

The regular monthly meeting of the Gallatin Airport Authority was held March 14, 2013 at 2:00 p.m. in the Airport Conference Room. Board members present were Kevin Kelleher, Kendall Switzer, Ted Mathis, John McKenna and Carl Lehrkind. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Paul Schneider, Assistant Director of Operations and Cherie Ferguson, Office Manager.

1. Review and approve minutes of regular meeting held February 14, 2013

John McKenna asked if everyone received their copy of the minutes and if they had any comments, corrections or additions. There were none, so he entertained a motion.

MOTION: Ted Mathis moved approval of the minutes. Kevin Kelleher seconded the motion and all Board members voted aye. The motion carried.

2. Public comment period

There were no public comments at this time. Mr. McKenna said anyone could comment during a particular agenda item.

3. Bozeman TRACON update – Gordon Stewart

Brian Sprenger said Gordon Stewart, the manager of the Boise TRACON, was in attendance and would present the update. Mr. Stewart thanked the Board and said he was glad to be back home as he was born in Great Falls and grew up on a farm near Shelby. He has worked for the FAA for 37 years. The first couple of years he was in Utah, then in Montana and now has been in Boise for quite some time. He is looking forward to working with us and spent some time this morning with Brian Sprenger, the Airport Director, and Mitch Robison, the Control Tower Manager. Mr. Stewart said he is impressed with our operation and complimented the board on our terminal.

He said he has been in several FAA facilities and believes he will retire from Boise (BOI) but he wants to get this project up and running. He wants to do it right and to the

board's satisfaction. The Boise controllers try to embrace professionalism, integrity and teamwork. Mark Griffin, one of the controllers who came with Mr. Stewart, worked in private industry before going to work for the FAA. Both of them know what it is to work hard, give their best effort and at the end of the day, have satisfied customers. They look at the pilots as their customers. If the pilots are unhappy, they are not doing their job right.

Shortly after becoming the BOI tower manager, Mr. Stewart designed a feedback form for the pilots, which now is in use at a number of airports. After BOI assumes the approach control function of BZN, they would like to hear from the pilots, including our board members who are pilots. Mr. Robison and Mr. Sprenger have some feedback forms.

The Boise Approach Control has received several awards, including the 2007 national facility award, which is due to the partnership they have with the pilot community they serve. He wanted us to know how much they care about what they do. He said there may be a few bumps in the beginning but they hope to have them resolved after a month or two.

The Standard Terminal Automation Replacement System (STARS) equipment that processes the Radar data is being installed in the Bozeman tower now. Mr. Stewart said STARS is the future for the FAA and is ADS-B capable and allows for multiple feeds. When they move into their new facility in September, they will be operating on STARS. He doesn't know if ADS-B will be available immediately or if it will be added later.

Mr. Stewart said he knows it can get quite busy here and when we get our second parallel runway, it will help them serve us better. They don't expect any major air space changes from what is currently in place with Salt Lake Center (ZLC).

The board members asked Mr. Stewart about the September date and he believes everything will be ready. Mr. Sprenger asked how they will separate the IFR and VFR traffic and Mr. Stewart said they look at both the same and will try to exercise common sense. ZLC

is bound by some things BOI is not. Mr. Stewart said it would be helpful to arrange a meeting at BZN so they can talk to the pilots. He said communication is key and they want to smooth any bumps as quickly as possible.

The board thanked Mr. Stewart.

4. Consider Children's Area/Display Proposal by the Museum of the Rockies

Mr. Sprenger said that several years ago we discussed doing some things with the Museum of the Rockies. Shelly McKamey, Executive Director of the Museum of the Rockies (MOR), introduced her colleague Candace Strauss and thanked the board members for the opportunity to speak to them. She said that 70% of the people who visit Gallatin Field do not know that the Museum of the Rockies exists. She thanked the board for the banners and videos the board allowed them to have at the airport. While they were looking at other opportunities for exposure, they considered the area next to the Destination Yellowstone store. They wondered if they could serve the traveling public, particularly those with small children, as they are leaving the airport. Ms. McKamey proposed having a triceratops skull for the children to climb on and three freestanding showcases about dinosaurs and artifacts. She also proposed a freestanding kiosk regarding the Museum and the area.

The MOR is will be celebrating a new planetarium. There is a blank wall between the windows by the MOR store where they would like to have a 70" screen about the MOR and their corporate partners. In exchange for the display at the airport, they would list the airport as the sponsors of the MOR information screen. She said it would give us more exposure in the community and show us as a good partner.

Carl Lehrkind said he would like to have something to entertain the children before they board the plane. Mr. Sprenger said it might be nice to have something in both the

arrival and departure areas, but if people have gone through security, they cannot go to the Museum. The purpose of this display is give arriving passengers information about the Museum so they have the opportunity to go there while they are in the area.

Mr. Mathis said he thinks it is a great idea and he is in favor of it. His only concern is the location because it is remote from the bag claim area, but he doesn't have an alternate location. He understands their rationale for serving the inbound passengers. Ms. McKamey said she appreciated the board's concern regarding the location but they would like to test it for three years so they can amortize the cost of the exhibit and also see how it goes. Mr. Lehrkind asked if they know of a way to measure to see if people are using the area and Ms. McKamey said they might have something on the kiosks. Also, students from the Montana State University Department of Education might be willing to do some observations for them. Mr. McKenna said he thought it would be a great addition to the airport if they are okay with the location.

MOTION: Mr. Lehrkind moved to approve the Children's Area/Display Proposal by the Museum of the Rockies for a three-year period and then it be reviewed at that three-year period to see if both parties want to extend it. The motion was seconded by Kendall Switzer and all board members voted aye.

Ms. McKamey said that they will run an assessment every year and give a report to Mr. Sprenger before the end of the three years.

5. Consider request by John McKenna, Jr. to transfer partial interest in the lease on non-commercial hangar 101 to Jerry Cashman

Mr. McKenna said he would abstain.

Mr. Sprenger said Mr. McKenna and Phil Egbert have space in their hangar that Jerry Cashman would like to use for a 182 he purchased from Mr. Egbert. Mr. Lehrkind confirmed with Mr. Sprenger that the hangar is in good shape.

MOTION: Mr. Lehrkind moved approval of the request by John McKenna, Jr. to transfer partial interest in the lease on the non-commercial hangar 101 to Mr. Jerry Cashman and Mr. Kelleher seconded the motion. All Board members voted aye, except John McKenna who abstained. The request was approved without opposition.

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

Mr. Sprenger said since last month staff has a better handle on summer service, which is expected to be down somewhat, but not as much as they initially thought. Staff had also hoped sequestration would be resolved, but it isn't. There may be some impacts on the federal side but at this time, they don't see an impact on our capital project budget due to sequestration. They do believe there is merit to still be cautious.

Mr. Switzer said he looked at the data again and he is concerned about doing too much at once. The Interchange is a priority and he thinks we could delay this project. Mr. Lehrkind said after reading the minutes from the last meeting and looking at notes that staff put together, he would like to consider waiting. Mr. Kelleher said he pored over the report again after the last meeting and he is still concerned about having too much going on at one time. He said he is for the garage, but is in trepidation about moving forward now.

MOTION: Mr. Mathis moved to table issuing an RFQ for Design-Build-Finance on a parking garage and reconsider it in September. Mr. Lehrkind seconded the motion. During discussion, Mr. McKenna said he wouldn't run uphill against the group. He understands their concerns and their thoughts. He doesn't want to leave them with a problem he won't have a

hand in solving. He said this is the first time in twenty years he has seen a public/private arrangement of this magnitude that has come towards us and he is somewhat reluctant to pass. He shares their concerns about all that will be going on but said there has always been a lot going on.

All Board members voted aye, except Mr. McKenna who voted nay, and the motion was approved by a majority vote. The board will reconsider the request in September.

7. Consider FY 2014 Capital Plan (Non-AIP)

Mr. Sprenger said we budget for miscellaneous capital projects that are not paid for through the Airport Improvement Program. Ethan Severson would like us to consider putting in an irrigation pivot on the former Sande property. He would lease the land from us so we could get a return on it. One advantage would be it would help us retain our water rights on the Spain Ferris Ditch. The project is not aviation related, but the property is ours and we should be good stewards. He said Mr. Severson has been very good to work with.

Mr. Mathis said Mr. Sprenger is right and that Mr. Severson has made a lot of improvements. Mr. Mathis would like to give him this opportunity but he is concerned that it is a sizable project and other farmers in the area might be interested. Mr. Sprenger said we may have to put out an RFP or we may determine to handle the acquisition of the pivot differently. We know the numbers and what Mr. Severson is willing to do. Mr. Sprenger would like it to be in the budget. Mr. Lehrkind asked about a six year lease with an eleven year pay back. Mr. Sprenger said we don't want to go longer than the six years so we can evaluate the project. Mr. Severson felt comfortable at six years.

Mr. Sprenger said another purchase to consider is a runway/taxiway paint machine. It costs \$10,000 to hire a contractor to paint the runway centerline, and that does not include painting the taxiways. The certification inspector says part of runway should be painted

more than once a year. The cost of the machine is \$40,000 to \$45,000 and would be mounted on a pickup. Paul Schneider said he talked to three companies that use the machines. It takes a little training, which the company provides, but it is fairly easy to operate. We could paint the runways and commercial taxiways. The payback would be about four to five years. Mr. Kelleher said he believes it's a good idea to have in-house.

Mr. Mathis said back in the 80s, we had a machine and did the painting ourselves. It worked pretty well. He thinks we should hire a contractor to do the project, but one of the problems is scheduling. If we did it ourselves, we could work around the weather. Mr. Sprenger agreed and said scheduling is the most difficult part.

Mr. Sprenger said those are the large items on the budget. Most of the other things are smaller. There is about \$100,000 to transfer from FY2013 to next year.

MOTION: Mr. Kelleher moved to approve the proposed fiscal year 2014 Capital Plan. Mr. Mathis seconded the motion. All Board members voted aye and the request was approved. The motion carried unopposed.

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

Mr. Humphrey reported that February this year had 28 days versus 29 days last year. Total operations were down 15.2%, mainly due to local general aviation (GA) being down. Last year we hosted the MAMA meeting so last February was phenomenal. Rolling twelve-month aircraft operations were 79,995. Corporate landings were 236 versus 278 last February, which was down 15.1%. Enplaned passengers were up 3.7% and rolling twelve-month enplanements were 437,720. Deplanements of 34,128 were up 3.6% from 32,936. Airline landings were down 3.8% because of one less day in the month and Frontier going to one landing per day this February from two per day in February 2012. The overall load factor for the month was 87.8% with United at 91.2%. Fuel dispensed was 13.3% better.

Mr. Humphrey believes March enplanements will be from 4% to 5% better than last March. Last weekend, Delta had to bring in two extra aircraft because of over bookings for spring break.

9. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that we are waiting for word from the TSA on the screening partnership program. We hope to hear something in March.

Mr. Sprenger also said we expect enplanements for the calendar year to be down but because of runway construction at the Billings airport, we may have more enplanements than they do in 2013. It might be a one-year win.

Mr. Sprenger met with Allegiant Air representatives and they think the Las Vegas and Phoenix service has gone fairly well. They still plan to reduce service to Phoenix for a month and a half during August and September like they did last year. Allegiant Air loses money on every fare but makes their money on the extra fees. They have been able to offset fuel prices with the extra fees but they may have to start adjusting fares.

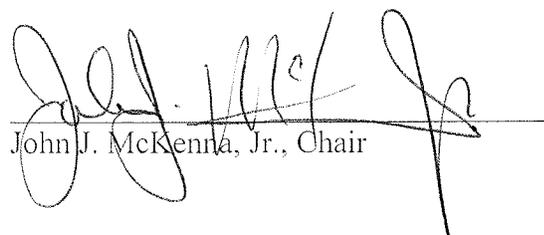
10. Consider bills and approve for payment

The thirteenth agenda item was to consider the bills and approve for payment. The Board members and Mr. Sprenger reviewed and discussed the bills.

MOTION: Mr. Lehrkind moved to pay the bills and Mr. Switzer seconded the motion. The motion carried unopposed.

11. Adjourn

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



John J. McKenna, Jr., Chair