

**Kearney, Nebraska**  
**March 31, 2016**  
**8:00 a.m.**

A special meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 8:00 a.m. on March 31, 2016 in the Council Chambers at City Hall. Present were: Stanley A. Clouse, President of the Council; Michaelle Trembly, City Clerk; Council Members Randy Buschkoetter, Bruce Lear, Bob Lammers. Absent: Jonathan Nikkila. Michael Morgan, City Manager; Michael Tye, City Attorney; and Paul Briseno, Assistant City Manager were also present. Some of the citizens present in the audience included: Roger Jasnoch, Jim Lynaugh, Julie Steffensmeier, Steve Altmaier from KGFW Radio, Jessica Kokesh from Kearney Hub, Lauren Scharf from NTV.

Notice of the meeting was given in advance thereof by publication in the Kearney Hub, the designated method for giving notice, a copy of the proof of publication being attached to these minutes. Advance notice of the meeting was also given to the City Council and a copy of their acknowledgment or receipt of such notice is attached to these minutes. Availability of the Agenda was communicated in the advance notice and in the notice to the Mayor and City Council. All proceedings hereafter shown were taken while the meeting was open to the attendance of the public.

### **ANNOUNCEMENT**

Mayor Clouse announced that in accordance with Section 84-1412 of the Nebraska Revised Statutes, a current copy of the Open Meetings Act is available for review and is posted on the wall of the Council Chambers.

### **RECOMMENDATION OF ESSENTIAL AIR SERVICE CARRIER FOR KEARNEY**

Mayor Clouse opened for discussion the essential air service carriers. Jonathan Nikkila was not able to attend the meeting but want to express his strong support for Pen Airways for the reason that their ability or willingness to put in a maintenance facility, hire employees, an extra plane, and the fact that they are an established carrier with an excellent track record.

City Manager Michael Morgan stated today is the day where Council needs to make a recommendation or request an extension. The City of Kearney received seven proposals and certainly they have any information or response to questions that the Council might have. They had the committee involvement as well as Council Member Lear and Mayor Clouse.

Council Member Lammers stated it is very important that ticket and baggage handling be as seamless as possible and because of that he believes Pen Air provides the most seamless handling of both ticketing and baggage handling which is a huge factor. The City needs reliable service and reliable handling which is what people that work for travel agencies are saying. The maintenance facility is also an important factor. In his opinion it would be nice to have jet service but Pen Air appears to be the best option.

Council Member Buschkoetter stated he would agree, he thinks Pen Air is absolutely the best option and he does not think that the maintenance facility being here in town is

any small measure because if you want to talk reliability. You have to have an aircraft operate 100 percent effectively and appropriately and every part has to be working otherwise tragedy can ensue so you need to have it properly maintained and if something goes wrong, with the maintenance facility here in town instead of waiting for a flight to be flown in from Anchorage for example it will be here in town.

The reliability factor which we really lacked in terms of the amount of service is off the charts with Pen Air compared to every other proposal. He thinks some other proposals, the ticketing and the baggage handling that sort of thing can be as good but far and away Pen Air will be the most reliable service that they can have here in town. They have been traditionally a very reliable carrier as well in terms of taking off and landing when they said they are going to.

Council Member Lear thanked all the airlines that submitted bids; the City was very fortunate to have a nice broad selection to choose from. He thinks the process narrowed itself down pretty quickly to four airlines that submitted essential air service (EAS) bids. The history with Great Lakes is well documented, it is not that they do not appreciate everything they have done for the City as well but certainly they have had their challenges over the years some of which seem to have been significantly self-imposed.

In his opinion Pen Air, Elite Air, ADI and Boutique Air all presented reasonable options for the City to have significantly better air service going forward. To really have a group of four airlines to choose from is a situation they can be very thankful for given everything that has occurred over the last 4 years.

Once you sort out the differences in the airlines from that point, they obviously had Boutique Air with 9-passenger planes with an absolutely sterling track record of delivering service to the communities they serve. It is hard not to be impressed by them and what they have done. They have looked at ADI before very hard and flying jets dealing with a sister company that is having its financial issues that may or may not affect ADI but probably would not but creates enough of an issue where it is hard to get excited about that.

Elite Airways again was another jet service based carrier. Lots to like about Elite Air, probably the fundamental difference between Elite Air and Pen Air or Great Lakes really, they have a plan for putting all the pieces in place and he was really impressed by that plan. They currently did not have the pieces in place and that is a subtle but important distinction between two carriers and when you are coming from where they are coming from and what they have seen over the last four years, you really want to get a solid carrier in.

Pen Air, both through their hangar proposal as well as just in their conversations, really struck him as the kind of company that thinks more like Kearney thinks. They want to have people engaged in the community; they want to work with the City and are open to special requests, charters and all those other things. They do fly a 30-passenger aircraft turbo prop. That is not as fun of an airplane to look at and they would love to have the jets but at the end of the day he believes they have as much potential with Pen

Air and their size of planes. They have a long journey to go in providing consistent reliable air service out of Kearney and at the end of the day Pen Air will do the best job of what he considers the major priority and that is reliability. They stand the best chance of giving the City of Kearney a good customer service experience, always having a plane take off and land on time and so that is why he is favoring Pen Airway at this time.

Mayor Clouse stated he wants to thank City Manager Michael Morgan because of the amount of hours that has been put in and also Council Member Lear as they have flown to Chicago, Washington D.C. and numerous trips to Colorado to meet with the airlines. To have seven airlines submitting bids is a testimony to the amount of work involved. He also thanked Mike Mooney with Sixel Consulting who has done a phenomenal job for the work that he has done for the City of Kearney.

The airlines all had something that was very attractive, even though the jet service is very attractive to him and it positions the City well into the future they have some immediate needs that they need to get addressed and he would agree that Pen Air gives the City the best opportunity to stop the bleeding now so they can get back to where they need to be. Pen Air also expressed their intentions with the maintenance facility and the mechanics that they will put here. City Manager has done some follow up with that so they have some documentation that they will proceed with that commitment.

They also were very strong in their suggestions that they will be a community partner by hiring people to put in the community and have a strong local presence. To him, that is what they need to do to build up air service in the community and in the region and stop the bleeding and get back to the quality of air service that the City expects and most importantly that we deserve in our region.

He was very impressed with Elite Airway's proposal but they just are not quite there yet. They do have a great plan but we have some immediate needs that the City needs to address and they are fortunate that they have airlines that are taking a look at this and have come through the bubble issue with the pilot shortages and those types of things. Maybe the airlines are figuring that out on how they can do their work or else get the pilots into the programs.

He also believes that Pen Air brings an opportunity to partner with UNK on the air program that UNK has. That is the airline that is doing that in the east coast so he thinks they can build a great partnership and give the UNK students some opportunities that none of the other airlines mentioned.

Moved by Lear seconded by Buschkoetter to recommend Pen Airways as the essential air service for Kearney with the understanding that they will also place a maintenance facility and have a significant local employee presence here in the community. Roll call resulted as follows: Aye: Clouse, Lear, Lammers, Buschkoetter. Nay: None. Nikkila absent. Motion carried.

**ADJOURN**

Moved by Clouse seconded by Lammers that Council adjourn at 8:11 a.m. Roll call resulted as follows: Aye: Clouse, Lammers, Buschkoetter, Lear. Nay: None. Nikkila absent. Motion carried.

**ATTEST:**

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**STANLEY A. CLOUSE  
PRESIDENT OF THE COUNCIL  
AND EX-OFFICIO MAYOR**

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**MICHAELLE E. TREMBLY  
CITY CLERK**