

The regular monthly meeting of the Gallatin Airport Authority was held November 9, 2021, at 2:00 p.m. in the Airport Conference Room. Board members present were Karen Stelmak, Ted Mathis, Carl Lehrkind, Kevin Kelleher, and Kendall Switzer. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Troy Watling, Assistant Director - Finance, and Shannon Rocha, Recorder.

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 October 14, 2021

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. Mathis moved approval of the minutes of the meeting held October 14, 2021. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Consider Audit Report – Matt Cope

Mr. Cope, Audit Shareholder with Holmes and Turner, thanked management and staff for their accommodation during the audit. There was a new accounting standard this year. We are implementing this sooner than probably anyone in the country. The standard changes some of the accounting for leasing and presents it differently on the basic financial statements.

There were four audit reports. There were no significant changes. They issued a clean unmodified opinion. There were no instances of non-compliance. It was another successful year. It is nice to know that our airport in Bozeman is outperforming the nation in passenger data.

Mr. Mathis asked Mr. Sprenger if any spot audits were requested for tenants. Mr. Sprenger said there was nothing to indicate that was necessary this year, so they did not.

Mr. Watling said one area they do spend a lot of time on is internal controls. They have added a lot of electronic processing. Some time was spent reviewing those and we have improved our internal controls.

MOTION: Mr. Lehrkind moved to approve the Fiscal Year 2021 audit report. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

4. College of Architecture Project Presentation/Update

Mr. Sprenger said the students have spent the last month working on concepts. Each of the 7 students were provided 2 minutes each to present.

Bryn – The focus was on making the space comfortable and inviting by using warm materials such as wood and plain gypsum wallboard to display art. It would have a clear and open circulation path for movement. The ceiling is the focal point and connects to the structural system of the airport and the theme: Under the Big Sky.

Caroline – The aim was to represent the Bozeman landscape with a paneled wall and ceiling system that maps the Headwaters of the Missouri River determined by satellite imagery. The walls can be efficiently and cheaply manufactured within the School of Architecture. The idea is that the landscape of Montana acts as a backdrop to local art using

a cable system to display 2D and 3D art. The lighting system consists of hidden LED strips and task lighting within the wood panels of the ceiling.

Connor – This proposal was based on discovery and interaction. Metal panels slide on tracks with 2D artwork in front of display cases. The floor plan is broken up into film, music in the back, art along the wall, architecture perpendicular and photography on the main post.

Josie – This proposal aimed at being able to display different art every few months. There were forms that can be pushed in or pulled out and lit from above. There was a living wall where a local artist could showcase native plants. The design includes a closet for maintenance and storage. The living wall would also require specific lighting.

Michael – The proposal was titled Aperture Gallery and was described as a simple space built with materials that have integrity that will create intrigue without getting in the way of the art and the exhibit. The front space displays film. The back cubby is to enjoy music. It is an all-in-one place where you can view and experience different types of art.

Tessa – This proposal was based on using 2'x2' wooden boxes made with CNC routed plywood to display 2D and 3D pieces in the gallery. The main goal was to create versatility to increase the longevity of the gallery. The initial investment is in the boxes and then can be moved and used elsewhere. It connects to our landscape in Montana which has a history of using lumber as a natural resource.

Connor presenting for Emily – This proposal was inspired by the organic nature of the surrounding landscape. The materials are complimentary to the existing aspects of the airport. The space is meant to draw people in with interesting forms and adjacent features such as a window.

The Board thanked them for their work.

For the next phase they will create booklets which will review precedent studies. Each project will be presented in more detail including how the features could be built and maintained.

5. Consider real estate transfer agreement and subsequent short term lease agreement with Doug Stackhouse for the purchase of property located at 1381 Timothy Lane, Belgrade, Montana

Mr. Sprenger said we have worked with Mr. Stackhouse and got an appraisal. Mr. Stackhouse would like to remain on the property for up to the 3-year period as others have. Staff recommends approval of the purchase.

MOTION: Mr. Switzer moved to approve the real estate transfer agreement and subsequent short term lease agreement with Doug Stackhouse for the purchase of property located at 1381 Timothy Lane, Belgrade, Montana. Mr. Lehrkind seconded the motion. Ms. Stelmak confirmed legal has reviewed the agreement. All board members voted aye. The motion carried.

6. Consider land acquisition priorities

Mr. Sprenger said we have been approached by Mr. Charles Stump (1301 Timothy Lane) and Amelia and Grant White (1363 Timothy Lane) about possibly acquiring their properties on Timothy Lane. Our budget can accommodate a purchase of both properties.

Mr. Sprenger reviewed various other properties on Timothy Lane and our interest in them.

Mr. Mathis asked if Mr. Sprenger could provide pictures of the properties in the future. Mr. Sprenger said he would.

MOTION: Mr. Kelleher moved to approve the Airport Director negotiating a buy-sell on the Charles J. Stump property and the Amelia and Grant White property and to bring to the Board for consideration, understanding the Board may or may not approve the negotiated buy-sell agreements. Mr. Mathis seconded the motion and all Board members voted aye. The motion carried.

Mr. Lehrkind asked about the lots that have multiple homes on them. Mr. Sprenger said they are still under one ownership per lot.

7. Consider request by D Madill RTF, LLC to transfer the non-commercial land lease on hangar SY7 to Big Bear Hangar, LLC

Mr. Sprenger said the hangar is under construction. Staff recommends approval of the request.

MOTION: Mr. Switzer moved approval of the request by D Madill RTF, LLC to transfer the non-commercial land lease on hangar SY7 to Big Bear Hangar, LLC. Mr. Kelleher seconded the motion and all board members voted aye. The motion carried.

8. Consider request by Brandon Wilson to construct a 32' x 15' addition to hangar 178

Mr. Sprenger said Mr. Wilson is requesting a 32' x 15' addition for parts and supplies storage. This would necessitate the adjustment of the lease line by 15' which will increase the leased area and there are no issues with the line of sight.

MOTION: Mr. Mathis moved to approve the request by Brandon Wilson to construct a 32' x 15' addition to hangar 178. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

9. Consider revised Advertising Policy

Mr. Sprenger said we have been working on a revised advertising policy. Trent has reviewed and approved this revision. Number 29 will be changed from conductive to conducive. The revised policy would be adopted upon approval of this agenda item.

MOTION: Mr. Switzer moved to approve revised Advertising Policy. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

10. Consider Adjusting FY 2022 Budget to high growth Scenario 2

Mr. Sprenger said we had 3 scenarios. Our approved budget is based on the high growth Scenario 2 but with the lower limit unless approved by the Board.

MOTION: Mr. Lehrkind moved to approve Adjusting FY 2022 Budget to high growth Scenario 2 as presented by staff. Mr. Switzer seconded the motion and all board members voted aye. The motion carried.

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

Mr. Humphrey reported 9,093 total tower operations for October which is 15.5% better than 2019 but slightly lower than October 2020. Rolling 12-month operations were 117,375 operations. Corporate landings were 393 which is 18% better than 2019. We had 81,386 enplaned passengers which is 51.4% better than 2019. For 12-month enplanements we had 896,959 which is a new record. Deplaned passengers were 48.8% better than 2019 with 74,806 deplaned passengers. Landings were 46.4% better than 2019 with 801 versus

547. Load factors are starting to come up at 82.6% total for October. Fuel dispensed in September was up 24.5% over 2019.

November is 32% better right now. We will most likely end up lower. We are starting to see the actual shoulder season. We cleared 12 Customs flights in October this year versus 5 in 2020 and 2 in 2019.

Mr. Lehrkind said load factors on Southwest were 65%. Mr. Humphrey said every month has been better. So far, they are happy with what they are seeing.

12. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that rental car revenue in October was 197% of 2020 and 243% of 2019. Parking revenue was 151% of 2019. Gift concessions was 162% of 2019. Food and beverage was 164% of 2019. This October was the 4th busiest month in our history prior to this year.

The infrastructure bill going through the House will provide \$23 million to our airport and opens opportunities for small hub terminal projects. We will be evaluating where that should be best allocated. We have an aggressive agenda already. It will most likely accelerate projects in the 6–7-year range. It will be interesting to see the return of international travel.

The northside is under construction. The non-refundable portion will go to bid in the March timeframe. It will tie into the Belgrade sewer and water system. The City of Belgrade's project is about 10 months behind.

Schedule II of the Baggage Bid will be advertised this coming Sunday. On December 14 we will open the bids. Then it will go to the FAA for approval.

TSA is adding technology here called Credential Authentication Technology. Basically, travelers hand TSA their driver's license but not their boarding pass. TSA recommends travelers ensure profiles are entered correctly for their respective airlines. That new technology should be implemented in the next couple weeks. That should speed up the document check part of the process.

Ms. Stelmak asked how much we have been able to expand parking. Mr. Sprenger said we will have 10-15% more space by Thanksgiving. The parking will not be finished but it will be usable. There will be additional parking expansion next spring.

We expect growth and then moderation. There are some nuances. Jackson Hole Airport will be doing runway construction in April-June. Some may go to other airports. June will probably be strong for us. The second half of the year we expect plus or minus 5%. We don't know what we will do with another 40-50% growth but we don't expect that.

13. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

All board members voted aye. The motion carried.

14. Adjourn

The meeting was adjourned at 2:56 p.m.



Karen Stelmak, Board Chair