

The regular monthly meeting of the Gallatin Airport Authority was held May 11, 2023, 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, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

Karen Stelmak, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and called the meeting to order.

### **1. Open Bids for Airport Snow Removal Equipment**

Mr. Sprenger called for additional bids. There were 3 schedules for the equipment to bid on. The bids were submitted electronically.

The bids were reviewed by the engineers. Three bids were received. Mark Maierle presented the bids.

The first bid was from SWS Equipment:

Schedule 1 (3 New Carrier Vehicles) - \$2,745,000.00

Schedule 2 (Two New Runway Brooms) - \$417,000.00

Schedule 3 (2 New Snow Blower Attachments) - \$322,000.00

Total bid by SWS Equipment: \$3,484,000.00

The second bid was from Oshkosh Defense LLC:

Schedule 1 (3 New Carrier Vehicles) - \$2,186,217.00

Schedule 2 (Two New Runway Brooms) - \$390,649.00

Schedule 3 (2 New Snow Blower Attachments) - \$406,434.00

Total bid by Oshkosh Defense LLC: \$2,983,300.00

The third bid was from MB Companies:

Schedule 1 (3 New Carrier Vehicles) - \$2,096,610.00

Schedule 2 (Two New Runway Brooms) - \$417,508.00

Schedule 3 (2 New Snow Blower Attachments) - \$281,682.00

Total bid by MB Companies: \$2,795,800.00

Mr. Sprenger said this is being paid through AIP funding for this year and next. We are short if we do all 3 schedules in full, but we can make some adjustments to cover the difference.

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

**2. Review and approve the revised minutes of regular meeting held April 13, 2023**

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

**MOTION:** Mr. Lehrkind moved approval of the revised minutes of the meeting held April 13, 2023. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

**3. Public Comment Period**

There were no public comments.

**4. Consider request by Million Air Fixed Base Operations to sublease Hangars 165, SE6, SE7, EV 14, 285, 286, 287 and 288**

Mr. Sprenger presented the various entities the hangars will be subleased to:

Charbe Aero LLC for 165

DJ Brask for SE6 & SE7

Wide Open Skies Aviation for EV 14

Tango Papa Enterprises LLC for 285 and 288

Carean and Leo Goss Revokable Trust and Million Air for 286 & 287

Mr. Sprenger confirmed all the hangars are in good shape.

Mr. Mathis said he wants to ensure that the hangars are for aircraft.

**MOTION:** Mr. Switzer moved to approve the request by Million Air Fixed Base Operations to sublease Hangars 165, SE6, SE7, EV 14, 285, 286, 287 and 288. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

**5. Consider real estate transfer agreement with Eric Schaber and Alyson Schaber for the purchase of property located at 1505 Timothy Lane, Belgrade, Montana**

Mr. Sprenger said the appraisal has been completed. The Schaber's have elected not to have a 3-year lease so there has been an adjustment for that. Staff recommends approval of the purchase.

**MOTION:** Mr. Mathis moved to approve the real estate transfer agreement with Eric Schaber and Alyson Schaber for the purchase of property located at 1505 Timothy Lane, Belgrade, Montana. Mr. Kelleher seconded the motion. The motion carried.

**6. Report on East Terminal Expansion Project**

Mr. Sprenger introduced the architectural and engineering teams for their presentation. Michael Spitzer previously presented to his company regarding the expansion here at BZN. Over the past 15 years, we are redeveloping the entire terminal to look like and be part of the original terminal yet increasing its size by 6 to 7 times. We are fortunate to

have a board that has a lot of experience with construction projects. We are doing everything possible to pay homage to the original building built in 1977.

Michael Spitzer with RS&H introduced Frank Gratton & Andrew Nelson. Mr. Spitzer presented some updated plans and drawings based on some recent decisions. Mr. Spitzer presented an overview of the east expansion. We are looking to expand the baggage claim area on the ground floor. There will be new concessions and properly sized hold rooms. A secondary TSA checkpoint is planned. There will be a mezzanine level with new administration suites and some undetermined space.

Five 3D style walkthrough videos were presented of the expansion. The first video showed a west to east view from the viewpoint of an arriving aircraft. The second video was a view entering the terminal from Gate A7 through the concourse and to the end of the expansion area. The third video walked through the baggage claim area. The fourth video showed the departure through the checkpoint and into the great hall. The fifth and final video provided a walkthrough of the administration and mezzanine areas.

Various aspects of the design, materials, and finishes were presented and reviewed. There will be an area open to the public to view the airfield and portions of the terminal. There is some unplanned space that may work well for a lounge area. The bars are in strategic locations to provide a view down the concourse.

Mr. Mathis asked if any additional food type concessions are planned outside the secure area. None are planned at this point. Mr. Sprenger said the Bistro area will remain as is outside the secure area. Mr. Mathis suggested a coffee cart or some other small type concession to try out in the 3<sup>rd</sup> story public area.

Mr. Kelleher asked about handling disabled passengers throughout the terminal. Mr. Gratton said there are some new features to accommodate disabled passengers. All the family rooms are larger and there will be adult changing stations. We will add a second mothers' room area. Locations for wheelchairs have been taken into consideration. There will be escalators and public elevators in addition to the stairs. Bars will have lower seating as well to be wheelchair accessible. Gentle inclines are planned instead of stairs where possible.

Mr. Switzer asked about the glass. This expansion is north facing so there is very little direct sun. They will be using some ceramic component that is incorporated into the glass that controls the opacity.

All were impressed with the design. All teams and companies associated with the expansion have access to the design for collaboration.

#### **7. Consider preliminary budget for fiscal year 2024**

Mr. Sprenger said he reviewed the budget with each board member individually. The budget forecasts operating revenues of \$28.3 million and operating expenses of \$13.1 million. The net operating is \$15.1 million which is used for Capital Projects that are not fundable by other mechanisms. The capital projects total approximately \$48 million of which \$32 million is reimbursed through other funding mechanisms such as grants and Passenger Facility Charges (PFC's). We would have to dip into our capital improvement fund by about \$2 million if we accomplished everything as planned. The budget also includes about \$2.4 million in principle interest payments on our debt which would take us to about \$5.1 million by the end of the fiscal year.

Ms. Stelmak said the budget is impressive but well laid out and shows a real commitment to operating efficiently and creating a wonderful environment at our airport.

Mr. Mathis said there is a need for a street sweeper, but he doesn't see it in the budget. Mr. Sprenger said we are doing everything we can to have it out to bid by the middle of June. If it arrives early, the budget will be adjusted. Another adjustment is the jet bridge monitoring system. We expected participation from the airlines, but they may not participate. We have \$273,000 in the budget but it appears likely that the project will not occur.

**MOTION:** Mr. Lehrkind moved to approve the FY 2024 Gallatin Airport Authority Budget as proposed by staff. Mr. Mathis seconded the motion. The motion carried.

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

Total operations for April were up 33.4% at 10,657 versus 7,986 operations last April. The 12 month rolling operations were at 115,526 operations. Corporate landings were up with a total of 1,137 versus 1,069. There were 19 custom clearances this April versus 12 last April and we are up 23.8% year-to-date. Revenue enplanements were up 3.5% from last year at 74,119 versus 71,578 enplanements. That puts the past 12 months passengers at 1,156,646. Deplanements were up 3.3% at 70,743 versus 68,453 deplanements and up 6.5% year-to-date. Airline landings were down 7.7% 635 versus 688 landings due to larger aircraft. Load factor was 82% versus 78.6% last year. Fuel dispensed for March was down .08% but up 14.4% year-to-date.

We are currently about 4% below for May. Graduation is this week. We have 1,500 additional seats this May compared to last. It is projected we should be about 3% higher. Avelo will start June 28<sup>th</sup>, on a Wednesday, to acclimate and then shift to a Friday/Mon

schedule through September 4<sup>th</sup>. Alaska Airlines just announced service to Orange County for winter season starting December 14<sup>th</sup> and running through March 30<sup>th</sup>. Service will run on a Monday, Thursday, Friday, Saturday, Sunday schedule with daily service over the holiday weekend.

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

Mr. Sprenger said our enplanements for this April, which is typically one of the slowest months of the year, are equivalent to our peak enplanements in July and August 2017.

April 2023 overnight cars were up 2%. Parking revenue was up 24% of last year. Food and beverage was up 3% and retail was 100% of last year. Rental car revenue was 95% of last year and total rental cars were down 1-2%. That is based on some timing of Easter and Big Sky. Turo revenues have dropped more than the on-airport revenue.

Mr. Sprenger attended the legislative conference in DC. They had discussions with the FAA, TSA and several congressional delegations. We are still seeing the overreach by the TSA. We have concerns with the employee screening. We have had discussions with Senator Tester's office and the state attorney general. They are pushing employee screening as an airport responsibility, but we don't have the screening capability and our police are not authorized. We are pushing back because we feel it is a federal responsibility and should be a federal cost. FAA controller staffing is a nationwide issue. The congressional side was encouraging. Reauthorization of the FAA bill sounded optimistic, but we are not sure about appropriations. Overall, it was encouraging to see some cooperation on the hill.

We had our Capital Improvement Coordination meeting with the FAA last month and it went well. Everything is lined up including the environmental assessment on the northside.

We can do some things with categorical exclusions such as the small runway extension for Runway 30 to line up with Runway 29 and accommodate the addition of a MALSR. In general, we felt encouraged with the progress.

We met with Allegiant last month. Allegiant is happy with the market, but service will remain status quo. They had taken a break in the fall for Nashville service, but they are now 100% year-round to Nashville. There is not as much opportunity within their system to look at other destinations. Orange County made sense but that is restricted by the number of slots they have.

We are moving the parking Request for Proposals (RFP) to the July meeting.

Next month we would like to show the new ARFF truck, baggage system and marketplace after the meeting.

**10. 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.

**11. Adjourn**

The meeting was adjourned at 3:16 p.m.

  
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Karen Stelmak, Board Chair