

The regular monthly meeting of the Gallatin Airport Authority was held June 10, 2021 at 2:00 p.m. in the Airport Conference Room. Board members present were Kendall Switzer, Karen Stelmak, Ted Mathis, and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

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

**1. Review and approve minutes of regular meeting held May 13, 2021**

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 May 13, 2021. Mr. Kelleher 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 planning services**

Mr. Sprenger said we had a committee to review the proposals. We received proposals from Morrison Maierle and Mead & Hunt for planning services. Both firms are very capable and professional. The existing relationship, knowledge of the airport and the understanding that a PR firm would be necessary for the environment analysis led the committee to suggest awarding the contract to Morrison Maierle.

Ms. Stelmak said both firms are impressive. But for continuity and prior experience, Morrison Maierle is the obvious choice.

**MOTION:** Ms. Stelmak moved to award a 5-year contract for planning services to Morrison Maierle. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

**4. Consider request by Tim Gram to enter into a new 10-year non-commercial land lease on hangar #102**

Mr. Sprenger said the hangar is in good condition and the rent is current. Staff recommends approval of the request.

**MOTION:** Mr. Mathis moved to approve the request by Tim Gram to enter into a new 10-year non-commercial land lease on hangar #102. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

**5. Consider request by Ridgeline Aviation to enter into an operating agreement to provide Airframe and Power Plant Repair**

Mr. Sprenger said Grayson Sperry apologized he could not attend the meeting. Their business has expanded. They have a need for maintenance internally. To fully utilize that position they would like to offer solo services. They meet the minimum standards and staff recommends approval of the request.

Mr. Sprenger confirmed for Mr. Mathis they will be doing this work in their existing hangar.

**MOTION:** Mr. Kelleher moved to approve the request by Ridgeline Aviation to enter into an operating agreement to provide Airframe and Power Plant Repair. Mr. Mathis seconded the motion. All board members voted aye. The motion carried.

**6. Consider advertising request by PETA**

Mr. Sprenger said we received a request by the People for the Ethical Treatment of Animals (PETA) for advertising. Staff was unable to approve the request due to social content. We asked them if they were willing to modify the ad. They were not willing. They were advised they could ask the board for approval as they have done. Our legal counsel has reviewed the ad and advised this ad would violate our advertising policy's prohibition on social content. In addition, we have consistently followed this policy and never allowed opinion advertising on social issues. Staff recommends denying the request.

**MOTION:** Ms. Stelmak moved to reject the advertising request by PETA. The ad violates our policy's prohibition on social content, and we have always followed this policy and never allowed advertising on social issues. Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

**7. Discussion on terminal recycling**

Mr. Sprenger said the Bozeman Chronicle printed a letter to the editor from a member of the public alleging we have no recycling in the terminal. We replied and said we do have recycling, but it is limited. From a staff standpoint we felt it was time to review recycling for locations and service options. We found that Republic has increased their recycling options and it would be more cost effective than our current recycling provider. We would like to place some recycling bins strategically in gate areas. Only a reasonable amount at this point since it will impact the custodial side.

Mr. Switzer thanked staff for the hard work. It is a good issue to continue to look at.

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

Mr. Humphrey reported that total tower operations for May were up 1.4% over 2019. Rolling 12-month operations were 114,039 operations which is a new record. Corporate landings were down 19.1% at 280 versus 346 but we are still up for the year. Total revenue enplanements were up 18.3%. For 12 months we are at 527,514 enplanements. Total deplanements were up 18.6% over 2019 at 68,579 versus 57,811. Airline landings were up 29.3% at 821 versus 635. Load factor was 67.4% so 10.4% below 2019. Fuel dispensed in April was up 26.5%.

June is 29% better than 2019 at this point. We are pushing toward a record year. We had a few delays at the checkpoints. With 5 lanes open we can handle the crunch. We may overflow the paid parking for July 4<sup>th</sup>.

Ms. Stelmak asked Mr. Hopeman how serving food with those numbers has been. Mr. Hopeman said it has gone well and that sales for gift and restaurant in May were 50% more than 2019.

Mr. Mathis asked how many flights to Denver we have. Mr. Humphrey said it depends on the day of the week. We have 4 flights per week on Frontier, 4 per day with Southwest and United is running 6 flights.

Ms. Stelmak asked if there are any issues around the airport. Mr. Humphrey said everyone is shorthanded. If everything is on time, they are ok. Thunderstorm season is coming up. Everyone is trying to onboard staff for the summer peak. There is also a fuel issue with getting tankers here. It is going to be a difficult summer.

Mr. Kelleher asked where the fuel is coming from. Mr. Humphrey said the fuel comes from Great Falls and Billings. Mr. Burgwin said Bozeman is shut down for 20-year

maintenance. They are worried about having enough fuel for the month of July. In the last week they have issued tanking orders to United and Delta to get their inventory numbers back up. They are working on logistics and communication to create more accountability for the fuel companies instead of the trucking companies.

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

Mr. Sprenger said Food & Beverage is up 50% and gift is up 53%. The parking lot revenue is 105% of 2019. Rental car revenue was 199% of 2019. For month to date revenue, retail is 130% of 2019, food and beverage is 155% of 2019, and parking is 124% of 2019. We do not have rental car numbers yet. Short term parking is 125% of 2019. We think a portion is business traffic. The Helena airport is doing runway reconstruction, so some are coming from Helena to catch flights.

Southwest announced winter holiday service with non-stop service to Orange County and San Diego. Dallas is operating year-round at least on a Saturday only basis.

Mr. Switzer asked about parking capacity. Mr. Sprenger said they are working on a plan for paving inside the loop. They are also working on the credit card lot to push some east side employees off that lot to expand. Right now, Go Rentals is storing some vehicles there that we could move. The west employee lot will incorporate a ticket machine to collect fees. It is not in the best location, but it can be expanded substantially. Even if it is just overflow into the field. We are looking at several options and may be coming as early as next month for approval. Some work may be incorporated with Knife River.

TSA has reviewed the baggage system and has approved it to go to 70% design.

Mr. Sprenger said development possibilities have opened across from the airport. There have been asks. We have advised them that the airport has only looked at aviation leases. Ascent Vision stretched that as they are aviation related but not required in the fence. This is an option to diversify our income. Land rent helped stabilize us financially during the pandemic. We do not need an answer now, but we anticipate more interest, so it is something to think about. Mr. Sprenger pointed out another location that has road access, utilities, and does not connect to Airway Blvd. The location would not necessarily work for aviation, so this is just starting the conversation.

Mr. Kelleher asked about some locations to add parking. Mr. Sprenger agreed they were looking at that area and will eventually be adding another parking structure. Having surface parking lots gives us some advantage. Mr. Kelleher asked about terminal buses. Mr. Sprenger said that would have to happen if we expanded to those areas. The challenge is the operational cost. Often the focus is during peak periods. There are a lot of pieces to discuss.

Mr. Mathis asked about the lot leased to the county for junk vehicle storage. Mr. Sprenger said we have not had any discussions with them. Mr. Mathis asked when the lease is up. Mr. Sprenger said he would have to look it up.

Mr. Switzer said the property to the east should be kept aviation related since there is access. Ms. Stelmak thinks it should be a support of aviation related business. Mr. Kelleher agreed.

Mr. Sprenger asked if there was any interest in massage chairs. There was none.

Worldwide and nationwide, there is a push for human trafficking awareness. It is occurring at airports. The Department of Transportation has formed an agreement with some

entities to bring awareness. Mr. Sprenger asked to hear thoughts on us participating in that. It can be as simple as a phone number in the bathrooms. That is common in a lot of airports across the country. It has happened in our airport. We do not know to what degree. Staff thinks we should be part of the solution. Any questions or comments can be directed to him. Mr. Switzer and Ms. Stelmak were supportive of doing something. Mr. Sprenger said most of the airline staff have training to look for human trafficking. Staff are safe people to go to for the victims of human trafficking. Ten years ago, we did not understand but it has become more prevalent. Airports are part of that system.

Mr. Sprenger said he has a letter on his desk from a woman complaining about the "highway robbery" for the prices the rental car companies are charging. We do have high rates. Car limitations are still there. We have more cars than we have had before. We are seeing people use services like Turo. We think we will get them on board with an agreement soon. We have seen Uber, Lyft and taxis accommodate some of the traffic. Some passengers have arrived asking for the shuttle to Butte to get their rental car. We have had to give them the bad news that there is no shuttle. We are now in the peak period. We are continuing to see people book. If the rates were not high, there would be no cars. It is a supply and demand type thing. Enterprise does not raise their prices like the others, but they have not had availability. We do not have an answer.

We have an RSAT tower meeting Wednesday June 16<sup>th</sup> at 6pm.

Ms. Stelmak asked about the northside. Mr. Sprenger said they have a call with the FAA this afternoon to discuss when it would be appropriate to put that project out to bid. There is some flux in the funding. We just learned that Boise Idaho is being moved up to a

medium hub airport. They are the first in the region. That has a ripple effect. Their entitlements go down by \$2 million because they are to rely more on PFC funding. The FAA had already committed to the funding, so the FAA is looking at how to make that up through supplemental or discretionary funding. The good news we are well past the 30% design. We are ready to put it out to bid. We are just waiting for the appropriate time. We expect a letter from Summit and Ridgeline to occupy the area for the flight schools. We may need to be innovative for where the money comes from. The FAA is still relatively positive that things will all work out. There is discretionary and other money that may be available. We are getting closer.

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

The bills were reviewed and detailed by Mr. Sprenger.

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

All board members voted aye. The motion carried.

Mr. Switzer asked how things are working with the ticket counter remodel and expansion. Mr. Sprenger said it is working and it is an interim step until the remodel in the back. The doorways and entry ways are not ideal currently.

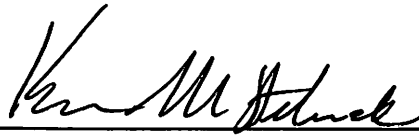
Mr. Mathis asked about the Wings Way extension. Mr. Maierle said the striping was done today before the weather. Temporary signage will go up today and tomorrow to open for the weekend. There is a phase 2 to pave down to Gate 6. The lighting should be installed in August. There are a lot of delays on materials which they expected.



Mr. Mathis asked about the hangar where the house was previously. Mr. Sprenger said the design is complete. It is in the 130' x 120' range. Mr. Maierle said the last he heard they had ordered the steel building. It will house a jet for Summit.

**11. Adjourn**

The meeting was adjourned at 2:45 p.m.



Karen Stelmak, Board Vice-Chairman