

The regular monthly meeting of the Gallatin Airport Authority was held June 11, 2009 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, John McKenna, Steve Williamson, Greg Metzger and Kevin Kelleher. Also present were Brian Sprenger, Airport Director and Cherie Ferguson.

Chairman Richard Roehm said this was a momentous meeting because we will decide not only the shape of our conduct in the future year by approving the budget, but whether or not we expend around \$40 million on the terminal expansion, which will cover two years. He said this is a significant meeting and we have a lot to do. Mr. Roehm welcomed everyone and thanked them for coming.

Because the deadline for ground transportation bids was 3:00 p.m., that is when the first agenda item was dealt with. The first agenda item was to open bids for ground transportation concession. Brian Sprenger, Airport Director, asked if there were any more bids. Mr. Sprenger asked if there were any more bids. The only bid for ground transportation was from Karst Stage with a minimum annual guarantee of \$50,000 for the first two years. It was signed by Dan Martin, General Manager of Karst Stage, and everything appeared to be in order. John McKenna moved to review the bid and award it to the qualified bidder as presented. Greg Metzger seconded the motion and it was a unanimous decision to approve the motion.

Mr. Sprenger said they only had to bid for the first two years and the third, fourth and fifth years would be 85% or a minimum of \$50,000 per year.

The second agenda item was to review and approve the minutes of the meeting held May 14th. Steve Williamson moved to approve the May 14th minutes. Kevin Kelleher seconded the motion, which carried with all the board members voting aye. Mr. Roehm said the minutes were well written and thanked Cherie Ferguson.

The third agenda item was the public comment period. Mr. Roehm said the public comment period is always at the beginning of the agenda and anyone wishing to comment on anything concerning the flying public is welcome to speak. The public is welcome to comment on a specific agenda item when that agenda item is addressed. There were no public comments.

The fourth agenda item was the preliminary presentation for the audit—Terry Alborn. Mr. Alborn said it's that time of year again and he introduced Troy Watling, who is the senior auditor with JCCS. He and Mr. Alborn will be the auditors working on the audit this year and have been for the past two years.

Mr. Alborn said he makes a brief presentation before the audit to list the scope of the audit. The standards are set by the United States Governmental Accounting Standards Board (GASB). A133 governs the AIP fund and there are also PFC compliance standards the auditors have to make sure we are complying with.

The auditors give their opinion about material misstatements in the financial statements. It is reasonable assurance, which is a high level of approval but it is not absolute. The board is responsible for the financial statements and the reliability for the audit controls that generate the financial statements. The auditors review the internal controls, test them and report back to the board if there are any significant deficiencies in the audit. They also may make recommendations for the future.

In regard to independence, they are not doing any other non-test services that would create an independence issue. They also have to make comments to management and the board about fraud. Mr. Alborn said he will call each person on the board and give them the opportunity to ask questions of the auditors. He said they will be back after the audit to

present the financial statements, review them, make comments and go over any control deficiencies.

JCCS will prepare the audit statements and is allowed to because management works with them by reviewing the adjusting entries and the footnotes. Anyone from the board is welcome to participate in the audit preparation. JCCS will start around the end of the month on the AIP closeouts. That way they can have the audit done in a timely fashion. He thanked the board and the Mr. Roehm thanked him.

The fifth agenda item was to meet the staff – Cherie Ferguson. Mr. Roehm said the fifth agenda item is to meet the staff. He asked Mr. Sprenger to tell the board what this is about. Mr. Sprenger said it is an opportunity for the board members to get to know all the employees of the Airport Authority. Mr. McKenna said he thinks it is a great idea and he would like to get to know all the employees.

Cherie Ferguson was the person chosen to tell the board of little bit about herself. She said she was born in Bozeman and grew up on a ranch in McAllister. Her grandparents and some aunts, uncles and cousins lived nearby. Reading was encouraged by her parents and her whole family read a lot.

She went to school in Ennis and after graduating, went to Billings Business College for one quarter and to Montana State University for two quarters. She then joined the Air Force where she became a computer operator. She has two sons who are grown up and have families of their own.

In the Bozeman area, Ms. Ferguson has worked at Universal Athletics Services, KIS Systems, Valley Bank and now at the airport. She is very thankful to the board for the opportunity to work with and for them. Mr. Roehm thanked Ms. Ferguson. Mr. Sprenger said Ms. Ferguson will have worked at the airport for eleven years at the end of this summer.

The sixth agenda item was consideration of the rental car consolidated facility. Mr. Sprenger said using the Master Plan, the area currently leased to the car rental agencies for the four individually owned car wash facilities is area we have re-designated as airport support. Because we will be moving the rental car companies where the airlines are, this new area will work well for the rental car concessionaires. He showed on a map where we would like the new rental car consolidated facility. He said in order to pay for the facility, we would be adding the facility onto our proposed Customer Facility Charge (CFC) and the proposal from Morrison Maierle for the facility is approximately \$3.3 million. That includes the engineering and contingencies on the building. He said would need to use the CFC to pay to buy out the existing individual car washes from the existing owners. Upon that buyout, we would assume ownership of those buildings and any equipment that is part of the buyout.

Mr. Sprenger said the CFC will be used to pay for the following capital projects and financing: \$3,313,485 for the consolidated service facility, \$367,424 to buyout the existing individual car wash facilities, \$491,133 for the 2009 parking lot expansion and improvements, \$150,000 for the temporary rental car counters and office, \$90,000 for rental car moving costs and \$250,000 for the new rental car concessionaire counters and offices . The total anticipated capital costs for the CFC would be \$4,662,042; the cost of financing the facility for 10 years at 6% would be \$1,551,000, so the total capital and financing costs would be \$6,213,042. There are about 300,000 transaction days between the rental car contracts, so that results in about a \$2.00 per transaction day fee on the rental car contracts to pay the project off in approximately 10 years. This CFC would be tied to the actual payoff of the project so it's not tied to a certain amount at this time.

Mr. Sprenger said the project will generate approximately \$33,000 in annual land rent income for the Airport Authority. The land rent rate will be increased to the \$0.25 per square foot per year rate that the car condominiums pay. This is partially offset by approximately \$8,000 in current facility land rent that will go away. He said, in addition, we will generate an additional \$25,000 in administrative fees annually for the management of the facility. We anticipate our actual cost to administer this facility will be approximately \$12,000. The net additional revenue to the Authority is expected to total \$37,000 annually.

Mr. Sprenger said if this is approved, we will need to make two offsetting adjustments to our budget later on in this meeting: (1) increase CFC income and Consolidated Facility Principal and Interest by \$188,737 and (2) increase Bond/Loan Proceeds & Non-AIP Reimbursable Capital Expenditure by \$1,180,909. He said that at this meeting we are asking for approval to design and put out to bid the proposed facility and to include the facility in the proposed Customer Facility Charge.

Mr. Roehm asked if there is agreement among the rental car companies about how they plan to interact. Mr. Sprenger said we have worked with the five rental car companies and have come to a general consensus on the consolidated service facility and addendum to their agreements that includes the CFC, how they will work together, which areas are whose and the responsibilities for operation and maintenance of the area. Mr. Sprenger said they have about 98% of the details worked out.

Mr. Sprenger and the board members discussed who would build the building, how it would be financed, how supplies and equipment maintenance or replacements would be paid for and who would do it and what we would do with the old facilities we would purchase.

Mr. Metzger asked why the airport would own the facility rather than private enterprise. Mr. Sprenger said the rental car companies have requested that for several

reasons. We can build a facility that uses the land more efficiently than they could by individually building the facility and it can be paid for by CFCs. The customer paying the CFC will level the playing field because it will eliminate competition by the agencies giving different incentives through their fees. Right now Avis Budget Group owns two of the facilities, Hertz and National own the other two. Enterprise doesn't own one and Dollar/Thrifty will be coming on airport on October 1st and won't have a car wash facility. As companies come and go, the Airport Authority would own the new facility and be able to rent to whoever is operating on the airport.

Julie McGrath from Enterprise said Enterprise is fully supportive and they appreciate all that Mr. Sprenger has done. She said if the consolidated facility is passed, Enterprise will withdraw their request to build another facility. Rex Leipheimer of Avis Budget Group said there is a need for the facility, especially for Enterprise, Dollar and Thrifty. He said the Avis facility is falling down and is old. He thinks this is a really good plan and the facility will be paid for in 10 years. He said there are some hurdles to work out and he thinks the Airport Authority should own because it is a neutral party. He said it's not a financial burden on the airport using the figures Mr. Sprenger has laid out.

Robert Ward, of Enterprise, said the maintenance and the usage of product will be paid for by the rental car companies. Mr. Sprenger has worked with experts from corporate offices to get good information. He said Enterprise doesn't have a facility but they need one and Avis has a facility they can't use. If the airport owns the facility, it flows very easily when vendors change. He believes that would be a major reason to have the consolidated facility.

Mr. Kelleher said it seems wise to him to consolidate at this time. Mr. Ward said he thinks the timing is perfect now too. Dan Martin from Karst Stage asked if they have thought

about expanding the facility so they could wash their buses too. He said they would be willing to pay something. Mr. Williamson asked if that been addressed and Mr. Sprenger said there are several options and maybe they could use one of the existing facilities or modify one for that use.

Mr. Kelleher asked if it would be feasible to move one of the facilities to the ramp side for general aviation use. Scott Bell, airport engineer, said just about anything can be moved but would have to check to see if it would be worth moving.

Mr. Bell said maybe a design build could be done under their contract. If they did a design build, he could hire Mr. Martel and Don Stueck to consult on this.

Mr. Sprenger said by next month we can have the details worked out for the agreements for the operation of the facility that would provide all the costs on the operational side and the administrative fee over and above those costs and how that is paid for by the operational portion of the CFC.

His request is for the board to approve this request so they can design the facility for the bid documents and get approval to put them out by next month. Then we could have the bids received before the August meeting so construction could start no later than August.

Mr. Bell said he wouldn't recommend exceeding \$30,000 in the month. Mr. Williamson asked if anybody has talked to any banks and Mr. Sprenger said yes. Gary Sisson from First Interstate Bank said there are four banks that would go together to loan the Authority money for the expansion; Stockman's Bank, First Security Bank, Big Sky Western, and First Interstate. He said they couldn't go for ten years for a fixed-rate loan but could go four or five years.

Mr. Metzger said he would like to get a budget. Mr. Sprenger said there will be wording in the CFC to adjust the rate annually based on the actual operational costs. If any

equipment needs to be replaced, the cost will be included in the CFC. We need to be sure the cost of us carrying the capital is figured in. He said we are working on the contractual language so we didn't provide at this time. Mr. McKenna moved that we direct staff in conjunction with our engineer to develop a budget for operating the facility as well as a design build process for review at the next meeting at a cost not to exceed \$30,000. Steve Williamson seconded the motion. Mr. Metzger said, if it's not legal, then staff should come back and notify us. All of the board members voted aye. Mr. Roehm thanked everyone for their testimony.

The seventh agenda item was to continue consideration of the request by Enterprise Rent-a-Car Company of Montana/Wyoming to construct a 37' x 49' service facility. Mr. Roehm asked Enterprise to withdraw their request for their own service facility. Robert Ward said they couldn't. He said he doesn't have a place to wash his cars and they need a place by October 1st as do Thrifty/Dollar. He said they brought it up last month so they could get going on it. He said waiting until this month made them 30 days behind and next month will put them 60 days behind. He said it makes it very difficult because they are getting further behind. Mr. Metzger said he would be very happy to allow them to for work at their own risk. Mr. Ward said he is looking for the board to give them the okay to move forward. He said they need a two-way wash facility to address their needs.

Mr. McKenna said he thinks the board's direction is pretty clear and he is okay with giving them permission to move forward. He said if we deadlock a month from now or decide we don't want to proceed with it then they need to have the ability to go forward on their own. Mr. Kelleher asked how this will affect our consolidation. Mr. Sprenger said we will receive several requests to build individual facilities fairly soon and as soon as we have the individual leases, we won't have much opportunity to build the consolidated facility. Mr.

Kelleher said he thinks we should move forward with consolidation instead of approving another individual lease and creating another little fiefdom. He thinks we have the opportunity to build and avoid some headaches down the road.

Mr. Sprenger said if the board approves the request by Enterprise, he would recommend that it be rescinded within a certain time if the consolidated facility goes through, and would also agree with Mr. Metzger that there shouldn't be any costs charged to the Airport Authority if the facility is approved in that time frame.

Mr. Roehm said he wished we had more information on the consolidation so they could have proceeded with that. Mr. Metzger moved that we approve Enterprise's request to go ahead with their planning procedure on their independent service facility, contingent on our decision in 30 days at our next board meeting, whether we proceed with our consolidated service facility with no reimbursement by the airport for costs incurred. Mr. McKenna seconded the motion. Mr. Williamson said we didn't accomplish anything with our motion and Mr. Kelleher agreed. Mr. McKenna said from his perspective, we gave them a signal that if we can't come to agreement, they have their own route to follow. Mr. Williamson said we could have come to the same thing by another continuance. Mr. McKenna asked if it's the same thing, do we care how we got there?

Mr. McKenna and Mr. Metzger voted aye. Mr. Kelleher, Mr. Williamson and Mr. Roehm voted no. The motion failed.

Mr. Metzger said he views the car rental agencies as partners. He doesn't think it's appropriate to spend \$4 million without having it perfectly laid out what we're doing. His intent is to lay it out so we understand our responsibilities. He would like Enterprise to have a certain amount of confidence that were going to move ahead in the right direction and we will probably move ahead with it. The intent is still to get there. Mr. Williamson said he

would support the consolidated facility in a heartbeat and he understands the difficulties we have put Enterprise in by not moving forward as fast as we would like to. He agrees that it would have been nice to put this to bed at this meeting but they don't have enough information. It is a lot of money. He believes is the right thing to do to wait for 30 days to see what kind of information they've come up with.

Mr. Roehm said we are considering two models; one is a consolidated model where the Airport Authority owns the structure and negotiates the operating procedure and that allows the flexibility for different companies to come and go without a big disruption. The other model is where each individual car rental company has their own facility and if they lose a bid, then they have to dispose of their facility somehow. He said the consolidated one appeals to him and he thinks that's the direction they ought to go. Mr. McKenna said we will not giving Enterprise a piece of ground to build on doesn't stop them from going ahead with a design. The board discussed having a special meeting. Mr. McKenna said he thinks we should handle it at the next meeting when everything is in order. Mr. Metzger moved to continue consideration of item 7 at the July board meeting. Mr. McKenna seconded the motion, and it carried with all board members voting aye.

The eighth agenda item was consideration of the terminal expansion project. Mr. Sprenger said we have spent the last three years on the terminal expansion project working toward today. There are a number of factors that we have discussed in the past, and he reviewed where we are today. Regarding the financing update, we received an A3 rating. This means we can get a 20-year rate of approximately 5.3% or we can get a 25-year rate at approximately 5.7%. We are also continuing to work with local banks on bank financing. We do not expect the decision to be made on this project until September because we are fully funded for anything that we would do through that period.

Regarding the AIP update, Mr. Sprenger said the FAA is authorized to issue grants totaling \$7,319,024 dollars toward this project. As soon as we get approval, if we get approval on the project, we will submit an application for reimbursement, and that means we would be able to be reimbursed for any construction expenses that occur up to that match.

He said regarding the \$29 million passenger facility charge (PFC) update, we had the airline consultation meeting with all the airlines operating out of Gallatin Field last month. The consultation period has ended. We received favorable comments from Northwest, Delta, Horizon, SkyWest and United. We did not receive a response from Frontier, which indicates a favorable response under the law. Allegiant Air is not in favor of project. They are our smallest carrier with 3% of the market share. Mr. Sprenger said the others are more apt to use the network style of operation, which means they all come in together. Allegiant operates in such a way they can adjust their schedules very easily and avoid peaks.

He also said regarding the Customer Facility Charge (CFC) update, we have \$981,000 we are hoping to include in the CFC. That will be continued through negotiation as we develop the CFC on the consolidated facility so that is a bit up in the air after today's decisions. We do expect that we can include it at a later date or have it included when we finalize that decision.

As of April 30th, our airport cash reserves of \$14,560,000 are \$838,000 over what we expected on the project to date. Our revenues to date are up 5% and our expenses to date are up 2.5% compared to last year through April 30th. Operating income is up 8%. So far we haven't seen an adverse impact on the operating income side.

Passenger enplanements over the past twelve months were up 3.3%. For the January to May period we are down 1%, so the enplanements are showing better than we projected several months ago. On April 9th, our bid package I came in at \$1,621,000, including the

alternate, and that was 31.9% lower than the original estimate with the contingency. Mr. Sprenger said that is all of the major factors we see playing into this decision except bid package II.

Tony Martel made a presentation on bid package II. Mr. Martel said they broke this project into four bid schedules. The first one is the parking lot project, which is under construction right now. That is being managed by Morrison Maierle. The second part of the process is going to be three building bid schedules, the first one, schedule II, was put out for proposals approximately three weeks ago. They received bids on June 4th at their office. Two board members, Scott Bell, Curt?, Jamie Lenon, Doug Stueck and Mr. Martel were there. On six bid packages they received 51 proposals that were assembled into spreadsheets. The board was given a bid summary. The budget for this schedule was \$12,659,345 and the total of the bid process was \$9,470,086.25, 25% under budget. He said there is no better time to be an owner and building. We have a shovel ready project and it is reflected in the pricing we received in this project. Schedule II encompasses approximately 1/3 of the total work and is \$3.189 million under budget. Mr. Martel said we are at the right place at the right time.

The alternate I is the slab on grade for the baggage claim area and the decision is to purchase it at this time as it was also under budget. It will be put in later. It was budgeted at \$121,000 and came in 33% under at \$81,000. Mr. Metzger asked who can approve change orders to the guarantee. Mr. Martel said Mr. Sprenger and Mr. Lenon. Mr. Sprenger said anything over \$25,000 would have to come to the board.

Mr. Metzger moved we approve bid package II with the alternate and the guaranteed maximum of \$9,551,442 from Martel Construction. Mr. McKenna seconded the motion. He said he thinks it's the right thing to do. Mr. Kelleher thinks it's the right time and he couldn't be more pleased to see the motion on the table right now. He thinks the airport is the

economic engine to drive Gallatin County and Big Sky forward from the stagnant position they are in right now. Mr. Williamson said he is pleased with the way it turned out. He said he can live with this number. Mr. Roehm said he agreed on the economic development angle but his primary concern is that we maintain a competitive posture. The airlines add up figures and conditions and if we have enough gates and enough capability here, we will get preferential treatment on future flights and maintain our posture in the state where we get a lot of airlines and a lot of flights. He thinks we're getting ahead of the game. He knows it is risky in the current financial situation.

Tim Linn said he is the retired Gallatin Field maintenance supervisor and said he was quite involved with Ted Mathis, the architects and engineers on phase I and phase II. He said he understands Mr. McKenna feeling uncomfortable, but looking at current conditions and the economy, there is a need right now to go ahead with the expansion. A lot of time and money has already been spent. The numbers are good. If you don't move forward, some of the money may go away. He would like to recommend moving ahead with the building, build the main structure and phase it in as needed. If you wait two years or five years, it could cost a lot more. Mr. Roehm thanked Mr. Linn and said we also appreciate his years of dedicated service.

Brian Wheeler, who works for the Big Sky Resort and has been with the Boeing Company for almost 25 years, said he wanted to express their gratitude to the board and thanked the board for making this commitment. He said their growth is contingent upon our growth. As a community, as a resort, as an economic engine up there, they see this growth as critical. He said it is a good time to be an owner and this airport is something to be proud of. They certainly appreciate the board's efforts. He said his group shares his sentiments and all of them are a team. Mr. Roehm thanked him for his comments.

Chair Roehm called the vote and all the board members voted aye. Mr. Roehm said it was unanimously decided we are committed to two years of construction and \$40 million. In September, we have to decide how we will do the financing. Mr. Roehm said he would like to suggest that Mr. McKenna and Mr. Williamson be a committee to review and keep on top of these discussions as they go along between now and September. He said there would be discussions with bond agents and banks and he would like at least two board members to be part of that as Mr. Sprenger meets with these people and we get additional data on bonding versus banking, or how we are going to finance.

Mr. Metzger said he would like make the financing decision in August so in September they can focus on what they will do with the rest of the facility and how much they are going to spend. Mr. Sprenger said September is really the latest they should be making the decision and earlier would be fine. Mr. Williamson and Mr. McKenna will be on the funding committee.

The ninth agenda item is consideration of construction management contract with Martel Construction. Mr. Sprenger said now that we have a project, we need to be able to pay our contractor and keep him on task. He and Mr. Martel have worked on a contract, which has been reviewed by staff, legal counsel, our engineering and architectural staff. He said we are comfortable with the contract. Mr. Williamson said he thought we already had a contract with Martel Construction. Mr. Sprenger said this is an addendum. Mr. Metzger made a motion to approve construction management contract with Martel Construction for the terminal expansion project. Mr. Williamson seconded the motion and all of the board members voted aye. It was a unanimous decision.

The tenth agenda item was the preliminary budget for fiscal year 2010. Mr. Roehm said this budget will flesh out and give ability to put forth the policies that this board has

stated so the budget should reflect their priorities and desires. Mr. Sprenger said the board members should have received the preliminary budget about two weeks ago. Operating income is projected at \$4,750,374. This has been held flat compared to last year's budget and is at 90% of the past twelve months' income. On the expense side, we project \$3,241,275, which is an increase of just under 2% compared to last year's budget, but is at about 110% of the past twelve months' expenses. The resulting operating surplus would be \$1,509,099 based on those two figures. We have projected capital expenditures of \$30,650,500. Our income to offset those capital expenditures is primarily Airport Improvement Project (AIP) funding of \$9,800,000, PFC of \$1,100,000 and Bond or loan proceeds of \$18,500,000, for a total of \$29,400,000. Capital expenditures will be offset by AIP, PFC and bond or loan proceeds. Mr. Sprenger said the bond proceeds are \$18.5 million, which includes a potential loan for the customer consolidated facility of \$2.5 million.

Mr. Metzger said that Mr. Sprenger spent several hours with the board members individually helping them understand the budget and he would like to commend him on a very nice package that has been very well thought out. He said he does not agree on paying a COLA this year. He agrees with merit raises and responsibility changes. He said he is willing to approve the numbers in the budget but doesn't agree with an automatic COLA in this economic environment. He thinks that is something they should talk about at some point and thinks it is something Mr. Sprenger needs to work through. He said he would approve the budget with the \$2.5 million in it. He said we aren't trying to hide anything.

Mr. Williamson said, in the past, the board has discussed preferring merit increases rather than COLA increases. He said he prefers a performance increase rather than an across the board COLA increase. Mr. Roehm said the board, as a matter of policy, quite a long time ago, directed Mr. Mathis to look for and hire quality people who can do multiple jobs, from

snow plowing to grass cutting, to electrical, to plumbing, etc., all purpose people and have as few as possible, recognizing that personnel costs are usually one of our biggest expenses. He said we contrasted that with Missoula, working under a union, and they had three times as many people. He said the board directed Mr. Mathis to pay all our people considerably more than others around the area so as to be very competitive and we are. They left the how of paying to the Airport Director and said the board will evaluate Mr. Sprenger's performance at the end of the year on how he controls and manages his workforce, stimulating and motivating them, etc. He said the board may wish to get more involved.

He said that policy has worked very well for us and all of our people, Pat Teague and all the maintenance guys who work for us, are very versatile people and we pay them well and that is good. Mr. Roehm wants to continue that and he believes it is a good policy. He said Missoula has three times the people and they don't have half the efficiency. He said that is the policy we have been following but if the board wants to pursue COLA versus merit, he thinks it would be appropriate.

Mr. McKenna said he is fine with the discussion but asked if they should do it now or postpone it and give Mr. Sprenger the latitude or direct him to sit for 60 days until they have their discussion. Mr. Metzger said he wants to pay our people well and keep our good people. He wants to give increases if they are earned but doesn't think we should just give COLA increases. Mr. Williamson moved to approve the modified budget; Mr. Metzger seconded the motion, and it carried with all ayes. The COLA discussion will take place at another time.

The eleventh agenda item was the election of officers. Mr. Roehm said the board elects a Chair, Vice Chair and Secretary each year. The custom in the past has been to rotate who is Chair every two years and it has been his honor to serve for the last two years. Mr.

Kelleher nominated Mr. Roehm. There wasn't a second. Mr. Williamson said Mr. Kelleher's term is up this year and Mr. Metzger's is up next year, so there are only three of them who would be eligible for a two year period. Mr. Williamson said he would be willing to be the board chair, but that he would miss a meeting or two every year, and especially the January meeting. Mr. Metzger nominated Mr. Williamson and Mr. McKenna seconded the motion. It was a unanimous decision for Mr. Williamson to be the board chair. Mr. Williamson nominated Mr. McKenna to be the vice chair, Mr. Metzger seconded the motion, which carried with all ayes. Mr. Williamson nominated Mr. Metzger to be the secretary; Mr. McKenna seconded the motion and it was a unanimous decision.

The twelfth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in May there were 542 air carrier operations, 653 air taxi, 2,253 GA itinerant and 59 military, for a total of 3,507 itinerant operations. Local GA operations were 2,122, for an overall total of 5,629 tower operations, down 7.1% from last month. There were 111 landings of aircraft weighing 12,500 pounds or more, down 21.8% from the 142 we had in May 2008.

Mr. Sprenger reported that passenger enplanements for May were 21,750 which are down 1.9% versus May of 2008. We expect a -5% to 0% decrease for June. We are seeing a weakness in the first part of month; later in the month seems to be building. He said this is based on limited information.

The thirteenth agenda item was the Director's Report – Brian Sprenger. Mr. Sprenger reported that the parking lot project is in the most difficult phase with the second curb in milling right now. The contractors are diligently working on getting the crosswalks and sidewalks in. They expect it to be about two more weeks and hope to have it pretty much together by July 4th and beat the peak part of the summer season.

He said the Sentimental Journey B-17 will be here Friday and it is a treat to have it here. United Airlines is finishing their move into the former Delta space and should be there by Thursday. The first of the month Frontier and Allegiant will be moving into the former United space. All of the airlines will be moved by July 1st.

Mr. Sprenger said we have received approximately 40 applications for the Deputy Airport Director position, which has been narrowed down to five. He hopes to meet one applicant at the AAAE meeting in Philadelphia. The applicants are pretty well qualified and he expects good success. The board thanked Mr. Sprenger.

The fourteenth agenda item was to consider the bills. After review and discussion, Mr. McKenna moved to pay the bills. Mr. Kelleher seconded the motion, which carried with all board members voting aye.

Mr. McKenna thanked Mr. Roehm for two years as the board Chair and said he made it look easy. He thanked him and said he's done a great job.

The meeting was adjourned at 5:15 p.m.

Richard R. Roehm, Chair