

**HELENA REGIONAL AIRPORT AUTHORITY  
BUDGET WORKSESSION MEETING MINUTES  
APRIL 26, 2022 - 11:30 A.M.**

**MEETING**

In Attendance:

Mike Murray, Chair  
Tom McGree, Vice Chair  
Mike Muscarelli, Secretary  
Dave Simkins, Immediate Past Chair  
Debbie Havens, Commissioner  
Bob Heberly, Commissioner  
Jeff Wadekamper, Airport Director

Others Attending:

Ross Marty, Assistant Airport Director  
Connie Lundin, Financial Manager  
Amber Huggett, Office Manager

Excused:

Bill Burkland, Commissioner

**PUBLIC COMMENT PERIOD**

None

**FISCAL YEAR 2022 AIRPORT AUTHORITY BUDGET**

Chair Murray called the meeting to order. He asked the commissioner's if they all had a chance to read over the narrative of the budget that Jeff had prepared. He stated the narrative really explains the budget very well. All the commissioners agree and thanked Jeff for his efforts in explaining the details.

Chair Murray asked if Helena is your homebase for your plane, then you do not get charged a landing fee, is that right?

Jeff said yes, we do not have landing fees for any aircraft based here and it is typical of most airports for the general aviation side to not charge based aircraft. The reasoning is, if you are based here then you are paying other fees such as ground rent, hangar rent, and fuel flowage fees.

Chair Murray asked if you are doing touch and goes, every time you land is that considered a landing fee?

Jeff replied yes if you exceed the minimum weight of 10,000 pounds then you are paying landing fees.

Chair Murray questioned so when we see military, their fees are waived, correct?

Jeff said yes that is correct. It is a federal grant assurance; the FAA doesn't allow us to charge a government owned aircraft a landing fee.

Chair Murray asked the commissioner's if there were any other questions before we get into the numbers?

Commissioner Heberly asked about a recent complaint Jeff received from a private jet owner about a landing fee. Heberly asked do you get many complaints on the landing fees from others?

Jeff explained we probably get one or two a year. We have seen more this year and that is due to the increase of private jet traffic we are seeing. Landing fees are usually collected by the FBO amongst other fees, ours are collected solely by us. So, most jet owners do not think they are being charged by other airports when in fact they are.

Jeff thanked Connie Lundin, Airport Financial Manager for a tremendous job of projecting where we think we will end up at the end of FY2022 with nine weeks remaining. These details helped create the numbers for the first draft of FY2023. Also included in the packet was a drafted budget memo to summarize the details within each cost center that are not easily distinguished from the title of the line item themselves.

Jeff presented a summary of the draft budget by going through each income and expense cost center which was included in the packet emailed out to the commissioners prior to the meeting. The Commissioners asked questions as the budget summary was given.

Commissioner Heberly asked why the Fire-Retardant landing fees budgeted are down from the previous year?

Jeff explained this number is based on the fire season and we really do not know how much we will receive, so we went with a very conservative number with what could reasonably happen. Last year was a record fire season, so we collected way more than normal.

Vice Chair McGree asked if that was the same with the flowage fees with Exec Air?

Jeff said yes because Exec Air are the ones refueling those tankers.

Jeff stated we will raise the T-hangars and shed hangars five dollars per month because of all the improvements done in the last year and the increasing insurance costs on those buildings.

Immediate Past Chair Simkins commented that they probably get a better deal here than anywhere else in the world.

Secretary Muscarelli asked if Jeff had informed any of the tenants about the rent increase?

Jeff said no, we do not usually do that until we determine that is the direction we plan to go. We raised the rent a couple years ago and we only received opposition from one tenant, but that was over a leaking roof which was completely replaced last year.

Commissioner Havens suggested looking at raising the rents a percentage every year rather than a set amount every couple of years. That way they know it is coming.

Jeff agreed and explained when the t-hangar rental agreements were first established long ago, they didn't have an escalation clause, just a section stating the Airport Authority will revise these fees from time to time during the budget process. All the other leases have escalation clauses in them. The FAA requires us to be consistent in the way we treat everyone, so we can put in an escalation clause going

forward.

Secretary Muscarelli asked when was the last time you raised the rent?

Jeff said it was a couple of years ago, so in 2020.

Jeff explained that our whole parking lot system is paid with a credit card and for this reason the fees are higher and with our new accounting system people opt to pay with credit card so there is an increase there as well. We may need to adjust parking rates eventually and our thoughts are to do so when the resiliency project is complete as the entire long term parking lot will be covered as part of that project as currently designed.

Commissioner Heberly just wanted to make sure we were charging enough to cover the credit card processing fees and to maybe consider pushing the fees on to the customer.

Immediate Past Chair Simkins asked what the percentages credit card processing fee was?

Connie said it was between two and three percent.

Commissioner Havens asked if Jeff would have the information on the salary survey back before our next board meeting?

Jeff said that he expected to have the information back by next week from all the Montana airports, as long as all of them chose to participate in the survey.

Immediate Past Chair Simkins said we had this discussion last year as well. He asked if we were more efficient than most airports in Montana due to the small number of staff at our airport?

Jeff explained yes, we have minimal staff and lots of out buildings, the fire training center, and leased facilities besides the terminal that our staff cleans and maintains along with the usual airport responsibilities.

Secretary Muscarelli stated that he worries about burnout with our staffing structure, and he understands what the labor costs are to bring someone in and train them. It is a difficult balancing act you must do. I was wondering if it was possible for somebody to get a step increase and a cost-of-living increase in the same year?

Jeff explained yes, we have always treated those separately. We figured the step increase into the budget as those are already established, and when we have provided a cost of living raise that was added separately.

Secretary Muscarelli asked if the airport association does the salary survey or is it something you do in house?

Jeff replied all the airports that are a part of the Montana Airport Managers Association (MAMA) are participating. Every year someone who needs the information sends out the survey and this year it was me asking about positions and salary. Everyone agreed to participate so I sent it out to everyone. Jeff explained the different cost of living increases and the impacts they could have on the budget.

Chair Murray asked what the city and the county had in mind for cost-of-living salary increases?

Jeff replied that he was unsure and hadn't heard anything yet from his inquiries as those entities are still working their budget processes.

Jeff said that he looked this morning and the year over year 2021 to 2022 the inflation rate was 4.68% and so far, year to date, 2022 is up 7.5%.

Secretary Muscarelli asked when you say an actual cost of living increase is that tied to a number? A federal or state number?

Jeff answered yes, the federal Department of Labor puts out a cost percentage increase or CPI.

Secretary Muscarelli asked whether the airport finances its vehicle purchases or just pays the costs in a lump sum after the acquisition process?

Jeff said yes that is correct we just pay for it in total and have only purchased vehicles when they fit into our budget without financing them.

Immediate Past Chair Simkins asked if Jeff had thought about using some of the C.A.R.E.S. funds for paying down loan balances?

Jeff answered yes, we have definitely thought about it, but it is the last resort just in case we need it somewhere else in our operating expenses. We will put the money somewhere for sure by the deadline to spend the funds and if we near that deadline, our plan would be to pay down our debts. Without knowing when or if air service will fully recover, we are being very cautious and keeping funds in reserve.

Vice Chair McGree asked what the interest was on the Forest Service remodel loan?

Jeff said he thought it was 4.25%. We can look it up to be sure.

Commissioner Havens asked since our staff does a lot more compared to other typical airports' staff, have you ever done an employee analysis comparing the salaries and job descriptions to other airports' salaries and job descriptions, so you are not comparing apples to oranges?

Jeff stated that we had done that in the past, but it could be done again since things in the airport industry are changing rapidly.

Chair Murray asked if there was a motion to accept the draft budget knowing the cost-of-living increase has not been established at this time?

**MOTION** was made by Immediate Past Chair Simkins and seconded by Vice Chair McGree, to approve changes to Fiscal Year 2023 Airport Authority Draft Budget and place the Airport Authority Final Budget on the May 24, 2022, meeting Agenda for approval. The motion carried unanimously.

DIRECTOR'S COMMENTS

- ➔ Jeff asked if we could move the May board meeting back one week to May 24<sup>th</sup> at 11:30 a.m. to facilitate a couple of bid openings to be included on the May Agenda – All the commissioners agreed
- ➔ We have a virtual meeting with American Airlines on Zoom on May 12<sup>th</sup>, we hopefully will have some good news to report.

**OLD BUSINESS.**

None.

**REPORTS PRESENTED FOR REVIEW:**

Fiscal Year 2023 Airport Authority Draft Budget Memo – Jeff Wadekamper

Fiscal Year 2023 Airport Authority Draft Budget – Connie Lundin

ATTEST:

/s/ Mike Muscarelli  
Mike Muscarelli, Secretary

/s/ Mike Murray  
Mike Murray, Chair

(SEAL)