

The regular monthly meeting of the Gallatin Airport Authority was held July 14, 2022, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, Kevin Kelleher, Carl Lehrkind, and Kendall Switzer. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, and Troy Watling, Assistant Director - Finance.

Ms. Stelmak, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Review and approve minutes of regular meeting held June 9, 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. Switzer moved approval of the minutes of the meeting held June 9, 2022. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

Jennifer Boyer introduced herself as Gallatin County Commission candidate. Mrs. Boyer's husband runs an aerial photography and survey business and has a hangar here. Mrs. Boyer said she is aware of what an economic driver the airport is. She is available to hear how the county can be a better partner.

3. Election of Officers

Mr. Sprenger said this is year 2 of a traditional 2-year term. Current officers were reviewed. Mr. Sprenger said it is not mandatory to keep the current slate of officers.

MOTION: Mr. Lehrkind moved to approve the following slate of officers for the coming fiscal year:

Chair – Karen Stelmak

Vice Chair – Kevin Kelleher

Secretary – Ted Mathis

Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

4. Consider request by Tim Linn for a variance on the artwork plaque for the “January Stearman”

Mr. Sprenger said that we generally have a bronze plaque with artwork. Mr. Linn was approved to display the “January Stearman” a couple years ago. The artwork does not have a plaque currently. Mr. Linn is requesting a variation on the plaque. The artist, Brett, was present. Mr. Linn reviewed the proposed plaque. It involves some history. Brett said he is an architect and does graphic art. Brett provided some background on how the artwork was developed. The location, size and additional details were discussed.

MOTION: Mr. Mathis moved approval of the request by Tim Linn for a variance on the artwork plaque for the “January Stearman”. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

5. Air Traffic Control Update

Mr. Sprenger said our newest controller has been ground qualified and is working on getting air qualified. We understand he is interested in being here permanently. We have assistance for local controllers in the budget and we believe it has saved one of our controllers already. We are moving in the right direction. The tower is still stressed. They are working

five 12-hour shifts. Ms. Stelmak said anything we can do, we will do. This new controller will bring us to 6.

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

Mr. Humphrey reported 9,100 total tower operations for June which was down 17.8% due to a reduction in frequency and the wet weather. Rolling 12-month operations were 113,872 operations. Corporate landings were up 5.2% at 530 versus 504. Revenue enplanements were up .9% at 109,694 versus 108,679. For 12-month enplanements we had 1,124,292 enplanements. Deplaned passengers were 115,712 versus 115,148 which is up .5%. Airline landings were down 29% at 968 versus 1,364. The system load factor was up 33.5% at 82.7% versus 61.9%. Total gallons dispensed for May was up 6.7%.

We are down 10% in enplanements currently compared to last July. We are down 20% in seats compared to last year. We will probably end up 7% to 7.5% below in July. We are starting to see traffic pick back up and we should have an 83% to 84% load factor in July. Customs clearances this June were 7 and the year before we had 4.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported we had 167 Customs operations for the fiscal year which is up 24.7% over the previous record in 2017.

June revenue in 2022 compared to 2021 was up 14.5% for food and beverage, retail sales were up almost 7%, parking was up 36%, overnight cars were up 29% and on-airport rental cars were up 12%. These are similar increases to what we are seeing with passengers. The first week of July is 95.9% of last year for food and beverage and retail at 95.1% of last year. We were expecting June to be close to a record. July and August we expect to be down

a little but still significantly higher than pre-pandemic. Load factors increased last year. We expect to see recovery on the growth side most likely in the low single digit range.

Mr. Sprenger referred to a form in the board packet. The first list was the top 10 US Growth Airports that enplaned 100,000 or more passengers in 2001. For that 20-year period, we were the second highest growth airport at 281% behind Panama City. Panama City had growth because they built a more centrally located airport that grew from other airports and accelerated their growth. Panama City was also the recipient of Southwest Airlines. The second portion is the top 10 US Growth Airports that enplaned 100,000 or more passengers in 2011. We were again the second highest in the nation at 145% behind Punta Gorda, Florida. Punta Gorda had Allegiant come to an airport that had no air service and create a small hub which allowed them to grow exponentially. From an organic growth standpoint, we have performed very well. These lists show the growth we have experienced the past 20 years.

We have seen the draft of the FAA study on the Navigation Aid. To accomplish everything we would like to do including relocating the Very High Frequency Omni-Directional Range (VOR), adding Runway Visual Range (RVR) for lower minimums, putting in a Medium Intensity Approach Light System with Runway Alignment Indicator Lights (MALSR) on RWY 30, upgrading our Instrument Landing System (ILS), and putting a special authorization Cat II approach, will require several million dollars' worth of FAA equipment that they will contribute and our part is \$7-\$10 million to install. A large portion of the cost is a fiber optic network that parallels the runway. The RVR will benefit 11-29. It would be a 3 location RVR. The additions would lower the minimums on both ends of the main runway by about half.

With those minimums, we would expect to have almost no visibility impacts based on the equipment. It would then carry over to the operators and their capabilities.

Mr. Switzer asked about the impacts on the ceiling. Mr. Sprenger said those would also be reduced by about half. Mr. Switzer asked about the possibility for instrumentation on the north runway. Mr. Sprenger said we will probably see approaches on 11-29 when that gets expanded. The ILS approach will most likely be a sidestep approach. Mr. Switzer said this would help the flight school students a lot.

Mr. Mathis asked about the schedule. The report is expected to be complete early fall. If we move forward, it would be about 9 months of design. We do get some economy of scale by planning this all at once. We would have complete an environmental assessment. We could expect the RVR in place in the summer of 2024. That would include the ILS upgrades and the special authorization approach. Relocation of the VOR would be about 3 years from next summer so in 2027. It would be relocated to the gravel pit on the east end of the airport. It would be centered between the 2 runways.

Mr. Sprenger reviewed 2 letters of credit. One is to maintain a letter of credit for the gravel pit for reclamation for \$51,000. We have been carrying a \$6.5 million letter of credit. We have not accessed it. It has been recommended that we decrease it to \$500,000 instead of removing it because it is easier to increase it than to open a new one. The interest rate is 4.5%.

Mr. Switzer asked Mr. Sprenger to let staff know he appreciates their hard work to keep the airport nice and clean. Mr. Sprenger said he would and added that operations this year are different than last year. Operations seem much more manageable this year, but that

is offset by a number of large infrastructure projects we were behind on. We just hired Jake from Denver International. We received an acceptance today for our Director of Human Resources position who will start August 22.

8. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Mr. Lehrkind moved to pay the bills and Mr. Switzer seconded the motion.

All board members voted aye. The motion carried.

9. Adjourn

The meeting was adjourned at 2:36 p.m.



Karen Stelmak, Board Chair