

The regular monthly meeting of the Gallatin Airport Authority was held December 8, 2022, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, Kevin Kelleher, Carl Lehrkind, and Kendall Switzer. 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 November 10, 2022**

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. Switzer moved approval of the minutes of the meeting held November 10, 2022. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

**2. Public Comment Period**

Carl Shuman discussed parking signage. Mr. Shuman spoke with airport staff prior to the meeting and said he is happy with some of the plans for signage and identified sections where there is no signage. Mr. Shuman proposed a numbering format for sections of the lot. Staff will review his proposals and continue to work on parking lot signage.

**3. Consider Guaranteed Maximum Price by Martel Construction for the Market Place project**

Mr. Sprenger said we received a guaranteed maximum price of \$1,997,225. This price is quite higher than we hoped for but it is in the range of comparable projects. There is a need

for additional dining space during the peaks. Staff recommends moving forward with the project to alleviate congestion and plan for increased demand in the future.

Ms. Stelmak acknowledged the challenge of peaks and valleys but agreed that it is something we need to accommodate.

Mr. Lehrkind asked what the return on investment (ROI) is with the price of almost \$2 million. Mr. Sprenger said the ROI on \$1.2 million is 8 years, so 10-12 years for \$2 million. That ROI did not include growth so it is a static projection. The bulk of this project is to provide all the mechanical and electrical systems that would be required for whatever we put in this space.

Mr. Switzer asked how much additional service the project will provide. Mr. Sprenger said it is designed to be more of a self-serve food, beverage, and retail area. There will be hot food items along with seating for 65 people. The seating will be open and not specifically for restaurant usage. The area is designed to serve travelers who have less time and are more price conscious.

**MOTION:** Mr. Mathis moved to approve the Guaranteed Maximum Price by Martel Construction for the Market Place project. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

**4. Consider request by Summit Aviation to approve exterior materials for their northside project**

Architectural images of the Summit Aviation project were presented. They focused on the western portion of the building. Operations need to be moved in by the end of 2023. They will return and present the eastern side of the building in the future. They plan to use Summit

blue for some signage on the building but otherwise it includes standard colors and materials. They are close to the maximum height but within range.

They plan to be moving dirt by April. The eastside will lag by 6-7 months. Mr. Sprenger said airport staff has coordinated with Morrison Maierle on the building restriction line. There are no issues with the adjustment.

**MOTION:** Mr. Lehrkind moved to approve the request by Summit Aviation to approve exterior materials for their northside project. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

**5. Consider request by Ridgeline Aviation to approve the exterior materials for their northside project**

Grayson Sperry with Ridgeline Aviation said they are close to the progress that Summit is making. Mr. Sperry said they plan to use standard colors and materials. They may also include some of their blue for signage. They plan to offer leased office space for other General Aviation providers. They are planning a café and pilot's lounge. Access control to the ramp was discussed. Mr. Sperry offered to partner with the airport on backup power and offered a dedicated data room for the airport.

They hope to break ground in March or April. The steel is scheduled to be here late June or mid-July. They are not on as tight of a timeline as Summit.

Mr. Sprenger said this is a rare opportunity where 2 competitors are using the same architectural firm to build complimentary buildings. These are both interesting and dynamic facilities which will be offering premier flight school activities. Some things such as the café will have to be worked out. We are happy to see both companies building for the future.

**MOTION:** Mr. Switzer moved to approve the request by Ridgeline Aviation to approve the exterior materials for their northside project. Mr. Lehrkind seconded the motion. Mr. Mathis asked about radar and if that would affect the height of the building since they are approaching the threshold. They will submit a form 7460 to the FAA. Radar options and concerns were discussed: they plan to work with the airport and the FAA on any height restrictions. Mr. Sprenger said the FAA is in the process of reviewing radar currently. All board members voted aye. The motion carried.

**6. Consider real estate transfer agreement with Triple Creek Land & Livestock, LLC, for the purchase of property located at Chelsea Way, Belgrade, Montana**

Mr. Sprenger said this was the property we thought would be the most challenging to price. The previous property we purchased established some ground rules. The owners of this property rents several of the houses on the property. We don't plan to rent the houses on the property. We came to an agreeable purchase proposal. Staff recommends approval of the request. Because they have renters, the closing would not occur until September 1 to give sufficient notice to the renters.

**MOTION:** Mr. Mathis moved to approve real estate transfer agreement with Triple Creek Land & Livestock, LLC, for the purchase of property located at Chelsea Way, Belgrade, Montana. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

**7. Consider real estate transfer agreement with Wayne D. and Kristine L. Glass for the purchase of property located at 1400 Timothy Lane, Belgrade, Montana**

Mr. Sprenger showed the location of the property and surrounding properties. We expect to have a proposal next month on another purchase. That leaves one property in the more critical area of purchase. Staff recommends approval of the Glass property purchase.

We have not talked with the owners of the remaining property because, in the past, we have let property owners come to us. We may speak with them, as a purchase could be mutually beneficial.

**MOTION:** Mr. Switzer moved approval of the real estate transfer agreement with Wayne D. and Kristine L. Glass for the purchase of property located at 1400 Timothy Lane, Belgrade, Montana. Mr. Lehrkind seconded the motion. All board members voted aye. The motion carried.

**8. Consider request by Signature Aviation to construct a 2,000 s.f. building adjacent to Hangar ER2 and temporarily utilize a job trailer during construction**

Mr. Sprenger said things are moving quickly on this. Staff feels comfortable with the request. This creates Fixed Base Operator (FBO) qualified office space for that hangar. If approved, we ask that it meet the standards of an FBO building. We don't see any problems with that happening and neither does Signature. The bigger question is the job trailer request. The job trailer would be there no more than 18 months.

Mr. Mathis asked about the 2 companies that are sub-leasing space and if the airport authority has approved them. Mr. Sprenger said they were approved many years ago. Mr. Mathis said there are only 35 parking spaces for potentially 4 businesses. Mr. Sprenger said there is additional space available if needed. Staff doesn't see an issue with the current use for parking.

Ben Walton with Summit Aviation confirmed the simulators will stay in this building until 2023 and then moved to the other side.

**MOTION:** Mr. Switzer moved approval of the request by Signature Aviation to construct a 2,000 s.f. building adjacent to Hangar ER2 subject to design review by the airport

board and temporarily utilize a job trailer during construction. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

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

Mr. Humphrey reported 7,109 total tower operations for November which was down 10.6%. Rolling 12-month operations were 111,181 operations. There were 6 Custom clearances in November versus 14 in 2021. Our original Customs officer retired at the end of October. All 5 recruits have turned the job down due to the cost of living. Great Falls personnel will continue to fill in until a permanent replacement can be found. From what we understand they are working through a national list to find a replacement. Revenue enplanements were up 12.3 % at 66,333 enplanements. Rolling 12-month enplanements were 1,130,000. Deplaned passengers were up 13% at 66,060 passengers. Airline landings were down 2.1% at 644 versus 658. The load factor was up 2.3% at 76%. Total gallons dispensed for October were up 6.1%.

We are projected to be up 10-12% in December.

**10. Airport Director's Report – Brian Sprenger**

Mr. Mathis presented a picture on the screen and gave the following statement:

"I came across this picture yesterday in the Bozeman Daily Chronicle. It shows a very happy grandpa holding his newborn grandson for the first time. A closer look at the photo reveals that it was taken in the arrival area of our terminal building.

As Board Members, we deal with airport budgets, audits, construction, planning, land acquisition, etc. but we seldom get to see what our staff and others who work in this building and the general aviation area see every day. They get to see the joy on the faces of people welcoming friends and family that they haven't seen for a long time. They see the excitement

of people going on vacation or traveling to visit family and friends, and teams taking off to play in the big game. They see the concerned faces of people on their way to Mayo Clinic for what may be life-saving treatment and military personnel heading off to serve our country, and many others.

That's why we volunteer to serve on this board and strive to provide, operate, and maintain an aviation facility that is adequate for the needs of the flying public and to keep it self-sustaining. That's what we do.

By the way, this picture appeared in the obituary section. The gentleman recently passed away."

Mr. Sprenger said there are many emotions to be seen in the terminal and very rarely are they angry emotions.

Mr. Sprenger reported that November food and beverage was 137% of last year. Retail was 111% of last year. Overnight cars were 131% of last year. Parking revenue was 128% of last year. Our growth is from travelers originating their trip here.

We are still looking at the parking lot. We are estimating 300-350 more cars than our parking lot can accommodate during the winter holiday season. Late next week we will offer 50% off economy prices for those that come in Thursday and Friday and are willing to park in the field. We are hoping those who are price conscious will be willing to take the hike involved. We will be maximizing parking space. We have delayed the 1-hour free parking until after the holidays. Then we will re-evaluate. We are looking at what we need to do next year. We want to have good numbers. We did not predict the number of local travelers. We have almost 100% more vehicles than what we had 4 years ago.

Ms. Stelmak asked about snow removal and ice treatment. Mr. Sprenger said we have 2 contractors for snow removal. We are working with construction contractors to remove snow pile areas. Depending on weather, we could have 100-150 spaces where we store snow. But we have to be careful with that. The lot we added was equivalent to the total lot for Missoula and it still isn't enough.

Mr. Switzer asked about adding temporary lighting to the field parking. Mr. Sprenger said they will have temporary lighting. We will have to determine the timing for that because we may have the overflow lot for 3-4 weeks.

Mr. Sprenger said we have to look at how we handle parking for next year. The parking contract renewal will come up next year. Is this something we should operate internally like Spokane? We are doing more and more of the work for the parking since they don't have the people and that leaves it to us. Then we will need to look at rates. We need income to build parking. Then if we raise the rates too much, we won't need the parking. Raising rates may forestall the increased demand. Phoenix kept raising the parking rates and it never deterred growth. We are seeing more interest in the parking garage. For the long term, we have to look at the next parking garage. We are concerned we may have to move that up. We wanted to add another parking garage after the terminal project, but we may not be able to wait that long.

The military has completed an environmental assessment for the establishment and operation of a helicopter aerial gunnery range and special use airspace restricted area called the Limestone Hills Training Area. Staff reviewed the environmental assessment in regards to impacts on our airport and it does not appear to have any significant impact on our airport. Their report says flight operations data for the proposed restricted area impacts would be 12



per year. Most of the aircraft are above 9,000 feet. We reviewed it mostly for approaches into Bozeman and we don't see any significant impact.

A tour of the baggage system will be offered after the meeting.

Mr. Mathis asked for an update on the infrastructure for the north side. Mr. Mark Maierle said they are still finishing the water line. Most delays were due to materials early on. There were some delays caused by having the same contractor working on the parking lot. There are a lot of projects going on and not enough contractors. The North apron is not closed out, but the access road is paved, and the gate is in. There are some punch list items to complete.

Mr. Mathis said there are some generators in the bone yard that could possibly be used on the north side. Mr. Sprenger said they will look into that.

**11. Consider bills and approve for payment**

The bills were reviewed and detailed by Mr. Sprenger.

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

All board members voted aye. The motion carried.

**12. Adjourn**

The meeting was adjourned at 2:54 p.m.

  
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Karen Stelmak, Board Chair