

AVIATION AND TRANSIT BOARD MINUTES

Wednesday, September 3, 2025

The Aviation and Transit Board met in the Administration Conference Room # 217 at the Billings Logan International Airport on Wednesday, September 3, 2025. Those in attendance included:

Aviation and Transit Board Members

Steve Tostenrud
Barbara Schneeman
Denis Pitman
Megan Bostrom
Alison Corbin
James Mariska

City Staff

Paul Khera, Assistant Director of Aviation
Rusty Logan, Assistant Director of Transit
Jeff Roach, Director of Aviation and Transit

Guests

Senator Mike Yakawich

CALL TO ORDER

Chair Steve Tostenrud called the meeting to order at 4:00 p.m.

MINUTES – August 6, 2025

Megan made a motion to approve the August 6, 2025 minutes, seconded by Denis. Motion was unanimously approved.

Courtesies – Senator Mike Yakawich thanked the Board for their volunteer service to the City and the County. Senator Yakawich complimented the Airport leadership on how well this airport and committee are run. He said he is always looking for policy suggestions or any other ways he can help.

Public Comment Opportunity – there were no public speakers.

Informational Items

Airport Governance Transformation

- Jeff said that Steven Baldwin Associates has been selected as sole qualified consultants for governance transition project after competitive process yielded only one submission from 11 interested firms.
 - Four firms lacked required staff qualifications while two firms cited insufficient capacity to meet project timeline requirements.
 - Selection committee review completed with Megan providing positive feedback on consultants' multiple concurrent projects and experience portfolio.

- The firm is required to provide Jeff with a draft scope of work and budget by September 8 to prepare the contract for city council approval.
- September 22nd City Council approval targeted for consultant contract award, scope of work, and budget authorization. The project is expected to start this fall with the background research.
- 18-month maximum project timeline established with mandatory one-year post-transition support period for implementation assistance.
- Two parts to this project: getting city council resolution approved and the FAA approval process. They will be doing a lot of research at first and then seeking public comment.
- Complex FAA application process identified as primary challenge requiring extensive background research and documentation.
 - Multi-year fiscal book review required to demonstrate financial compliance and revenue tracking accuracy.
 - Federal funding land acquisition audit necessary to ensure all airport property purchased with federal dollars transfers to new authority.
 - FAA concerns regarding revenue/land retention by municipalities drives detailed application requirements based on past problematic transitions.
 - Public comment period and community meetings scheduled following background research completion.
 - The recommendation will come to this Board for review prior to going to the City Council for final approval.
 - Steve asked about bonding and whether bonding is based on city revenues. Jeff explained that the airport utilizes the City's bonding authority and is based only on airport revenues.

Master Plan Update

- Jeff explained that Master plan public engagement strategy is designed to maximize community input on multiple development alternatives. He handed out copies of drawings that will be available at the upcoming open house. Two rooms will be utilized, during the open house the first explaining the master plan process; the second displaying the drawings and the alternative depicted for each of the components of the master plan. Comments can be made via the website or in writing at the open house.
 - September 9th an open house format featuring dual-room setup: one for the educational presentations and the other large scale drawing displays.
 - Multiple alternatives presented for terminal expansion, parking garage configuration, runway/taxiway layout, and commercial hangar development.
 - Online comment system supplementing in-person feedback collection with forms available throughout a year-long comment period.
 - Second public meeting planned for the March-April 2026 timeframe to present final draft alternative incorporating all community feedback.
 - Jeff noted that the notice of the open house was sent via a press release to all media outlets, published on the airport website, and available on the airport's social media. He said they are not expecting a lot of public interest in the master plan.

Strategic Land Acquisition & Development

- Jeff said the 123-acre north side property acquisition was recently approved by the family LLC at the negotiated price of \$1.5 million, exceeding appraised value of \$1.145 million by \$355,000.
 - Property location adjacent to Runway 725 north end provides critical airspace protection and future development opportunities.
 - September 22nd City Council approval scheduled for final acquisition authorization and funding allocation.
 - Airspace control strategy prioritizes ownership over easements for optimal long-term airport operational flexibility.
 - State-owned adjacent property may provide an easier negotiation path for airport acquisition or aeronautical easements in western approach areas.

Air Service Development & Market Performance

- Jeff said the Montana Rendezvous conference is scheduled for September 16-17 in Kalispell with nine carrier presentations planned by the airport team.
 - An updated economic outlook presentation developed in partnership with Big Sky Economic Development and Visit Billings for tourism data.
 - SCASD grant marketing for Los Angeles/San Francisco revenue guarantee program continues as primary incentive offering.
 - Summer 2026 schedule development timing aligns with carrier planning cycles, with announcements expected November through January. Allegiant indicated they will be moving some of their service around, as Phoenix has seen some downturn.
 - WestJet Q400 (50-seat) Calgary service exploration represents a potential international route development opportunity leveraging oil industry connections. It would be a good fit for the airport with the oil industry here.
- Jeff noted that market leakage performance improvement demonstrates competitive positioning gains against Bozeman with 11% leakage rate down from previous 13%. Bozeman loses about 3% leakage to us.
 - \$27 average fare differential maintains competitive pricing within an acceptable range for similar destination markets, helping to reduce the leakage.
 - 60,000 additional summer seats added through American's second Chicago flight, United's new Chicago service, Alaska's three daily Seattle flights, and Denver's six daily flights through November.
 - Load factor adjustment from 82% to 80% indicates market absorption challenges requiring passenger development focus alongside capacity expansion.
 - West Jet has a fleet of underutilized Q400 aircraft and are looking to offer flights to Calgary.

Airport Administrative/Operations Report

Infrastructure Projects & Operational Excellence

- Paul said Runway 7-25 repaving project is on track with execution maintaining operational continuity through strategic closure scheduling on weekdays.

- Nighttime closure window 12:15 AM to 4:30 AM protects Remain Overnight (RON) and UPS operations while enabling construction progress.
 - Thursday through September 19th timeline provides predictable schedule for airline planning and passenger communication
 - West end paving completion supports overall runway surface quality improvement and extended operational lifespan. James said that there are dust management challenges during construction requiring repeated vehicle washing and facility maintenance adjustments
- Paul said the Terminal improvement projects are advancing with Martel Construction selected as General Contractor/Construction Manager (GC/CM) for ticket counter remodeling.
 - Martel is a Bozeman-based contractor selected based on extensive Kalispell, Missoula, and West Yellowstone airport experience with proven local subcontractor relationships.
 - September 22nd City Council approval scheduled for contract authorization and project timeline establishment.
 - Design and architectural phase continuation ensuring comprehensive planning before construction commencement.
 - Billings personnel availability facilitates local project management and community relationship maintenance.
- Paul stated the airport is proceeding with the purchase of two new ARFF trucks. The price has increased from \$2 million to \$2.3 million. This item goes to the city council on September 8 for approval of the contract.
- Paul commended Operations Supervisor Mick McCarthy for his work coordinating the relocation of the deicing tanks so that space can be utilized for a future new hangar by Beacon Air Group. The tanks needed to be relocated and filled by September 1 to be ready for use. One of the tanks was owned by a private party who coordinated the use of a truck and crane to assist with moving the tanks. All the tanks were moved by August 28th.
- Paul also spoke on the parking space room in the short-term parking lot. They have engineering drawings of an F-150 pickup going into the short-term lot. Measurements were taken and there is actually more space than required. The issue is primarily the angle of the turn required. He said the first two parking spots will be signed for compact-only vehicles to help alleviate this problem. Because people in Montana like their trucks and larger vehicles in general, it was a matter of balancing the need for as many parking spots as possible while trying to alleviate the parking entry problem.
- He noted that staff is working with SP+ to provide shuttle van service from the economy parking lots to the Terminal for the upcoming holiday season – November through early January.
- In terms of human remains transport, Paul noted that there is a private company that Marita, the airport business manager, has talked to about this matter and the company is excited about taking that on. They will do some research to see if they could work with the air carriers to provide the necessary support. Presently, this company provides cargo handling for UPS and Alpine Air. Denis said that Delta will fly in HRs, yet the HRs going outbound had to be loaded into a van and driven to Denver to load aboard another Delta flight. Jeff explained that in the last conversation with the air carriers, they indicated they did not have the resources or trained personnel to handle human remains.

Staffing Solutions & Organizational Development

- Paul said the airport hired a new Administrative Support person, Raya Logan-Jackson and her first day is September 15th. This will assist with addressing long-standing backlogged operational needs.
 - The operations supervisor position has been filled by Ross Johnson from Minnesota, and he brings extensive emergency management and incident command experience.
 - His Part 139 regulation preparation demonstrated through pre-interview showed a commitment to aviation regulatory compliance.
 - Firefighting and teaching background enables knowledge transfer to existing ARFF team members and training program development.
 - The airfield maintenance position vacancy continues with multiple interested candidates requiring targeted recruitment efforts. Some of those that applied for the supervisor position were encouraged to apply for the airfield maintenance position.
- Paul said the Airport police staffing strategy continues to leverage the expertise of retired law enforcement officers for cost-effective security coverage.
 - Two qualified candidates interviewed with POST certification requirements eliminating training costs and expediting deployment.
 - Social Security benefit compatibility makes position attractive to career law enforcement retirees seeking supplemental income.
 - 35-year pension qualification timing creates steady candidate pipeline for sustainable staffing model.
 - Background investigation protocols ensure appropriate screening for airport security clearance requirements.

Transit Administrative/Operations Report

Transit System Growth & Community Service

- Rusty said MET just got through the recent Burn the Point Parade. It went pretty well with the use of additional candles and delimiters. The Police Dept. presence was more pronounced this year, which helped. He noted that additional volunteers were needed. One thing overlooked was not enough barriers on Second Avenue, so people attempted to drive through the parade route.
- The first meeting of the governance study review committee is next week – September 11th. He presented it to the Lockwood Steering Committee. Overall, it was a positive conversation. They had questions about federal funding and how they affected it. The requirements for local match were discussed as well as a few different governance thoughts.
- Swank Construction is onsite, so a number of construction items are getting addressed. They are hoping to get this project buttoned up in the next few weeks.
- MET has several items on the city council agenda on September 22: awarding the bus wash contract to Cucancic Construction and the agreement with Allies in Aging for FY26 senior medical rides program in the amount of about \$45,000 a year.

- Rusty said MET has been talking to several councilmembers regarding additional south side service for the Family Services stop. The Family Services accessibility challenge requires innovative solutions balancing service efficiency with community needs.
 - 1,300-foot walk distance from current Family Services bus stop comparable to Walmart access distance. It is complicated by a family's 50-pound grocery loads.
 - First Avenue South crosswalk infrastructure gap spans an entire mile from State Avenue to 30th Street creating pedestrian safety concerns.
 - Route deviation analysis shows a 3.5-4 minute travel time addition due to State Avenue traffic light delays impacting system-wide schedule reliability.
 - MDT collaboration on flashing beacon crosswalk represents the most feasible solution pending 2028-2029 road reconstruction timeline.
 - Senator Yakawich noted that the priority is for a restroom at the Family Services bus stop, as currently people are using the alley.
- Rusty noted they are continuing to work on the Heights transfer center discussion. Parks Dept. is working on determining the appropriate level of amenities, especially in terms of the recreational equipment. He met with FTA this week and they are generally supportive of the project and want some assurance that the site will continue to be used for transit purposes.
- Rusty said they have one driver vacancy; the person returned to the Solid Waste division. There is also a vacant maintenance supervisor position. A number of good candidates applied, and interviews will start tomorrow.
- Rusty said that there was record ridership performance with 45,495 fixed route passengers in August representing 13.5% growth over the previous year's 40,073.
 - Total system growth of 16.54% for the first two months positions the system to reach the 600,000 annual rides milestone.
 - The Paratransit ridership decrease of 9.2% from 3,712 to 3,372 rides was expected following the state contract transition to an independent service model.
 - Multi-year impact assessment indicates sustainable growth trajectory following significant system reconfiguration.
 - Student ridership recovery anticipated with traditional school year schedule restoration supporting September-May ridership sustainability. Jeff added that Rusty has made it easy for students to ride the system.

Items from the Board

There were no items from the Board.

Denis moved to adjourn the meeting, seconded by Barb. The motion was approved. The meeting was adjourned at 5:17 p.m.