

The regular monthly meeting of the Gallatin Airport Authority was held January 14, 2021 at 2:00 p.m. in the Airport Conference Room. Board members present were Kendall Switzer, Karen Stelmak, Ted Mathis, Kevin Kelleher, and Carl Lehrkind. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

Kendall Switzer, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Review and approve minutes of regular meeting held December 10, 2020

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

MOTION: Mr. Mathis moved approval of the minutes of the meeting held December 10, 2020. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

Ty Giffin, General Manager of Treasure State Inc., presented an award received for their work on the 2019 Airport Project. The award was a 2020 Concrete Excellence Award from the Montana Contractors Association.

3. Consider request by Billings Clinic to construct an approximate 70' x 70' commercial rotor wing aircraft hangar

Mr. Sprenger showed the proposed location on the map. The location does not have access to the taxiway system. In this case they do not need access to the taxi system. Billings Clinic will be asked to participate in the cost of the road construction.

Mitch Goplen with Billings Clinic introduced their architects Gene Kolstad and Greg Mathews with Cushing Terrell and members of their emergency medical team, Greg Titensor and Rich Mickelson.

Mr. Goplen presented some design images on the screen. He showed various configurations of the proposed hangar. The company they will be leasing the helicopter from would like to store another aircraft there requiring they increase the size of the hangar. They would like to enter into a lease agreement.

Mr. Lehrkind asked the number of aircraft they would have here, and Mr. Goplen said it would be a maximum of two.

Ms. Stelmak said the location is good since it is further away from fixed wing operations and it is easily accessible. This will be great for our community and she is in full support.

Mr. Mathis asked if they plan to build a helipad at the Bozeman clinic location. Mr. Goplen said they are not. Billings Clinic is moving to a Trauma 1 status. That means they will be providing the highest level of emergency care at their facility in Billings. To do that, they must position the helicopters within a 150-mile radius. The next closest Trauma 1 centers are in Seattle, Salt Lake, Minneapolis, and Denver. They will be serving a demographic region for Montana. This is housing for aircraft to deliver patients to the appropriate facilities.

Mr. Sprenger said from a staff and engineering standpoint, they will ask for the parking to be like what is there for snow removal reasons. Staff recommends approval of the request.

Mr. Switzer asked what capability this is bringing that we do not already have. Mr. Sprenger said this is part of Billings Clinic's focus in moving to a Trauma 1 facility in Billings which will be a closer location than the other Trauma 1 centers.

Mr. Mathis asked if they have approached Life Flight to provide these services. Mr. Titensor said they have not. As a non-profit organization they operate their own air ambulance service. They feel they can provide a better-quality service and for a better value.

Mr. Mathis asked if they will accept calls from accidents. Mr. Titensor said they will be working on that with the EMS system.

Mr. Goplen said in a Level 1 trauma situation, minutes mean everything. Mr. Mathis asked if we will see fewer fixed wing operations from Billings Clinic. The mode of transportation will vary as it is dependent on the needs of the patient. It is more economical to fly fixed wing.

Mr. Titensor estimated that the number of Level 1 traumas in Gallatin County was close to 300 cases last year.

Mr. Switzer asked what a Level 1 trauma is. Mr. Titensor said that is set by The American College of Surgeons. Billings is currently a Level 2. Level 1 brings in more service. They will be expanding their research capabilities. They will create a surgical residency program with a rural trauma track. They are expanding their capabilities of transport so all can transfuse blood on the flight or at the scene. They will also provide access to specialty surgeons 24-7 and mostly in house.

In other trauma centers, the emergency departments can stabilize patients but not provide the care they need after. One area they will not be creating is a burn unit. That is not required and is a large program.

Mr. Switzer asked about infrastructure needs. Mr. Sprenger said they are in good shape on that due to previous development.

Mr. Switzer said we were briefed on this with short notice and congratulated staff on making this happen.

MOTION: Ms. Stelmak moved to approve the request by Billings Clinic to construct a size to be determined commercial rotor wing aircraft hangar, Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

4. Consider FY 2021 optional Capital Projects – Boarding Bridge B6, Wings Way relocation and Northside Infrastructure Design

Mr. Sprenger said the budget contained several optional projects:

Boarding Bridge B6 – We are seeing a lot of airline interest for this summer. This is generating concern about having enough gates. The peak times create challenges, and we do not want to have to say no to anyone right now. Tourism has recovered much quicker than the outbound local traffic. We would like to have another bridge to accommodate the rebound. We also need to increase the ticket counter area. We think we can accomplish that by adding up to three counters by eliminating gaps and decreasing scale size.

Wings Way Relocation – This is part of the northside agreements with Signature and Jet Aviation. This would increase that area and make it more useful. It is extremely limited currently because of the depth. The cost has gone up since we first looked at it. This was previously bid as part of another bid. Also, inflation for the last couple years.

We have landscaping in the budget for the project. There is the capability of pushing some of that to the tenants. But planning the irrigation then becomes more difficult. One of the properties that we purchased has a small tree farm with about a couple hundred 12-foot pine trees. Staff feels there is some merit to using those trees before they grow too big to be moved.

Northside Infrastructure Design – We think we are well positioned for discretionary money for this project. If we have the design, we are more likely to be granted the funds. There is interest for development in that area.

The total is \$2.345 million for all three projects. There is \$2.69 million remaining in the optional budget.

Mr. Lehrkind asked if there was anything else we may need this funding for. Mr. Sprenger said there are 5.5 months left of the fiscal year. CARES dollars and full entitlement dollars have not been allocated. We anticipate \$2.5 million from the additional CARES act. We are starting to build cash reserves back. We feel confident we can accomplish these projects.

Ms. Stelmak said she is 100% in support of these projects. As we grow these things are important. She asked if accessibility would be reduced during the Wings Way development. Mr. Sprenger said there should be no reason for anyone to not have access.

Mr. Mathis expressed concerns regarding the Wings Way relocation. When we addressed this the last time, we asked the FBOs to participate. He is not in favor of the boulevard with the trees because it takes staff a lot of time to maintain the boulevards and

sprinklers. We have previously left landscaping up to tenants. Each FBO should chip in a third for the increased cost of the project.

Mr. Sprenger said they have not brought that up with the FBOs. He would anticipate that they would probably be willing to participate.

Mr. Lehrkind said he would not want to hold up the other two projects while waiting on this. Mr. Sprenger suggested approval based on the FBOs' participation so we can move forward. Mr. Mathis said his recommendation is to cut out the boulevard and have the FBOs do the landscaping themselves with approval. Mr. Sprenger said staff would prefer to do the boulevard and the walkway. Staff feels comfortable that it could be landscaped and maintained by the FBOs. Staff feels the boulevard is important for snow removal. The walkway is important for the foot traffic in the area. It could be part of the FBOs' responsibility. Mr. Mathis and Ms. Stelmak agreed there should be a walkway.

Mr. Switzer said there is a lot of foot traffic there and he would like it to be as safe as possible. As you approach that area, it still feels like the airport. That may require more for presentation to make the airport look good. We should make sure we control the design and maintenance.

Ms. Stelmak has watched the general aviation traffic increase dramatically. If there is anything we can do to better promote that, we should make it happen.

Mr. Sprenger summarized what he understood to be the consensus.

Mr. Mathis said this will be a racetrack for the rental car employees. We need to come up with a solution. Mr. Mathis showed the flow of traffic currently compared to what it will

be. Mr. Sprenger said they can look at what they can do to keep the traffic slowed down there. It is a constant concern.

MOTION: Mr. Mathis moved to approve the Fiscal Year 2021 optional capital projects: Boarding Bridge B6, Wings Way Relocation and Northside Infrastructure Design as proposed by staff with the understanding that staff will negotiate with the two FBOs so that they each pay an equal one-third of the cost and the FBOs will be responsible for installation and maintenance of landscaping and the boulevard. Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

5. Report on CY 2020 Airline Traffic Results – Brian Sprenger

Mr. Sprenger said overall passenger traffic is down 43.5%. We handled 889,775 passengers. Passenger traffic on a national basis was down 60.7%.

We added an eighth airline. The Tower handled an all-time record of 104,091 operations which is up 6.4% in operations over the previous record. That is despite significant decreases in the months of April and May. Business aviation operations were up 1.1%. International arrivals dropped from 126 to 98. That is rebounding. In October through September, we were 100th in the nation in passenger levels and 90th in airline revenue. Previous years we were 108th and 100th respectively.

2013 is the equivalent of where our current passenger levels are. Copenhagen reported their 2020 equivalent passenger level was 1970. We lost 7 years of growth; they lost 50 years. That is on the extreme side though. This has devastated traffic throughout the country and the world. We have fared much better than most other places.

Ms. Stelmak said she has monitored the GA traffic and the tower operations. She asked Mr. Sprenger to commend the tower staff for the professionalism they have shown.

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

Mr. Humphrey said total operations for December were up 11%. Corporate landings were up 28.4%. International arrivals clearing Customs were 16 versus 14 in 2019. Total revenue enplanements were down 44.5%. Rolling 12-month operations were 446,309. Deplanements were down 44%. Total landings were up 5.5%. Load factor dropped 32.5%. Fuel dispensed for November was down 7.7%.

The first part of January has had some busy days. We are seeing traffic start to wind down. We will probably end in the mid-60's.

Jet Aviation deserves kudos. We had irregular operations last Friday due to fog. All the recovery flights came in on Saturday from their diversion points. Jet Aviation helped the airlines, us, and the tower by marshaling, parking, and staying with aircraft while they were awaiting parking positions. We really appreciated their help.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger presented a chart that compared national recovery to Bozeman recovery. We far exceeded the national level in the summer. We met national levels at other points in the year. There were definite bumps during the November and December holidays.

The next chart showed parking lot trends for the previous year versus the current and a 7-day rolling average. There were holiday peaks. We are still trending on the local basis 10% higher than the national average.

Parking was also compared to TSA traffic. There was a strong number of people, but it didn't change much from the previous year. Ski season is having a positive impact.

Another chart compared revenues for the current year compared to the previous year. Rental car met or exceeded the previous year. Retail outperformed Food and Beverage. Parking revenue trended up. Doug from the Gift Corral and Copper Horse said in December their retail was 58% of prior year and 56% for food and beverage. January is trending higher at 76% for retail and 88% food and beverage. Mr. Sprenger said we are hoping that is not because of the fog on Friday.

Early projections for January and February indicate enplanements to be at or near a 2017 equivalent, at least through the first half of the year. We will have the seats for more, but we are not sure passengers will feel comfortable traveling. This year was a 2013 equivalent so we will have gained a few more years.

Ms. Stelmak asked about the middle seat. The local manager for Delta said they will still be blocking out the middle seat through March.

Mr. Sprenger said there will be a \$58,000 bill from Motorola. Gallatin County has some difficult radio challenges. Communication between emergency services is sporadic. The county and the city have finalized their resolution to upgrade to 800mhz. We are in a position where we would have to upgrade in the next year. We were able to obtain a 40% discount by ordering the radios now. We are minimizing the number of radios we are ordering. It had to be a quick decision.

The Holiday Station Store in the Airport Plaza is nearing completion. The City of Belgrade is expecting additional building permits, such as a hotel, but they have not seen them yet.

Several of our critical staff have been vaccinated. The next phase will be frontline staff when available.

The AAAE annual conference has been moved from May to July 11-13, 2021.

8. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

All board members voted aye. The motion carried.

9. Adjourn

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



Kendall Switzer, Board Chair