

The regular monthly meeting of the Gallatin Airport Authority was held June 13, 2019 at 2:00 p.m. in the Airport Conference Room. Board members present were Carl Lehrkind, Kendall Switzer, Ted Mathis, Karen Stelmak and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

Carl Lehrkind, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

**1. Open Bids on East Hangar Area Airport Improvements**

Mr. Sprenger asked for additional bids. Mark Maierle assisted with the bids. Mr. Sprenger clarified the 4 schedules:

Schedule 1A and 2A are what would be required to serve the hangars that we have approved. Schedule 1B is the connecting taxiway that would finish off the system in that area. Schedule 2B is water and sewer that would be required for future large hangars we don't have any requests for.

There were 3 bids:

The first bid was from DLM Contracting Inc. of Bozeman, Montana. Their Montana Contractor Registration number is 153181. The addendums were acknowledged and the bid bond was attached. The bid was signed by Raymond Lewis, Vice President. DLM Contracting Inc. bid:

Schedule 1A - \$1,438,929.00

Schedule 1B - \$355,673.00

Schedule 2A - \$451,846.00

Schedule 2B - \$215,190.00

The second bid was from Duneman Construction of Bozeman, Montana. Their Montana Contractor Registration number is 151842. The addendums were acknowledged and the bid bond was attached. The bid was signed by Kevin Duneman, Vice President.

Duneman Construction bid:

Schedule 1A - \$1,360,368.50

Schedule 1B - \$316,916.50

Schedule 2A - \$451,589.00

Schedule 2B - \$219,344.00

The third bid was from Knife River Belgrade of Belgrade, Montana. Their Montana Contractor Registration number is 10089. The addendums were acknowledged and the bid bond was attached. The bid was signed by Leo Zwemke, Vice President and General Manager.

Knife River of Belgrade bid:

Schedule 1A - \$1,370,453.00

Schedule 1B - \$318,919.50

Schedule 2A - \$524,434.25

Schedule 2B - \$255,812.00

**MOTION:** Ms. Switzer moved to take the bids under advisement and award a contract to the lowest qualified bidder. Mr. Mathis seconded the motion. All board members voted aye. The motion carried.

**2. Review and approve minutes of regular meeting held May 9, 2019**

Mr. Lehrkind asked if everyone had received their copy of the minutes and if they had any corrections or additions. Mr. Sprenger said there was one change on page 8 on the second to last line: strike "under the budget by" and the sentence should read, "Overall we expect operating revenue to be \$13.2 million."

**MOTION:** Mr. Kelleher moved approval of the minutes of the meeting held May 9, 2019. Ms. Stelmak 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 Pacific Commerce, Inc. to construct a 70' x 70' non-commercial hangar on taxiway "V"**

Mr. Sprenger said Mr. Roberts has built a couple hangars and the airport and has sold them. He is working toward another hangar. It would be a copy of what he has built before.

Mr. Lehrkind asked about the colors and if they had been submitted. Mr. Sprenger said yes and they have been approved.

**MOTION:** Ms. Stelmak moved to approve the request by Pacific Commerce to construct a 70' x 70' non-commercial hangar on taxiway "V". Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

**5. Consider request by William Syme Alexander Howie Revocable Trust to enter into a new 10-year non-commercial land lease on hangar #78**

Mr. Sprenger reported the hangar is in good condition although it needs some paint around the trim and doorway. The rent is current. Staff recommends approval of the request.

Mr. Mathis encouraged staff to go back and look at hangars that had been approved for renewal that needed a little bit of paint which now need a lot of paint. He asked that it be followed up on.

Mr. Switzer asked how that process is handled. Mr. Sprenger said before the lease is signed, repairs should be validated and acknowledged they must have missed some.

**MOTION:** Mr. Switzer moved to approve the request by William Syme Alexander Howie Revocable Trust to enter into a new 10-year non-commercial land lease on hangar #78 with the conditions mentioned. Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

**6. Consider request by Mr. Tom Stelmak and Mrs. Karen Stelmak to enter into a new 10-year non-commercial land lease on hangar #79**

Ms. Stelmak recused herself.

**MOTION:** Mr. Mathis moved to approve the request by Mr. Tom Stelmak and Mrs. Karen Stelmak to enter into a new 10-year non-commercial land lease on hangar #79. Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

**7. Consider request by Brookhart Aero, LLC to transfer the non-commercial land lease on hangar #94 to Joseph F. Kall**

Mr. Sprenger said this hangar is in good condition. Staff recommends the transfer.

**MOTION:** Ms. Stelmak moved to approve the request by Brookhart Aero, LLC to transfer the non-commercial land lease on hangar #94 to Joseph Kall. Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

**8. Consider request by Gallatin Flying Service to transfer the commercial land lease on hangar #6 to Sean Kelly and to enter into a new lease contingent upon completion of required updates as specified at the February 21, 2019 Airport Board Meeting.**

Mr. Sprenger said the Stradleys were present at the meeting. Mr. Kelly was traveling and unable to attend. Mr. Sprenger said we have been working on this hangar over a number of years. We established stipulations in February for the potential transfer of the lease between the Stradleys and The Commemorative Air Force. We are requiring the same conditions that would need met before a new lease would be offered. In this case we understand Mr. Kelly is purchasing the hangar from Gallatin Flying Service. Ultimately, he would like to operate a limited FBO service primarily for maintenance of small aircraft. He has previous experience at Reach Air Ambulance doing maintenance. Staff thinks this might be a good situation for this particular hangar that will term out June 30 of next year. We have advised Mr. Kelly of the conditions to be met before the end of the term. We also advised him that he would have to come back to us with an operating agreement for the limited service FBO.

Ms. Stelmak asked if Mr. Kelly has expressed any concern about completing the conditions in that time period. Mr. Sprenger said Mr. Kelly did express some concern regarding weather. We will take that under consideration and could propose a short term extension. However ultimately the board would make that decision and with the amount of notice he's been afforded we encourage him to get all of it done in a timely manner. Ms. Stelmak asked if Mr. Kelly was aware of the parking in the area. Mr. Sprenger said yes and we hope they will have a good working relationship with YJC. Mr. Kelly had previously mentioned that he would like a good working relationship with everyone on the field.

Mr. Switzer asked what happens if the conditions are not met. Mr. Sprenger said the lease would terminate. We have asked legal what would happen with the building. The majority of the leases require the building to be removed by the tenant. In this particular case it is not clear if that would be our responsibility or theirs. We are hoping to avoid that situation. Mr. Switzer recommended that we try to figure that out in advance.

**MOTION:** Mr. Switzer moved to approve the request by Gallatin Flying Service to transfer the commercial land lease on hangar #6 to Sean Kelly and to enter into a new lease contingent upon completion of required updates as specified at the February 21, 2019 Airport Board Meeting. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

#### **9. Master Plan Update – Scott Bell**

Mr. Bell said Mike Carlson, their planner in Helena, has provided him with 70 pages of chapter 1 which is the inventory section. Mr. Bell has been reviewing it. Mr. Carlson has 25 pages on the forecast. According to the schedule, those 2 sections would be reviewed by Mr. Bell then by staff and available by the July board meeting. There may be a brief presentation at the July board meeting. Mr. Bell asked if board members would prefer to have the 100 pages printed, emailed, or both? It was agreed that each would receive a digital copy and printed would be available as well.

Mr. Bell reported one change in the schedule. The scope has been sent to Scott Eaton with the FAA. Because we are now a small hub airport, after first review, we will be required to complete a safety management session (SMS). That will make the approval process longer

but we plan to stay on our schedule as closely as possible. The SMS at Boise took 6 months. There will be more information presented at the next meeting.

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

Total operations for May 2019 versus 2018 were up 30% at 8,051 versus 6,195. Mr. Humphrey said some of that is due to the runway construction we had for 21 days last May. That puts our rolling twelve-month operations at 95,322. Corporate landings were up 172% at 346 versus 127. Revenue enplanements were up 34.5% at 53,460 versus 39,761. In May of 2018 we were down 4.7%. Rolling 12 month enplanements are at 729,500. Total deplanements were up 36.7% at 57,811 versus 42,290. Airline landings were up 52.3% percent 635 versus 417. Airline load factor was down 7% at 77.8% versus 84.7%. April fuel gallons pumped were up 28.2%.

Mr. Humphrey predicts low double digit growth in June. He reported the summer rush has started. Jet Blue is back for the summer season.

Ms. Stelmak asked if Mr. Humphrey had an explanation for the large increase in military operations. They went from 9 to 102. Mr. Humphrey said they are seeing a lot of C-130's and helicopter operations. Mr. Switzer said the military pilots are required to perform steep approaches and smaller runways work well. Mr. Switzer said his son is doing that now and it could account for part of the growth.

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

Mr. Sprenger presented a graph to show the change in passengers over the last few years. It indicates substantial changes in passenger numbers. 100,000 passengers in a month

used to be a big deal. Now we only have about 2 months out of the year when we don't have at least 100,000 passengers.

Another graph was presented to show the change in tower operations. Mr. Switzer asked about the tower operations and what portion is the time period we are providing the additional controller. Mr. Sprenger said it is from 5am to 6am and midnight to 1am. The biggest benefit of that is having tower coverage for airline operations during those hours. It also provides another person who is a backup for sick, vacation, etc.

Last year we had a big jump in February for business jet landings because of the great snow. We met that this year and exceeded it in March. April and May are doing really well also.

Mr. Sprenger presented some pictures of the parking garage and west side terminal under construction that were taken by drones. We expect to see structural steel for the terminal expansion in 45 days or so.

We have 2 new boarding bridges that are in place and working well.

The new parking lot equipment is installed with the exception of the remote lots. Lightning damaged the older equipment.

More pictures were presented including the backside of the construction of the Central Valley Fire Station, the airport house, the southeast side where the new YJC hangar will be going, the Pacific Commerce and Bridger Aerospace hangars, an RV rented at the airport, and a C-17 that visited the airport.

Mr. Switzer asked about the food truck. Mr. Sprenger said it is fairly popular mostly with the construction workers.



We should receive occupancy for the parking garage on June 22.

We are working with rental car companies on a transitional move. Outbound cars will be using the parking garage as early as the 24<sup>th</sup> and completely by the 27<sup>th</sup> depending on the brand. Returned vehicles will continue to use the current return lot until after the July 4 holiday. Enterprise wants conduit and signage which will take longer to accomplish because the contractor put in bird netting. We are dealing with corporate versus local companies. Corporate companies have had moves that didn't go well and want everything to be perfect.

July 15<sup>th</sup> we will open the pay parking portion of the garage.

Ms. Stelmak said June 24<sup>th</sup> is quick and asked if there will be signage. Mr. Sprenger said yes there will be signage and paint striping. They won't make the move until that is all done.

Some workmanship issues have to be corrected in the connector building. We are trying to push the contractor to get it done. It may not be perfect for opening but 5% of the cost has been held as a retainer to complete work.

Jet Blue is making adjustments in their winter schedule. Their service to Long Beach resumes mid- December as expected. They have loaded their January schedule and it is not there. We contacted them. They said they are not leaving the market and that they will have a schedule change in Feb. Their service from Steamboat Springs to Long Beach has ended but they are maintaining their service from Steamboat to the east coast. We are trying to get more clarification. All this transpired last Sunday. All indications prior to this were that they were happy with the performance.

United's Los Angeles service is taking a break the first 2 weeks of December. This is also happening in several of their markets like Eugene to Chicago and Fresno to Chicago. It is something we will watch.

We were nominated for a reader's choice award in Sunset magazine. We were also a runner up for the best tiny airport behind Jackson Hole in another travel magazine.

We are working on our financing. We are converting to bank financing and there are some requirements regarding Passenger Facility Charges (PFC). It should be resolved in the next 2 weeks or so. We will probably be required to have a public meeting.

We will have another TSA pre-check enrollment next week. It is about 60% full now. The more pre-check we have the more likely the lines will be substantially shorter at the checkpoint. We have times when pre-check makes the difference in handling the lines. Mr. Mathis asked if we will have our staff working with the pre-check enrollment and if that was common at other airports. Mr. Sprenger said yes we will have one person assisting and it is common at other airports.

The board mail out included an image of a painting of Yellowstone that has been offered to be hung in the airport. Mr. Kelleher said it is amazing. Mr. Sprenger asked if it is something we should we pursue. It is 15' x 8'. Ms. Stelmak said the art guidance is that it depicts the uniqueness of our area or is aviation related so it falls in that realm. Mr. Switzer said we should be fair to other artists and open it up to anyone who would be interested. Mr. Lehrkind asked if we have a place to hang it. Mr. Sprenger said they have asked their architects. One option would be the grand room. The family donating the art may want to

approve the location. The preference would be to see the new space before we choose art for it. It was agreed to ask them to submit for a call for art.

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

The bills were reviewed and detailed by Mr. Sprenger.


Mr. Mathis asked about a new tractor he saw pulling a roller. Mr. Sprenger said they took Mr. Mathis' advice the tractor is being leased at \$41 per hour and we've leased it for 100 hours.

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

**13. Adjourn**

The meeting was adjourned at 2:59 p.m.

*KENDALL SWITZER VICE CHAIR  
FOR*



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Carl Lehrkind, Chairman