

The regular monthly meeting of the Gallatin Airport Authority was held April 11, 2024 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Karen Stelmak, Kendall Switzer, Carl Lehrkind, and Kevin Kelleher. 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. Open bids for 2024 AIP Improvements

Mr. Sprenger called for any additional bids. There was 1 bid. Mark Maierle assisted with review.

Knife River Belgrade, Montana Contractor Registration # 10089 was the only bid. The addendum was acknowledged, the bid bond was attached and the remainder of the bid appeared to be filled out correctly. The bid was signed by Leo Zwemke, Vice President and General Manager.

Bid for Schedule 1 (Construct Taxiway A1, B (B1, B2, B3), Runway 30 Extension):

\$8,892,850.50

Bid for Schedule 2 (Construct Fiber Duct): \$1,601,075.00

MOTION: Mr. Switzer moved to take the bids under advisement and award a contract to the lowest qualified bidder. Mr. Kelleher seconded the motion.

Mr. Mathis asked if there is a problem that we only received one bid. Mr. Sprenger replied no, we are glad we have 1. All board members voted aye. The motion carried.

2. Review and approve minutes of regular meeting held March 7, 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. Lehrkind moved approval of the minutes of the regular meeting held March 7, 2024. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

3. Public Comment Period

Dennis Guentzel addressed the board to say thank you. Mr. Guentzel's relationship with the airport goes back 52-53 years. Mr. Guentzel said he is amazed at what the airport has become and that it is an asset to the Gallatin Valley. Mr. Guentzel said his relationship with management and board, as a hangar owner, has been nothing but cordial and positive.

There were no other public comments.

4. Consider proposals for ARFF/SRE (snow removal equipment) Building Expansion and Existing SRE Building Re-Roof

Mr. Sprenger said we opened bids at 2pm on March 21st, 2024 and there were multiple bids. The apparent low bidder for Schedule 1 was CS Structures, Inc. with a bid of \$6,194,444.00. The apparent low bidder for Schedule 2 was PRG Commercial, LLC. with a bid of \$192,500.00. Staff recommends awarding a contract to the lowest qualified bidder.

Mr. Switzer commented that the engineer's cost estimate was significantly lower and asked what we missed. Mr. Sprenger clarified that the estimate was provided by engineers and architects. Mr. Sprenger said we are in a strange bidding environment. It is difficult to account for the labor impact and supply chain issues. We don't have a specific answer now. Mark Maierle added that we didn't have construction managers involved who have a better idea of the current industry. Mr. Sprenger said the project coming up this summer involves

Martel from the beginning and provides the ability to value engineer. That is cost effective on a larger project but not necessarily on smaller projects like these.

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

5. Consider request by Dennis Guentzel to transfer the non-commercial land lease on hangar 80 to KAJAM, LLC

Mr. Sprenger said the hangar is in good condition and the rent is current.

MOTION: Mr. Switzer moved to approve the request by Dennis Guentzel to transfer the non-commercial land lease on hangar 80 to KAJAM, LLC. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

6. Consider request by Aircraft Condominium Owners Association to enter into a new 10-year non-commercial land lease on hangars 32-37 and 42-46

Mr. Sprenger said the hangar is in pretty good condition and the rent is current.

MOTION: Mr. Lehrkind moved to approve the request by Aircraft Condominium Owners Association to enter into a new 10-year non-commercial land lease on hangars 32-37 and 42-46. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

7. Consider request by Starlight Inc. to transfer their non-commercial land lease on hangar 8 to Wayne Meyer, Rob Buckles and Tim Cashin co-owners

Mr. Meyer said they are moving to a co-ownership instead of a corporation which requires less paperwork. They have had the hangar since 1982.

MOTION: Mr. Switzer moved to approve the request by Starlight Inc. to transfer their non-commercial land lease on hangar 8 to Wayne Meyer, Rob Buckles and Tim Cashin co-

owners. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

8. Consider request by Arlin's Aircraft Service, Inc., to transfer the non-commercial land lease on parcel 171 to Brandon Wilson for the purpose of relocating hangar 178 to this parcel

Mr. Sprenger said due to the complication along with relocating an existing hangar, we determined it would be best to come back with the entire plan. The new location isn't an issue. We want to know the complete story. All agreed to table the request.

9. Consider two-year extension of on-airport rental car agreements

Mr. Sprenger said we did something similar with concession agreements. With all the upcoming changes due to the terminal expansion, it makes sense to continue as is for another 2 years. After the expansion, we will have room for a fourth operator. That makes the process more conducive to accommodating interested parties. There is no space to give right now. The expectation is that the bidders would be the current companies. We have letters of requests from all tenants for the extension.

Mr. Switzer asked if this is ok from a financial standpoint. Mr. Sprenger said this doesn't change anything. Rental car companies will need to work with the construction during the expansion.

MOTION: Mr. Switzer moved to approve the request to extend the on-airport rental car concession by two years. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

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

Mr. Humphrey said there were 11,061 total tower operations versus 10,980, which is up 1.6% from last year. Rolling 12-month operations were 127,641. Corporate landings over 9,000 lbs. were 845. Corporate landings over 12,500 lbs. were 832, down 1.5% from last year. There were 35 custom clearances this March versus 24 last March so up 45% and 89 year to date versus 86 this time last year. Total revenue enplanements were 114,816 passengers which is up 6.3%. That brings the total past 12-month enplanements to 1,241,629. There were 111,908 deplaned passengers versus 104,062 which is up 7.5%. Airline landings were 1,035 versus 892 so 16% better. March's load factor with 8.7% more seats was 80.1% versus 82% last March. Avelo's load factor struggled this winter market. Avelo has good load factors in the summer. Fuel dispensed in February was up 1.2% and up 11.2% for the year.

April enplanements were strong the first week. It is starting to taper off. We still plan to end up better than April 2023.

Mr. Humphrey said we had a good Spring Break. We did not overfill the parking lot but overflowed the economy lot and lowered rates to the premium lot to avoid using the overflow.

11. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported more on Spring Break. Spring Break is usually considered the second week of March. However, Spring Break continues throughout the state in different weeks. The 2 weeks following our Spring Break were peaking similarly to our week. We took a closer look because it was interesting to see our parking lot numbers maintain the level for a few weeks.

Overnight cars in March 2024 were 103% of March 2023. Concession revenue for March is at 111% of last March. Overnight cars in April so far are at about 106% of last April. Concession revenue so far this April is 118% of last April.

Mr. Sprenger was in Washington D.C. last month and spoke with our congressional delegation. Mr. Sprenger had good discussions and they were receptive to helping. Staff spoke with the offices of Senator Tester, Senator Daines and Congressman Zinke. Over the years, there has been more money in AIP directed to an earmark program called Community Funding Requests. Representatives have been reluctant to use those funds, but Congressman Zinke's office was in favor of us pursuing those funds. We are not overly enthused because in principle, the idea of ear marks takes away funding from the FAA discretionary funding. We quickly put in a request for Fiscal Year 2025. We will see where that goes.

We haven't received an official letter yet from the FAA about their maintenance of the future MALSR (Medium Intensity Approach Light System with Runway Alignment Indicator Lights) for Runway 30. We have communicated to them that we will use whatever means necessary for the FAA to take that over since they are good at it with MALSR's across the country and of course ours on Runway 12. The response has been delayed so it must be in discussion.

Mr. Sprenger was in Seattle last week speaking with our FAA regional administrator and director of airports. Although they are a different side of the FAA, they can provide support.

We are still funding the tower staffing in the first and last half hour. There have been a couple days with zero operations during those periods, but most have air carrier operations.

The Enabling Phase has started for construction for the United baggage service office relocation. Gate A2 will be removed from service next month and moved to the existing area through the summer leaving us with 11 gates. After summer, we will have 10 gates through the first phase of construction. We don't anticipate issues going from 12 to 10 gates but we will keep an eye on it.

We are working with the FAA on navigational aids. The Runway 30 extension will be changing some approaches. The publication date for the new approaches is scheduled for October 2025. The Special Authorization Category II approach on the 1-2 end is set for a publication date of January 22, 2026. That brings our Special Authorization Category II approach down to 1200 feet horizontally and 100 feet vertically. The past month has seen more weather impacted diversions than we have seen previously.

Taxiway F and service road relocation starts this Monday. Mr. Sprenger pointed out the location of the first phase on the map. The second phase is another 2 months. We will be busy with Knife River.

Mr. Sprenger showed the locations of other upcoming projects. One of the projects will require an early closing for air carrier operations. We plan the closure to be 3pm-11pm for construction. We will be working with airlines on that. We are too busy to squeeze in projects to the runway between operations.

We are doing some management training on policies and procedures on Tuesday next week. The employee handbook and personnel management policies are out of date, so we are working with an HR legal consultant on revisions. That will be shared when available.

Mr. Mathis mentioned that last Monday Brian was a speaker at the Bozeman Kiwanis, and it was the best presentation he has ever given.

12. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

13. Adjourn

The meeting was adjourned at 2:46 p.m.



Ted Mathis, Board Chairman