

The regular monthly meeting of the Gallatin Airport Authority was held September 8, 2011 at 2:00 p.m. in the Airport Conference Room. Board members present were Carl Lehrkind IV, John McKenna, Steve Williamson, Ted Mathis and Kevin Kelleher. Also present were Brian Sprenger, Airport Director and Cherie Ferguson, Office Manager.

1. Review and approve minutes of regular meeting held August 11, 2011

MOTION: Carl Lehrkind moved to accept the minutes and Ted Mathis seconded the motion. All Board members voted aye and the minutes were approved.

2. Public comment period

There were no public comments. John McKenna, Board Chair, said the public is always welcome to make comments.

3. Report on passenger boardings and flight operations – Brian Sprenger

Mr. Sprenger said because Scott Humphrey was on vacation this week, he would give the report on the passenger boardings and flight operations for August.

Mr. Sprenger reported that we had an incredible month for August with 50,067 passengers, an 11.7% increase over August 2010. This is the first time any airport in Montana has surpassed 50,000 passengers in one month. He said it was better than we had hoped. The load factor was 91.7% compared to 81.3% for August 2010. He said the reason why it was better than expected was because the airlines filled their seats. Hopefully this bodes well for the fall. September is expected to be down 1% to 3%. It may be better if the load factors stay up. If not, passenger enplanements may be down 5%, but it is still a two year increase even if we don't grow.

Tower operations were 7,698, which is roughly equivalent to last year. Air taxi operations were down 4.7%. Corporate landings were 343, which is 9.9% higher than last year. That's not near the peak of couple years ago, but we are on the right track.

He said we are still cautious for the fall. Right now our rolling enplanements are 396,210 and that is more than Billings enplaned last year. We expect Billings to beat us at the end of the fiscal year, but this is the tightest it has ever been.

4. Airport Director's Report – Brian Sprenger

Mr. Sprenger reported that last Friday, Signature Flight Support and Yellowstone Club signed the agreement with the Airport Authority and contributed \$504,000 toward Customs and Border Protection. Board Chair John McKenna signed the Memorandum of Agreement, which we submitted. Initially we thought we could do the construction as a change order to the terminal expansion project, but after checking one more time with legal counsel, they recommended we put it out for bid. We will have a bid opening at the October meeting for the remodel at the Fire Station.

Steve Williamson asked if Jamie Lenon is working on the drawings and Mr. Sprenger said he is.

Mr. Sprenger also reported that late yesterday we were notified we will be issued a \$2 million discretionary grant. That will significantly improve our cash balance. Mr. Sprenger said we have less than \$2 million to pay for construction, architectural and engineering fees on the terminal expansion project.

Mr. Mathis asked how things were going with the new facility and Mr. Sprenger said we are working through a few growing pains. The access control system is working fairly well, but there are a few glitches with the biometric system. We have been able to work around them. The biggest single item we have experienced difficulties with is the exit lane system. We moved the old one over and it is performing pretty well. Maintenance staff has been looking at controlling the lighting to be energy efficient. There have been a few challenges with the air handlers but that appears to be resolved. The ground water heat

exchange system seems to be working well. There are still some punch list items to be taken care of.

Mr. Sprenger also reported that Martel Construction is concentrating on the east end of the terminal and the rental car companies should be in their new areas before Thanksgiving.

Mr. Williamson said people walking in from the parking lot have quite a hike if they are carrying anything. Mr. Sprenger said the parking lot is quite a lot larger.

The former upstairs gift shop across from Gate 3 may remain open, depending on how much business they get. This summer they have been fairly busy.

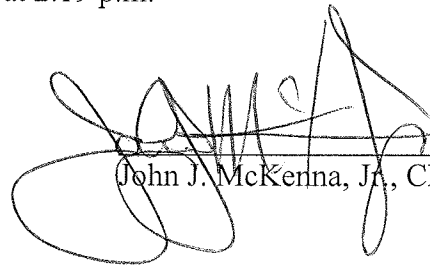
5. Consider bills and approve for payment

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

MOTION: Mr. Williamson moved to pay the bills and Kevin Kelleher seconded the motion. The motion carried unopposed.

6. Adjourn

The meeting was adjourned at 2:19 p.m.



John J. McKenna, Jr., Chair