

The regular monthly meeting of the Gallatin Airport Authority was held April 11, 2013 at 2:00 p.m. in the Airport Conference Room. Board members present were Ted Mathis, John McKenna, Kevin Kelleher, Carl Lehrkind and Kendall Switzer. Also present were Brian Sprenger, Airport Director, Scott Humphrey, Deputy Airport Director, Paul Schneider, Assistant Airport Director-Operations, and Cherie Ferguson, Office Manager.

### **1. Review and approve minutes of regular meeting held March 14, 2013**

John McKenna, Board Chair, asked if everyone received their copy of the minutes and if they had any questions, corrections or additions. Hearing none, he entertained a motion.

**MOTION:** Kevin Kelleher moved to approve the minutes of the regular meeting held March 14, 2013 and Carl Lehrkind seconded the motion. All Board members voted aye and the motion carried unanimously.

### **2. Public comment period**

Mr. McKenna said anyone was welcome to comment now or during a particular agenda item when it is appropriate.

Robert Shropshire said he has a hangar at the airport but there is no Wi-Fi service. Wi-Fi is available in the terminal and he would like the Board to consider putting up repeaters so service would be accessible in the hangar area.

Brian Sprenger, Airport Director, said technology has improved since it was considered in the past. The Board asked Mr. Sprenger and his team to see what would be involved, how much it would cost and how many hangar owners would be interested.

### **3. Consider Audit Proposals**

Mr. Sprenger said we received five responses and several proposals were close. Holmes and Turner's bid was the lowest. Holmes and Turner performed the audits about a

decade ago and Junkermier, Clark, Campanella and Stevens (JCCS) have been performing the audits for the last few years. Mr. Sprenger recommended Holmes and Turner.

Ted Mathis, who was the Airport Director when Holmes and Turner audited the books for the Gallatin Airport Authority in the past, said he did not know of any problems. Mr. McKenna asked if we get our IT services from Holmes and Turner and if there was a conflict. Mr. Sprenger said they provide IT service but he doesn't believe there is a conflict.

**MOTION:** Mr. Lehrkind moved to select Holmes and Turner for our financial audit for years 2013, 2014 and 2015. Kendall Switzer seconded the motion and all Board members voted aye. The motion carried unopposed.

Mr. Sprenger said at the last audit review, JCCS recommended using a separate audit firm to help prepare the audit and Mr. Sprenger thought it might be good to have JCCS do that and Holmes and Turner do the audit. Staff will check costs for this work and inform the board.

**4. Consider request by Roberta Gier to enter into a new ten-year non-commercial lease on hangar 47/18**

Mr. Sprenger said this is an older hangar and it needs some maintenance work done on the doors, electrical box and frame. He said we have already talked to Ms. Gier and she said it would be done.

**MOTION:** Mr. Mathis moved to approve the request by Roberta Gier to enter into a new ten-year non-commercial lease on hangar 47/48 subject to the maintenance improvements or conditions being made to the building. Mr. Lehrkind seconded the motion and all Board members voted aye. The motion carried unopposed.

**5. Report on passenger boardings and flight operations – Scott Humphrey**

Mr. Humphrey reported that March tower operations were down 3.2%, mainly due to local general aviation being down. Rolling twelve-month operations were 79,760. There were 315 corporate landings in March, which was up 12.5% from last March. Revenue enplaned passengers were 39,708, a 4.8% increase, and rolling twelve-month enplanements were 439,548. March deplanements were 37,475, up 1.9%. There were 555 air carrier landings versus 551 in March 2012. Load factors for the month were 87.8%, which is up 1.1%. Fuel dispensed gallons for February were up 9.8% and fuel dispensed gallons for the first two months of the year were up 6.1% when compared to the same period in 2012.

Mr. Humphrey said staff expects April enplanements to be flat to 1% better than last April. Summer seats are starting to come back. Bookings are starting to pick up for the Newark service for this summer. Mr. Sprenger and Mr. Humphrey will be talking to American Airlines next Tuesday.

#### **6. Airport Director's Report – Brian Sprenger**

Mr. Sprenger reported that they didn't have any expectations with their discussion with American Airlines. If American decides to provide service here, it would be with Embraer 175s or CRJ-700s.

Mr. Sprenger said we have closed the twelve-month enplanement gap with Billings and are just 5,000 behind them. At the end of last year, we were behind by 7,900 enplaned passengers. By the end of July, or sooner, we may be ahead of them.

Mr. Sprenger said that Miles City and Lewistown may lose their essential air service by this summer.

Mr. Sprenger reported that he met with President Cruzado to discuss plans for the Gallatin College and their commitment to an aviation facility at the airport. She said

Montana State University would be interested in looking at it and would be supportive during the public sessions regarding the Environmental Analysis for the parallel runway.

Mr. Sprenger said the Airport Authority, Gallatin County, State Department of Transportation and City of Belgrade had a very productive meeting and the Airport Authority may pay for some of Dry Creek Road By-Pass in exchange for the State taking over permanent plowing, maintaining and replacement of the roadway. He still needs to discuss it with the FAA. It would be good for us if we were relieved of the responsibility for maintaining the portion of the road that would be on airport property.

Mr. Sprenger reported that we expect to know the TSA decision regarding the Screening Partnership Program. They can give their okay or deny it this week. If they deny it, they hopefully will have a good answer.

Mr. Sprenger said the Contract Tower Program may not have been included in the federal budget and that is a concern for us. He believes we have a good case because our passengers contribute \$30 million to the FAA budget each year. Billings' passengers contribute \$25 million. He said we need to emphasize our strengths, which are the number of passengers who use the airport and the taxes that are paid. He said our tower ranked about 190 out of the 500 towers in the United States, 250 of which are federal. He said it would be hard for them to justify closure here and if they do, we may have to consider legal action. We need to have a tower.

Mr. McKenna said he thinks it would be difficult here for general aviation (GA) if we didn't have a control tower and he would like to engage GA to support our efforts to keep the tower open. Mr. Sprenger said he believes it would cost us around \$700,000 per year to operate the tower. It would cost Billings about \$3 million per year.

Mr. Mathis said historically the biggest opponent to the Contract Tower Program has been the National Association of Air Traffic Controllers because most contract towers are non union and they have seen them as a threat to their livelihood. His opinion is that they probably played some role in getting President Obama to try to cut the Contract Tower Program altogether so they can get more union controllers in other airports.

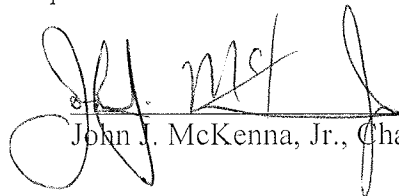
**7. Consider bills and approve for payment**

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

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

**8. Adjourn**

The meeting was adjourned at 2:39 p.m.

  
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John J. McKenna, Jr., Chair