

Airline Services Meeting Agenda

December 11, 2007

Forward Sheridan Conference Room

Welcome—Paul Wallop and Bruce Garber, Co-Chairs

Update on Enplanement and Airport Activities—John Stopka, Manager, Sheridan County Airport

John Stopka provided handouts to the group, showing 2007 Sheridan County Airport enplanements, deplanements, and total of revenue and non-revenue passengers. He also provided the same data for 2006 for comparison, and provided a graph of passenger totals from 2002 to 2007. Mr. Stopka also provided the current 2007 Passenger Activity Report from Wyoming Commercial Services Airports. The data shows an approximate 60% increase in the number of passengers and enplanements from 2006 to 2007. Sheridan County Airport has experienced the highest increase in activity compared to other commercial airports within Wyoming.

Currently, there are 136 seats to Denver and 19 seats to Billings daily. This does not include charter availability. Philippe Chino asked if the number of enplanements and passengers would have increased if we had not recruited a second airline to Sheridan. Mr. Stopka explained that both Big Sky Airlines and Great Lakes Airlines look to increase their enplanements and number of passengers, and that the totals would have increased; however, not at the exponential level that we have seen in 2007. Bruce Garber asked if the market was growing; Mr. Stopka replied that the market is indeed growing as more flights with more convenient choices become available to passengers. Great Lakes Airlines are code share partners with both Frontier Airlines and United Airlines, which allows Sheridan to capture frequent flyers and customers with loyalty or affinity for those airlines. Big Sky Airlines is a convenient option to fly to either Denver or Billings; business travelers can fly into these hubs and make their own connections with other airlines at these airports. Between the two airlines, Sheridan County Airport is able to capture the market share of both business travelers with airline affinities and travelers who book independently.

Mr. Stopka has also spoken with Chuck Howell of Great Lakes Airlines and Fred deLeeuw of Big Sky Airlines to solicit their opinions regarding enplanement and airport activities. Both airlines are pleased with the number of passengers and number of enplanements. Big Sky Airlines has offered fare sales to compete with Great Lakes; however, Great Lakes is offering more in-flight amenities for their ticket prices (flight attendants, restrooms, etc.). In addition, Great Lakes recently hired a new station manager; the new manager is eager to integrate into the community and market Great Lakes air service.

Mr. Stopka states that both airlines offer excellent service in Sheridan, cooperating with each other and working as a team to ensure smooth operations and excellent customer

service. Bruce Garber mentioned that he's heard stories of both airlines failing to meet customer expectations in Denver. From customers being bumped from oversold flights to check-in confusion to a lack of computers at the gate, service in Denver may not be provided at the level that it is in Sheridan. Mr. Stopka agreed that poor service in Denver could create a loss of customers for Sheridan; should the Airline services task force address this issue with the airlines? Regional airports have mentioned service issues in Denver to these airlines; however, it doesn't seem to be addressed. Jaime Lewis mentioned that poor service in Denver may not be specific to either airline, but rather an overall service issue affecting all airlines that fly in or out of Denver. Paul Wallop suggested that the task force draft a letter to send to Great Lakes and Big Sky with our concerns; we have shown that Sheridan can support both airlines, and we would like them to provide excellent service not only in Sheridan, but also in Denver. To that end, the task force would be willing to help with customer service surveys or offer end of flight interviews to incoming flights from Denver. Mr. Stopka agreed that the matter should be discussed; he will contact both airlines via telephone to see if a face-to-face discussion can be arranged in January.

Update on Marketing Activities—John Stopka

John Stopka reviewed his advertising and marketing strategies with the task force. Last year, Sheridan County Airport spent approximately \$12,500 on marketing--\$10,000 came from the airport budget, with additional funding from grant sources. Local radio stations donated courtesy airtime to the airport in addition to paid advertising time. This year, the marketing budget has increased to \$20,000--\$10,000 came from the airport budget, with a \$10,000 match from the State of Wyoming. Mr. Stopka will still seek out grant funding; however, he is planning to maintain this level of funding for marketing over the next few years.

Currently, the airport has a multi-prong marketing approach. In addition to printed ads in the Sheridan Press, Sheridan Travel and Tourism Co-ops, and Impact magazine and radio ads on local stations, the airport is utilizing the Fly Wyoming campaign materials, such as the billboard, to advertise. The airport also has take-away marketing materials available—baggage tags are available to travelers at the airport terminal and panel cards with airport information and schedules have been sent to local hotels and dude ranches. Mr. Stopka has also partnered with Val Burgess of Burgess Design Group to assist with Sheridan County Airport's marketing strategy. Val Burgess is assisting the airport in targeting their marketing campaign, focusing advertising on peak seasons for maximum effectiveness. Val Burgess is also soliciting Great Lakes and Big Sky for additional funds for advertising to create ads for Sheridan Airport sponsored by each airline. Currently, neither airline advertises their services.

Philippe Chino asked if Jim Schellinger and Karen Chase, co-chairs of the Fly Sheridan campaign, have been involved in the airport marketing plan; Mr. Stopka has not had a lot of participation in the marketing plan, as he doesn't want the marketing to get bogged down in an overabundance of input. This committee should be updated on the airport marketing.

Philippe Chino asked if it would make sense for local dude ranches and the hospitality industry to market their services and the airport to the areas where their guests live. Paul Wallop addressed this question—it doesn't make sense to pursue this type of advertising campaign, as there is no good way to quantify a return on advertising dollars. However, the hospitality industry and dude ranches can be proactive in support of the airport by including the airport schedule and information in their individual marketing packets, and providing air travel information to customers coming in from outside of Sheridan. Mr. Stopka will email a PDF file of the panel card so that it can be included in marketing packets; Forward Sheridan will forward this file to its investors.

Frontier Airlines—Philippe Chino

Philippe Chino has spoken with the Frontier Airlines Board; they held their annual meeting in Sarasota, Florida. Frontier has brought in a new manager who is attuned to the needs of smaller airlines and airports. The group needs to decide how to follow up to the reply sent to Frontier Airlines request for proposal (RFP); we definitely need to stay in touch with Frontier Airlines—as enplanements, number of passengers, and load factors increase, so will the face time with Frontier Airlines. However, it will take an investment of time and money. Mr. Chino suggested that the task force contact the Boyd Group to determine our needs as a group and an estimated fee for Boyd Group services. The Boyd Group has said that to entice Frontier, Sheridan County Airport needs to increase enplanements to 30,000. The potential to reach that goal is there.

Mr. Chino challenged the task force to look forward to 2008—what are the objectives of the group? If we want to meet with Frontier, if we want to hire the Boyd Group, if we want to host Frontier during Rodeo week, we need to plan now. Paul Wallop agreed that inviting Frontier officials during Rodeo would be a good idea; not only would we get face time with the airline, but they would see Sheridan Airport at peak operations. Further discussion by the group may be warranted.

Sky West/Mesa Airlines to Salt Lake City—Philippe Chino

Philippe Chino announced that both Sky West and Mesa Airlines will soon be providing service to Salt Lake City from Gillette, WY. Mr. Chino asked the group if this could be a potential market for Sheridan, as Salt Lake City is also a hub airport. John Stopka and Paul Wallop both questioned the viability of this market—Salt Lake City is a useful hub if you are flying west; however, Denver is more convenient to reach the East, North, and South. Also, Mr. Stopka mentioned that Sky West has a revenue guarantee with Gillette—if the flights to Salt Lake City don't hold a certain number of passengers, Gillette must pay Sky West for services. Also, Sky West and Mesa specifically targeted Gillette as a market—there are 4 energy companies headquartered in Salt Lake City with a presence in Gillette, and those companies are paying to fly their employees from Gillette to Denver and Denver to Salt Lake City. These airlines saw an opportunity to capitalize on this opportunity; however, the same opportunity is not present in Sheridan.

Other

John Stopka mentioned that there are plans to reconstruct Brundage and Airport roads. Included with the reconstruction plans are plans to landscape, create a pathway/sidewalk along Airport Road, and plant trees. Bruce Garber questioned the design of the airport—the runway is an entry corridor into Sheridan and the airport as an entry point to the city should set the mood for arrival in Sheridan—it should reflect the beauty of the mountains and the history of the area. The building façade, signage, and in-terminal art should all reflect the character and spirit of Sheridan. Mr. Garber sees the reconstruction of Brundage and Airport roads as an opportunity for the task force to partner with the City, the County, and Forward Sheridan to request that the reconstruction address design standards for this important gateway into Sheridan. Philippe Chino offered to have Forward Sheridan facilitate meetings and public input, along with City and County communication on this project—Forward Sheridan can coordinate updates from City/County meetings with the airport, and can facilitate discussion between businesses and customers who depend on the airport's services.

Next Meeting:

Depending upon the outcome of John Stopka's calls to both Great Lakes Airline and Big Sky Airline to discuss customer service expectations in Denver, the next meeting may be held in January. Bruce Garber and Paul Wallop, co-chairs of the Airline Services Task Force, are opting not to schedule another meeting at this time, as the next meeting will be based on the availability of representatives from both airlines.