



AVIATION AND TRANSIT COMMISSION MINUTES
Tuesday, January 5, 2016

The Aviation and Transit Commission met in the Administration Conference Room at the Billings Logan International Airport on Tuesday, January 5, 2016. Those in attendance included:

Aviation and Transit Commission Members

Ken Behling, Vice Chair
Peggie Gaghen
Vince Ruegamer
Ron Spence
Mark Astle
Dan Farmer

City Staff and Guests

Kevin Ploehn, Director of Aviation & Transit

WELCOME NEW COMMISSIONER

Dan Farmer was introduced as the newest member of the Commission, replacing Steve Tostenrud who had termed out. Mr. Farmer provided some background information on himself, indicating that he had been a part of the Commission when the Airport undertook its last major remodel during the late 1980s and early 1990s. He was then elected as a City Council Member in the early 1990s. The other Commission Members then introduced themselves and provided some background on themselves.

PUBLIC COMMENT PERIOD

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

MEMBER SELECTION FOR ADVERTISING RFP COMMITTEE

Mr. Ploehn explained that the Airport was in the process of doing a Request for Proposals (RFP) for a new Advertising Concession contract as the existing contract was expiring. He explained that the volunteering Commissioner would need to review the proposals and help make a recommendation. Commissioner Astle volunteered.

MEMBER SELECTION FOR ASSISTANT DIRECTOR POSITION INTERVIEW COMMITTEE

Mr. Ploehn requested a volunteer to participate in the process of finding a new Assistant Director for the Aviation and Transit Department. Both Commissioners Gaghen and Ruegamer volunteered.

AIRPORT AND TRANSIT ADMINISTRATIVE/OPERATIONS REPORTS

- ▶ Mr. Ploehn provided an update on the recent visits to the Delta and United headquarters to meet with their route planners to discuss additional air service for Billings. He characterized the meetings as positive and informative for the airlines. Mr. Ploehn told the Commission that Delta thinks very highly of the Montana market in general and Billings in particular. The planner with oversight of Montana emphasized that he thought Billings was one of the most consistent performers they have. Not a lot of significant changes in passenger loads from month-to-month. While the Billings contingent tried to promote the possibility of new non-stop route destinations,

the Delta group indicated that Billings is very well served with hub routes to Minneapolis, Salt Lake City, and now Seattle. They really want to grow those markets first, especially the Seattle hub. Additionally, they shared that Billings would be getting 9% more seats into the Minneapolis hub during the Summer of 2016.

- ▶ Mr. Ploehn then discussed the meeting with the United planners in Chicago. The Billings group pitched new direct service to Houston and year-round to Chicago. The Delta group indicated that they had looked at both of these before and did not think they would work that well. They said they would consider extending the Chicago flight later into the Summer/Fall to see how it responds. Regarding Houston, they were concerned that the energy dip would impact that route, and they also admitted that they probably get most of the Houston passengers through Denver anyways. United is focused on moving flights into destinations that have emerging technology markets like northern California instead of petroleum industry based destinations like Houston. On that note, they pitched that they were looking at seasonal service from Billings to San Francisco. This route was competing with a number of other route ideas and they were not sure it would actually happen. A lot of that had to do with the fact that their regional partners, who normally fly that type of service for United, are having to reduce the number of routes they can fly due to the pilot shortage, which was a real concern to the United planning group. Overall a good meeting.
- ▶ Mr. Ploehn followed with a discussion on the pilot shortage issue. As background information, he explained that in 2013 Congress increased the number of hours a pilot needed to fly in the right seat of a commercial airliner from 250 to 1,500 in response to the Colgan Air crash in 2009. Additionally, the mandatory retirement age for pilots is 65 (raised five years ago from 60) and the number of retirements is picking up speed. It is anticipated that close to 18,000 pilots will have to retire by 2022. Also, foreign carriers are hiring a large number of pilots as well, but do not have the 1,500-hour requirement so a lot of young pilots are flying for foreign carriers. Small airlines are impacted the most since they pay lower wages, and the major airlines tend to hire their pilots from those flying for the smaller airlines. This issue will probably worsen before it gets better. Mr. Ploehn then discussed how the pilot shortage is becoming a reality as witnessed here in Billings at Cape Air. During the last part of December, Cape Air was cancelling flights because they did not have the pilots available to fly all of their routes. They are trying to solve this by bringing pilots in from other parts of the country, but the reality is they are having trouble getting enough pilots just like the other regional carriers. As an example, he pointed out that Sheridan, Wyoming lost its Essential Air Service (EAS) for a time when Great Lakes quit serving them due to no pilots. Mr. Ploehn said this is an important issue for smaller communities that are often dependent on regional airlines to provide their air service.
- ▶ For the benefit of new Commissioner Farmer, Mr. Ploehn discussed again the situation concerning the purchase of the land that the Airport is pursuing directly west of the Airport, and the land that is being purchased by Billings Flying Service also just west of the Airport, but south of the piece the Airport was interested in. He reminded them that the parcel we were pursuing was to accommodate the new location of the Runway Protection Zone (RPZ) that will be needed once Runway 10R/28L, the small parallel runway, is extended 1,000 feet to the west. Since a buy/sell has been submitted on the parcel just south of the piece the Airport needs, the landowner that the Airport is working with desires to wait and see how that purchase turns out as it may provide a higher comparable for the appraisal of his land. Mr. Ploehn pointed out that the plan presented by Billings Flying Service should not directly impact the Airport's operations.
- ▶ Again, in order to provide some background information for Commissioner Farmer, Mr. Ploehn did a recap of the Airport's storm water improvements program that is currently underway. He updated the Commission that the tunnel boring project was getting close to completing the first tunnel and they were hoping to get started on the second tunnel boring during the next week.

- ▶ Next, Mr. Ploehn updated the Commission on the process of finding a new Transit Manager. He told them that he was in the final stages of bringing on the new manager and hoped to be able to introduce him at the next Commission meeting in February.
- ▶ Mr. Ploehn then updated the Commission on the status of the concourse planter removal and the subsequent finishes being worked on. He reported that just before Christmas he had met with Alex Tyson, Visit Billings, and Eric Finstad with Ad Creative, to look at some concepts to fill the space in a way that promotes the City and region. He expects to hear back from them in a week or so.

ANNUAL ELECTION OF OFFICERS

Vice Chair Behling asked for nominations for the next Chair of the Commission. Vice Chair Behling was nominated and unanimously elected to the Chair. Next, nominations for Vice Chair were set forth, and Mr. Farmer was nominated and elected as the Vice Chair.

ITEMS FROM THE COMMISSION

There were no new items from the Commission Members.

There being no further business, the meeting was adjourned.

KP:mdb

cc: Aviation and Transit Commission
Chrono
City Administrator
Mayor
City Clerk