

The regular monthly meeting of the Gallatin Airport Authority was held September 13, 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, 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 August 9, 2018**

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

**MOTION:** Mr. Kelleher moved approval of the minutes of the meeting held August 9, 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. Yellowstone Forever Update**

Mr. Sprenger reported that Yellowstone Forever has a new retail management team.

Wayde Austad, Director of Retail, came to the podium. He passed out copies of the 2018 Park Project Book. They have 12 stores and he believes the one in the airport needs to represent Yellowstone National Park better. He's lived in West Yellowstone for four years.

Mr. Austad said this non-profit organization raises revenue to support the park, not their own growth. He was brought in to create operational efficiencies within the retail

system which is one of their fundamental arms. Their first priority is education through the institute because they are the official non-profit partner of Yellowstone National Park (YNP). They have many maps at the airport for staff to promote and provide information.

Along with education, part of their mission includes philanthropic efforts to support YNP with unrestricted funds. 87 cents of every supporter dollar goes directly to unrestricted projects. The profit through retail is also directly unrestricted.

One of their goals in the airport has been to capture the most seats possible. They have adjusted their hours to be open 9am to 8pm. Those will be the hours through the end of September and then they will reassess.

When people come back to the airport they have already visited the stores in YNP. They stop in and share stories and experiences. Then they are connected to Yellowstone Forever. This is one of their flagship stores. Mr. Austad extended the greetings of Heather White their CEO to the board. They are gearing up for YNP's 150<sup>th</sup> anniversary. Ms. White is engaged in preparing for that.

Mr. Kelleher asked about the store hours at Canyon. Mr. Austad said they are limited by the visitor center's hours. YNP dictates that they close at 6pm. Last year it was 8pm. There is not a store at Lake Hotel. Xanterra runs the gift shop there. Xanterra does offer supporterships there. Mr. Kelleher said he is a member and he spends a lot of time in the Bridge Bay and Lake areas. He thinks the lobby would be a great place for a store.

Mr. Austad invited Mr. Kelleher to come with him. They are looking into a store in that area.

Mr. Kelleher had emailed Mr. Sprenger to find out what would be the difference in traffic if the store opened at 8am in the airport instead of 9am. Mr. Sprenger said the difference would be almost nothing since that is a slow period. An hour at the end of the day from 8pm to 9pm could increase by about 4% total passenger count. But that time slot also includes flights that are less tourism oriented and more local Bozeman passengers. Mr. Sprenger said 23% of our passengers pass through the airport from 12pm to 1pm. Traffic does vary by season and they are working with the store on that. Flights arrive earlier in the evening in the winter and in the summer there are more late arrivals. Airport staff is pleased they have extended the hours as they have.

Ms. Stelmak said she travels a lot and hears customers talk. Even if they are not making retail purchases, the awareness of the store and the store front is strong. It may not reflect directly to merchandise sales but the awareness is being created.

Mr. Switzer said YNP is precious to us too and thanked Mr. Austad for his work. Mr. Switzer asked if there is anything else we can do to help. Mr. Austad said yes there is but they don't have it all flushed out yet. They are looking into more displays in the airport. There are opportunities that with their depth of photos, knowledge and information they can help show it off. They will present that when they are ready. Mr. Switzer said he thinks that is great. Our airport has a unique flavor and would like it to reflect our community. It is important for passengers to realize they are in some place special when they land.

Everyone thanked Mr. Austad and his staff for the presentation.

#### **4. Consider proposal by Republic Parking to upgrade Pay Parking Lot Equipment**

Mr. Sprenger reported that we have a proposal from Republic Parking. Mr. Sprenger said Bob Linehart from Republic was present to answer questions. Mr. Sprenger said we generate \$3.5 million per year in parking revenue. We keep about \$3.1 million and \$400,000 is used for operation of the parking lot. We keep about 88% of the revenue.

Our equipment is now about 10 years old. We need to look at replacing existing equipment and getting new equipment. Republic has a proposal for equipment they have used at other airports that works well for them. They would coordinate the installation.

The overall cost is \$483,000. \$350,000 of that is to update existing equipment. \$130,000 of the total is to add additional equipment. Staff proposes reducing our take for a year to pay for that portion. It is our equipment so if we want to change vendors at some point we can.

We would like to add parking equipment at the employee lot which is used as overflow during Christmas. It would give us more control over the lot but also generate revenue during Christmas. Republic has offered to cover that \$47,000 cost if we agree to a 2-year extension on the existing agreement.

Mr. Linehart had told Mr. Sprenger that out of the \$410,000 they generated; \$110,000 was for snow removal so that is 26% of their revenue. Last year was one of the exceptional years; generally they are around 9%. Republic has asked about capping that so they don't have as much risk for severe loss as they did this past year. The amount they would like it capped at is almost double their previous 2-year average. If they go over we would ask for invoices to validate. Republic has also asked for a labor adjustment to be

more competitive in the labor market. They have good staff and have been able to keep them and we would like to help them with that.

Staff feels the proposal is sufficient. We believe the 2-year option is a good one. We estimate a 4-year payback if we paid for it ourselves. We lost \$10,000 in revenue over Christmas because we didn't have the revenue collection ability.

Bob Linehart, Senior Vice President of Republic, came to the podium. He knew the equipment was on its last leg 3 years ago when they started here. Staff does a lot of great work on it. The equipment has had more downtime and it is more expensive to maintain. The proposed system is at 32 airports around the country. They love being here so they would like to extend the contract.

Mr. Mathis asked if we can be assured that all the equipment is new out of the box. Mr. Linehart said yes.

Mr. Switzer asked Mr. Linehart to comment on the labor market. Mr. Linehart said this is a tough labor market. They have 2 openings right now they are covering with overtime. Mr. Switzer said he is seeing it too. He said if the market keeps moving the way it is, Mr. Linehart will have to come back and ask for more. Mr. Linehart said they have only asked once before and they would come back and ask if they needed to. They love to hire folks who are smart with math and numbers who would like to sit down on their job. They have been fortunate to find some retired people. Mr. Switzer confirmed the \$1/hour offset is what they need. Mr. Linehart said regional asked for \$2/hour but he thinks \$1/hour is ok for now.

Ms. Stelmak complemented them on the quality of their staff. There are peaks and valleys here and they handle themselves well. It is a very important source of revenue and she is in favor of supporting it in any way we can.

**MOTION:** Ms. Stelmak moved to approve the proposal by Republic Parking to upgrade the Pay Parking Lot Equipment. Mr. Mathis seconded the motion.

Mr. Lehrkind asked how the parking garage will affect this. Mr. Sprenger said it will just be another lot they manage. It will be automated but they will still have to maintain the equipment. They will not have to plow the parking garage.

All board members voted aye. The motion carried.

**5. Consider issuing a Request for Proposals for an On-Airport Recreational Vehicle Rental Concession**

Mr. Sprenger said Jonathan Distad is proposing to offer an on airport recreational vehicle (RV) rental concession inside the terminal. There are some steps they would have to go through. There would be a 10% concession fee on revenues and a \$150,000 minimum annual guarantee. It is a new endeavor so we are reluctant to do any buildout so that would be capped at \$20,000 if needed and it would be deducted from the minimum annual guarantee on the first year. There are land requirements for parking of the RV's and staff feels a portion of the new credit card lot would be sufficient for that.

The proposal is to issue a Request for Proposals (RFP) based on those parameters. That would include a review of the business plan and financial parameters. It would allow for other interested parties as well. There is no guarantee Mr. Distad would be the successful entity. At this point we are not aware of other interested parties. There are

several RV rental entities in the area. We can't ignore a potential \$150,000 revenue generator.

Mr. Distad, CEO and founder of Black's Ford, came to the podium. Mr. Switzer thanked Mr. Distad and said he thinks this is a cool idea. Mr. Switzer said these RV's are bigger and we need to think about how they will get around the airport and parking areas. Mr. Sprenger said the new credit card parking area will be segregated into sections. We have flexibility for bigger vehicles and then they would not have to come to the terminal curb. They would have the option to come to the curb but Mr. Distad had said they would like to assist their passengers right to the vehicle. Mr. Switzer said as a guy who has done this in another country it can be a disaster so we need to think it through. Mr. Distad said their goal is to meet the passengers when they arrive and assist with baggage. They will be a paperless company. All onboarding will be done online and they will get certified on the vehicle. The longest vehicle is 24'. They will all be brand new. The space they would like is for a lounge for people waiting for the vehicle. Everyone who rents with them gets a free national park pass.

Mr. Switzer asked about propane and dumping. Mr. Distad said they will have an off airport facility for that. The vehicles will be diesel so there will be no LP.

Ms. Stelmak said she was also worried about the vehicles driving around the airport. She looked online at the Class B and C vehicles. Ms. Stelmak said since that this has to go out for RFP, we may want to specify the quality of product that would be provided.

Mr. Lehrkind asked Mr. Distad about his experience. Mr. Distad said he has never operated something like this at another airport. This endeavor came from him trying to rent

an RV this summer for his family and he couldn't find one. He talked with Winnebago and Mercedes. They now have dealer status with both entities. Everything they will be doing will be technologically focused. He has found customer service to be poor in this industry both renting and buying. Chris Leonard will be COO. Customer service will be paramount.

Mr. Lehrkind asked about the timeframe. Mr. Sprenger said they have been working on the RFP in anticipation of this being approved. They could get it published probably in the next week or two. The latest would be at the November board meeting for review of the proposals.

Mr. Distad said, if they were awarded, they foresee a May or April launch since this season is over. Mr. Distad said 80% of rentals are booked between October 15th and January 31st. Most competitors are already sold out for key weeks next season.

Mr. Kelleher asked about the number of units they are planning to have. Mr. Distad said they are looking to have about 50-70 units. They need 90 days for delivery. They will take reservations and then put in their order with Winnebago. Based on their competitors and their customer service they think that is a healthy range. Rentals will be capped at 5 to 7 days. There will probably be peaks from Thursday to Monday. They do not anticipate winter service at this time, so the units will be transferred to a location to be sold most likely.

Mr. Distad said their maintenance facility will be off airport. They will be a warranty Winnebago repair facility and will have a contract with the Freightliner repair center in Belgrade. Not all 50-70 units will be on the airport. They will be requesting space for 10.



Mr. Kelleher confirmed there would not be any kind of walk up service. Mr. Distad said it would be rare that someone would just walk up and want to rent one. He said their competitors are generally sold out by Christmas for the following year.

**MOTION:** Mr. Switzer moved to approve issuing a Request for Proposals for an On-Airport Recreational Vehicle Rental Concession. Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

**6. Consider concurrent requests by Arlin's Aircraft to amend its commercial land lease on hangar #4 and Signature Flight Support to amend its commercial building and land lease on hangar #2/3 to include removal of existing hangars by December 31, 2020, a leased area re-alignment with a 5-year development period beginning January 1, 2021 to construct minimum 18,000 square foot hangars upon which new lease terms would be offered, subject to move of Summit Aviation to the Northside by June 1, 2020**

Mr. Sprenger presented an image on the screen of the proposed General Aviation (GA) ramp realignment. Both leases are up for renewal or expiration. We are looking to maximize the space for this area. There is the potential to realign the roadway for maximum space for hangars. That would be an airport cost.

Mr. Sprenger said the current road design is not serving the airport the best. Staff thinks this is a one-time opportunity. There would be a slight increase in land rent revenue. We would extend the leases until 12/31/2020 for three hangars to allow them to remain but not offer an extension after that. During that time the existing hangars would have to be removed. Arlin's and Yellowstone Jet Center (YJC) would remove at their expense. On January 1, 2021 they would have the ability to redevelop their areas. That way they are on the sides they would prefer. During the next 5 year period, it would be expected they would construct a minimum 18,000 square foot hangar.

We plan to correct some lease line inequities. Subject to completion of the new hangars, we would offer new lease options with a 20 year term and 10 year option. We would also include an option that would include a 10 year extension on a master lease. That is at the request of YJC.

None of this works if we don't get Summit and Gallatin College operations to the north side. One hangar is getting close to the 50 year mark. It could be historical. That hangar is going away and we want to make sure there is an opportunity for them. That is on the next agenda item.

Representatives of the various entities were present.

Mr. Mathis asked if any of the entities wanted to come up. Eric Hill with Signature Flight Support came to the podium. He said they are happy to be moving forward. They have tried to make this mutually acceptable. The next item is the build out of the other hangar for Summit Aviation. They have appropriated money for that and would like to get rolling.

Mr. Switzer asked Mr. Sprenger the cost for moving the road. Mr. Sprenger said it is approximately \$650,000. Because all of this is tied together, it is over \$2 million in the next agenda item for a total investment of \$3 million to make this happen. It is in alignment with the master plan. We have carried it in the budget for a number of years.

Ms. Stelmak said she drove around the area. She thinks the new road will be so much more efficient. This is very contingent on Summit getting to the north side. With both FBO's in agreement she thinks it is a wonderful plan.

Mr. Mathis commended both FBO's for working with staff on this. He said he thinks it is a good plan overall and will service the flying public for quite a while. He said it is important to remember that the ramp will remain public. If someone wants to park for the day they can and that is critical for GA. Mr. Mathis' big concern is the road. He doesn't think it is necessary. \$650,000 doesn't need to be spent there. He said a couple crosswalks could be added and overflow parking could be moved. He said maybe \$50,000 in crosswalks and lighting would accomplish the same thing. He thinks this will become a ¼ mile speedway for the rental car employees. Even though the current road design is not as convenient, it serves a traffic calming purpose. The time to tear out and move utilities will be significant. We show a possible 100 x 100 hangar where the house is now and he thinks that should be parking. Vehicle parking in this area is a mess. Mr. Mathis recommends approval without the expenditure of the road. With the additional rent that will be collected, the road would require a 36 year payback. That does not include maintenance, overlays, etc.

Mr. Switzer confirmed that one of the drivers is to make the lot size equal. As we get busier, we have to use every square foot in an efficient manner. The current road does slow traffic but is that the most efficient use of space? Is the only reason to square the lots?

Mr. Sprenger said a big triangle between areas is inefficient. You can't park cars there. We have a limited front line. We are trying to get the largest potential hangars and parking lot space on the north side without redeveloping everything else. That is not to say Arlin's might not want to be bigger. With the existing road, the hangar area cannot be redeveloped. We want to make sure we are looking out long term. We are also trying to make it easy to find things. Snow removal is very hard in this area. The redevelopment can

include snow removal areas and a pedestrian pathway. Parking lots on the south side become available. The parking that YJC is leasing is very difficult to get to. This creates more opportunities for them.

Mr. Lehrkind asked about speed bumps. Mr. Sprenger said you can design the road in a way to calm traffic such as a roundabout. They couldn't do speed bumps because of plowing but they could defer to the engineers on possible solutions.

Mr. Mathis said Mr. Sprenger is not showing the whole project. Mr. Mathis showed a design of the parking changes. He said a roundabout chews into all the parking area and future use. He said he is still convinced it is not a good plan.

Ms. Stelmak said when you look at the area and drive it, the area is complicated and doesn't flow well. She thinks this plan is the most efficient use of the space. We have to hold people accountable for speeding. She is in support of the road.

Mr. Switzer said these are all great points. He said because we are changing the size of the leased property there is a benefit to the FBO's. Could we get more financial participation from them? Mr. Sprenger said we can ask them. Mr. Switzer said he feels it can be a win-win situation but it is expensive and if we could off-set some of those costs, that would be helpful. He respects what Mr. Mathis said but also agrees with Ms. Stelmak. We have to maximize that space. That corner is tough.

Mr. Lehrkind said we wouldn't want to mess up a good plan because of the road. Could we do it later? Mr. Sprenger said the current hangars shown would both fit within the current road. The challenge is that we don't know what they will put there and will they need more parking. We are offering the opportunity. Perhaps the parties involved could

contribute to a portion of the road. They could include the cost in the cost of the hangar. Finding the right number would be hard. They will have site work to do.

Mr. Mathis said it is important to realize what a great offer this is to the two FBO'S. They lease that space at Montana's busiest airport for \$750 per month. If the airport paid for a third of the road he could get on board with that. They have a great deal and provide great reasonable service.

Mr. Sprenger said we can ask the parties and bring it back to the board next month.

Ms. Stelmak said the road is critical to the development of the area. We provide our FBO's with a great opportunity but we also need to recognize they are an important part of our airport. We have two and they are such high quality operators it is important they are supported. If each could pitch in she would be in favor of that also.

Mr. Kelleher asked about the lighting plan for the road. Mr. Sprenger said there would be lighting on the road. Mr. Kelleher asked who would be using it the most. Mr. Sprenger said it would be users of the two FBO's including the general public and employees and rental car traffic. We have taken a lot of the terminal traffic off of that road. There will be access to the control tower, Life Flight and business on the south side. It will be primarily GA oriented. Mr. Kelleher asked if there is adequate space for snow storage. Mr. Sprenger said the more difficult portion is by YJC. Both FBO's have inadequate parking.

The plan is to keep the ditch for storm water drainage. Mr. Kelleher asked how that would affect parking. Mr. Sprenger showed where the additional parking would be. The development includes hangar along with required parking. They would have to fit within the lease lines.

Mr. Mathis pointed out that the areas designated are the maximum allowable buildout. They would only be required to construct an 18,000 square feet hangar. The hangars may end up being smaller than what is shown on the plan.

Mr. Kelleher asked if the FBO's would be able to develop their leased areas for other types of non-aviation business. Mr. Sprenger said they would not; it has to be aviation related which is required of all leases. Mr. Kelleher asked about the vertical height allowance. Mr. Sprenger said they should be allowed plenty of height because we have the tower there.

Mr. Mathis said that is a big concern. The height of the tower is based on the height of the YJC building. If you build those two buildings any taller there is a possibility you will not be able to see all of runway 3 and 2-1. Mr. Bell said we are getting closer to the terminal so it could be higher than YJC. Mr. Mathis said it is something to consider. Mr. Sprenger said it would still have to go through FAA spacing.

Eric Hill said they are likely to participate in some manner. It is hard to have a fee up front. A higher land lease would be a better option. Parking is a huge issue and always has been. Part of their interest as they get to the point of developing is how they can incorporate more parking. They have to beg for money from their board and they have done that. Amazingly enough they are willing to give them \$4 million for the new building. That is based on a negative return on invested capital (ROIC). That only makes sense under the proposal and what they would gain. That is where they are getting their ROIC. They would really like to get that done. It will take them time to negotiate final lease terms. His goal is to have that wrapped up before the end of the year. Whatever we can work out to

move forward, he would appreciate and encourage that and not get hung up on the roadway.

Mr. Lehrkind said we appreciate Mr. Hill standing up and saying he is willing to work with us on this. We all agree this is the direction we want to go but we have to be responsible with the funds. He would like to table this for one month so all the details can be worked out.

Ms. Stelmak asked Aaron Wass with Arlin's if he had any comments. Mr. Wass said he sees the merits of keeping the old roadway . They could work with each road. The new roadway would help expand their parking by the building and adjustment of hangar sizes. There is a lot of money to be spent. They are willing to do something. He is not sure what that might be. Time is of the essence. He is not sure that a month makes a difference but sometimes it does. Movement of the road in the long run is a better option. There will be missed opportunity if the road is not moved. It will cost more to move it later. They can get away with the current road but it is not optimum. Anything we can do to move this along would be great.

**MOTION:** Ms. Stelmak moved to table this and for Mr. Sprenger to meet with both FBO's and come up with a plan to utilize this new layout with contribution from both FBO's to accommodate the price of the road. Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

**7. Continue consideration of request by Signature Flight Support for new ground lease on the north side to facilitate development of a flight school hangar and facility subject to an approved sublease agreement between Signature Flight Support and Summit Aviation.**

Mr. Sprenger suggested tabling this agenda item as well.

**MOTION:** Mr. Switzer moved to table the request by Signature Flight Support for new ground lease on the north side to facilitate development of a flight school hangar and facility subject to an approved sublease agreement between Signature Flight Support and Summit Aviation and submission and approval of site and building plans still to be determined. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

#### **8. Consider land acquisition priorities**

Mr. Sprenger said we are in the appraisal process for a property he pointed out on the map. We have a first right of refusal on another property. There is an additional property being offered for sale that is nearest to the new runway. Staff recommends getting an appraisal on the property. In the long term we are getting closer to being able to relocate roadways and have development if needed in the future. Another accomplishment would be pushing residences further away from the new runway.

Mr. Sprenger will be talking tomorrow morning with Belgrade about a portion of land. It is State land that we have a long term lease on. The State can't do anything with it. They took a proposal for a storage facility. The City of Belgrade denied the request. Neighbors were against it as well. The State has come back and asked if we are interested in conservation easements. At some point we will have to relocate our VOR. This would be a location it could go.

The other potential is expansion of the Belgrade sewage treatment area. If they went to mechanical treatment there is an area for that. He will be meeting with the City of Belgrade to see what their thoughts are.



The State wants fair market value on the lease. Mr. Sprenger is not sure what the FAA thinks about VOR on leased land. We would prefer to buy it but early discussion showed they were not interested. This is not imminent but it could come up quickly.

Ms. Stelmak asked how long the long term lease is. Mr. Bell said it is a right away deed forever providing we remain an airport.

Mr. Lehrkind asked where we are on the purchase of the other property. Mr. Sprenger said we should have the appraisal any day now. Then they will take the appraisal to the owners of the property and see what they are willing to accept.

Mr. Mathis said he thinks it is a good idea to look at the other property as well.

**MOTION:** Mr. Switzer moved to approve the Airport Director negotiating a buy-sell on the Dan and Melanie Korthas property and to bring to the Board for consideration, understanding the Board may or may not approve the negotiated buy-sell. Ms. Stelmak seconded the motion and all board members voted aye. The motion carried.

#### **9. Consider FY 2020 Airport Capital Improvement Plan (AIP)**

Mr. Sprenger said the terminal project is a big part of this. Mr. Sprenger showed a picture of the congestion in the terminal that was the entire length of the concourse.

Mr. Sprenger spoke to the concerns of summer's numbers. Mr. Sprenger showed a graph of growth from June through August 2010 to 2018 of passenger enplanements. There were a couple years where the growth moderated. June, July, and August show close to equal growth. That is despite having a couple times when growth wasn't quite as strong.

Mr. Sprenger had expressed load factor concerns. United published their summer schedule for next year. As we expected, United has dropped the number of available seats

from 110,000 to 98,000. They haven't dropped any flights and have actually increased the number of flights. We will probably see flights grow but capacity go down. We are still waiting on some other airlines. That relates to the budget and accelerated terminal schedule.

The capital plan includes \$235 million in projects over the next 15 years. We have added a few years to the program.

In the terminal area we have phasing that assumes the capital plan proceeds at an accelerated speed. Then terminal apron and west concourse expansion would happen concurrently. We are looking at building out gates to the east. The plan includes additional baggage in the 2024 timeframe and adding two more gates in late 2029 timeframe. We don't know when or if it would be needed. We also added a pay parking garage in 2026 and if the terminal needs to be expanded. The terminal plan has a lot of placeholders to accommodate growth.

On the airfield side there is potential for the north side apron for Summit Aviation. We have a runway visual range (RVR) which is additional instrumentation for the fog we have seen. We are hoping to get the FAA to pay for it.

In the 2024 timeframe the rehabilitation of both the terminal and GA ramps are included and money to expand the tie down ramp. The 2025 timeframe includes secondary end taxiways and the east ramp rehabilitation. The 2026-2027 timeframe includes an interior taxiway B, a parallel taxiway to help maneuver aircraft. It has been in the master plan since 2008. They will be re-evaluated every year. Airport road relocation is included.

The VOR relocation is included. Then also the taxiway rehabilitation and main runway rehabilitation is included.

In the meantime we are looking at trying to maintain cash flow. We know that if we start the terminal expansion next year we will probably have to take out a \$10 million line of credit. The interest expense is similar to the cost increase of waiting a year.

We are still anticipating paying off our bonds in 2023. The capital plan is one we believe we can fulfill. We have been conservative on the revenue. The revenue expectations are almost \$1 million less than actual; we use 85% of current. These projects can always be postponed, stopped or delayed. We will submit this to FAA so they know our plans over the next 6 years.

**MOTION:** Ms. Stelmak moved to approve the accelerated Airport Capital Improvement Plan (AIP) as presented by staff. Mr. Kelleher seconded the motion. All board members voted aye. The motion carried.

Ms. Stelmak commented that with the hopes that next month we get the FBO situation squared away and Summit to the north side, we need to look at getting our infrastructure and access work done quicker and earlier as part of the accelerated plan.

#### **10. Report on passenger boardings and flight operations – Brian Sprenger**

Tower operations for August 2018 versus 2017 were up 21.4% which is an all-time August record. Our rolling twelve-month operations were at 81,074 which is close to the record level of 82,937 from 2008 pre-recession. Corporate landings were up 46.5% at 438 landings. Total enplanements were down 10.3% at 81,036. Rolling twelve-month enplanements were at 644,355 which is an all-time 12 month record. Revenue

deplanements were up 10.4%. Airline landings were up 13.7% percent. Airline load factor was at 83.4% which is down 3.3% from the previous year. Airlines held their yield high in June and July and did not budge on prices. They did budge on prices in August. There was also some late rationalization on the capacity. Fuel dispensed for July was up 19.3%.

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

Mr. Sprenger reported the Pilot Meeting will be held Thursday, September 20<sup>th</sup> at 7pm.

We are proposing to get a business card with First Interstate Bank to be used for many of the automated purchases. Staff's recommendation is to limit it to the spending authority Mr. Sprenger currently has. There would also be a monthly report with all the expenditures. There were no objections.

We have a surplus property auction on Saturday, September 29<sup>th</sup>. As a public entity, that is how we have to dispose of surplus property.

This was the second month in a row for tower records.

We are moving forward with Jet Blue. We have met with them regarding inaugural plans which will be on the day of the December board meeting. They have moved their departure time from 3:30 to 5pm because they like to have events and additional time with the aircraft on the ground. Mr. Sprenger met with Jet Blue's planning department regarding Boston and JFK. They are currently evaluating those markets. We are cautiously optimistic that we may be successful with that in the future. They are more geared toward Boston because of slot controls at JFK.

The terminal apron expansion is continuing. They did the first pour of phase two last night and the second pour this afternoon. There will be two more pours and then asphalt and then moving onto phase three.

Mr. Sprenger will be attending the national airport conference this weekend in Anchorage. The Northwest AAAE conference is coming up in Seattle.

**12. Consider bills and approve for payment**

The bills were reviewed and detailed by Mr. Sprenger.

**MOTION:** Mr. Kelleher moved to pay the bills and Mr. Switzer seconded the motion.

All board members voted aye and the motion carried unopposed.

**13. Adjourn**

The meeting was adjourned at 4:02 p.m.

  
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Carl Lehrkind, Chairman