

The regular monthly meeting of the Gallatin Airport Authority was held April 12, 2018 at 2:00 p.m. in the Airport Conference Room. Board members present were Carl Lehrkind, Kendall Switzer, Ted Mathis, 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.

Carl Lehrkind, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

**1. Review and approve minutes of regular meeting held March 8, 2018**

Mr. Lehrkind asked if everyone had received their copy of the minutes and if they had any corrections or additions.

Mr. Kelleher had one correction: Page 6 second paragraph should say 33 years instead of 25 years.

**MOTION:** Mr. Kelleher moved approval of the amended minutes of the meeting held March 8, 2018. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

**2. Public Comment Period**

There were no public comments.

**3. Consider Architectural Services Selection**

Mr. Sprenger said four firms were considered. All are capable firms. The decision was hard. The selection committee and staff are unanimously recommending Comma-Q.

Mr. Switzer said it took a lot of time to go through all the firm's work and he extended a thank you to all who put together the proposals.

Ms. Stelmak said all the proposals were extensive and impressive and all the firms are well qualified. She thanked all the firms for their time.

Mr. Keller said they are all good firms and thanked them for their hard work.

**MOTION:** Mr. Mathis moved to approve selection of Comma-Q to provide architectural services. Mr. Kelleher seconded the motion.

Mr. Lehrkind echoed other's comments. He said we are lucky that every one of the bids was very impressive. It was a difficult decision.

All board members voted aye. The motion carried.

#### **4. Consider Final Review of Rocky Mountain Rotors Plans and Exterior Specifications for Hangar ER7**

Mr. Sprenger said all received the exterior specifications and plans. The colors were not available when the board packet went out.

Mark Taylor of Rocky Mountain Rotors presented their proposed colors. Jason Hicks of Hicks Engineering was also present with Mr. Taylor. Mr. Taylor said he has been working with Bridger Steel. Bridger Steel has a buyer in Big Timber to purchase most of the siding that Mr. Taylor will not be able to use. Mr. Taylor said Bridger Steel has found material that is more of what we are looking for. Mr. Taylor described it as more of an earth tone grey. The color was passed around. Mr. Taylor said it looks lighter in the sun. Mr. Mathis clarified which portions of the hangar would be this color.

Mr. Taylor said he is stuck with some of the darker grey material and they will use it as trim instead of the black and as a wainscoting on the bottom of the building. Mr. Mathis clarified that the larger part of the hangar would be the lighter grey and the office would be the slate grey. Mr. Taylor said that was correct. Mr. Mathis asked if there would be any black,

galvanized or chrome on the office. Mr. Taylor said no. Mr. Taylor presented a drawing of the building and pointed out where the various colors would be located on the building.

Mr. Mathis asked what color the roof of the office would be. Mr. Taylor said it would be the same as the hangar. Mr. Mathis said the roof of the hangar can be galvanized since its flat. Mr. Taylor said they don't want to chance any reflection off the roof.

**MOTION:** Mr. Switzer moved to approve the Plans and Exterior Specifications for Hangar ER7 with the condition that the exterior colors are what were presented. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

Mr. Taylor asked if there was anything related to the site plan that needed discussed. Mr. Lehrkind asked that he work with Mr. Sprenger and staff on that.

#### **5. Consider Hangar Exterior Color Palette**

Mr. Sprenger handed out a more accurate print out of the color palette since the colors were different on the copies that were mailed. The intention is to give direction to prospective hangar owners and designers. It doesn't change the ultimate decision from the board but gives direction on what to choose. They will still need to bring in the actual color sample for approval.

Mr. Lehrkind asked about the proposed terminology and whether he thought it needed to be more specific on certain language like specifying Sherwin Williams and the color palette. Mr. Sprenger said if we go in that direction we will specify the palette.

Mr. Taylor of Rocky Mountain Rotors asked to speak. Mr. Taylor said he took a photo of the color palette being proposed and showed it to the people at Bridger Steel. Bridger Steel said there are many colors out there and they can special order and special paint anything.

He said the majority of the colors on that palette are a special order. Bridger Steel recommended to Mr. Taylor to have airport staff come and get samples of the main stock items that would not be a special order and cost more.

Mr. Sprenger said the additional challenge is that different manufacturers have different standard colors. Many times we thought we had it all set up and then a different manufacturer is used and their colors are different. We can utilize Mr. Taylor's suggestion but we will still have variances and will want to make the final decision.

Mr. Switzer said this was supposed to make things simpler and now it's harder. Maybe we are going in the other direction. It is important to control the overall color scheme. A range is nice so people can feel comfortable coming to the board for approval. But you still want to allow them the latitude to have their own design to some extent.

Ms. Stelmak said she agrees. A range of colors should make it easier. For people to go through the process and then have to change it involves a lot of time and money. Ms. Stelmak recommended tabling this discussion for another time when we have more information available.

Mr. Mathis said he went online and looked at two of the most commonly used manufacturers, R&M Steel and Bridger Steel. He thinks it is simple to see that there are a few of those on either one that would be acceptable. For example, Tan and Sahara tan. They have done trim work in a dark brown or bronze. Both manufacturers had something like that. The color palette range is too different. Mr. Mathis said if it was narrowed to two colors by the steel companies that would make it easier. He said he had no problem with tabling this until we have something more definitive.

Mr. Switzer said that if we list a specific color and manufacturer we box ourselves in. He said give them a rough range and use the actual sample so the printer doesn't mess things up. Then if their color matches the range they have a better comfort level.

Ms. Stelmak said we would put those selected colors onto a color palette so they know to work within that scheme.

Mr. Sprenger said it would be very easy to say what the approved colors are from a couple different companies. If they choose a different manufacturer but it is close to those colors, they are more likely to be approved. Mr. Sprenger will continue work in that direction.

**6. Consider Request by Mr. Mickey Lessley to transfer his non-commercial land lease on hangar #49 to Mr. Mark Kossler**

Mr. Sprenger said Mr. Kossler has a Cessna 182. Mr. Kossler wants to come back next month and request some improvements to the hangar. He will be requesting then to put in a concrete floor, extend the back about 8 feet and bring gas, power and water to the hangar.

The rent is current and staff recommends approval.

**MOTION:** Mr. Mathis moved to approve the request by Mr. Mickey Lessley to transfer his non-commercial land lease on hangar #49 to Mr. Mark Kossler. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

**7. Consider Itinerant Aircraft Parking rate adjustment effective July 1, 2018**

Mr. Sprenger said Denise McCarthy would be presenting information on this item.

Ms. McCarthy said they are proposing to increase the tie down fees effective July 1, 2018. Landon Burgwin, current Airside Operations Manager, and she worked together at the Yellowstone Jet Center a couple years ago. They saw the larger aircraft parked on the ramp overnight especially on the busy charter weekends. Right now the fee is structured in a way

that a Boeing 757 pays the same as a Gulf Stream 5, which doesn't take into account the amount of ramp space that each aircraft requires. Currently the ties down rates are based off a three tier system. With the proposed increase, a larger aircraft would pay proportionately more to account for its larger footprint. Ms. McCarthy and staff reviewed the charges at other airports. While other's charges would still be significantly more than what we are proposing, we still recognize the value of the smaller GA traffic so their rates will remain unaffected.

Mr. Lehrkind asked when the last time these rates were updated. Mr. Sprenger said not since they were first instituted over a decade ago.

Mr. Mathis said he is ok with the change. He thinks it is a little light still. He would like to see the board and staff to consider lowering the minimum landing weight for landing fees. A person in a Phenom jet pays nothing for landing and someone in a Leer jet does. They are pretty close. Mr. Mathis thinks the minimum should be about 8,000 lbs. instead of 12,500 lbs. They both demand the same services, for example if there was an accident. They are accustomed to paying elsewhere. Mr. Mathis said he was surprised when we considered all the jet traffic we had in February, over 700 landings, and the total landing fees were approximately \$46,000. He doesn't think that is appropriate. Mr. Kelleher said he agrees.

Mr. Switzer said that makes sense to him, too, and asked if we should include that in the proposal. Mr. Mathis said they are different because the proposal has to do with overnight fees not landing fees.

Mr. Sprenger said we had that consideration several years ago. One of the challenges at that time was that we did all of the direct billing. The amount of time that took was a challenge. Now the fixed-base operators (FBO's) collect that for us. They take a small cut but

it eliminates our staff time. That creates more of a reason to look into it. That will be brought up at another meeting.

**MOTION:** Ms. Stelmak moved to approve the Itinerant Aircraft Parking rate adjustment effective July 1, 2018. Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

**8. Consider Advertising in the Terminal rate adjustment effective July 1, 2018**

Mr. Sprenger introduced Lisa Burgwin to present the information. Ms. Burgwin said they are proposing an increase in the space rent for some of the advertising options in the terminal. With the limited space and the increase in exposure as passenger numbers continue to grow, they feel an increase is warranted. The last rate change for advertising was in 2013.

The proposal includes the following changes:

Brochure space rent from \$210 per year to \$225 per year

Display case rent from \$120 per month to \$135 per month

Baggage claim sign space rent from \$135 per month to \$150 per month

There are 37 spots for the baggage claim signs. That space has a waiting list of 100 businesses. The display cases, which there are 10 of throughout the terminal, has 36 businesses waiting. Staff feels the rates are still low but equitable and may allow an opportunity to advertise to some of the newer businesses who have been waiting years to do so.

Ms. Stelmak said she thinks the increased rates are still too low. She said we have such a low supply and high demand, plus the increased exposure, she thinks these rates should be further increased.

Mr. Kelleher said he published a newspaper in Big Sky for 20 years. He had indoor and outdoor display advertising. In his opinion, these rates are still too low. For example, the brochure space should be increased from \$225/year to \$365/year. That makes it \$1/day to have your brochures in that rack which is extremely cheap. Mr. Kelleher had 8 display cases in various locations in the 1980's. The \$135/month increase for the size of display cases that we have is low. He thinks those should be a minimum of \$200/month. The baggage claim signs at \$150/month are way too low. That is a high visibility area. He thinks the minimum should be \$250/month. Every wall and brochure space is a captive audience in our terminal. Mr. Kelleher's display cases at the mall at Big Sky during ski season were \$500 for the season, each slot. That is why the baggage claim sign demand is so high. People know that is a hot spot for advertising. Mr. Kelleher said his suggestions are still low.

Ms. Stelmak said she agrees with the brochure and display case but thinks the baggage claim is still too low at \$250/month.

Mr. Kelleher said you could double that figure and it would still be paid.

Mr. Mathis asked the staff for their considerations. Mr. Sprenger said when you do a sudden big adjustment there will be push back. Long term people will be concerned. These are local business. It will gravitate towards certain businesses and away from others. For example, the baggage claim will then gravitate towards real estate.

Ms. Burgwin said she thinks that small, local businesses would probably be priced out. That would leave us with a wall of real estate companies, hotels and car dealerships. The ads there are almost like artwork. Some small unique businesses that give you a feel for the area may be priced out.



Mr. Mathis asked about the plan for the video monitors that will be going away. Mr. Sprenger said that Montana PBS will discontinue on May 15, 2018. The monitors will remain but they will be baggage information signs indicating what flight is being serviced at that baggage carousel. There is some opportunity for advertising on those but their primary purpose is informational when the passengers are there. When the passengers aren't there is when there is an opportunity for advertising but that doesn't work well.

Mr. Mathis asked if the United Airlines sign will go away from the baggage claim. Mr. Sprenger said yes it will.

Mr. Switzer thanked Ms. Burgwin for her research and presentation. He said he agrees. Our airport is unique. While traveling he started looking at all the signs at our baggage claim. They are wood and very nice. They are in some ways a reflection of the community and the diversity of business. It made him feel good. He wouldn't want to do anything that would change that. At most other airports you stand at baggage claim and it is very sterile. He watched the PBS channel at ours. The flavor of Montana was there. We provide an experience. He would like that to stay in some form even though the PBS is going away.

Mr. Kelleher said the boutique element of our airport is apparent as soon as people step off the airplane. He kept the prices lower than they would have been up in Big Sky. For the baggage claim, a cost of \$250/month or \$8/day for exposure of that magnitude is inexpensive. We are not going to change the size of the signs. You could double that price and get it from some companies. The fishing and guide business is charging \$500 a day to float down the Madison. It is all relative to the needs of the business to be in that location.

Mr. Mathis said he sees the concern about raising them too high and too fast. It may make sense to do this gradually perhaps once a year over the next 3 to 4 years.

Mr. Switzer said he likes that better. Businesses could plan on that.

Ms. Stelmak agreed. She said keeping with the character of the airport is important. She likes the idea of stepping it up over time so maybe we could retain some of those other business sources that are a part of our environment.

Mr. Lehrkind asked Mr. Sprenger to come back later with a 3 or 4 year plan.

**9. Consider increasing free parking in the Pay Parking Lot from 30 minutes to 60 minutes**

Mr. Humphrey reported that a security directive came out a few months ago. One of the issues it addresses is unattended unauthorized curbside vehicles. At other airports you can't even idle curbside. We are a little different here and would like to keep that if possible. They are asking that we step up the security posture curbside and remove vehicles that are unattended. We have a lot of shuttles that do that. We have travelers who don't come here often and come in to meet their people they are picking up. We have nowhere to put these types of vehicles. Instead of having them orbit around the terminal, we thought the best approach would be to encourage them to park. We currently have 30 minutes free. If we increase that to 60 minutes free, those shuttle drivers that want to meet and greet can do that. Or they are welcome to stay with their vehicle curbside.

We have talked with Republic Parking on this and done some calculations. They figure the revenue loss to us will be about \$68,000/year. We also worked on adjusting the hourly rate to re-capture that lost revenue. It could be revenue neutral if we keep the daily rate what it is and increase the hourly rate after that one free hour. The increase would be from \$1/hour

to \$2/hour for the long term lot and from \$2/hour to \$3/hour for the short term parking lot. That would recapture revenue from those that leave the car and have someone else come pick it up later in the day.

The other issue is that we have 54 authorized transportation providers for shuttles, taxis and vans. From our perspective, it is a balancing act to remain hospitable to the drivers. This adjustment shouldn't put too much pressure on the parking lot. If you are parked less than 60 minutes you can use the automatic lane to exit. The traveling public won't notice much because the daily rates aren't changing.

There is no good alternative other than having drivers orbit the parking lot. You can get 8 cars on the public side for pick up. Then you have the shuttle drivers on the other two curbs and it is a rodeo at certain times. Hopefully we can educate the public and the shuttle drivers. This proposal frees up the curb. At some point in time in the near future, we will have to disallow even idling at the curb.

Mr. Switzer said it is interesting because when you go to other airports they don't allow idling. Then you come here and it is a zoo. He thinks we need to do something about that. We are the largest in the state and we can't get our parking right. He thinks this is a great proposal. He thinks we now need to address how we handle parking in front of the terminal.

Mr. Sprenger said they ticket unattended vehicles regularly. But it does exist. One person handling the curb is almost impossible. The majority of the space is taken by people who are attending the vehicle. We have allowed that. The challenge is to keep people moving exacerbates the problem.

We are one of the more unique airports in terms of curbs. We have a very significant local population and touring public. Our curb space is at a premium because of the dual needs. We can go out and keep people moving. Many of us are out there over the holidays. As soon as they leave the curb for a second people are right back doing what we don't want them to. A lot of passengers are here one time in 5 years. They have no idea what is going on. Then you have others who fly regularly and know what they can get away with.

This proposal allows us to tell people that they cannot park there but also provides the opportunity to promote that we are the one airport in Montana with 1 hour of free parking. We can promote that in the media and also when we tell people to move their car.

From a public safety standpoint, we have a lot of requirements.

Another challenge is that at nighttime, especially in the winter, no one wants to leave their car parked in the lot. We are trying to come up with solutions that will move us closer. We will have to continually increase that attention on the curb. When we push people into the parking lot that will train them that that is where they need to go.

Another concept was switching curbs and putting shuttle on the inside and the public out on the third lane. But then if you have people double parked in the third lane you block the departure lane. At some point we may force all vehicles into the parking lot. That will be a challenge for some passengers. We are at a point where we want to be Bozeman, Montana but we can't be anymore. The challenge is finding the transition.

Mr. Mathis said this is a good first step. He was looking at the curb before the meeting. The rental car people are having to park and walk far away. But, a number of rental car employees are parking at the curb to go in and out. He saw 3 of them there in a period of

fifteen minutes during the noon timeframe. That is inexcusable. He knows it is a hassle to try to enforce it. Mr. Sprenger said they have been ticketed as well.

Mr. Mathis said he thinks we need to do an advertising blitz not just locally. You see cars from all over like Twin Bridges, Townsend, and Big Timber. Maybe the advertising needs to go as far as those outlying communities. Mr. Sprenger suggested hometown newspapers in those areas.

Ms. Stelmak said she agrees with the discussion and that we need to get people off the curb. The noon time is the biggest offender. Maybe we have to designate staff to be there on a daily basis during that time. Along with the advertising campaign, we need to increase the airport signage. She is a proponent of this change.

Mr. Kelleher said he agrees with this and asked what TSA's role is in enforcing curbside. Mr. Sprenger said up until this security directive they said that it was our problem and they wouldn't interfere. They have concerns from things that have happened at other airports. We are not enthused about them telling us what to focus on. But they also look out for potential danger and threats. Each airport will be different. Their first attempts were cookie cutter. Their first was to not allow public access to the baggage claim. TSA is now more collaborative than they once were. But this is a security directive that is going out nationwide.

Mr. Humphrey said every airport that has commercial service has an airport security plan and these directives go into that. They force it into your plan and then you are responsible for enforcing it once it is in print.

Mr. Kelleher said he parked in the short term lot recently. There was someone enforcing the parking at the curb. He was up and down the aisle making people move on a

Saturday night. Mr. Kelleher said there were some unfriendly exchanges and a lot of it was due to feelings of entitlement. It was aggressive but sometimes it has to be. He thinks the idea of having an hour of free parking and properly giving notice is a good idea. He thinks it is a good solution and hopes that we have enough room.

Mr. Sprenger said the key will be getting the word out. They can still complain but at least we are offering a solution. The front row of the parking lot doesn't allow overnight parking for that reason. It is essentially the fourth curb we are letting people park at for free for an hour.

**MOTION:** Mr. Kelleher moved to approve increasing free parking in the Pay Parking Lot from 30 minutes to 60 minutes and the rate adjustment to the hourly rate as proposed by staff. Mr. Mathis seconded the motion.

Ms. Stelmak emphasized that the advertising, signage and staffing must be increased simultaneously.

All board members voted aye. The motion carried.

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

Tower operations for March 2018 versus 2017 were up 13% at 7,558 versus 6,687. That puts our rolling twelve-month operations at 77,098. Corporate landings were up 27.9% at 577 versus 451 and year to date we are 37.4% above. Total enplanements were 59,660 which are up 15.9% from March of last year. Our twelve-month rolling enplanements are at 619,400. Total deplanements were up 18.9% at 57,873 versus 48,672. Airline landings were up 7.2% percent at 629 versus 587. Airline load factor was down slightly at 85.8% versus 86.4% with 17.5% more seats. Fuel dispensed for February was up 3.9%.

We have 10% more seats in April. Looking at the load factors we should end up around 8% to 10% better. May will be a different story with the runway closure.

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

Mr. Sprenger reported that Delta's mainline average aircraft size during the month of March was 178 seats. They filled 157 of the seats. That was busy.

United has loaded daily service to San Francisco for the summer and next winter. They also added that service for October, November and the beginning of December. San Francisco is getting very close to year round daily service. But that could change. Last year they added October and then backed it off as they got closer.

Frontier has extended their schedule into early November. They have extended their service into Bozeman an additional month over last year.

We have had continuing discussions with JetBlue. We have passed them onto our community partners. They are looking at a potential revenue guarantee. They are 90% of the way there. We expect seasonal summer and winter service to Long Beach probably twice a week.

Mr. Kelleher asked about Logan. Mr. Sprenger said the hope is that if we can get JetBlue into our market and they do well, they are a primary candidate for Boston. Southern California gets them into our market at a low risk then we can look at connecting to other hubs.

We had our FAA certification inspection last week. We passed it well with only one minor write up. It was on training of one air movement area employee for one of the FBO's. It appears that we will soon become upgraded to Airport Rescue and Fire Fighting (ARFF)

Index C. While we are currently Index B, we have been meeting the requirements on Index C, but have not published it. We expect the upgrade may happen as soon as this fall and will require additional redundancy in ARFF Trucks. We are talking with the FAA about potentially getting discretionary funding for another ARFF truck. If we get the extra truck we would maintain our old truck and put it in the old fire station where it still fits.

We will have a Runway Safety Action Team / Tower Meeting. It is tentatively scheduled for Wednesday June 13<sup>th</sup> at 7pm.

We are out to bid for jetways 1, 2 and 3. We would open bids at the May board meeting. That bid is set up to consider all, each individually or none. The one we absolutely have to take care of is bridge 1. Bridges 2 and 3 require significant investment one way or another.

John Delzer will be breaking ground soon on the car condo that was approved last year.

We have the General Contractor Construction Manager selection next month. We will need 2 board members on May 3. Whoever is willing to can let him know.

Next week is the AAAE conference.

## **12. 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. Kelleher seconded the motion. All board members voted aye and the motion carried unopposed.

## **13. Adjourn**

The meeting was adjourned at 3:22 p.m.





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Carl Lehrkind, Chairman