



Billings Logan International Airport
Aviation and Transit Department
1901 Terminal Circle, Suite 216
Billings, MT 59105
P 406.657.8495

Travel With Us

AVIATION AND TRANSIT BOARD MINUTES

Tuesday, February 1, 2022

The Aviation and Transit Board met in the Administration Conference Room at the Billings Logan International Airport on Tuesday, February 1, 2022. Those in attendance included:

Aviation and Transit Board Members

Dan Farmer, Chair
Ron Spence, Vice Chair
Ken Behling
Mark Astle
Chuck Tooley
David Hummel, Jr.
Steve Tostenrud

City Staff and Guests

Kevin Ploehn, Director of Aviation & Transit
Shane Ketterling, Assistant Director of Aviation & Transit
Rusty Logan, Transit Manager

PUBLIC COMMENT PERIOD

A public comment period was offered. No public comments were received.

YEAR END NUMBERS

Mr. Ploehn gave a presentation on the Airport's year end numbers for 2021. Stating that in 2020, the Airport had 248,597 passengers and for 2021, 384,000 passengers, which is 80% of the record number of enplanements in 2019. He also pointed out that in 2019, Bozeman was number one with the most enplanements, Billings number two, and Missoula number three. In 2021, Bozeman was number one, Kalispell number two, Missoula number three, and Billings number four. He noted that this was due to the number of tourists going to the National parks via those airports. Mr. Ploehn said that staff's focal point is to move up out of the number four position. That aside, Billings is still king in freight, but down 10-11% from the 2020 high, but still significantly above the years before 2020. Mr. Ploehn reviewed the monthly airline seat number comparisons for January and February for the previous four years compared to 2022 seats. The chart showed that there were significantly more seats in January and February of 2018, 2019, 2020, and just a little more than last year. When there is constrained seat numbers at a time when demand is ramping back up, the complaints about high fares begin to roll in. Mr. Ploehn discussed the recent complaints received regarding ticket prices being higher again this year and everyone driving to Bozeman because tickets are cheaper there. He explained that while Billings has constrained seating, Bozeman has excess seats, subsequently lower airline ticket prices in some markets. These are all reasons why we go to air service conferences each year so we can talk to the airlines about these types of issues.

Mr. Ploehn stated that on the positive side of things, the Airport is seeing better concession revenues. Car rentals are exceeding the revenues from 2019, while parking is not quite up to the 2019 level but doing better.

AIR SERVICE/AIRLINE ISSUES

- ▶ Mr. Ploehn explained what some of the issues impacting the airlines are, including: changes in passenger dynamics such as going from depending on business travelers to depending and moving flights to pursue leisure travelers, the COVID virus is still causing issues and the airlines are still taking losses, the industry wide lack of pilots and staff, and impacts of the implementation of the new cellular 5G networks. The 5G issue caused the FAA to issue a

NOTAM for some airports that limited use of the runway to visual operations. This is initially causing some flights to not get off the ground, and for international airlines to cancel flights because they do not want to take the chance of not being able to land at an airport after flying across the oceans. The FAA and the FCC are working to get these 5G issues ironed out. About 90% of passenger aircraft have been blessed to land in low visibility because their altimeters have been tested and will not be affected by 5G.

- ▶ Mr. Ploehn showed the Board a number of headlines regarding, "Airlines can't get enough workers." He also showed a headline where the Helena Airport in the month of January waived all airline fees, worth about \$40,000.
- ▶ Mr. Ploehn noted that Avelo Airlines is boosting pilot compensation by nearly 50%, which was interesting since this is an airline that has been in business for less than a year. The article pointed out that the reason for this has to do with there being so much poaching going on for pilots by the bigger airlines that they hope to keep as many of their pilots as possible.
- ▶ The question was asked regarding if Southwest Airlines is coming to Billings. There have been some ads on Indeed and other hiring sites targeting pilots and flight attendants in the Billings market. Mr. Ploehn stated that they are not coming to Billings. Southwest is just looking to hire/poach employees out of Billings.
- ▶ Mr. Ploehn said that in order to address the need for more pilots, many of the airlines have started their own flight schools to hopefully get the people needed.
- ▶ Mr. Ploehn reported that many of the airlines are reducing their schedules so that they do not overextend the flights offered versus what can actually be handled by the existing employee pool, which is extremely understaffed. American has cut thousands of flights in March as the pandemic clashes with reality, Delta cut 30,000 flights for March, and United has already cut 10,000. Mr. Ploehn speculated that Spring Break might not materialize.
- ▶ Mr. Ploehn also noted that a lot of people are flying in to Billings on private jets as of recent.

ADDITIONAL WEST END DEVELOPMENT

Mr. Ploehn advised the Board that three to four years ago the Airport put money into the west end of the Airport for additional hangar development; sewer and water lines were installed and the first half of the Taxilane West was constructed. The Airport has leased out two of the spots already and is talking to another party for the third spot, which would all be for 100' x 120' hangars.

Mr. Ploehn stated that the new Fixed Base Operator (FBO), BAG Billings, has decided to build their two large hangars and office building all at the same time instead of in stages as originally proposed. He also noted that staff has been in discussions with Edwards Jet Center regarding their long term goals for the leased area on the west side of the Airport and about the anticipated time frame for the large hangar on the west end to be removed and replaced.

Board Member Spence asked about the Alpine hangars. Mr. Ploehn explained that due to the high costs to build, Alpine has backed out for the time being.

AIRPORT AND TRANSIT ADMINISTRATIVE/OPERATIONS REPORTS

- ▶ Mr. Ploehn gave a construction update stating that:
 - Boarding bridges are almost completed.
 - Most of the carpet in the Concourse area is installed.
 - Rockwork on the fireplace is completed.
 - Concessionaires have been selected and are designing their areas with their architect, which is A&E. There will be temporary food service and gift shop areas for a time while they are building out their spaces.
 - Terminal seating is on for Council approval on February 14.
 - Tile work in the restrooms is basically done.

Mr. Ploehn then showed the Board some photographs of the new space.

- ▶ Mr. Ketterling stated that the U.S. Customs and Border Patrol had contacted him and asked if the Airport would host a Global Entry Enrollment Event on February 8-10, 2022 to conduct interviews for conditionally approved Global Entry applicants. Global Entry is a voluntary expedited clearance initiative for pre-approved low-risk international travelers. Travelers who are approved for the Global Entry Program are processed using biometric identification through a designated kiosk and enjoy greatly reduced wait times when re-entering the United States.
- ▶ Mr. Ketterling gave the following project updates:
 - The Airport received four bids for the Rimtop Drive Overlay project, with a low bid of \$129,720 from Askin Construction.
 - Every three years the FAA requires the Airport to do a Pavement Condition Index Survey, which is an inventory of all airfield pavements to see how good/bad the condition of the pavement is. The Airport then bases all of its pavement projects on the results of that survey.
 - The Council items for the annual AIP Grant Acceptance and the award of the Terminal Seating to the low bidder, Arconas, for \$688,900 are both on the February 14 City Council meeting for approval.
 - The Airport is advertising a Request for Proposals to operate a new public Wi-Fi network.
- ▶ Mr. Ketterling informed the Board that the Airport gave a formal STAR Award to the two officers that covered up Board Member Spence's truck window that was down during a recent snowstorm, which included his comments of appreciation.
- ▶ Mr. Ketterling stated that the Airport had just hired a new nighttime custodian, are interviewing three applicants this Thursday for the ARFF/AFM Worker position, and City Council orientation will take place on February 11.
- ▶ Mr. Logan updated the Board on the following:
 - MET is not having good luck so far on the sale of the used buses.
 - Sarah Graham, Administrative Support, has resigned, along with one driver.
 - Entry Level Driver Training requirements are live next week, meaning anyone without a CDL or needing upgrades will need to go through the process.
 - Movement has started on the training lot construction; the engineering amendment was approved and initial plans are in place and being reviewed. Should be able to bid the project within the next couple of months.
- ▶ Mr. Logan stated that staff is still working on the Transit Development Plan and have done significant work on the data gathering, which has been provided to the consultant. Staff completed the internal SWOT (strengths, weaknesses, opportunities, and threats to the system) analysis last week. The public facing survey is completed and should have it out by the end of February to gather public feedback initially on the state of the system as it currently is, and will have information as far as a dedicated page on the Website as well.
- ▶ MET is working on a complete Website upgrade to create a more dedicated page for MET. Currently on a limited style page under the City's Website.
- ▶ Mr. Logan informed the Board that the Infrastructure Bill is in limbo and they are still running on the continuing resolution, and should be seeing a partial apportionment from the FTA covering approximately four months.

ITEMS FROM THE BOARD

There were no items from the Board.

There being no further business, the meeting was adjourned.

KP:mdb

cc: Aviation and Transit Board
 Chrono
 Via E-mail: City Administrator
 Mayor
 City Clerk