

The regular monthly meeting of the Gallatin Airport Authority was held September 12, 2013 at 2:00 p.m. in the Airport Conference Room. Board members present were Kevin Kelleher, Ted Mathis, Carl Lehrkind, Kendall Switzer and Karen Stelmak. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, and Cherie Ferguson, Office Manager.

Kevin Kelleher, Board Chair, welcomed everyone to the meeting and said anyone wishing to make public comments could list their name and topic on the sign-up sheet. Members of the public are also welcome to comment on each agenda item when it is being discussed. He asked that they go to the podium and identify themselves before making their comments.

1. Review and approve minutes of regular meeting held August 8, 2013

After Mr. Kelleher confirmed that all the board members received their draft copy of the minutes, he entertained a motion.

MOTION: Carl Lehrkind moved to approve the minutes of the August 8, 2013 meeting and Kendall Switzer seconded the motion. All board members voted aye and the motion passed.

2. Public comment period

There were no public comments at this time.

3. Consider request by Leo and Cynthia DeVries to transfer their non-commercial lease on hangar #64 to Big Sky Aero, LLC

Brian Sprenger, Airport Director, said the hangar is located off Taxiway G, is in good condition and the rent is current. There are eight years remaining on the current lease.

MOTION: Ted Mathis moved to approve the request by Leo and Cynthia DeVries to transfer their non-commercial hangar lease on hangar #64 to Big Sky Aero, LLC. Karen Stelmak seconded the motion and all board members voted aye. The motion passed.

4. Continue consideration of issuing Request for Qualifications for Design-Build-Finance on a Parking Garage

Mr. Sprenger said the board might recall that in February and March they reviewed this as a potential project and deferred taking action for further analysis and research. The parking lot is at full capacity only two to three weeks per year, and averages about 50% the remainder of the year. Staff also monitored use of the premium lot versus use of the economy lot and an overwhelming majority of customers preferred the economy lot. On average, there were less than 100 cars per day parked in the premium lot and the average was 120 cars per day during peak periods. After the current expansion is completed, there will be 1,287 parking stalls and that can be expanded to 1,700 surface stalls. That should be sufficient for 600,000 enplanements per year. We are currently at 440,000 enplanements per year.

Mr. Sprenger said staff would recommend a multi-use parking garage for the future. It would serve two populations; customers of the rental car companies and some customers who use paid parking. The garage could be built so it could be expanded as needed.

Mr. Sprenger said we could fund the multi-use parking garage using rental car Customer Facility Charges (CFC) but it will be mid 2017 before the current CFC is paid off. We will be negotiating new rental car agreements next year and language regarding using CFCs for the new multi-use parking garage could be included in the new agreements. We could self-fund the project through money we could save for the project if we wait until 2019, but we might prefer to use the money for other projects.

If the board is interested in the multi-use parking garage, we could start negotiations with the rental car companies if they agree to use CFCs for the parking garage. We could start collecting CFCs for the project in 2017 and start building the garage in 2019. Mr. Sprenger said we may be able to pay off the bonds for the terminal expansion in 2019 or 2020 if passenger growth continues as projected. We would be in a position to not have to borrow money for the multi-use parking garage.

The board members like the idea of self funding. Following some discussion, they asked Mr. Sprenger to plan for the multi-use parking garage in the capital projects at budget time. The board will have the option of reviewing the project over the next few years.

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

Mr. Humphrey reported that tower operations for August 2013 were down 6.5% from August 2012, mainly because of general aviation (GA). Year-to-date tower operations for the year are down 9.7% from the same period last year. Rolling twelve-month aircraft operations were 76,108. Corporate landings were down eleven to 302. Total revenue enplaned passengers were up 5.4% to 59,089, which is another record for August enplanements. Rolling twelve-month enplanements were 444,058, which is 3.4% ahead of last year. Deplanements of 55,550 were up 5.3% from August 2012. Airline landings were about flat for the month.

The overall load factor for the month was 92.8%. Mr. Humphrey said this is the first time he has seen the load factor for every airline above 90%. He said there aren't any available seats in the premium months. Jet fuel dispensed was down 4.3% for July. Mr. Humphrey believes September enplanements will be flat to 1% better than last September,

even with 1,000 less seats in the market. We will see fewer seats in October and November but will see increases in December.

Mr. Humphrey reported that we are finalizing the contract with United Air Lines for the winter season Newark/New York (EWR) service.

Mr. Humphrey reported that he will attend the Routes Conference in Las Vegas on October 6th and 7th and plans to meet with four airlines-West Jet, American, US Airways and Southwest. He said Air Canada provides service to Vail, Colorado and it is a big draw. Big Sky could also be a big draw for Canadians. Mr. Mathis asked if there is an opportunity with West Jet for international travel to Calgary. Mr. Sprenger said West Jet flies Q400s out of Calgary, which is the same kind of aircraft Horizon flies to Seattle, and would be appropriate for this type of service. He said the local communities asked if we could see if there is any interest from the airlines, so Mr. Humphrey will try to determine if there is any and start the dialogue.

Ms. Stelmak complimented the staff at Bozeman Yellowstone International Airport (BZN) for their professionalism during the early morning flights when it is so busy. She said the cleanliness and well maintained airport we are presenting to the travelers is absolutely exemplary.

6. Airport Director's Report – Brian Sprenger

Mr. Sprenger reminded the board that there will be a TRACON transition pilot meeting September 24th at 7:00 PM at the fire station.

Also, on the 24th at 2:00 PM, there will be a ground breaking event for the East Belgrade Interchange on Alaska Road near Harley-Davidson.

Mr. Sprenger reported that the TSA reposted the Screening Partnership Request for Proposals.

Mr. Sprenger said he mentioned in a memo to the board that the board needs to address the name of the road into the airport to the general aviation (GA) area. He asked the board if they wanted to give the GA community the opportunity to offer ideas. He believes it should be aviation related and not an individual's name. The board is willing to involve the GA community rather than coming up with a name. They will make the final decision after reviewing the suggestions.

Steve White, County Commissioner, complimented Mr. Sprenger on a presentation to the Big Sky Owners Association on August 30th. He said all three County Commissioners were there and were very impressed with Mr. Sprenger's presentation. Mr. Kelleher said he arrived late but the feedback was highly complementary to Mr. Sprenger. Big Sky and West Yellowstone are very interested in what is happening at the airport. Mr. Kelleher said he believes one of the best tools we have is going out into the public.

Mr. Sprenger said Taylor Middleton, the General Manager of the Big Sky Resort, did a great job too.

Mr. Sprenger informed the board that there were several bills for small airport projects that they would be considering when they discussed the bills.

7. Consider bills and approve for payment

The seventh 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. Switzer seconded the motion. The motion passed and all the bills will be paid.

8. Adjourn

The meeting was adjourned at 2:43 p.m.

Following the regular meeting, a closed meeting was held for the purpose of discussing pending litigation.


Kevin Kelleher, Chair