

CEDAR CITY REGIONAL AIRPORT BOARD MEETING
September 14, 2023

A regular meeting of the Cedar city Regional Airport Board was held on Thursday, September 14, 2023, at 8:00 AM in the Cedar City Regional Airport Conference Room located at 2560 West Aviation Way, Cedar City, Utah.

PRESENT:

Burt Poulsen, Chairman
Maria Twitchell, Member
Terri Hartley, Member
Mike Bleak, Member
Vaughn Montgomery, Member
Jyl Shuler, Member
John Appel, Member
Tyler Galetka, Airport Manager
Anna Hernandez, PW Executive Assistant

JJ McGuire – Sphere One
Blaine Nay – AOPA/Pilot
Kirt McDaniel - Aviation
Glenn Dietz - BLM
Jon Jackson – AirLife Utah
Chris Cox - SUU
David Dyches – SUU Aviation
Michael Bryant – Airport Ops
Chris Reid – Airport Maintenance
Kirk Willingham – Airport Ops
Wayne Stubbs – Citizen/Pilot
Boyd Hall – Pilot/4-Flight Inc.
Garth Green - Mayor

ZOOM (Air Methods)

Jessica Andura – T-O Engineers
Bob Davidson – Lease Owner

ABSENT/EXCUSED:

Mark Leavitt, Member
Ryan Marshall, Public Works Director

APPROVAL OF MINUTES

Appel moved motion to approve, Shuler seconded, and all were in favor, that the minutes from the July 13, 2023, meeting be approved.

INFORMATIONAL ITEMS

- SkyWest – No representation.
Galetka gave an update; With the new flight schedule changes the afternoon flights seem to be slower. The midday flights are doing pretty good passenger-wise. Enplanements have been doing better the last two months than it has been through the year. At this rate it is expected to exceed 10,000, especially with the football charters right now expected to surpass that.

- T-O Engineers – Jessica
Galetka gave an update; The masterplan they are still working on that. The Forecast has been approved by the FAA. They are moving forward to the next section of the masterplan. A meeting will be held at the beginning of the year to discuss the future needs of Cedar City Airport.

Andura – Forecast was approved by the FAA, which means they have been working on facility requirements and continuing the efforts on that.

- TSA – No representation
- BLM – Dietz
They have had an extremely slow fire season not only locally but also nationally. They are well below the 10- & 20-year averages for acres burned and flight hours flown, which is good. They are ready over at the airtanker base they have not had aircraft in a while. They did have large airtankers, helicopters and aerial supervision platforms for a good bit of the summer. The past month they have not had a need of moving those resources up north or out west to where the fires are.
The Retardant contract closes at the end of business day this Friday, September 15th, no expected extension on that. They are looking at the forecast models for current and expected activity, if needed to stand up again they could.
Most of the activities up north some in Colorado and out west in California.

- FBO – McGuire
Fire season has been slow. SUU has been busy, which they love to see out on the airfield.
Football season has started, they are expecting 9 charters this season unless they make play-offs then it will extend.
GA has been busy with a lot of jets coming in. They are seeing more and more corporate jets coming in.
They still have the military also, moving forward the general was supposed to be in to discuss the move down here and the hanger and what they need out of the hanger. However, their aircraft broke down so they could not make it.

- SUU – Cox
Things are rolling smoothly. No Updates

- Aviation – McDaniel
The Maintenance project on taxiway Charlie and the ramp have been completed so will be closing that project out.
The Fence project along Aviation Way will be starting on October 2nd. It will be a 15-day contract.
The Maintenance project for Taxiway Charlie north of 8/26, will start in the wintertime with crack seal then seal coat next spring.
The procurement for the new ARFF truck, the firefighter truck that contract has been completed will expect that truck next fall sometime for delivery.
The Terminal Expansion project the design has started on will be later this year.
- USDA – No representation.
- Airlife Utah – Jackson
No Updates/No issues
- Open Forum – Boyd Hall
Hall is in the process of building some hangers, and it has come to his attention that the lease rates are going to increase dramatically. Hall would like an explanation on how such a small community would want to charge a larger fee than other communities of similar sizes in geographical locations?

The mayor mentioned that there was a comparison round of other airports. The mayor pushed for rate increases throughout the city and many of the departments. The city has gone years and years without increasing rates in the different facilities that the city has, and the airport is just one of them. It needs to come to market because the cities own them and do not have to show the same profit pattern that a private business would if they were renting land or buildings. The general public should be subsidizing the people who have the benefit of getting what they want within the airport on the airport property. It has unique value all to itself because of its location. Pushing the rate increases in the theaters, equestrian, aquatic center, burial and golf fees throughout the city to try bring those within market. The city seems to subsidize a lot of things for the benefit of sometimes the smaller part of the community.

When they did the comparison there were rates that were at that level.

Galetka also stated that the study included outside of Utah as well as parts of Colorado in the region.

There was a question about the Airport Advisory Board, why were they not notified or part of these changes?

The mayor stated he put out a request to all of the leaders to examine the fee structures that they do, and how they administer that in their departments. Within them the mayor asked for suggestions to come back. He tries to set broad parameters and guidelines for the city and passes them down through the departments.

Paul Bittman is the manager for the city.

Another question came up as to who voted for the increase on the city council?

Hartley stated she is part of that legislative party on the city council. That fee was part of all of the fee schedule in the city. Prior to conversations with the mayor, she was not opposed to raising the fees, however, was opposed to raising that high.

Hartley has been involved with the airport for a long time and has felt development on the airport brings more revenue in so many other ways whether it be fueling fees, business, and tourism whatever it brings to the airport is more than raising that. We have waited so long for the growth that we see at the airport now with hangers and business and personally was opposed to raising it that high.

Hall questioned what would have been wrong with instead of taking such a drastic jump, maybe going to forty cents then slowly increasing.

Hartley brought up that at that time they were told anybody could appeal that to the FAA.

There was a question about what rate is required to cover the expense of the airport?

Galetka said the airport is encouraged to be self-sustained as possible. Right now, funds are hardly taken from the general fund, and they get very little from the county. They want to make more improvements to the airport, increase the asphalt maintenance and building budget and increase staffing. That is what the fees schedule relies upon, right now the airport is sustainable. There is always benefits to increasing the cost at the airport to increase wages for employees and try to keep up with inflation to maintain asphalt and the buildings. They are always in the market to increase the revenue at the airport. As discussed, there are so many ways to increase revenue, and this is just part of it.

It is illegal to move revenue from the airport to the general funds.

Davidson made some comments about having three hangers in 3 states. He owns the agronomics in Cedar City, he sits on the Development council for the Gellespie airport in San Diego, California for 16 years. He brought up that there were a few things not talked about.

Mayor discussed that a year ago Holt and the mayor talked to SkyWest about not getting flights we need, or the times needed. Last year Moab/Canyon Lands had essential air service going to their community with SkyWest jet service so did Vernal. SkyWest declined a bid that came up for renewal. The offer that came to Vernal and Moab was a 12-seat prop by a company out of Colorado. They refused that service and eventually were able to convince SkyWest to continue to fly until the end of tourist season in October into Moab.

The concern the mayor has is the flights and number of enplanements are going down. When he thinks about revenue there is a very big concern about the million dollars the airport gets for having 10,000 enplanements. He is also concerned about SkyWest going to a 30-seat passenger airplane twice a day and the scheduling that does not fill the need.

There was mentioned that there is a segment who are traveling to Las Vegas to travel somewhere. Holt met with Breeze a couple of years ago and talked about bypassing. If there is a demand airlines will come, the airport somehow will have to build the demand and convince them that a flight from Cedar City to Long Beach two or three times a week makes sense or Allegiant a flight from Cedar City to Las Vegas makes economic sense by convincing all those who are traveling on St. George shuttle that flying is a better option. The airport has to demonstrate to the airlines that there is demand for those two locations. If Cedar City is going to have a destination, Los Angeles and Las Vegas are the two best options. St. George has Pheonix, Dallas, and Denver where they have a well-established connection at those locations.

Galetka stated that with city funds, the airport did get money from the general funds to hire a consultant and go to airline conferences. The consultant that the airport hired a couple of months ago has provided some great data, every quarter there will be a update report on the leakage and the demand. The data does justify that the airport can have a couple extra flights a week to different locations. Trying to get an airline to jump on is tricky because there is a lot of money that have to be invested to move to this location.

There are a couple of markets that have been identified that are high in demand and are going to try to pursue that.

The mayor discussed forming a committee, he would like members who are in the industry. He is committed to try and figure out air travel, airline service in Cedar City. The mayor is looking for people who are interested who come with some skill who know this industry. This is something that has to be addressed and have to take very strong measures to do so. The mayor would like to set up interview for those interested and decide whether they will have enough knowledge to serve on the committee and go after the airlines. Find ways to show them the potential of a Cedar City stop in their service. Looking for air service improvements for the city and looking outside the box.

The mayor is looking for a few people to serve on the committee with him to explore all avenues. It may require some travel, interview and time, but mostly experience in the airlines in the industry and entrepreneur experience.

AIRPORT MANAGER'S REPORT

- Project Report
 - Terminal Parking Lot Maintenance – There are some cones on the west side of the lot and is in the middle of trying to seal coat. Due to the rain has delayed the completion of the lot.
 - Terminal “touch ups” – The staff has been doing a lot of terminal touch ups, repainting, restraining, and cleaning up.
 - SkyWest Kiosk Replacement/Location Change – The airport received new kiosks, the ones they had were outdated located on the east side of the building. It is a touch screen to minimize the use of the counter space.
 - Taxiway Lighting Bulb Shortage/Updates – The airport still runs of incandescent bulbs which are outdated. The airport got new lights that are halogen and are now up to date. Taxiway Alpha is being rebuilt in 2025 with LED lighting. They are in the process of accumulating kits that can change the incandescent bulbs the halogen bulbs. The cost is a bit more for the halogen but lasts longer than the incandescent. The airport is working to try to keep the taxiway lights running. By 2025 they hope to have all halogen and LED mixed.
 - Aviation Way Median Renovation – The islands on Aviation Way the landscaping rock have been replaced in a couple of them going out to the overflow parking lot. It is waiting for final completion and was paid for by the state grant.

- New Holland Tractor/Mower issues – The tractor is down, and the mower is out of service. Long term they are hoping to acquire additional equipment to assist and use as a backup and a snow blower. Talked about capital plan, over due for blower. Work a deal with Streets dept to acquire theirs.
- Airport Name/Branding Discussion – Continued – Because of the internet capabilities one of suggestions from the mayor is to incorporate Bryce and Zion into the airport name.

A question came up as to what is the typical demographic of folks flying into Cedar City age wise? And, has the airport thought about utilizing social media like Tik Toc, Instagram and all that?

Galetka stated it was in the 22 to 35 age range. The airport has an \$8,000 budget for advertising that they spend on radio ads. Every year the airport requests grants from the county and they use that toward a company advance media which does a lot of the social media advertising marketing.

With budget constraints is where the airport is currently at, and the county has been greatly assisting with that.

A suggestion came up to possibly connect with the business school and getting a free part of the marketing class at the University.

On the airport branding, if the airport is looking to form a committee to look at how to promote the airport. That can be part of the committee. It was decided the topic will be held onto the agenda until a committee is formed by the mayor.

Vector Airport Systems Discussion – There is a company that has offered, they process landing fee billing. They have partnered with Virtower where they do landing fees and bill the actual aircraft coming in out of Cedar City. It is \$1.30/1000 pounds for commercial for charters. Because of the By-laws, the board cannot vote on fees. Galetka wants to get input if the board should look at maybe start enacting a landing fee for interact traffic. Nothing local and for smaller aircraft 6000 lbs. and above. At 12,000 lbs. and above is what the airport bills for landing fees. Another route to try to increase revenue for the airport. It could potentially generate ten thousand per year if the airport started billing. It would raise the rate up to \$2.00/1000 pounds for aircraft that are 6000 and above that are not local and it would be billed directly to them. Currently the airport is not collecting anything between six and twelve. Maybe gather some input for the future, revisit the fee schedule.

The ten thousand is already being taken out and would be revenue to the airport the service would charge 25% landing fee which they have quoted them. In the future it can be discussed at a later stage.

- National Guard Community Involvement- The National Guard is planning to come to Cedar City with their helicopters. With the helicopters it's going to be very noisy and there will be push back. They want to have that community involvement now before they bring in the helicopters. They reached out to Galetka and asked if there were any events going on in the city like parades, SUU football games, high schools & military funerals. To try to make some missions in the city to fly a helicopter at an event and try to incorporate and collaborate them with SUU, and AirLife Utah.
- SkyWest Aircraft Fleet Update – December 1st now, originally October 9th, the airport will be receiving the CRJ 900 servicing our airport for approximately 9 months with the TSA clearance the airport has now. This all comes with the Delta request for the dual class update, where they are required to have dual class if they are flying Delta brand. The airport just received their TSA approval which pretty much they said that the airport is good to go. They are 70-seats. There were some minor changes where the airport will have to do a ramp watch program. The staff will have to sit out during each flight 15 minutes prior to and 15 minutes after the flight departs where one of the staff will have to be tied up watching the aircraft. That brings up staffing shortages, the police department will have to be at the TSA checkpoint as well. There will be an officer and airport staff tied up for that flight each day for two flights a day.

There was a question at what point will there be airport badges?

Galetka mentioned that people accessing the terminal apron will be required to have a badge. The FBO, the airport staff have already obtained theirs. SkyWest can use their own I.D.s and anybody else that enters that TSA area will be required to have a badge.

This is something that was talked about if the airport keeps larger aircraft at some point over 60 seats. The airport will have to have a full security program, fully badged access controlled.

If SkyWest decides that they want to have a better schedule here in Cedar City with better rates and want to keep the larger aircrafts here past 9 months, the airport will go to a full security program with full access control all the time.

By next budget season, Galetka would like to try to start making those upgrades for the gates to have access credentials that can get through the gates versus the keypad.

Galetka also mentioned that the airport will be receiving larger aircraft. The DOT has approved that. At the end of the 9 months (December 1st), the airport will be waiting on if SkyWest goes to the 30-seater pending DOT approval. It is currently unknown what direction that will be going. The airport can reject the 30-seater aircraft.

- Airline Marketing Conference – The conference in Atlantic City, was a good experience. They did not meet with all the airlines they wanted to, there were a lot of airlines that were not there. Moving forward there are other conferences, one “Jump Start” in May is a bigger conference in Washington D.C. It has been budgeted for in the consulting services.
- ATM Vendor Discussion – A representative approached Galetka about placing an ATM in the terminal. Currently there is a cash vending machine and no credit card vending machines. There will not be any fees associated with it. The cash vending machine is 25% revenue collected and requires a contract. If an ATM is needed in the terminal, then pursue the same kind of terms as well. It would be proposed to City Council and get a fee schedule.
It would be a service provided and if there is any revenue would be another source for the airport.

Shuler suggests if this could be something that is a monthly rate plus a percentage?

The reason she brings it up is because it will taking floor space, electricity, and the general maintenance around it. Have some kind of flat fee plus a percentage to cover this.

Galetka will do some research and look into this further.

- Lease reversion language – proposed change discussion - Not enough to decide for a quorum. Will be tabled.
- Action Items:
 - Airport Rules, Regulations, & Minimum Standards Amendments – Will be tabled for next meeting, not enough for a quorum.

- Nigro Development Right-Of-Way Lease – Will be tabled for next meeting, not enough for a quorum.
- Shuler questioned the prairie dog situation?

The airport received approval for unlimited take, the population is growing. The prairie dog fences are mostly intact. There was a vehicle that crashed into the fence in the Ashdown pit, pending repairs.

On the terminal area side all the way to Airport Road there is no prairie dog fence. There is a colony by IFA and believe they are moving through that.

There has been discussion with FAA about pulling some funds through the airport improvement program to finish the fence entirely.

- The Rates – Recommendations to be revisited. With the airport board the by-laws state it is not allowed to vote on fees but can make recommendations. To present to council and make recommendations.

As there was nothing further, the meeting adjourned at 10:05 AM.