

**HELENA REGIONAL AIRPORT AUTHORITY
MEETING MINUTES
SEPTEMBER 20, 2022**

MEETING

In Attendance:

Mike Murray, Chair
Tom McGree, Vice Chair
Mike Muscarelli, Secretary
Dave Simkins, Immediate Past Chair
Debbie Havens, Commissioner
Bob Heberly, Commissioner
Bill Burkland, Commissioner
Jeff Wadekamper, Airport Director

Others Attending:

Nick Enblom, Morrison Maierle Engineers
Greg Gould, Jackson, Murdo & Grant, P.C.
Ross Marty, Assistant Airport Director
Connie Lundin, Financial Manager
Amber Huggett, Office Manager

PUBLIC COMMENT PERIOD

Lisa Gresens with Helena Aircraft attended the Board meeting but did not have a public comment or question.

Commissioner Burkland stated he had a public comment

Chair Murray reminded him he was not part of the public, that he was a member of the board. Murray told him to go ahead if he had something he needed to say.

Commissioner Burkland said that he had talked with Jeff earlier about doing some kind of energy study in to planning. I am not sure, I looked through the agenda today and I am not sure where it would fit, so I thought I would jump in early. If the air conditioning loads on the building are high, it seems like we need to do some kind of a study and get some shading on the south side of the building. Maybe spend COVID funds to do that or something. Just throwing that out there, I don't know where it fits in the agenda, I know it is not on the agenda as a specific item.

Jeff explained that he did not put it on this agenda, he said his thought was Northwestern Energy does energy audits on facilities and he didn't think that they charge for those so he was thinking that would be the better way to go. He was going to contact Howard Skjervem of NWE and look into it soon. If they do not do energy audits, we can look into

finding an independent firm for hire.

Commissioner Burkland responded "I am assuming that NWE is going to come back to us and say the air conditioning costs are high and we have a lot of south facing windows and between the two of those we can make the conclusion that maybe we should pay somebody to produce a plan to save those energy costs up front before we settle. Sorry I don't know how exactly that fits into the agenda."

Commissioner Heberly asked if we could start with CWG Architects when they designed the new concourse additions because he was sure they had to have some kind of heat, light, or energy study done on the glass for the mechanical side of things. I think that would be a good place to start.

Jeff said yes, you are right Bob, they did have one done. If you remember they had to add another six to eight inches on the roof overhang and added glazing for those windows because of the results from the sun table study. So yes, that would be a good place to start, I would be happy to reach out to CWG and NWE to see what I can find out and place an item on the October agenda, if that makes sense.

Commissioner Burkland said great yes.

MINUTES

MOTION was made by Immediate Past Chair Simkins, seconded by Vice Chair McGree to approve the Meeting Minutes from the August 16, 2022, Authority Meeting.

The motion carried unanimously.

AIRPORT IMPROVEMENT PROGRAM PROJECTS

AIP – 61 (Runway Rehab Project) – We have the remaining claims related to the runway 09/27 rehab project so we can draw down funds up to 97.5%. The remaining 2.5% cannot be drawn down until the FAA has approved the closeout report. The project is physically completed, and Jeff recommended approval of the claims as submitted.

AIP-61 (Runway Rehab) – payment Claims:

| | |
|--|---------------------|
| Morrison Maierle (Basic Services, Bidding, Closeout) | \$ 4,000.00 |
| Morrison Maierle (Engineering, Construction Mgmt.) | \$ 2,242.59 |
| Helena Sand & Gravel (Construction) | \$235,220.59 |
| State 1% Withholding Tax | \$ 2,375.97 |
| Total | \$243,839.15 |

MOTION was made by Vice Chair McGree, seconded by Commissioner Heberly to Approve AIP-61 Claims in the Amount of **\$243,839.15**.

The motion carried unanimously.

AIP-62 (Terminal and Station 1 Roof Replacements) – CWG Architects has submitted a claim for work completed thus far on the roof replacements for Terminal and Fire Station 1. These fees are part of their professional services the Commissioners approved earlier this year for these projects after the Independent Fee Estimate (IFE) was completed. These funds are the ARPA and ACRP funds we allocated to these projects. Although they are working on the roof replacements for both buildings, the terminal will be done later after Fire Station 1, as we plan to do the HVAC replacement before the terminal roof gets replaced. Jeff recommended approval of these claims as submitted.

AIP-62 (Terminal, Station 1 Roof Replacements) Payment Claims:

| | |
|----------------------------------|-------------|
| CWG Architects (Design, Bidding) | \$29,470.25 |
|----------------------------------|-------------|

MOTION was made by Commissioner Havens, seconded by Secretary Muscarelli to Approve AIP-62 Claims in the Amount of **\$29,470.25**.
The motion carried unanimously.

AIP – 64 (ARFF Equipment) – Morrison Maierle has submitted a claim for more of their services that have been completed associated with the ARFF equipment acquisition contract. We are still receiving equipment and expect to see more delivered in the coming months as it becomes available. Jeff recommended approval of the claim as submitted.

AIP-64 (ARFF Equipment) – Payment Claims:

| | |
|---|------------|
| Morrison Maierle (Engineering Services) | \$8,188.92 |
|---|------------|

Commissioner Burkland asked if this also has some PCI?

Nick Enblom replied, yes that is what the invoice is for the eight thousand dollars is a PCI Study.

Vice Chair McGree asked what PCI stood for.

Jeff replied, it stands for pavement condition index.

Nick Enblom said they have completed all the field work out there; they have visually inspected the entire airport and now we are putting it into a software. We build the airport in that software and put all the distresses and other information and it will spit you out a number on how good your pavement is doing. In a few months we will put it onto a graph, and we can bring it to the board meeting. We will shade everything to give you a visual on what the pavement looks like out there.

Commissioner Burkland asked if we have any stresses of concern?

Nick Enblom stated no, we have a lot of new pavements out there from the last three to four

years so everything is looking really good.

Secretary Muscarelli asked if there was any considerable damage from the accident this past weekend?

Jeff replied nope it was a pretty small aircraft. The only spot where there were any scrapes was the fiber glass nose cone and where the propeller initially hit there was some small scratches but no damage to the runway or anything.

MOTION was made by Commissioner Burkland, seconded by Vice Chair McGree to Approve, table, or Deny AIP-64 Claims in the Amount of **\$8,188.92**.
The motion carried unanimously.

AIP-66 (Road Paving Projects) – Morrison Maierle has submitted claims for their engineering and construction management work on the road and track paving projects that were completed a couple months ago. Jeff recommended approval as submitted as this is in line with the engineering contract we approved for those projects.

AIP-66 (Road Paving Projects) – Payment Claims:

| | |
|--|--------------------|
| Morrison Maierle (Basic Services) | \$ 6,285.63 |
| Morrison Maierle (Construction Management) | \$13,816.60 |
| Total | \$20,102.23 |

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to Approve AIP-66 Claims in the Amount of **\$20,102.23**.
The motion carried unanimously.

Consider Bids for Roof Replacement of Airport Fire Station 1 – The Commissioners approved the use of a portion of the remaining ARPA funds to be used for the roof replacement of the terminal and fire station 1 in addition to the HVAC replacement on the terminal. The A/E Team determined it made sense to split up the roof and HVAC projects and to solicit the roof replacement for Fire Station 1 this year since that roof doesn't involve any HVAC updates, which will postpone the terminal roof replacement until the HVAC is completed next spring. The project was advertised, and 3 bids were received:

1. C&C Roofing - \$400,000 (determined to be non-responsive as they omitted a signed bid bond and no acknowledgment of the addendum).
2. Summit Roofing - \$418,615.00
3. K&K Roofing - \$614,542.00

After reviewing the bids thoroughly, CWG Architects determined that Summit Roofing was the lowest responsive bidder at a bid of \$418,615.00. Jeffs recommendation is to award the contract to Summit Roofing.

Commissioner Burkland asked what the engineering estimate on that?

Nick Enblom replied it was \$570,466.00.

Secretary Muscarelli asked if Summit Roofing has done any work for us in the past?

Jeff said yes, they have they have done various projects for us. They did the metal roof down on the training center.

Commissioner Heberly noted they are probably one of the most sophisticated roofing companies in Helena. They do a ton of work throughout the whole state.

MOTION was made by Commissioner Burkland, seconded by Secretary Muscarelli to Approve Bid for Roof Replacement of Airport Fire Station 1 to Summit Roofing in the amount of **\$418,615.00**.

The motion carried unanimously.

Review Updated FAA Funded Airport Capital Improvement Plan – Every year the FAA requires us to update our Airport Capital Improvement Plan (ACIP). This year the FAA has requested to receive the updated plan no later than October 14, so we have the plan on this meeting agenda for review. The updated plan is mostly left the same as it was last year. 2022 projects have been removed and 2031 projects have been added. The FAA asks for at least the next 5 years of projects, but you can project longer which helps for planning purposes. Jeff discussed the various projects in detail and answered any questions the Commissioners had and incorporated any changes after our meeting.

Commissioner Burkland said, Jeff I would push back really hard on that RIM Study if it is not based on facts. That is one of their gold standards is they really push those things hard and once you get on the RIM list it's going to happen. Pretty soon their going to tell you that you are not going to get any more money until you do this. If it is not factually correct, you need to work on that early and hard.

Jeff said yes, I agree, and I asked them to look into to it because I think there is an error there.

Secretary Muscarelli asked, "Jeff from your report in the packet this month what do you sense is the probability of that prominent Montana person in acquiring the Tanker 10 business and would any infrastructure support for that be covered for them in this master plan?"

Jeff said he thinks the probability of that happening is highly likely. At least from what he knows at this point. The unknown is once that person owns the company are they going to want to place it Montana. Jeff would guess they would if there is a feasible location to put it. It makes sense they would look at Helena to put it because we fit their needs and Helena has the only Very Large Tanker Base in Montana.

Secretary Muscarelli asked would the infrastructure be eligible for these types of funds?

Jeff explained, yes and no. To a degree FAA Funds could be for infrastructure like a general taxiway to their hangar area but not the hangar itself.

Secretary Muscarelli said I think you have said in the past that this plan is flexible of enough that if this plan starts to evolve and gain traction that you could move some of those projects into later years?

Jeff said the FAA rule of thumb is two to three years out they don't really want you messing with anything but beyond that there is much more flexibility.

Vice Chair McGree asked if there was any updates on the Radar?

Jeff replied not as of yet, that is one of the things on our to do list is to send an official request letter to the FAA and all the others involved. Radar systems are funded from a separate source and not from the AIP Program.

MOTION was made by Commissioner Havens, seconded by Commissioner Heberly to Approve Updated FAA Funded Airport Capital Improvement Plan.
The motion carried unanimously.

AIRPORT AUTHORITY ISSUES

Consider Restaurant Committee Recommendation of Award for Airport Food, Beverage, and Gift Concessions – Director Jeff Wadekamper provided an overview of the selection process. The RFP was advertised from 7/31 – 8/14 in the Independent Record's Legal Ads and also on our website and Facebook page. Three interested parties took part in the pre-proposal site tour held on August 10. As of the submission deadline, the Airport received two proposals: One from Hangar 89, and one from Oakwells.

The Committee held interviews with each proposer on August 30. There was a major difference between the two firms, specifically regarding the operation of the public side space. Hangar 89 stated in their response that the operation of the public side space as outlined in the RFP may not be feasible. The Committee is concerned these statements may preclude them from being selected as the RFP stated set hours for the public side operation. Greg reviewed their response and provided us some legal guidance.

The other respondent, Oakwells, responded to the RFP with plans to operate both sides of the operation and to fulfil the requirements as outlined. Oakwells is a food, beverage, and gift concessionaire operating in several airports across the nation and an Amtrak train station. Oakwells currently operates the food and beverage and gift concessions in the Great Falls airport. Jeff spoke with John Faulkner, the Great Falls Director, and he said they are extremely happy with their service. He noted that one unique thing they did there was to create an "Italian Night" one night per week. It was so successful they had to set up a reservation system to

accommodate the interest. He was very ecstatic they had finally made the restaurant in their airport a local destination. It seems like if they can do that there, an opportunity exists here too. Jeff also called the Central Wisconsin Airport as they are a similarly sized airport with both gate and public side restaurant operations. Their Director had wonderful things to say about Oakwells. They had also made it a destination for locals with a weekly fish fry and operate both a secure side and public side restaurant. He mentioned they were the best concessionaire the airport has ever had, and they are always great to work with.

RECOMMENDATION – After thoroughly reviewing both responses, considering Greg’s legal analysis and contacting references, the committee recommends the concessions be awarded to Oakwells. Oakwells indicated that it would take approximately 90 days to start their operation if selected. We appreciate the services Brett has provided, but in the end, we have concluded it is not in our best interest to select Hangar 89 for the long-term contract. The Committee also recommends offering to not charge Hangar 89 any rent or fees through the remainder of their contract if they are willing to continue operating until Oakwells takes over the operation. Hangar 89 has until late January on their contract, and it may take Oakwells that long to be fully ready to occupy the space. We recognize that Brett from Hangar 89 has made an investment and stepped in voluntarily to provide food and beverage services on the gate side and that has been great to have for the travelers.

MOTION was made by Immediate Past Chair Simkins, seconded by Commissioner Heberly to Approve Awarding an Agreement for Airport Food, Beverage, and Gift Concessions and to forgo and rent payments through the remainder of Hangar 89’s contract.

The motion carried unanimously.

Update on Air Service Recruitment Efforts – Jeff stated that the Airline Rendezvous was a remarkable success as we had a fantastic opportunity to show off our community and our airport. It was great that we had 6 airlines attend. We had as many airlines at our event as the other airports did prior to us. We had great sponsorships and support from the community as well to help cover the costs.

The airline representatives enjoyed the activities on the first day, which included fly fishing on the Missouri by Craig and a ride on the Tour Train. Amber did a fabulous job of organizing the lunch for the day activities, the welcome dinner at the Kleffner, and the breakfast the day of the airport/airline meetings.

The meetings on the second day went well and it was evident we made an impact on the airline reps as they went on and on about how impressed they were with our airport and the business plan and the growing Helena area. Jeff provided a synopsis of the airline discussions:

None of the airlines are in growth mode currently, and some are still cutting schedules around the system. We believe Helena should be stable and it was good to hear from the incumbents that they are doing well and making money as that is important. The minute airlines quit making

money, they will leave a market. Delta is still not able to re-instate the Minneapolis service due to pilot and other constraints. It may take another year or two and there is a possibility delta may alter their hub networks going forward too, we'll just have to see. We reminded them of our airport incentive program and that Minneapolis has been gone over two years now, so it qualifies for the 2 years of no airport fees if reinstated.

United said we may be transitioned to an EMB175 at some point but for now they can't accommodate the second daily flight, again due to the pilot situation and the retirement of 50 seat jets. They have over 100 jets parked currently due to the pilot shortage. We mentioned that with the lack of the Minneapolis flight with Delta, we could use an East hub connection like Chicago. They acknowledged that idea, but again said that capacity constraints and pilot challenges are preventing that from being considered.

Alaska will be transitioning to the new EMB 175 jet on October 6 and is reviewing a press release from us so we will be sending that out soon to let the community know that we are being upgraded to jet service. We discussed the need for a second daily flight to Seattle and the fact it should be a night in/morning out schedule. They acknowledged that and said they agree it is feasible once they get past the Q400 to EMB175 fleet transition and begin to improve the pilot shortage situation. They see our loads are great and a second daily could be well utilized and provide better connectivity and even same day business between Helena and Seattle. They are also aware of the airport incentive plan which the second daily flight would qualify for up to 2 years.

Southwest was incredibly impressed with our airport and our airline business model which they said is incredibly unique and business friendly. They liked the fact that we charge per passenger for some of our terminal use spaces, as that is very scalable and fair. They were also impressed or in their words "blown away" by the Helena area, the scenery, and quality of life here. They said they can understand why so many people are moving here and coming to recreate. Southwest is gaining 16 gates at the Denver Airport over the next few years. Typically, Southwest enters larger markets and does a minimum of two 737 flights a day in between two points. As they grow and begin using those new gates at Denver, they will need to determine what other markets they can serve. They said Helena has some potential for consideration and acknowledged our central location to capture a large market area. This is one we will keep focused on going forward.

Allegiant said they were also impressed with the Helena area and our low cost, easy to use airport business model and beautiful terminal. We discussed a number of benefits to serving Helena and even suggested they could consolidate service to our central location to help with their current pilot and other resource constraints. They said they are not planning to make any new route additions in the near term, but they were impressed with Helena and would keep it in mind as things move ahead.

Southern Airways is a commuter airline that operates a mix of smaller size aircraft in smaller rural and Essential Air Service subsidized markets. They are extremely interested in Montana and

considering development of in-state connections between various cities. We discussed the benefits Helena can provide with the central location, access to government traffic within the state to/from Helena, access to health care and a variety of other benefits. We think there will be some sort of an opportunity here so we will keep working with them on ideas. There continues to be a lot of interest in Helena – Billings – Missoula service to connect each end of the state and feed the five EAS communities served by Cape Air out of Billings.

Our staff did a tremendous amount of work to prepare for this event. There were a huge amount of logistical issues coordinating a large diverse group such as this over the past year. Amber organized all of the food and venue for the dinner and the lunches and breakfast on day 2. Ross and Amber took the fly-fishing group, and I took the tour train group. Connie managed the expenses and sponsorship revenues into her accounting and financially we covered things wells. Our staff also made sure the terminal was 110% and even repainted and waxed the floors in the airline offices to make them look brand new. I appreciate everything our staff did along with our community sponsors and supporters.

Consider Nominating Committee Recommendation of Authority Officers for 2022-2023 – The Nominating Committee will provide their recommendation of Authority Officers for the next 12 months for the entire Commission to consider approval.

Immediate Past Chair Simkins presented Tom McGree as Chair, Mike Muscarelli as Vice Chair, and Commissioner Havens as Secretary/Treasurer as the nominations for the new Authority Officers.

Chair Murray asked if there were any other nominations?

MOTION was made by Immediate Past Chair Simkins, seconded by Chair Murray to Approve Nominating Committee Slate of Authority Officers for 2022-2023 as read.

The motion carried unanimously.

ASSISTANT AIRPORT DIRECTOR'S REPORT – Ross Marty

- ➔ Monthly passenger operations for August of 2021 are still down compared to August of 2019 by **-34.55%**. Due to United removing the second flight.
- ➔ **Terminal FIDS Displays** - This past month our maintenance staff installed the new FIDS displays around the terminal and OAG (the company the supports the webpage) got the remaining development done to go live with the updates.
- ➔ **Visit Helena/Chamber Marketing Campaign** - Several weeks ago, we were invited to take part in a "Vision Helena" marketing meeting. This is a new group with members from the Chamber, Visit Helena/TBID, Downtown Helena Inc., MBAC, the City, and the Airport – the intent is to, instead of competing for marketing dollars in a small-town market, work together on a shared goal for tourism marketing for the greater Helena area.
- ➔ **Air Force MAFFS Survey** - With the rising prevalence and length of fire seasons in recent history, the Federal Government and Forest Service are looking at all options and resources

to combat the growth. A tool that they have in their toolbox is the MAFFS (Modular Airborne Firefighting Systems) units that the Forest Service has. Back in the 1980's, the Forest Service and Department of Defense produced these systems which are modular units that can be loaded and placed in standard C-130 aircraft to use as fire tankers without making substantial modifications to the airframe. The Forest Service owns the MAFFS units and oversees supplying them and the retardant for the Air Force to fly in their C-130's. As they are in the category of large air tankers, they are fairly limited in the tanker bases they can operate out of. This was the point and intent behind their visit to Helena as, even though they have operated out of our airport before (heavily during the Yellowstone fires of 1988 and more recently, the fires around Canyon Ferry in the late 2000's) they needed to get an updated field survey to future operations.

- **Live Fire Recertification/FAA Tabletop** - The month of September is always a busy one in regard to FAA compliance as we have two of the larger training topics to complete this month: our Live Fire Recertification and the Emergency Response Tabletop Exercise. The live-fire is an annual requirement (the reason ARFF students come to the training center on an annual basis) where each ARFF certified staff member must exhibit that they can extinguish a full pit-fire safely and efficiently.
- **RMESTC Update** - Several weeks ago, two of our senior RMESTC instructors travelled to Orlando, Florida to take part in the annual ARFF Working Group Conference. This is the largest conference in the ARFF world with representatives from equipment manufacturers, Airports, ARFF Departments, Training Centers, consultants, and the list goes on. As it is the premiere conference in this space, we always make a point to send some of our folks for two reasons: to market our own Training Center and show off the great upgrades and programs that we have as well as provide training opportunities and new best practices that our instructors can bring home to utilize in our own training.
- **40 Under 40** - I was surprised to receive an email last week from Airport Business Magazine that I had been selected and named as one of their top 40 Under 40 in the Airport Industry for 2022. I'm still beyond surprised and humbled by the selection quite honestly. I'm just very thankful that I get to work with an excellent group of people in an industry that I grew up loving.

CONSENT AGENDA

Review of Income and Expense Reports
Review of Past Due Accounts

MOTION was made by Vice Chair McGree, seconded by Immediate Past Chair Simkins to Approve the Consent Agenda.
The motion carried unanimously.

OLD BUSINESS.

None.

DIRECTOR'S COMMENTS.

- Aviation Day – The Aviation Day event on September 10 went well with a large number of

people coming to the airport campus to see many of the things on display. The weather was nice, and the smoke cleared out for the day.

- Airport Project, Priorities – There are a number of large projects and activities for us to focus on in the coming months. These include the interconnect application for the Resiliency Project. Also continued efforts related to air service recruitment and anticipation on permission from US DOT to use our air service grant for Dallas service with American. Our staff is working on the plans and permit for the new restroom building in the GA hangar area. We have an emergency plan tabletop meeting later this week. A winter operations plan review with users and stakeholders will also be held in October. We have a great deal of interest in our non-aeronautical properties for lease and we will also be working on a coalition to support a request to improve radar and other aircraft traffic surveillance coverage in the Helena airspace. Alaska plans to transition to the new EMB 175 jet on October 6 so we will put out a press release on that pending approval from Alaska Airlines. There is a lot happening these days and it seems like increased activities are coming up all the time, so we have a lot of exciting things to work on.
- Future Authority Meeting Agenda Items – Jeff outlined a few items that will be on upcoming meeting agendas:
 - **Audit** – The Fiscal Year 2022 Financial Audit will be presented at the October Meeting so we can submit the final audit to the City, County, and State by October 31 as required. The audit team has completed their field work and will have the final report ready for the October 25 Meeting.
 - **ARFF Program Hotel RFP** – This was the third and final year for the contract that we had with the Wingate Hotel for accommodations of the Aircraft Rescue Fire Fighting (ARFF) students at the fire training center. We will re-issue the RFP and advertise and consider the responses at a future meeting.
 - We need to move the October Authority Meeting to Tuesday October 25, 2022, at 11:30 a.m., as it conflicts with the Annual MAMA Conference.

REPORTS PRESENTED FOR REVIEW:

Director's Report and Board Report – Jeff Wadekamper
Assistant Director's Report – Ross Marty
Fiscal YTD Financials – Connie Lundin
FAA Funded Airport Improvement Project Report – Nick Enblom


Tom McGree, Chair

ATTEST:

Debbie Havens, Secretary

(SEAL)