

The regular monthly meeting of the Gallatin Airport Authority was held November 12, 2009 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, Steve Williamson, John McKenna, Greg Metzger and Kevin Kelleher. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director and Cherie Ferguson, Office Manager.

The first agenda item was to review and approve the minutes of the regular meeting held October 8, 2009. Richard Roehm moved to accept the minutes of the meeting held October 8<sup>th</sup> and John McKenna seconded the motion. All the board members voted aye. The motion was approved.

The second agenda item was the public comment period. There were no public comments.

The third agenda item was meet the staff. Public Safety Chief Bill Dove was the staff member for the month. Mr. Dove said he was born in Malta at the same hospital as his father and the same doctor, Dr. Malloy delivered both of them. He is a third-generation Montanan and a third generation police officer. His grandfather lived in the back part of the jail. His family moved to Whitehall, and his father was with the Montana Highway Patrol. Mr. Dove attended Montana State University and worked at Hall's Emergency Service as an EMT to help pay for college. He was also a disc jockey, and he worked at the Lewis & Clark Caverns in the summer. He worked for the Bozeman Police Department from February 1, 1986 through December 26, 2006. After 26 years there, he worked for the Department of Justice, Gambling Control Division and has been with the Gallatin Airport Authority from April of 08. He's been married 21 years and has a son and a daughter. Mr. Dove has a number of hobbies and enjoys hunting and fishing. He is a Green Bay Packers fan and is taking his son and his dad to a Packers game this weekend.

Brian Sprenger said 16 1/2 years ago, Mr. Dove and his wife were in the hospital delivering a baby at the same time his family was having a baby. The parents were in a Lamaze class together.

The fourth agenda item was to consider the request by Mike Sidders to transfer his Non-commercial Hangar Ground Lease Agreement for hangar #53 to Mr. Douglas Cairns. Mr. Sprenger said the hangar is in good condition, the rent is paid and he recommended approval. He sent a picture in the board mail out. The hangar is in the south hangar area. Kevin Kelleher moved to accept the request by Mr. Sidders to transfer his hangar to Mr. Douglas Cairns. John McKenna seconded the motion, which carried with all ayes. The motion was approved.

The fifth agenda item was to consider the request by Whitewing, LLC to transfer their Non-commercial Hangar Ground Lease Agreement for hangar #128 to Mr. Brad Dent. Mr. Sprenger said that hangar is in good condition and the rent is paid. He said it's off Aviation Lane by the pilot shelter. Mr. McKenna moved to approve the request by Whitewing, LLC to transfer hangar number 138 to Mr. Dent. Mr. Metzger seconded the motion. All the board members voted aye and the motion carried.

The sixth agenda item was to consider renewal of the Big Sky Jet lease agreement for hangars 50, 51 and 52. Mr. Sprenger said this hangar is right across from the last one on Taxiway Hotel and Mike. The lease is paid and the hangar is in good condition. He said the color is different than the standard but he doesn't think that now is the time to make them change it. Mr. Roehm said this hangar was approved before the board accepted the policy of going to earth colors. At some point it should be repainted. Mr. Sprenger said he agrees that once it starts to deteriorate it should be repainted. Greg Mecklenburg said the policy was in

place when he built a hangar and that Mr. Mathis considered the colors to be okay at the time. Mr. Mecklenburg said he will cooperate when the time comes.

The board considered whether they needed to have a something in the motion requiring painting the hangar. Mr. Mecklenburg said the wording was already in the lease, and it says that they are to follow all the rules and policies. Mr. Roehm said we already have a policy and that we would like to transition that in. He said it worked in the past when Mr. Mathis told the hangar owners they had to paint, and it had to be earth tones. He thought the policy worked well. Mr. McKenna moved to allow Big Sky Jet to renew the lease on hangar numbers 50, 51 and 52. Mr. Metzger seconded the motion and all board members voted aye. The motion carried unopposed.

The seventh agenda item was to consider the Art Policy for the Terminal Expansion Project. Steve Williamson said this has worked for us in the past. Mr. Sprenger said since we are working on the terminal expansion, he would like to reaffirm our policy or change it as needed. He said we could have art on the west wall, vestibule wall and by baggage claim, the upper level viewing area for the runway, future bridge to the parking area, queuing area for TSA and some wall areas in concourse.

Mr. Roehm said he asked Jim Dolan to be present. He said we have had a mountain cabin atmosphere and the sculpture adds to that. Mr. Roehm was in charge of art work for the second expansion. He got offers from about 40 artists. Art work adds something to the airport and makes it nice. He hopes the board approves getting together a number of artists to submit artwork. He said the consensus of the board in the past was that any art would be realistic. Mr. Roehm asked Mr. Dolan to come and make a presentation to the board.

Mr. Dolan said to make sure the policy is clear that the board is looking for representational art. He said Mr. Sprenger had a great idea of having some of the artwork

being permanent and some of it rotating. He said we have larger sculptures outside and it compliments Harvey Rattey's work inside. He said we could have a big teepee outside and a "Welcome Home" sign. He said Ott Jones' artwork is a little harder to see and he suggested it be on a boulevard coming in.

Mr. Dolan said he believes the board would get a number of artists who would be interested in having artwork at the airport. He said we should start talking to people and advertising in an art magazine. He said he would like to work with the board and would like to submit some ideas. He said he thinks it would be easier for the board to get sponsors to pay for the artwork than it would be for the artists. He said there is a list of artist they can get if they give enough advance notice that we are seeking artwork and he believes we would get enough submissions.

Mr. McKenna said he thinks it's important to start now and to work with Jamie Lenon to make sure the lighting and location works. We could get the word out and have them submit their work in six months. Mr. Roehm said he'd be pleased to carry the ball and keep the board updated. Mr. McKenna suggested that another person should work with them as well so that he isn't overwhelmed if 400 applications come in. Mr. Roehm said last time there were 40 artists.

Mr. Metzger said we should move forward and advertise in the magazine Mr. Dolan was talking about with a submission deadline of May. He said that he didn't think was a problem with our art being old and its all part of coming home. Those things are part of our signature, and part of what makes it a special place. He said everybody he brings here is impressed with the terminal. Mr. McKenna said thinks we should have signature pieces but there may be some space where there could be some sort of rotation. He said we have some big signature pieces but he would not be in favor of an airplane hanging in the terminal.

Mr. Kelleher said he recently visited the Pioneer Museum and there were some black-and-white photographs and that is a part of the history where we come from. We could have something like that and some could be enlarged. He could see an antique airplane hanging in the terminal. He thinks it should focus on aviation like the 747 that came in here.

Mr. Williamson said he thinks this is the kind of discussions that we will be having. Mr. Roehm said he would work with Mr. Lenon and Mr. Sprenger and get it rolling. The committee will narrow down the choices and then let the board make an official recommendation. Mr. McKenna moved to use the original Art Policy going forward. Greg Metzger seconded the motion and all board members voted aye. The art policy stands.

The eighth agenda item was to consider offering Gallatin Airport Authority employees a 457 Deferred Compensation Plan. Scott Humphrey said Kathy Samson from the state was not able to make it and he asked if the board would reschedule when the roads are better. She will try to make it to the next board meeting. The board discussed why they should consider it and Mr. Sprenger said it is a voluntary savings plan with minimal cost for the airport. The board has to approve the resolution and that is why the board has to consider it. Mr. Sprenger said Ms. Sampson doesn't receive a commission and the state would run the program and have the liability. The board deferred considering the plan until the next meeting.

The ninth agenda item was the report on passenger boardings and flight operations – Scott Humphrey. Mr. Humphrey said enplanements are down 9.3% from last year October and down 2.4% year to day. Part of that is due to the reduction of frequency by the Delta Connection and by Northwest. Capacity is down and load factors are up. Mr. Humphrey reported that there were 4,475 operations in the month. General aviation is down 34%. Large aircraft 12, 500 pounds and over were up 4.3%. For November, capacity is about

what it was last year. Mr. Humphrey said we are looking forward to the San Francisco flight. It wasn't the best of Octobers and we are watching load factors.

Mr. McKenna said that in the past there has been concern over Allegiant Air. Mr. Humphrey said they switched their flights to Friday and Monday nights and it increased their load factors. Next week they will switch to Fridays and Mondays at noon. Mr. McKenna said Inc. Magazine said that they're the number two best company to work for. They are unique in where they go and what they do, and he asked if there's anything we can do to help them out. Mr. Sprenger said we have started an ad in November on the radio and have done some advertising for them in conjunction with United to San Francisco. He said we have to be fair but not necessarily equal. He said Allegiant is the most aggressive airline for advertising. Mr. McKenna said he firmly believes we are going to be a regional airport, and his obligation is to Gallatin Field. He hopes we can help all our tenants grow and succeed. He thinks we might give tips on how to use our airlines. Mr. Kelleher and Mr. Metzger agreed it would be nice to touch on the whole picture.

Mr. Humphrey said we do get a lot of parking fees from Allegiant Air customers. Mr. McKenna said maybe we could give weekly tips. We have a carrier on the bubble and asked if we should be thinking of advertising for them. Mr. Sprenger said this is a policy change by the board. He and Mr. Humphrey could put some information out. Mr. McKenna said in the past we've set back seat like to see how we can posture ourselves to grow. We just have to tell her story better. Mr. Williamson said he doesn't think it's wrong to advertise and see if it helps. Mr. Sprenger asked if anyone had heard any comments on the advertising we have been doing and Mr. Roehm said that the advertising has been well received. He likes the approach and likes to promote the flight schools as well. Mr. Sprenger said he and Mr. Humphrey will begin working on this.

Mr. Humphrey said that American is looking at their 2011 schedule and that we are a potential candidate for the 2011 schedule.

The tenth agenda item was the Director's Report – Brian Sprenger. Mr. Sprenger reported that Mr. McKenna was able to achieve a small coup and talked to the FAA Director, Mr. Babbitt, at the AOP convention. Since then, we have written a letter and Mr. Babbitt said he would try to help us out.

Mr. Sprenger reported the audit is almost finished. We have the draft copy of the audit and the MD&A will be ready this week. The audit will be on the next month's agenda.

Mr. Sprenger said that the snow storm today was a nice challenge and the guys did a good job and he was very proud of them.

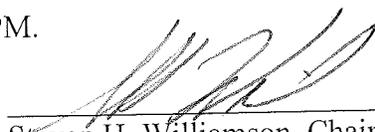
Mr. Sprenger said he didn't need comments on ideas for the terminal now but would like to know what they like and what they don't like regarding the terminal drawings handed out. The street lights are like Bozeman's streetlights and they are able to hold banners. Most of the terminal will be carpeted with some areas of tile and there will be more comfortable furniture.

Mr. Metzger wants to look at things we can reduce in our costs and identify them before we have five dead months. Mr. Williams said the cash flow looks good but agreed with Mr. Metzger and said we want our team looking. He said there is a low point in our cash flow and we're trying to be ready for that. Mr. Sprenger said we are constantly looking for ways to decrease our expenses. He thinks the 9% decrease in passengers this month is an anomaly and with capacity increasing we should be picking up revenues compared to budget. Mr. Williamson said we need to monitor the cash flow but they don't need the full sheet. Mr. Sprenger said you'll see the full report whenever another bid package comes up. We have to be continually alert with winter coming. The utilities could bump and that can affect us. Mr.

Williamson said it would be nice to see the airport funds. Mr. Sprenger will give the board a monthly summary of cash flows to budget.

The eleventh agenda item was to consider the bills and approve for payment. Mr. McKenna made a motion to pay the bills and Mr. Kelleher seconded the motion. Mr. Roehm moved to review the bills and John McKenna seconded the motion. One of the checks they discussed was the check for Montana Mouldings, which would be to purchase a piece of equipment to make signs, and Mr. Metzger asked how they justify that. Mr. Sprenger said it was in our capital improvements budget. Mr. Williamson asked if we have done that in the past. Mr. Sprenger said with the signage in the new terminal, it would about pay for the equipment and wouldn't have the turnaround time for signage we now have. Mr. Sprenger said we will provide the information in the future for the board's comfort level. Mr. Metzger that we should pay for things related to aviation, not making signs. Mr. Sprenger said that they would do a recommendation so the board could evaluate it for next month. Mr. McKenna moved to pay the bills except for the check to Montana Mouldings. Mr. Roehm seconded the motion and all the board members voted aye. The motion carried.

The meeting was adjourned at 5:02 PM.

  
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Steven H. Williamson, Chair