

The regular monthly meeting of the Gallatin Airport Authority was held November 9, 2010 at 3:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, Richard Roehm, Steve Williamson, Kevin Kelleher and John McKenna, who arrived late. Also present were Brian Sprenger, Airport Director; Scott Humphrey, Deputy Airport Director; Paul Schneider, Assistant Director of Operations and Cherie Ferguson, Office Manager.

The first agenda item was to review and approve the minutes of the regular meeting held October 14, 2010. Kevin Kelleher moved to accept the minutes of the October 14<sup>th</sup> meeting; Richard Roehm 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 he would accept comments when the particular agenda item of interest comes up.

The third agenda item was to consider the request by Arlin C. Wass to assign his Commercial Hangar Ground Lease Agreement for Hangar #117 to ACW, LLC. Brian Sprenger, Airport Director, said Mr. Wass is requesting to assign his personally held lease on hangar #117 to his newly created ACW, LLC for liability reasons. Mr. Sprenger recommended approval of the request. Ted Mathis asked if the lease says he will be responsible and Mr. Sprenger said he would. Mr. Roehm asked if it is to our benefit and Mr. Williamson said it would be and the airport would prefer to deal with an LLC rather than an individual. Mr. Roehm moved the Board accept the request by Arlin C. Wass to assign his Commercial Hangar Ground Lease Agreement for Hangar #117 to ACW, LLC and Mr. Mathis seconded the motion. The motion carried with all Board members who were present voting aye.

The fourth agenda item was to consider the request by Car Park Condos to combine the fourteen car condo associations into one association and consider a sixteen year lease for relocated condos. Mr. Sprenger said back in June when the Board discussed the car park condominiums, the relocation offer was for condos to be moved to an area south of the loop road. The Delzers are asking if the Board would consider combining the fourteen car condo associations into one association with one term of 16 years for the entire leased area. Mr. Sprenger said sixteen years is not consistent with our other leases but he would recommend fifteen years and also recommend that they be required to construct all new buildings to be approved by the Board at a future board meeting so that they would be consistent in age and quality.

Mr. Sprenger said one lease covering all buildings would be easier for us. Mr. Roehm said there are a number of things that would need to be decided. He said the allowed usage, size, structure and appearance of the condominiums may affect the owners so they wouldn't want to purchase a unit. Mr. Sprenger said we may refine the current vehicle storage area to be slightly bigger for larger SUVs and we would have to address the concerns brought up at the June meeting. He said the Delzers would come back to the Board with proposed aesthetics and size.

Thirteen of the buildings would move to the new site and two of the buildings would remain in the current location until their leases expire. One of the leases will expire on September 30, 2011. One building will term out in less than seven years.

Mr. Sprenger said he would propose the new rate at \$0.30 per square foot per year. He believes that is a fair rate and it could be raised every three years if the Board chose to do so. This use of the land is consistent with our Master Plan and he doesn't anticipate a better use for that land at this time.

Holly Marsh from the Sabol Law Office said they have contacted 180 members and one of the questions that kept coming up is the possibility of constructing new buildings rather than move the existing ones. The Board members discussed the bylaws and restrictions, what could be stored in the units, the desirability of having all new buildings, that the existing buildings would be razed or relocated off airport and the land reclaimed. Ms. Marsh said they hadn't polled the members regarding constructing all new buildings rather than relocating the existing ones because they wanted approval from the Airport Authority Board before offering it as an option.

Mr. Kelleher moved to allow the Car Park Condos to build thirteen new buildings and form one condo owners association with one fifteen year lease, no old buildings to be moved to the new site, and subject to approval of the new lease agreement, covenants, and bylaws of the owners association and design of the proposed structures. Mr. Roehm seconded the motion. All Board members voted aye and the motion was approved.

The fifth agenda item was to consider the request by Rocky Mountain Rotors to conduct commercial helicopter operations at Gallatin Field. Mr. Sprenger said Mark Taylor and Chris Nelson are present and would like to bring their helicopter operations on airport. They request permission to occupy space in Yellowstone Jetcenter's building on the east ramp. They agree to abide by all rules, regulations and enter into an agreement with the Airport.

Mr. Roehm said he was pleased another aviation related business wants to operate on the Airport.

Mark Taylor said he started in 2007 with Treasure State Helicopters. He took on a new partner, Christ Nelson, and they formed a new partnership and a new company named Rocky Mountain Rotors. They have added James Lee as a third partner. Mr. Lee recently

obtained a Robinson Helicopter Service Center and they will service R22 and R44 helicopters. They are excited to grow and start a commercial activity while they pursue their 135 charter license. They will do some search and rescue and help fill in gaps with Carisch Helicopters and Central Copters. They have done some work with news crews, including the blast in downtown Bozeman last year. They have worked with 20<sup>th</sup> Century Fox, Discovery Channel and Montana Film, as well as others.

Mr. Mathis moved to approve the request by Rocky Mountain Rotors to conduct commercial helicopter operations at Gallatin Field out of Yellowstone Jetcenter. Mr. Roehm seconded the motion and all Board members voted aye except John McKenna, who abstained, as he had just arrived. The Board thanked Mr. Taylor and Mr. Nelson and wished them good luck.

The sixth agenda item was the report on passenger boardings and flight operations – Scott Humphrey. Mr. Humphrey reported that last month was phenomenal. Tower operations were up 43.3%. We had great weather in October and local and general aviation (GA) traffic was up considerably. It was the best month for GA traffic coming back so far. Commercial enplanements, including football charters, were 28,193. Last October we had 22,995 enplanements.

Mr. Humphrey said we had a 45% increase in seats last month and we netted a gain of about 21% for passengers. All load factors but Allegiant Air's were down. We did gain quite a few passengers, which is good. Last October's overall load factor was 84.2%. This October it was 61.8%. Mr. Humphrey said November is not as robust as October or September. He said we anticipate a 3 to 5% increase net with our new Phoenix-Mesa flight. All in all we have had a good fall. He said we will break the calendar year record with anticipated enplanements of 360,000. Last year we had 342,714. Yellowstone National Park

had an increase in October and airfares have come down this year. We are starting to see the GA traffic come back but corporate landings of aircraft were 151 vs. 170 last October.

Mr. Humphrey also reported that our new Allegiant Air service to Phoenix-Mesa starts Friday and we will have a ceremony here at 4:00 p.m.

On November 30<sup>th</sup> the Horizon flight with the MSU Bobcat logo will arrive here in the afternoon. Mr. Humphrey said we are working with the University and the Alumni Association to organize some festivities.

The seventh agenda item was the Director's Report -- Brian Sprenger. Mr. Sprenger reported that Tom Bowman with the FAA is working feverishly to get our missed approach procedures in place. We have a number of procedures that de-conflict our arrival and departure process but the Missed Approach Procedure is the most important. Mr. Bowman is trying to get that done by the charting period for next June. Mr. Sprenger said we have addressed that with our Congressional delegation that this is a key item and we need their support to make sure it is in the June charting period.

Jill Story, from the FAA, said she can make it happen for us to have a terminal approach facility before next winter. Mr. Sprenger also addressed that with our Congressional delegation that this is the goal and having it happen before next winter is our expectation.

Monday at noon a representative from the FAA will be here to meet with several airlines plus the tower manager. Our purpose is to encourage involvement with Salt Lake Center for this winter and it seems to be making a difference already. Weather conditions were not good yesterday and the Center was getting our aircraft out in minutes. We need them to get involved and understand our issues. Getting them here is key and hopefully it will be successful.

Mr. Sprenger reported that last month he attended an I-90 interchange meeting. We have a follow up meeting November 18<sup>th</sup> at 8:00 a.m. here in the terminal building. Representatives from Gallatin County, the City of Belgrade and the State Department of Transportation will be involved. The primary purpose is to discuss right-of-way acquisition. Board members are welcome.

Mr. Sprenger and the Board members discussed when the interchange project is projected to start, how funding is progressing, roads for getting people to and from the terminal and when the Airport should begin road construction on airport land to tie into the interchange project.

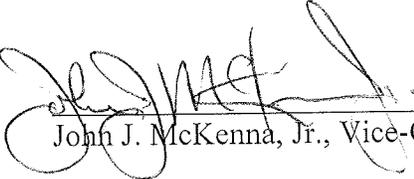
Mr. Sprenger reported that the audit will be ready by the December 9<sup>th</sup> Board meeting.

The eighth agenda item was to consider the bills and approve for payment. During review and discussion of the bills, Mr. Roehm asked about the terminal expansion.

Jamie Lenon, Airport Project Engineer, said the terminal expansion is going well except for the weather. There is a big push to get the roof on. When the moisture comes into the building, they need to squeegee it out. Mr. Lenon said the project is going well from a financial standpoint too. They have good workers and the work quality is good.

Mr. McKenna moved to pay the bills and Mr. Kelleher seconded the motion. The motion carried unopposed.

The meeting was adjourned at 3:23 p.m.

  
John J. McKenna, Jr., Vice-Chair