

The regular monthly meeting of the Gallatin Airport Authority was held July 13, 2017 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 - Finance, and Shannon Rocha, Recorder.

Ted Mathis, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Open bids for Front End Loader and Power Snow Blower

Mr. Sprenger advised that this bid is a little complicated. He explained that there are two items. The first item (Item 100) is a 4 cubic yard front end loader. We asked for proposals for a 5-year lease four different ways:

- Option A: Used loader with an option to purchase at the end of the lease
- Option B: Used loader without an option to purchase at the end of the lease
- Option C: New loader with an option to purchase at the end of the lease
- Option D: New loader without an option to purchase at the end of the lease

The number is the total number of lease payments plus the remainder if we were to buy it out at the end of the lease period. So the total is lower for those without the option to purchase.

The second item (Item 102) is for a new loader mounted snow blower. They are part of the same bid because the two pieces of equipment work together. The mounted snow blower has to meet the spec to work with the plow we have been using. Snow removal

equipment was discussed a couple years ago. We leased a loader last year for about \$9,000 per month. We expect this to be less because of the bid process.

Mr. Sprenger called for additional bids.

There were two bids.

The first bid was from Tri-State Truck & Equipment. The 10 percent bid bond was attached; the proposal appeared to be filled out correctly and was signed by Dennis Morelock. There were no bids for Item 100 Options A and B. Tri-State Truck & Equipment bid \$167,611.20 for Item 100 Option C, \$285,911.40 for Item 100 Option D and \$157,638.00 for Item 102.

The second bid was from RDO Equipment Co. The 10 percent bid bond was attached; the proposal appeared to be filled out correctly and was signed by Ryan Schilling. There were no bids for Item 100 Options A and B. RDO Equipment Co. bid \$339,2016.00 for Item 100 Option C, \$294,436.00 for Item 100 Option D and \$170,900.00 for Item 102.

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

2. Open bids for Irrigation Line

Mr. Sprenger explained this is for an irrigation line to the north side of the airport. It will allow us to fill in the irrigation ditch along the new taxiway and will provide water all the way to our fields to the northwest of the airport, the former Sandy property.

Scott Humphrey asked for additional bids.

There were two bids.

The first bid was from Sunshine Irrigation for \$224,767.20

The second bid was from Watson Irrigation for \$154,759.50

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

Mr. Mathis gave a special thanks to the bidders.

3. Review and approve minutes of regular meeting held June 8, 2017

Mr. Mathis asked if everyone had 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 regular meeting held June 8, 2017. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

4. Public Comment Period

Ken Nass with Keller Williams Montana Realty was signed up and came to the podium. He came to provide a quick update on Life Flight. Mr. Nass has been working with them for 2 years. They have put an offer on hangar #77. They haven't heard back yet. Life Flight is coming and they have a contract. Their CEO is in town today meeting with the hospital authority.

Mr. Mathis asked if they anticipate having fixed wing and helicopter operations. Mr. Nass said yes, they anticipate both fixed wing and helicopter operations.

5. Report on Audit Review Process – Matt Cope

Mr. Cope came to the podium. He said he was present to provide a brief overview of the audit process and revisit the engagement letter.

They have had some audit team changes from the prior year. Mr. Cope is the new audit manager and Bill Hebron, the managing shareholder of the firm, will be doing the quality control review (QCR). They have had 2 staff members leave but still have 3 members of the staff who have significant experience with the airport. The staff team will be:

- Bill Hebron, managing shareholder and QCR
- Mr. Cope will be the audit manager and engagement supervisor
- Curtis Allen will be the in charge auditor
- Sam Lewis will be the audit staff member

Required Communication - Mr. Cope indicated that their responsibility is to express opinions about whether the financial statements prepared by management are fairly presented in accordance with Generally Accepted Accounting Procedures (GAAP). As far as the required supplementary information (RSI), they will apply certain limited procedures as required by the generally accepted auditing standards but will not express opinions or provide assurances on the RSI schedules. The supplementary information will be subjected to the auditing procedures in accordance with the auditing standards generally accepted in the USA and they will provide an opinion on it as a whole. The other information that is included in the Comprehensive Annual Financial Report (CAFR) are the introductory section and the statistical section. That information will not be subjected to audit procedures.

Scope of the Audit – The audit will include obtaining an understanding of the entity and its environment, including internal control. If there are any significant findings during their field work, those will be discussed with management at the conclusion of the audit.

Timing - There will be no interim field work dates. The final field work dates will be September 18-22, 2017. They are hoping to get the draft CAFR by September 18, 2017 which is the first day of field work. The draft CAFR after field work is completed, including the management discussion analysis and the statistical section should be completed by October 13, 2017. The exit with management is tentatively scheduled for the end of October and the financial statements can be presented at the November board meeting.

The Government Finance Officers Association (GFOA) has issued another certificate of achievement for excellence in financial reporting. Mr. Cope congratulated us for that. There were comments but they were insignificant. The comments have been reviewed with Mr. Watling and Mr. Cope followed up with some GFOA reviewers to get some more information. The main one Mr. Cope pointed out was the RSI Schedule of Contributions which is the GASBY pension schedule. There were some clarity issues with a footnote and that has been taken care of. The CAFR received a grade of proficient in all 14 categories.

Mr. Switzer asked if there are any changes to the scale and scope of the audit, besides the change in the team that will be performing it. Mr. Cope responded there are no changes to the scale and scope.

The board thanked Mr. Cope for his presentation.

6. Update on Summit Aviation – Ben Walton

Mr. Walton came to the podium. He said it has been 1.5 years since he has provided an update on the company. They have had some changes.

Summit Aviation currently operates a camp every year in conjunction with Eagle Mount for cancer survivors. This is their fourth year, they have 4 candidates and it is a week-long event. Tomorrow is the last day and they will fly over Yellowstone and the Tetons, fly into Driggs, Idaho and have lunch at the Warbirds Café. They have gotten in airplanes and flown airplanes. The program is covered and paid for by donors who are local people in the aviation community. The Yellowstone Jet Center has provided free fuel. Arlin's and Reach have been a big help with the program as well. It looks like one participant will continue on to be a professional pilot. Their outlook on life is unlike anyone he has ever met.

Summit Aviation has a new logo. They have done a little renovation to their building. They have a new Director of Maintenance, Dan Barnes. They have become ARGUS Platinum, which is a safety rating for charter and manager operations.

Flight School - In 2016 they had 6,800 flight hours. They are excited about the new runway. They anticipate the flight hours to increase and be higher quality hours. They have 3,600 flight hours to date for 2017. They have a new flight simulator that was a grant from Montana State University. The flight simulator is stored in their facility and the students can use it for free. They have another simulator as well to log flight time.

The do a lot of check rides. When you take your private pilot check ride it is a huge step. This year they have had 90 check rides and in 2016 they had over 200. They have

applied for examining authority to do in-house check rides and not have to wait 2 weeks or pay the extra fees.

They are doing some major upgrades on their aircraft. They are installing more accurate GPS and air traffic control equipment. It is a significant investment and will improve their operation.

They are improving the way they do grading and the syllabus for the flight student. They have an iPad for every plane. They have a maps system and electronic grading. This is in an effort to keep up with the technology of the airlines their students could potentially be flying for and makes their operations more efficient.

Summit has 5 chief flight instructors. They have helped students to get a path to the airlines. Most are aware of the pilot shortage. Horizon has selected 7 students who, once they are commercial licensed, will be given \$7,500 for their training to become a flight instructor. They will then be a flight instructor for Summit. When they reach the 1,250 hours, then they have a guaranteed job with Horizon and a \$7,500 bonus.

They are also collaborating with the Reserve Officers' Training Corps (ROTC).

Charter – Summit now has 4 planes. One of their aircraft can fly anywhere in the country non-stop and is very fuel efficient. They have a Hawker 850 which is a 9-passenger aircraft. All their aircraft have an enclosed lavatory and on board Wi-Fi. Last year they did 439 charter hours with 1.5 airplanes. This year they have already done about the same hours year to date. They have 7 charter pilots. They fly to Mexico and Canada. They have a full time scheduler. They have had 18 trip requests this week so far. They are really the only jet operator with these kind of planes in the area.

Summit also manages airplanes. They are not as limited by 135 limitations with those. They support and help them go where they need to go and handle logistics. Their managed airplanes have been to Alaska, Hawaii, Canada, Mexico, Bahamas, Bermuda, Costa Rica, Ireland, Netherlands, India, Spain, Poland, and Cuba. They managed 6 aircraft last year.

Summit sold 14 airplanes in 2016 and 11 so far this year. They either sale or do an acquisition of an aircraft. Summit helps guide them through the buying process.

Summit has been at the airport for 16 years now. There is no way they could have done what they do without the support of this airport. It is very general aviation friendly.

Mr. Lehrkind said it is impressive. Mr. Mathis asked Janine to stand up and she was thanked for doing a great job. Mr. Kelleher thanked Mr. Walton for all his efforts to get Mr. Kelleher flying.

The board thanked Mr. Walton for his presentation.

7. Information Presentation – Commemorative Air Force

Mike Phillips came to the podium. Mr. Phillips thanked the board for allowing him to give an introduction. Mr. Phillips said his purpose was to tell the board about the Commemorative Air Force (CAF) and what it does. They are establishing a CAF unit in Bozeman. Their goal is not to make any decisions regarding their presence at the airport but let the airport board know they would like to establish a notable presence in the future. They would like the encouragement and support of the board as this plan moves ahead.

Mr. Phillips passed out a presentation booklet to the board. Mr. Phillips referred to the 3rd page which talks about the history of the CAF that was formed by some military

pilots in 1957. The CAF currently has 13,000 members throughout the United States. The CAF has 165 airplanes in their inventory of 60 different types. They would like to establish a unit here with a significant number of flying WWII warbirds.

Page 4 notes the objectives and the mission of the CAF. Mr. Phillips had 4 main reasons highlighted.

- Restore and preserve in flying condition combat aircraft
- Have a museum building for display and protection of their aircraft
- Perpetuate the memory in the hearts if Americans of the pilots and airplanes that flew in the military
- Establish an organization that has a dedication to these principles

Page 5 has an image of the units across the US. The two most recent units are here in Bozeman and Boise, ID. The CAF website shows all the different facilities. Their hangars are generally always open to public, sometimes daily. The public can get tours and rides.

Page 6 provides a brief introduction to their warbirds fleet. It is called the Ghost Squadron and it represents a significant number of WWII airplanes. Many of the airplanes are one of a kind.

Page 7 shows snapshots of some of the aircraft in their inventory. The unit in Bozeman could expect 5-7 airplanes out of their inventory. There is significant interest in this community for certain types of aircraft.

Mr. Phillips included the July calendar in the booklet. The calendar shows a number of on going events throughout the US. The Bozeman unit would probably want to host an event. It would not be an airshow but an open house to park a number of warbirds for

viewing and an opportunity for rides. The Wings Over Houston is coming up on October 4th. This event was voted the 4th best airshow in the USA. In 2016, 225,000 people visited that airshow.

Mr. Phillips said they would be looking at a hangar of 10-12,000 square feet. It would store warbirds and have a space for a museum. That is traditional for CAF hangars.

Mr. Phillips included a map of the airport in the packet. He said it is clear that most of the future commercial space will probably come out of the east side. The CAF is interested in establishing a dialogue with the airport board related to future development on the east side. It is in their interest to look at the long range plan for the east side. They would like a location so the public can have easy access. Mr. Phillips also included pictures of the FedEx hangar because it is similar to what the CAF hangars look like. The hangar would be the security gate for the public entrance. Like FedEx, they have the responsibility to escort people beyond that.

Mr. Switzer thanked Mr. Phillips for his presentation. Mr. Switzer asked if the organization owns the airplanes. Mr. Phillips responded that the CAF owns 165 airplanes. They allow the units to borrow them and use them. The Bozeman unit is on a request list for several airplanes. CAF members themselves also buy airplanes. That is an independent partnership to acquire and then incorporate into the CAF fleet. That comes with certain insurance benefits.

Mr. Switzer asked how the hangars are owned. Mr. Phillips said some are leased by local units, some are owned by the local units and some are owned by the CAF. The CAF would rather that the hangars be owned by the local units.

Mr. Mathis asked if the aircraft are limited to the WWII era. Mr. Phillips said in the past they have been, but recently there have seen some changes. Some Korean War airplanes are coming in. He also hears there is a group of Vietnam marine pilots doing an F4. Mr. Mathis said he asked because we have a fine representation of jet warbirds here and was wondering if they would be a part of it. Mr. Phillips said he would hope they would be in their hangar. There are many people who would like to see them.

Mr. Kelleher said he has donated to the CAF for some time. Mr. Kelleher said he didn't hear anything about joining the unit here. Mr. Phillips said there is an application in the packet he provided. They are trying to get more established here before they really announce their presence. There are no restrictions to join. Of the 13,000 members, most are not pilots but enthusiasts.

Ms. Stelmak said what they do is commendable and thanked Mr. Phillips for his presentation.

8. Consider request by Shedhorn Construction to increase the size of hangar EU7 from 60' x 78' to 100' x 78' with substantial completion on or before January 13, 2018

Mr. Sprenger reported that Brandon Wilson was present to answer any questions. This is on the southwest corner of Aviation Lane. It has taken Mr. Wilson longer than anticipated to get to this point. Mr. Wilson had planned to be on the agenda last month but it hadn't been reviewed by engineering so it was postponed to this month. Mr. Wilson has found that the utilization of the land could be better by expanding the area of the hangar. We would also like a fine finished product. Staff recommends that part of the lease say that if there is not substantial completion on or before January 13th, 2018, that the lease would be terminated.

Brandon Wilson came to the podium and thanked the board for having him. Mr. Mathis said they went out on a limb and leased him one of the very best spots on the entire airport for commercial operation and so far there is only a slab and a little asphalt. Mr. Mathis asked Mr. Wilson what was going on. Mr. Wilson said to be honest he is going through a divorce and that should be wrapped up shortly. He wants to utilize what's there. He is currently working with the bank on moving forward. Mr. Mathis asked if he anticipates this being a spec hangar that he would sell when it is done. Mr. Wilson said he was originally going to keep it for himself, get out of construction and work on a flight school. But, with the size of the hangar growing, he may look for someone to lease the hangar until he is ready. Mr. Wilson said he wants to see the project through.

Ms. Stelmak asked if January 2018 is achievable. Mr. Wilson said yes.

Mr. Mathis asked if the financing is in place at this time. Mr. Wilson said he is working on it. He needs to get approval for the expansion and then he can go back to the bank for the loan. He met with the bank before the June meeting and he doesn't see any problems.

Mr. Kelleher asked how soon the lender will respond to your financial needs, assuming we give you the approval to expand. Mr. Wilson said they have to get a broker opinion and it would take 4-6 weeks. Mr. Wilson said he has some of his own money to keep things going. He plans to have the concrete work starting in 2-3 weeks. The final financing should be in mid-August.

Mr. Kelleher clarified that his primary needs are financing to expand and finish the project. Mr. Kelleher asked if Mr. Wilson had another avenue in case the appraisal comes in

lower than he anticipated or needs. Mr. Wilson said he is working with Dan Welch at the Bank of Bozeman. They went through those scenarios but with the amount that he needs to finish, it is a remote possibility. Mr. Kelleher asked if he could get a support letter from his lender. Mr. Wilson said he probably could.

Mr. Lehrkind asked that Mr. Wilson communicate with Mr. Sprenger and staff and keep them informed.

Mr. Kelleher added that communication on the lending end is very crucial. Keep us up to date.

Mr. Sprenger asked if it would be appropriate to have a deadline for the support letter. Mr. Kelleher said probably within 60 days. Mr. Wilson responded that a lot of his lending is based on the airport's approval. Mr. Switzer recommended adding a 60-day support letter as a stipulation to the approval.

Ms. Stelmak asked if in the future all of our approvals should have commencement dates and completion dates to avoid this type of situation. Mr. Sprenger said that is not a problem. It will probably be based on the size of hangar. In the past it had to be complete in 6 months. We do have language signed on that, but it has not been incorporated into the lease agreement. If we do that it would provide one more resource for the board.

Mr. Switzer asked if we have seen this scenario before. Mr. Sprenger said we have had requests approved and then not started. This situation is unique in that it has started but has taken a lot longer. Mr. Switzer said he wanted to make sure we are fair and balanced. Mr. Sprenger said we have been to this point.

MOTION: Mr. Kelleher moved to approve the request by Shedhorn Construction to increase the size of hangar EU7 from 60' x 78' to 100' x 78' subject to lender approval by September 13, 2017 with substantial completion on or before January 13, 2018 or the lease will be terminated. Mr. Lehrkind seconded the motion. All board members voted aye. The motion carried.

Mr. Wilson thanked staff and the board for their help.

9. Consider request by DTG Operations, Inc. to assign their Rental Car Concession Agreement to Overland West, Inc.

Mr. Sprenger said that Overland West provided a proposal to operate rental car concessions at last month's meeting. Subsequent to that, DTG Operations, Inc. has entered into an agreement to sell the Dollar Thrifty brand to Overland West. Therefore DTG, Inc. is requesting to assign their rental car concession agreement to Overland West Inc.

We are working through the facilities with this change. By the October 1st date for our new agreements, the Dollar Thrifty counter and office area will become part of the Enterprise agreement. That has been agreed to by all of the concessionaires. The Dollar Thrifty vacuum bay facility would become part of Enterprise as well for this current year. That could go to another operator depending on their performance. We don't know what market share will happen over the future. Currently, Enterprise has the most validated need for the vacuum bay facility. However, if they don't perform, Alamo or Avis could potentially get it. That language in the agreement gives us that flexibility as time goes on.

Staff recommends approval of this request. This is the result of the evolution of the rental car industry. In essence, Enterprise and Avis Budget are the only ones in the game. Rental car companies like to keep the brand names.

MOTION: Mr. Switzer moved to approve the request by DTG Operations, Inc. to assign their Rental Car Concession Agreement to Overland West, Inc. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

10. Consider request by Harriet Ross conservator for Jack Ostrovsky to enter into a new 10-year non-commercial hangar lease on hangar #76

Mr. Sprenger reported that Harriet Ross has provided documentation that she is the conservator for Jack Ostrovsky; she is his daughter. Mr. Ostrovsky is unable to consummate the agreement at this time. They are not sure what they will do with the hangar. It will probably be sold eventually. Many things could happen between now and then. The hangar is in good condition except for an awning over a front side window. The awning needs fixed before staff would recommend approval.

MOTION: Ms. Stelmak moved to approve the request by Harriet Ross conservator for Jack Ostrovsky to enter into a new 10-year non-commercial hangar lease on hangar #76 with the noted repairs completed within a period of time. Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

11. Election of Officers

Mr. Sprenger said that historically the election of officers has gone on 2-year cycles. Traditionally the Vice Chair moves to the Chair. The Secretary would move to the Vice Chair and the next person that has been appointed by the county would move into the Secretary position. If that is what the decision is at this time that would create the following positions:

Carl Lehrkind - Chair

Kendall Switzer - Vice Chair

Karen Stelmak - Secretary

Mr. Kelleher says it has worked well in the past and recommends sticking with it. Everyone agreed.

MOTION: Mr. Kelleher moved to approve the following slate of officers for the coming fiscal year:

Chair: Carl Lehrkind
Vice Chair: Kendall Switzer
Secretary: Karen Stelmak

Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

Mr. Switzer asked when these positions go into effect. Mr. Mathis said they could go into effect now or at the end of the meeting. Everyone agreed they should go into effect at the end of the meeting.

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

Total operations for June 2017 versus 2016 were up just under 1% at 6,672 versus 6,613. That puts our rolling twelve-month operations at 76,943. Corporate landings were down a little at 206 versus 220. Total enplanements were up 17.4% at 57,114 versus 48,646. That puts our twelve-month enplanements at 573,767 which continues the record going forward. Deplaned passengers were up 16.6% at 63,168 versus 54,198. Airline landings were up 7.7% percent at 618 versus 574. Load factors were down at 80.5% versus 83.2%. Total gallons dispensed for May were up 11.9%.

We have data through mid-month for July and we are up 8.2% and will be up double digits. American is doing very well with the additional capacity.

In the first six months of this year we have added 26,794 additional seats and we filled 19,267 additional seats. That is a 72% load factor on the additional seats so far this year.

Mr. Kelleher asked Mr. Humphrey if he has heard from American regarding service to other communities in Montana. Mr. Humphrey said they have not heard anything at this point. We are waiting to see how they do in Billings. We don't have good data on that yet.

13. Airport Director's Report – Brian Sprenger

Mr. Sprenger just received a letter from the subcommittee on Aviation from the U.S. House of Representatives. We have expressed concerns regarding our tower staffing issues. We are concerned about what the effect will be if the ATC Corporation gains traction. They were open to adding language into a report that is used by the FAA and others to determine what the committee meant when the bill was written. They will add a section that says, "In order to ensure that airports with high levels of traffic are provided adequate levels of air traffic services, the committee believes that the FAA should assess whether FAA contract towers at small or medium hub airports, operating on the date of enactment, would be more appropriately operated as FAA staffed air traffic control towers." In addition, they clarified in another section regarding the contract towers and the date of transfer, "nothing in this section should be construed to limit the ability of the corporation to convert a former FAA contract tower into the post transfer equivalent of an FAA air traffic control tower in order to provide better air traffic services at an airport." The concern was that once you are a contract tower, you would always be a contract tower. They were receptive in finding a way to incorporate some language that would clarify things. From Chairman Shuster's point

of view, the ATC Corporation is important. They are trying to modify the language as they get closer to a bill that could actually be passed. That will remain to be seen. We are hopeful that if it is not passed, that similar language may be added into the existing program with the FAA in future bills as well. Mr. Sprenger spoke with representatives of Senator Daines' and Senator Tester's offices and they are both very supportive and waiting for word to send support letters to the administrator. We still have a long way to go.

Runway 1129 has been primed. We are delayed on paving. Their current schedule has paving starting July 31st. There will be three weeks of paving. They will focus on the runway first. That will put the opening into September. The contract time limit is September. We have some good numbers from the bids and costs. Riverside's ability to mine onsite has saved us about \$2 million on the project.

The taxiway rehab in the back hangar area is going well. We are essentially done with the back hangar taxiways. We still have some approaches that we will be working on. Next week we will be starting on taxiway Alpha and the cross-wind runway. Taxiway Alpha will go over to the east side of 3/21 including taxiway Foxtrot. The following week we will finish up Alpha to the threshold of runway 12/30. There will be two more weeks of paving. Then we will do grooving and final striping in September. The grooving will be coordinated between the two contractors.

We will be opening bids for the relocation of utilities for the road relocation at the August board meeting. Mr. Sprenger showed the areas to be relocated on the map. We have limited the scope of the road system. This is approximately a \$750,000 project. Once the project is complete, we will be in a position to begin construction of the parking garage.

The expectation is that we would open this bid next month, begin the relocation work September 1st, and complete it by the end of October. The bids for the parking garage would be at the October board meeting. We would begin excavation in November.

This relocation project is in some ways the cart before the horse. This is a \$750,000 commitment before we have the \$30 million bid for the parking garage. Overall this is an 18-24 month project. Our concern is that we will have two years of growth while this area is out of service. We will lose all of the area for ready stalls which will be relocated. We will lose a portion of the return stalls that will be relocated to an area that is currently used by airport employees, Uber, and commuter employees. This lost space becomes problematic during the holiday season. Fortunately, the parking lot expansion will involve removing the last car condo to gain the last 84 stalls inside the loop. We are trying to determine how we will accommodate the parking with growth. We are considering temporary parking, maybe on the far west side, particularly for employees.

There are a lot of things all happening at once. The first big decision will be made next month. To help with that decision, we will take the bid out of our normal order. We are first going to have a presentation by the architects and engineers. They will update us on all the costs, provide renderings, and discuss thoughts on some of the finishes. The bigger part will be the numbers so hopefully we are comfortable moving forward. Then later in the meeting we will open the bids.

The numbers for the parking garage have not changed substantially, except we have put in the numbers for the 4th floor roof which is approximately \$2.2 million. The roof above the ramp system is \$400,000. So that is \$2.6 million overall for the roof. The current

expectation on the cost per square foot is \$48-53 per square foot. The Montana State University (MSU) parking garage was \$55-58 per square foot. Some of that savings is because of additional things MSU had to include and some is due to our proximity to resources that MSU doesn't have. At the end of the day, the bid is what matters. This will all be discussed in August before the opening of the bid for the relocation project.

Ms. Stelmak commented that with today's crowd, moving parking to create additional parking should be done as proactively as possible. Mr. Sprenger said this will be a challenge because we are building in an area that is already in use. We were fortunate during the terminal project to be invisible to the flying public. This will not be invisible to the flying public. We plan to illustrate what we are doing for the public to see since they will be inconvenienced.

We have received the final grant for runway 11/29. That means it is fully funded. We will be submitting for this year's remaining discretionary money for next year's runway rehabilitation. We believe we are in a good position for \$1 million this year.

Central Valley is talking with the City of Belgrade regarding staffing. They have talked about how the growth has occurred in the area. Central Valley is in the process of getting architectural work done. There are remaining concerns about the noise levels. The Knife River gravel pit area (shown on map by Mr. Sprenger) is developing quickly. We have talked to the main developer who is from Montana and a member of the Yellowstone Club. Some developers have wanted to find out the airport growth patterns. Some have asked if they should buy the old trailer park. The consensus for the long term is that the traffic from the airport area to Big Sky and Yellowstone will go away from that area. They have a lot of

interest even in plots are by the railroad. Mr. Sprenger has heard there will be 4 hotel sites and 5 restaurant pads.

We are still working on the pilot shelter language to ensure we have language that protects the airport and the pilots.

Staffing – We have two more maintenance retirements coming up this year. That makes a total of six in the last two and a half years. The maintenance department was eleven members at the time so that is a lot of them. We are finding it is a struggle to expect people to come into the organization and be a “jack of all trades” like our previous maintenance staff. In the past we trained by osmosis, one person at a time. We are looking to hire people that would be operations staff who could cover for crash fire rescue and airport certification but with a lot less of a trade requirement, as that has been a challenge to find. We will have them do the functions we are required to perform but not pay and train them to the same level. We can train them for their specific function. Then maintenance can focus more on the maintenance functions. This does not create a significant change to the budget. It will change the airport operation and move us more into how the next level of airports typically operate. Another advantage will be the opportunity to hire people from other airports who have experience in the field. We can then focus the training of our new maintenance personnel on maintenance. For the more established personnel we will still cross utilize them for as long as we can. That is the direction we are planning to go in due to the significant amount of retirements and the labor market challenge.

Mr. Mathis said he discussed the personnel situation with Mr. Sprenger and suggested the work be contracted out where possible, especially things like heavy equipment maintenance. Ms. Stelmak commented that she likes that our more skilled employees will be better utilized.

14. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

Mr. Kelleher thanked Mr. Mathis for two years of service as Chair and said he was glad he was staying on. Everyone agreed.

15. Adjourn

The meeting was adjourned at 3:48 p.m.


Ted Mathis, Chairman