

The regular monthly meeting of the Gallatin Airport Authority was held December 8, 2011 at 2:00 p.m. in the former Airport Lounge. Board members present were John McKenna, Carl Lehrkind, Ted Mathis, Steve Williamson and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director and Cherie Ferguson, Office Manager.

John McKenna, Board Chair, said this was the last meeting for 2011. Anyone was welcome to comment during their particular agenda item of interest. There was a separate signup sheet for anybody wishing to comment on the airport name modification.

### **1. Review and approve minutes of regular meeting held November 10, 2011**

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:** Ted Mathis moved to approve the minutes and Steve Williamson seconded the motion. All Board members voted aye and the motion carried unopposed.

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

Mr. McKenna asked if there was anything for the good of the order separate and apart from the name change. There were no comments at this time.

### **3. Salt Lake Center update – Matt Csicsery, FAA Salt Lake Center, Troy Decker, NATCA**

Matt Csicsery, Executive Officer at Salt Lake Center, introduced himself and Troy Decker, of the National Air Traffic Controllers Association (NATCA) and a controller in this area. Mr. Csicsery went through a PowerPoint overview of the facility preparation, procedures in place, timelines, training and some of the results they have seen so far for the new BZN Sector 12. The Boise Approach has been involved and they are very happy with the layout.

Mr. McKenna said he has been on the Gallatin Airport Authority Board for 18 years and this is exciting for him. He said the Board appreciates the efforts Mr. Csicsery, Mr. Decker and others have put forth. He said the gorgeous new terminal is nice, but this function is probably the most important thing for getting friends and relatives here on time and safely, and has been the biggest objective for our airport. The Board thanked Mr. Csicsery.

#### **4. Consider airport name modification**

Mr. Williamson asked if the other Board members would be willing to deal with this agenda item after item number 5 because, if they don't approve the Customs facility, that could affect people's thoughts on the name. All the Board members were okay with that.

#### **5. Customs Facility change order**

Brian Sprenger said originally we had a \$400,000 dollar commitment between the Yellowstone Club and Signature Flight Support. The original bid came in at \$314,000. He said at that time we knew we would have some change orders for last-minute things that we were working with Customs to finalize. He said we got through the process and the change order total is \$81,856. The primary pieces have come from different requirements from Customs. It has been an ongoing challenge to determine which set of requirements our airport needs to meet. Customs and Border Protection is a very difficult agency to deal with, but we've finally been able to get their response. The change order plus the original bid of \$314,000 brings the total construction cost to \$395,856.

Mr. Mathis asked if we have gone far enough into the project to know that there won't be any more change orders, and Don Stueck of Martel Construction said we have and they are going to start demolition tomorrow. He said Mr. Sprenger, architect Jamie Lenon and

Assistant Airport Director Scott Humphrey have worked really hard to get approval from Customs and he thinks we are in pretty good shape.

Mr. McKenna asked if they're expecting any other big changes and Mr. Stueck said no, they are down to the end and may have a few other minor changes, and he believes Customs will be happy when they receive the building. Mr. Williamson said he has been very opposed to using any airport funds for Customs. He said we were happy when the bid came in at \$314,000 and now the change orders have come in bringing the costs almost to \$400,000, and they haven't even started work on the project. He said we have never had a job at this point that hasn't had change orders. Mr. Williamson said it has been a no brainer so far because someone else has agreed to pay for it. He doesn't want to use any airport funds to pay for the modifications for Customs.

Mr. Stueck said this is a hard bid job, so there won't be any contingencies. Mr. Williamson said he has worried that they would come back for another \$50,000 and it would be our money. Mr. McKenna said we are concerned about the Yellowstone Club's and Signature's money and spending it wisely. Mr. Sprenger said they are aware of what is going on and the money is in the bank.

**MOTION:** Kevin Kelleher moved to approve the Customs Facility change order as submitted at the \$81,856 figure. Mr. Mathis seconded the motion. All Board members voted aye and the motion carried without opposition.

#### **4. Consider airport name modification**

Mr. Sprenger said we are heartened to see the passion of our community regarding their airport and to see those here who have come for the discussion regarding a possible airport name modification and to submit their thoughts. Community involvement is paramount to any decision such as this.

He said we have gone back through 70 years of our airport's history and the name has been a subject of discussion many times over the years. The initial purchase of airport land was by the city of Bozeman which correctly identified a location adjacent to the city of Belgrade as one of the best locations for the airport. This new airport replaced a much smaller airfield located off of Dry Creek Road north of Belgrade. On May 7, 1941, the newly appointed board "duly moved and carried that they name the flying field of the Bozeman Airport, Gallatin Field." They further clarified the name on July 23, 1942 and "It was moved and carried that this commission recommend to the new Airport Board to be that these names remain "Bozeman Airport" and "Gallatin Field." As the years went by and signs were erected, the initial sign at the airport entrance in both 1955 and 1975 simply said "Gallatin Field" and both times it became apparent that the word "Airport" needed to be added to the signs because "Gallatin Field" was confusing by itself. Today still, when people from out of state travel to our airport, all of the flight information they have leads with Bozeman including the reference to our three letter airport code BZN but once they arrive, it suddenly becomes Gallatin Field.

Over the years there have been many discussions of changing the name but the motivation at those times did not merit a change. We have always understood the significance of Yellowstone National Park passengers to our airport, but this point was underscored in our discussions with various airlines regarding New York service this past year. One airline in particular made it abundantly clear that they were interested in our airport because of Yellowstone National Park. They specifically said that for their service to work, Gallatin Field, we would need to be the premiere entry point for Yellowstone bound passengers from the New York area. Additionally, they were very interested in international feed to the park.

Mr. Sprenger said we have read, discussed and are watching consolidation of air service into fewer airports in this region; as stewards of this airport, we need to position our airport as “the gateway” to the park to be successful in vying for a larger share of the 3.2M Yellowstone Park visitors both nationally and internationally. We have worked over that past two years to develop the “Destination Yellowstone” store, operated by the Yellowstone Association, the first store outside of the park sanctioned by the National Park Service. Our airport tenants and other tourism promoters believe there is merit in having Yellowstone in our name. With the coming addition of International Airport status, we have two potential reasons to consider a name change.

However, we also quickly became aware of the similarities of a potential Yellowstone International Airport to Yellowstone Airport which serves West Yellowstone. We looked at airports across the nation and more than 70 percent of them have the largest local city name within their airport name (such as Billings Logan Int’l, Great Falls Int’l and Missoula Int’l). Additionally, many of them also tied their name to a primary tourism draw. Examples include Fresno Yosemite International Airport and Savannah Hilton Head International Airport.

Consequently, the front running name from a staff standpoint became Bozeman Yellowstone Park International Airport.

However, we are not in a political vacuum and while there are many very logical reasons for changing the name the long standing use of Gallatin Field makes it a difficult change for many in our community. Gallatin Field as a name serves as a politically correct name in accounting for the County within which we reside without singling out a specific town. However, in this competitive world, is it not more important to take advantage of competitive strengths that economically benefit all our communities than maintain a name

that by itself will not generate additional interest or economic value. We also believe the financial strength of our airport and ultimately all of our communities is dependent upon us taking advantage of every opportunity we may have to encourage passengers to choose our airport over the many airports with which we compete. While the name "Gallatin Field" by itself will not encourage anyone to fly to our airport to access Yellowstone Park, we do believe that Bozeman Yellowstone Park International Airport will make a difference to someone in Japan, Germany or even Georgia when they choose from a list of the seven airports that serve the Park. That being said, we believe we can maintain some of our heritage by keeping Gallatin Field as the airfield name and adding after any name chosen the phrase "at Gallatin Field". Ironically, this is not much different than what our airport's founding father's envisioned.

Mr. Sprenger also said that ultimately, we believe this decision is about three things. First of all, it is about what name best serves our customers, 65% of which are from outside of Montana. A consistent name used inside and outside of Montana simplifies their airport experience, an important consideration with travel, in general, often very stressful. Secondly, it is about our region and how to best position our airport to compete in a very competitive tourism market. Airport consolidation is happening. When the music finally stops, we need to ensure we have made it easy for people to choose the gateway to our valley and spend their money north of Yellowstone Park rather than valleys south of the Park. Finally it is about how to maintain 70 years of heritage our airport has amassed.

While we believe a slight modification of our name "Gallatin Field" to "Gallatin Field Airport" would better clarify our existence as an airport, it does little more. A bolder move of "Bozeman International Airport at Gallatin Field" is relatively short and to the point but fails to market our airport for the single largest tourism draws in the state. "Bozeman

Yellowstone Park International Airport” fulfills all three objectives. It correlates for our passengers the destination monitor name, the three letter code BZN as well as the airport name. It markets this airport as the premier Yellowstone gateway airport that we wish to become so as to bring more economic growth to our region. Finally, we maintain our heritage by keeping Gallatin Field as the airfield name.

Mr. Sprenger said therefore, the staff recommendation is to modify our airport’s name to “Bozeman Yellowstone Park International Airport” with the airfield name included in the tag line “at Gallatin Field.”

Bert Hopeman from Sharbert Enterprises, Inc., Robin Hoover from Yellowstone Country, MT, Inc., Daniel Bierschwale from the Yellowstone Association, Bill Berg from the Gardiner Chamber, Tom Porter from the Yellowstone Park Foundation, Dennis Paul McIntosh from the Yellowstone Association-Gardiner, Matt Wren from the Yellowstone Park Foundation, Matthew Belt from National Car Rental, Kazuyo Erickson from Worldwide Flight Services, Ike Turner from Delta Air Lines, Blake Malone from Hertz, Sean Becker, the Mayor of Bozeman, Daryl Schleim, Chief Executive Director of the Bozeman Area Chamber, Brit Fontenot, Economic Development Director of the City of Bozeman, and Jason Boyd of Alaska/Horizon all were in favor of the proposed name change, especially citing proximity to the Park and their belief that “international” will give us a more competitive edge than we currently have.

Debra Youngberg, the Executive Director of the Belgrade Chamber of Commerce, said her comments were made for those in the western part of the valley. She said they have had a great relationship with the airport and appreciate being able to be involved. She understands tourism is a big point and she said our prices to fly in are high because there aren’t enough business travelers. She doesn’t want Yellowstone Park in the name because

she doesn't want to discourage business travelers. She likes the name Gallatin and believes Bozeman Gallatin International Airport is a logical answer. She would prefer Bozeman International Airport over Bozeman Yellowstone Park International Airport.

Mr. Williamson said he speaks for the small minority that Mr. Hopeman referenced in his remarks. Mr. Williamson said he Googled the busiest airports in the world and got a lot of names that don't tell you much about the airport. He thinks using international is premature because we are not international yet and it will only be a small number of people who will be affected. He also is uncomfortable jumping on the bandwagon when we haven't even had our first person clear Customs yet. He said, since people believe location is important, we are in Gallatin County. The proposed name sounds like a law firm to him because it is so long. He is also concerned that something will bite us that we haven't thought about yet.

Brochures will have to be changed to the new name and the people who will have to pay for that are business people. Judging by the comments that have been made, he thinks maybe that isn't a big deal to them. But, being an accountant, he is always worried about spending money. He doesn't think we have a problem because our boardings have exceeded our expectations almost every year, so people seem to be finding us. He doesn't think the name change is going to be that helpful, so he spoke for the minority who think the name is just fine.

Mr. Mathis said he is concerned about the cost too and asked what this might cost the Airport Authority for signage, changing the website, literature and stationery. Mr. Sprenger said he believes it will be financially insignificant over a budget standpoint. He said he doesn't consider \$2,000 to be insignificant but everything doesn't have to take place right away. The sign at the entrance will have to be changed because of the interchange. BZN

was made part of our logo so the name change below that won't involve much on our website.

Time wise, we have to involve the FAA and that is part of the reason to keep Gallatin Field as the field name. That is a solution a number of airports have gone to. The field name doesn't change but the marketing name does. The FAA wouldn't have to change anything. Organizations may change their documents over time but we are still Bozeman Airport at Gallatin Field. He doesn't believe most organizations will drop their existing documents and change them right away.

Mr. Mathis asked if the identifier BZN will change and Mr. Sprenger said it won't. Mr. Mathis said he understands the logic in putting "international" in the name, but believes it is deceptive because people think we will have international commercial flights and that is not true. For the sake of brevity, he would remove "Park" from the name if the Board approves a change.

Carl Lehrkind said he is trying to look at the upside because of the overwhelming support today and asked Mr. Sprenger if he had tried to calculate the number of people who would fly into Gallatin Field because of the name change. Mr. Sprenger said he doesn't know if people will change airports because of that, but he does know that people tend to choose airports by their international status, especially in foreign countries. He agreed with Mr. Mathis that "international" is stretching it some but a number of other Montana airports are in the same situation. He agreed that we are premature since we don't have Customs yet.

He doesn't believe that the name change will significantly impact passenger numbers immediately. He said Billings is a very viable and good competitor against us. We have experienced growth in the last couple of years because our fares have equalized with theirs due to Frontier and Allegiant Air. If that changes, Billings is just down the road and they

have oil. We have to use our strengths. The big dog in the show for people flying into the Park is Salt Lake City. They are an international airport and have low fares. We want people to fly into Gallatin Field and travel on Karst Stage as many international visitors to the Park expect bus travel. Mr. Sprenger thinks our name modification may eventually increase our number of passengers by 5% to 10%.

Mr. Lehrkind said he thinks there will be a cost. Mr. Sprenger said we have almost no advertising budget so we don't expect much for additional cost.

Mr. Kelleher said he heard a lot of good comments today and he was in favor of the name change and doesn't mind dropping "Park" from the name. He said he believes his neighbors in Gallatin Gateway had some insight in 1927 when they changed the name from Salesville to Gallatin Gateway to compete with Livingston for rail traffic. Now we are competing for the air traveler going to Yellowstone Park. Since 1872, when President Grant created the Park, people in this region have targeted it for commerce. Mr. Kelleher said his neighbors in the Gallatin Canyon, Gallatin Gateway, the dude ranches, Big Sky and West Yellowstone strongly favor the name change and there is no hesitation. He said we have been in the tourism business all our lives and we have the greatest and first National Park in the world at our doorstep next to us and we don't even have it in our moniker and he believes that is foolish. He believes it is a necessary move since we have just spent \$42 million to enlarge the terminal. Regarding the location, he said the road transiting between Bozeman and West Yellowstone within Gallatin County goes through the Park for 22 miles. He said he understands the historical significance to the name but he believes we need to look to the future. He said other airports in Montana have "International" in their name and they are no more international than we are. He said we can grow into that name and there is far more upside to tying ourselves to Yellowstone National Park than keeping the same name we have.

He has canvassed the people in the neighboring communities and they would like to be more of a part of this airport and that is how we make them more a part. He thinks it is a win-win for the county and he is highly in favor of the name change.

Mr. McKenna thinks we should look to the future. Unless there is some reason otherwise, he is okay to eliminate the word "Park." He said he is overwhelmingly in support of the name change because of where we are and where we are going.

Mr. Mathis asked Mr. Sprenger if there was any reason to put "Park" in the name and Mr. Sprenger said there wasn't.

**MOTION:** Mr. Kelleher moved to approve the name change as suggested by staff to Bozeman Yellowstone International Airport at Gallatin Field. Mr. Lehrkind seconded the motion. During discussion, Mr. Williamson asked if there was any way to leave out international until we know if Customs will remain here. Mr. Sprenger said we would be like other airports in Montana even if it doesn't. Mr. Kelleher said they took a leap of faith when they built the terminal and believes we would keep the Canadian traffic. Mr. Williamson said he was still concerned because we don't know if Customs will be paid for by the users and it might go away. The Board members and Mr. Sprenger discussed that and the competitive advantage other airports have because they have "international" in their names.

Mr. Kelleher, Mr. Mathis, Mr. Lehrkind and Mr. McKenna voted aye and Mr. Williamson voted no. The motion carried with one Board member in opposition. Mr. McKenna thanked everyone for their participation.

Mr. Hopeman asked when the effective day will be and Mr. McKenna said it would be as soon as possible.

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

Mr. Humphrey reported that the weather was pretty mild during November and our operations were up 33% over November last year. Enplanements were down 2.5% for the month of November and that is our 23<sup>rd</sup> month in a row of increases. He said we were surprised because available seats were 10% less than last November due to Delta and United not having mainline service during the month. Load factors of 85.4% were still about 10% higher than last year. Rolling 12-month passengers were 395,000, which is still pretty strong. Landings were down 383 versus 464 due to Delta and United. Fuel dispensed gallons were down 18.3% because of the gauge of the aircraft. We are expecting good numbers for December but expect to be 2% to 1% below last December.

Mainline Delta will start up again on the 17<sup>th</sup> and mainline United on the 15<sup>th</sup>. Mr. Humphrey said that should give a little boost. Mr. McKenna thanked Mr. Humphrey.

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

Mr. Sprenger reported that the Bobcats were leaving in a couple of hours and the charter for their fans leaving tomorrow at 10:00 am. He said that will hopefully add 200 to 250 more passenger enplanements for December. We had some of that last year with the Bobcats in the first round of the playoffs.

Mr. Sprenger reported that we had a preliminary proposal from one airline for New York service. The frequency is a little less than we had hoped but wasn't unexpected. There is still some work to be done. He said he can't mention which airline at this time. The closing date was December 7 so now they will start the evaluation by the air service committee. We expect them to come back to Board with a proposal in about a month. The contributors for the guarantee will need to have the money in hand at the next Board meeting because we won't sign the grant until we have the money in hand. Mr. Sprenger said we are very excited and think it will happen.

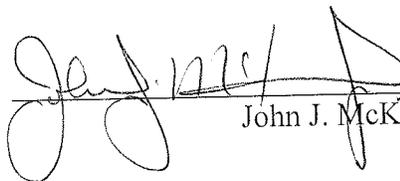
**8. Consider bills and approve for payment**

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

**9. Adjourn**

The meeting was adjourned at 3:45 p.m.

  
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John J. McKenna, Jr., Chair