

The regular monthly meeting of the Gallatin Airport Authority was held October 11, 2012 at 2:00 p.m. in the Airport Conference Room. Board members present were Kevin Kelleher, Kendall Switzer, Ted Mathis and Carl Lehrkind. John McKenna was unable to attend the meeting. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director and Cherie Ferguson, Office Manager.

Kevin Kelleher, Vice Chair, called the meeting to order at 2:00 p.m. as the Chair, John McKenna, was not present at the meeting.

1. Review and approve minutes of regular meeting held September 13, 2012

Mr. Kelleher asked if everyone received their copy of the minutes and if they had any changes. Hearing none, he entertained a motion.

MOTION: Carl Lehrkind moved to approve the minutes and Ted Mathis seconded the motion. All the Board members voted aye and the motion carried.

2. Public comment period

There was no one signed up to make public comments but Mr. Kelleher said public comments were welcome after each agenda item, if needed.

3. Consider request by Sky River Management, LLC to transfer their non-commercial hangar lease on Hangar #90 to ACW, LLC

Brian Sprenger, Airport Director, showed on a map the hangars that ACW, LLC / Arlin's Aircraft Service owns. He recommended approval of the request. Kendall Switzer confirmed that Mr. Sprenger didn't have any questions or doubts about the transfer. Mr. Mathis said there is a camera on the hangar and there is additional language in the lease regarding the camera and asked if that would remain the same. Mr. Sprenger said it would.

MOTION: Mr. Mathis moved approval of the request by Sky River Management, LLC to transfer their non-commercial hangar lease on Hangar #90 to ACW, LLC. Mr. Switzer seconded the motion and all Board members voted aye. The request was approved.

4. Consider request by KBZK to place a webcam at the terminal

Mr. Sprenger said KBZK would like to place a webcam at the airport to complement other webcams they have throughout the state. They have one at Montana State University and one at First Interstate Bank and would like to place one at the airport. Mr. Sprenger said we have been exploring the possibility ourselves, but if we allow KBZK to put one up, there wouldn't be any cost to the airport. It would give us additional publicity and would give the flying public an additional view of any weather that might impact their travel.

The Board and Mr. Sprenger discussed locations for the camera and if there are any concerns regarding security.

MOTION: Mr. Switzer moved to approve the request by KBZK to place a webcam at the terminal with the provision that it be promoted as the webcam at Bozeman Yellowstone International Airport. Mr. Mathis asked if the wording could be changed because of the discussion regarding locations for the camera. Mr. Switzer amended his motion to approve the request by KBZK to place a webcam somewhere on airport property or airport buildings with the provision that it be promoted as the webcam at Bozeman Yellowstone International Airport. Mr. Mathis seconded the motion and all of the board members voted aye. The request was approved without opposition.

5. Continue consideration of request by Sunbird Aviation to continue to operate their Charter operation out of Hangar 114

Mr. Sprenger said Sunbird Aviation has completed the restroom and installed the sign. He wants them to improve the sign and will work with them on that. Mr. Lehrkind

asked about the sign and Mr. Sprenger said there are some power cords showing and he believes they can improve the appearance. Mr. Kelleher asked Mr. Sprenger if Sunbird meets the minimum standards for commercial operation and Mr. Sprenger said they do.

MOTION: Mr. Mathis moved to approve the request by Sunbird Aviation to continue to operate their Charter operation out of Hangar 114 and Mr. Lehrkind seconded the motion. Agenda item five was approved without opposition as all the board members voted aye.

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

Mr. Humphrey reported that the airlines are moving from smaller aircraft with 60 seats or less to those with 61 seats or more. Tower operations were down 4.7% this September compared to last September but year to date are up 15.5% compared to the same period last year. Rolling 12-month operations were 82,242. Corporate landings of aircraft over 12,500 pounds gross landing weight were down 4.7% from September 2011.

Total revenue enplanements were 38,834, a 12.9% increase over last September. Rolling 12-month enplanements were 425,094. Mr. Humphrey said there was quite a bump for United Airlines because of the Newark flights. Delta Air Lines enplanements to Salt Lake City were down but enplanements to Minneapolis/St. Paul were up.

During September 2012, there were 535 charter operations.

Total airline landings were up 6.5%. Delta's landings were down 7.3% because of a decrease in frequency. United's were up 23.3%. Load factors were down 3.7% on a 16% increase in seats but were still respectable at 89.2%. Fuel dispensed for August was up 13.6% over last August. There was a slight drop in sales of AvGas.

The board and Mr. Humphrey discussed the Newark numbers, what staff thought of the service and how much the community would have to pay. We don't have the official figures for August and September yet.

Mr. Mathis congratulated Mr. Humphrey on receiving his American Association of Airport Executives accreditation. He said it is like getting a Master's Degree and is not easy. Mr. Mathis said it is beneficial to the airport that both directors have accreditation.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that Customs cleared an aircraft from Santiago, Chile last month. Because of that, we had our first opportunity to burn regulated garbage.

Mr. Sprenger also reported that we are moving forward with the heat exchange project for the older part of the terminal. There will be about a five-year payback. Funds for the project are in the budget. We are working on approval from the FAA to release land for the East Belgrade Interchange project. We didn't use federal funding for the purchase of that land but the FAA has to sign off on it. Mr. Sprenger said we expect to begin right-of-way negotiations with the County next month for the roadway into the airport.

Mr. Sprenger said staff anticipates discussing our five-year FAA capital improvement plan with the board next month. He also said we are a little behind on the audit as more information is required.

Mr. Sprenger reported that the Destination Yellowstone exhibits will be unveiled at the airport terminal on October 15. Dan Wenk, Superintendent of Yellowstone Park will be here. We are very happy to have the Park represented at the airport.

Mr. Sprenger also reported that we have had a request for a Menorah to be placed in the terminal near our annual Christmas tree. The local Jewish community is willing to contribute a Menorah that would work in the upper lobby. Staff believes it would be an excellent addition and would be well received by the many Jewish people who come to Montana on vacation over the holidays. The board and Mr. Sprenger discussed the size,

location and what other airports are doing. They believe the flying public would prefer to see both the tree and the Menorah rather than not have either.

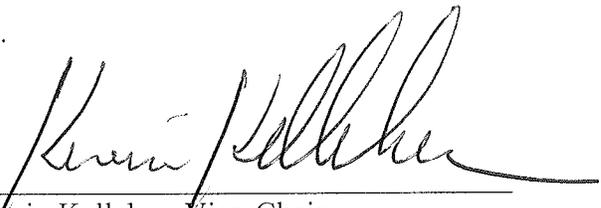
8. Consider bills and approve for payment

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. Lehrkind moved to approve and pay the bills presented to the board at this time and Mr. Switzer seconded the motion. The motion carried unopposed.

9. Adjourn

The meeting was adjourned at 2:40 p.m.



Kevin Kelleher, Vice-Chair