

**Sun Valley Air Service Board
Meeting Minutes
January 31, 2018
Hailey City Hall Meeting Room 2 pm**

Present: Peter Hendricks – Mayor, City of Sun Valley
Fritz Haemmerle – Mayor, City of Hailey
Neil Bradshaw – Mayor, City of Ketchum

Absent: Larry Schoen – Blaine County Commissioner

Staff Present: Sun Valley – Susan Robertson
Hailey – Heather Dawson

CALL TO ORDER

2:01:06 PM Call to order by Hailey Mayor Fritz Haemmerle.

ROLL CALL

Peter Hendricks, Neil Bradshaw new Ketchum Mayor, and Fritz Haemmerle

ELECTION OF CHAIR:

2:02:00 PM **Hendricks moves to nominate Haemmerle to Chair Hendricks as Vice-Chair and Bradshaw as Treasurer, seconded by Bradshaw, motion passed unanimously.**

PUBLIC COMMENTS

No public Comments.

REMARKS FROM CHAIR

None.

REMARKS FROM BOARD

2:02:35 PM Neil Bradshaw

CONSENT AGENDA:

2:03:20 PM **Motion to approve minutes from Dec. 6, 2017 and approve October and November 2017 LOT reports made by Hendricks and seconded by Haemmerle. Motion passed with Bradshaw abstaining.**

PRESENTATIONS:

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2:04:25 PM Dennis Brown presents audited statements, unmodified report for benefit of new Ketchum Mayor, he explains the delay in receiving the financial statements, lag time. There is a \$115,000 carryover reserve, which is a bit misleading, because by the time we pay the full contracts, more money will come in, 2 more months. Last year we received \$275,000 more than anticipated.

Brown will take any questions from the board.

2:06:43 PM Haemmerle asks on pg. 2 of the auditor's report, under the "other matters" section, the Management discussion and analysis has been omitted. Brown replies, analysis prepared management discussion and put that in later if you wish. The cities generally do prepare a statement/analysis, this is not critical to Brown's opinion.

No other questions of Brown.

2:08:54 PM Hendricks asks his fee, Susan Robertson, replied \$1,000.

Presentation by Sun Valley Alliance, Carol Waller:

2:09:26 PM Fly Sun Valley Alliance semi-annual report by Carol Waller. FY18 progress report presented by Waller. Waller shows expanded air service map and reviews highlights of nonstop flights: Chicago, Denver, Portland & San Francisco. New airline - United and new aircraft CRJ700, E175. 56% of seats filled, 68% of enplanements, longer seasons. Improved Alaska reliability with approach radar installed last year. Success from 2013-2017 showing the growth since inception. Sun Valley air service over time in the past there were many flights and smaller planes, now larger planes and fewer flights. Waller shows results from air passenger surveys, majority are visitors and part-time residents. Then shows breakdown on who is on each flight, % full-time residents, part-time residents, vacationers, by departure city. Economic impact – LOT, general growth in LOT shows 34% growth in revenue for LOT. Majority of visitors are coming for leisure, recreation and events. 30% of full-time residents are traveling for business. Less than half of visitors stay in lodging here. Waller then reviews leakage overview of all visitors, who traveled by air, about 30% use Boise.

2:19:34 PM Bradshaw asks what is important about this leakage slide. Waller, we want to ultimately reduce the leakage to Boise, we'd like this number to be lower. How can we change some factors and reduce leakage to Boise? Bradshaw asks. Waller, competitive fares.

2:20:43 PM Hendricks, don't know if this is decreasing or increasing. Waller, correct we don't know, this is Sun Valley Resort data.

2:21:14 PM Waller, ski resort air service comparison - the resort competition remains strong for Sun Valley.

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FY18 strategic goals include, 2:21:54 PM retain nonstop flights, increase frequency in flights between SLC. Conduct surveys, expand surveys to 12 months. And continue to do analysis on economic impact.

2:23:07 PM Hendricks, explain support efforts for Delta/SLC and flight frequency. Waller responds, these are ongoing conversations with airlines. Consultants primarily have those conversations with airlines.

Winter update, new Chicago O'Hare nonstop weekly flight. Holiday flights are strong, having fewer diversions this winter, half so far, partly due to less snowfall and frequency, enhanced communications with passengers and others, watch video on bus.

Summer 2018 2:26:05 PM finalizing schedule for summer, Delta will have 3 flights daily beginning in June. Peak winter and summer seasons.

2:26:54 PM Bradshaw asked what is different? Waller, the added flight typically is stopped in sept, now it will continue through December.

Thanks to FSVA service partners, we have great partnerships with businesses and Sun Valley Resort.

2:28:15 PM Haemmerle asked question, would nonstop flights have been possible without the MRGs. Waller replied no.

2:29:00 PM Bradshaw asks, the extra flight for 3 more months? Waller, Delta just came out with the schedule.

2:29:55 PM Dick Fenton speaks, flight frequency changes with demands.

2:30:38 PM Haemmerle, have flights from Twin Falls increased also? Waller yes, they have 3 flights a day, a 50-passenger plane, a larger aircraft, that cannot service our airport.

2:31:20 PM Hendricks, people are coming here because of the collective pass. The new IKON pass, he noticed that Sun Valley is not on that list, nor on the first year's collective pass. This is not good news, what is ramification, fewer enplanements.

2:32:34 PM Haemmerle IKON pass what is it? 13 resorts, new entity KSL and crown family. Hendricks IKON, can buy it now. Waller asks Tim Silva to respond to that question.

2:33:52 PM Silva speaks, Mountain Collective will exist for 2018-2019 year and goes on sale in March. This is an exciting product, success with collective pass will continue through 2019. Silva poses a question, do we want to associate this resort with any mass marketing effort, it is something we should weigh very very carefully - you need to ask yourself this question.

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2:35:21 PM Haemmerle, why wouldn't Sun Valley be involved IKON? Silva responds, Mountain Collective is working well to drive business and how it affects volume, being careful about who we associate with it a good approach.

Presentation by Sun Valley Marketing Alliance (SVMA), Scott Fortner:

2:36:28 PM Fortner displays Inspirational quotes used in marketing at different times of the year. Fortner then shows video and explains, it shows all the things one can do in the valley. We've seen more engagement from this video than in the past.

Fly markets to our sites - LA, New York, Hailey, travelers who are booking air, our advertising is driving searches to Sun Valley, we've seen 20% increase in website visits, avg. of 15,000 monthly searches. Instagram and Facebook posts - 2 media sources used. Lots of interest from LA, and Seattle is one of our larger markets. We are seeing higher search interest, which is exciting.

2:41:49 PM SVMA has revamped "how to get here" website. It has been totally redone, cost benefit analysis, 3x the visitation and more time spent on this page. The challenge is the conversion component.

2:43:05 PM Analysis of paid markets, we looked at all markets, what are all opportunities, each market is drastically different. We need to refine our market share. Portland market is new, need to keep chipping away at this, from a new market you see mostly new visitors, not regular/repeat visitors. Conclusions, mix in each market is multifold.

2:45:44 PM Markets are different, Bradshaw asks what do I need to know? Fortner replies, use San Francisco as example, we are not paying MRGs from there in the summer time, the load factors are high, in winter – different load factors are low and we have to change things around in that market and competitiveness is a component too.

2:46:44 PM Opportunities for improvement, we can't improve the weather. Can work on conversion path to purchase. Only 3 hotel properties have info on flights to town. We need to continue to work on this, have businesses add information on their websites, create partnerships.

Next steps, we don't have central reservation system 2:48:33 PM air service desk concept, communicate with guest and suggest we look into this model.

Local lodging website, top sites are kayak and air watch dog and google 2:49:39 PM online travel agent, paid search, Fortner will look into this. Need to better understand path to purchase, leveraging airline partnerships. 35-40% return guests book directly to the destination.

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2:52:15 PM Bradshaw asks a question. Fortner responds. Conversation today with ski.com, working with Denver, Vail, able to pull all info, air, ground transportation and pull it all together – everything you need to travel to a destination. Fortner thinks this will drive more visitors. 2:53:38 PM Bradshaw, is that a risk? Fortner, sometimes we need this option. It is hard to find direct flights through kayak.

2:55:26 PM Haemmerle asks a question, when he does a Google search, then he notices that destination flashes pictures of interest, is that what you do? Fortner, yes our people do this. Haemmerle, this marketing works. Industry standard is 5 to 12 times. We hit them 5 times before moving on.

2:57:38 PM Hendricks, asks how you got involved in the Mountain Travel Symposium, Fortner, this group comes together once a year at a mountain west destination. Part of the process is a forum discussing challenges and resort marketing. Breckenridge hosted it 2 years ago, Banff last year, he mentioned having Sun Valley hosting it, and hope to get an agreement for 20-21 year, 1,200 people would come here. They liked the good cooperation between the lodging and community - everyone working together. We would get to host high level wholesalers in industry, helps transportation process in the state. Hendricks was excited to attend those meetings, and good to know we are always reaching out to other destinations.

3:02:00 PM Hendricks, is it reluctance? Fortner is not sure if it is reluctance or focus. Met with lodging folks, all willing to help, trying to contact those marketing contacts associated with the lodging to place links on their websites.

EXECUTIVE SESSION:

3:03:58 PM **Motion to go into Executive Session pursuant to Idaho Code 74-206(1)(d) and 74 -206(1)(e) to consider preliminary negotiations, made by Hendricks, seconded by Bradshaw, passed with roll call vote. Hendricks, yes. Haemmerle, yes. Bradshaw, yes.**

3:28:11 PM Board came out of executive session and reconvened the meeting.

NEW BUSINESS/REPORTS:

Item 6 & 10

3:28:31 PM 6 – Robertson explains that following the audit, we reconcile how receipts accrued in the preceding year and determines voting rights for the next year. **Hendricks moves to accept recommendations on voting rights, seconded by Bradshaw, Hendricks asks what percentage control amount is Ketchum, Robertson replies, 66.6% is Ketchum. Motion passed with roll call vote. Bradshaw, yes. Hendricks, yes. Haemmerle, yes.**

3:29:57 PM Bills on hand, page 78 packet, \$299,910.82, 3:30:16 PM **Bradshaw moves to approve bills on hand, Hendricks seconds, passed with roll call vote. Hendricks, yes. Bradshaw, yes. Haemmerle, yes.**

Robertson will set up future meeting date to continue discussion of items.

3:30:41 PM **Motion to adjourn made by Hendricks, seconded by Bradshaw. Motion passed unanimously.**



Fritz Haemmerle, Chairman

ATTEST:



Neil Bradshaw, Secretary/Treasurer