

The regular monthly meeting of the Gallatin Airport Authority was held September 13, 2012 at 2:00 p.m. in the Airport Conference Room. Board members present were John McKenna, Ted Mathis, Kevin Kelleher and Carl Lehrkind. Kendall Switzer was unable to attend the meeting. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Paul Schneider, Assistant Airport Director - Operations and Cherie Ferguson, Office Manager.

1. Review and approve minutes of regular meeting held August 9, 2012

John McKenna, Board Chair, 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: Kevin Kelleher moved to approve the minutes of the meeting held August 9th. Ted Mathis seconded the motion and all Board members voted aye. The minutes were approved.

2. Public comment period

Mr. McKenna said the public has the right to comment on any item on the agenda or anything for the good of the order. There were no public comments at this time.

3. Consider request by Sunbird Aviation to continue to operate their Charter operation out of Hangar 114

Brian Sprenger said he has been working with Gregg Fuller to bring the hangar into compliance. In Mr. Fuller's letter, he states that Sunbird believes they are in compliance with the Airport's minimum operating requirements because they have been staging their Part 135 operations out of one of Arlin's Aircraft Service's hangars. Mr. Sprenger said they did not request permission to do that. They are working on adding a second restroom in hangar 114. Mr. Sprenger showed the board members a picture of the second restroom. Mr. Fuller is trying

to get a toilet that works above grade level with a sewage system through the wall. Mr. Sprenger said he feels comfortable that it will be acceptable when it is complete.

Just one of the restrooms has to be ADA compliant and the original one is. The second one will not be. The restroom was not operational by the July 31st expiration date granted by the board but Mr. Fuller said it would be by September 13th. Mr. Sprenger said he has given Mr. Fuller some additional time but at some point, action has to be taken.

Mr. McKenna said he has an issue with the precedent that the board may be setting if they continue to let Sunbird Aviation operate a commercial operation out of a hangar that does not meet the Minimum Standards for a commercial operation. He said the Airport Authority would also have to be up to standards if the tables were turned. He asked if the board should send a Cease and Desist Notice or if we have any kind of leverage. Mr. Sprenger said the Airport Authority can use the lease as a hammer.

Mr. McKenna said it isn't a big matter but it could become one. He likes Mr. Fuller but said he is taking advantage of the Airport Authority. Mr. Sprenger said we could issue a thirty-day notice to Mr. Fuller. Carl Lehrkind is in favor of the thirty-day notice and Mr. Mathis said Mr. Fuller needs to improve the signage. Mr. McKenna said a motion is not required but Mr. Sprenger knows the sense of the board.

4. Consider Passenger Boarding Bridge Proposals

Scott Humphrey said a Request for Proposals (RFP) had been put out for two bridges based on work done by Morrison Maierle and RS&H for the terminal project. The deadline for this RFP was August 2nd. There is \$250,000 in the budget for boarding bridges for gates 4 and 7. Staff has watched for bridges for two years and reached out to Greensborough airport because they had eight bridges that would be available but they wanted to sell all eight or none.

JBT, from Salt Lake City, and Ameribridge, from Indianapolis, submitted proposals. Ameribridge's proposal was \$333,654 and JBT's was \$405,438. Chuck Rasnick, our Maintenance Supervisor, inspected the bridges and after considering his comments, and comparing the bridges, staff's recommendation is to accept the Ameribridge proposal. Both companies could have the bridges up and running by late October. Accepting either proposal is okay legally. Mr. Humphrey said we have enough contingencies in the budget to absorb the costs above the budgeted \$250,000 and it won't affect any other capital project. Mr. Sprenger said the bridges from either company would accommodate Q400 aircraft. A new bridge would not go down that far. Mr. Lehrkind asked if we would get a better deal if we waited longer and Mr. Humphrey said we probably wouldn't as these are the last two on JBT's lot and Ameribridge has about six or seven on their lot that they are working on. There are no other used bridges available that we are aware of.

Mr. Mathis asked if we could use Airport Improvement Project (AIP) funds for two new bridges and Mr. Sprenger said we have been planning on using the AIP funds for reimbursement for the terminal project, but it could be an option. He said we may need to consider replacing the bridge at gate one within the next five years. One new bridge at current prices would cost about \$350,000.

MOTION: Mr. Mathis moved to approve the proposal by Ameribridge, LLC in the amount of \$333,654 and Mr. Lehrkind seconded the motion. All board members voted aye so the motion carried unopposed.

5. Continue consideration of signage proposal by Montana State University/City of Bozeman

Mr. Sprenger said several months ago Dr. Cruzado, President of Montana State University (MSU), and Chris Kukulski, City Manager of Bozeman, approached the board about

signage at the airport with reciprocal advertising for the airport and Mr. Mathis thought this would be a good time to discuss this item. Staff believes there are only three locations that would be acceptable; the upper lobby down the stairway, above baggage claim 2 and on a mechanical shaft adjacent to the Exit from the Concourse. Mr. Sprenger said there should be some comparable value from the entities for the dedication of this space and staff believes amount would be valued at \$6,000 to \$10,000 annually. The Yellowstone Park Foundation has set a precedent, plus this would help keep the Airport fair for future requests for the limited, valuable space in the terminal.

Mr. Mathis said he thinks it is important to showcase our university any chance we get. He thinks it is might be beneficial to separate the two and not include the city. If we did something for Bozeman, other localities would come to us. He would like to see the reciprocal advertising in the Field House or the stadium that says Bozeman Yellowstone International Airport or something similar.

Mr. Sprenger said he thinks the board should have another opportunity to review what the university and city propose at the Airport. Mr. McKenna asked if the schematic could include both entities and Mr. Mathis said he would be okay with that. Mr. Kelleher agreed and Mr. Lehrkind said he agreed and would like to know, in advance, what the trade would be. Mr. Sprenger said Dr. Cruzado and Mr. Kukulski are very receptive to input from the Airport Authority.

Mr. Mathis said he liked the triangular space outside security. He said they wouldn't need the entire space but something could be tastefully done there. Mr. Sprenger said he thinks it is important for the board to make a recommendation to give staff direction to work with them and shows them the board is committed to the project.

MOTION: Mr. Lehrkind moved to invite the University to put a sign approved by the board in the location just outside security in the triangular location above the stairs in exchange for an approved location determined by this board somewhere in a prominent location at Montana State. Mr. Kelleher seconded the motion. All board members voted aye and the request was approved without opposition.

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

Mr. Humphrey reported that tower operations were 7,749 for August, a 0.7% increase from last August. Rolling 12 month operations were 82,632. Revenue enplanements for August were 55,111, which is a 10.1% increase on a 12% increase in available seats over August 2011. Rolling twelve-month enplanements were 420,650, which are about 25,000 more enplanements than during the 2011 calendar year.

Airline landings were 729 versus 672 for August 2011, which is an increase of 8.5%. This is mainly due to the Newark, Portland and Oakland flights. At the end of August, the Portland service ended for the season and the Newark flight ended the first Saturday in September. United Airlines was pleasantly surprised by the load factors for the Newark flight. Mr. Humphrey said we should have information about the service for the first two months within a week or two. The community has ninety days to close out so we will know soon how much the community will need to contribute. It takes the airline about six weeks to compile all the data.

Mr. Humphrey reported that corporate landings were 8.7% less than last month. There were 313 this August versus 343 last August. Load factors for the airlines were down slightly at 90.7%, which is still quite good because we had 12% more seats in the market than we did in August 2011. Allegiant Air's load factors were at 92.8%, which is excellent. Fuel sales were up 12.5% to 915,924 gallons dispensed. Projected enplanements for September are 7% above

last September on 11% more seats. Mr. Kelleher asked why corporate is down and Mr. Humphrey said the Fixed Base Operators (FBOs) think some loss is due to the smoke here. Mr. Sprenger said the FBOs also feel corporate is weak nationwide as well as here.

Mr. Sprenger also said we are being noticed by other airports. Representatives from Jackson Hole and Newport News have visited our airport. The Las Vegas airport considered changing their name and used our airport as an example. More locally, the Missoulian and the Independent Record have contacted us to see what is happening in Bozeman.

Mr. McKenna thanked Mr. Humphrey for his report.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger said Paul Schneider has been working on parking lot navigation. Mr. Schneider said it can be difficult for people to find their cars since more spaces have been added. He gave the board members photos with way-finding signage suggestions. If the board approves, maintenance would make seventy-two 12"x18" white signs with black lettering to put on light poles in the parking lot.

Mr. Sprenger said they thought about using animals but there wasn't any logic to it. Mr. Mathis said it isn't a big investment and he would support the signage. The board members, Mr. Sprenger and Mr. Schneider discussed the visibility, placement and logic of the signage and believe it would be beneficial to try the signage. No motion was required.

Mr. Sprenger reported that the Customs grand opening went very well and about thirty-five people attended. There were three international arrivals scheduled today, September 13th. Mr. Sprenger hopes to have more information about the number of Customs operations soon.

Mr. Sprenger also reported that he wrote a letter to the FAA requesting that the FAA pay for the first hour the tower is open in addition to the sixteen hours per day they currently pay for. There are more than four operations in the first hour and we have three operations

during the last hour. We need four to qualify for the FAA to pay. We have not received a response from the FAA yet.

Mr. Sprenger also reported that our request to the TSA for the Screening Partnership Program has been approved. There will be a vendor day next month and an RFP will be sent out for the Bozeman, Butte, Kalispell and West Yellowstone airports. He was told that it would take about six months until a new vendor could take over screening.

Mr. McKenna asked if we have any input for the RFP and Mr. Sprenger said we don't have much. Mr. McKenna said there is the potential for the other communities to lobby for the base and he would like it put in the RFP that the vendor be based at the Bozeman Yellowstone International Airport. Mr. McKenna also asked if our current service level might decline and Mr. Sprenger said he doesn't believe it will because the TSA screeners have a vested interest if they want to be hired by the new vendor.

Mr. Sprenger said Allegiant Air will have a "Vote for Vacation" bus in Bozeman at Rosauers Tuesday morning between 6:00 AM and 10:00 AM. They are running their promotion in seventy-seven cities. In each city, one lucky voter will win two roundtrip tickets to the destination they cast their vote for, and Allegiant will give the first 100 people who attend the events a coupon for \$21.60, the amount of federal taxes for roundtrip airfare, for a future vacation package with Allegiant. In addition, Allegiant will award one grand prize of free flights on Allegiant for four years. The promotion in Missoula is in the afternoon and they are doing quite a lot more. Mr. Sprenger said it is difficult to do much at 6:00 AM.

On October 15th at 10:00 AM, the Yellowstone Park Foundation will have their grand opening here at the airport. Superintendent Dan Wenk plans to attend the event. The Foundation will utilize their cross distribution to inform their members. While we may not be the official airport for Yellowstone National Park, it may appear that way.

In addition to the representatives from the airports and newspapers Mr. Sprenger mentioned, a representative from another airline will visit the local communities and attend a football game. He may have to fly into Billings because they have available seats but we may be sold out.

Mr. Mathis said Hertz bought out Dollar/Thrifty and asked if we would be affected here. Mr. Sprenger said both are owned by franchisees here and we expect them both to continue separately for some time.

8. Consider bills and approve for payment

The eighth 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 pay the bills and Mr. Kelleher seconded the motion. The motion carried unopposed and all the bills will be paid.

9. Adjourn

The meeting was adjourned at 3:15 p.m.


Kevin Kelleher, Vice Chair