

The regular monthly meeting of the Gallatin Airport Authority was held November 9, 2017 at 2:00 p.m. in the Airport Conference Room. Board members present were Carl Lehrkind, Ted Mathis, Kendall Switzer and Karen Stelmak. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

Carl Lehrkind, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Open Bids on Multi-Use Parking Garage

Mr. Sprenger asked for additional bids. Mark Maierle assisted with the bids.

There were two bids:

The first bid was from Sletten Companies of Great Falls, Montana. Their Montana Contractor Registration is number 269. The addendums were acknowledged and the bid bond was attached. The bid was signed by Cliff Garness, Vice President. Sletten Companies bid:

\$25,900,000.00 for Schedule I – Parking Garage

\$1,594,000.00 for Schedule I – Additive Alternate 1 – Garage Roof

\$68,117.00 for Schedule I – Additive Alternate 2 – Bathroom Remodel

\$1,041,466.00 for Schedule II – Parking Garage Access Roads

\$486,665.00 for Schedule III – Access Roads

The second bid was from Martel Construction Inc. in Bozeman, Montana. Their Montana Contractor Registration number is 2124. The addendums were acknowledged and

the bid bond was attached. The bid was signed by Jason Martel, Executive Vice President.

Martel Construction, Inc. bid:

\$28,150,000.00 for Schedule I – Parking Garage

\$1,650,000.00 for Schedule I – Additive Alternate 1 – Garage Roof

\$67,000.00 for Schedule I – Additive Alternate 2 – Bathroom Remodel

\$961,093.55 for Schedule II – Parking Garage Access Roads

\$446,567.71 for Schedule III – Access Roads

MOTION: Mr. Mathis moved to take the bids under advisement and award a contract to the lowest qualified bidder. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

Mr. Lehrkind thanked everyone for their bids.

2. Review and approve minutes of the regular meeting held October 12, 2017

Mr. Lehrkind 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 regular meeting held October 12, 2017. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

3. Public Comment Period

There were no public comments.

4. Consider request by Shedhorn Construction to transfer their commercial hangar land lease on hangar EU7 to Wide Open Skies Aviation, LLC

Mr. Sprenger reported that we have been working with Brandon Wilson on this hangar. Mr. Wilson is in the process of selling his interest in the hangar to Mr. Schwerin of

Wide Open Skies Aviation, LLC. Mr. Schwerin has a Columbia 300 and is looking for a Pilatus. Mr. Schwerin has asked for an extension on the completion of the hangar until May 9, 2018 due to the winter construction period. They have been working on the asphalt but we are having an early winter this year. Mr. Schwerin was present to answer any questions. Staff recommends approval of the transfer.

Mr. Mathis asked Mr. Schwerin if he intends to have any commercial operations there. Mr. Schwerin said their intent is to build the hangar as previously approved. They will use Brandon Wilson and Shedhorn Construction to get that done. They have increased the resources dedicated to this project to accelerate its completion. Mr. Schwerin and his wife are pilots. They intend to house their own aircraft there and avail their aircraft for flight instruction and charter services. The hangar has sufficient capacity to add incremental aircraft as needed for flight instruction.

MOTION: Ms. Stelmak moved to approve the request by Shedhorn Construction to transfer their commercial hangar land lease on hangar EU7 to Wide Open Skies Aviation, LLC. Mr. Switzer seconded the motion. All board members voted aye and the motion carried.

5. Consider Audit Report – Matt Cope

Mr. Cope said the audit was a successful process. Management is so prepared and organized that it runs very smoothly. The Comprehensive Annual Financial Report (CAFR) looks great. They present 4 audit reports in the CAFR.

The first report is the Independent Audit Report over the basic financial statements. There were no proposed or past adjustments. They issued an unmodified opinion which is the best opinion you can receive.

The next is a report on Internal Control in financial reporting, compliance and other matters. This is also known as the Yellow Book Internal Control Report. This was a clean report with no significant deficiencies or material weaknesses in internal control. There were also no instances of non-compliance.

The third report is the Federal Single Audit Report or Report on Compliance for each major federal program. The auditors issued a clean unmodified opinion. There were no significant deficiencies or material weaknesses in internal control.

The final report is a new report. It is an FAA requirement. It is the Report on Compliance with Requirements that could have a direct and material effect on the Passenger Facility Charge (PFC) program and on internal control over compliance applicable to the PFC program. There were additional audit procedures this year. Everything was clean. There was no non-compliance or internal control issues noted.

The CAFR had a new item discussed in the notes which was Governmental Accounting Standards Board (GASB) 82 regarding pension issues. It is an amendment statement of GASB 67, 68 and 73. The only change that would affect the CAFR is the presentation of the covered payroll. Last year we reported pensionable payroll and this year it is covered payroll.

There is a new schedule on the back in the supplementary information. It is a schedule of PFC collections, interest and disbursements. This has been reported on in the

past, but it has been modified to meet the FAA guidelines. The report covers that schedule. There were no issues noted.

Mr. Lehrkind thanked Mr. Sprenger, Mr. Watling and staff on a job well done. Mr. Sprenger said that Mr. Watling put the book together, and Mr. Lehrkind said he did a great job.

Mr. Switzer commented on the saying that when you're doing something right you make it look easy. There is a lot of work that went into this. Mr. Switzer thanked Mr. Cope and staff. Mr. Switzer said this is one of the things we have to do right, and we are. As a board they recognize all the work that goes into that.

Ms. Stelmak said she echoes what has been said and complemented Mr. Sprenger and staff on the accuracy and financial thoroughness of this report. The financial results themselves are good. The operations are impressive.

Mr. Mathis said he agrees.

MOTION: Mr. Mathis moved to approve the Fiscal Year 2017 audit report. Mr. Switzer seconded the motion. All board members voted aye. The motion carried.

Mr. Cope added this is their last contract year. He thanked us for considering them. They look forward to proposing a contract in the future.

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

Total operations for October 2017 versus 2016 were up 9.8% at 6,523 versus 5,941. That puts our rolling twelve-month operations at 77,370. Corporate landings were up 25.3% at 183 versus 146. Total enplanements were up 5.7% at 44,571 versus 42,181. That puts our twelve-month enplanements at 596,567. Deplaned passengers were up 5.5% at 41,351

versus 39,189. Airline landings were up 8.5% percent at 471 versus 434. Airline load factors were down 3.6% at 86.2% versus 89.8% with 10% more seats in the market or 4,700 seats. American was 90.3% outbound and Delta was close to 90%. Fuel dispensed for September was down 5.9% at 717,481 versus 762,839.

Right now we have 10% more seats in November and 3% more in December. We will make 600,000 enplanements for the calendar year if we hit 4.5% in November and December. We are estimating 5% in November.

Ms. Stelmak said the numbers are extremely impressive.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger thanked Mr. Mathis, Mr. Lehrkind and Ms. Stelmak for attending the opening event of the new runway. Over 60 people attended.

Parking lot expansion work has been impacted by the weather. It is looking like we are done for the year. We may be parking cars in unimproved areas when we overflow during peak periods.

The loader and snow blower are here and are being used.

Tomorrow is an airport holiday and Mr. Sprenger will take some of Monday off.

8. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

MOTION: Ms. Stelmak moved to pay the bills and Mr. Switzer seconded the motion. All board members voted aye and the motion carried unopposed.

9. Adjourn

The meeting was adjourned at 2:28 p.m.



Carl Lehrkind, Chairman