



Mark Gordon
Governor

WYOMING Aeronautics Commission

DEPARTMENT OF TRANSPORTATION

Bruce McCormack, Chairman

(307) 777-4015



Darin J. Westby
Interim Director

MEETING MINUTES

I. CALL TO ORDER

A meeting of the Wyoming Department of Transportation (WYDOT) Aeronautics Commission was held at the Aeronautics Division, 200 East 8th Avenue, in Cheyenne, on Tuesday, July 18, 2023. Chairman Bruce McCormack presided, calling the meeting to order at 1:30 p.m.

II. PLEDGE OF ALLEGIANCE

Chairman McCormack led the attendees in the Pledge of Allegiance.

III. ROLL CALL

The following commission members were present, constituting a quorum.

Bruce McCormack, Chairman, District 4	Bill DeVore, Commissioner, District 3
Jerry Blann, Vice Chairman, District 2	Steve Maier, Commissioner, District 5
Dean McClain, Commissioner, District 1	
Darin Westby, WYDOT Interim Director, Ex-Officio	

Commissioners Sigsbee Duck and Randy Harrop were absent.

The following WYDOT staff and guests were present and participated in the business meeting.

Brian Olsen, Aeronautics Administrator	Sheri Taylor, Unmanned Aircraft Systems (UAS) Manager
Mariah Johnson, Air Service Development Manager	John Waggener, Wyoming Aviation Hall of Fame Board
Phillip Hearn, Engineering & Construction Manager	MacKenzie Sewell, Assistant Attorney General
Cheryl Bean, Planning & Programming Manager	Kimberly Chapman, Commission Secretary

Susan Elliott assisted with virtual meeting management.

IV. AGENDA ADJUSTMENTS

There were no adjustments to the agenda.

V. APPROVAL OF MINUTES

It was moved by Commissioner Maier, seconded by Vice Chairman Blann, and unanimously carried to approve minutes from the June 20, 2023, business meeting.

VI. UPDATES/DISCUSSIONS

A. CHAIRMAN'S UPDATE

Chairman McCormack presented the Chairman's Update.

Chairman McCormack reported that he and the other members of the search committee conducted interviews for the WYDOT director last week. Four candidates were interviewed and the three finalists will be approved by the Transportation Commission at a business meeting on Thursday, July 20th. The names will then be forwarded to Governor Gordon for his review and final selection. Chairman McCormack hopes that the new director will be named by early-August.

The chairman recognized Ms. Bean on her last commission meeting before her retirement on August 1st. He commended her for her 37-year career with WYDOT—20 of those years spent in Aeronautics—and remarked that she was a fantastic public servant. He shared the commission's appreciation for Ms. Bean and her work and expresses his best wishes for a happy and fulfilling retirement.

B. DIRECTOR'S UPDATE

Interim Director Westby presented the Director's Update.

Interim Director Westby echoed the chairman's comments on Ms. Bean's retirement. He thanked her for her years of service to WYDOT and commended her for leaving the Aviation Planning Program (and the agency) in a strong position.

WYDOT Budget

Interim Director Westby reported that WYDOT is building the fiscal year (FY) 2024 operating budget and the biennium budget. The executive team is meeting weekly to discuss the budgets and any changes that are made to either budget.

Employee Compensation

On July 1, 2023, eligible employees received a compensation adjustment. Interim Director Westby noted that it is remarkable that state employees received pay raises two years in a row. The governor, his cabinet, and the legislature should all be commended for approving the raises.

He stated that it was vitally important to raise wages because the state was losing a significant number of employees who were not leaving by choice, but because they *had* to seek a better paying position. Before the first round of compensation adjustments, the pay tables used by Wyoming Administration and Information to determine wages and salaries were almost seven years behind market standard rates.

Interim Director Westby is grateful for the raises and hopes that the pay adjustments will not only help retain good employees, but also strengthen recruitment efforts. He hopes better compensation will once again make public service a desirable career.

WYDOT Construction Season

Interim Director Westby reported that there currently several active construction projects on the interstates and highways statewide. WYDOT has received several calls from the public about the construction and the interim director asked for patience from the traveling public as the agency works to improve the roads.

Interim Director Westby informed the commission that WYDOT was forced to cut \$70 million out of the State Transportation Improvement Plan for previously bid projects. Agency leadership believed that remaining funds were insufficient to complete those projects.

Although WYDOT received \$100 million additional funds from the Infrastructure Investment and Jobs Act (IIJA) than the previous year, it is quickly being depleted by inflation. Interim Director Westby reported that the agency experienced a 30 percent increase in revenue and a 50 percent increase in expenses. One of the goals of his administration is to develop a mechanism to analyze funding streams and strategically increase revenue. The interim director would like to enable the agency to compete for more discretionary grants in the future with a greater confidence in its ability to supply the requisite state match.

Performance Management Instrument (PMI)

Interim Director Westby reported that supervisors and employees are currently working through the PMI process. The state uses the PMI to plan work and set goals for the coming year, and also to measure and evaluate performance. The executive team is working to develop a mentoring component that goes beyond the biannual coaching meetings required by the PMI.

Following a question from Vice Chairman Blann, Interim Director Westby explained the 50 percent expense increase in greater detail. He reported that the Budget Program conducted a cost analysis that revealed a 50 percent increase when 2018/2019 material costs were compared to those found in current bids. The analysis used a standard project that was let, bid, and awarded from each time period and compared the same line item unit cost and quantities. While the agency is seeing stabilization of commodity prices, it is not experiencing a correlating decrease in overall costs. Increasing labor costs are a major factor in overall cost escalations.

Interim Director Westby reported that the pool of available contractors has also decreased as more states have IIJA and American Rescue Plan Act project funds. Wyoming has typically benefitted from outside contractors coming to the state to work during the boom phases of the boom-bust cycle, but the whole country is currently booming so contractors have less need to go out of state for work. Material supply has remained flat, which also contributes to higher costs.

Chairman McCormack commented that federal spending, while positive because it funds projects and creates jobs, is inflationary by nature.

Chairman McCormack noted that while the PMI process can be difficult and time-consuming, providing feedback and mentoring can be a great tool for retention. Interim Director Westby stated that research has shown that employees, particularly Millennials, want to feel valued and needed at work. He feels that employers should address this need in the evaluation and coaching process. In discussing an employee's goals and competencies, supervisors should be able to tie an employee's functions and tasks into the organization's mission.

C. ADMINISTRATOR'S UPDATE

Administrator Olsen presented the Administrator's Update.

WY Lead

Administrator Olsen introduced Marshall Newlin, with WYDOT's Bridge Program. Mr. Newlin is a participant of WY Lead, WYDOT's new, internal leadership development academy. As part of his Leadership Development Plan, Mr. Newlin is in attendance to learn more about the commission and its role.

Mr. Newlin introduced himself and provided more information on WY Lead. He is a principal bridge engineer with oversight of the Design Team, which designs bridges and other highway structures. The team also focuses on bridge maintenance and preservation.

Mr. Newlin is one of 15 participants of the inaugural WY Lead Advanced Leaders Academy. It is a structured leadership development program that aims to teach emerging leaders executive level skills and ideas. The goal is to prepare participants for larger leadership roles within the agency.

The WY Lead program was developed to address three agency needs: to have a fully staffed, highly skilled workforce; to strengthen internal relationships; and to maintain adequate revenue.

The nine-month program focuses on several organizational leadership topics including organizational awareness, leadership mindset, performance and accountability, empowering others and delegation, innovation and initiation, and agency advocacy. The anticipated learning outcomes are to gain a wider understanding of WYDOT and a commitment to promote positivity in the workplace; an improved ability to balance the needs of managers/supervisors and subordinates; expand accountability to effectively develop and empower team members; practice personal initiative and the ability to develop innovative strategies; and develop advocacy and the skills to successfully engage the public.

The program began in March 2023 and the participants meet monthly to discuss the program topics through a mix of in-person and virtual sessions. The discussions allow participants to dive into organizational leadership theory and best practice, as well as techniques to enhance leadership skills and capacity.

Mr. Newlin shared that the program has been a revelatory experience and has deepened his understanding of WYDOT and its many programs. It has broadened his view of how the agency's operations further the mission. Mr. Newlin appreciates WYDOT's commitment to developing employees into leaders.

Upon graduating from the University of Wyoming, Mr. Newlin spent six years working in the private sector before moving back to Wyoming. He has worked for WYDOT for almost 10 years and he believes that he will be with the agency permanently.

Administrator Olsen informed the commission that there has been a renewed agency focus on leadership development in the past two to three years. In addition to WY Lead, the American Association of State Highway and Transportation Officials offers leadership training and WYDOT sponsors employee participation in those programs. WYDOT will also participate in a leadership development program being developed by a coalition of western states.

Federal Updates

Federal Aviation Administration (FAA) Reauthorization

Administrator Olsen reported that the reauthorization bill passed unanimously out of the U.S. House Transportation and Infrastructure Committee in June and will be considered on the House floor next week. Administrator Olsen reported that around 350 proposed amendments were submitted, but the House Rules Committee will allow 100 of those to be considered. Administrator Olsen expects that the amendment to raise the mandatory pilot retirement age from 65 to 67 will be controversial. This could be a short-term strategy to provide relief to the pilot shortage, so Administrator Olsen hopes that this amendment will pass. A vote should be taken on the final version of the bill at the end of next week.

The Senate's version of the bill has not been considered by the U.S. Senate Committee on Commerce, Science, and Transportation due to contention over a proposed amendment to the 1,500-hour pilot training rule. The amendment would allow up to 250 hours of flight simulator training to count toward the total required training hours. Allegedly, there is an agreement that the pilot retirement age limit increase would offset any changes to the 1,500-hour training rule. If this agreement withstands the process, Administrator Olsen hopes that it would allow the bill to advance.

The delays in the Senate make it highly unlikely that a new bill will be approved before the end of the fiscal year, when the current reauthorization act expires. It is likely that it will be necessary to pass a continuing resolution.

Appropriations

Administrator Olsen reported that Congress is working on FY 2024 appropriations. The House released its proposal on July 11th and Airport Improvement Program (AIP) funding was kept flat. The proposal includes \$300 million in general funds (earmarks) for airport projects in place of airport and airway trust funds. Wyoming has one project that would fall in this category—Jackson's de-icing pad.

Administrator Olsen assured the commission that WYDOT is actively engaged in the legislative process, readily supplying information and opinions on legislation and amendments to Wyoming's congressional delegation upon request.

Division Update

Administrator Olsen reported that interviews were held for the Aviation Planning Manager and the successful candidate will be announced soon.

With Tory Meisel's departure, Bruce Witt has agreed to serve as the interim flight operations manager and chief pilot. Administrator Olsen shared his appreciation for Mr. Witt and commended him for his performance in the role. Additionally, the division is feeling the strain of the pilot vacancies. Administrator Olsen is working with Mr. Witt and others on strategies to recruit and retain pilots, including examining pilot job classifications.

FAA Flight Safety District Office (FSDO)

Administrator Olsen recently met with Dale Ogden, the manager of the FAA's FSDO in Denver. His main takeaway from the meeting was that Mr. Ogden wants to refocus and re-engage with Wyoming. The FAA will be adding a FSDO position in Casper to address aviation safety issues statewide. Mr. Ogden wants to reopen lines of communication and ensure that each party is communicating priorities and any new developments or activity in Wyoming's aviation industry.

Following a question from Vice Chairman Blann, Administrator Olsen reported that high demand for air travel caused the airlines to run extremely tight schedules with limited resources, which resulted in delays and cancellations. He shared that when the airlines operate on the very edge of capacity, reliability decreases. The airlines are aware of the issue and have slightly relaxed their schedules in response.

Administrator Olsen explained that it is a systemic issue. The East Coast is experiencing a severe shortage of air traffic controllers, which led to more delays and cancellations. The FAA and Congress are also aware of the issue and are working on measures to address it. The appropriations bill includes funding to hire 1,800 air traffic controllers. Administrator Olsen believes that government and private industry need to work together to successfully resolve the issue.

Cheryl Bean's Retirement

Administrator Olsen shared some additional information on Ms. Bean and her career. Ms. Bean was hired by the Wyoming Highway Department—the predecessor of WYDOT—in 1983. She initially worked as a design engineer in the Bridge Program and was promoted to squad leader in 1991. Ms. Bean transferred to the Aeronautics Division in 2001.

Administrator Olsen commended Ms. Bean for her dedication to the Aeronautics Division, WYDOT, and the state.

He highlighted some of her significant accomplishments within the division. Ms. Bean was instrumental in creating the Priority Rating Model. He stated that Wyoming's model compares favorably with other states and is of exceptional quality.

Another of Ms. Bean's accomplishments is the Design Standards Inventory. Administrator Olsen believes Wyoming is the only state in the nation with this program. Every five years or so, the division will inventory the geometry of an airport and compare it to FAA standards. Non-standard items are identified and added into other projects to ensure the airport is in compliance with FAA standards.

Administrator Olsen stated that Wyoming has one of the best pavement maintenance/pavement management programs in the country, due in large part to Ms. Bean. Even with flat budgets and decreased buying power, the division has been able to maintain and improve pavement at airports statewide.

He also noted that Ms. Bean has mentored many employees and colleagues over the years. She has truly lived the WYDOT values, and inspired others to do the same. Administrator Olsen gave Ms. Bean his best wishes on her retirement.

D. AIR SERVICE DEVELOPMENT PROGRAM UPDATE

Ms. Johnson presented the Air Service Development Program Update.

General Matters

June Traffic

Ms. Johnson reported that June load factors at Wyoming airports surpassed May totals. Sheridan finished the month with an 88 percent load factor and Gillette was at 86 percent. Riverton had a 76 percent load factor for June, even with the addition of two extra, weekly flights.

Future Bookings

Ms. Johnson reported that month-to-date load factors for July are consistent with June totals from the same period and are trending up for the remainder of the month. The majority of Wyoming markets are already booked over 30 percent for August. Some areas, like Sheridan, are booking strong even into September.

General Industry News and Updates

Ms. Johnson reported that the U.S. Senate Committee on Commerce, Science, and Transportation has come to a tentative agreement on the Reagan National Airport (DCA) perimeter rule. Four new flights will be added to the current list of exempted flights outside of the 1,250-mile perimeter. Delta Airlines championed the effort to expand perimeter exemptions, while United Airlines opposed the effort in order to protect their hub at Dulles International Airport. American and Alaskan Airlines also opposed the expansion. The Washington DC perimeter adjustment is part of the larger reauthorization bill.

Summer has reignited continuing increases in airfare after costs plateaued in the spring. Delta was projecting continued unit revenue growth in a presentation to investors three weeks ago. Fares in Wyoming continue to tick upward for peak summer travel.

The first term of the new Capacity Purchase Agreement (CPA) contract with SkyWest Airlines was recently completed on June 30, 2023, and overall the CPA airports performed well. While capacity was lower than the original forecast, load factors and fares were higher than forecast. The required support was significantly lower (70 percent) than anticipated. This is due in large part to two CPA airports that were only offering one daily flight instead of the two that had been forecast. Ms. Johnson felt it was still a significant savings of state dollars.

Gillette and Sheridan each had a quarter during the year where no state support was required. All four participating airports experienced load factors that were five to 10 percent higher than forecast.

Monthly Reports

Ms. Johnson reported that following the monthly reports discussion at last month's meeting, she had a follow-up conversation with Vice Chairman Blann to better understand commissioner need. Her goal is to make the reports as meaningful and useful as possible.

Ms. Johnson is attempting to obtain all of the commissioner-requested load factor data. She is currently working with Aaron Buck, director of the Cody-Yellowstone Regional Airport, to get a monthly load factor report from United. She will request the same data from the Jackson Hole Airport and Jackson Hole Air Improvement Resources on their routes that receive state support.

An additional cost-per-passenger report will be created for the Air Service Enhancement Program (ASEP) at the end of the term of the airport's contract. Ms. Johnson will also compile historical data on the routes that have received multiple years of support to identify cost trends.

Ms. Johnson reported that there are tentative plans to update the return on investment (ROI) study in the next year. She will also invite Doug Blissit, with Mead and Hunt, to provide a leakage analysis at the September meeting. Ms. Johnson anticipates having all of the load factor data for a complete report at the August meeting as well as a cost-per-seat analysis for the ASEP projects.

Following a question from Commissioner DeVore, Ms. Johnson reported that she is working with WYDOT's Procurement Services program to create a request for proposals (RFP) for the statewide marketing program. Once the RFP is advertised and submissions are received, she and other division staff will select a consultant for the program.

Vice Chairman Blann thanked Ms. Johnson and Administrator Olsen for taking time to meet with him to discuss the monthly reports. He feels that it is important to have up-to-date data and information in case an individual commissioner is approached by legislators or constituents. Chairman McCormack thanked Ms. Johnson for her efforts to create the extra reports. He agreed with Vice Chairman Blann that the data will be very beneficial to the commission.

Following a question from the vice chairman on the DCA perimeter rule, Administrator Olsen clarified that it was an amendment to the Senate's reauthorization bill. As chairman of the Western States Caucus, Senator Lummis was one of the many co-sponsors of the amendment. The addition of four flights to the list of exemptions was a committee compromise and most of the major airlines received one of the four new exempted routes.

Following a question from Chairman McCormack, Administrator Olsen confirmed that noise abatement is one main goal of the DCA perimeter rule. With the airport located so close to Washington DC, many officials prefer to keep Dulles as the hub for international and long-distance domestic flights for security and noise abatement purposes.

Standard Reports

ASEP Budget Forecast Report

Ms. Johnson reported no changes to the ASEP Budget Forecast Report.

CPA Budget Forecast Report

Ms. Johnson reported that the CPA Budget Forecast Report has been updated to include the June amounts for each airport.

Percent of Grant Projects by City Report

Ms. Johnson reported no changes to the Percent of Grant Projects by City Report.

Monthly Load Factors Report

Ms. Johnson reported that the Monthly Load Factors Report has been updated to include June load factors.

CPA Quarterly Cost per Passenger Report

Ms. Johnson reported that the CPA Quarterly Cost per Passenger Report has been updated to include the cost per passenger for the fourth quarter of FY 2023.

Administrator Olsen noted that when compared to the Essential Air Service (EAS) program, the CPA performs extremely well. Wyoming is spending considerably less on CPA airports than the federal government spends on an average EAS airport.

E. ENGINEERING AND CONSTRUCTION PROGRAM UPDATE

Mr. Hearn presented the Engineering and Construction Program Update.

General Matters

General Construction Update

Mr. Hearn reported that there are currently 13 active construction projects—21 if seal coat and mark projects are included. There are also 16 active equipment procurement projects at the present time.

Cheyenne Runway Reconstruction

Mr. Hearn reported that the commission will tour the Cheyenne Regional Airport's runway reconstruction project tomorrow afternoon. He hopes the crews will be paving as he feels it is a very impressive process. The crews are laying down two concrete paving lanes at a time and each paving lane is 18.75 feet wide.

During last month's update, Mr. Hearn reported that the project was two weeks behind due to weather delays. The crews have made up the deficit and are now a week ahead of schedule, but a new materials supply issue may cause delays. Material allocations are done by region and by company, so the project's contractor—who has two major construction projects on I-25 and at Denver International Airport—has to carefully distribute the allocation among their active projects.

Following a question from Commissioner DeVore, Mr. Hearn reported that the new runway is 15 inches of concrete on top of 6 inches of asphalt. Asphalt is commonly used as a base for concrete paving projects rather than an aggregate base. The Cheyenne crews had some issues with the asphalt paving that set the project back, but the crews have compensated for those delays.

Standard Reports

Change Orders Report

Mr. Hearn reported two new change orders. He explained that the change orders are adjustments to bids based on the recently released state wage rates.

Statewide Line Items Report

Mr. Hearn reported six new line items.

Bid Summary Report

Mr. Hearn reported five new bid results. He explained that the Laramie lighting project was 50 percent over the engineer's estimate due to higher than anticipated labor and equipment costs. Commissioner DeVore noted that the Douglas project came in under bid.

F. PLANNING AND PROGRAMMING PROGRAM REPORT

Ms. Bean presented the Planning and Programming Program Update.

General Matters

Wyoming Aviation Capital Improvement Program (WACIP) Annual Update Process

Ms. Bean reported that the team will soon open the annual WACIP update process to airport sponsors. It will remain open until September 1st, giving the airports an extra two weeks to submit updates through the BlackCat Aviation Data Management System.

Division staff, along with the FAA, began meeting one-on-one with airport sponsors to discuss AIP projects. Response has been slow and only 15 airports have scheduled a meeting. Ms. Bean anticipates more airports will schedule a meeting once they have been notified that BlackCat is open for WACIP entries.

Ms. Bean thanked everyone for the kind comments on her departure and retirement. She shared that she deeply enjoyed her time with WYDOT and it was a pleasure to work with the Aeronautics Commission, division staff, the FAA, and the airports.

Standard Reports

Administrative Approvals Report

Ms. Bean reported no administrative approvals for this period.

Recovered State Funds Report

Ms. Bean reported that there were no recovered state funds this period. The total recovered state funds for the year remains at \$216,197.

G. UNMANNED AIRCRAFT SYSTEMS PROGRAM UPDATE

Ms. Taylor presented the Unmanned Aircraft Systems (UAS) Program Update.

General Matters

WyoLink Tower Inspections Presentation

Ms. Taylor reported that Mr. Gilmor, with the WyoLink Office, was unable to attend the meeting today. She will arrange for him to present at a future meeting.

VII. REGULAR BUSINESS

A. FY 2023 WACIP BUDGET MODIFICATIONS

Ms. Bean reported eight modifications for an increase of \$644,897 in state funds and \$27,358 in federal funds. An additional \$12 million in federal funds is shown in the report for tracking purposes. This is for the Cheyenne runway grant issued by the FAA in FY 2023 rather than FY 2022, as originally budgeted.

The remaining state reserve is \$1,176,146. The goal for the FY 2023 reserve is now \$790,000, some of which will be carried over into FY 2024. There is roughly a \$386,000 difference between the goal reserve and the current total. Some of the extra funds have been allocated to the Casper and Jackson control tower projects.

Action: It was recommended by Ms. Bean, moved by Vice Chairman Blann, seconded by Commissioner DeVore, and unanimously carried to approve the FY 2023 WACIP budget modifications as presented.

VIII. EXECUTIVE SESSION

There was no need for an executive session.

IX. ANNOUNCEMENTS/REMINDERS

Commission Activities

Ms. Chapman announced that the commission's next business meeting will be August 15, 2023, via videoconference.

Ms. Chapman reminded the commission that Airline Rendezvous will take place September 5th through the 7th in Jackson. Rendezvous events, including the Air Transportation Liaison Committee meeting, will be on Tuesday and Wednesday. The commission will hold its monthly business meeting on the morning of Thursday, September 7th.

Ms. Chapman reported on several activities happening at Wyoming airports this summer including fly-ins at Dubois on August 12th, the Powell Wings and Wheels event on August 18th and 19th, Green River Spaceport Days on August 25th and 26th, Evanston and Wheatland on August 26th, Riverton on September 9th, and Worland on September 30th. The Cheyenne Regional Airport will host the 5k Runway Run on August 26th.

Commissioner Comments

Commissioner DeVore congratulated Ms. Bean on her retirement and thanked her for her great work for the division.

X. ADJOURNMENT

It was moved by Commissioner DeVore to adjourn and passed unanimously. Chairman McCormack adjourned the meeting at 2:45 p.m. on July 18, 2023.