

The regular monthly meeting of the Gallatin Airport Authority was held April 13, 2023, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, and Kendall Switzer. Kevin Kelleher and Carl Lehrkind attended via video conference. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, and Troy Watling, Assistant Director - Finance.

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

1. Review and approve minutes of regular meeting held March 9, 2023

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. Mathis moved approval of the minutes of the meeting held March 9, 2023. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Consider proposals for 2023 AIP Improvements

Mr. Sprenger said we had a bid opening at 2pm on March 30, 2023. Mr. Mathis was present at the meeting along with staff from the engineering team. We received bids on both projects. Treasure State, CK May and Knife River all submitted bids. Knife River was the low bidder on both projects. Staff recommends taking the bids under advisement and awarding to the lowest qualified bidder, which appears to be Knife River.

Mr. Mathis asked if there were any surprises in the bids. Mr. Sprenger said there were not any surprises. One bid was under the engineer's estimate and one was over. The overall difference between the estimated cost and the bids was an increase of \$900,000 that could be covered in discretionary. The budget can accommodate the increase in price. Compared to other bids in this area, our bids came in well.

Mr. Switzer asked about the timeline. The ramp rehabilitation and expansion on the east ramp is expected to be completed this year. Taxiway G should be completed this year. If things go well, Taxiway F may start this year and be completed next year. There is a chance it could all be completed this year.

MOTION: Mr. Switzer moved to take the bids under advisement and award a contract to the lowest qualified bidder. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

4. 2023 Project Presentation

Mr. Sprenger prefaced the presentation by indicating that some of the projects are multiyear and some are finishing up from last year. Some are less of a project but still require coordination and involve time from staff.

Terminal – East terminal expansion is going well. There will be a large presentation on that next month. The current timeline is moving toward a bid opening early next year. There are decisions to be made before then. The inline baggage system is coming along well. The BZN Market is under construction and we are hoping for a mid-July opening. We are into the concept portion of the passenger checkpoint queuing expansion. There is some space that we can use to improve queuing. The ticket counter lobby carpet replacement is behind

schedule due to color matching and obtaining a higher quality carpet. Pictures were presented of the various projects including the baggage system, BZN Market construction, and the checkpoint area plans which were reviewed by Mr. Sprenger.

Equipment – The Aircraft Rescue and Fire Fighting (ARFF) Truck is here. Snow removal equipment is out to bid. There are 3 pieces out for bid including an interchangeable broom and blower. We are working on getting pricing. The additional equipment will provide more capacity for snow removal.

Mr. Switzer asked how the brushes are holding up. Mr. Sprenger said they wear out all the time. We are testing a cassette style replacement which has received mixed reviews. We typically replace all the bristles a couple times a year.

We are working on obtaining a new street sweeper. We are considering an airport style sweeper but we would have to validate the increased cost against a standard street sweeper. We are looking at a jetway operations/maintenance monitoring system that airlines would reimburse. Pictures were presented including the new ARFF truck, snow removal equipment, street sweeper, and jetway (representing the monitoring system).

North Side – With the Master Plan completed, we can move into the Environmental Assessment for the Northside including the hangar expansion and Runway 11-29 which will be called 12 Left (12L) and 30 Right(30R). Once the runway is expanded it will have the same capabilities as 12-30. We previously had to obtain an exception for 11-29 to be designated as such. Now with the changes, it is unlikely that the runway would still be designated 11-29. We could explore keeping it the same, and some will be determined by the environmental assessment on the turf runway. Nothing is set in stone currently. There was discussion

regarding the need for designation and signage changes and some of the history of the various runways and their designation determinations. More information on the runway designations is to come as the project moves forward. Additional projects included in the northside are land acquisition and Summit and Ridgeline hangar construction.

Tower/Navaid Improvement – We received a grant for tower improvements including replacing the HVAC system, console and radio improvements. Navaid improvements include the Runway Visual Range (RVR), Special Authorization Category II Approach, Medium Intensity Approach Light System with Runway Alignment Indicator Lights (MALSR) on runway 3-0, and relocation of the Very High Frequency Omni-Directional Range (VOR). Pictures were presented to show north side improvements and navaid design.

South Side – General Aviation (GA) infrastructure projects are planned. Yellowstone Club (YC) hangars 7 & 8 will be breaking ground soon. Additional southside projects include rehabilitation of the GA ramp, rehabilitation and expansion of the East Ramp, Taxiways G and F, relocation of the service road, and rehabilitation and expansion of the tie-down ramp.

Frontline Redevelopment – The cinderblock hangar is being removed and a YJC hangar and parking lot will go in there. The Jet Aviation hangar is coming along. A map was presented showing project locations.

Airport Authority Buildings – Plans include an expansion of the Airport Rescue and Firefighting (ARFF) Station to include space for an additional ARFF stall, snow removal equipment, office space and replacement of the snow barn roof.

West Terminal Support – The Yellowstone Jet Center (YJC) west fuel farm and Ground Support Equipment (GSE) building are in the final design phase. Coordination for the Million

Air fuel farm is in progress. We will need to relocate our airline deicing storage over to that area and we will need a service drive to access that area. The cost will be covered by the parties moving to that area.

Rental Car Improvements – We will be constructing the rental car parking lots this summer.

Terminal Parking & Curb – The terminal curb and pay parking lot projects will be finishing up over the next couple of months.

Mr. Sprenger introduced the phasing plan to enable an expanded parallel runway. Mr. Sprenger used a whiteboard image to present the various phases and plans for the expanded parallel runway. Taxiway G will eliminate the direct connection to Runway 3/21 by Taxiway J. We will relocate Taxiway F and connect it to 3/21. This will allow the service road to be separated from the taxiway. We will also be rehabilitating all the ramps indicated. We will be expanding the tie-down ramp. Signature is contributing to expanding the east ramp.

Our plan next year is to take Taxiway C2 across runway 11/29 and construct the beginning of Taxiway B connecting Runway 3/21 to Taxiways C1/A1 to Taxiway C2. That takes care of one of our certification issues and provides an important connection for all the new flight school locations.

Next year and possibly into 2025 is a 328' extension of Runway 30 to line up the thresholds of both 30 and 29 as well as provide a secondary access to Runway 30 to improve end of runway efficiency. This is also important because of all the navigational aid additions and changes. We will also facilitate fiber optic cable to serve these areas and the relocation of the VOR.

In the 2025-2026 timeframe we will take Taxiway B and extend it to the end of Runway 12. When we start working on extending current runway 11/29, we will have to get aircraft from the north side over to the main runway. We will also need to relocate Airport Road to Jetway Drive. Mr. Sprenger showed the changes to the road.

The next part of the project is the relocation and expansion of Taxiway C to provide separation from the runway for Category C-III aircraft. There are 40 hangars on the waiting list for the north side.

When we have all that complete, we are set to extend and widen current runway 11/29 in the 2028-2030 timeframe. Overall, this is about \$70 million over the next 7 years which includes the navigational aids. All of these pieces have been on the Capital Improvement Plan. At some point we may need to extend the west end of Runway 12/30. There have been discussions on weight restrictions and accommodating certain aircraft.

Mr. Mathis commended staff for dealing with so much expansion. Mr. Mathis complimented Jet Aviation on their new hangar, indicating it is a nice addition to the GA ramp. Mr. Linn asked if ATC is going to keep up with the growth and Mr. Sprenger responded that was another issue.

5. Consider authorizing reimbursable agreement with the FAA for Design of Navigational Improvements at BZN

Mr. Sprenger said this has been in progress for some time. We wish the FAA would pay for all of this. The FAA is paying for some elements including the design. Based upon what they have given us, there are millions of dollars involved. We are also making it easier for them. By us needing to relocate the VOR, that provides the opportunity for a Doppler VOR. We did some checking on the special authorization Category II. Most aircraft are already

equipped for the special authorization Cat II, and most pilots are trained on it, and it is the same authorization at all airports. That alleviated our concerns. We are still working with the FAA on the MALSR. Indirectly, everyone seems to understand the FAA should maintain the MALSR, but the study was vague on that. We may have to make some justification for their maintenance of the MALSR. We will continue to work on that during the design. Historically we have done a lot of things at our own cost to improve the airport that at the time their numbers did not justify. For this, we don't have the technical number of diversions to justify it. On an annual basis, they are right. But when we lose 20 flights in one day and then it moves into another day, the recovery period is slow. It has a major impact. We had it over the winter holiday a few years ago. It would be hard to quantify. All our growth has been enabled by improvements over the past 20 to 30 years. Improvements that if we had waited for the FAA to accomplish, we would not have been in a position to grow and we would still be a very small airport. This is the next step. It is a lot of money. Staff recommends we move forward.

MOTION: Mr. Switzer moved to authorize a reimbursable agreement with the FAA for Design of Navigational Improvements at BZN. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

Mr. Sprenger said many times it comes down to having the right person in the right place. We have an FAA engineer who is one of the brightest navigational aid people in the world. He is in this region, and we hope to keep him here.

6. Consider request by Centerline Holdings, LLC to transfer the non-commercial land lease on hangar 164 to Mr. Nathan Aldringer

Mr. Sprenger said the hangar is in good condition and the rent is current. We expect this hangar to be subleased to Million Air which we will address next month. This hangar has been numbered 164 but we have leased it under 165 for a long time. We are ironing that out.

Mr. Sprenger confirmed for Mr. Mathis that the hangar rent on this hangar and the next agenda item hangar will be increasing July 1, 2023.

MOTION: Mr. Mathis moved to approve the request by Centerline Holdings, LLC to transfer the non-commercial land lease on hangar 164 to Mr. Nathan Aldringer. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

7. Consider request by Jim Gier to enter into a new 10-year non-commercial land lease on hangars 47/48

Mr. Sprenger said the pedestrian door and utility box on hangar 47 needs to be repainted. One of the pedestrian doors is deteriorating and we will require it to be replaced before the next renewal.

MOTION: Mr. Switzer moved to approve the request by Jim Gier to enter into a new 10-year non-commercial land lease on hangars 47/48. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

8. Consider requests by Great Falls International Airport Authority and Yellowstone Regional Airport to donate surplus baggage system conveyors

Mr. Sprenger explained that we have some surplus items that we don't have a planned use for. The board packet included a breakdown of the items and a cost evaluation. The approximate value based on depreciation is \$34,000 for Great Falls and \$4,000 for Cody. This will help two smaller airports finish some of their projects. This is like donating snowplows to

other public entities as we have done in the past. Staff recommends approval of the requests. The equipment will be given as-is, which is another reason why donating is preferred.

MOTION: Mr. Mathis moved to approve the requests by Great Falls International Airport Authority and Yellowstone Regional Airport to donate surplus baggage system conveyors. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

9. Consider land acquisition priorities

Mr. Sprenger said we have been approached by Mr. and Mrs. Perin about possibly acquiring their property on Timothy Lane. Staff recommends obtaining an appraisal and creating a proposed agreement for review by the board.

MOTION: Mr. Switzer moved to approve the Airport Director negotiating a buy-sell on the Rori and Brian Perin property and to bring to the Board for consideration, understanding the Board may or may not approve the negotiated buy-sell agreement. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

10. Consider request by Tim Linn to transfer the non-commercial land lease on hangar 10 to ACW, LLC

Mr. Sprenger introduced Mr. Tim Linn. Mr. Linn said it is time to transfer his lease. He signed his first lease on April 4th, 1983. That was 40 years and 9 days ago. This is his 50th year flying off Gallatin Field. Mr. Linn said he has more toys to tune and polish than he has the energy for. He will still be flying.

Mr. Mathis said Mr. Linn has maintained and operated out of the hangar in a very professional way and he has set the bar for GA operations and said he couldn't vote to approve it.

MOTION: Mr. Switzer moved to approve the request by Tim Linn to transfer the non-commercial land lease on hangar 10 to ACW, LLC. Mr. Lehrkind seconded the motion and all but Mr. Mathis voted aye. The motion carried.

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

There were 10,980 total tower operations for March, which was up 1.3% for the month and up 6.2% for the year. Rolling 12-month operations were 112,855 operations. Corporate landings over 12,500 lbs. were 845, which is down 21% from March of last year. There were 980 corporate landings above 9,000 lbs. There were 24 custom clearances in March 2023 versus 20 in March 2022 which is 20% better, and for the calendar year we are up 26.5% for customs clearances. Total enplaned passengers were 108,022 which is 1.9% above last year. We are up 6.7% in enplanements year to date. Rolling 12-month enplanements were 1,154,105 which is a new record. Deplaned passengers were up 3.8% at 104,062 passengers. Airline landings were down 9.1% at 892 versus 981. Overall load factor was up 1.7% at 82% versus 80.7% last year and also up 1.7% calendar year to date for load factor. Fuel dispensed for February was up 22% at 2,200,991 gallons versus 1.64 million gallons last year and up 24.6% year to date.

For the first 15 days of April that we have numbers on, we are up 13% from last April. We have 2% less seats this year than last. Ski season ends at Big Sky this weekend. The forecast is that we will end up 5-6% better in April. We are coming back to single digit growth for the summer.

Mr. Mathis asked if the prime minister from Canada went through our customs. Mr. Humphrey said he did, and the Port Director came down for that himself.

12. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported on the terminal expansion. We had considered a patio on the outside which would cost \$750,000. In a \$170 million project it is not much, but it is still significant. The main concern with the patio is that it is north facing which could be problematic in the winter. An image of the concept design was presented. There is a structure to support the windows requiring those inside to look through 2 sets of windows for the benefit of a few who will utilize the outdoor area. The staff's recommendation is not to do it. We need to give direction to the architects. Ms. Stelmak said she likes the idea, but considering the complications, we can do without it. Mr. Sprenger clarified we would gain the square footage of the outdoor area and it would become indoor area. All board members agreed to move forward without the outdoor area.

Mr. Sprenger reported that March overnight cars were 110% of last year and parking revenue was 127% of last year. Food and beverage was 111% of last year and retail was 104% of last year. Rental car revenue for March was down 15-18%. This was possibly due to fewer corporate jets and fewer available rental cars. The number of rental car days was up 2%. More cars were rented but the revenue was down because the average daily rate changed from \$107 to \$84. Turo is down about 18% over the past 3 months.

Mr. Sprenger introduced several members of the operations department including Jennifer, Sam, Kalem and Jake who manages operations and maintenance. We had our annual FAA certification and inspection and there were no discrepancies. We also appreciated that the inspector has given us some good recommendations on things to work on for next year.

Tomorrow, April 14th at 10am is the Summit groundbreaking ceremony. Monday, April 17th, we have our Airport Capital Improvement Plan coordination meeting with the FAA, they are also bringing a contingency here to discuss navigational aids (Nav aids). Many who will be visiting have never been to our airport. We are happy to host them here. We will talk about the Environmental Assessment and funding. We are hopeful that some of the bi-partisan infrastructure funding can be used for some of the Navaid improvements to offset AIP funding.

April 18-19 we will be meeting with Allegiant in Las Vegas. We have not participated in many of these recently but the relationships need to be developed.

We will open bids for snow removal equipment at the May meeting. Our Parking Lot Management Request for Proposals (RFP) will come out in the next few weeks and be considered at the June meeting.

We have over 40 requests for hangars on the northside. We should consider forming a committee to manage the requests. We expect tension between developers. We should consider the possibility of doing some of it by RFP or using one developer. Most would prefer to do it individually, as we have in the past, but that doesn't maximize the use of the land. We can't do much until 2025 but it should be considered in advance to prevent as many issues as possible.

Mr. Sprenger said the TSA Screening Partnership Program, which is privatized screening at the checkpoint, will go out for bid in the next several months. There will be some evaluation of the performance. We want what is best for our passengers. We have the opportunity to continue our participation in the program or recommend going to back to

Federal screeners. We know there are challenges with hiring and want to find out how that would be impacted if it was federal.

The hotel construction at The Yellowstone Airport Plaza is finishing up. A few more planned construction projects in the Plaza area are Little Belt Burger Bar, Cow Boss Coffee, some personal storage areas, Belgrade Liquor, and workforce housing which is currently under construction.

A tour of the baggage system was planned after the conclusion of the meeting.

13. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Mr. Mathis moved to pay the bills and Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

14. Adjourn

The meeting was adjourned at 3:22 p.m.



Karen Stelmak, Board Chairperson