

The regular monthly meeting of the Gallatin Airport Authority was held February 11, 2016 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Carl Lehrkind, Kendall Switzer, Karen Stelmak and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director of Finance, and Shannon Rocha, Recorder.

Ted Mathis, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and said members of the public are welcome to comment on a specific agenda item when it is being discussed. There is a sign in sheet if anyone would like to talk during the public comment period.

#### **1. Open bids for snow removal equipment**

Mr. Sprenger called for bids. The first bid was from MB Companies. The bid bond of 10% was attached. MB Companies bid \$496,208.00 for Schedule I, and \$386,991.00 for Schedule II.

The second bid was from Team Eagle. The bid bond of 10% was attached. Team Eagle bid \$563,200.00 for Schedule I, and \$398,320.00 for Schedule II.

Mr. Mathis thanked the vendors for their interest, time and bids.

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

#### **2. Review and approve minutes of the regular meeting held January 14, 2016**

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

**MOTION:** Mr. Kelleher moved approval of the minutes of the meeting held January 14, 2016. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

### **3. Public Comment Period**

Mr. Mathis invited any public comments. There were none.

- 4. Consider request by Mr. Doug Hartzheim to transfer his non-commercial land lease on hangar #EV3 to Flying Moose Manor, LLC.**
- 5. Consider request by Mr. Jim Crump to transfer his non-commercial land lease on hangar #92 to Mr. Edward Kronfuss.**
- 6. Consider request by Sunnyside Storage Condominium Association to enter into a new 10-year non-commercial land lease on hangars 71, 72, 73 and 74.**
- 7. Consider request by Mr. Tim Linn and Mr. Ken Flikkema to enter into a new 10-year non-commercial land lease on hangar #10.**

Mr. Mathis proposed that the board combine agenda items 4-7. Mr. Kelleher informed the board that he is a member of Sunny Side Storage Condominium Association so he recused himself.

**MOTION:** Ms. Stelmak moved to combine agenda items 4-7 and approve the following:

- Request by Mr. Doug Hartzheim to transfer his non-commercial land lease on hangar #EV3 to Flying Moose Manor, LLC.
- Request by Mr. Jim Crump to transfer his non-commercial land lease on hangar #92 to Mr. Edward Kronfuss.
- Request by Sunnyside Storage Condominium Association to enter into a new 10-year non-commercial land lease on hangars 71, 72, 73 and 74.

- Request by Mr. Tim Linn and Mr. Ken Flikkema to enter into a new 10-year non-commercial land lease on hangar #10.

Mr. Switzer asked Mr. Sprenger if there was anything he needed to inform the board regarding these agenda items. Mr. Sprenger said no, all rent is current. Mr. Kelleher seconded the motion and all board members voted aye (with the exception of Mr. Kelleher who abstained from the Sunnyside Storage request. The motion carried.

**8. Consider request by Mr. Brandon Wilson to construct a 60' x 76' commercial hangar.**

Mr. Sprenger showed the proposed location for the hangar off Aviation Lane on a map. Two separate requests have come in for that location. This was the first request received with the application and the deposit. We would like to expedite the lease signing on this request so the second proposer could step in if the first request falls through. Mr. Wilson plans to begin a flight school operation at this location. Mr. Wilson was in attendance to answer any questions but there were none. Staff recommends approval of the request.

**MOTION:** Mr. Switzer moved to approve the request by Mr. Brandon Wilson to construct a 60' x 76' commercial hangar. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

**9. Consider request by Cloud Nine Aviation, LLC to construct a 100' x 100' commercial hangar.**

Mr. Sprenger reported this is another location on Aviation Lane. Dugan Gravage was present representing Cloud Nine Aviation. The hangar would be required to meet commercial standards due to its commercial location. It is for the flight operation only. They

have 2 aircraft. Staff recommends approval of the request. Mr. Mathis asked who the lessee would be and Mr. Sprenger responded it would be Cloud Nine Aviation.

Mr. Dugan Gravage came to the podium. They are a management and pilot services company. They currently have 2 contracts and 2 aircraft and they are not soliciting for anyone. They are planning to have offices in the building. Mr. Mathis asked if they do any Part 135 work. Mr. Gravage responded they are strictly Part 91 and have no plans for Part 135. Mr. Mathis asked what type of aircraft they have. Mr. Gravage said they have a Pilatus PC-12 and a Citation CJ.

**MOTION:** Mr. Kelleher moved to approve the request by Cloud Nine Aviation, LLC to construct a 100' x 100' commercial hangar. Mr. Switzer seconded the motion. All board members voted aye and the motion carried unopposed.

**10. Consider request by Bridger Aerospace to construct a 120' x 200' commercial hangar.**

Mr. Sprenger showed the proposed location on the map. Due to the hangar's depth, it will require an extension of the Taxiway U and a new roadway. They would adjust the fence line and no gates would be added. Due to the complexity of the project, we looked at future development in the area as well. We have limited space for large hangars. We are looking at development in this area as needed over time. We still have non-commercial space in the center. Bridger Aerospace is a Part 135 operator. They are looking at potential expansion that would require space for a C130. That would work in this area as well. Part of this design is to allow for the wingspan of that size aircraft should the need arise.

David Crisp, Director of Operations at Bridger Aerospace came to the podium. They are currently operating with the US Forest Service. They currently have 3 aircraft and are

getting an additional 2 by the end of this coming fire season. Within 2 years they are hoping to have contracts with the C130's operating as fire fighters out of Bozeman. The Phase 1 hangar being discussed today is planned to have a 3 story office space. They manufacture gimbals for infrared, LIDAR and high definition camera systems. The space will be for gimbal manufacturing, assembly with the cameras and installation on the aircraft.

Mr. Mathis asked if they think the vehicle parking is sufficient. Mr. Crisp said they are requesting a minimum of 25 spots. But whatever will work for Bridger and the airport is what they would like.

Mr. Lehrkind asked what the number of employees will be at the building on any given day. Mr. Crisp said they currently have 22 employees. With the progress currently, they are looking to have 30-40 employees within a year.

Mr. Lehrkind asked what percentage of the hangar would be hangar space and what percentage would be manufacturing. Mr. Crisp said as it's drawn now, the hangar is 120' x 160' and 40' will be 3 stories and will be all manufacturing, assembly, and offices.

Mr. Switzer asked if they plan to fit a C130 in this hangar. Mr. Crisp said they could nose in a C130 if they get the hangar door they are looking for. The additional hangar they are planning to build later will be about the same size. They are not looking to do full maintenance on the aircraft. That could change contractually. Mr. Switzer asked if they anticipate having a lot of aircraft coming through at one time. Mr. Crisp said no. They will have 5 of their own. They will be in and out during fire season, but mostly out. It will be the same with the C130 when it comes in. One might be sitting in the hangar and one might be sitting on the ramp adjacent. Customer aircraft would be on our ramp or in the hangar

itself. Mr. Switzer asked Mr. Sprenger based on that scenario if he anticipates any difficulties. Mr. Sprenger said no, not with the hangar and ramp space they would have.

Ms. Stelmak said she is happy to have a second runway coming. Ms. Stelmak asked if there would be enough parking for employees and customers. Mr. Sprenger said with the lease space there is enough room. There may have to be some shifting but there will be enough space.

**MOTION:** Mr. Lehrkind moved to approve the request by Bridger Aerospace to construct a 120' x 200' commercial hangar. Mr. Sprenger added that because of the potential investment from the airport of \$150,000 and the timing issues, we are requesting a 30 day lease signing so we know what we need to do within our construction season. He reported that Bridger Aerospace has agreed to that. Mr. Kelleher seconded the motion. All board members voted aye and the motion carried unopposed.

#### **11. Consider FY 2017 Airport Capital Improvement Plan (non-AIP)**

Mr. Sprenger said that we have a budget of \$556,973 for this year. There are a few projects to discuss:

- Hotsy System - This system would be tied into each of the car wash bays and would help us maintain the car wash much better.
- Terminal roof repairs - We have a number of leaks in the older section of the terminal. These would be spot repairs in a few areas to maintain the integrity of the roof system.
- Snow barn roof repairs - A few repairs to the snow barn will be addressed as well.

- Replace east end boilers - On the east end of the terminal building we have 4 boilers. One is not working. It is outdated and hard to find parts for. We hope to get reimbursement from Northwestern Energy for a substantial portion of replacement cost.

On the equipment portion:

- Replacing vehicle gate 7 - Gate 7 is one of our most used vehicle gates. And we have spent a lot of time keeping it going.
- 6x4 gator for summer use - It would replace one that was purchased some time ago.
- Radios and IT equipment.
- One more annual vehicle replacement.

There were 3 items on the plan that the board had asked questions about. Mr. Sprenger said we would remove them from consideration today so we can check on more alternatives.

The first item in question is the purchase of a side hill ditch mower. Mr. Mathis had suggested we might be able to contract that work out. We can see if there are contractors to consider for a price comparison.

The second item in question is the skid steer. It is a desirable piece of equipment by staff. But we want to consider what the need is. It is a \$70,000 investment so we want to make sure it is truly necessary.

The third question was on the potential purchase of a used bus. In the past 17 years, we would not have had to use the bus once. The alternatives are rental cars and drivers,

airport vans and vehicles, or Karst Stage. Those options would work when the rental cars and Karst Stage are adequately staffed. Otherwise it would be a time delay in responding to an emergency. Every emergency situation is different. It would cost about \$25,000 for a used bus. A used school bus would cost much less.

Mr. Mathis invited comments on the plan. Ms. Stelmak asked about the Hotsy system to clarify it is for the rental cars. Mr. Sprenger said yes and it would be paid for out of CFC income for the rental car wash facility. Ms. Stelmak said this would support one of our vendors at the airport. Mr. Sprenger added that we maintain that area already so it helps our employees out as well. Ms. Stelmak also commented on the boilers. She said with an 8-10 year payback and a possible reimbursement from the utility company it makes sense. Ms. Stelmak also commented on the used bus. Like all insurance policies, our goal is to have them and hopefully never have to use them. Mr. Sprenger said our emergency plan is in place and is set up to use rental cars. The question is how quickly could we respond? Depending on the timing, one option could be faster than the other. Ms. Stelmak asked about those late night type situations if we would be able to have access to Karst's vehicles. Mr. Sprenger commented that Karst cannot have us on their policy for insurance reasons. It would be okay to get one or two drivers but we don't know which employees would be here at any particular time. They would all need access and that gets complicated. Mr. Mathis asked if all drivers would need to be licensed to drive a bus. Mr. Sprenger said if they drive off airport property they would.

Mr. Lehrkind asked if the \$50,000 for roof repairs on the east side of the terminal is a good use of funds or if we should hold for a bigger repair. Mr. Sprenger responded that



the bigger repair estimate was \$1 million. It could be much less, but it is still a substantial cost. It is an area where we have consistently had problems. One of the potential terminal expansions would provide an opportune time to make that roof replacement. This plan is just looking at taking care of today's problems with the roof in that location.

Mr. Lehrkind asked about the boiler system in that location and if it is tied into the ground source heating. Mr. Sprenger explained that the ground source is actually used for cooling. Eventually, with some adjustment, we could use that for the heating.

Mr. Mathis said that overall the plan is very well-thought-out and deserves our consideration. He doesn't think the used bus is a prudent investment at this time. We might want to look into a set of stairs mounted on vehicle first. That would help if an airplane ends up off level or paved ground. Mr. Mathis would like to explore the idea of a used bus from the Belgrade School District or maybe the National Guard that is across the street. Maintaining a vehicle we never use isn't a good use of money.

**MOTION:** Ms. Stelmak moved to approve the proposed FY 2017 Airport Capital Improvement Plan (non-AIP) with the removal of the side hill mower, used bus and the skid steer and attachments. Mr. Lehrkind seconded the motion. All board members voted aye and the motion carried unopposed.

## **12. Report on Taxiway Rehabilitation Project – Scott Bell**

Mr. Bell reported that this is a phase redevelopment of the parallel taxiway system. We are still reserving our entitlement funding for Runway 11/29. This is a discretionary project. Right now the airport is earmarked to receive \$3 million in AIP discretionary funding

for the parallel taxiway this year and \$1.2 million next year. We are also working with the FAA to get about \$750,000 to rehabilitate runway 321.

The configuration of Taxiway Charlie and Delta is not recommended and the need for reconstruction of that area has been shown. This project would include digging up Taxiways Charlie and Delta and constructing one taxiway perpendicular with the runway and with Alpha.

This project will be phased over a 2 year period. It will include rehabilitation of the main parallel taxiway system from 1-2 all the way down including a redo of Bravo, a reconstruction of Charlie Delta and Alpha to the end, a rehabilitation of runway 3/21 and Taxiways Mike, Juliet and Hotel going up. This year's project includes a re-designation of the taxiway system. It will also include replacing the lights with LED's and guard lights at the hold lines.

The re-designation of the taxiway system is due to a couple factors. As the airport keeps expanding, we are running out of letters. So all signage will be redone as part of the project. The master plan also showed a future parallel taxiway. Taxiway Bravo has been reserved for what will be the parallel taxiway. The parallel taxiway to 11/29 would then be Charlie. The FAA has requested that Taxiway Oscar be re-designated because the O for Oscar gets confused with a zero. So, Taxiway Oscar will be re-designated as Taxiway Delta.

The project will also include a bid for the asphalt portion of construction on the apron out to the west of the terminal.

We are planning to start work in the middle of April. The contractors would start by tearing out Charlie Delta and reconstructing Charlie or Taxiway Alpha 3. That should take

until the first part of May. The gravel, dirt and lighting work will be done at the same time so it will be ready for paving. In the middle of May, paving work would start. We have worked with the Tower to accommodate taxiway closures at the west end.

As far as funding goes, we have \$3 million with a 10% match to make a total of a little over \$3.3 million. The apron would be reimbursed out of future entitlements. There is a portion near the fire building that would not be part of the discretionary project. With oil prices down, we hope some of the project's costs will be lower. We plan to use 100% of the discretionary funding this year and then re-bid to get discretionary funding next year and start from the other end.

We are trying to minimize work in July and August especially in front of the terminal building. We would like to have a bid opening at the March board meeting but there is a good chance we would have to delay that. Mr. Bell asked the board what they thought of having a special board meeting for that bid opening before the April meeting.

Mr. Mathis said he doesn't want to delay the project. The board agreed a special board meeting would be the best thing to do.

Ms. Stelmak mentioned that if the bulk of General Aviation (GA) traffic is going out on the Runway 29 there will be a lot of instructions due to the re-designations. Mr. Sprenger pointed out that most GA traffic on the south side would use the 12/30 or the cross wind. That would be faster and less restrictive. The new runways are primarily for the pattern traffic.

Mr. Lehrkind asked for an update on the parallel runway. Mr. Bell reported that the environmental assessment has gone back and forth with our comments. Even as late as this

week they had a couple proposed changes. They are requesting authority for final approval so it can go to the public. Mr. Bell is hoping that within 10 days from now we could advertise for the public hearing. We would schedule the public hearing roughly 30 days out. There would be a minimum of 10 days for comments after the public hearing. An optimistic estimate is 70 days from now to advertise the bid opening. The project should take around 120 days to build. Mr. Sprenger reported that our best guess is a June bid opening, a July start and a November 1 completion.

Mr. Bell also mentioned that we were the grand winner of a state award for the East Belgrade interchange. We didn't win at the national level but did receive an award for being in the top 3.

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

Total operations for January 2016 versus 2015 were down 2.8%. Our rolling twelve-month enplanements are at 80,383. Corporate landings were up just under 7% at 357 versus 334. Enplaned passengers were up 7.5% with 42,175 versus 39,215. For a 12 month total we are at 514,683 enplanements. Total deplanements were up 8.2% at 40,868 versus 37,784. Airline landings were up about 1% at 509 versus 506. The load factor is up slightly with 84.1% versus 81.7% on 7% more seats than 2015. Fuel dispensed in December was 790,000 gallons versus 750,000 gallons which is up 5.4%.

We are about 7% better for February of this year than last year and we will probably end up in the 7-8% range with 4% more seats in the market. Right now March has 2% more seats, April has 5% more and May 12% more.

American Airlines will be here on February 18<sup>th</sup>. We will be looking at office and ticket counter space for them. Our plan now is to take Frontier out between United and Delta and put American there and put Frontier toward the west of the building.

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

Mr. Sprenger reported that the gravel pit is waiting on some coordination with DEQ to set-up a meeting.

Parking garage consultants will be here Monday to look at options. The timing looks good. MSU started their garage last fall. The hospital has their garage scheduled for this fall. Our garage is scheduled for next fall.

Mr. Sprenger will be meeting with Central Valley Fire next week. We will have more info next month. They have a few options, but their preferred location is the one we have discussed here on the airport.

We have talked with the FAA about wind sensors. We will be upgrading our wind sensor. We would like them to consider adding a sensor on the east end so we have a sensor on each end of our runway. The FAA is positive about the potential to do that. We would probably have some financial involvement.

Last month we had a couple days of severe fog. We have looked at a Runway Visual Range sensor (RVR). We looked to improve our minimums on the Runway 30 end. We never worried as much about the Runway 12 end because we had ½ mile and it was rare when that was not enough. Last month it was not enough. We have requested from the FAA a needs assessment for an RVR on the Runway 12 end. We estimate the impact for one day of fog to be \$1 million.

We had 1,200 enrollees for TSA pre-check which is a lot more than were expected.

At our last meeting we discussed the number of after-hours IFR operations, between midnight and 6 am. The number for General Aviation the first half of the year versus the second was generally the same. For air carrier operations, there were 58 in the first half of the year and 178 in the second half. That is a significant increase in air carrier operations after hours. We will be having discussions with the FAA on after-hours operations.

We will be putting out the engineering RFQ. It is due this year. There are new FAA parameters. We are required to have a selection committee. We would like to keep it simple. Mr. Sprenger said they are suggesting him and 2 board members. We would like participation in that. We will be putting the RFQ out shortly and are expecting a decision in April or May.

We have a pilot meeting tonight at 7 p.m.

Ms. Stelmak asked if we are hearing good feedback on American. Mr. Sprenger said yes there is a lot of excitement and people are thankful. Ms. Stelmak also commented on the food and beverage and gift shop revenue was up a lot and she said that is incredible. It shows we are providing a service to our passengers.

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

The bills were reviewed and detailed by Mr. Sprenger.

**MOTION:** Mr. Lehrkind moved to pay the bills and Ms. Stelmak seconded the motion. All board members voted aye and the motion carried unopposed.

Mr. Mathis introduced a special guest presenter at the meeting named Jim Monger. Mr. Monger's father was the first paid manager of the airport.

Mr. Mathis said there were 3 things that moved him to take the airport director's job. First, that it was an airport authority which is the best way to run an airport of this size. Second, that the board was comprised of people who were genuinely interested in the community and there were no politics involved. The third item was the master plan that was done for the airport. Mr. Monger was the lead agent on that plan which is still very valid to this day. We owe a lot of the way this airport is constructed to Mr. Monger.

Mr. Monger said he hired Mr. Mathis. Mr. Monger's father started at the airport 72 years ago. Mr. Monger commended the airport authority and staff.

#### **16. Adjourn**

The meeting was adjourned at 3:26 p.m.

  
\_\_\_\_\_  
Ted Mathis, Chair