

**Gogebic-Iron County Airport  
Special Board Meeting Minutes**

**Gogebic Community College  
Room B22  
E4946 Jackson Rd.  
Ironwood, MI 49938**

**December 18, 2019  
1:00 P.M.**

**Call to Order**

The meeting was called to order at 1:01 P.M. by Chairman Bonovetz.

**Pledge of Allegiance**

The Pledge of Allegiance was recited.

**Roll Call**

**Present:** (5) Mr. Hanson, Mr. Snyder, Mr. Laabs, Mr. Lorenson, Mr. Bonovetz  
**Absent:** (0) None  
**Staff Present:** Mike Harma, Kristi Freeman

**Approval of the Minutes**

1. December 9, 2019 – Regular Board Meeting  
**A motion** was made by Mr. Hanson, supported by Mr. Lorenson and carried by unanimous voice vote to approve the minutes as presented.

**Approval of the Agenda**

**A motion** was made by Mr. Snyder, supported by Mr. Lorenson and carried by unanimous voice vote to approve the agenda as presented. Mr. Lorenson informed the Board he would need to leave by 3:30 P.M.

**Essential Air Service Proposal Presentations**

**1:00 P.M. – Boutique Air**

Boutique Air had three presenters – Mr. Matthew Butcher, Mr. Brian Kondrad and Mr. Adam Majewski for their PowerPoint presentation. Mr. Butcher shared their airline story and reliability influences noting a 98% controllable complete rate. Boutique has 30 plus aircraft including the Pilatus PC-12, Beechcraft King Air 350 and two Piaggio Avanti with an 8 or 9 passenger configuration that can produce faster flight times than our current EAS provider. Boutique shared their route map and stated they fly to 16 EAS communities with five mechanical repair facilities and strategically placed reserve aircraft. Boutique runs two crews per day, utilizing flex pilots with nine pilot domiciles throughout the country. Boutique provided their subsidy rates per their proposals; Option 1 of 18 Weekly Nonstop RT's from IWD-ORD ranging from \$3,871,785 for Year 1 to \$4,169,488 through Year 4 and Option 2 of 13 Weekly Nonstop RT's from IWD-ORD and 5 RT's from IWD-MSP ranging from \$3,593,464 for Year 1 to \$3,869,767 through Year 4. Boutique runs a paperless cockpit custom operations software. Boutique has an interline and codeshare with United Airlines and an interline with American Airlines.



They have a dedicated 24-hour customer service center. Boutique is committing to at least \$20,000 to marketing in our area. Boutique also highlighted their car rental service.

### **2:00 P.M. – Southern Airways**

Southern Air arrived at 2:08 with two presenters – Mr. Mark Cestari and Captain Bruce Jacobs with their presentation. Mr. Cestari stated that Southern is the fastest growing commuter airline that focuses on four elements; reliability, low fares in EAS markets, customer service and to market their airline. Southern wants to partner with our community to offer discounts to local hotels, the college campus, community members and local care network. Mr. Jacobs addressed the pilot shortage and a proactive pilot recruitment including a program with Skywest. Southern flies a 9-seat class Cessna Caravan with a two-pilot crew that flies well in our region's weather. Southern stated they would require hangar space at our facility. Southern offers an interline agreement with American Airlines, Condor and Alaska Airlines. Mr. Cestari reviewed their proposals with three options; Option A with 18 Weekly RT's from IWD-ORD ranging from \$3,966,830 Year 1 to \$4,085,835 for Year 2, Option B with 12 Weekly RT's to ORD and 6 Weekly RT's to MSP from \$3,788,144 for Year 1 to \$3,901,789 for Year 2, and Option C with 18 Weekly RT's to MSP from \$3,125,692 for Year 1 to \$3,219,463 for Year 2. Mr. Snyder inquired on their cancellation policy and Mr. Jacobs stated that if flight cancellations are the fault of a mechanical or pilot issue it would be Southern's responsibility and if the cancellation is weather related, they do have the ability from the DOT to run an accommodating flight the next day.

### **3:00 P.M. – Denver Air Connection**

Denver Air Connection had three presenters – Mr. Marc Hesting, Mr. Glen Rich and Mr. Michael Gall with a PowerPoint presentation and informational binder provided to each attending member. Denver Air highlighted their airline history and partnerships. Mr. Hesting described their fleet of two Embraer EMB-145's (50 seat), five Dornier 328 jets, and one Brasilia (both 30 seats) and the onboard passenger experience including shorter flight times, in-flight service, flight attendant and lavatory. Denver Air noted a 99.6% completion rate with a 94.9% on time rate. Denver Air stated they would plan to overnight here at IWD and are flexible to a flight schedule that works with our community. Denver Air discussed their proposal with 12 weekly RT's from IWD-ORD (2 RT's Monday-Friday & 1 RT Sat & Sun) for an annual subsidy rate of \$4,143,766. They would have overnight crews for the area. They stated their average fare of \$89.00 and no charge for the first checked bag or carry-on. Denver Air does have an interline agreement with United Airlines. Denver Air provided research about the enplanement data from the last two years of neighboring airports and how we are limited by seats right now to increase our enplanement numbers. A discussion took place that if they were to hangar the plane a 25' door would be required.

### **4:00 P.M. – Air Choice One**

Air Choice One had two presenters – Mr. Shane Stortz and Mr. Taylor Wood with their PowerPoint presentation and informational binder provided to each attending member. Air Choice One began with their Midwest route map and performance statistics from the last 300 days. Their on-time performance average of 87% and completion rate average of 93% includes weather. Mr. Wood provided a local survey that states local passengers are very satisfied with the current air service and



that Air Choice One is very involved with our local community and are committed to providing \$50,000 for their marketing budget. He touched upon improvements to Air Choice One's service including their reward program Choice +, a new website, increased social media presence and addition to Google flights. Air Choice One provided a five-year performance report with total passengers carried by the airline. Mr. Stortz describes the aircraft fleet of the 9 seat Beechcraft 1900 and Caravan 208. He then displayed the subsidy rates per their two proposals; Choice 1 with a 2 or 4 year option of 13 Weekly Nonstop RT's from IWD-ORD and 5 RT's from IWD-MSP with the Cessna Grand Caravan ranging from \$3,691,152 for Year 1 and Choice 2 with a 2 or 4 year option of 13 Weekly Nonstop RT's from IWD-ORD (Beechcraft 1900C) and 5 RT's from IWD-MSP (Cessna Grand Caravan) ranging from \$3,990,779 for Year 1. Mr. Stortz stated he plans to continue the additional daily weekend flight from IWD-MSP and to add 3 weekly midday flights from IWD-ORD to increase our enplanement numbers. He proposed web only fare promotions to both MSP and ORD to increase enplanements, a free checked bag, personal and carry on item and Choice Travel Insurance. Mr. Stortz stated they would hanger two aircrafts at our facility.

**Other Matters**

A meeting was scheduled for Monday, January 6, 2020 at 10:00 A.M. to discuss the airline presentations and provide a recommendation to the Department of Transportation.

**Public Comment**

None

**Adjournment**

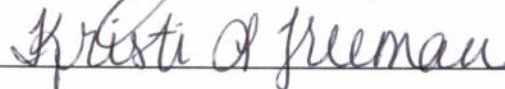
**A motion** was made by Mr. Snyder, supported by Mr. Laabs and carried by unanimous voice vote to adjourn the meeting by the call of Chairman Bonovetz. The meeting adjourned at 4:58 P.M.

01/06/20

Date Approved



Brandon Snyder, Recording Secretary



Minutes Submitted by Kristi Freeman

Confidential Secretary, Gogebic-Iron County Airport