

**HELENA REGIONAL AIRPORT AUTHORITY
BOARD MEETING MINUTES**

**LOCATED: 2850 MERCER LOOP, HELENA, MONTANA 59602, 2ND FLOOR, BOARD ROOM
JULY 16, 2024, CALLED TO ORDER AT 11:35 A.M.**

MEETING

In Attendance:

Mike Muscarelli, Chair
Debbie Havens, Vice Chair
Bob Heberly, Secretary
Tom McGree, Commissioner
Jason Davis, Commissioner
Jim Enyeart, Commissioner
Troy McGee, Commissioner
Jeff Wadekamper, Airport Director

Others Attending:

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

PUBLIC COMMENT PERIOD

None.

MINUTES

MOTION was made by Commissioner McGee, seconded by Commissioner Enyeart to approve the Meeting Minutes from the June 18, 2024, Airport Authority Meeting.

The motion carried unanimously.

AIRPORT IMPROVEMENT PROGRAM PROJECTS

AIP-62 (Terminal Roof and HVAC Replacement Project) – The roof and HVAC project is ending. The contractors have done an excellent job, and these improvements will serve us well for many years. We recommend approval of the claims as submitted.

AIP-62 (Terminal HVAC, Roof Replacement Project) -

CWG Architects	\$ 1,296.50
Dick Anderson Construction (Pay App#6)	\$383,629.95
State of Montana 1% Withholding Tax	\$ 3,875.05
TOTAL CLAIMS	\$388,801.50

MOTION was made by Vice Chair Havens, seconded by Commissioner McGree to Approve AIP-62 Claim in the Amount of **\$388,801.50**. Commissioner Heberly abstained from the motion.

The motion carried unanimously.

Discussion of Alternatives Regarding Restoration of Terminal Roof Wood Beam and Steel Plates –

Jeff explained that staff have been working with the project team to determine our options with respect to the steel plates that connect the wood roofing beams on the terminal building. The steel plates that hold the beam structures together are painted to provide an aesthetic appearance, and in some areas provide fire insulation to the steel itself. While steel itself doesn't burn, the strength of steel can deteriorate when severely heated. As a result, the fire codes require either the areas to be sprinklered (such as the lobby area beams inside the building), or the steel plates are required to be painted with a specialized paint called intumescent paint. This special paint swells up when exposed to heat or fire, to protect the steel plates and ensure they retain their ability to keep the wood beams together to meet the 1-hour fire protection rating. The intumescent paint is extremely labor intensive to remove and reapply and it is also expensive. It also comes in small quantities as applying it has to occur in smaller amounts due to the "life" of the paint itself. Once the paint is exposed it has to be fully applied within a brief period of time, so smaller quantities of course cost more money. There are approximately 100 steel plates to be painted, a portion are intumescent paint, and the rest are regular paint.

Cost Estimates – CWG Architects has submitted a proposal as an amendment to their scope of work in the amount of \$23,000.00 to review the codes and cost options to determine the various options to address this issue. Due to the complexity of this work, various options could cost over \$250,000, so we believe it makes sense to dive into the details to drill down on the best possible options and most cost-effective process.

MOTION was made by Commissioner McGee, seconded by Commissioner McGree to Approve Authorizing the Airport Director to Proceed with having CWG do \$23,000.00 of design work related to Terminal wood beam and steel plate restoration. Commissioner Heberly abstained from the motion.

The motion carried unanimously.

AIP-68 (Airport Master Plan Update) – Mike Carlson is working on the alternatives chapter, and we anticipate having him present that draft chapter at a future meeting once this work is complete.

Morrison Maierle has submitted a claim in the amount of \$17,228.50. We recommend approval of the claim as submitted.

AIP – 68 (Airport Master Plan Update) Claims:

Morrison Maierle

\$17,228.50

MOTION was made by Commissioner McGree, seconded by Commissioner Davis to Approve AIP-68 Claim in the Amount of **\$17,228.50**.
The motion carried unanimously.

AIRPORT AUTHORITY ISSUES

Review Updated FAA Funded Airport Capital Improvement Plan Projects – Jeff explained that the FAA requests that airports provide their updated Capital Improvement Plan each year and it was last July that we reviewed our plan and submitted it to the FAA. Each Federal fiscal year begins on October 1 and ends September 30, but funding is usually not released until June-August each year.

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

LEASES

Consider Renewal of a 60 X 60 Non-Commercial Aviation Hangar Ground Lease with Ron Rasmussen, Clayton Wilhelm, and Duane Wock for an Additional 5 Year Term.

MOTION was made by Commissioner Davis, seconded by Secretary Heberly to Approve Renewal of a 60 X 60 Non-Commercial Aviation Hangar Ground Lease with Ron Rasmussen, Clayton Wilhelm, and Duane Wock for an Additional 5 Year Term.
The motion carried unanimously.

Consider a 60 X 60 Non-Commercial Hangar Lease with Jan Smith - Jan Smith has applied to enter into a non-commercial hangar ground lease in order to construct a 60 X 60 Steel hangar. Mr. Smith is an active pilot and has requested the site adjacent to the similarly sized hangar approved last month with Stephen Torske. Everything in his application was complete and we are recommending approval as submitted.

MOTION was made by Secretary Heberly, seconded by Commissioner Enyeart to Approve a 60 X 60 Non-Commercial Hangar Lease with Jan Smith.
The motion carried unanimously.

Consider Options for the Airport Owned Hangar Located at 3302 Airport Road Currently Occupied by Air Ryder – The City Fire Inspector and Jeff conducted a follow up inspection of Air Ryder once the 30 days had passed. Air Ryder had met all of the fire code deficiencies, and the

City signed off and they are now in compliance, but they are still prohibited to use the paint booth until it is permitted and constructed to meet the fire code. The hangar is completely open now except for the one aircraft he is working on for a customer and a Ford truck in one side. Technically, even with the Ford truck he complies, as the FAA and Airport policies do not restrict having some non-aviation items in the hangar. The primary use has to be for aviation/aircraft and any non-aviation items in the hangar must not impede moving aircraft in/out, which the truck is not.

Now that we have Air Ryder in compliance with the rules, it still leaves the question of how to proceed going forward.

Options:

A: Continue to rent it out and make the necessary improvements (airport funded) and require them to make and fund the required improvements specific to his use (paint booth). If this path is taken, we would also need to increase the rent significantly to help recapture the investments in needed improvements and to ensure the length of the lease is long enough to recapture the specific tenant improvement investments.

B: Sell the Building and require a new owner to enter into an airport ground lease and make the necessary improvements to the building and to operate under all FAA, Airport, and local regulations. The sale would be advertised as required and Air Ryder along with anyone else would have the opportunity to submit a bid for an opportunity to purchase the building. If we went this route, we would need to get the building appraised to establish a base value to be used as a reserve and whoever the highest bidder above that reserve was following an established bid period would then be the new owner. Jeff estimates the building is valued at approximately \$100,000 - \$150,000. If this option was chosen Jeff recommends including the option to give Air Ryder through December 31, 2024, to move out of the building as they have been there a long time and that would provide time to complete the aircraft that is almost finished and to move a great deal of personal property out of the building.

MOTION was made by Vice Chair Havens, seconded by Commissioner Heberly to Approve the Option B Regarding the Airport Owned Hangar Located at 3302 Airport Road including providing Air Ryder with the option to occupy the building through December 31, 2024, to allow them time to move out.
The motion carried 6-1.

CONSENT AGENDA

MOTION was made by Commissioner McGee, seconded by Commissioner Enyeart to Approve the Consent Agenda.
The motion carried unanimously.

DIRECTOR'S COMMENTS

MEETING ADJOURNED AT 1:06 P.M.

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

/s/ Mike Muscarelli
Mike Muscarelli, Chair

ATTEST:

/s/ Bob Heberly
Bob Heberly, Secretary

(SEAL)