

The regular monthly meeting of the Gallatin Airport Authority was held October 10, 2024, at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Karen Stelmak, Kendall Switzer, Carl Lehrkind and Ted Barkley. Also present were Brian Sprenger, CEO, Scott Humphrey, COO, and Troy Watling, CFO.

Mr. Mathis, Board Chairman, 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 September 12, 2024**

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. Switzer moved approval of the minutes of the regular meeting held September 12, 2024. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

**2. Public Comment Period**

Martin Dowd came to the podium and indicated the approximate location of his property in relation to the airport. Mr. Dowd said he was here because there is a type of aircraft that flies over his house 20-30 times per day, and it is a nuisance. Mr. Dowd suggested the aircraft fly at a higher altitude. Mr. Dowd offered to supply some of the numbers of the aircraft. Mr. Mathis informed Mr. Dowd that we received a presentation about the same concern from a representative of possibly the same subdivision at our last meeting. Mr. Mathis said the staff has been working to address the concern. Mr. Dowd said the FAA recommended he come here. Mr. Dowd would appreciate it if we could do something.

Mr. Switzer said our role is to oversee the airport, but the air space is controlled by the FAA. Any changes or approvals must come from the FAA. We will try to help if we can.

Lee Gobb spoke representing Outlaw Country Subdivision (South). Mr. Dowd says he is in the North Subdivision. Mr. Gobb said there are two different Outlaw HOA's. The presentation and comments submitted at the last meeting were from Outlaw Country Subdivision (South).

Mr. Gobb said Mr. Sprenger and airport staff have been helpful, courteous and educational. The problem is the low elevation. Mr. Gobb said none of this happened before the second runway. Mr. Gobb referred to trespassing and noise abatement issues and thanked the board for the consideration of the matter.

### **3. TransMedics Update – Ben Walton**

Mr. Walton said he was representing TransMedics Aviation, previously Summit Aviation a company he founded in 2001. TransMedics has a device and process that is changing the way heart, liver and lung organs are transported for transplants. Their device keeps the heart beating, at body temperature, and monitored the whole time. Their technology is completely changing organ transplants. TransMedics has surgeons on staff throughout the country. There are hubs where the devices are located. If there is a call, they match and deploy the device, the surgeon, and arrange ground transportation for the team. They have a fleet of large charter planes all over the country. They have increased transplants this year by thousands more than the year before. They operate an aviation division in Bozeman but are a nationwide company.

Mr. Walton presented a video of how the TransMedics operation works. The organ care system is FDA approved. They have accomplished 4,000 transplants and counting. There is a logistics command center. Operations include a clinical coordinator, case intake, logistics, retrieval, preservation, and procurement surgeon.

Mr. Walton said this is a complex 24-hour operation. They currently have 120 pilots and are still hiring. Mr. Walton was thanked for his presentation.

#### **4. City of Belgrade Update – Neil Cardwell, City Manager**

Mr. Cardwell said he appreciates the communication he has had with Mr. Sprenger and Mr. Humphrey. Mr. Cardwell introduced a report he would present that he has been updating over the last couple of years called "Clearly Belgrade". Mr. Cardwell pointed out the paper airplane in the logo as a nod to the airport and what it brings to our community. Belgrade adopted a resolution in May 2022 after crossing a population threshold of 10,000 people. Belgrade is the newest First-Class city in Montana after 30-40 years and is the 8<sup>th</sup> largest in the state. Belgrade has currently around a population of 14,000 and is the fastest growing city in the state. The last 6-12 months indicate a leveling off in the price of homes. Smaller townhomes have brought the median closer to \$600,000. Bozeman and Belgrade are the only 2 cities of their size so close to each other in the state.

Mr. Cardwell reviewed in-process subdivisions that are final platted. Those included Ashton Meadows off Bolinger, Rock Creek, Prescott Ranch, Bridger Heights, West Post and Meadowlark. Jackrabbit Crossing is mixed use including commercial, multifamily housing and single-family housing. It will include an Amazon distribution center. A Tractor Supply store and Maverick gas station will be opening there along with a couple hotels. There will also be

a Rivian electrical vehicle service facility. The City of Belgrade recently opened a brand-new park in that area with a pond, amphitheater, restrooms, and stage.

Middleton is a subdivision that is not final platted. Mr. Cardwell explained some of the challenges leasing state and federal land. It affects infrastructure and funding issues.

Wastewater and transportation are two of the main concerns. Mr. Cardwell explained some of the issues related to those. Belgrade is planning to tackle several master planning processes at the same time and in a digital format. The first plan that is almost complete is the parks, trails, and recreation district master plan which will be released in January. The new Belgrade Community Library building is almost done.

Traffic improvements are planned. The main arteries are controlled and operated by Montana Department of Transportation. Mr. Cardwell explained some road changes planned to include roundabouts at Jackrabbit and Cruiser and Cruiser and Dry Creek. Bolinger and Frontage roads should be getting a traffic signal and will also be widened. They are fighting to fund an underpass at Jackrabbit and Main.

Mr. Switzer thanked Mr. Cardwell for the presentation and the partnership and asked how we can help. Mr. Cardwell said there was nothing major to accomplish today.

Mr. Mathis said one of the most important projects they accomplished was the underpass on Alaska that took 12 years, so we know what you're going through.

##### **5. Consider donation of surplus kitchen equipment to the City of Belgrade**

Mr. Sprenger said the old kitchen upstairs has been unused for the past 12-13 years. That area will be demolished. We would rather see it used instead of going to the landfill. The

City of Belgrade put in a request. Staff recommends approving the request. Ms. Stelmak said she thinks it is a great idea.

**MOTION:** Ms. Stelmak moved to approve the donation of surplus kitchen equipment to the City of Belgrade. Mr. Lehrkind seconded the motion. All board members voted aye. The motion carried.

**6. Consider request by Dale Miller and Marti Miller to enter into a new 10-year non-commercial land lease on hangars 29-31 and 40-41**

Mr. Sprenger said the hangar is in good condition overall. There is a difference in siding color on the north side. We had damaged it with a mower. We will need to paint the siding to match. The doors on the west side need to be painted and that will be their responsibility. Staff recommends approval of the request.

**MOTION:** Mr. Lehrkind moved to approve the request by Dale Miller and Marti Miller to enter into a new 10-year non-commercial land lease on hangars 29-31 and 40-41 with the understanding that they will paint the doors per staff approval. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

**7. Consider modification of Airport Office hours of service**

Mr. Sprenger said there are 2 segments of this modification. We would like to modify office hours from 8am-5pm to 8am-4:30pm. With the terminal project, staff will be in different locations, and this will help with coverage.

The other modification is for the day after Thanksgiving. In the past we have remained open on this day. It is our slowest day at the airport. Veterans Day is a busy day. We propose observing Veterans Day on the day after Thanksgiving to better serve our customers. So, the

office will be open on Veterans Day but be closed in observation of it on the day after Thanksgiving.

**MOTION:** Mr. Barkley moved to approve modification of Airport Office hours as proposed by staff. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

Mr. Sprenger said the general public and our tenants will be notified about the modifications to the holiday closure. The modification to daily office hours is planned to begin on December 1 to provide advanced notice.

#### **8. Continue consideration of a street name for North Airport Access**

Mr. Sprenger said the Gallatin County GIS did not approve our proposed name because it includes heavily utilized words like North and Sky. The county has a limit to the number of times a name can be used to avoid confusion. We are back to the drawing board. The county has reviewed a list of names which would be acceptable. If anyone has another name, it will need to be reviewed.

Ms. Stelmak said she likes Tarmac Trail.

**MOTION:** Ms. Stelmak moved to recommend the following name for review with the Gallatin County GIS: Tarmac Trail. Mr. Lehrkind seconded the motion. Mr. Mathis said he doesn't care for the name indicating that Tarmac is not a universal term. Four board members (Lehrkind, Switzer, Stelmak and Barkley) voted aye, and one voted (Mathis) against. The motion carried.

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

Mr. Humphrey said there were 11,129 total tower operations in September which is down 19.4% compared to September 2023. Rolling 12-month operations are 122,364. Corporate landings over 12,500 lbs. were 813, which is up 13% compared to last year. There were 875 corporate landings over 9,000 lbs., which is 12% higher than last year. There were 15 custom clearances this September versus 18 last September and up 34% year to date. Total revenue enplanements were up 7.1% with 128,698 passengers. That brings the total past 12-month enplanements to 1,314,078 which is another record. Total deplanements are up 5.8% at 121,075 versus 114,462. Landings were 966 versus 881, up 9.6%. The overall airline load factor, with 20,000 more seats in the market, was 89.6% down 1%. Fuel dispensed was up 14.3% for August.

October is better than the previous October. We expect to be up 3-5% in October.

Mr. Humphrey met with the Allegiant group. Last year Allegiant lost a pilot a day. They have instituted a bonus for those who stay through the ratification. They have stemmed pilot losses. They are waiting on aircraft and will not be adding routes. We will not see Austin service come back next summer. Unlike other airline operators, Allegiant owns their airplanes and doesn't lease them. They agreed that we are one of the few airports that have no fixed costs built in. That is what they want to see. We are in the bottom 11-12% by cost over 30 categories.

#### **10. Airport CEO Report – Brian Sprenger**

Mr. Sprenger said a full report was submitted prior to the meeting and offered to answer questions.

Mr. Sprenger reported that overnight cars in September 2024 were 99% of September 2023 with concession revenue being 116% of last September. Month to date concessions are 104% of last October but are expecting the growth rate to moderate through the fall. Going into the winter we will see additional seats from some of our carriers. We may see growth in the load factor.

Mr. Sprenger attended the Northwest Chapter Conference of The American Association of Airport Executives (AAAE) in Boise. There was a tour of the Boise airport. Boise handles about twice as many passengers as us. We have similar runways with development on each side of the runway. We found out the Boise airport has 3 explosive detection machines like we do despite handling twice as many passengers. We have a state-of-the-art system. We are pleased with how the skis are going on the new baggage system. It was innovative. Boise is building a parking garage for their rental cars that will be 7 stories. The parking garage project will cost about \$110-120 million, and this is their 4<sup>th</sup> parking garage. Mr. Sprenger flew into Boise on the Alaska flight. Several people said the main concourse was dated and reminded them of Vegas. Mr. Sprenger could see the difference was the backlit advertising covering the walls with very little artwork. That is something to keep in mind as we move forward. Ms. Stelmak said she hears many comments about how beautiful this airport is. Mr. Barkley said he hears often that it looks like a lodge and doesn't have visual clutter.

#### **11. Consider bills and approve for payment**

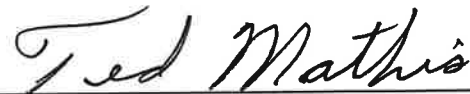
The bills were reviewed and detailed by Mr. Sprenger.



MOTION: Mr. Switzer moved to approve the bills for payment. Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

**12. Adjourn**

The meeting was adjourned at 3:41 p.m.

A handwritten signature in cursive script that reads "Ted Mathis". The signature is written in black ink and is positioned above a horizontal line.

Ted Mathis, Board Chairman