

**Lewiston- Nez Perce County Regional Airport Authority
Special Session Minutes**

Airport Authority Conference Room
Airport Terminal Building, Third Floor
406 Burrell Avenue
Lewiston, ID 83501



Friday, March 30, 2018 – 12:00 pm

I. CALL TO ORDER

Chairman McCann called the meeting to order at 12:00 p.m. Board members present included Commissioners Bill McCann, Jr., Verl Long and Jim Bennett.

II. FINANCE

- Approving Vendor Payments

Airport Manager Stephanie Morgan summarized the vendor payments, noting that it was the same report as the previous meeting with the exception of those items highlighted. Commissioner Long asked the purpose of the payment to Delta Dental. Ms. Morgan explained that Delta Dental is respective portion of the employee health package. Commissioner Long asked when that started, to which Chairman McCann responded approximately seven years. Commissioner Long then moved to approve vendor payments. Commissioner Bennett seconded the motion, and it passed unanimously.

III. WORK SESSION

A. LEGAL SERVICES REQUEST FOR QUALIFICATIONS (RFQ)

Chairman McCann asked for the airport manager's report. Ms. Morgan summarized the background on the issue that led to the Board's request for a Legal Services Request For Qualifications (RFQ). Staff developed the RFQ with a cutoff of Friday, March 23, 2018. After research, 31 attorneys were sent the RFQ; only one response was received. As a follow-up, Ms. Morgan contacted ten of the firms to determine if there were a problem with the RFQ that could have minimized its effectiveness. The feedback received indicated that most firms were simply not interested or were too busy to take on additional clients. She asked for Board guidance. Commissioner Long stated the Board clearly needs more applications. Commissioner Bennett felt there were only three options at this point: Send out another RFQ; interview the sole respondent; or reject the all responses and negotiate with a firm of the Board's choice, as provided for by Idaho law. Chairman McCann opined that the current political climate was probably a factor in lack of RFQ interest and that until the waters settle down, there will not likely be much interest. Ms. Morgan added that Tom Callery offered to continue his service until such time as the Board finds an attorney. Commissioner Long moved to reject all RFQ

responses and negotiate with an attorney or firm in the future. Commissioner Bennett seconded the motion, and it passed unanimously.

B. AIRLINE SERVICE

- Impact of Horizon Air Departure

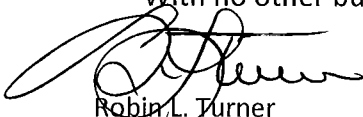
Chairman McCann asked for the airport manager's report. Stephanie Morgan began by summarize the events leading up to the announcement. She became aware of the Horizon CEO's unannounced visit Wednesday evening and met with him Thursday morning at which time he informed her of the airline's planned exit in August. She then summarized the financial impact, estimating a revenue loss of approximately \$80,000 in landing fees and facilities rent. Income in Passenger Facility Charges (PFC) is expected to decrease by approximately \$160,000.

- Air Service Development

Ms. Morgan then discussed the impact on air service. The company's decision falls on the heels of her efforts in conjunction with the air service development consultant to engage in discussions aimed at improving air service. Unfortunately, calls made to Alaska Airlines were not returned. Consultants attribute much of the airline's reluctance to talk to their efforts to incorporate Virgin America Airlines into its corporate culture and route structure amidst the challenges recovering from the industry-wide pilot shortage. Alaska is reportedly still contracting with SkyWest to cover some of the routes Alaska expected Horizon to fill. Ms. Morgan's then summarized a comparison of load factors between Pullman (PUW) and Lewiston (LWS). Pullman runs an average 68% load factor on the Seattle route versus LWS at 63%. The Lewiston-Boise route averages 62% load factors. These numbers are current and take into account the schedule change which according to travel agents forced LWS customers to drive to Pullman because of their inability to make connections in Seattle. She then brought up the current air service development program which will shift directions and engage SkyWest and others to fill the LWS-Seattle market. The Boise market will be a more difficult—though not impossible—void to fill. She reminded those present that air service development is a multi-faceted process with no overnight solutions. She suggested a value to a task force and will also be researching the availability of grant funds to help with the program.

IV. ADJOURNMENT

With no other business to conduct, Chairman McCann adjourned the meeting at 12:30 pm.


Robin L. Turner
Recording Secretary