



Billings Logan International Airport
Aviation and Transit Department
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Billings, MT 59105
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Travel With Us

AVIATION AND TRANSIT BOARD MINUTES

Tuesday, October 4, 2022

The Aviation and Transit Board met in the Administration Conference Room at the Billings Logan International Airport on Tuesday, October 4, 2022. Those in attendance included:

Aviation and Transit Board Members

Dan Farmer, Chair
Ron Spence, Vice Chair
Chuck Tooley
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.

AIR SERVICE UPDATE

Mr. Ploehn stated that on September 8, 2022, he attended the Montana Airline Rendezvous meeting in Helena accompanied by the Airport's air service consultant, Trina Froehlich, and Allison Corbyn with Big Sky Economic Development. Alaska, Allegiant, Delta, Southern Airways Express, Southwest, and United were the six airlines that attended.

- ▶ Alaska stated that regional crew issues have resulted in major reductions to their schedules for all markets and are hoping to get back to regular frequency next Summer.
- ▶ We provided Allegiant with our presentation, unfortunately the person attending could not tell us anything.
- ▶ Delta service to Minneapolis is back to one operation per day, but stated that they would like to get back to two. The mid-west hubs are all suffering, as the mid-west traffic is not picking up like everywhere else. While BIL could justify two daily flights, the other airports in the mid-west cannot, and Delta is trying to balance its capacity to the demand in that region. Salt Lake will remain at three times daily.
- ▶ Southern Airways Express is basically an Essential Air Service (EAS) provider. They do not have a pilot issue and are very interested in expanding into Montana. If they can secure the EAS contract, they would look at other intra-state service.
- ▶ Southwest Airlines is happy with their Bozeman service. They are focused on rebuilding their existing markets around the country to pre-pandemic levels, but have a long term interest in Montana.
- ▶ United indicated regional service will get worse, which is part of the challenge with frequency in Billings. They want to get back to three and four times daily service in Billings by next year and are "optimistic but cautious."

AIR SHOW UPDATE

Mr. Ketterling reminded the Board of the Air Show dates of August 12 and 13, 2023, with the Blue Angels as the main attraction. He explained that there is an executive committee and a board with a number of sub-committees with many individuals participating. The board and committee leads have been meeting for close to a year now. Since Mr. Ploehn and Mr. Ketterling are the only two that have experience putting on an air show, the committee reached out to companies that have a lot of experience in putting on air shows and have hired Kevin Ireland with CIS Airshow Consulting to help

out. For parking and traffic control, they hired Jeffery Shapiro with Solutions Event Services from New York. Jim Gibson, based in Washington State, will be the air boss. He will essentially be the one who runs the acts, works with the tower and the air carriers so that the Airport can still remain open. They are still trying to secure an announcer for the event.

AIRPORT AND TRANSIT ADMINISTRATIVE/OPERATIONS REPORTS

- ▶ Mr. Ploehn showed the Board a report from the *Moody's Investors Service* dated September 2022 titled "Passenger-traffic recovery stalls as demand exceeds airlines' seat capacity." What he found interesting was Billings was actually referenced in this report. The report noted that recovery is strongest for small airports in tourist destinations and has picked up for the slowest recovery airports. Bozeman made the list for highest recovery over 2019 in May and June of 2022 with 148% and 141% respectively, and Billings was next to the bottom on lowest recovery from 2019 versus June of 2022 with 74%, just under Portland. Mr. Ploehn noted that if the airlines do not provide enough seats, it is very difficult to recover much, as this past Summer's seat reductions proved. While the demand was there, the seats were not.
- ▶ Mr. Ploehn shared an article titled "Effects of Pilot Shortage Are Far Reaching and Changing the Way We Travel" by Kyle Arnold, The Dallas Morning News, which stated "At a conference of regional airline executives this month in Washington, D.C., industry leaders said there is a need for about 14,000 new pilots every year, while only about 6,000 are being added," and "we expect to see a shortfall of 28,000 pilots over the next decade. . .," and "Airlines have responded by cutting flights this year. They've also said it could take years to get the problem under control." Mr. Ploehn pointed out that the regional airlines include SkyWest, Republic, Mesa, and a few others. Given that they do not pay as much as the large legacy carriers, they are losing their pilots to the larger airlines like United, Delta, and American. This is a real issue for them.
- ▶ Mr. Ploehn shared that all of the documents for the land sale to NorthWestern Energy, so they can expand the Rimrock sub-station, are completed and are at the closing agent.
- ▶ Mr. Ploehn informed the Board that due to staffing issues with both the TSA and the airlines, it is taking longer to get through the screening process; therefore, the Airport put out a press release advising passengers to be at the Airport two hours prior to their departure time.
- ▶ Shane Ketterling gave an update on the following projects:
 - Carpeting of the main terrazzo floor and replacing the carpet in baggage claim, and in front of the ticket counters. This will be done in two phases, starting with baggage claim in January/February. This carpet will be the same carpet as on the new concourse, bringing the new color scheme to this area.
 - Refresh of the baggage claim restrooms, which are 30 plus years old. The remodel will add a family restroom and nursing room.
 - The TSA equipment move to the new area is in progress. The actual move will happen the end of October and will be completed overnight.
 - Paving the remainder of the West Taxilane Extension will take place next week.
 - Concourse B has been demolished and removed. The contractor will start removing the existing concrete floor, footings, and surrounding ramp area to allow them to get ready to install a new permanent sewer line and begin concrete footing work to support all of the piers that need to be constructed.
 - The Airport advertised a Request for Proposals for Advertising and Marketing Services and seven proposals were received. Staff is in the process of reviewing them.
 - Staff has been interviewing for the Advertising and Marketing Coordinator position, and has one Police Officer, two ARFF/AFM Workers, and two Custodian positions currently being advertised.
 - Shane passed out a brochure that ADK put together for the Director's position.
- ▶ Rusty Logan shared that they presented the Transit Development Plan at the City Council work session last night, which he felt was well received. There were questions regarding disability

access, overall pedestrian access, and bus inventory. There were generally good comments regarding the proposed half hour expanded service coverage and potential expansion for service beyond City limits, including Lockwood. There was also a favorable article in the *Billings Gazette* regarding the study and presentation.

- ▶ Rusty advised that he attended a Long Range Transportation Plan work session with elected officials today. The discussion was focused on more integrated transportation solutions for the area. The plan will include an improved demand and scenario modeling, which will be tied with the growth in the area. This will help Transit with estimates for ridership growth in conjunction with growth areas in the City.
- ▶ Rusty also provided the following updates:
 - Paving on the training lot is being finalized today, the sod and fences will be up next week, and it should be finished by the middle of the month.
 - Staff is beginning discussions with Morrison-Maierle and the architect regarding the facility projects coming up, which include skylight replacement, roof repairs, and electrical update to support the electric buses and the large EV chargers.
 - The annual national transit data base reports are in full swing and occupying staff's time.
 - Staff attended drug and alcohol training hosted by FTA last week.
 - Currently, MET has two operator vacancies.
 - Looking at the monthly statistics, Paratransit performed 17.3% better than last September, fixed route saw a 9.4% improvement, and overall MET ridership has gained 10% for the fiscal year over the previous fiscal year.

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