

The regular monthly meeting of the Gallatin Airport Authority was held August 12, 2010 at 3:00 p.m. in the Airport Conference Room. Board members present were Kevin Kelleher, Ted Mathis, John McKenna and Steve Williamson. Richard Roehm was not able to attend the meeting. Also present were Brian Sprenger, Airport Director and Cherie Ferguson, Office Manager. Scott Humphrey, Deputy Airport Director, was not present.

The first agenda item was to review and approve the minutes of the regular meeting held July 8, 2010. There was one correction to the minutes, "Mr. Mathis retired a year ago" rather than "Mr. Mathis recently a year ago". John McKenna moved to approve the minutes as corrected; Ted Mathis seconded the motion and it was a unanimous decision to approve the minutes.

The second agenda item was the public comment period. Steve Williamson, Board Chair, said there were no public comments but anyone wanting to comment on a specific agenda item could do so if they wanted to.

The third agenda item was meet the staff. Brian Sprenger, Airport Director, said that Connie Janzer, our part-time Office Assistant, is the featured employee this month.

Connie Janzer introduced herself and said she was born in La Crosse, Wisconsin. She said she has two siblings; a brother and a sister. When she was three, her family moved to Golden, Colorado and she grew up there. Her first job was as a car hop at an A&W root beer stand. While she was still in high school, she was offered a job as a secretary with Calgon Corporation. They had a laboratory where they tested water and polymer. After working at Calgon for a year, she told her boss she would be interested in working in the lab. She was moved into the lab and learned several procedures to test water. She remained there for another nine years.

During that time she got married and had a daughter. She and her first husband and another couple went into business together and moved to Delaware. Unfortunately the business failed. She and her husband were divorced and Ms. Janzer and her daughter moved back to Colorado to be near her family. She worked for a civil and structural engineering firm and was the executive assistant to the owner/CEO of the company. She remained there for six and one-half years. During this time she met her current husband. They were planning to take a flight to Las Vegas on September 15, 2001, but it was right after 911. All flights were cancelled so they drove there and were able to get married as scheduled.

After that, she went to work for the Children's Hospital of Denver in the Genetics Department as an Administrative Assistant. In her position, she was responsible for the budget from the State of Colorado, the State of Wyoming, the University of Colorado, and the University Physicians and Children's Hospital. She worked there for two and a half years but her husband was unable to find employment. She said that is what brought them to Montana.

They pointed to a spot on the map, which turned out to be Livingston, Montana. They found out it is the 3rd windiest city in the United States so they decided to come to Bozeman. Ms. Janzer's first job in Montana was with a real estate broker as their Office Manager. After that she went to work for the City of Belgrade and worked in the administrative financial department for a while. She moved to the police department and was a dispatcher and did a lot of data entry.

Every time the airport had a job opening she put in an application and her persistence paid off because she is here today and is glad she is. Everyone is wonderful and she loves the variety of the work. She thanked everyone for hiring her.

The Board thanked Ms. Janzer.

The fourth agenda item was the FY 2010 Financial review. Mr. Sprenger said this report is just a preliminary report and hasn't been audited. Total Income is up 3.7% to \$5.3 million on the operating side and Expenses are \$2.9 million so the Net Ordinary Income is \$2.4 million. The Capital Expenditures for the year are mainly due to the terminal expansion at \$15 million and the Consolidated Rental Car Facility at \$3 million. Overall we spent about \$18.4 million during the year. Including the bond income, our cash flow increased by just over \$7.3 million. Mr. Sprenger said that will be short lived with the continuing terminal expansion expenditures. We are earning 6% interest on the Consolidated Rental Car Facility through Customer Facility Charges and have collected \$5.9 million in Capital Grant Revenues. We have received \$1.3 million in PFC Revenue, which is the highest in Gallatin Field's history.

Looking at the FY 2011 budget, Mr. Sprenger said we have \$4 million of contingencies on the terminal. PFC budgeted revenue is \$1.5 million. Right now we expect it to be closer to \$1.3 million. Our net budgeted income is \$1.5 million and we expect that to be closer to \$2.4 million based upon our experience with our budget. We have \$1 million budgeted for loading bridges. We will be getting loading bridge bids at the end of the month. We have four open gates that can accommodate loading bridges and hope to see some savings on them. We also have \$1 million in contingency for the terminal project that we have not touched at this point and we hope to not touch it.

Looking into the fiscal year, our beginning cash balance is expected to be around \$4.4 million, but if we don't have to use the contingencies we could see that up to \$6.8 million. That is about \$1 million higher than we had expected when we budgeted for this project. We have allocated funds for contingencies to accommodate changes. Mr. Williamson and Mr. Mathis asked a few more questions about a few line items on the financial review, which Mr.

Sprenger answered. Mr. McKenna and Kevin Kelleher didn't have any questions or comments.

The fifth agenda item was the report on passenger boardings and flight operations by Mr. Sprenger. Scott Humphrey was in New York City with some representatives of the Yellowstone Club to meet with JetBlue about potential service to New York City from Bozeman.

Mr. Sprenger said the information is in a new report format that some other airports are using. If the Board members want, we can go back to the old format. He said tower operations for the month of July were 8,348, which is up 20.8%. That is near normal. Air carrier operations were 744, air taxi were 1,157, local general aviation was 2,782, itinerant was 3,637 and military was 28. Operations were up for all but air carrier, which was down primarily due to the decrease in the size of the aircraft and moved them into the air taxi category.

Enplanements were 43,343, which was up 1.8% over last year. Last July was a record for any month at Gallatin Field so we have a new record for any one month at Gallatin Field. He said August numbers may beat July's so we are on track to have a very good summer.

Corporate landings have recovered pretty well to 285, which is up 32.6%. That isn't at its peak but the trend is good. Airline load factors were at 82%, which is up almost 1% over last year so the increase in passengers wasn't at the expense of load factors. The Board members liked the new format but Mr. Mathis requested we call them tower operations instead of FAA operations.

The sixth agenda item was the Airport Director's Report by Brian Sprenger. Mr. Sprenger reported that Mr. McKenna was able to go to Salt Lake City for the departures procedures kick-off meeting and asked him to comment on the meeting.

Mr. McKenna said he attended the meeting in Salt Lake City on the new instrument procedures and it was an interesting procedure. He said there were approximately 22 people in attendance. Scott Heck was able to attend as well as representatives from Horizon, SkyWest and Delta. In the morning, they listened to the FAA talk about the new procedures, how it will work and some of the problems that are associated with Bozeman. The FAA didn't want to let them look at the control facility at first but they did allow them to. Bozeman sits in the third-largest geographic area in the country and Bozeman is in the upper northeast corner of the screen. If they zoom in on Bozeman, they lose focus on everything else.

It was discouraging because they openly admitted they don't pay attention to our radar here in the valley. Mr. McKenna said it pointed us in the direction we need to go, and there are some new departure procedures being designed. When our radar is accepted and something goes wrong, we will have procedures in place and be able to continue to operate. Without terminal radar, we can have all the procedures in the world and Center controllers don't think they can improve service much in Bozeman. He said that we need our airspace controlled by somebody somewhere. It was a nine hour meeting. He said Scott Heck was an asset because of his experience flying in and out of here. The air traffic controllers from Salt Lake Center said they would welcome it if they could get some relief. Seeing all the airplanes flying in and out of Bozeman made them nervous. The business case analysis will be done by the end of September and that is the next big benchmark. The FAA will implement the departure procedures in about a year.

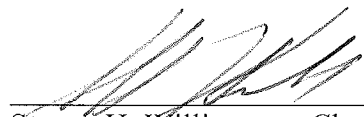
Mr. Mathis said it's not like our radar hasn't been turned on, because it has. When you take off on IFR clearance and they switch you to Center, they'll say "Roger, radar contact at 6,000 feet", which is something we never had before. It does improve the visibility of aircraft from Butte and Helena as well. Mr. Mathis said it's not being used to its full potential. Mr. McKenna thanked Mr. Mathis for pointing that out and said that the center controllers have different rules that they have to live by than a terminal controller. He said we need to keep the pressure on them.

Mr. Sprenger said we have learned a lot and this is a very complicated issue. He said we are at the top of the FAA's list.

Mr. Sprenger also reported that on September 10th, there will be a press conference here at the airport regarding the Asia Pacific Economic Conference that will be held up at Big Sky announcing the host committee that we have been asked to participate in from the facility standpoint. Senator Baucus will be here along with six ambassadors from China, Japan, Chile, and the United States for the announcement that will take place out in the grass area in front of the terminal expansion if the weather cooperates. They have asked for a tour of the terminal expansion.

The seventh agenda item was to consider the bills and approve for payment. After reviewing and discussing the bills, Mr. McKenna moved to pay them and Mr. Kelleher seconded the motion. The motion carried unopposed.

The meeting was adjourned at 3:46 p.m.



Steven H. Williamson, Chair