

The regular monthly meeting of the Gallatin Airport Authority was held November 10, 2022, 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, and Troy Watling, Assistant Director - Finance.

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

**1. Review and approve minutes of regular meeting held October 13, 2022**

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. Lehrkind moved approval of the minutes of the meeting held October 13, 2022. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

**2. Public Comment Period**

Carl Schuneman, a property manager for a number of vehicles, raised concerns regarding parking lot signage. It has been difficult to locate cars in the lot that he hasn't parked and that he needs to direct customers to. He suggested signage ideas and requested that signage be revised.

Mr. Sprenger said they had to get the parking lot open before the signage arrived. It was that or park cars in the grass. Signage will be installed next week before Thanksgiving. Some confusion is the staggering of the light poles which will be renumbered. The oldest portion is being reoriented. It is a work in progress.

There was discussion on the economy and premium lot changes. Lighting should be shipping this week for the new lot and installed next week. Numbering for the new lots was discussed and Mr. Schuneman expressed concern over having one row numbered the same when parts of it are such a long distance from the terminal. Mr. Sprenger said finding the right row is the most important. When we have Lots A and B and then add multiple numbers it can become more confusing.

### **3. Consider Audit Report**

Mr. Cope with Holmes & Turner was unable to present. The board previously received the audit report and letter from the auditors. There were no findings. Staff is pleased with the results. Ms. Stelmak said she spent a lot of time reviewing the audit. She said the accuracy and no deficiencies is a complement to the staff.

### **4. Consider recarpeting the ticket and upper lobbies**

Mr. Sprenger said showed the locations under discussion. They would like to re-carpet the checkpoint, but that area is planned for an expansion. Carpet samples were presented for review. One type has been wearing more quickly than the other. Staff recommends we replace with what we had before since it has lasted longer. We have the opportunity to utilize Martel's Guaranteed Maximum Price, the contractor on our current project. We can also take this out for bid. The total proposed price is \$222,497. The work would be done at night, and we expect it to be completed late winter next year, most likely March.

Mr. Mathis said he was under the impression that with carpet squares, we could avoid replacing the entire portions of carpet. Ms. Stelmak commented on the age of the carpet being 10 years. Mr. Sprenger said compared to other carpet the airport has, this one has

performed well. There was discussion regarding what sections could be replaced versus others and the implications. Staff recommends the ticket and upper lobby carpet be replaced with the Martel Guaranteed Maximum Price. Some portions of the carpeting will be salvaged to be used as future replacements.

**MOTION:** Mr. Switzer moved to approve recarpeting the ticket and upper lobbies. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

#### **5. Continue consideration of land lease rate increase effective July 1, 2023**

Mr. Sprenger said U.S. inflation rates for the past 3 years were reviewed and calculated into the land lease rates. In comparison with surrounding airports, staff recommends removing the lowest and highest rates from the question and averaging the rest. Staff recommends the following rates:

Non-commercial \$.14/psfpy (per square foot per year)

Commercial \$.18/psfpy

Non-aviation Commercial \$.42/psfpy

Commercial is more geared toward the market rate in the Gallatin Valley.

Mr. Lehrkind said this keeps us at the low end, but he is in favor of the rates. Mr. Switzer said the rates make sense. Ms. Stelmak agreed that it is inevitable that we stay on the low side, but the increase is justified.

**MOTION:** Mr. Lehrkind moved to approve increasing Land Lease Rates as proposed by staff effective July 1, 2023. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

**6. Consider request by ACW, LLC to lease Hangar 7 to Million Air**

Mr. Sprenger said Mr. Wass contacted us and asked us to table this item for the month.

**7. Consider request by Million Air to remodel Hangar 6**

Mr. Sprenger said Million Air has submitted a formal request for the remodel.

Mr. Buchanan with Million Air introduced Holly Van Straten, General Manager for Bozeman Million Air. Scott Hedglin with Architecture 118 said one of the primary changes with the existing hangar is a 50-foot required separation between the hangar and vehicle canopy. The proposed building will be 30 feet further south than the existing building which requires a lease line adjustment. The design is emphasizing the zone between the ramp and existing building. They will propose a monument sign to identify it and a introduce lighting and electrical and movable patio furniture. Mr. Hedglin referred to the location on the rendering. They may lose one parking stall. The access gate between Million Air and Yellowstone Jet Center will be their primary access gate. They will have the required cameras and controls at the gate. The color palette was reviewed. Additional material details were presented. Ms. Stelmak clarified that we are expecting them to maintain some of the previous design of the building considering its historical nature. Mr. Hedglin confirmed that is the plan.

Mr. Sprenger said staff has been reviewing the request. The lease line adjustment has been reviewed with engineering and isn't a problem. The monument sign within the lease line is not a problem. Mr. Mathis asked if there are other signs out as far as the proposed monument sign. Mr. Sprenger said there are no signs out that far and Mr. Mathis raised

concerns about wing clearance. Mr. Hedglin said they don't have the sizing determined on the sign but it would be within FAA regulations.

Mr. Switzer said he is in favor of the building design. Mr. Mathis asked about snow storage. Mr. Hedglin said the plan is for the fuel truck canopy to be open on 3 sides and there will be a spot on the south side for snow storage.

Mr. Sprenger said one concern is monument sign and verifying it will not be an issue with aircraft. We have some light poles that are out a little further. The sign would also have an impact on snow removal. It would most likely be hit during snow removal operations if too close to the ramp. Mr. Sprenger recommended the sign location be considered separately from the remodel.

Landon Burgwin, General Manager of Yellowstone Jet Center, asked how heavy the planned patio furniture is and expressed concerns regarding the heavy winds we experience often. Mr. Hedglin said it is steel and heavy but if there are storms, they can put it away and expressed confidence in managing that.

Mr. Mathis asked if this has all been reviewed by engineering. Mr. Mark Maierle said the signage has not, but so far everything else has been reviewed and there are no issues at this time.

**MOTION:** Mr. Switzer moved approval of the request by Million Air to remodel Hangar 6. Mr. Mathis seconded the motion. The sign was discussed. Mr. Hedglin said they will work with staff on the sign. All board members voted aye. The motion carried.

**8. Consider request by Summit Aviation to lease Hangar 2/3 one year from 1/1/2023 through 12/31/2023**

Mr. Sprenger said this is part of the northside project which is complete. We had hoped to be further along. The lease had been terminated. Summit still wants to operate. We need the building lease terminated completely by the end of 2023. Mr. Ben Walton has requested that we lease to him directly. We have asked for his plans and confirmation on ability to construct the new hangar.

Mr. Walton said they have a concrete plan to be out of their current building by the end of 2023. They are working with a new builder now.

**MOTION:** Mr. Mathis moved approval of the request by Summit Aviation to lease Hangar 2/3 one year from 1/1/2023 through 12/31/2023. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

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

Mr. Humphrey reported 10,995 total tower operations for October which was up 20.9%. Rolling 12-month operations were 112,028 operations. There were 9 Customs clearances in October versus 12 in 2021. Our original customs officer retired at the end of October. Officers from Great Falls will rotate to cover until a replacement is found which is expected to take until the end of the year. Revenue enplanements were up 7.4% at 87,449 versus 81,386 passengers and up 18% year to date. Rolling 12-month enplanements were 1,122,925. Deplaned passengers were up 7.5% at 80,402 versus 74,806. Airline landings were down 14.6% at 684 versus 801 and down 13.9% for the year due to an up-gauge in equipment and diminished regional jets. The load factor was at 90.8%. American Airlines' Dallas load factor was 98.2%, United 93.9%, Delta was 91.6%, Allegiant 89.3% and Southwest 86.7%. Year

to date load factor is 82.3% versus 66.1% last year. Total gallons dispensed for September were up 3.7%.

We are 8.3% up for first 12 days of November. There are 11% more seats. We will probably drift up a few percentage points. Mr. Humphrey's best guess is in the 10-12% range.

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

Mr. Sprenger reported that Allegiant has been doing so well on Nashville that they have increased the number of flights per week. Allegiant no longer flies Nashville to Boise. United has announced 2 flights per day on Saturdays for Newark through February until early March.

October food and beverage was 120% of last year. Retail was 114% of last year. Overnight cars were 135% of last year. Parking revenue was 124% of last year. Parking revenue is probably taking a hit since we don't have the premium lot currently. That will change in a week or so. Food and beverage to date for November is 132% of last year. Retail month to date is 112% of last year. A Guaranteed Maximum Price for the new marketplace on the B concourse will be presented next month. Unfortunately, prices have come back higher than expected at about \$400 per square foot. We spoke with Missoula on a 7,000 square foot addition to their building and it was \$800 per square foot. Ms. Stelmak said it will generate revenue. Mr. Sprenger said at the first of January there will also be a price increase on items.

The first line of the temporary baggage system is up and running. We have seen some issues but have re-programmed and that is to be expected. Ski bags are making it fine through

the system despite initial concerns. The second line is expected to be on early next week. Five of our six lines will be up before Christmas. The last line will tie into the new system.

Parking lot construction is still in progress. Winter came hard and early. We are working with the contractor and working to get the arrivals curb in. Parking numbers and overflow were discussed for Christmas.

Mr. Lehrkind asked about rental cars. Mr. Sprenger said at this time of the year they would normally have transitioned out and then come back for Christmas. Some have stayed here. There are a number also out of service due to chip issues. Those issues combined have caused rental cars to be stored out further. Another location for rental cars has been discussed.

**11. 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.

**12. Adjourn**

The meeting was adjourned at 3:12 p.m.

  
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Karen Stejmak, Board Chair