

The regular monthly meeting of the Gallatin Airport Authority was held September 10, 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 August 13, 2009. Richard Roehm moved to accept the minutes as mailed; Greg Metzger seconded the motion and all board members voted to approve the minutes.

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

The third agenda item was meet the staff – Scott Humphrey. Brian Sprenger said this month's featured staff member is Scott Humphrey, our brand new Deputy Director. Mr. Sprenger said we are very happy to have him on board and that he comes with a great depth of knowledge and qualifications.

Mr. Humphrey said he worked for Delta Air Lines for 23 years. During that time he performed station management duties in San Diego, Salt Lake City, Dallas and Atlanta. He said the last 13 years he spent in Delta's operation control center where they controlled all the flight planning. He was the Duty Director for about 2 years and had control over the entire airline. About two years before leaving Delta, he was a member of the startup team for Delta's low cost subsidiary Song so he was responsible for 34 stations in the northeast and Florida.

He was recruited by Virgin America to help start up their operations control center in San Francisco and spent about three and a half years going through the FAA certification process. He spent the last 14 months in the Cayman Islands as VP of Airports. He handled

all the customer service aspects for the Cayman Airways in startup cities in Honduras, Panama, in the northeast in Chicago and Washington.

In terms of education, he holds an undergraduate degree in business from Clayton State University and an MBA from Georgia State University in Atlanta. He is also a certified member of the American Association of Airport Executives (AAAE).

Mr. Humphrey said he is very happy to be here. He said he has connections to Montana through his wife. They have been coming up here for 20 plus years and it has always been a dream of his to live in Montana and to work in aviation. He said he is very pleased to be here and is looking forward to working with everybody here at the airport and in the community.

The board welcomed Mr. Humphrey and thanked him for his presentation.

The fourth agenda item was to consider bids for Rental Car Service Facilities. Mr. Sprenger said we opened bids for the car wash buildings and the buildings for the vacuum bays last week on September 3<sup>rd</sup> at 3:00 p.m. and we received seven bids from Martel Construction, R&R Taylor Construction, Langlas & Associates, Rotherham Construction, Walker Construction, Chase-Skogen Homes and Markovich Construction. Mr. Sprenger said the board has a bid tab sheet of the bids and the lowest bid was \$1,934,000 from Martel Construction. Mr. Sprenger said the bids were reviewed by Morrison Maierle and based on their review, staff recommends awarding a contract to Martel Construction as the lowest qualified bidder.

Mr. Williamson asked how the bid compared to the engineer's estimate and Mr. Sprenger said it was up a little bit from the original engineer's estimate because of some additions to the building that will make it more efficient and reduce maintenance expense. They added additional heating to reduce freezing. Over all it was up \$200,000 over the

original Morrison Maierle estimate. After those changes were made, it was within the estimate. All of this will be paid for by Customer Facility Charges (CFCs) collected from the rental car companies and ultimately from their customers.

John McKenna asked if part of the increase was due to changing from steel to a block building and if all the rental car people are in concurrence with the CFC financed project. Mr. Sprenger said that was part of the cost increase and that all of the upgrades were requested by the rental car concessionaires. Although the cost for the building increased, the total project came in \$155,000 under the engineer's estimate.

Mr. Roehm moved we award the bid to the lowest qualified bidder. Mr. McKenna seconded the motion. All board members voted aye and the motion carried.

The fifth agenda item was to consider proposals for Car Wash Equipment. Mr. Sprenger said there were three proposals; one from Belanger, Inc., one from N/S Corporation, and one from Tidal Wave Car Wash, LLC. He said all of the proposals were reviewed yesterday by representatives from the car rental companies, Scott Bell, from Morrison Maierle, and Scott Humphrey, Paul Schneider and himself representing the Airport Authority. They used seven key items to compare the proposals for selection. N/S was recommended collectively and by every individual as well although their proposal included higher cost equipment at \$331,322 than Belanger's \$250,068. N/S had a 96" vehicle height which is important to accommodate ski racks. Mr. Sprenger said there were some inadequate pump sizes by Belanger compared to the initial spec. N/S provided a superior pump over the spec requirements.

The quality of references was an important consideration as well. Nearly all of the references for N/S were at the national level from each of the six rental car companies and were users of the systems, while references for the other two companies were from

contractors and airports and not users of the equipment. Mr. Sprenger said N/S also incorporated a soft start function that will prolong the life of the equipment. Past experience by rental car companies with different service providers was also a significant factor. One of the local car rental companies that uses a Belanger system would prefer to replace it with an N/S system if they had to replace their Belanger system. All of the five car rental companies that will be on airport recommended the N/S system and Mr. Sprenger said staff concurs with their recommendation for the car wash equipment based on the information that was discussed at the meeting. The equipment will be paid for with CFCs.

By going through the Request for Proposals (RFP) process, we can compare proposals and equipment and choose the best result for our required needs rather than just taking the lowest bid.

Mr. Humphrey said he contacted Carl Westerman, the construction manager for Avis, and Randy Kenney, construction manager for Enterprise. Mr. Westerman said a lot of car rental companies are switching to the N/S system because of durability and the ability to handle abuse. Randy Kenney said it holds up to the abuse due to volume and durability. Mr. Kenney said they used both N/S and Belanger and would use Belanger based on price and region. In a warmer climate where there is less volume, they would use the Belanger. Their preference is the N/S system overall.

Jo Renish, construction manager from Hertz, said they are using Belanger systems. They don't have many problems with the systems and if they do, they call Belanger, and someone responds rather promptly.

Mr. Sprenger said Rex Leipheimer, Julie McGrath and Matt Belt are here as local representatives.

Julie McGrath from Enterprise said they deliberated pretty seriously yesterday and they didn't take the price lightly. She said all the rental car agencies feel N/S is a superior system and in the long run will cost less and be easier to maintain. Enterprise supports the N/S System.

Rex Leipheimer, from Avis Budget Group, thanked the board for their time and said they've done an excellent job so far in building this facility and he believes it would be a shame to stop now. He said when you compare apples to apples, the N/S is a lot nicer.

Matt Belt, representing Alamo/National Rent A Car, said they prefer the N/S system as it is more durable.

Mr. McKenna made a motion to accept the recommendation of staff as well as the rental car companies to install the N/S Corporation's car wash equipment in our car wash facility. Mr. Roehm seconded the motion and it carried with all board members voting aye.

The sixth agenda item was the report on passenger boardings and flight operations — Brian Sprenger. Mr. Sprenger said next month Mr. Humphrey will be presenting this report.

Mr. Sprenger reported that passenger enplanements were up .9% in a very challenging year and we boarded 42,657 passengers during the month of August, which is a record for the month of August. Year-to-date boardings are 247,178, down 1.6% from last year. Nationwide is down about 10% to 12%.

He reported that in August there were 767 air carrier operations, 789 air taxi, 3,054 general aviation (GA) itinerant and 65 military, for a total count of 4,675 itinerant operations. Local GA operations were 1,668, for a total of 6,343 tower operations, down 22.9% from August 2008. There were 273 landings of aircraft weighing 12,500 pounds or more, down 22.2% from August 2008. Although that is still down a lot, it is better than being down the 33% that we have been seeing the last couple of months. He said he has been talking to Kent

Foster and Arlin Wass, our two Fixed Base Operators (FBOs) and the indication is that things may be getting better on the corporate side.

The seventh agenda item was the Director's Report – Brian Sprenger. Mr. Sprenger reported that the Presidential visit went well and he wanted to acknowledge the maintenance staff who prepared the area. They mowed about 20 acres of land to provide parking and demonstration areas for the general public during this event. He said we worked with Morrison Maierle and Duneman Construction to widen the taxiway between the east de-icing run-up pad and the East Ramp to 75' to accommodate Air Force One. The cost was about \$10,000. The addition to the east ramp was part of the Master Plan.

He said we provided information to the flying public by various media and on our website. The County really helped a lot by signage on 19<sup>th</sup> Avenue and 7<sup>th</sup> Avenue to separate traffic coming out to the airport for the event so we could route the terminal traffic on I-90 and the event traffic on the old highway. Our Public Safety Department worked very hard with the Secret Service and all of the local law enforcement agencies from here all the way to Billings to ensure the safety of the President and the general public for the event and the demonstrations. Our Aircraft Rescue and Fire Fighting (ARFF) crew and maintenance crew worked with the Air Force One people to provide runway sweeping and ARFF coverage for the arrival and departures of the aircraft and getting the Secret Service snipers on top of the hangars, which was interesting when the thunderstorm came through. Our custodial staff was split between providing the ongoing needs of the terminal and working traffic and crowd control in different areas. Mr. Sprenger said our administrative staff, Cherie Ferguson and Jody Boyd, answered hundreds of phone calls and provided communication between the different departments and kept him and the other staff members up to date on different things with the airline terminal and airline operations.

Management staff coordinated with the FBOs and flight schools for the use of the East Ramp for the event and hangars for aircraft storage and the Town Hall Meeting. They communicated the Temporary Flight Restrictions (TFRs) that would be in place and worked with the airlines to minimize any delays during the event. The overall cost to the airport, not including the taxiway widening, was about \$8,400 in wages, taxes and insurance. That included extra time and overtime to get everything done, plus about \$1,000 for porta potties, traffic control signage and a few other miscellaneous items. He said we could have avoided a \$2,500 expense for several Distance To Go Markers that the 747 took out when it took off. We didn't anticipate that because of a higher engine height and it is more common aircraft but we did remove them for the C55s. The total cost for those items was \$11,942. Overall the event went very well. He extended thanks to the staff, many agencies, contractors and the public who assisted in making history at Gallatin Field for the first Presidential visit and hosting the Town Hall Meeting on our airport.

Steve Williamson asked Mr. Sprenger if he would do it again and Mr. Sprenger said give him a year or two and he would be more up to it. He said he didn't know about the staff and that there had been a lot of mowing to do.

Mr. Sprenger said the I-90 Interchange is moving forward and Morrison Maierle has been selected by the state to begin design work. He said we are still short about \$14 million on funding and that could impact the overall schedule but the project is moving forward.

Mr. Sprenger also reported that the FAA completed their Airport Certification Inspection, which went very well, and he thanked Paul Schneider, Tm Garton and the operation and maintenance staff and said they are to be commended for their excellent job. He said Arlin's Aircraft Service and Yellowstone Jetcenter both had a couple of fueling and record keeping items they will need to address. Mr. Metzger asked if we are responsible for

safety at Arlin's and Yellowstone Jetcenter and Mr. Sprenger said we are responsible for inspecting and working with them, especially on the fuel farms. He said there was a leak there that hadn't been there the previous week. He said there are also inspections by the airlines and the FAA.

Mr. Sprenger said that yesterday we received our bond rating from Moody's and they assigned us an A3 rating with a stable outlook in advance of our expected \$16 million bond offering. The rating press release cited the Airport Authority's "stable history of financial performance that has led to a strong financial liquidity." Mr. Sprenger said the board should be proud of this statement as this was extremely significant in obtaining an A rating in spite of the current economic conditions.

Mr. Williamson asked what the timetable is and Mr. Sprenger said the expected sale date is the first week of October. The approval of the Final Bond Resolution will be at the board meeting in October and we should have the funds about two weeks after the board meeting.

Mr. Sprenger said Duneman Construction is working in front of the terminal and doing some landscaping. They have paved the loop road and are finishing the parking lot today. There are forms in the big hole to the west and they are forming up concrete in a portion of the excavated area. They will be removing the old rental car facility starting next week and excavating back toward the terminal building.

Mr. Williamson said he has been hearing the ads regarding the inconvenience in the parking lot and he asked if we are on schedule for October. Mr. Sprenger said we are on schedule. The rental car companies have been relocated inside the terminal and it is quite congested. Martel did such a professional job the rental car counters look permanent. Construction costs were about \$20,000 less than what was budgeted.




At 5:00 p.m. on September 24<sup>th</sup> at Martel Construction we will be opening bids for bid package II. Two board members may be present. He said the bids will be reviewed and alternates be considered. Staff will provide the board members a recommendation a week prior to the board meeting so the board will know the recommendation and costs. Mr. Sprenger doesn't anticipate bids being 50% lower, but if they are we could reduce our bonds.

Kevin Kelleher said Mr. Sprenger and he met with the Big Sky Owners Association (BSOA) and Mr. Sprenger made a power point presentation on the airline terminal expansion and temporary changes for rental cars. There were about 350 to 360 people present. Mr. Sprenger fielded a dozen or more questions about the expansion and the car condominiums. Mr. Sprenger did a great job and Mr. Kelleher said he got a lot of positive feedback from the Chamber of Commerce and the Big Sky Resort people. The BSOA invited them back in December for the program they did in the amphitheater and Mr. Kelleher said he would discuss it with the board. Last fall, after the program, they had a reception with other businesses that are offering services to the community and Mr. Kelleher thinks it's a really a good thing.

The board thanked Mr. Sprenger for his report.

The eighth agenda item was to consider the bills and approve for payment. After review and discussion of the bills, Mr. Roehm moved to pay them and Mr. Kelleher seconded the motion. The motion carried unopposed with all board members voting aye.

The meeting was adjourned at 3:39 p.m.



---

Steven H. Williamson, Chair