

The regular monthly meeting of the Gallatin Airport Authority was held May 9, 2013 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Carl Lehrkind, John McKenna, Kendall Switzer and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director and Cherie Ferguson, Office Manager.

John McKenna, Board Chair, brought the meeting to order and said anyone wishing to make comments during the public comment period or during discussion for agenda items could do so at the appropriate time.

### **1. Open bids for terminal apron and parking lot improvements**

Brian Sprenger, Airport Director, asked if there were any more bids. There were none so he and Mark Maierle, airport engineer from Morrison Maierle Inc., opened the bids. There were three bids; one from Duneman Construction, signed by Keith Duneman, President; one from A M Wells, Inc., signed by Tom Hoskins, Vice President; and one from Knife River - Belgrade, signed by Dave Schmidt, Vice President. The Montana Contractor Registration Number for Duneman Construction is 51842; A M Wells' is 5022 and Knife River's is 10089. All three companies acknowledged the addendum, attached their 10% bid bond and bid on both schedules. All three bid proposals appeared to be filled out correctly and the bids were as follows:

	Schedule I	Schedule II	Total
Duneman Construction	\$825,255.00	\$737,098.55	\$1,562,353.55
A M Wells, Inc.	\$785,970.89	\$717,483.60	\$1,503,454.49
Knife River	\$827,531.50	\$759,715.00	\$1,587,246.50

Mr. Sprenger recommended taking the bids under advisement and awarding the bid to the lowest qualified bidder.

**MOTION:** Ted Mathis moved to take the bids under advisement and award the bid to the lowest qualified bidder. Carl Lehrkind seconded the motion. All Board members voted aye and the motion carried without opposition.

Mr. McKenna thanked the representatives of the companies that submitted bids and said he knows it takes a lot of effort. He invited them to his retirement party from the Gallatin Airport Authority board at 5:00 PM at the pilot shelter after the board meeting on June 13<sup>th</sup>.

## **2. Review and approve minutes of regular meeting held April 11, 2013**

Mr. McKenna asked if everyone received their copy of the minutes and if they had any questions, additions or corrections. The board members received their copies and didn't have any questions, additions or corrections.

**MOTION:** Mr. Lehrkind moved to approve the minutes of the meeting held on April 11, 2013. Kendall Switzer seconded the motion and all board members voted aye. The motion carried.

## **3. Public comment period**

Mr. McKenna asked if anyone wanted to make public comments at this time and no one did.

## **4. Consider Parking Lot Management Agreement Extension**

Mr. Sprenger said under the current agreement we have the ability to offer up to two one-year extensions. One of the terms we want to change is for Standard Parking to pay one-twelfth of the Minimum Annual Guarantee (MAG) by the first of the month and the true-up amount for the month on the twentieth. Under the current terms, they only pay one-twelfth of the MAG at the beginning of the month and hold the true-up amount until the end of the

twelve-month period. The annual true-up amount is somewhere around \$800,000 accrued over the course of the year. He said staff doesn't recommend changing the management rates during this extension period. Mr. Sprenger said the board could choose to rebid but, based on previous bids, staff thinks this is a good option. He said staff is happy with the Standard Parking management.

Mr. Sprenger said staff checked the customer parking rates at other Montana airports and recommended not charging for the first half hour, charging \$2.00 for the next half hour and limiting the daily maximum for premium (short-term) parking to \$11.00 and the daily maximum for economy (long-term) parking to \$8.00. The weekly maximum for premium parking would be \$77.00 and the weekly maximum for economy parking would be \$48.00.

The board and Mr. Sprenger briefly discussed the fees at the other Montana airports, anticipated revenue, the possible impact of a parking garage and the I-90 Interchange. Mr. McKenna said in the future the Airport Authority might want to consider running the parking lot.

**MOTION:** Kevin Kelleher made a motion to approve staff's recommendation of the parking rate increases and the extension of the management contract for two years. Mr. Mathis seconded the motion. All board members voted aye so the motion carried unopposed.

#### **5. East Belgrade Interchange Update – Scott Bell**

Mr. Bell said there are a lot of changes and he wanted to keep the board informed. He said the right of way is almost done and the agreements and deeds have been sent to the Montana Highway Department. The railroad is participating at 5% of the project, which is about \$200,000. Their portion has been fully negotiated and the railroad should sign next week. The local entities have signed all the utility agreements with NorthWestern Energy.

The bid for the gas line came in lower than expected and the final plans are being reviewed by NorthWestern Energy and the state. The Highway Commission recommended that the paving project go out to bid about June 15<sup>th</sup> and the bids be opened in mid-July. The Highway Commission will review the bids and award the bid the first part of August. Mr. Bell doesn't know where the bids will be opened but said it has been discussed to open them somewhere here in the valley.

Mr. Bell said a bill to reimburse Gallatin County for part of the Airport Authority's \$3 million contribution for the right of way is in the list to be approved. He said the Authority budgeted \$3 million for the project and Gallatin County budgeted \$2 million for the right of way, utility relocations and TIGER Grant administration. Any balance of those funds would be available for the construction project.

Mr. Bell said the Montana Highway Department will need a check from the Airport Authority for \$1.3 million prior to advertising and bid opening because the local entities have to prove the project is 100% funded before the Federal Highway Administration will approve the project to be bid. All the money from the County and part of the money from the Airport Authority will go to the utilities. He asked the board to consider authorizing the Board Chair and Mr. Sprenger or another board member to sign a check for \$1.3 million so the project can move forward, or to consider having a special meeting to write the check instead of waiting until our June board meeting and possibly delaying the project.

The board, Mr. Sprenger and Mr. Bell discussed their confidence in the project and that there are safety valves where we could opt out and if we could get the check back if the project was stopped for some reason.

**MOTION:** Mr. Mathis moved that the Chairman and Airport Director be authorized to sign a check to the state agency not to exceed \$1.3 million as required for this project. Mr. Kelleher seconded the motion. All board members voted aye and the motion carried.

Mr. Bell said Mr. Sprenger, members of the Chamber of Commerce, Chief of Police, emergency services, City of Belgrade, County Commission and he discussed road names for the road leading to the terminal and renaming Frank Road, Broadway and Dry Creek Roads to one name as they will be one continuous road. Most of them thought it would be good to call the new road leading to the terminal Gallatin Field Road so the businesses at the terminal could retain their current addresses and renaming the other roads with something aviation related. Emergency services thought it might be confusing to have two roads with Airport in their name. There is a road just north of the airport that is named Airport Road. The board members and Mr. Sprenger discussed the name of the road and they also believe it should have Airport in the name and they think emergency services can work with the name.

**MOTION:** Mr. Mathis moved that we recommend to the other entities that the name will be Airport Way. Mr. Lehrkind seconded the motion. More discussion followed and a few other names were suggested but the consensus was that Airport Way would tie everything together and it would be clear to anyone looking for the airport that they were going to the right place. All board members voted aye and the motion carried unanimously.

#### **6. Report on passenger boardings and flight operations – Scott Humphrey**

Mr. Humphrey reported that April tower operations were down 17.7%, mainly due to local general aviation (GA) being down. He said the weather was comparable so he thinks it is probably due to fuel prices. Air carrier landings were down 4.4% and that was expected due to the change in Frontier service. Rolling twelve-month aircraft operations were 78,478.

Corporate landings were up 17.9% to 132. Passenger enplanements were 25,701, up 1.1% and rolling twelve-month enplanements were 439,759. Deplanements of 23,751 were up 2.4% from 23,185 for April 2012. Airline landings were up .2% for April. The overall load factor for the month was 77.7% with 3.5% more seats in the market. Fuel dispensed was up 8.8% for March. Mr. Humphrey said May and June enplanements are expected to be flat with the number of seats down 8% for June because the load factor for last June was about 71%. He said the load factors for June 2013 should be over 80%. In July and August, we should have the same number of seats as last July and August.

Mr. Humphrey reported that Alaska Air's service to Portland will start again on June 9<sup>th</sup>, Delta Air Lines' Saturday only non-stop service to Los Angeles will return on June 15, United Airlines' Saturday non-stop Newark/New York (EWR) service will begin again on June 22<sup>nd</sup>, and Saturday / Sunday service to EWR will start on June 29<sup>th</sup>. He said we should have a very tight May and June.

Mr. Humphrey also reported that staff spoke to United Airlines about the Newark/New York winter season and they were very pleased with the results they have seen. They are planning more flights for the holidays and are talking about summer 2014. The board thanked Mr. Humphrey.

#### **7. Airport Director's Report – Brian Sprenger**

Mr. Sprenger reported that the summer is looking strong and we may break the record for July and August. He said staff is pretty confident the number of passengers flying in and out of Bozeman will exceed the number of passenger at Billings despite their runway closures due to resurfacing. For the six months of April through September, excluding July and August when their runway construction will take place, Billings is down 11.8% in seats.

We are down 6.7% in seats so we may have more passengers anyway, depending on load factors. The number of available seats at BIL will be down 20% when the runway is being resurfaced; BZN will be down 4% during the same time frame. Because people are flying directly to Dickinson and Williston now, BIL hasn't been helped much by the Bakken Oil Field. Mr. Sprenger said that could change as the Bakken impact moves further west.

Mr. Sprenger reported that the Screening Partnership Program is on hold now. The TSA said they would repost it with the target figures that bidders would have to beat. They said they would put it out to bid soon but didn't specify a date. Mr. Sprenger said we are working with the local TSA staff to be ready for summer and they have been very receptive. He said customer service levels have improved in spite of the uncertainty, and the people on the floor have been doing a good job.

Mr. Sprenger reported that next month the board would be dealing with the budget. He said the Airport Director performance review would be held after the June meeting so anyone wanting to comment can send comments to the board. Notice will be put in the agenda as well.

Mr. Sprenger said the big event in June will be John McKenna's retirement party, which will be held after the June meeting at the pilot shelter at 5:00 PM.

Mr. Mathis asked what affect the sequestration would have on the Airport Improvement Program funds we anticipate for this year. Mr. Sprenger said we just got our allocation and it was \$173 thousand more than last year. Mr. Kelleher asked if Mr. Sprenger had heard anything about American Airline service and Mr. Sprenger said there is nothing new.

#### **8. Consider bills and approve for payment**

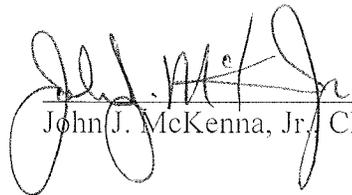
The eighth agenda item was to consider the bills and approve for payment. The board members and Mr. Sprenger reviewed and discussed the bills.

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

The motion carried unopposed.

**9. Adjourn**

The meeting was adjourned at 3:15 p.m.

  
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John J. McKenna, Jr. Chair