

The regular monthly meeting of the Gallatin Airport Authority was held December 9, 2021, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, Carl Lehrkind, Kevin Kelleher, 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.

1. Review and approve minutes of regular meeting held November 9, 2021

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 9, 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 request by 406 Aviation, LLC DBA "Big Sky Air Center" to sublease space to Heli-1 Corporation

Mr. Sprenger said items 3 and 4 are related. Part of the requirements for Heli-1 to provide FAR part 133 and part 135 services at BZN are to have a lease on the airport that is large enough to meet the minimum standards. 406 Aviation has proposed to offer that.

The location was detailed on the map. Mr. Sprenger said he doesn't foresee this to cause any interference with fixed wing operations. There will be few northside operations.

MOTION: Mr. Lehrkind moved to approve the request by 406 Aviation, LLC DBA “Big Sky Air Center” to sublease space to Heli-1 Corporation. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

4. Consider request by Heli-1 Corporation to enter into an operating agreement to provide FAR part 133 and part 135 services at BZN

Mr. Sprenger said Heli-1 Corporation has operations in Reno and Missoula and they would like to begin operations here.

Jordan Gipe, Director of Operations for Heli-1, came to the podium. Mr. Mathis asked him what percentage of their operations will occur from the hangar area. Mr. Gipe said they expect operations here to start out as less than 5% of their business. Their intent is to provide ready response for firefighting. Any other additional business would be a bonus. Their aircraft will be available in the summer with a bucket. They will not be doing external load operations from the airport.

MOTION: Mr. Kelleher moved to approve the request by Heli-1 Corporation to enter into an operating agreement to provide FAR part 133 and part 135 services at BZN. Mr. Mathis seconded the motion.

Mr. Lehrkind asked if an Airbus 125 has skids. Mr. Gipe said yes, and it is the same aircraft that Mr. Duffy has.

All board members voted aye. The motion carried.

5. College of Architecture Project Presentation

The architecture students passed out their booklets. Each student presented a proposed architectural design for an open space within the airport terminal.

Mr. Sprenger said this has been a great project to work with. Moving forward is the board's decision but it doesn't have to be decided today. There are many considerations including the input of concessionaires within the airport. Staff appreciated working with the students and has been impressed by their work.

Mr. Mathis asked about security for the proposed area. One student said it would depend on the design. Each student made a choice to have it closed off or be open. Each project had its own considerations regarding safety, maintenance, and staffing. Mr. Smith, The Dean at The College of Arts & Architecture, said there is an understanding of material costs. They would fund the maintenance of that space. The airport may also decide in the future to change the use of the space and cost of the materials would continue to be funded by the college.

Mr. Mathis commented that the designs are beautiful, but his concern would be the custodial requirements to keep them clean and presentable. One of the students said that is always a consideration. As the project is built and worked on, those things are determined throughout the process. Mr. Smith said they can fund positions for students to be at the airport, inside the space, during hours the board and staff would recommend. Part of the responsibility of caring for a gallery includes the matters being discussed. Mr. Mathis asked if they study custodial operations as a part of design. One student said they do study all of that.

Mr. Lehrkind said one of his concerns is that in a year or two they must use the space for something completely different. What time frame would they like to see a commitment to? One student said that would be the next step for consideration and he would prefer not to give a number, forever would be nice. Mr. Smith said one of the main things they learned

on this project is that the space being considered is evolving and fluid. There are expansions yet to happen requiring an ongoing discussion. They also have the understanding this could be a very short-term project. He proposed a 3-year commitment.

Mr. Kelleher asked about the possibility of vandalism. Are they prepared to replace items that are damaged? One student said they plan to prevent that as much as possible, and they would be prepared to replace if needed. Their research showed it was not a very likely event.

Mr. Switzer asked if there would be challenges getting students into the TSA protected space. Mr. Sprenger said he gave Mr. Smith a long list of concerns and challenges when they started. The students had to go through the process to get badged like any concessionaire. It is up to the board to determine if and how they would like to move forward.

Mr. Switzer and Ms. Stelmak thanked the students for their hard work.

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

Mr. Humphrey reported 7,956 total tower operations for November which is 12.8% better than 2019. Rolling 12-month operations were 117,370 operations. Corporate landings were 335 versus 272 landings in 2020 and 186 landings in 2019. We had 59,054 enplaned passengers versus 41,412 which is 42.46% better than 2019 and 117% greater than last year. For 12-month enplanements we had 929,912 which is a new record. Deplaned passengers were 44.1% better than 2019. Landings were 28.8% better than 2019. The system load factor was at 74.2% total for November. American had a 94.1% load factor. Delta had an 86.5% load factor. United had an 89.1% load factor. Southwest is still learning our market and did not adjust their schedule for our shoulder season. Southwest had a 53.5% load factor, but they

do not seem to be concerned. Jet Blue and Sun Country will return. Fuel dispensed in October was up 34.6% over 2019. We had 14 customs clearances in November compared to 1 last year and 5 in 2019.

Mr. Humphrey thinks we will be 16-17% better in December compared to December 2019.

Mr. Lehrkind asked about jet fuel. Mr. Humphrey said we haven't had any issues since early summer. The fuel farm is coming along, and springtime is the anticipated opening. Mr. Mathis asked about the capacity at the new fuel farm on the eastside. Mr. Humphrey said 300,000 gallons total with 50,000-gallon or 60,000-gallon tanks.

Ms. Stelmak asked about how things are going handling this growth. Mr. Sprenger said parking is overflowing. The concourse opening has provided capacity. We are continuing to design and looking at more concessions. In general, there have been a few peak days and periods that provide challenges but that is nothing new. We are looking into ways to get ahead of the challenges such as discounted pre-paid parking in an uncontrolled parking area. We are working on plans for more parking next year. We anticipate close to the same number of passengers next summer. The security checkpoint handles the volume, but the queuing area doesn't. Several concepts were reviewed for expanding the queuing area.

Mr. Mathis said he was impressed with security staff who were very cordial and helpful during his recent travel. Staff will pass that on to them.

Mr. Kelleher asked if there have been more incidents that security has had to handle. Mr. Sprenger said there are interesting incidents every day. In general, they are types we can

handle within our resources, and we are fortunate for that. With passenger growth comes an exponential expansion of incidents.

Ms. Stelmak asked for Mr. Dove to present an update on security at the next meeting.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported some November numbers. Rental car traffic in November was 195% of 2020 and 227% of 2019. Turo, an app-based platform by which private parties rent out their vehicles, reported its first month of numbers. Turo revenue in the month of October was \$400,000. Our concession fee was \$40,000 in October so we can only imagine the revenue we missed out on during the summer. That would make them the 4th largest rental company at the airport if they had a booth. Mr. Mathis asked how we accommodate Turo. Mr. Sprenger said there are a couple spots in the parking lot designated for Turo transfer, so we collect parking fees as well.

November parking revenue was 167% of 2019. November food and beverage was 149% of 2019. November retail was 163% of 2019. December month to date food and beverage is 152% of 2019. December retail month to date is 144% of 2019. Overnight cars in December month to date is 142% of 2019. Even our slow periods are continuing to see growth.

Denise McCarthy from our office moved over to Ascent Vision Technologies which is a good opportunity for her. We are looking into filling the position.

Schedule II of the baggage bid opens December 14, 2021 at Martel Construction. Martel will come back to us with a guaranteed maximum price. It also must go to TSA for review. TSA has approved our 100% design of the baggage system.

Mr. Sprenger distributed a commemoration of the 2021 season. It is an airport diagram and intended to say thank you and represent all the board has done for the airport.

Mr. Larry Thompson, one of our maintenance staff, will celebrate his 25th year at the airport. They will have a breakfast on Wednesday at 10:30am.

8. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

All board members voted aye. The motion carried.

9. Adjourn

The meeting was adjourned at 3:35 p.m.



Karen Stelmak, Board Chair