

The regular monthly meeting of the Gallatin Airport Authority was held March 7, 2024, at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Karen Stelmak, Kendall Switzer, Carl Lehrkind, and Kevin Kelleher. Also present were Brian Sprenger, CEO, Scott Humphrey, COO, and Troy Watling, CFO.

Mr. Mathis, Board Chairman, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and called the meeting to order.

1. Open bids for ARFF/SRE Building Expansion and Existing SRE Building Re-Roof

There were requests for a delayed bid opening by 2 weeks. There are challenges with a federally funded project. The staff's recommendation is to schedule that for 2 p.m. Thursday, March 21 for just the bid opening. Any award will happen at the next board meeting. This allows time to review contracts. Everyone agreed to move the bid opening to March 21 at 2 p.m.

2. Review and approve minutes of regular meeting held February 8, 2024

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

MOTION: Mr. Switzer moved approval of the minutes of the regular meeting held February 8, 2024. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

3. Public Comment Period

There were no public comments.

4. Consider Guaranteed Maximum Price (GMP) for East Terminal Expansion enabling project

Mr. Sprenger said Martel's expectation was around \$5-\$6 million. The temporary baggage claim bids came in higher than we felt was necessary for the project. We reconsidered our existing baggage claims. They are over 25 years old. There is some risk. But they have been maintained and we know them. We think we can reutilize the existing baggage claims for the carousel. The overall bid for the temporary baggage claim was \$1.5 million. We feel we can do it for less. The GMP has an additional \$750,000 allowance. The \$3,672,641 GMP includes a \$750,000 allowance that would reduce it further.

There were some positives in the overall bids. There were some adjustments due to assumptions being cleared up. When we first looked, the GMP was \$4.7 and so we are now down \$1 million. We don't expect to save the entire \$750,000. Essentially all the baggage parts will be reused, except for one piece.

Mr. Lehrkind asked if we do have any issue with baggage, what is the timeframe for a new part. Mr. Sprenger said there would be some time to replace parts, but our maintenance crew is excellent, and we have some parts on hand. There could be something unanticipated, but staff recommends this considering the benefits.

MOTION: Mr. Lehrkind moved to approve the Guaranteed Maximum Price (GMP) by Martel Construction for the East Terminal Expansion enabling project. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

5. Consider Audit Proposals

Mr. Sprenger said we received three proposals. We received proposals from Eide Bailly, Holmes & Turner, and Rudd & Company. All firms are well qualified. Staff recommends selection of Holmes & Turner whose price was significantly lower. We looked at the cost for

audits for other areas of Montana, and ours is lower by about half. Many airports must go out of state for auditing firms which increases the cost. We are fortunate to have 3 local companies willing to bid.

Ms. Stelmak said we should acknowledge that the staff is doing a good job, so the audit is not very time-consuming. Holmes & Turner is aware of that.

MOTION: Ms. Stelmak moved to accept the proposal by Holmes & Turner to provide audit services for Fiscal Year 2025, 2026 and 2027 with an option for Fiscal Year 2028 and 2029. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

6. Consider request by Sharbert Enterprises to establish “NS Provisions” as a retail brand within the terminal

Mr. Sprenger introduced Doug Stock and Cassie Miller from Sharbert Enterprises.

Mr. Stock said they have been able to reutilize fixtures thanks to Martel from the gift store. Their services are shifting due to construction. They feel there is a need for another retail option. NS Provisions will provide items such as souvenirs, t-shirts, food and light beverages. Their vision is a space that highlights the unique character and history of air travel in the state through the stories of its pioneers. Mr. Stock gave a special thanks to Ted Mathis for the book *Montana in the Sky* which has provided background for the design.

Ms. Miller spoke further about her research into Nelson Story III. She found him to be an interesting figure in Montana history, particularly aviation. Ms. Miller presented some of her research regarding Nelson Story III and some additional historical figures from local aviation.

Mr. Switzer asked how the new retail space will be different. Mr. Stock said the focus will be on souvenirs that highlight the area. The other locations will scale back similar offerings. They plan to have some displays in the store that highlight some of the local historical figures in aviation.

MOTION: Mr. Switzer moved to approve the request by Sharbert Enterprises to establish "NS Provisions" as a retail brand within the terminal. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

Mr. Mathis said he has more information on the operation up at Castle Town.

7. Consider request by Signature Flight Support to construct a ramp access gate adjacent to the NetJets terminal located at 305 Aviation Lane

Mr. Sprenger said a better picture of the location has been provided. Landon Burgwin with Signature Flight Support said the old gate 8A is problematic because it does not have a call box or video screen and there is no way to attach them. Jet Aviation manages the Yellowstone Club hangars, so it is hard for them to tell when there is someone at the gate. They are requesting to install a call box to the west of the building. Mr. Sprenger showed the locations on the map under discussion. Mr. Sprenger pointed out the various gate locations. Knowing where the service road will be assists in planning. Mr. Burgwin said it is a matter of enhancing customer service.

Mr. Burgwin confirmed for Mr. Mathis that Signature and NetJets will pay for the project. It will be compatible with the other gates. Everyone who is badged will have access. Mr. Sprenger said the gate at the end of Aviation Lane will be reestablished once the service road is there.

Mr. Switzer asked if there are any concerns. Mr. Sprenger said anytime you add an access point, there is some concern. But when access points are added in good locations, that are being used and monitored, there is less concern. We will have access, but it will mostly be used by Signature, NetJets, us, law enforcement and emergency response. The gate on Aviation Lane provides more general access. We try to restrict access to those who need it. Overall, this is a good thing. They will have visual monitoring of the vehicles accessing the gate. Mr. Sprenger confirmed for Mr. Mathis that our engineering firm will oversee the project.

MOTION: Ms. Stelmak moved to approve the request by Signature Flight Support to construct a ramp access gate adjacent to the NetJets terminal located at 305 Aviation Lane. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

8. Consider request by the 83rd Civil Support Team to use unoccupied airport structures for use in a multi-team training exercise

Mr. Sprenger said we have a few structures that will be either removed or demolished. This is an opportunity to provide access to the structures for training.

The 83rd Civil Support Team representative said they are comprised of 22 National Guard soldiers and airmen and are based out of Helena. Their primary mission is defense support to civil authorities. There is a team like the 83rd in every state and territory in the US. This would be the largest civil support team exercise that has ever been conducted. There would be 10 teams participating. They have venues throughout Bozeman. They would like to use 2 of the structures north of the airport. The FBI will be here. Central Valley Fire will be the incident commander. Mississippi and Alaska will fly in their trucks and trailers. They plan

to have 4 C-17's on the ramp. All transportation locally will be ground and based out of the Armory Hotel.

There will be neighborhood notifications. Bozeman and the surrounding area will receive 6 weeks' notice. They will also work with the local media.

Mr. Switzer asked if we anticipate any operational impacts. Mr. Sprenger said the timing is good. The training will be outside the fence.

The exercise will include about 200 uniformed individuals and 50 others. Thursday, April 25th will be the first day.

Mr. Mathis is concerned about traffic control for civilians. There will be signage and safety reps at every venue.

MOTION: Mr. Lehrkind moved to approve the request by the 83rd Civil Support Team to use unoccupied airport structures for use in a multi-team training exercise. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

9. Consider request by Central Valley Fire District to use unoccupied airport structures for use in training exercises

Mr. Sprenger said we work closely with Central Valley. We have done this in the past.

Jake Zlomie, acting fire chief for Central Valley Fire, introduced Steven Sorlie who is their training captain. This is a unique opportunity for training. There will be no live fire. There will be theatrical smoke. Environmental concerns are to be reviewed.

Mr. Sorlie said they don't anticipate more than 20 people involved in this training including career and volunteer members. They are open to including neighboring departments as well. The plan is to put responders in a building they haven't been in before and search in a fast manner with low visibility to mimic a structure fire. They would like to do

some training at night if possible but will be finished by 9 p.m. If they do a big exercise at night, there will be communication to the public. They have some ways to get the message out such as social media channels and sign placement.

Mr. Sprenger said we have a fortunate relationship having Central Valley Fire here on the airfield. They respond to our medical emergencies. It is a great thing to have them.

MOTION: Mr. Switzer moved to approve the request by Central Valley Fire District to use unoccupied airport structures for use in training exercises. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

10. Presentation of CY 2024 Airport Traffic Forecast

Mr. Sprenger said this forecast is used for budgeting and a forward look for the community. Mr. Sprenger and Mr. Humphrey made independent projections and were .8% between the two. Total enplanements are projected to 1,307,094 enplanements, up 6.1% over the prior year. Historically, besides COVID impacts, this will be one of the slower growth years. Our growth in 2023 was greater than the entire amount of enplanements at Helena Airport. We are now beginning to compare ourselves to Boise. 20 years ago, we compared to Billings but we have now far surpassed their numbers. In 2000 we were about 28% of Boise and now we are about 53%. We are about 60% of the size of Spokane. These are communities with populations of 500,000-700,000 compared to Gallatin County of 125,000. We project 2.6 million total passengers compared to the 2.4 in 2023. At 2.5 million total passengers, we will begin the process of converting with the TSA from a Category II airport to a Category I airport. The last and next biggest category is Category X for the largest hub airports of the country. It

takes 3 years of 1.25 million enplanements and deplanements to move from Category II to Category I.

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

There were 8,087 total tower operations versus 10,541 which is down 23.3% much of that due to lack of snowfall. That puts us down 11.6% year to date for total tower operations. Rolling 12-month operations were 127,460 operations which is another record. Corporate landings over 9,000 lbs. were 904 versus 1,110. Corporate landings over 12,500 lbs. were 842, down 20.9% and 904 over 9,000 lbs., down 28%. There were 30 custom clearances this February and the numbers are the same as last year for the first two months of this year. Total revenue enplanements are 96,331 passengers which is up 2.3% and up 1.6% for the year. That brings the total past 12-month enplanements to 1,234,835. There were 96,984 deplaned passengers, which is up 2.2%. Airline landings were 925 versus 825 so 12% better. February's load factor was 74% versus 76% last February but we did have more seats in the market. Fuel dispensed in January was down 3.6%.

We have 12,000 more seats in March. We have snow now. We estimate to end up 7-8% higher than last March.

Mr. Mathis asked about the new landing reporting system. Mr. Watling said we got the numbers in and they are tracking close to last year. It has been a great service to have. Mr. Humphrey said we are picking up more aircraft that we didn't bill for before.

12. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported we were up in air carrier operations in February but General Aviation local was down 46% and itinerate was down 25%. Those are 2 different factors. The

lack of snow in January meant less people coming in February. February was a snowy month, and it decimated the local traffic. We had 14 snow event days out of 29 days in February. Last week was one of the worst weeks for diversions. There was commendation to the snow removal team, they worked hard during the event, and were able to have aircraft report good conditions.

Overnight cars in February 2024 were 101% of February 2023. If we didn't include the extra day in February this year, we would have been up 107%. Overnight cars in March so far are at about 99% of last March. Concession revenue for March is at 107% of last March.

We are working on the Request for Proposals (RFP) for the reclamation of the properties on Timothy Lane/Tubb Road.

We considered an RFP for rental car companies later this year. We spoke with our current rental car companies. Due to the terminal project, there is merit to extending the contracts for 2 years. During the start of the project, we could not accommodate a 4th provider. We are asking for input in the next month. The existing contracts are not up until the end of September.

Mr. Sprenger is going to Washington D.C. next week for the legislative conference. The primary plan is to talk to our congressional staff. There is positive language in the Appropriations bill for tower staffing. The key components are that small or medium towers would require 2 controllers on shift which would assist us. Ms. Stelmak requested they be kept posted on that. The other part is that they are continuing a pilot program for 3 contract towers to be moved to federal towers. We would like to work with our congressional staff to be 1 of the 3 if possible. Preservation of staff is important. We had a challenge last week when

4 of our controllers were sick. It was zero ATC for certain hours. We had Big Sky Approach to assist. That was a reminder of how tight tower staffing is. We also want to discuss the airport terminal grant program with congressional staff which we were not selected for this year. We understand there were other priorities. We want to remind our congressional delegation that of the top 140 airports, we are the second fastest growing since COVID and 2019. We also plan to talk to them about having the FAA take over maintenance of the MALSR.

The checkpoint expansion is just about finalized. There is about 60% more space. There is still some wall covering to do.

Taxiway F and the service road will see work begin in April. The MB snow removal equipment is expected to be here in September prior to winter. Next month, we are opening bids on taxiways.

Mr. Mathis sat in on a state presentation at an aviation conference. It was great to see the grant requests and loan requests were filled 100% primarily at the smaller airports like Helena and Great Falls. Mr. Mathis asked is it time for us to put in a request. Mr. Sprenger said we can do that. The largest award was \$240,000 to Butte. On a related note, we learned today that the snow removal equipment building for Sydney burned down last night. We will see how we can help.

13. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Mr. Switzer moved to approve the bills for payment. Mr. Lehrkind seconded the motion. All board members voted aye. The motion carried.

14. Adjourn

The meeting was adjourned at 3:13 p.m.



Ted Mathis, Board Chairman