

The regular monthly meeting of the Gallatin Airport Authority was held April 12, 2012 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, John McKenna, Steve Williamson, Carl Lehrkind and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Paul Schneider, Assistant Airport Director-Operations and Cherie Ferguson, Office Manager.

John McKenna, Board Chair, said anyone who wanted to comment on something that was not on the agenda and was just general information was welcome to do so at this time. He said if they were interested in something on the agenda, that would probably be the best time to add their thoughts.

### **1. Review and approve minutes of regular meeting held March 8, 2012**

Mr. McKenna asked if everyone received their copy of the minutes and if they had any questions, corrections or additions. Hearing none, he entertained a motion.

**MOTION:** Steve Williamson moved to approve the minutes of the March meeting and Carl Lehrkind seconded the motion. All Board members voted aye and the motion was approved.

### **2. Public comment period**

Mr. McKenna asked if anyone had any public comments that were unrelated to agenda items. There were no public comments at this time.

### **3. Consider signage proposal by Montana State University/City of Bozeman – MSU, President Waded Cruzado/Bozeman City Manager, Chris Kukulski**

President Waded Cruzado thanked the Board for this opportunity and for providing such a wonderful airport. She said the renovations have been absolutely outstanding and as University President, she has heard many compliments. She also thanked Brian Sprenger for always being open to having conversations with the University.

She believes this is an opportunity for the airport, City of Bozeman and Montana State University (MSU) to potentially become a partnership. She said she would like the Board to consider the relationship and convey the message because the City is very proud of the University and vice versa. They are proud of the promise of the future and what it holds.

President Cruzado had some pictures of the sign and variations of it in some possible locations in the airport. She thinks it might show a strong message to guests arriving through the airport. MSU has grown by 18% the last two years. Two thirds of the students are residents of Montana, but one third come from out of state, primarily Illinois, New York, and Vermont. She said most would arrive in Bozeman through the airport. The Board thanked her.

Chris Kukulski, Bozeman City Manager, thanked the Board for the opportunity because so many people come to the Gallatin Valley through the airport. He said the economic partnership has been working hard on economic development. He thought there were folks in the Valley before the recession who thought we were invincible and didn't need to worry about our image to the outside world because enough people were coming here anyway. He said they now know we need diversity in a strong economy to retain the quality of life that exists here. He said the University, City of Bozeman and this airport are three critical pieces of that. Families, students and a lot of business people come through this airport. He wants them to know Bozeman is a place where they can do business. He said they would like the folks from Oracle, as well as other entrepreneurs, to move here to live and do business. He thanked the Board for their consideration.

Mr. Sprenger said they looked at locations for the signs in the terminal and there are more that could be considered. He said staff thinks that having a Montana State University and City of Bozeman presence in the terminal improves the commerce of all three

organizations because we rely on them for a lot of our growth and subsistence. He said he would recommend working towards something that would be mutually acceptable to welcome people into the area and encourage them to know about Bozeman and Montana State University.

Ted Mathis asked how much advertising MSU has at the airport and Mr. Sprenger said they are paying for one sign in baggage claim and advertising on loading bridge #6. They also have one side of the four-sided kiosk located with the Chamber of Commerce in baggage claim.

Mr. Lehrkind asked if the design was just a concept because he's not sure this is what would be appropriate for people getting off the plane and picking up their baggage. President Cruzado said this was a concept for discussion purposes only and they are flexible.

Kevin Kelleher said he liked the concept, and the vertical located near the wall by the fireplace. There is an aviation program at the University and he would like that to be included in the collage. He doesn't want to clutter the sign but the aviation program has grown and may continue to grow. He believes adding something aviation related in the University part would be appropriate.

Mr. Williamson said he was confused what category this would fall under. He said we have artwork and artwork standards; concessionaires and concessionaire advertising standards; advertising and advertising standards and MSU already has a presence in several places in the terminal, and we also have airport signage. He doesn't want to try to decide if he likes the concept and where it should go until he knows what it is.

Mr. Sprenger said this is before the Board because it is outside the parameters we have had before. It is a government institution cooperative. We haven't been on anybody's radar before so we have kind of grown into our own. If we consider something at the airport, we

would like the airport to have some kind of presence at the City of Bozeman and the University in the reciprocity.

Mr. Williamson said he sees the airport being for all of southwest Montana, not just the City of Bozeman or the University. Mr. Sprenger said four of the main pillars to our success are the City of Bozeman, which is the major population center in the area, skiing and winter sports at Big Sky, Yellowstone National Park and the fourth is MSU, which has a population of approximately 20,000 people.

Mr. Williamson said he understands what Mr. Sprenger is saying, but he doesn't want to jump in about how he likes the picture or how it should be changed until we know how to define it. He thinks we should figure out if we want to do something, and if so what kind of a project it would be. Mr. Sprenger said that, as President Cruzado said, this is the first step to see if the Board is even willing to consider something at the airport.

Mr. McKenna said this Board didn't think we were invincible when others might have thought they were. He said there were many sleepless nights spent over the \$40 million terminal expansion. We were worried. He said agenda item number 4 is regarding another item considering who we are going to work with.

From his perspective, Manager Kukulski has some pretty wonderful things in downtown Bozeman. Mr. McKenna wants him and President Cruzado to realize we have built a little enclave here and we constantly hear that people feel like they are home and feel like they have come back to a lodge or a log cabin. He asked them not to take it as criticism but we need to figure out how to make this work, where it fits the best and where this use fits with another use. He said President Cruzado said it very nicely that this is just a first shot. We are very proud MSU is here and most of us have spent some time there. He would like to approach it positively.

Mr. Mathis said the photos are beautiful and he agrees we have a tremendous partnership with these entities. He said we have been drinking from a fire hose with our art proposals. We have the space but he would like to step back and not move too quickly on any proposals. He is apprehensive about going too fast.

Mr. Kelleher said he likes shiny apples. He first flew into the old Bozeman airport terminal in 1974 or 1975 with the Idaho Vandals and he remembers the sign identifying the MSU fighting Bobcats. He said this is a shiny apple and something we can all be proud of and if the other Board members are willing, he is all for it. He thinks location, size and design should figure into it and he thinks they should highlight the aviation department at MSU. He thinks it is a positive thing but we need to determine where it will fit.

Mr. Williamson said he likes the blue banner portion that says MSU welcomes you to Bozeman. He said maybe we can do something with the banner and do away with the pictures.

**MOTION:** Mr. Mathis moved to table the decision on this and give it further thought. Mr. Lehrkind seconded the motion. Mr. Williamson said we should come up with some guidelines and Mr. Mathis thinks we need to assimilate the information. All the Board members voted aye and the motion carried. Mr. McKenna said he hopes President Cruzado and City Manager Kukulski heard it is not a “no”.

#### **4. Consider educational display proposal by the Yellowstone Park Foundation**

Mr. Sprenger said that as part of the approval process for this Destination Yellowstone store, the Board approved the concept of having educational displays to be provided by the Yellowstone Park Foundation subject to Board approval. Some of the concerns at that time were having freestanding displays in the lobby and the potential for congestion in the lobby. Mr. Sprenger said staff has been working with the Foundation to take away the lobby

congestion and put displays on available wall space. Mr. Sprenger said the east wall adjacent to the store entrance and a wall on the west side of baggage claim 2 might be acceptable locations. They have asked for a couple of additional locations; one of them being the wall where the former Spanish Peaks advertising monitor is. This monitor will be removed and the Smarte Cartes will be relocated there. Staff understands the display would be on the rock wall but it would distract some from the Smarte Cartes, much as the Spanish Peaks monitor does.

Another possibility is doing some museum type banners located at various support pillars along the concourse. If the Board approves this option, staff recommends it not be limited to the Yellowstone Park Foundation but be something that could be rotated with other things, like the MSU signs or signs depicting skiing and other winter sports. Mr. Sprenger believes this may be an appropriate time for the Board to think about this as a possibility, but right now the focus is the Board's consideration of educational displays for the Yellowstone Park Foundation.

Mr. Lehrkind said he would like to see something else. He doesn't want to cover the rockwork and he believes children might swing on the banners. Mr. Mathis doesn't want the stonework covered and said the only reason the Spanish Peaks monitor was approved was because they paid \$2,000 a month for it. He believes the Destination Yellowstone store is just beautiful. At this time, he is not interested in doing anything else because the Board has been bombarded with proposals in a short period of time.

Mr. Williamson said Destination Yellowstone has done a great job with their store but he sees this as spreading out into the terminal. Mr. Sprenger said the Board approved the Yellowstone Association's store and a concept of the Yellowstone Park Foundation providing educational displays. They are two separate entities within the partnership with two separate

functions. The store is in place and the Foundation is using one of their walls but would like to have some additional space for their displays.

Mr. Williamson said he thinks we need to confine them. Mr. Kelleher expressed concerns that hanging banners would be view restrictive for anyone looking down the lobby or out the windows. He also is in favor or waiting until after our first full summer with the new expansion. He has concerns about cluttering the corridors and hallways. He also wondered if the banners would be a security concern with people hiding behind them.

**MOTION:** Mr. Lehrkind moved to deny the additional educational display proposed by the Yellowstone Park Foundation at this time. Mr. Williamson seconded the motion. He said we aren't opposed to them doing educational displays, but we are opposed to them doing them like this. Mr. Sprenger asked the Board if the denial included the area adjacent to the store wall and the Board members said they would like to see the area he is referring to before answering his question. All Board members voted aye and the motion carried unopposed. The proposal was denied.

**5. Consider request by Summit Aviation to conduct Part 135 operations at BZN**

Ben Walton, from Summit Aviation, said Summit Aviation has received a Part 135 certificate and will be offering scenic flights with one pilot and one four-seat airplane. Mr. Williamson asked if Summit Aviation would meet the Minimum Standards for a Part 135 operator at the airport and Mr. Sprenger said they would.

**MOTION:** Mr. Mathis moved approval of this request and Mr. Kelleher seconded the motion. All Board members voted aye and the request was approved without opposition.

**6. Consider request by Sunbird Aviation to temporarily operate their Charter operation out of Hangar 114, including a temporary waiver to the Minimum Operating Standards**

Mr. Sprenger said Sunbird Aviation moved their operation from Hangar 91/113 to Hangar 114. He said staff was aware it was a possibility but hadn't received a request for approval and now unfortunately we are dealing with this after the fact. The seventh agenda item is a request for Sunbird Aviation to construct a commercial hangar. Hangar 114 meets most of the Minimum Standards for a Charter operation but doesn't have a second restroom. It is also under a non-commercial lease so the land rent is not at the commercial lease rate. If the Board approves this request, Mr. Sprenger would recommend that at least temporarily, the Board amend the lease rate to commercial, set a deadline of July 31 for Sunbird to be into their new hangar and provide a waiver for a second restroom. If they continue at this location or don't sign the lease by the July meeting, they would have to build a second restroom.

Gregg Fuller, of Sunbird Aviation, thanked Mr. Sprenger for getting this on the agenda. He said a potential buyer showed up to look at Hangar 91/113 so he had to move out quickly, and he apologized to the Board for not going through the proper channels. Sunbird's needs are growing so it wouldn't make sense for them to have purchased Hangar 91/113.

Craig Hocevar, from Arlin's, said Aircraft Shelters owns Hangar 114 and Hangar 115 and they are co-located so Sunbird's customers could access the restroom in Hangar 115. Another possibility is a port-a-potty outside or inside. The parking lot is shared with Hangar 115.

Mr. Williamson asked what Mr. Fuller visualized as temporary and Mr. Fuller said July 31 would be very generous. A new hangar could go up pretty quickly if they could get the engineering done right away. The inside wouldn't be completed by July 31<sup>st</sup>, but he believes they could move in by then. He said they have three more jets waiting to come here once the hangar is built.

Mr. Sprenger said we are waiting for documentation that Arlin's is managing this hangar for Bruce Ruefer. Mr. Mathis said he obviously can't speak for Mr. Sprenger or the other Board members, but he is disappointed Mr. Fuller didn't call before they moved. It is not appropriate to approve something after the fact, but it is done. Sunbird provides a valuable service to the community here and we want to make sure they have the facilities they need to operate. Mr. Fuller said he appreciated that.

Mr. Mathis said, given the short term of the need, he didn't have a problem waiving that small portion of the Minimum Standards and allowing them to operate in that facility for a short time, like 90 days.

Mr. Williamson said he would be willing to waive the standard for a second restroom but that the rent should be raised to a commercial lease rate.

Mr. Fuller appreciated the comment by Mr. Mathis and he should have picked up the phone and called. His landlord gave him three days notice and he operated a little impulsively. He hopes the Board will look at his past record as he feels as an operator he has done a fantastic job and complied with everything that was asked of him. He feels he could continue to perform in the same fashion if the Board would grant him the variance. He would be more than glad to pay the adjusted rate.

Mr. Lehrkind asked Mr. Fuller to keep Mr. Sprenger in the loop so there won't be any more surprises along the way.

**MOTION:** Mr. Williamson moved to approve the request by Sunbird Aviation by allowing them the waiver of the Minimum Operating Standards as far as the second bathroom is concerned, but not the commercial lease rate, until July 31<sup>st</sup>. Mr. Mathis seconded the motion. All Board members voted aye and the motion carried without opposition.

**7. Consider request by Sunbird Aviation to construct a 99' x 120' commercial hangar on Aviation Lane**

Mr. McKenna asked if it was like the drawing presented except for the office size and Mr. Fuller said it is. He is not sure yet if one of the private jet operators will have an office in the hangar as well. He thought it was a win-win situation when Mr. Sprenger proposed a location south of Aviation Lane. The hangar will have two bi-fold doors and he said it would be priceless to not have to dump the hangar to get one plane out. They will have eight jets in the hangar. It will meet all the standards for a Part 135 operation.

Mr. Mathis said it would be fine if one of the jet operators had an office in the hangar but it couldn't be used for non-aviation purposes. Mr. Fuller said it would not.

**MOTION:** Mr. Mathis moved to approve the request and Mr. Kelleher seconded the motion. Mr. Williamson asked what the term is and Mr. Sprenger said they have ninety days to sign the lease and six months to build the hangar. By July 31, we will know if we have a lease. If Sunbird can't move, they would have to build the second restroom. Mr. Fuller said would like to move his jets in within 30 days after they start construction. The lower level should be completed, but the upstairs won't be. He has checked with his insurance company and that is acceptable. Mr. Williamson said we've covered ourselves with agenda item #6. All Board members voted aye and the request was approved. The motion carried unopposed.

**8. Consider request by Mark Duffy to extend his approval to construct an 88' x 100' commercial hangar for an additional 30 days**

Mr. Sprenger showed the location on a map. He said he asked Mr. Duffy if he was going to get a lease to us within the 90 days and Mr. Duffy asked for an extension for 30 more days so he could get everything in order before he signed the lease. Mr. Sprenger said that isn't uncommon. No one else has requested to build a hangar in that location.

**MOTION:** Mr. Lehrkind moved to extend Mr. Duffy's request to construct an 88' x100' commercial hangar for an additional 30 days and Mr. Kelleher seconded the motion. All Board members voted aye and the request was approved. The motion carried unopposed.

**9. Consider request by C. Randall Arment to transfer his non-commercial hangar lease on Hangar 49 to Kevin Kundert and Mickey Lessley**

Mr. Sprenger said the hangar is in the process of being purchased by Kevin Kundert and Mickey Lessley. The rent is current and the condition of the building is acceptable.

**MOTION:** Mr. Williamson moved to approve the request by Randall Arment to transfer his non-commercial hangar lease on Hangar 49 to Kevin Kundert and Mickey Lessley. Mr. Lehrkind seconded the motion and all Board members voted aye. The request was approved without opposition.

**10. Continue consideration of Customs Facility User Fee Rates**

Mr. Williamson thanked Mr. Sprenger for the spreadsheet and said it tells him everything he needs to know.

Mr. Sprenger said at the last meeting, the Board temporarily approved the rates staff presented. Customs hasn't staffed the position yet so it gave us time to get responses from both our partners about the questions that were asked at the last Board meeting. They approved the rates as they were proposed even though there might be a short-fall and they expressed concerns that it might drive customers away thus lessening demand and income if we increase the rates by 20%. Based on that, Mr. Sprenger's recommendation is to maintain these rates as they are for a full year so we could publish them and budget for the fiscal year.

Mr. Williamson said he still feels we should raise the rates to cover the costs at 100%. The only way he would approve these rates is if the partners would step up and pay 100% of

any shortfall. He believes if we go forward with something less than 100%, we will never receive 100%. He asked how much we want to spend to continue subsidizing general aviation.

Mr. Sprenger said we may be short even if we try to get to 100% using his spreadsheet and we are concerned how much we will receive in user fees. We don't know the supply and demand and if we raise the rates, we don't know if it will decrease demand. Mr. Williamson said during discussions in the beginning people were saying no problem; these folks will spend whatever it is. When our partners stepped up and put up the money for the facility, our hands were tied and we had to go forward. Now we are talking about things we should have talked about then because they are very valid concerns.

Mr. Lehrkind said he appreciates and agrees with Mr. Williamson, but he would go with what is recommended by our partners. We can see the volume and go up at a later date. He would rather get these customers, show them the facility and get them used to using the facility rather than scaring them off in the beginning. He agrees with Mr. Williamson but he thinks we have a gem at the airport and not using it or scaring people away would be the worst of the two evils. Mr. Kelleher said he agreed with Mr. Lehrkind and asked for comments from Mr. Fuller and Kent Foster from Yellowstone Jetcenter as Signature Flight Support.

Mr. Fuller said he gave Mr. Sprenger some other price points he thought would work. Mr. Fuller doesn't want the Board to scare potential users away. In his opinion, there should be one more break. He thinks some of the smaller aircraft are overcharged and some of the larger ones undercharged and he thinks he suggested the balance in the middle. As an operator he would love to use the facility here and he would be willing to pay double the fee in Bozeman rather than have to burn the jet fuel to get to Helena as long as they have a good agent here who is interested in serving the customer. He said that the Customs agents often dictate to you rather than considering you as a customer. He said the current fees would work

for him but he thinks the fee for the Citation is a little high. He said he can't welcome this enough and he asked the Board to let him know if there is anything he can do to help.

Mr. Williamson said Mr. Fuller's comments in the beginning helped him to go along with Customs then and they have helped him now.

Mr. Fuller said all the pilots are frustrated with U.S. Customs and they avoid Great Falls, if it is at all possible. He said the agent in Helena is much better and asked if the airport had contacted Robert Kuntz as a possible Customs' agent. The airport isn't able to choose an agent.

Mr. Foster, from Yellowstone Jetcenter, said he would like to respond to Mr. Williamson regarding how much pilots would be willing to pay. They understand the value of having Customs at their destination because maintenance costs, fuel costs and turn times come into play. Mr. Foster presented the proposed rates to Canadian and other foreign aircraft that come into the Jetcenter and they were pleased. He said Yellowstone Club, Signature and Yellowstone Jetcenter feel that these rates need to be approved as is in order to get these customers in, used to the service and used to coming in so we can evaluate where we are as we have a foundation of data to look at. He said it is their opinion that it will be more than what we think. That is their hope and they would like the rates to stay as they are.

Mr. Williamson said it sounds like we want to know how to make Customs work on customer relations. Mr. McKenna said we can't control Customs but we have an obligation to the people who put up the money and for the customers who will be using it to have a very firm set of expectations. We can keep going through people and we can make this the best place to be. He doesn't think we should stand for one moment for an unreasonable set of circumstances. He would go to bat on that if necessary. He believes we can build a base of customers.

**MOTION:** Mr. Mathis moved to approve the user fee rates through June 30, 2013. Mr. Lehrkind seconded the motion. Mr. Mathis, Mr. Lehrkind, Mr. Kelleher and Mr. McKenna voted aye. Mr. Williamson voted nay. The Customs Facility User Fee Rates were approved by a majority vote of the Board members.

#### **11. Report on Interchange/Land use planning – Scott Bell**

Mr. Bell, airport engineer from Morrison Maierle, thanked the Board and said this is an update on the East Belgrade Interchange. The whole committee got together last Monday and the airport will participate up to \$3 million, the County Commissioners will get a loan of \$2 million and if the City of Belgrade gets approval from their City Council, they will use \$2 million of their urban funds. The purpose of the meeting was to come up with some money and a proposal to take to the Highway Commission on May 24th. We are short \$15 million for the project but have come up with \$7 million locally and are asking the Highway Commission to put a ready date on the project for the development of the East Belgrade Interchange. The County submitted a Tiger Grant IV application for \$8 million and if that is approved, we would have the shortfall covered. Then the bid opening would be moved to next summer and the money obligated by October 1, 2013. Right now the Highway Department has a ready date of September 2013. The proposal is to go to the Highway Commissioners and present the local contribution as well as continuing the right-of-way portion of the project and ask them to come up with the shortfall.

It would include amendments to the existing agreements between the County and the Highway Department, the County and the Airport, and the County and the City. Locally, there were some clauses that during construction, the Change Orders could come back to the locals. That wording would be removed and the Highway Commission would make the project go forward.

Over the next two weeks, the right-of-way plans will be completed by Morrison Maierle and transmitted to the Highway Department. After that, final appraisals need to be completed so the actual numbers would be available by June. Then the right -of-way agreements would be done with the landowners. The airport has to go through a public process or environmental assessment to get the FAA to approve releasing the property for the right-of-way.

Included in the packet to the Board is a proposal for Morrison Maierle to start the Annexation and Zoning Change on the South side and get the public process completed early enough so the FAA can release the land and the project can continue to move forward. If the Highway Commission approves the proposal on May 24th, it is important for the right-of-ways to come into place.

Mr. Sprenger said it is important to advise the Highway Department that the three entities have contributed everything we can, that it is a substantial investment by the locals and it exceeds most other projects that the state has done previously. The State has decided that interchange projects are the responsibility of locals because Montana's Interstate project has been completed. We hope they will see the validity and increased benefits of this project and will participate.

Mr. Bell and the Board discussed the probability of the Highway Department moving forward with the interchange.

**MOTION:** Mr. Williamson moved to approve Task Order No. 3 for Morrison Maierle for \$39,900 and Mr. Mathis seconded the motion. All Board members voted aye and Task Order No. 3 was approved. The motion carried unopposed.

## **12. Report on passenger boardings and flight operations – Scott Humphrey**

Mr. Humphrey reported that thanks mainly to the weather and Ben Walton's school, March tower operations were up 28.3%. Enplanements were up 6.4%, to 37,880, and because of Allegiant Air's service to Las Vegas, their enplanements were up 31.5% from last March. Enplanements were about 3% better than we expected for March. The rolling 12-month enplanements broke the 400,000 mark at 400,520. Mr. Humphrey reported that April's projected enplanements may be up 7% over last year, even though they were propped up by the APEC convention. March load factors were up 3.3% for the airlines.

Mr. Humphrey reported that Allegiant Air will start new seasonal service from Bozeman to Oakland, CA on April 27<sup>th</sup>, Alaska Airline will begin new seasonal service from Bozeman to Portland, OR on June 3<sup>rd</sup> and United Airlines will begin new seasonal service from Bozeman to New York/Newark on June 9<sup>th</sup>. For the summer we have almost 14% more seats available. We are in very good shape for enplanements this summer and fares to some markets are very competitive when compared to those at Billings or Missoula. The summer schedule is pretty well set with 29 departures on Sundays with 2,576 seats. Ten of the departures on Sundays are mainline carriers. He said there is not a lot of breathing room between departures from 6 AM through 8:30 PM. Things are getting busy at the airport. We're getting upgrades and it doesn't look like Billings is getting the upgrades for some markets.

On April 23<sup>rd</sup>, Mr. Sprenger and Mr. Humphrey will meet with the airlines' properties and facilities representatives. They want to see our terminal and talk about our proposed rates and charges. He said he doesn't think there will be any surprises as we are the low cost option in the state.

Mr. Sprenger said United has four afternoon flights at 12:12, 12:38, 12:41, 12:48 and are able to do that because we have the gate space. It creates opportunities for them. We will

have four United flights with four destinations and Billings has one flight to one destination in that timeframe.

Mr. Mathis said that last year United would leave the Chicago flight sitting on the ramp for 30 to 45 minutes because they didn't have the staff to work the aircraft and he asked how they are addressing that. Mr. Sprenger said that is a very good question. They will have computer equipment at Gates 2, 6 & 7 and that should help. He said it is a concern, particularly with United, and we've pushed that up to their station manager in Billings and the regional Director of Operations in Denver. He said we just got the schedule and hopefully, they will respond accordingly. That is a concern we have from a customer service standpoint but we might not have the service without the additional gates.

Mr. Lehrkind said because of the United Airlines' cluster, we really have to convey the importance of being on time to our customers and he asked if there is anything we can do to help with that. Mr. Sprenger said usually people who fly in the afternoon tend to arrive at the airport early. He said we will adjust our posted recommended times on our website and United can post the check in times on their website too. Upon arrival of their flights, United could advise the passengers that these timeframes are very heavy at our airport and recommend planning extra time to get through security. They would be aware of that when they come back to fly out in three to seven days.

### **13. Airport Director's Report – Brian Sprenger**

Mr. Sprenger reported that the security screening opt out program is again on the table. For years we have seen issues at the checkpoint and we knew some were due to constraints in the facility. The facility arguments have been removed but we are still seeing inefficiencies and issues with customer service. He said it may be prudent for us to see if it is something we should look at. We are the most staffed airport in the state as far as we know. Hopefully the

TSA can handle screening if we have a big crowd this summer. They have a tremendous amount of turnover and we get asked if Bozeman is the training facility for the TSA nationwide because so many seem to be new and inefficient. Issues continue and on behalf of our customers, maybe we should see if opting out is a viable option.

Mr. Williamson asked if the TSA turned down most of the airports that requested to opt out and Mr. Sprenger said they did but then Congress got involved. We believe we could have fewer TSA issues if we had a more efficient staff that is trained, has longevity, knows what they are doing and are friendlier. Mr. Sprenger said that is based upon results at other airports that have opted out. We need to look at the numbers and do some evaluation. We know the TSA won't share their information with us.

The airports at San Francisco, Jackson Hole, Kansas City, West Yellowstone and small airports in eastern Montana have opted out. Butte's and Missoula's requests were declined before Congress got involved. Liability issues have been taken care of in the law and ultimately it is still the responsibility of the TSA to regulate and ensure that security is being met. We would have more say over a contractor and if their people weren't performing, we could go with a different contractor.

The Board and Mr. Sprenger discussed the issue some more. Mr. McKenna said the House Aviation Subcommittee is now actively encouraging airports to take a good, hard look at the opt out program. Mr. Sprenger said staff will pursue it unless the Board has objections. There were none.

Mr. Sprenger reported that the Board will see expenses for Paul Schneider and Cherie Ferguson. He said they were sent to Texas to go through the accreditation written examination course. Both of them passed and they are now certified members of the American Association of Airport Executives. He said that is the first written phase of the three parts of the

requirements for full accreditation and we certainly want to congratulate them on their achievement. Mr. Sprenger said they had to study very hard to do that because they are both experts in their own area. One of the reasons they were sent together is because they had to study together and learn each other's sides very well in order to be able to pass. Mr. Sprenger thought the strategy worked out pretty well. The Board congratulated Mr. Schneider and Ms. Ferguson.

Mr. Sprenger said staff will put out a Request for Proposals (RFP) for insurance for liability and general property insurance. We could have renewed our current coverage for another year but with the new building on line, we may not have the best rates. The rates for liability insurance were pretty good but the rates for building insurance went up higher than we expected. We have some experience in the building now and it doesn't hurt to have competition look at it.

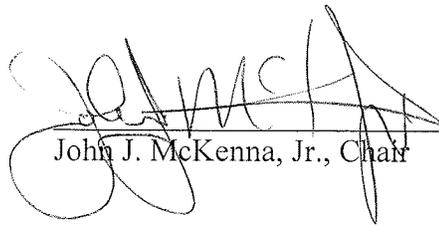
#### **14. Consider bills and approve for payment**

The thirteenth agenda item was to consider the bills and approve for payment. The Board members and Mr. Sprenger reviewed and discussed the bills.

**MOTION:** Mr. Lehrkind moved to approve the bills and Mr. Kelleher seconded the motion. The motion carried unanimously and the bills will be paid as approved.

#### **15. Adjourn**

The meeting was adjourned at 4:30 p.m.



John J. McKenna, Jr., Chair