

The regular monthly meeting of the Gallatin Airport Authority was held December 8 2016 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Carl Lehrkind, Kendall Switzer, Karen Stelmak and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Paul Schneider, Assistant Airport Director-Ops, Troy Watling, Assistant Director of Finance, and Shannon Rocha, Recorder.

Ted Mathis, Board Chair, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board.

1. Review and approve minutes of the regular meeting held November 10, 2016

Mr. Mathis asked if everyone received their copy of the minutes and if they had any questions, corrections or additions.

Mr. Mathis had one correction to Page 2 towards the bottom. Statewide Transportation Improvement Program (STIP) should be changed to Short Term Investment Program. (STIP)

MOTION: Mr. Kelleher moved approval of the minutes of the regular meeting held November 10, 2016 as amended. Mr. Lehrkind seconded the motion and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Consider request by Eagle Nest Condominium Association to construct a 16' x 24' addition to hangar #83

Mr. Sprenger reported that Travis Buck of Eagle Nest Condominium Association owns 3 aircraft and would like to construct the addition to be able fit them all. They have

submitted a drawing of the addition. They are requesting a restroom to be constructed inside. The location works well for the addition. It is land that can't be developed in any other way. Our engineering firm has inspected the area and staff recommends approval of the request.

Mr. Mathis asked if the addition will require a building permit and Mr. Sprenger confirmed it will. Ms. Stelmak asked if the current hangar is in compliance with all the requirements. Mr. Sprenger said yes they are in compliance. Mr. Mathis asked if they will be able to match the siding. Mr. Sprenger believes they should be able to match the siding pretty closely.

MOTION: Ms. Stelmak moved approval of the request by Eagle Nest Condominium Association to construct a 16' x 24' addition to hangar #83. Mr. Lehrkind seconded the motion.

Discussion- Mr. Mathis said that they have had a couple occasions where people have added on to a hangar and have used mis-matched siding which creates a poor appearance. Mr. Mathis requested that we stipulate that Eagle Nest Condominium Association match the existing siding. Mr. Sprenger said they would stipulate that they have the siding approved before they start.

All board members voted aye. The motion carried.

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

Mr. Humphrey said that because of the date of the meeting we don't have the Allegiant numbers so a conservative estimate has been included. Our total operations for November 2016 versus 2015 were up 22.5 percent. Rolling twelve-month operations are at

77,345. Corporate landings are up 13.7 percent at 166 versus 146. Revenue enplanements should be up at least 6.7 percent at 31,562 versus 29,572. That was using a conservative load factor versus what they had scheduled for seats and extrapolated that out. We might actually be a little higher. That puts us at 550,720 for twelve-month enplanements. Deplaned passengers are up about 4.6 percent. Airline landings were down 3.4 percent. Delta was down 15 percent. United was up 2.2 percent. Looking at year over year comparisons, the average seats per departure for Delta is now 108 and last year it was 94. For United the average seats per departure are 102 versus 81 for last year. So those two carriers are up-gauging the size of the regional jets they are bringing in here. Load factor for October is 84 percent which is up 1 percent over last November on 4.4 percent more seats. Fuel dispensed for October was up 15.1 percent.

Right now we are about 1 percent better in seats for December. But we don't have a real good feel for the numbers because of the timing of the meeting. It would be safe to say we will probably see a 2-3 percent increase for enplanements in December. American starts back on the 15th of December. Mr. Mathis asked if American will be using the same aircraft and Mr. Humphrey confirmed they will be. Mr. Humphrey said we shouldn't have the issues with weight or thunder storms like we did in the summer.

American's load factors aren't tracking as well as Newark did the first year. We asked American if they had any concerns. They basically stipulated that this isn't their normal ski market. They are getting a lot of business traffic also. They said it has the best attributes of business and ski traffic. So there are no concerns on their part.

5. Airport Director's Report – Brian Sprenger

Mr. Sprenger followed up on Mr. Humphrey's report. Last February we did some estimates for the year on passenger enplanements. Our estimate at the time was about 541,000 enplanements for the year. We are anticipating there will be over 10,000 more than that. We had anticipated a 6 percent growth but the growth is expected to be somewhere in the 8 percent range. So if you add the enplanements and deplanements we will be at 1.1 million passengers for the year. That will be 30 percent more than what Billings will do. It wasn't that long ago that we surpassed Billings but now there will be a 30 percent difference between us.

We included a chart with the board packet that shows some projections of Gallatin County growth. The chart is showing the history of the growth in 10 year intervals. You can see we are tracking pretty closely to the growth of Missoula and Yellowstone County. But if you go into the 5 year intervals after that, you can see that by 2020 we will essentially be the same size as Missoula County is right now and by 2035 the same size as Yellowstone County is. This is with a relatively conservative growth rate. This gives some perspective on where things could be going. We have to consider that with airport growth as well. We are a unique market. We have the best of both worlds. Other tourism markets don't have business traffic and the local population growth.

United has usually started their summer Chicago service the second week in May and they have now moved it up to the third week in April. So we are only about two and a half weeks in April without Chicago service where we used to be a month and a half. They are now selling Chicago service in November next year. We believe we are within a hair of being year round to Chicago which is similar to our Portland service.

We have closed on the gravel pit land transfer. We will be working on the gravel pit itself and getting that transitioned. That will probably be coordinated with the state DEQ.

The Thompson land will be on the consent agenda for the county next week for re-alignment of common boundaries. Once that is complete we expect to close.

We are also working on the parking garage and narrowing down design options. Right now based on some input we are looking at 780 stalls on 3 levels. We had looked at 4 levels but would like it to be simple for our customers. Trying to navigate up to 4 levels does create some challenges. The 3 level design comes at a price because it is the same land for less stalls. Once we have narrowed it to the more feasible options, we will bring to the board for input. Mr. Mathis asked who is doing that work for us. Mr. Sprenger said that Morrison-Maierle is the prime and they are using Walker Consultants.

We have been working with Central Valley to iron out details for the potential of putting the fire station on airport land. Once we get those details they will go out to their board and ours for consideration hopefully as early as January.

Work on the entry sign has been suspended due to the weather. We expect completion next spring.

We will be switching health insurance companies from Blue Cross Blue Shield to Pacific Source. Blue Cross had raised premiums by about 30 percent. We have been holding employee meetings about it. Pacific Source seems to be comparable. Their customer service is rated better. This year it will be at a lesser cost. It also allows us to combine other employee benefits under the same company. It is always hard to manage the expense side and the employee expectation side.

A pilot meeting will be scheduled for February 9th at 6pm, the same day as our board meeting. We try to schedule meetings on the same days so attendance is easier.

Mr. Mathis asked who did the projections. Mr. Sprenger said he himself did them.

6. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

7. Adjourn

The meeting was adjourned at 2:26 p.m.



Ted Mathis, Chairman