

The regular monthly meeting of the Gallatin Airport Authority was held February 13, 2014 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Kevin Kelleher and Karen Stelmak. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, and Cherie Ferguson, Office Manager. Board members Carl Lehrkind and Kendall Switzer were unable to attend.

Kevin Kelleher, Board Chair of the Gallatin Airport Authority, welcomed everyone to the meeting and said the first item was to open bids for the airport access roads. Anyone wishing to make public comments during the meeting could raise their hand, be recognized, approach the podium and introduce themselves before making their comments.

1. Open bids for airport access roads

Brian Sprenger, Airport Director, called for bids. The first bid was from M. A. DeAtley Construction, Inc. Their Montana Contractor Registration number is 39509. The bid bond of 10% was attached and the Addendum was acknowledged. The bid proposal was signed by Scott Palmer, Vice President. M.A. DeAtley bid \$2,004,796.45 for Schedule I and \$2,987,933.05 for Schedule II, for a total of \$4,992,729.50.

The second bid was from Knife River of Belgrade and their Contractor Registration number is 10089. The bid bond was attached and the Addendum was acknowledged. The bid proposal was signed by Dave Schmit, General Manager. Knife River's bid for Schedule I was \$1,629,409.45 and for Schedule II: \$2,295,938.40 for a total of \$3,925,347.85.

The next bid was from Dick Anderson Construction, Inc. The bond was attached and the Addendum was acknowledged. Their Contractor Registration number is 4391A. Derek Didriksen, Vice President, signed the bid proposal. The bid for Schedule I was \$1,847,814.00 and for Schedule II was \$2,692,186.00, for a total bid of \$4,540,000.00.

The fourth bid, from Duneman Construction, Inc., was signed by Keith Duneman, President. The 10% bid bond was attached and the Addendum was acknowledged. Duneman's Contractor Registration number is 151842. Their bid for Schedule I was \$1,827,877.75 and for Schedule II was \$2,811,824.45, for a total bid of \$4,639,702.20.

MOTION: Ted Mathis moved to take the bids under advisement and award the contract to the lowest qualified bidder. Karen Stelmak seconded the motion. All board members present voted aye and the motion passed.

2. Review and approve minutes of regular meeting held January 9, 2014

Mr. Kelleher ascertained that everyone received their draft copy of the minutes. Mr. Sprenger said staff changed the radio frequency on page 11 to the correct frequency of 122.8.

MOTION: Ms. Stelmak moved to approve the minutes from the regular meeting held January 9, 2014. Mr. Mathis seconded the motion and all board members voted aye. The motion carried.

3. Public comment period

There were no public comments at this time.

4. Consider request by Helipro Aviation to operate a flight training program at BZN

Mr. Sprenger said Helipro Aviation is owned by Mark and Pam Duffy and would be operated out of Central Copters on the East Ramp. The operation and facility is adequate for flight training.

MOTION: Mr. Mathis moved to approve the request by Helipro Aviation to operate a flight training program at Bozeman Yellowstone International Airport and Ms. Stelmak seconded the motion. All board members voted aye and the request was approved.

5. Consider request by ACW, LLC to lease office space to Apache Modification Aircraft Corporation, Inc.

Mr. Sprenger said Apache Modification Aircraft Corporation is an aircraft parts manufacturer. Because they are located in Kalispell, they deal with the Seattle Aircraft Certification Office (ACO) of the FAA. The Seattle office handles Boeing and it takes longer to get parts certified. If Apache had an office at BZN, they could contact the Denver FAA office and hopefully, receive a more timely response. Mr. Sprenger said their presence would be minimal, but it would allow them to use the Denver ACO office.

MOTION: Ms. Stelmak moved to approve the request by ACW, LLC to lease office space to Apache Modification Aircraft Corporation. Mr. Mathis seconded the motion and all board members voted aye.

6. Consider request by Mr. Farnum Alston to transfer his interest in hangar #82 to Slipstream, LLC

Mr. Sprenger said Mr. Alston wished to sell his hangar to Slipstream, LLC, owned by Brian Davis. He has a single engine Cessna. The hangar is in good condition and the rent is current.

MOTION: Mr. Mathis moved to approve the request by Mr. Farnum Alston to transfer his interest in hangar #82 to Slipstream LLC and Ms. Stelmak seconded the motion. All board members voted aye and the request was approved without opposition.

7. Consider name for general aviation access road

Mr. Sprenger said the Authority asked for suggestions for a name for the general aviation access road. After receiving the suggestions and checking with the county GIS department to make sure they would accept the suggestions, he and staff narrowed their recommendations to four; Airmen's Drive, Hangar Way, Pilot's Parkway and Wings Way. Ms. Stelmak said it was considerate to go to the pilots and she fully appreciated the response of 41 suggestions we received. Mr. Kelleher agreed and said he preferred Wings Way or

Hangar Way. Mr. Mathis said, in deference to the helicopter people, he would recommend Wings Way. Ms. Stelmak said Wings Way had a nice ring to it.

MOTION: Ms. Stelmak moved to name the general aviation access road Wings Way and Mr. Mathis seconded the motion. All board members voted aye.

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

Mr. Humphrey reported that January tower operations of 6,745 were up 27.3% better than January 2013, mainly due to fairly decent weather during January and more activity from the flight schools. Rolling twelve-month aircraft operations were 76,389. Corporate landings were up by 15.2%. Enplaned passengers were 5.6% better than the previous January. Mr. Humphrey had projected higher enplanements but there were 14 inbound cancellations due to bad weather in the midwest near the end of the month. Load factors during that time frame were 86%. Rolling twelve-month enplanements were 444,415. Deplaned passengers for January were up 5.0% over last January's deplanements. Airline landings were down 1.4%. They were impacted by the cancellations. The overall load factor for the month was 86.4%, which is up 1.1% from January 2013. Mr. Humphrey said fuel dispensed for December 2013 was up 5.9% over December 2012. He said bookings for February are up 3% with 7% more seats in the market. He believes February enplanements will be up 4% to 5% over last February. Mr. Humphrey said we expect a lot of general aviation (GA) activity during President's Day weekend.

9. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that Alaska Airlines (AS) has added a third departure to Seattle (SEA) during June, July and August, which will bring them to four flights per day. He said there are some actions in Seattle that might affect us. Delta Air Lines (DL) is diminishing their reliance on the Tokyo hub and shifting their focus on SEA. In order to maintain their

connections, they have started adding a lot of service into SEA from cities on the west coast. That is beginning to affect their relationship with AS. Delta may decide to serve their international traffic to Bozeman and Yellowstone National Park on their own rather than code share with AS. He said possibly AS is concerned and that is why they added the third flight. Mr. Sprenger said we have a great relationship with both airlines. He said Alaska Airlines has a great operation between here and SEA, but Delta may see merit to having one-stop international service through SEA. Mr. Sprenger said he is thankful AS is serving Portland (PDX) for part of the year. We may see some changes in the Seattle market and it will be interesting to watch.

Mr. Sprenger said the appraisal of the Gerovac property had been extended to the 19th of February.

Mr. Sprenger said we were contacted by Gallatin College. They would like to offer a dual credit class for Bozeman and Belgrade high schools students to do the ground school portion at half price and get both high school and college credits. They would like to use the conference room in the fire station two nights a week. In exchange for the use, they would like to place new audio visual (AV) equipment in the room for everyone's use. The Manhattan Flying Tigers use the room on a monthly basis and there are a few other aviation groups that use the room occasionally. Mr. Sprenger said this is a different level of usage.

Usually, we have viewed something aviation related as good, and if it would encourage general aviation pilots and young people to be pilots, it would be good. Mr. Sprenger wanted to know if the board is willing to allow the college to have the classes at the fire station, and if so, to have the AV equipment for trade, or if the board would prefer to charge them rent at this point. The Airport Authority could use the equipment for fire training or other training. He said the board might prefer one semester to see how it works

and then consider other options later if the board is pleased with the results. Mr. Kelleher said he thinks it is a great idea to provide public education without charging a fee and he would like to encourage student movement towards ground operations, flight training and terminal management. He said he would be very supportive.

Ms. Stelmak agreed and said she would be willing to commit to one semester and then evaluate it. She thinks it sends a good message in support of youth in general aviation. Mr. Sprenger said being at the airport brings a level of excitement you can't get in a classroom setting. Mr. Kelleher said he doesn't see a need to charge. Summit is still doing their training in their facility. Mr. Sprenger said this would be directed toward high school students and the college would be contributing a few thousand dollars of AV equipment that would benefit us as well. Mr. Kelleher said he doesn't think they could have a better location. The board is willing to commit to one semester and then evaluate the project.

Mr. Sprenger said that next month we will discuss airport funded capital improvement projects (CIP). He wanted to inform the board regarding landscaping but is not expecting any answers today. He showed the areas on a map where trees would need to be planted and landscaping would need to be done. He said we could do it over a period of time by doing a \$50,000 improvement in the primary corridor and then doing more over several years. If we wanted to do it all at one time with trees, grass and installing the necessary irrigation, we are looking at a \$125,000 to \$150,000 range. He said we could get proposals for doing the project over time or up front. If we do the \$50,000 corridor, we don't have to go out to bid. If we do the \$150,000 up front, we would have to go out to bid. Mr. Sprenger said he is interested in the board's thoughts but doesn't need an answer today.

Mr. Mathis said we want to plan good landscaping. We have nice landscaping around the terminal and have received a lot of compliments on the tree line that was planted in 1965.

He suggested considering some screen type fencing to hide some areas. He would like to put some money in budget but he doesn't want to put it out for bids until we can better visualize where roads are. He said there is a benefit to doing all the work when everything is torn up and only having one mess instead of several. Ms. Stelmak agreed and said she believes it would be foolhardy to do it in stages. We have made a commitment to beautify the airport and made a statement with the Montana feel. She would like to see native vegetation and Montana type trees. In keeping in line with the youth pilot training, she would like to know if the Montana State University (MSU) has a horticultural or landscaping program class that might offer suggestions for the design. Mr. Sprenger said he hadn't thought about that but there may be a good possibility as MSU has a very good agricultural department, which includes a landscaping program.

Mr. Sprenger said he also wants to include cost estimates for signage within the CIP budget. Signage can be fairly expensive. He said there are two different locations we may want signage; at the main entrance and the GA area. He said it doesn't have to be done at one time but he wanted the board to have an opportunity to think about signage as it will be a point of discussion in an upcoming board meeting. He said getting a plan for signage is probably the most important thing.

Mr. Sprenger said the City of Belgrade may have some matching funds for beautifying the approach to Belgrade. Mr. Kelleher recommended using green and white signs rather than avant-garde signage. He believes uniform signage is very important. Mr. Sprenger said staff prefers that too but if the board wants something different, he would like to know. Ms. Stelmak said we get used to our airport environment and we know where to go. People who don't know our airport can get confused. She prefers more, consistent and clear signage. Mr. Mathis asked about signage on the Interstate. Scott Bell, airport engineer,

Steve White, County Commissioner, the board and Mr. Sprenger discussed potential signage on the Interstate. They also discussed the arterial roads and how to get to the airport. A number of the arterial roads have not been connected yet and not enough has been done to start routing traffic.

Steve White, County Commissioner, said he is concerned how long it will take to get the GIS map updated. He said Valley Center would be a straight shot. There isn't much traffic on it. Ms. Stelmak said even if the GPS is correct, it is good to see a signs of confirmation. The board members would like to see standard green and white signs, and a sufficient number in appropriate places.

Mr. Kelleher asked Mr. Sprenger what he thinks the possibility of Delta buying Alaska Air is, and Mr. Sprenger said he thinks the Department of Transportation (DOT) would be opposed. The two airlines have the same network routes and there would be less competition if they were to merge. Mr. Sprenger said our big fear is that our Salt Lake City fares would become our Seattle fares.

Mr. Sprenger also reported that Mr. Humphrey and he have met with our airport engineers and they don't see any location or height issues with the proposed potential cell tower, which would be near the shop building. Before Verizon sends the request to the FAA for review, Mr. Sprenger wants to know if the board opposes moving forward. None of the board members were opposed and Mr. Kelleher asked Mr. Sprenger if he would check with Verizon and see if they would use a design that would fit in with the environment at the airport. The other board members liked that idea too.

Mr. Sprenger said he doesn't know why, but Customs for this January was almost double that for last January.

10. Consider bills and approve for payment

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

MOTION: Mr. Mathis moved to approve the bills and Ms. Stelmak seconded the motion. The motion carried unopposed.

11. Adjourn

The meeting was adjourned at 3:04 p.m.



Kevin Kelleher, Chair