative Assistant
Randy Fife, City Attorney
Steve Engebrecht, Lead Civil Engineer Helena Airports District Office

Mayor Casper called the meeting to order at 8:30 a.m. with the following items:

Announcements:

Mayor Casper reminds attendees that this is an official city council meeting and the agenda is followed very closely. This meeting is designed for council members to receive information. 2020 key events, highlighting the full-scale exercise June 13, 2020 details forthcoming.

Airport Updates/Terminal Expansion /139 Inspection/ Staff Training/Staff Restructure:

Director Cloutier reviewed the following with general discussion throughout:

Terminal expansion will start this spring/summer. Federal Aviation Administration (FAA) has done a great job at securing funding for us, more information in the Capital Improvement Plan (CIP) update.

Flight numbers have gone up - 30,000 more passengers than the previous year, in the same facility ten (10) years ago.

Annual 139 inspection. Part 139 is the FAA code we fall under for commercial service airport. We are subject to inspection every year or within 12 calendar months. Director Cloutier reported that for the second year in a row we had a discrepancy free inspection. Director Cloutier mentioned that the 139 program is under Jayme Verish purview; managing the program, ensures staff has the required training, following the guidelines.

Director Cloutier mentioned staff training, not only Airport staff, but we had the opportunity to send our esteemed City Attorney, Randy Fife to an Airport Attorney workshop.

Director Cloutier mentioned of going to an online training program that will not only be used for staff training, but also to track all of our security training, non-movement driving training and all our required FAA and Transportation Security Administration (TSA) but we have to get, tenants, hangar owners, etc. periodically to update their training.

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Director Cloutier mentioned reclassification of staff members, reassigned job duties and added some additional staff and staff duties:

- Jayme Verish has been reclassified from the Airport Operation Manager to the Assistant Director Operations & Maintenance – she will oversee the operations of airport maintenance both Airfield and Building Maintenance. This puts us in line with FAA requirements as we are required to have a Director or Manager at all times to act in the capacity when the Director of the Airport is out.

- Reeves Russell has been reclassified from the Security Coordinator to the Safety & Security Manager, managing all the safety and security programs of the Airport, all of the emergency programs - streamline our job duties to ensure we are meeting our requirements to keep everything safe and secure.

- Brent Davis our new Administration Manager, oversees leases, budgeting, contracts, concession agreements and anything to do with finance and admin. Brent brings a lot of finance experience, he was the budget manager for the City of Boise for 10 years.

Financial Update:

FY-2020 1st Quarter: Budget Information

Net operating surplus thru FY2020 1st Quarter (October thru December) \$210,623 given a rough winter season. Mr. Davis stated that we will come in over our budgeted expenditures in snow removal.

Revenue: \$919,441

Expenditures: \$716,145

Budgeted Revenue: \$3.86 Million

We had a strong CY2019 and anticipate 2020 going up.

Mr. Davis stated that our main drivers to that increase in revenue is:

Our car rental revenue is up 13% over \$300,000 from previous year.

Our airline revenue is up 21% \$140,000 from previous year.

Our concession contract with Tailwind CY2019 \$42,910; previous 12 months \$10,400 – keeping in mind that Tailwind is a new concessionaire that started in December of 2018

Parking activity totaled \$965.8k: up \$102.2k or 12%

Parking types: General up 15%, Short Term up 8%, and Hourly down 13%.

Standard Parking completed a 2-Day Study November 7th and 8th.

- 682 Responses (392 leisure/290 business)
- Drop Off 45%
- Self-Park 25%
- Rental Car 24%
- Hotel Shuttle 3.5%
- Taxi (including Uber/Lyft) 2.5%

Closer look at the Business Traveler

- Rental Car 48% (140 of the total 161 responses)
- Drop Off 26%
- Self-Park 15% (44 of the total 171 responses)
- Hotel Shuttle 8%
- Taxi (including Uber/Lyft) 3%

Rental Car

- Based on data, very dependent on the business traveler
- 161 rental car responses
- Business travel accounted for 140 (87%)

Self-Parking

- Based on data, very dependent on the leisure traveler
- 171 self-park responses
- Leisure travel accounted for 127 (74%)

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Parking Survey Follow-up. Rate structure and potential enhancements. A closer look at current tiered structure for short-term. Potential hourly rate increase. Other potential enhancements (branding clarity, dedicated parking website, and mobile technology i.e., user experience, data collection).

Airport Sponsor Grant Assurances:

Mr. Engebrecht discusses Entitlement Funds, Discretionary Funds, American Recovery and Reinvestment Act of 2009 (ARRA), Supplemental Funding and Local Match (PFC) the current local match is 6.25%

Airport Improvement Program (AIP) since 1984 IDA has received 46 grants.

Different types of funds available.

AIP (Federal) investment at IDA since 1984

- Entitlements = \$39,551,006
- Discretionary = \$37,913,687
- Total = \$77,464,753

Airport Improvement Program for terminal improvements

- 2020 Entitlements = \$1,617,299
- 2020 Discretionary Planned = \$9,000,000
- Total 2020 Federal Funding = \$10,617,299

Airports Compliance Program:

https://www.faa.gov/airports/airport_compliance/overview/

- Protect the public interest in civil aviation by ensuring compliance with applicable Federal laws, FAA rules, and policies
- Sources of Obligations primarily include contracts (grant agreements) and property transfers
- Nearly every grant re-obligates all property.

Airport Grant Assurances:

Mr. Engebrecht states that when airport owners (referred to as sponsors) accept funds from FAA-administered airport financial assistance programs, they must agree to certain obligations (or assurances).

The duration of these obligations depends on the useful life of the facility being developed, and other conditions stipulated in the assurances. 20 years, perpetuity, AIP acquired land, equipment, etc.

Currently there are 39 assurances. Some are related and when we have issues it often involves more than one grant assurance.

Failure to meet your grant assurance obligations could result in a withholding of federal funding.

Problem Assurances:

**Not every grant assurance is included here.*

For more information: https://www.faa.gov/airports/aip/grant_assurances/

- #4 Improvements must be on sponsor owned property with good title. We can't issue a grant without good title.
- #5 Goes on to say "Sponsor will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on "Exhibit A..."
Written approval of the Secretary means a release from specific grant obligations. A release can be to change property from aeronautical to non-aeronautical, to release a specific grant assurance (for example #19), or to dispose of airport property. Property on your "Exhibit A" property Map is obligated property; the sponsor cannot sell property or use property designated for aeronautical use for non-aeronautical use without FAA approval. Interim and concurrent use.

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Problems with 4 and 5 usually due to leases.

Lease agreements should include a subordination clause. Initial term should be long enough to recoup initial investment. Mr. Engebrecht sees a lot of 20- or 30-years initial term then 5-year terms after. Sponsor should have said in lease renewal...not automatic at the leaseholder's discretion. Lease should address subleasing. Lease should address aeronautical use of hangars (hangar use policy). Lease should reference airport rules and regulations. Lease should make specific reference to direct grant assurance violations such as residential use of hangars.

Problem Assurances:

- #19 Operation and Maintenance
The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition. Probably the most frequently violated assurance. Not responsible for FAA owned, or other federally owned equipment. Part 139 for IDA.
- #20 Hazard Removal and Mitigation
Sponsor will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. Hazard removal and mitigation within 5 miles of the airport needs to file need a 7460 form. Sponsor will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.
- #21 Compatible land use
Sponsor will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft.
- #22 Economic nondiscrimination
Sponsor will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities. Aeronautical fees need to be fair and reasonable. Non-aeronautical use fees are minimum of fair market value. Non-aeronautical uses are not covered by this grant assurance.
- #24 Fee and Rental Structure
It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport.
- #25 Use of airport revenue
All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport. Examples: Sponsor owned facilities on airport property such as City Shop, City Fire station, Water Treatment Facilities, etc. Impact fees such as a Street Assessment. Mr. Engebrecht states that one cannot charge airports more than the value of what it receives in return.

Example of an Airport in Idaho – Renewal Lease Option – claims lease language that says renewal means entering into the same 20-year-old lease with the same financial terms. This would be a potential violation of grant assurance #22 economic nondiscrimination and #24 fee and rental structure. “Enter into a new lease” or “renew by entering into a lease agreement current at that time” “renew by entering into an update lease agreement”

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- #29 Airport Layout Plan (ALP)
ALP shows graphically how the airport intends to meet aviation demand for the next 20-year period. Sponsor will keep ALP up to date at all times. Among other items it will show the location of all existing and proposed non-aeronautical areas and all existing improvements thereon. For any change or alteration to the airport or the facilities made which is not in conformance with the ALP, which the Secretary determines adversely affects the safety, utility, or efficiency of any federally funded property, the Sponsor shall eliminate the adverse effect in a manner approved by the Secretary, and bear all cost necessary.

Hangar Use Policy:

- Published in Federal Register Notice on June 15, 2016
- Director's Determination on Part 16 Complaint, May 29, 2011
- Hangars must be used for or available for use for an aeronautical use
- Fair Market Value is required for non-aeronautical use
- Non-aeronautical business or municipal agency function, including storage of inventory, is not allowed
- Residential use is not allowed

Mr. Engebrecht gives an example of a problem that Hangar owners feel they have the right to do whatever they want with their hangar. Some of these activities could result in violations of grant assurances. If sponsor can't fix, they have given away rights and powers. Policy based on #5 preserving Rights and Powers, #22 Economic Nondiscrimination, #24 Fee and Rental Structure, #25 Airport Revenues. FAA found violation of #19 Operation and Maintenance due to Sponsor allowing non-aeronautical use in hangars and operating non-aviation related industries in hangars. Also, violation of #29 Airport Layout Plan (ALP) because non-aeronautical use of airport property was not depicted on ALP. Non-aeronautical use of hangars must be approved by FAA.

Hangar Use Policy allows:

- Storage of active aircraft
- Final assembly of aircraft under construction
- Non-commercial construction of amateur or kit-built aircraft
- Maintenance, repair, or refurbishment of aircraft
- Storage of aircraft handling equipment, maintenance equipment, etc.

Mr. Engebrecht states that maintenance, etc. but not indefinite storage of nonoperational aircraft. Incidental non-aeronautical use is ok if hangar is primarily used for aeronautical purposes. Non-aeronautical must not interfere with aeronautical use of hangar. At a minimum Leases or Rules and Regulations/Minimum Standards should follow the Hangar Use Policy. Sponsor's rules and regulations and/or lease can be more restrictive on non-aeronautical uses. Sponsors should have a program to monitor use of hangars and take measures to prevent unapproved non-aeronautical use of hangars. Monitor hangar waiting list. Incorporate provisions in leases to adjust rental rates to Fair Market Value (FMV) for any non-incident non-aeronautical use of the leased facilities (if use is allowed by Sponsor and approved by FAA in advance). Ensure that non-aeronautical items are not transported to hangars using runways or taxiways.

Non-Aeronautical Uses at Idaho Falls Regional Airport (IDA)

- Dog park (in RPZ) and Animal Shelter
- Tree farms
- Outdoor Storage
- Numerous businesses (some of which are in RPZ)
- Parks, baseball, soccer
- Agriculture

Mr. Engebrecht ask are there leases for all of the non-aeronautical users? Are leases compliant with the grant assurances? #5, #19, #20, #22, #24.

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Do any of these uses create potential hazards for aviation (wildlife attractants, lights, etc.) #19, #20.

Is the airport receiving at least fair market value? #22, #24.

Is revenue being diverted from the airport by non-aeronautical city use of airport property? #25.

Has non-concurrent use or interim use property been released for non-aeronautical use? #29.

Do leases for property being used by the Public address Section 4f?

Where is IDA going to grow to meet increasing demand?

Park/Soccer Fields may be an issue with 4f, and butts up against residential area.

Apron built in 2014 is full of new hangars and butts up against residential area.

What about roads accessing the subdivision? Where they there before land was acquired? Is airport compensated for use of roads on airport property to access subdivision?

Area west of RW 17/35 and south of TW C but need to watch ATC line of sight.

Area in triangle between TW A, TW C, and RW 17/35, but have 1,000' radius VOR critical area, line of sight issue with ATC.

The time is coming when all property around the airport is developed.

Safety/Security/Emergency Management Update

Mr. Russell gives the results from the on the Air Operations Area (AOA) rebadge completion. About 300 badges collected and reissued. Class attendance and public response was generally very positive. We will continue with outreach with tenants and stakeholders to reinforce importance of airport security mindset. We had a very positive response from Transportation Security Administration (TSA) as well and liked what we were doing and where we are headed.

FAA requires table top review of Airport Emergency Plan Annually (FAR 139.25) Scheduled February 27, 2020. Also, requires a Full-Scale airport emergency plan exercise every three years June 13, 2020. An after action debrief will be held to review and evaluate simulated response in July. We are required to have a TSA audit every year and is tentatively scheduled for May.

Mr. Russell reiterates the high points of what the airport needs to do is a Safety Management System (SMS). SMS are for certificate holders and regulators will integrate modern safety risk management and safety assurance concepts into repeatable, proactive systems. SMSs emphasize safety management as a fundamental business process to be considered in the same manner as other aspects of business management.

SMS strives to provide:

- A structured means of safety risk management decision making
- A means of demonstrating safety management capability before system failures occur
- Increased confidence in risk controls through structured safety assurance processes
- An effective interface for knowledge sharing between regulator and certificate holder
- A safety promotion framework to support a sound safety culture

SMS benefits:

- Reduced cost of lost/damaged equipment
- Lower insurance premiums
- Reduced damage claims

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- Reduced payroll costs (less lost time by employees)
- Reduced worker's compensation

SMS implementation timeline:

- February 2007 – Draft Advisory Circular
- August 2010 – FAA Order
- June 2011 – Large Hub
- June 2015 – Medium Hub
- June 2016 – Small Hub
- Unspecified date for all airports to have an SMS

Airport Capital Improvement Plan (ACIP) Update

Ms. Verish gives a quick explanation of the Idaho Falls Regional Airports five (5) year plan of projects, improvements, and eligible equipment to facilitate Airports meeting and maintaining safety standards, capacity and growth, and development to support the goals of the Department of Transportation (DOT) & FAA as well as the surrounding communities.

Airports are required to submit to the FAA an approved Airport CIP annually.

DOT & FAA Goals for National Plan of Integrated Airport Systems (NPIAS) Airports:

- Safety – Reduce transportation related fatalities and serious injuries across the transportation system
- Infrastructure – Invest in infrastructure to ensure mobility and accessibility to stimulate economic growth, productivity, and competitiveness for American workers and businesses
- Innovation – Lead in the development and deployment of innovative practices and technologies that improve the safety and performance of the Nation’s transportation system
- Accountability – Serve the Nation with reduced regulatory burden and greater efficiency, effectiveness, and accountability

Examples of Eligible vs. Ineligible Projects

Eligible Projects

Runway Construction
Taxiway Construction/Rehab
Apron Construction/Rehab
Airfield Lighting
Airfield Signage
Airfield Drainage
Land Acquisition
Weather Observation Stations
NAVAIDs
Planning Studies
Environmental Studies
Safety Area Improvements
Airport Layout Plans
Access Roads on Airport Property
Lighting Hazards (remove, move, marking)
Glycol Recovery Trucks/Glycol Vacuum Trucks

Ineligible Projects

Maintenance Equipment & Vehicles
Office and Office Equipment
Fuel Farms
Landscaping
Artworks
Aircraft Hangers
Industrial Park Development
Marketing Plans
Training
Improvements for Commercial Enterprises
Maintenance or Repairs of Buildings

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5-Year Capital Improvement Plan

FY-2019 Approved Projects

Acquire Snow Removal Equipment

Terminal Remodel and Expansion Phase 2 (Design and Bidding)

Remove Taxiway A from A-1 to Runway 17

Construct New Taxiway from Taxiway B to Taxiway A

Airport Leadership Discussion/Closing Comments:

Vote on the Five (5) year Capital Improvement Plan (CIP) was tabled for a later date.

The meeting adjourned at 11:57 a.m.

s/ Brook Edwards

Brook Edwards - Administrative Assistant

s/ Rebecca L. Noah Casper

Rebecca L. Noah Casper, MAYOR