

The regular monthly meeting of the Gallatin Airport Authority was held September 12, 2024, at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Karen Stelmak, Kendall Switzer, 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. Our new board member, Ted Barkley, was also welcomed.

1. Review and approve minutes of regular meeting held August 8, 2024, and the special meeting held August 23, 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 August 8, 2024, and the special meeting held August 23, 2024. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

2. Public Comment Period

Bryan Rogan, representing Outlaw South Subdivision, distributed written comments. Their subdivision is 2 miles from the end of the runway to the northeast. They have noticed an increase in low flying aircraft over the subdivision they attribute to touch and go operations and that is the issue they are focusing on. Mr. Rogan has been in communication with airport staff, the flight schools and the tower. Mr. Rogan thanked airport staff for their assistance. However, a resolution has not been found and the noise seems to have gotten worse. There is no established protocol or process to deal with these issues. Mr. Rogan said they are asking the Board for direction to better enable airport management to address this

issue. Mr. Rogan reviewed some of the information distributed in the written comments. There is an abundance of protocols and methods to be developed. Some are through the FAA, but there are also airport or runway specific noise abatement procedures that can be established. Air traffic control can direct in certain headings and patterns for different circumstances. Mr. Rogan referred to some illustrations and described features of the figures. Mr. Rogan suggested that it makes sense to spread out operations to the northwest rather than the northeast. Figure 2 refers to the area of influence. Lines indicate noise contours, but they don't take into consideration touch and go patterns. Mr. Rogan suggested they be reviewed for impact. Mr. Rogan described the duration and frequency of the touch and go operations and fly overs. Mr. Rogan said their subdivision does not have easements related to the airport and they are being impacted. Exhibit B gives some data to illustrate the volume. Mr. Rogan gave some numbers of General Aviation operations indicating that we have a much larger number compared to the rest of the state.

Mr. Rogan asked that the Board review the information provided and establish a dialogue so they can provide input and a starting point on where to go next. Mr. Rogan referred to Federal and State statutes that he thinks are applicable. Mr. Rogan requested a response after the material has been reviewed.

Mr. Mathis said we will take this under advisement. Mr. Switzer said we will take action and try to figure out the best way forward.

3. Continue consideration of request by Avis Budget Group to lease 1.5 acres for the purpose of vehicle storage

Mr. Sprenger said this request was approved pending the terms. Avis Budget is requesting a 3-year term with a potential mutual option of an additional 5-year term. They

revised the number of acres from 2.5 to 1.5. Any improvements are at their expense and the rate is a commercial rate. Improvements would have to be reviewed and approved.

MOTION: Ms. Stelmak moved to approve the request by Avis Budget Group to lease 1.5 acres for the purpose of vehicle storage. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

4. Consider request by the Belgrade High School District to develop a school farm and community garden space on State land with easements to the Gallatin Airport Authority, City of Belgrade and the Belgrade School District

Mr. Sprenger showed the location on the map where the airport has an easement with the State of Montana. There is a section south of Dry Creek Road that is outside of immediate aviation needs. Over the years, we have allowed development of public parks and fields in that area. Belgrade School District would like to develop community farms in a part of the area. If we ever extend Runway 12, the master plan shows that our Runway Protection Zone would slice through the northwest corner. We have asked Belgrade School District to ensure that area would remain an open space for a future protection zone.

Mr. Sprenger confirmed for Ms. Stelmak this does not include any access to the gated areas. Mr. Sprenger confirmed for Mr. Switzer that the State of Montana owns the land. We have the first easement, then there is an easement with the City of Belgrade and the Belgrade School District. Nothing can move forward without our consent, the City of Belgrade and then the school district.

Mr. Switzer asked about protection for future use. Mr. Sprenger explained that the master plan along with our easement provides for that. Mr. Bell said this is a 4F property so it would be difficult to use it for an airport facility. We have things in place to address any

concerns that may arise with the school district. The state no longer has the option to sell or develop this land for other purposes. Mr. Barkley said the language in the easements says the land is for recreation and education purposes and there are 4 steps that require approval to move forward, this being the first step.

MOTION: Mr. Switzer moved to approve the request by the Belgrade High School District to develop a school farm and community garden space on State land with easements to the Gallatin Airport Authority, City of Belgrade and the Belgrade School District. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

5. Consider request by Ridgeline Aviation to lease land at the east fuel farm

Mr. Sprenger showed the location on the map. About half of the area is developed for the Million Air fuel farm. We are reserving a section for Jet Aviation for relocation because their lease on the current fuel farm will be terminating July, 2026. There is a section remaining. Ridgeline would like to put a fuel farm there. Staff's recommendation is to have them commit to this for the next 18 months until a formalized plan can be determined.

David Driscoll, representing Ridgeline Aviation, said the development of their fuel farm is for the strategic protection of the business. Access to fuel is important to growing the business.

Mr. Sprenger confirmed that Ridgeline would be paying rent during the 18 months. They would have a land lease for 18 months after which time they would have the option to convert to a standard land lease.

MOTION: Mr. Barkley moved to approve the request by Ridgeline Aviation to lease land at the east fuel farm. Ms. Stelmak seconded the motion. Mr. Mathis said that as this

moves along, designs and colors will have to be approved. White is not an approved color.

All board members voted aye. The motion carried.

6. Consider request by M & A Alaska, LLC to transfer the non-commercial land lease on hangar 49 to Billy J. Jacobson, Jr. and enter into a new 20-year land lease with a 10-year option for financing purposes

Mr. Sprenger said the hangar is in good condition and the rent is current. Staff recommends approval of the request.

MOTION: Mr. Switzer moved to approve the request by M & A Alaska, LLC to transfer the non-commercial land lease on hangar 49 to Billy J. Jacobson, Jr. and enter into a new 20-year land lease with a 10-year option for financing purposes. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

7. Consider request by Brandon Wilson to expand hangar 177

Mr. Sprenger said we had a similar request previously that was in conjunction with development on the westside. Mr. Sprenger showed the location on the map. The hangar requests have been separated. Mr. Wilson's plan is for a larger hangar designed for a helicopter. Arrangements have been made for taxi lane separation.

Mr. Wilson explained what aircraft they would be storing and the need for a larger hangar. Mr. Sprenger confirmed this does not pose any problems for snow removal.

MOTION: Mr. Barkley moved to approve the request by Brandon Wilson to expand hangar 177. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

8. Consider Proposals for Snow Removal Services

Mr. Sprenger said we put out a Request for Proposals (RFP) on July 30, 2024. We are contracting out more and more of the landside snow removal operations. This has worked well but at a substantial cost. Last time we had an RFP, there were no bidders. This time we received 2 proposals. One from North Grounds, our current provider, and K2 ventures. We received a 3rd proposal, but it was after the deadline and legal counsel advised we return the bid. An evaluation of the bidders included a review of contractor experience, strength of local management, equipment type and availability, personnel committed to the airport, and cost. Staff recommends awarding the contract to North Grounds for the next 3 years.

Ms. Stelmak said she is impressed with the thorough process. She is pleased with the current snow removal contractor. Mr. Mathis commended both proposals.

MOTION: Ms. Stelmak moved to approve the proposal by North Grounds to provide snow removal service from October 1, 2024, through May 15, 2027. Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

9. Consider Proposals for a \$20 million Revolving Line of Credit

Mr. Sprenger said we are going into a \$180 million construction project and an additional \$20 million for the design. Our intention is to pay for the project with cash. However, there could be unforeseen impacts beyond our control. An RFP was issued. We looked for flexibility to draw and pay down with a shorter term to reduce interest expenses. We received 3 proposals: First Interstate, First Security and Stockman. Based on the review criteria, staff recommends choosing the line of credit with Stockman Bank.

Mr. Switzer thanked staff for the thorough analysis. His request is that we use this as a last resort. Mr. Sprenger said it is a lot easier to borrow money when you have money. Our

fiscal policies have been well commended by all 3 banks. The intention is to minimize any interest expense. We have made it clear to the banks this is a protection we hope to not use.

Mr. Barkley referred to the required deposits and the \$1 million deposit for Stockman Bank. Mr. Sprenger said we don't currently have a banking relationship with Stockman Bank.

MOTION: Mr. Switzer moved to approve the proposal by Stockman Bank to provide a \$20 million revolving line of credit to the Gallatin Airport Authority for a period of six years.

Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

Mr. Barkley added that the interest rates proposed in this environment are indications of a favorable evaluation of the airport.

10. Consider street name for North Airport Access

Mr. Sprenger said our current Environmental Assessment (EA) includes a proposal for a new road, to the east of the airport, that will allow us to close parts of Airport and Tubb Road. We thought it would be an extension of Jetway Drive. That creates challenges for individuals in the industrial park there.

This is not a cost issue. We have to rebuild the road because it doesn't meet county standards. The goal is to have the road go all the way around with one name. We have the ability to participate in the naming of the road. The county requests we provide 3 potential names for their review. We also have the opportunity to determine a name for a future road after Airport Road is no longer connected in a certain section.

Mr. Mathis recommends we wait on the naming of the second road. Ms. Stelmak agreed. Ben Walton, with Summit Aviation, said Summit has been sold to Transmedics, an organ transplant company. Since the Summit Aviation name will no longer exist, Mr. Walton

proposed incorporating Summit into the name. Mr. Walton reviewed some of the ways Summit Aviation has partnered with the airport over the years. Mr. Walton concluded by saying the road needs a name because they can't get mail delivered and people have a hard time finding them.

Ms. Stelmak said "North Sky Drive" is her recommendation. Mr. Switzer said with the growth it makes sense to name this road, get that done, and then save our efforts for the next road. Ms. Stelmak recommended that the secondary choice be "Northern Flight Drive".

MOTION: Mr. Switzer moved to recommend two names for review with the Gallatin County GIS – 1st Choice North Sky Drive and 2nd Choice Northern Flight Drive. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

Mr. Barkley said he finds it interesting that our service drive is called Service Drive. At some point we may want to consider renaming Service Drive. Mr. Barkley said it might also be helpful to add Dry Creek to the sign. In the years following the opening of the new interchange, when you exit and go north, it is not clear where Dry Creek is. Mr. Barkley also suggested that we change the name of Airport Road at some point. Airport Road goes a lot of places, but the airport is not one of them. Mr. Sprenger offered background on the naming of Airway Blvd. We put all the money into the road, and it goes over airport land, our focus in naming it was airport oriented. Mr. Sprenger agreed that having Dry Creek on the sign wouldn't be a bad thing. The name Service Drive helps deliveries to the airport find the airport.

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

Mr. Humphrey said there were 11,478 total tower operations in August which is down 4.4% compared to last August. Rolling 12-month operations were 125,048. Corporate landings over 12,500 lbs. were 894, which is slightly down compared to last year. There were 1,052 corporate landings over 9,000 lbs. which is 3.5% higher than last year. There were 26 custom clearances this August versus 19 last August and we are up 17.5% year to date. Total revenue enplanements were up 12.1% with 159,823 versus 142,631 passengers. That brings the total past 12-month enplanements to 1,305,507 and up 8.6% for the year. Total deplanements are up 11.3% at 154,456 versus 138,813 and up 8% YTD. Landings were 1,189 versus 1,043 up 14% and 15.9% YTD. The overall airline load factor, with 20,000 more seats in the market, was 90.2%. A number of our carriers had load factors in the mid to high 90%. Fuel dispensed was up 15.9% for July.

September has 10,000 additional seats. We expect to be up 6-8% in September.

Mr. Humphrey will be attending the Allegiant conference in Las Vegas October 1-3, 2024.

12. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that overnight cars in August 2024 compared to 2023 were up 11%. Month to date overnight cars is 95% of last September, but up 3% with a day of week and holiday adjustment for Labor Day. Concession revenue for August was up 17% and is up 10% month to date.

We are working on the footings for the ARFF/SRE building. Taxiway F is almost done. Taxiway B will be paved this Sunday. That will give us access to C2, B2 and the crosswind runway. The new Signature Fuel Farm has everything complete and should be moving in soon.

Signature's old GSE and FBO buildings will be demolished soon. Mr. Sprenger thanked Jet Aviation. Jet Aviation has the lease where the parking lot is and the old FBO building. Signature will use their area for the lay down. Mr. Sprenger thanked Jet Aviation for their willingness to assist.

Mr. Mathis said he noticed that aircraft parked on the north ramp are contacting tower rather than ground control and asked why. Mr. Sprenger said this is a learning period because previously everything was controlled by tower. They have not yet determined the best separation of duties between tower and ground control. Scott Bell gave some background information. This was a previous determination by tower that has continued. As operations there grow, that could change. Mr. Mathis said the tower frequency is busy to clear take offs and thinks some of the communications should be with ground control. Mr. Switzer said he agrees and is interested in hearing what the tower thinks. There were discussions on taxi patterns and coordination. It is important for students to learn the different communications.

Mr. Mathis asked for a delivery date on the new snow removal equipment. Mark Maierle said they are sending John down September 26 or 27 to inspect the equipment. If approved, the delivery would be a couple weeks later so mid-October. Mr. Sprenger said we will be squeezing the equipment in since we are 1 year away from having the right place to put it.

13. 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.

14. Adjourn

The meeting was adjourned at 3:20 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