

The regular monthly meeting of the Gallatin Airport Authority was held August 9, 2012 at 2:00 p.m. in the Airport Conference Room. Board members present were Carl Lehrkind, John McKenna, Ted Mathis, Kevin Kelleher and Kendall Switzer. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director and Cherie Ferguson, Office Manager.

1. Review and approve minutes of regular meeting held July 12, 2012

John McKenna, Board Chair, confirmed that everyone received their copy of the minutes and did not have any corrections.

MOTION: Carl Lehrkind moved to approve the July 12, 2012 board minutes of the Gallatin Airport Authority. Kevin Kelleher seconded the motion and all board members voted aye. The motion carried.

2. Public comment period

Mr. McKenna said no one signed up to make comments but they could comment now on items for the good of the order or they would be welcome to comment during a particular agenda item. There were no comments at this time.

3. Consider request by Yellowstone Jetcenter to sub-lease space at 305 Aviation Lane to TowHaul Corporation

Brian Sprenger said that, during the July meeting, Yellowstone Jetcenter had disclosed this sublease that had not been approved by the Airport Authority Board. Kent Foster, General Manager of Yellowstone Jetcenter, was very apologetic. He said he found that Yellowstone Jetcenter also had a sublease with Barnard Construction that had not been approved. Both subleases are for flight offices and the general public does not use the areas. Mr. Sprenger believes Yellowstone Jetcenter was focused on commercial operation subleases and these slid under the radar. He recommended approval of this and the following request.

MOTION: Ted Mathis moved approval of the request and Kendall Switzer seconded the motion. All Board members voted aye and the motion carried.

4. Consider request by Yellowstone Jetcenter to sub-lease space at Hangar 57 to Barnard Construction

MOTION: Mr. Kelleher moved approval of the request by Yellowstone Jetcenter to sub-lease space at Hangar 57 to Barnard Construction. Mr. Lehrkind seconded the motion and all the board members voted aye. The motion carried unopposed.

5. Consider request by Montana Department of Transportation for Utility Easement

Mr. Sprenger showed the location of the area being considered on a map. He said the Montana Department of Transportation is adding a new building and the power line that would serve it runs through one corner of our property. He said they would like a utility easement so they can have power in their new roadwork and maintenance building.

MOTION: Mr. Switzer moved to approve the request by the Montana Department of Transportation for the Utility Easement and Mr. Kelleher seconded the motion. All the board members voted aye and the request was approved without opposition.

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

Mr. Humphrey reported that tower operations were up 6.4%, led by general aviation and additional air carrier operations. Rolling twelve-month tower operations were 82,581. Passenger enplanements of 55,722 for July were up 15.3% over last July and rolling twelve-month enplanements were 415,606.

Corporate landings for July were down 4.4% from last July. Mr. Humphrey said Customs cleared four airplanes last week and one is scheduled for tomorrow. One Fractional Jet was cleared so the word is getting out in Canada. Fuel sales for corporate and air carrier aircraft were up 12.2% for June.

Airline landings were up 12%, mainly due to Allegiant Air, Horizon and United Airlines. Allegiant Air's load factors were 93.2% with their Oakland, Las Vegas and Phoenix/ Mesa service, so they had a very good month. Frontier has been advertising on the radio. Their load factor for the month was 89%, which is good considering they upgraded to the Airbus. Combined load factors for the airlines were 85.1% even with a 16% increase in the number of available seats. At this time, there is a 14% increase in enplanements for August with a 9% increase in seats so August will probably be another stellar month.

7. Airport Director's Report – Brian Sprenger

Mr. Sprenger said that enplanements for July 2012 were up 27% compared to July 2010. Also of interest has been our growth in comparison to the number of passengers enplaned at the Billings airport. In 1982, Gallatin Field had about 25% of the number of enplanements as Billings had; in 1992 we boarded approximately 50% as many passengers as were enplaned in Billings; in 2002, BZN enplaned nearly 75% of the number of passengers enplaned at BIL and in 2012, we expect about the same number of enplanements as the Billings airport.

Mr. McKenna said he really likes the way the information is being presented.

Mr. Sprenger also reported that there will be a grand opening for Customs in their facility at the old terminal building on September 7th at 2:00 PM and the public is invited. Mr. Sprenger said the relocation costs of the Customs agent will be paid from the money set aside by the three partners and it will be a significant amount of money. He said, between that and the user fee portion, most of the money for the first year commitment will be used up.

Mr. Mathis asked if Customs can clear anything other than private incoming international flights and Mr. Sprenger said they can clear freight and participate in clearing

items if there is a need for a bonded warehouse or a free trade clearinghouse. A local manufacturer could import foreign parts duty free, create a bigger product, and then export the product duty free as the item would just transit the United States. We are trying to get the word out as it would be an additional benefit to the community.

Customs has also cleared a number of firearms so they could be taken out of the country. People used to have to travel to Great Falls or other Customs offices. Mr. Mathis asked if there is a fee for clearing firearms and Mr. Sprenger said there currently is not, but staff is looking into it and may recommend a fee of \$10.00.

Mr. Sprenger reported that Mr. Mathis finished the historical displays and encouraged everyone to look at them. He said we can be very proud of what we have for an airport.

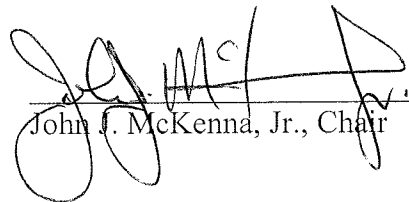
8. Consider bills and approve for payment

The eighth 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 approval of the bills and Mr. Lehrkind seconded the motion. The motion carried unopposed.

9. Adjourn

The meeting was adjourned at 2:18 p.m.



John J. McKenna, Jr., Chair