

The regular monthly meeting of the Gallatin Airport Authority was held August 11, 2022, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, Kevin Kelleher, and Carl Lehrkind. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, and Troy Watling, Assistant Director - Finance.

Ms. Stelmak, Board Chair, called the regular meeting of the Gallatin Airport Authority Board to order.

1. Review and approve minutes of regular meeting held July 14, 2022

Ms. Stelmak asked if everyone had received their copy of the minutes and if they had any corrections or additions. There were none.

MOTION: Mr. Lehrkind moved approval of the minutes of the meeting held July 14, 2022. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Report on Audit Review Process – Matt Cope

Mr. Cope, Audit Shareholder with Holmes & Turner, reviewed the audit process. They plan to complete the field work for the audit in the second to last week of September with a presentation at the November board meeting. This is a risk-based audit. They start with the financial data. They will identify risks and then develop audit procedures. A variety of methods are used to verify the information and they will issue an opinion. The board thanked Mr. Cope for his presentation.

Mr. Sprenger congratulated Mr. Troy Watling for another year of receiving the financial excellence award. This is the 7th year in a row. The board thanked Mr. Watling.

4. Consider request by Covenant Commerce Global, LLC to transfer the non-commercial land lease on hangar SY6 to Rowley Aviation Montana Properties, LLC

Mr. Sprenger said the hangar was recently completed. The developer would like to transfer the lease to the new owner. Staff recommends approval of the transfer.

Mr. Mathis asked a representative from Covenant Commerce Global if they plan to paint the door braces to match the door. They said they plan to.

MOTION: Mr. Mathis moved approval of the request by Covenant Commerce Global, LLC to transfer the non-commercial land lease on hangar SY6 to Rowley Aviation Montana Properties, LLC contingent on completion of painting the door braces. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

5. Consider request by The Montana Chapter of the 99s to transfer the non-commercial land lease on hangar 56 to Summit Aviation, Inc.

Mr. Sprenger said the rent is current and the hangar is in good condition. Staff recommends approval of the request.

MOTION: Mr. Lehrkind moved approval of the request by The Montana Chapter of the 99s to transfer the non-commercial land lease on hangar 56 to Summit Aviation, Inc. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

6. Consider real estate transfer agreement with Daniel D. Korthas and Melanie H. Korthas for the purchase of property located at 1611 Tubb Road, Belgrade Montana

Mr. Sprenger said we have been negotiating on this property for a couple years. They recently had an appraisal. They are not asking to remain on the property for 3 years. There was an adjustment to the price for that. We believe this is well within the expectation. This

property is the most important property for the runway expansion and addition. Staff recommends approval.

MOTION: Mr. Lehrkind moved approval of the real estate transfer agreement with Daniel D. Korthas and Melanie H. Korthas for the purchase of property located at 1611 Tubb Road, Belgrade Montana. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

7. Consider request by Northern Wings Aviation to construct a 22' x 23' addition to hangar 76

Mr. Sprenger said this hangar has been used by Northern Wings as a quasi-commercial operation. It is different than the typical FBO, but they do maintenance, and they need additional space. It would probably need to be converted to a commercial hangar. That would require they add 10 parking spaces. The adjacent hangars are adding parking. That would make it simple for Northern Wings to add parking and would benefit them with outside the fence parking. Making this a commercial hangar makes it a better investment. This is a good time to bring the hangar in line with a commercial operation and at a better expense due to the timing of parking being added.

Mr. Mathis agrees this is an opportune time to pave the spaces outside the fence. The addition of Summit next to his hangar will place corporate jets and helicopters near the building. That makes parking outside the fence even more important.

MOTION: Mr. Lehrkind moved approval of the request by Northern Wings Aviation to construct a 22' x 23' addition to hangar 76 contingent on adding 10 parking spaces outside of the fence line. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

8. Report on preliminary FY 2022 operating and concession statistics

Mr. Sprenger said tower operations were down 2.2% for the FY. Local operations were the difference. Corporate landings were up 15.6% to 8,196. Passenger enplanements were up 81.6% over 2021 FY. There were 11,499 departures and enplanements per departure were 97, up 43% from last year. We saw a number of records for concession fees. On airport car rental revenue was \$8.8 million. Off airport car rental revenue was \$951,000. Rental car revenue for the month of July is up despite lower prices. Total car rental revenue was up 92%. Food and beverage revenue was up 110%. Retail revenue was up 76%. Ground transportation was up 82%. Parking revenue was up 181%. We expect that parking revenue for the next fiscal year will surpass \$7 million. Rental car days were up 45%. The average on airport rental car daily rate was up 22% on an annual basis. Concession revenue per enplanement was up 19.5% to \$17.08 per enplanement. Customs landings increased from 68 to 167.

Compliments were given to Mr. Sprenger and staff. Mr. Sprenger thanked both staff and tenants. This year was a lot smoother. They are handling the equivalent of last year's numbers with much more ease.

9. Air Traffic Control Update

Les Andrew, Tower Manager, reported that they are at 66% of total staffing. They have one controller in training. They are optimistic that by the end of August or early September they will be staffed to 84%. Another controller has been tentatively hired. He is a retired FAA controller out of Salt Lake. They hope to be at 100% staffing by the end of September.

According to Mr. Andrew, once they get to 100% staffing, they have controllers who need to take leave. They won't be healthy until the end of October or November. The temporary controller will be permanent in September. He is from Montana.

The board thanked Mr. Andrew and tower staff for their professionalism.

Mr. Sprenger said he and Mr. Andrew had a discussion with the Jared Isaacman team who is part of the Polaris Dawn Crew for the SpaceX launch. They are desiring to do training here. They have worked with Mr. Andrew to mitigate challenges we experienced last year. That will happen September 17 and 18. We are hopeful the coordination will be significantly better this year. We have requested that they go to the TV stations and newspaper to provide notice to the community that they will be doing this training.

10. Report on passenger boardings and flight operations – Scott Humphrey

Mr. Humphrey reported 10,137 total tower operations for July which was down 14.3%. Rolling 12-month operations were 112,178 operations. Corporate landings were up 12.1% at 912 versus 907. Revenue enplanements were down 7.6% at 128,371 passengers. Deplaned passengers were down 7.6% at 127,863 versus 138,435. Airline landings were down 28% at 1,105 versus 1,535. The system load factor was at 83.6% versus 68.6%. Airlines have right sized and brought the load factor back up. Total gallons dispensed for June was down 9.9%.

The first 13 days in August are up about 2%. We will probably come in close to where we were last August. Load factors should be well into the 80's. Mr. Humphrey will be in Helena for the next board meeting.

11. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that month to date food and beverage revenue is 104% of last year and retail sales are 95% of last year. July food and beverage was 108% of July 2021. Retail sales were 102%. Parking revenue was 131%. Overnight cars were 120%. On airport rental car revenue was 102%. Despite a few less passengers, we are seeing more revenue.

Mr. Sprenger reviewed some investment plans for the airport.

The board plans to see the progress of the baggage system after the meeting.

12. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

Staff recommends a buyout of the loader lease.

MOTION: Mr. Mathis moved to pay the bills and Mr. Kelleher seconded the motion.

All board members voted aye. The motion carried.

There was a discussion on staffing. We are one maintenance position down but otherwise fully staffed.

13. Adjourn

The meeting was adjourned at 2:40 p.m.



Karen Stelmak, Board Chair