

**MINUTES**  
**ABERDEEN REGIONAL AIRPORT BOARD**  
**Special Meeting**  
**November 21, 2013**

**MEMBERS PRESENT:** Mike Erickson, Rolf Johnson, Steve Kaiser

**OTHERS PRESENT:** Mike Wilson, Lynn Lander, Alan Johnson, Carl Perry, Gary Christiansen,  
Elisa Sand, Rhea Ketterling

Chairman Erickson called the special meeting of the Aberdeen Regional Airport Board at 12:00pm, Thursday November 21, 2013.

**Item #2** – Kaiser moved the adoption of the agenda, seconded by Johnson. **MOTION CARRIED.**

**New Business**

**Item #3 – Discuss and authorize Board Chair to sign a letter to the DOT in favor of SkyWest Airlines proposal for subsidized air service in Aberdeen:**

Wilson stated we received one proposal for EAS. They do this every 2 years now that we are on the EAS program. If an airline wanted to submit a proposal to serve us without subsidy this would most likely trump anyone that is asking for a subsidy. No one did this. The one EAS proposal received was from SkyWest and it's for \$1,043,000 this time. The last one was closer to \$1.6M and the DOT negotiated and it went down to \$1.2M. Their subsidy request this time is about \$155,000 less from the previous one. Wilson thinks the reason for this is the enplanements increase that they had seen since they have been here. The data prior to them bidding is at 20,000 then there was a slight increase prior going to EAS and we had sustained this for the last 2 years now. Wilson distributed the EAS determinations which shows that in 1984 when the order came out determining that we must go Minneapolis, has to be 2 flights per day every day of the week, and if we were to be served with 14 seats or smaller aircraft it could be 80 seats per day. We are served with 50 passenger aircraft, 2 flights per day which gives us 62 seats per day on a 15 or larger aircraft. The other airports are guaranteed 12 flights a week, where we are guaranteed 14 flights a week. SkyWest proposal is a minimum of 14 flights and they may do additional during hunting season. They worked pretty well with us this year. Kaiser stated no one is disappointed with the service that they had been providing and see no reason for not going forward. Wilson thinks they will continue to work with us if the demand is there on additional flights. Wilson added our load factor when we had 4 flights per day we were only operating at 40%, 3 per day it was 50% to 60% and now with 2 per day we are around 70%. Across the industry, they look for 84% before they bring in the 3<sup>rd</sup> flight which is what we see during hunting season. Erickson thinks it is interesting that the subsidy is only \$22 per passenger. Wilson stated this shows a lot for us when it's this low. There's an airport that is around \$4,000 per person in subsidy. Huron's subsidy is at \$2M with 3,000 passengers a year. Johnson stated he is surprised about the cost of \$3,700 for a trip, but this also depends on what goes in the cost factor. Lander, City Manager in his view it's great that we qualify for EAS and at the same time it's great to see that our subsidy is decreasing and load factor is increasing. In addition, we ask that SkyWest continue looking at adding a 3<sup>rd</sup> flight as we increase our load factor. Lander thinks this is important as there is a need for it, but also understands there is a cost associated to this. Wilson stated the City Council will also be sending a letter after their meeting on Monday. The EAS program when they filed notice to the 23 communities there was a push by one of the Senators to block any new communities from going on to EAS and this did go into effect. Had we not been one of the communities back then and the airlines filed a termination of service now, there would not be EAS for us. We are fortunate that we have this safety net to provide the service. Carl Perry asked if this proposal is for 2 years. Wilson stated the current one expires in March and this will start and run for 2 years. Perry asked will they fund the EAS in the future. Wilson thinks that they will be some reform and not sure what will happen with it. For us we are 3 hours away from an airport that has more service than what we have, we have 25,000 passengers, and \$22 per passenger subsidy. Wilson thinks we are a lot safer than an airport that is an 1 hour to 1.5 hour away from other airport that is operating on a subsidy of \$2,000 per passenger. Johnson asked when did EAS program started. Wilson stated it was 1978 Airline De-regulation; to make sure communities that were losing service to be able to retain the service. This was to expire in 1985, but they have continued to extend this. The communities were supposed to be self-sufficient and this has not happen. Every year this is up for debate. This is one of the sticking points for passing the FAA reauthorization. **MOTION CARRIED.**

Meeting adjourned at 12:09pm.