

The regular monthly meeting of the Gallatin Airport Authority was held October 10, 2019 at 2:00 p.m. in the Airport Conference Room. Board members present were Kendall Switzer, Karen Stelmak, Ted Mathis and Carl Lehrkind IV. Also present were Brian Sprenger, Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

Kendall Switzer, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Review and approve minutes of regular meeting held September 12, 2019

Mr. Switzer 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 September 12, 2019. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Consider request by Wayne Edsall Trust to transfer their non-commercial land lease on hangar #62 to Mr. Steve Kleimer

Mr. Sprenger reported the awning and door need painted before the lease is signed. Staff recommends approval of the request.

MOTION: Ms. Stelmak moved to approve the request by Wayne Edsall Trust to transfer their non-commercial land lease on hangar #62 to Mr. Steve Kleimer. Mr. Lehrkind seconded the motion. All board members voted aye. The motion carried.

4. Consider land acquisition priorities

board for consideration understanding the board may or may not approve the negotiated buy sell. Mr. Mathis seconded the motion. All board members voted aye. The motion carried.

5. Master Plan Update – Exterior Road System – Scott Bell

Mr. Scott Bell presented layout drawings. The last time we discussed runway protection zones (RPZ) they cross the existing Airport Rd. The FAA recommends that no public roads be located in a runway protection zone. That would mean relocating Airport Rd. The plan would relocate it to follow the power lines to Dollar Drive and then continue around the RPZ's and through the gravel pit and tie back into Airport Rd going to the east. The ultimate plan shows a relocation of a section of Tubb Rd as well.

Mr. Bell presented some alternatives around the future north general aviation section. One is extending Tubb Road to tie into the Ryan Glenn subdivision. They have had discussions with city manager and county roads department. That extension of Tubb Road would allow the closure of part of East Baseline Road and Lagoon Road.

Mr. Sprenger referred to the road leading to Ryan Glen and said if we developed and sold lots that could help pay for the road. We looked at VOR relocations. Staff thinks the best location for the VOR is on the state land area. However, the process to title the state land is difficult unless you do a trade. The state is open to a trade but they need like value. Mr. Sprenger showed 58 acres that is believed to be equivalent value wise to the 77 acres for the VOR. There is a benefit to have a buffer between the airport and the Ryan Glen subdivision. Trading the property would give the state the responsibility to be that buffer.

Mr. Sprenger said the relocation of Airport Road would need participation from others. It is not necessary for the airport or existing traffic but it is beneficial for land owners and adjacent businesses.

Mr. Sprenger also presented some changes to the taxiways. Based on the last discussion, open space has been maximized for snow storage between taxiway A and proposed taxiway B.

Mr. Lehrkind asked if there has been any feedback from the city or county. Mr. Bell said the response has been positive. Our road plans are similar to the Belgrade transportation plan. Mr. Lehrkind pointed out that one of the RPZ's had a small section of the road in it. Mr. Bell said it would require a modification to standards because it is an existing road and it is just a small section in the corner.

Mr. Mathis asked for the reasons behind extending Airport Road to Dollar Drive. Mr. Bell said they are showing it as a nicety. It would probably not be the first adjustment to the road. Mr. Sprenger said they are relatively sure it would not be fundable by the FAA. We believe the other relocation would be. The north side road connections would not be fundable by the FAA. That is why we are looking at ways to pay for it. It allows us to close Lagoon Rd and Tubb Rd and move houses there.

Mr. Mathis asked why we would show the Airport Rd relocation to Dollar Drive on the master plan if we aren't going to fund it. That would give developers and current land owners the idea that we plan on doing that or that it is a priority of ours. Mr. Bell said it matches the Belgrade transportation plan. Mr. Sprenger said we could mark it as "Road by others" if we choose to keep it on the plan. Several other roads would be marked the same way.

Mr. Switzer asked if this has been reviewed by law enforcement and fire response. Mr. Bell said they haven't yet but it will be vetted with them. Mr. Sprenger said two years ago they had discussions with fire and police and they thought the connection over to Ryan Glen would be sufficient for their access.

Mr. Lehrkind asked about the timeframe. Mr. Sprenger said they looked at the future rehabilitation of runway 12/30 and 11/29. When we rehabilitate 12/30 it is a major and invasive project. If we are able to justify making 11/29 air carrier capable, then 11/29 gets rehabilitated shortly before 12/30. That would be the best time to expand 11/29. We worked backwards from that. That would require abandonment of Tubb Road just to the north. Ideally we would have the properties we are working on acquiring and then have to relocate the road. Having two air carrier runways give us a lot more flexibility. The proposed plan shows the road relocation in the 2026 timeframe.

Mr. Bell showed some alternatives for locations for an upgrade to the fuel system for Signature flight. They have come up with 2 different locations. One is at the west end of the terminal. The other proposed location would be at the east end near the current fuel farm.

Mr. Sprenger said the projection from Kent Foster with Yellowstone Jet Center is that this would be an \$8 to \$10 million facility. There are pros and cons at each location. There will be more information and hopefully a recommendation at next month's meeting. Mr. Foster said they are hoping to do something as early as next year but more likely by 2021.

Mr. Switzer confirmed the fuel tanks are in the protected areas. Mr. Sprenger said that's correct and there are multiple scenarios on transporting the fuel.

Mr. Foster said they are struggling with a fuel farm that is 30 to 40 years old and was not designed for the use it is seeing today. He said on any given day, the airport is 1.5 days away from being shut down if the fuel supply stopped. They would like to extend that to 4 to 5 days to keep everything going. They are struggling to keep the fuel going.

6. Consider FY 2020 Airport Capital Improvement Plan

Mr. Sprenger said we are looking at a span of 12 years and \$178 million which is \$14-\$15 million per year. The projected cash flow has been reduced to an annual and monthly basis. This is based on a supplemental grant that will reduce the need for the line of credit we have set up. Mr. Mathis asked for the status of that grant. Mr. Sprenger said the FAA is really slow right now. They are just ending their 2-week financial shut down at the end of their fiscal year.

We have incorporated \$66 million for terminal projects including the current terminal project. It includes the current potential baggage system which is still very preliminary. It also includes an east concourse expansion and expansion of baggage claim and increasing the size of gates 1, 2, and 3.

The City of Belgrade is in the final stages of their plan for the mechanical sewage treatment. We have been carrying \$3 million for that. We have re-allocated that over multiple years to start participating earlier but not all up front to maintain cash flow. We still have to justify that amount based on our usage compared to other users of the area.

We have a placeholder for a potential \$30 million pay parking garage. We don't know where we will be. We will either be able to afford to do it or not.

The plan includes the Wings Way development and north side infrastructure. A plan for projects will be submitted to the FAA. It includes the Master Plan, southeast taxiways, access road, construction of the terminal apron, final payback for boarding bridges, and constructing the north side apron and service road. The FAA has been carrying that project as discretionary for next year. We are requesting to increase that. We would like to have taxiway C-2 to the crosswind runway at the same time. It would be a valuable access. Mr. Mathis said he spoke with the tower manager that is his number one priority. It is beneficial and is a safety enhancement.

Ms. Stelmak noted what an incredible amount of work went into this plan. She supports and endorses the north side infrastructure and the widening and extending of runway 11/29. Allocating money for land acquisitions is important. Baggage handling is a huge expense and she hopes to be involved early on. Mr. Sprenger said we have done nothing since it was last presented and discussed. TSA has to participate. We are waiting for them to approve a design grant. We do expect airline participation in the baggage handling aspect.

Mr. Sprenger said they have tried to organize projects that would encourage discretionary funding participation by the FAA. We have to spend all our entitlements on high priority projects and then the FAA will look at providing discretionary funding. Terminal projects are low priority to the FAA. Mr. Sprenger reviewed the discretionary funded projects throughout the next few years. The 2022 timeframe includes among other things, east general aviation apron rehabilitation, snow removal equipment, and taxiway F rehabilitation. In 2023 we go back to reimbursing for the terminal project. 2024 includes relocating the VOR, an environmental assessment for runway 11/29 and the roads, west general aviation apron

rehabilitation and taxiway G. The 2025 timeframe includes participation in phase 2 of the terminal project. The 2026 timeframe includes relocation of the roads. The 2027 timeframe includes the taxiway C extension. That puts us in place for access from the north side to the main runway. The 2028 timeframe includes the taxiway C relocation to the north for more separation from the main runway. We have a snow removal plan every 5 years. The 2029 timeframe includes runway 1129 relocation and 30 extension which would not be done in 2 years but use 2 years of funding. The 2030 timeframe would include taxiway A rehabilitation and 2032 would include our main runway rehabilitation. The FAA is mostly concerned about the next 5 years but we look at it much further out.

Mr. Mathis said 2022 shows the Aircraft Rescue and Firefighting (ARFF) truck purchase. He said it shows as priority 95 but we aren't planning discretionary money for it. Mr. Sprenger said the FAA wants us to use money on the highest priority first. That is why we use entitlements for others that are a higher priority.

Mr. Switzer asked for an explanation of the priority number. Mr. Sprenger said the FAA prioritizes all the projects throughout the nation. They are trying to make sure airports are spending money on priority projects. Terminals are low priority since they have other funding mechanisms. Mr. Bell explained that number 100 would be the highest priority and there is a possibility that year end discretionary money could be allocated for lower priority projects that could be completed within the year.

Mr. Sprenger confirmed for Mr. Mathis that the ARFF truck is 1,500 gallons and costs about \$650,000.

MOTION: Ms. Stelmak moved to approve the FY 2020 Airport Capital Improvement Plan AIP as presented by staff. Mr. Lehrkind seconded the motion. All board members voted aye. The motion carried.

7. Report on passenger boardings and flight operations – Brian Sprenger

Tower operations for September were up 2.5% at 9,043. That puts our rolling twelve-month operations at 98,153. Revenue enplanements were up 10.7% at 68,326 with a 1% increase in seats. For 12 months we are at 772,481 total enplanements. Total deplanements were up 11.3% at 64,022. Airline landings were down 1.4% percent indicating larger aircrafts. Airline load factor was 90.2% compared to 83% last year. The lowest load factor was Jet Blue at 85.3% on their one flight. August fuel was up 1.5% overall.

Ms. Stelmak said a load factor of 90.2% is staggering.

Mr. Mathis asked about the tower having a one day record in September. Mr. Sprenger said they did hit a September record with 574 operations in one day.

8. Airport Director's Report – Brian Sprenger

Mr. Sprenger said we are always trying to find angles with the FAA for tower staffing. Mr. Sprenger sent an email in July. The email focused on several areas. We indicated snow removal operations are a special circumstance that they need to address. We indicated the Associate Local Assist position needs to be considered at all times. We also asked they ensure no less than 2 fully certified personnel to the midnight shift which is also a requirement. The senators' staff was supportive. The FAA's response was no on all 3 counts. The FAA said federal contract towers operate under a reduced staffing concept under which there is no local assist position. They essentially admitted contract towers are second class. The

Inspector General will be coming out and talking about this. They also specifically said snow removal operations are not a special circumstance. We are trying every angle we can and trying to be the squeaky wheel. The FAA's response has shocked the senators and AAAE.

Mr. Sprenger reported that Mr. Humphrey was awarded the Aviation Excellence award at Fairbanks. Mr. Sprenger nominated Mr. Humphrey for all the work he does and said it was well deserved. Mr. Switzer asked that we get a press release for that. Mr. Sprenger said it is on the website and will be sending out a press release.

We are hoping to hear something in the next week or two on the supplemental funding. We don't expect it to affect the schedule.

We have had continuing discussions with some of the airlines about potential summer service including service to the east coast.

We have become aware of a vehicle lift in one of our hangars and we are pretty sure there is at least one other. That is a concerning situation. We have talked to Trent Gardner. Our current lease policy says lessee shall have the use of the premise for the purpose non-commercial storage of aircraft and no other purpose and neither the lessee nor their guests are permitted to sleep overnight in the hangar. The FAA is open for some other uses for hangars. One challenge is we have allowed vehicles in there as long as an airplane can also get in. That means we are not enforcing the lease as it is written. Mr. Gardner recommends looking at it further and possibly adding language that we will enforce and is applicable to the lease. There will be more information to follow on this at a later time.

9. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Mr. Mathis moved to pay the bills and Ms. Stelmak seconded the motion.

All board members voted aye and the motion carried unopposed.

10. Adjourn

The meeting was adjourned at 3:31 p.m.



Kendall Switzer, Chairman