

The regular monthly meeting of the Gallatin Airport Authority was held October 14, 2021, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, Carl Lehrkind, Kevin Kelleher, and Kendall Switzer. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

Ms. Stelmak, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Review and approve minutes of regular meeting held September 2, 2021

Ms. Stelmak asked if everyone had received their copy of the minutes and if they had any corrections or additions. There were none.

MOTION: Mr. Lehrkind moved approval of the minutes of the meeting held September 2, 2021. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Bridger Aerospace Update – Daren Wilkins

Mr. Daren Wilkins, Chief Operating Officer of Bridger Aerospace, said their hangar 3 drawings are out for review. They expect completion of the documents by the end of the year. The bulk of the construction will begin in March. They anticipate completion by January 2023. They currently have 19 aircraft.

4. College of Architecture Project Presentation/Update

Mr. Sprenger introduced 2 students in the College of Architecture – Michael Goldstrom and Josie O’Meara. Mr. Goldstrom and Ms. O’Meara gave an audio and visual presentation. They visited 3 Airports including Seattle-Tacoma, Phoenix Sky Harbor, and Indianapolis to look at art gallery precedents.

They looked at how art creates a sense of place especially when sourced from local artists. Phoenix presents their Southwest identity through art. Seattle uses a lot of nature elements. Indianapolis also includes local art. Their installations define the airport experience and provide a chance to display art.

They focused on how art enriches the visitor experience. People interact and enjoy the airport experience. One airport has a brochure of the art to take with you. This assists the airport in becoming known for their cultural identity.

They explained how a director of art or art curator was helpful to the airport. Montana State University could possibly help with that role at our airport. They could help showcase student art relative to the local area.

Regarding sizing, they found the area doesn’t have to be large to create an impact. Space with purpose can impact people’s view of the airport and cultural identity of art in the region.

Protection of the art is important especially when on loan. Display cases and barriers can help lower maintenance costs and require less surveillance.

Overall, their key takeaways were that art creates a sense of place, drives community engagement, increases retail sales, enriches visitor experience, and strengthens airport vitality.

The board commended and thanked them for all their work on this presentation.

5. Consider Guaranteed Maximum Price – Schedule I of the Inline Baggage System Project

Mr. Sprenger introduced Travis Kabalin with Martel Construction. The bid opening obtained very favorable bids. 75% of the project is all baggage handling and we received 5 bids for that portion. We are well under budget.

Mr. Sprenger said the low bidder is the same contractor working at the Missoula Airport currently. They work with Martel and Morrison-Maierle.

Mr. Kabalin said part of the electrical work would be under the Martel contract. The same bidder was low on both pieces which is convenient and helps the job move forward.

Mr. Mathis asked what he attributes the decrease in cost to.

Mr. Kabalin said the baggage handling came in \$2 million under due to contingency and fear factor. The rest of the scope has decreased. A few items are being held for the next schedule.

MOTION: Mr. Switzer moved approval of the Guaranteed Maximum Price submitted by Martel Construction on Schedule I of the Inline Baggage System Project. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

6. Consider request by JLD and Rosa Development to purchase an approximate 2.86-acre easement from the Gallatin Airport Authority to construct a regional lift station for the City of Belgrade

Mr. Sprenger showed the location on the map. There were other ways to accomplish this, but the most efficient way is through the airport. This doesn't benefit the airport, so they have proposed \$130,000 per acre. That is in line with the fair market value. Depending on the

size of the easement, this will generate between \$247,000 and \$371,000. We will maintain the ability to tie into it if needed in the future. Staff recommends approval of the request.

Mr. Lehrkind asked about the timeframe. Mr. Sprenger said next Spring. Alex Headers with TD&H said this is a joint effort with DNRC on state land. They are thinking the approval process will take them into next Spring and construction will probably start next Summer with the completion in late Fall.

Mr. Mathis asked if any work would be above ground. Mr. Headers said no, the design is preliminary at this point. There is the possibility of a relief valve but mostly it would just be manhole access.

Mr. Switzer asked if this would limit us from doing further development in that area. Mr. Sprenger said most is in the clear zone where we don't want to do anything. Mr. Sprenger confirmed this would be a one-time payment.

MOTION: Mr. Mathis moved approval of the request by JLD and Rosa Development to purchase an approximate 2.86-acre easement from the Gallatin Airport Authority to construct a regional lift station for the City of Belgrade. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

7. Consider request by D Madill RTF, LLC to transfer the non-commercial land lease on hangar SY9 to Jv8tion, LLC

Mr. Sprenger said the hangar is under construction now. Staff recommends approval of the request.

MOTION: Mr. Switzer moved approval of the request by D Madill RTF, LLC to transfer the non-commercial land lease on hangar SY9 to Jv8tion, LLC. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

8. Consider FY 2022 Airport Capital Improvement Plan (AIP)

Mr. Sprenger said we revise and update this each year and submit it to the FAA.

There are a few adjustments. Overall, this covers the years 2022-2028. It is nearly \$205 million. It is a balanced budget each year. The intent is to show we are not over or under spending over a logical time period.

Mr. Sprenger presented some images. The primary focus this coming year is the terminal ramp on the west side. One of our big challenges was the number of aircraft during peak times having to hold in the de-icing pads waiting for gates. We have the gates available, but the timing doesn't always work. This should be the last extension. It would tie into the rehabilitation of the oldest areas of the ramp.

For the following year we plan to open the General Aviation (GA) ramp quite a bit. We would also like to enlarge the tie down ramp. Since we will be working in the area, we would like to work on Taxiway G. We may have congestion problems in that area in the future. We would like to prepare to have taxiways F and G in the control area and moved by the tower.

On the northside we want to provide access from the north to runway 3-21 for flight school activity doing cross wind landings. It will allow aircraft to come in and turn around if needed.

Mr. Switzer asked about the east fuel station. Mr. Sprenger said it will provide fuel for the East and West GA ramps. The location also provides access to the north through the service road. The fuel station to the west will primarily be for airlines.

2025 is the time to look at expanding the northside. It requires an environmental assessment which we have started. It will also require shifting of roads and taxiways.

An environmental assessment for the widening and lengthening of runway 11-29 is a 2-to-3-year process so that will be started.

We also plan to build what we are calling Taxiway B-West off C-3. It provides a way to get jets to the end of runway 1-2 during construction. Then it will be the final relocation of Taxiway C. All of that work continues through 2028.

In 2029 we could break ground on extending and widening 11-29. It will be a phased project at least financially. We will want to expedite the project since we will lose the use of it during construction.

The financial plan also includes place holders for a parking garage, terminal expansion, and some other projects that are not AIP related. The intention is to maintain cash balances in the \$10-20 million range throughout the entire timeframe.

We have an unallocated amount. It could be for a number of things we cannot anticipate now.

Mr. Kelleher asked about the future for the turf runway. Mr. Sprenger said our intention is to maintain it if possible. There may be design challenges.

Mr. Mathis said it looks like a lot of work to accommodate jet and private aircraft. He recently read an article that said of people who could afford to use private aircraft, fewer

than 10% did. Now, because of the pandemic, there is a backlog in orders. After COVID, he thinks there will be an increase in corporate jets.

MOTION: Mr. Switzer moved to approve the FY 2022 Airport Capital Improvement Plan (AIP) as presented by staff. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

9. Report on passenger boardings and flight operations – Scott Humphrey

Mr. Humphrey reported 11,928 total tower operations for September which is 31% better than 2019 compared to 11,150 operations in September 2020. Rolling 12-month operations were 117,401 operations which is a new record. Corporate landings were 582 versus 320 in 2019 so 81.9% better. We had 98,287 enplaned passengers which is 43.9% better than 2019. For 12-month enplanements we had 852,227 which is a new record. Deplaned passengers were 51.5% better than 2019 with 96,975 deplaned passengers. Landings were 73.6% better than 2019 with 1,076 versus 618. Load factors are starting to come up at 71.9% for September. We are still down from 2019 but we have a lot more seats. Fuel dispensed in August was up 9.6% over 2019.

October looks extremely busy. We expect to see load factors in the high 80's. We are expecting some parking issues. We are pressing toward 1 million enplanements for the calendar year if we have a robust November and December. We had 12 Customs clearances versus 4 last year.

10. Airport Director's Report – Brian Sprenger

Mr. Sprenger provided some concessions numbers. He said September food, beverage and retail was 151% of 2019. As of yesterday, it is trending at a 71% increase over 2019.

We are seeing numbers in October equating to our peak numbers in 2019. Rental car numbers for September are up 130%. Overnight parking is 37% up for September. Nationally September traffic was still down 22%. We are an anomaly.

Cash on hand at the end of August was \$16 million and we can add another \$5-\$6 million currently. We had some thresholds within the budget that we have met, so we plan to come with some proposals at the next meeting regarding supplies and staffing.

We previously rejected an advertisement proposal from PETA. After further communication with them and our legal counsel, it appears to be in our best interest to allow the advertisement to run to avoid potential legal fees.

Next month's meeting is Tuesday, November 9.

Mr. Lehrkind asked about staffing. Mr. Sprenger said custodial is the biggest challenge. We have tried to over hire and have struggled to do that. Otherwise, we are performing well in the other departments.

Serco has posted the opening for the tower position. They are receiving applications and interest. The vaccine mandate may have some impact on interest. He will keep us updated.

Mr. Switzer thinks it would be in our best interest to do what we need to do to get more people.

11. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Mr. Lehrkind moved to pay the bills and Mr. Switzer seconded the motion.

All board members voted aye. The motion carried.

12. Adjourn

The meeting was adjourned at 2:58 p.m.



Karen Stelmak, Board Chair