

The regular monthly meeting of the Gallatin Airport Authority was held March 13, 2014 at 2:00 p.m. in the Airport Conference Room. Board members present were Kevin Kelleher, Ted Mathis, Kendall Switzer, Carl Lehrkind 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 regular Gallatin Airport Authority Board meeting.

1. Review and approve minutes of regular meeting held February 13, 2014

Mr. Kelleher ascertained that everyone received their copy of the minutes. Brian Sprenger, Airport Director, said staff made a change on page 1 from a meeting of the “Bozeman Yellowstone International Airport” to a “Gallatin Airport Authority” meeting and on page 11, changed “getting the GPS map updated” to “getting the GIS map updated.” None of the board members objected to those changes and none of them suggested any other changes.

MOTION: Ted Mathis moved to approve the amended minutes of the regular meeting held February 13, 2014 and Karen Stelmak seconded the motion. All board members voted aye and it was a unanimous decision to approve the minutes from the previous meeting.

2. Public comment period

Mr. Kelleher said no one signed up to make public comments. Members of the public are welcome to comment on the agenda items when they are being discussed. He asked that anyone wanting to make a comment raise their hand, be recognized, go to the podium and state their name before making their comment. There were no public comments at this time.

3. Landscaping and signage discussion for the terminal entrance

Mr. Sprenger said he asked Jerry Cashman from Cashman Nursery for some suggestions for landscaping, and Bruce and Mary Lou McCallum from Signs of Montana for some suggestions for signage so he could get an idea of the direction the board might want to go. Mr. Sprenger gave the board members a packet with numbered designs. Some signage drafts included animals and Mr. Sprenger said that could cause controversy. He said the board might consider replacing the animals with a stylized airplane. If the board doesn't like any of the concepts, we could ask for new ideas. Mr. Sprenger said Mr. and Ms. McCallum had some ideas for lighting the sign at night time and asked them to show the board.

Mr. and Ms. McCallum, the board, and Mr. Sprenger discussed ideas and lighting for the signage, as well as the location. The McCallums recommended LED halo lighting, which gets brighter in the winter and is very energy efficient. They suggested two kinds of lighting; front lighting that is brighter and backlighting that is more subdued. The board members would like the brightest lights to be used for the letters. They also expressed that they want the sign to be very visible in a snow storm, at night or early morning. The McCallums incorporated the rock work and wood beams from the terminal in their designs.

Mr. Sprenger said the board may want to consider a sign at the airport entrance and one in the main terminal area. Mr. Mathis asked if the sign near the main terminal would say airline terminal, and Mr. Sprenger said it could but the highway signage may say airline terminal and it might not be necessary. He said after you exit the Interstate and are on airport property, it might be helpful to make it clearer. We will have Wings Way and General Aviation signs to the spur road on the general aviation side. He believes the highway signs will direct people to the airport and our monument sign will be our theme.

Mr. Sprenger said there will be four roads coming together at the underpass and there will be retaining walls on our side. Mr. Mathis asked if we would want a sign on each side

and Mr. Sprenger said since it would be on airport property, we could if we wanted to. The traffic would be slower in that area and there would be a stop light so people would have sufficient time to see the signage. The board members think the more signage we have, the better.

Carl Lehrkind asked how much we budgeted for the sign and Mr. Sprenger said we have budgeted just under \$50,000 for two signs and we would have to increase the budget if we wanted more signs.

Mr. Mathis said the highway would continue on to Dry Creek Road and asked if we might want to have a sign closer to the terminal area rather than in the underpass. He wanted to make sure that anyone wanting to go to Dry Creek rather than the airport would know how to get there.

Kendall Switzer suggested picking out a design today and waiting until the board could see the signs the highway department would be putting up and the views from the roads before deciding on the location and number of signs. All the board members thought that was a good suggestion. Mr. Sprenger said that would probably be around November. The board would like to see the sign layout sheet from the highway department as soon as Mr. Sprenger receives it.

Mr. Mathis said having the signs on the sloped area gives them the opportunity to frame the signs with some landscaping. Mr. Kelleher asked Mark Maierle, airport engineer, if we could have terraced stones in the underpass area and Mr. Maierle said we could have stones and trees within the right of way past the clear zone.

Most of the board members preferred the concepts depicted on pages 11 and 8, without the bear and with some rock at the base. Kendall Switzer liked the design on page 1 and liked the buffalo. He said that is representative of Montana history and the Park. Mr.

Kelleher liked the designs on pages 1, 10, 12 and 13. If there would be an animal on #1, he would like it to be the bison. Mr. Switzer said everyone thinks of the mountains on this side of the state and he would accept having the mountains on the sign instead of an animal. All the board members liked using wood and rock similar to what is used in the terminal. Our airport has a Montana rustic feel and they would like to continue that with the signage. Mr. Kelleher said most airport monument signs have the elevation on them. Ms. Stelmak would like to see BZN on the sign because so many people use electronic devices and could search for BZN. Mr. Mathis isn't as concerned with having BZN on the sign but he would like to see the highway signs first before deciding. He said we could consider having an airplane silhouette, but that might not be necessary because of the airplane on the highway signs.

The board seemed to like #11 with the mountains at the top, BZN and the elevation on it, beams and rockwork as in the terminal. Whatever they choose, they indicated they would like it kept simple and rustic.

The board thanked Mr. and Ms. McCallum.

The board and Mr. Sprenger discussed landscaping ideas. He said the board doesn't have to rush into a decision, but there are some things we could do in conjunction with the construction, but it isn't necessary. Landscaping can be done at one time, incrementally or can be changed.

Mr. Sprenger showed the board a draft landscape design and said we may be able to save more of our spruce trees than we originally thought. Part of the reason for placement of the spruce trees would be to hide a lot of the industrial side of the service area of the airport and it would be similar to the entrance to the airport that we have now. Mr. Cashman also suggested having some crabapple trees preceding the spruce trees as you exit the airport. He also recommended some grass islands and some attractive plants in the landscape islands

instead of just grass. Mr. Sprenger talked about some larger areas and said they could be either turf or natural grass, depending on how the board wants it to look. Irrigation is a big issue as we would need to irrigate the trees and turf needs more water than natural grass. He said we could put in the piping now and plant later if the board wanted to.

Mr. Mathis said the entrance lights now are a hodgepodge of state and local streetlights, and one is located in front of the monument sign and blocks it. He wanted to be sure the Interstate intersection light and other lights and fixtures are properly placed and work with the landscaping. Mr. Maierle said our projected lights would match the state lights, which are on 40' poles and are high pressure sodium. He said there will be improved lighting levels through the entrance/exit corridor and more subdued lighting in the parking areas. Mr. Mathis said we need to be cognizant of the light pole placement with the signage and the monument sign. Mr. Sprenger said engineering and staff would work to ensure the lights work with the landscaping.

Mr. Lehrkind wants to be conservative in the spending and use natural grasses. He said we can make changes later.

Mr. Switzer wants better lighting in the pedestrian lanes in the parking lots. Mr. Kelleher asked if any thought was given to having a sculpture in the roundabout and Mr. Sprenger said there could be a lot of ideas for that area but we don't have to have something when we first open. He said someone may come up with an idea that everyone agrees with.

Mr. Mathis also wants sufficient empty ductwork under the roads and sidewalks so we don't have to dig up areas and put in more ductwork as we continue to grow and change.

Mr. Sprenger thanked the board for their thoughts and comments and will slow the process down a little until later on in the year when more of the construction is completed. Then they can work on more of the specifics.

4. Consider FY 2015 Capital Plan (non-AIP)

Mr. Sprenger said our larger projects usually are paid for in part through Airport Improvement Program (AIP) grants that are funded at 90%. The Airport Authority usually pays for smaller projects and is projecting about \$400,000 in addition to the \$125,000 that was split out last meeting for landscaping and signage. Staff has broken their projects into three segments; building, land improvements and equipment improvements. Their budget proposal is \$65,000 for additional terminal seating, shop building repair and improvements, repair and improvements of the old car wash buildings and lighting fixture replacements, and \$65,000 for fencing and other land improvements. They are also requesting \$270,000 for equipment improvements.

Mr. Sprenger said staff is recommending replacing the 1992 Chevy pickup, getting a sand spreader for Mobile 35, continuing to repair and replace UPS batteries and radio equipment, purchasing a riding lawn mower and an additional parking entrance ticket dispenser, purchasing baggage carts and dispensers, updating some aircraft rescue and firefighting (ARFF) and public safety equipment, and adding some additional terminal seating.

Ms. Stelmak and Mr. Switzer suggested adding more electrical outlet locations in the terminal and Mr. Sprenger said he would look into that. Mr. Mathis said he went through the plan with Mr. Sprenger and he believes the projects are necessary. He said the plan is well done.

MOTION: Mr. Switzer moved to approve the FY 2015 Capital Plan non-AIP projects and Mr. Lehrkind seconded the motion. All the board members voted aye.

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

Mr. Humphrey reported that February was one of the coldest and snowiest we have had in some time. Tower operations were down 20.4%, mainly due to more Instrument Flight Rules (IFR) days, snow plowing and runway 03/21 being closed due to the bad weather. Air carrier landings were up 2.0% and there were 21 military landings vs. 14 for the prior February. Rolling twelve-month aircraft operations were 75,196. Corporate landings were 344 versus 236, which was up 45.8%. Enplaned passengers were up 5.6% and rolling twelve-month enplanements were 446,263. Deplanements of 35,850 were up 5.0% from 34,128 from February 2013. Airline landings were down 1.7%. The overall load factor for the month was 86.5% with 7% more seats in the market. Fuel dispensed was up 5.9% from January 2013. Reports for the first part of March show an increase in enplanements of 6.4% for the same period in 2013 and Mr. Humphrey expects that March enplanements will be about 5% better than last March.

6. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that we are seeing some challenges with the summer schedule as it develops. He said the airlines are adding seats about every week. Between 6:00 a.m. and 6:30 a.m., we are seeing six departures with 644 available seats. We are working with the TSA to try and get a fourth x-ray at the checkpoint. Mr. Sprenger and Mr. Humphrey will meet with our Federal Security Director to try to get another one. Mr. Sprenger said June is a concern because of the number of seats the airlines are adding. He said June is always a concern. Currently we are seeing an increase of 16.4% of seats in the market between May and August compared to available seats between May and August 2013. He said that is 33,648 additional seats. The number of additional seats from May to August at Jackson Hole will be increase of 3.4%, or 5,724 seats.

Mr. Sprenger and the board discussed pre check, and airline and TSA issues. Mr. Sprenger appreciates board members' comments about their experiences and observations. The Airport Authority continues to work with the airlines and TSA to improve our customer experience at Bozeman Yellowstone International Airport (BZN). Last summer Mr. Sprenger, Mr. Humphrey and Paul Schneider (Assistant Airport Director of Operations) regularly observed the peak hour screening process, which seemed to be helpful and educational.

Mr. Sprenger reported that the appraisal on the Gerovac property should be done by March 28th.

Mr. Sprenger reported that the rental car meeting went well and the companies appear to be happy. They agreed to an increase of rental space rent per square foot to match the exclusive rental space rent paid by the airlines and an increase of the land rent to match the land rent rates paid by the car condominium associations. The rental car commission percentage will remain the same. They are interested in partial funding of a potential parking garage using customer facility charge (CFC) fees.

Mr. Sprenger reported that our cash balance is about \$20.6 million but we will be using part of that for upcoming projects. He said we have that amount because the board and airport management are very fiscally conservative.

Mr. Mathis said Summit Aviation is growing quite rapidly and he asked about the status of the Environmental Assessment (EA) for the parallel runway. Mr. Sprenger said the Purpose and Need has been sent to the FAA. Mr. Maierle said he sent information to them on March 12th showing how capacity has been exceeded.

Mr. Sprenger also reported that the Brents' family may be considering selling part of their land. He said the Brents' property is a 17 acre piece of land that has been on our

Airport Layout Plan (ALP) for future acquisition. If the Brents decide to sell, they might want to keep the area where the house is. If we purchased the property, we could extend the crosswind runway to about 5,700' if we ever needed to.

Mr. Sprenger also had a draft of a map of Montana that is a collage of satellite images. He wanted to know if the board would be interested in having it in the terminal. It would be on a metal backing. The relief map that was in the terminal was worn out from being touched so much. If the board was interested, he would bring it to the board as an art donation request. The board members would like him to proceed. Mr. Sprenger will follow up and bring suggestions for a suitable location for the board to consider.

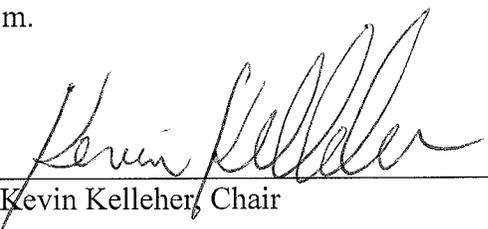
7. Consider bills and approve for payment

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. All board members voted aye and the motion carried unopposed.

8. Adjourn

The meeting was adjourned at 3:39 p.m.


Kevin Kelleher, Chair