

**Kearney, Nebraska**  
**September 18, 2017**  
**7:00 a.m.**

A special meeting of the City Council of Kearney, Nebraska, was convened in open and public session at 7:00 a.m. on September 18, 2017 in the Council Chambers at City Hall. Present were: Stanley A. Clouse, President of the Council; Lauren Brandt, City Clerk; Council Members Randy Buschkoetter, Bruce Lear, Bob Lammers and Jonathan Nikkila. Absent: None. Michael Morgan, City Manager; Wendell Wessels, Director of Finance; Paul Briseno, Assistant City Manager and Jim Lynaugh were also present. Members of the media present included Kyle LaBoria from KGFW Radio, a representative from the Kearney Hub and NTV News.

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.

## **ROUTINE BUSINESS**

### **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.

### **DISCUSSION AND RECOMMENDATION ON ESSENTIAL AIR SERVICE CARRIER TO SERVICE KEARNEY**

City Manager Michael Morgan stated the City of Kearney received proposals last week and has to return a recommendation to the Federal Government in the next day or so. There were seven different airlines that submitted a combination of 17 proposals. These proposals range from eight seat aircraft, all the way to 50-seat aircraft. A spreadsheet has been provided to Council detailing the information on each proposal.

Some proposals involved different types of air service and a few charters. Some of the bids were tied together. The City received for the first time, proposals from Silver Airways and Air Choice One. The subsidies all vary significantly from under \$1 million to over \$4.5 million. The federal government will consider these subsidies, including potential passengers served by the aircraft and the resulting subsidy. An example is Boutique Air. For instance, their subsidy was already over the \$200 per passenger cap. So that is obviously a concern and Boutique Air is an eight-seat carrier. All of the received proposals but one travel to Denver and included a variety of trips, depending on the type of aircraft.

Mayor Clouse stated the spreadsheet lays out the proposals received pretty well and he thanked the City Manager for all of his hard work. For City Council's benefit, the Mayor did have a small community group consisting of citizens who fly often. The group looked

at all proposals and the group's concurrence was with SkyWest. The group looked at key things, one particularly being co-chair with United Airlines, which the committee felt was important and jet service. The City Manager is working hard to see if the time the runway reconstruction project will take can be cut down, by working with the contractors.

In the long run, regional jet service should be the City's vision as it has been for a long time. By examining the proposals, items became clear to check off for various reasons including being a United Airlines co-chair, aircraft was nine passenger, the previous air carrier that the City did not have much success with or pricing was way out of the market.

Mayor Clouse agreed that SkyWest is likely the City's best choice even though the airport could be dark essentially for the next year. As City Council discusses about the City's vision for the community, he believes SkyWest is in line with the City's vision to have quality air service. Sometimes steps have to be taken back in order to move forward. When describing this project to citizens, Mayor Clouse compares the project to a home remodeling project. Sometimes it is a real mess before the end result is received.

Council Member Lammers stated the only way to continually and consistently get 10,000 enplanements a year is to go with jet service. A similar factor was once Grand Island went to jet service, Grand Island was able to more than double what they had been doing in the past for enplanements. Council Member Lammers believes for the long range future of Kearney, the best proposal is SkyWest.

Council Member Buschkoetter stated he concurs. Grand Island is a great example that the City can look at. Mayor Clouse's analogy of a home remodel is accurate. The City has to wipe the board clean but if the City can go from the runway project to regional jet service, it will be worth the wait.

Council Member Nikkila stated SkyWest is asking for the bid but is operating under United Airlines banner when flying into the airport, correct. City Manager stated the actual aircraft is a United Express aircraft, with full conveyance of all the rights and expectations, ticketing and bagging and aircraft appearance.

Also the City did discuss that with a travel agent in the community about the schedules that were proposed. SkyWest has a very good schedule, leaving first thing in the morning, mid-day flights and flights that arrive much later in the evening which would allow passengers to go to the west coast and back in one day.

City Manager stated that with respect to the runway, yes the timing is difficult however the City did have a very good meeting with the contractor and is pursuing to reduce the contract from five phases to two phases, which would involve a change order. Staff and the contractor could work to develop action items that can be completed this year. The contractor is working very hard to evaluate items with the subcontractors and the City will know more information in the coming weeks.

Council Member Lear stated with the change in service hours required for pilots, unfortunately the 30-passenger aircraft is in a zone that does not work well for DOT

flight service and training requirement rules. Airlines either have to say they are going to fly nine-passenger planes because that is how airlines can get a supply of pilots or airlines have to go to 50 plus passenger planes because that is where pilots will go the minute they can move out of a 30-passenger aircraft. Unfortunately, there is this whole zone of service that probably would be appropriate except for those rules. That also narrows down the City's choices and makes a regional jet the right choice and SkyWest probably the obvious one.

Mayor Clouse stated believes this recommendation gives the community some certainty now for the next several months so that arrangements can be made. Council Member Nikkila stated it will give an instant credibility with SkyWest/United Express for passengers which is a good deal.

Moved by Lammers seconded by Nikkila to recommend SkyWest as the essential air service carrier for Kearney. Roll call resulted as follows: Aye: Clouse, Buschkoetter, Lear, Nikkila, Lammers. Nay: None. Motion carried.

### **ADJOURN**

Moved by Clouse seconded by Lammers that Council adjourn at 7:08 a.m. Roll call resulted as follows: Aye: Clouse, Lear, Nikkila, Lammers, Buschkoetter. Nay: None. Motion carried.

**ATTEST:**

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

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**LAUREN BRANDT  
CITY CLERK**