

JOURNAL OF COMMISSION WORK SESSION
April 21, 2015

City Commission Work Session
Civic Center, Commission Chambers

Mayor Winters presiding

CALL TO ORDER: 5:30 p.m.

ROLL CALL: City Commissioners present: Michael J. Winters, Bill Bronson, Fred Burow, and Bob Jones. Commissioner Bob Kelly was excused.

STAFF PRESENT: City Manager and Deputy City Manager; City Attorney; Directors of Fiscal Services and Public Works; Police Chief; and the Deputy City Clerk.

**** Action Minutes of the Great Falls City Commission. Please refer to the audio/video recording of this meeting for additional detail. ****

1. PUBLIC COMMENT

There were no comments from the public.

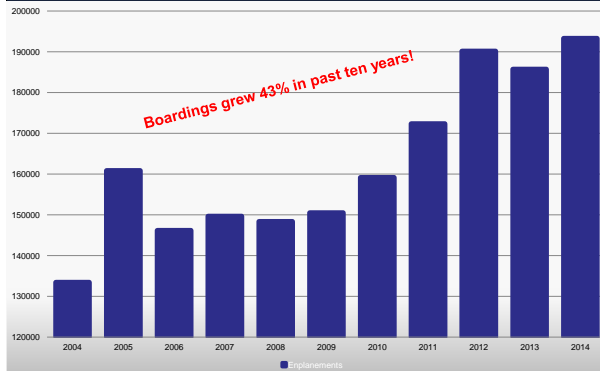
2. GREAT FALLS REGIONAL AIRPORT AUTHORITY BOARD UPDATE

Great Falls International Airport Director John Faulkner provided and discussed a PowerPoint presentation update for the Regional Airport Authority Board. He introduced Board Chairman Brad Talcott, and Board members Dan Rooney and Sean Hoven.

 <p style="text-align: center;">Great Falls International Airport Authority</p> <p style="text-align: center;">Great Falls City Council April 21, 2015</p>	Recent Highlights Critical goals met during uncertain environment
	<ul style="list-style-type: none">• GTF set new passenger traffic record 4 of the past 5 calendar years• GTF achieves the LOWEST average ticket price in Montana in 2013 & all reported quarters of 2014• Authority achieved record Operating Revenue 4 out of past 5 years• \$7 million Terminal expansion is complete, \$2 million road plan in 2015• Alaska Airlines announcing largest seat expansion at GTF in 5 years. New seats begin this fall along with MORE LOW FARES!

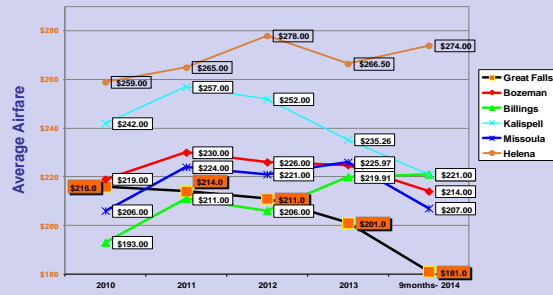
GTF Continues to see Fantastic Growth

Record Boardings of 193,532, Calendar Year 2014



GTF: Cheapest Average Airfare in Montana!

US prices up 10% since 2008 : GTF down 22% in same period



Competitive Environment

Now is the Best Time to Fly

Baltimore	\$378 USD	United	Miami	\$518 USD	United
Boston	\$402 USD	Delta	New York	\$429 USD	Delta
Cancun	\$510 USD	United	Oakland	\$230 USD	Alaska
Chicago	\$298 USD	Alaska	Phoenix	\$130 USD	Allegiant
Cincinnati	\$401 USD	United	Portland	\$206 USD	Alaska
Dallas	\$292 USD	Delta	Sacramento	\$294 USD	Alaska
Denver	\$308 USD	Alaska	Salt Lake City	\$325 USD	Alaska
Honolulu	\$604 USD	Alaska	San Diego	\$239 USD	Alaska
Kansas City	\$446 USD	United	San Francisco	\$255 USD	Alaska
Las Vegas	\$130 USD	Allegiant	Seattle	\$215 USD	Alaska
Los Angeles	\$220 USD	Delta	Washington DC	\$382 USD	United

Now Boarding - 20,000 New Seats!

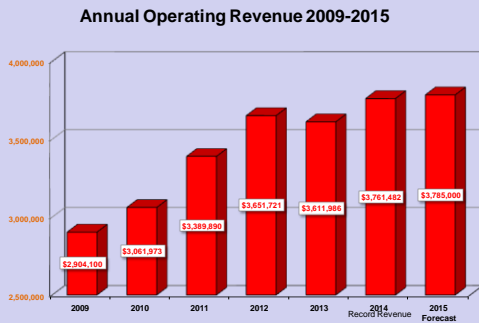
Alaska Airlines Schedule Change this Fall



- Helena leg removed from schedule to Seattle
- Opens 20,000 new annual seats for GTF
- Alaska already has lowest average ticket price of network airlines at GTF
- Alaska is adding more low fare codes on each flight
- West Coast, Hawaii and Alaska should also see long-term fare decrease
- Change takes effect this September

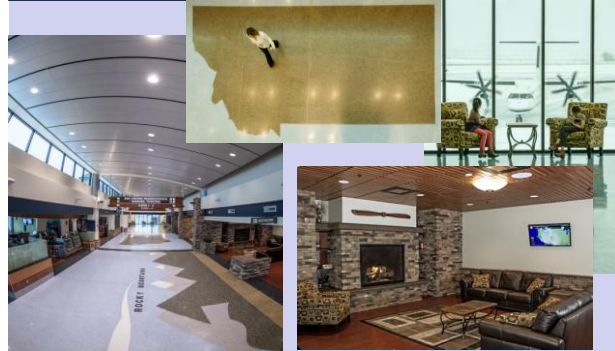
Solid Revenue Growth Over Five Years

Fiscal Year 2014 was a Record, FY 2015 Even Better

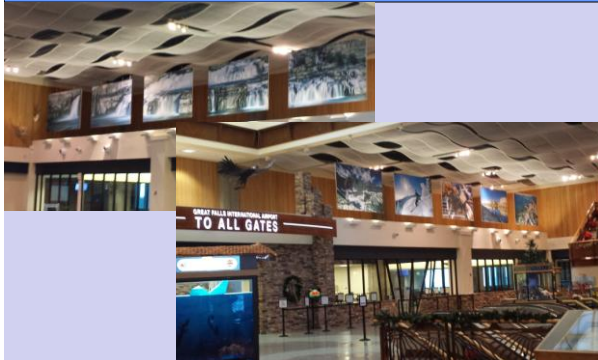


The New GTF

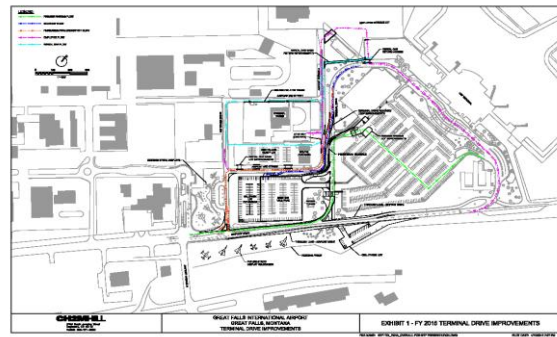
Remaking the Gateway to Great Falls



The New GTF Reflecting our Region



The Road Best Traveled Building Capacity for the Future



Airport Authority: Marketing Strategies

What do we think the face of Great Falls is?



Great Falls Has Unique Assets Our Community is keeping some Big Secrets



Genuine Montana Launching a Destination



- GenuineMontana.com is partnership between Airport and CVB
- Comprehensive regional tourism information
- Joint marketing by CVB, Tourism Business improvement District has reached major markets across US
- 125,000 visitors to site since its inception in 2012

Great Falls sells like Hotcakes! Tourism targets have responded

Airport	Passenger Daily Each Way (PDEW) Top 15 Markets Summer (Third Quarter) 2014 vs Summer (Third Quarter) 2011			
	2011 Daily Passengers Each Way	2014 Daily Passengers Each Way	Quarterly Passenger Growth	Growth %
Markets we advertise in				
1 Seattle	26.3	30.1	347	14.4%
2 Denver	20.8	26.0	475	25.0%
5 Minneapolis	9.8	12.3	228	25.5%
6 Salt Lake City	9.3	11.8	228	26.9%
9 Dallas	8.5	9.3	73	9.4%
11 Atlanta	7.2	8.0	73	11.1%
12 Chicago	5.7	7.8	192	36.8%
14 Houston	4.8	6.3	137	31.3%
17 Kansas City	4.4	5.7	119	29.5%
Total for Advertised Markets	96.6	117.3	1,871	21.2%
3 LA Combined ***Direct Flights in 2014***	18.5	31.7	1,205	71.4%
No Advertising				
4 Washington DC (including Baltimore)	11.0	13.6	237	23.6%
8 San Francisco and Bay Area	10.9	10.1	(73)	-7.3%
7 Portland	9.7	10.5	73	8.2%
10 New York (All Airports)	7.0	8.1	100	15.7%
13 Orlando	6.7	6.6	(9)	-1.5%
15 San Diego	6.4	6.2	(18)	-3.1%
16 Anchorage	4.6	5.0	37	8.7%
18 Sacramento	4.8	4.7	(9)	-2.1%
19 Boston	4.2	4.4	18	4.8%
Total for Non-Advertised Markets	65.3	69.2	356	6.0%

Historic Flights Incoming!

History Lands in Great Falls



Recognition of the Alaska-Siberia Contribution to Victory in Europe

- **April 27th**: Kingdom Air Corps observing 70th Anniversary of German Surrender on 5/7 will start at GTF and fly to Siberia
 - Public viewing from 2:30pm to 5pm
 - Watch the skies starting at 11:30am for flyovers
- **July 18th**: Bravo 369 Flight will headline a historic fly-in of WWII warbirds in recognition of Great Falls' unique contribution to the Lend-Lease Program.
 - Historic aircraft on display
 - Photo Opportunities
 - History Museum events
 - Video Gaming & More

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Director Faulkner discussed the MANG aircraft transition with the departure of the F-15's and also the FedEx 727 which quit flying approximately 18 months ago. He noted the noise contours have shrunk dramatically. Also, from the military component, the number of operations at the airport have increased approximately three times.

Director Faulkner reported the Chamber of Commerce put together a fund using donations from individuals and businesses in the community to assist in getting Frontier Airlines to come to Great Falls. When the other carriers began to offer T fares to compete with Frontier, planes filled up. Frontier used the fund one month, but paid it back when they made so much money. The entirety of the money is still intact. He noted a presentation is being prepared to talk to a different low-cost carrier about some flights in 2016, and the fund would be used as a guarantee. This time Chicago is being looked at as the connecting city. Since Great Falls does not have service to Chicago, a federal grant can be written which could pick up 50-60% of the cost.

Mayor Winters questioned the possible expansion of flights for the parcel industry. Director Faulkner responded FedEx has added an additional flight. He noted parcel traffic comes through Great Falls, but mail traffic goes through Billings. He believes that a reevaluation may achieve a cost savings if the mail traffic is returned to Great Falls. He also discussed a possible growth opportunity to clear customs for some Canadian flights, with no waiting.

Commissioner Bronson requested copies of the slides be provided to the Commission. Director Faulkner responded there are additional slides that show the route network of all the low-cost carriers that are active in the United States.

3. QUARTERLY BUDGET UPDATE

Fiscal Services Director Melissa Kinzler provided and discussed a handout for FY 2015 – 3rd Quarter Review, including a highlight sheet.

Director Kinzler noted that 17% is only a minimum goal to maintain during shortages of revenue to cover expenses.

City Manager Greg Doyon commented that the City has recovered very well considering everything the City went through financially. Looking ahead, he noted the needs of the City and priorities that must be evaluated with the future revenue picture. The City has had a financial reset and will be heading accordingly with a new vision and a new way of looking at revenues and priorities City-wide. Challenges have been deferred and there are still hard issues to deal with some of our facilities.

Manager Doyon discussed the Charter calculation changing the methodology used to determine bundle packages vs. user accounts, resulting in a reduced franchise fee to the City. He has questioned what Charter uses to measure Great Falls cable subscribers, but has not received any information. There may be areas that have been annexed but have not been added to Charter's franchise map.

Director Kinzler reviewed an additional PERA contribution the City has had to pay, in the amount of \$157,062.07, for Fire Acting Pay due to a clerical error from 1990 until a few months ago.

Manager Doyon noted the Golf fund owes the General Fund over \$1 Million, and the Commission may be asked to write that off at some point also.

4. DISCUSSION OF POTENTIAL UPCOMING WORK SESSION TOPICS

Manager Doyon reported the City's non-voted general obligation debt capacity for the Commission to address certain equipment and capital items is approximately \$2 Million. An outline of a state program with very low interest that could be used to start replacing fire equipment will be brought before the Commission at the May 5, 2015, Work Session.

Manager Doyon also discussed the upcoming budget review and the beginning of a recalculation method for determining internal service charges.

ADJOURN

There being no further discussion, Mayor Winters adjourned the informal work session of April 21, 2015, at 6:28 p.m.