

December, 2014

Gallatin Airport Authority Audit Report

We are proud to report the Gallatin Airport Authority has received yet another clean audit report. Special thank you to Cherie Ferguson and Scott Humphrey for their financial diligence. Audit report viewable at:

<http://www.bozemanairport.com/pub/documents/2014%202013%20Audited%20Financial%20Statements.pdf>

Director's Report

The following article is an excerpt from the FY 2014 Financial Audit.

What do a half billion dollars in economic impact and zero dollars of local taxation have in common? Bozeman Yellowstone International Airport (BZN). BZN now generates almost \$500 million in economic impact every year for our local economy. In addition, the Gallatin Airport Authority has not received local tax dollars for over 25 years. Tenants that operate at the airport contribute over \$800,000 in local taxes (approximately 75% of the \$800,000 is paid by the airlines). We are proud that BZN has become an economic engine for the local economy with no local tax burden.

Operationally, in fiscal year 2014, we continued record setting growth with a total of 917,560 passengers (enplanements and deplanements) traveling through Montana's busiest airport, up 4.5% over the previous record set in FY 2013. New airline service during the year was initiated by Delta Air Lines to New York's LaGuardia airport and by United Airlines to Houston's Intercontinental Airport resulting in non-stop service to fourteen destinations in thirteen states coast to coast this past summer. Twenty-seven percent of all passengers flying into or out of Montana now fly through BZN. Additionally, tower operations increased by 2.1% to 78,482 during FY 2014.

Financially, the Airport Authority depends on our passengers with over 90% of the Airport Authority's revenue generated from the businesses that utilize the airline terminal building through rents and concession fees. However, we are dependent upon the airlines providing seats into our market and we compete with every airport in the country for those seats. In simple financial terms, this means if we attract additional seats, we generate additional revenue but if we lose seats, we lose revenue. While the market is the primary driver of airline decisions, there is one factor that we control, the airline cost of using our airport. Consequently, it is our philosophy

that by maintaining one of the lowest airline costs per passenger in the industry, we help make our market more profitable, which in turn makes us more likely to attract additional airline seats. This philosophy is possible because of many factors including strict cost controls, a highly professional and cross utilized staff and a fiscally conservative capital improvement program.

This year, total operating revenue was up 12.2% to \$7,824,487 while operating expenses were \$3,963,733, up just 6.0% resulting in operating income of \$3,860,754 up 0.4%. Concession revenues on a per passenger basis increased 10.5% to \$10.98 per passenger and that combined with an overall increase in passengers resulted in total concession revenues increasing by 14.2% in FY 2014. In addition, cash on hand (restricted and unrestricted) increased \$3,981,627 from \$14,997,504 to \$18,979,132.

Our success would not be possible without highly dedicated and knowledgeable members of our Airport Board and the exceptional 31 professionals on airport staff. We believe our financial stability combined with experienced staff make our airport well positioned to address any challenge within the industry while providing excellent customer service each and every day. We are proud to serve the flying public and hope that this report will provide valuable information on the status of your airport. We welcome and value your input on how we can better serve you at Bozeman Yellowstone International Airport.

RECENT PRESS RELEASES

United to begin winter non-stop service to Houston, Texas

BOZEMAN, MT (October 4, 2014) Bozeman Yellowstone International Airport (BZN) today announced that United Airlines will offer winter non-stop seasonal flights to George Bush Intercontinental Airport (IAH) in Houston, Texas. These new non-stop flights provide easy passenger access to/from the greater Houston metropolitan area with convenient connections at United's IAH hub to other destinations in the airline's global route network. SkyWest Airlines will operate these flights as United Express using Bombardier CRJ-700 regional jet aircraft with 66 seats; six in United First and 60 in United Economy, including, 36 Economy Plus extra-legroom seats. Flights will operate daily from December 18th through January 5th, Saturday only from January 6th through February 7th and Saturday/Sunday from February 8th through April 5th.

United to offer daily non-stop service to Los Angeles February 12th – April 6th

BOZEMAN, MT (October 29, 2014) Bozeman Yellowstone International Airport (BZN) today announced that United Airlines will offer winter non-stop seasonal flights to Los Angeles International (LAX) in Los Angeles, California. These new non-stop flights are the first daily flights to Los Angeles during the peak winter period and are in addition to United service over the Christmas/New Year's holidays. SkyWest Airlines will operate these flights as United Express using Bombardier CRJ-700 regional jet aircraft with 66 seats; six in United First and 60 in United Economy, including, 36 Economy Plus extra-legroom seats. Flights will operate daily from December 18th through January 5th and from February 12th through April 6th.

Delta announces New York LGA summer 2015 schedule

BOZEMAN, MT (October 30,2014) Bozeman Yellowstone International Airport is pleased to announce that Delta Air Lines will again offer non-stop seasonal summer service between Bozeman Yellowstone International Airport (BZN) and New York-LaGuardia Airport (LGA) in 2015. These non-stop flights provide easy passenger access to/from the greater New York City metropolitan area with convenient connections through Delta's LGA hub to other destinations in the airline's domestic route network.

Delta Air Lines will operate these flights using an Airbus A319 aircraft with 114 seats; 12 First Class and 102 Economy seats including 12 Economy Comfort seats. Flights will operate on Saturdays from July 11, 2015 through August 29, 2015. These flights will depart LGA at 09:40 a.m. and arrive BZN at 12:39 a.m., depart BZN at 1:15 p.m. and arrive LGA at 7:15 p.m. Schedules are subject to change.

Summit Aviation and Eagle Mount Announce Empowering "Pilot Program" Partnership for Young Cancer Survivors

BOZEMAN, MT (September 2, 2014) After 20 years in aviation, Ben Walton is still having fun; and he's not solo. Ben, Owner of Summit Aviation in Bozeman, just finished hosting a week-long camp for young cancer survivors.

While most of us dreamt about what we wanted to be when we grew up, Cassie King, 23, Ashley Thostenson, 22, Jason Epp, 26, and Morgan Johnson, 18, wondered if they would even grow up. Diagnosed early in life with various forms of cancer, and now in remission, these tenacious adults are running forward into life without looking back. They are now facing the normal adult question- What do I want to do? One possibility is a pilot.

After years of envisioning a five-day-long cancer camp, Ben Walton turned his dream into a reality this past week. The Summit Aviation Cancer Camp took the four survivors from zero flight experience up to an unassisted take-off and landing while exploring navigation, cross-countries, maneuvers and basic ground school along the way.

Each pilot was paired with a volunteer Summit Aviation Flight Instructor and provided with ten hours of flight time, all paid for by generous donors. They arrived at 8am every morning and started with a briefing and then the aircraft preflight inspection. After a 2 hour flight which gave them a bird's eye view of the valleys and mountain passes which Bozeman is known for, the group met back at Summit Aviation for a themed lunch. Finger Lickin' Good, Bigotes y Sombreros, and Did You Ever Know That You're My Gyro were a few of the menus, complete with costumes.

Tours of the Bozeman Yellowstone International Airport, and the Air Traffic Control Tower allowed the pilots to see other facets of aviation. Private aircraft owners opened their hangars and lowered their stairs to allow the four to explore the past in the form of a Stinson Reliant Aircraft to the present day Global Express business jet.

And if the local support wasn't enough- the weather offered 5 perfect flying days over the most beautiful scenery of the United States.

No camp would be complete without a flight over Yellowstone National Park, and the Cancer Camp was no exception. Perfect blue skies, a light breeze, and a breathtaking view of the Grand Prismatic Spring got everyone excited. But Old Faithful would not be outdone, erupting in a glorious white plume just as the aircraft flew overhead.

The Tetons were the perfect backdrop for lunch in Driggs, Idaho at the Warbird Café where the four new aviators celebrated the pinnacles of their week long adventure, and mastering their takeoffs and landings.

High on hope, Ben Walton is already planning for the next camp. “If anyone deserves an experience like this, they do. I know they treasure each day more than we do, but they also fear each day the cancer might return. My hope is that this experience will give them new confidence; that it will help them overcome their fears, and that they all can become pilots someday soon.”

In 2001, Summit Aviation, Inc. began humbly: One very experienced mountain flying Pilot - Ben Walton, one aircraft, and one small hangar. Today, with a fleet of state-of-the-art Diamond Aircraft, an impeccable safety record, and a full staff of highly-qualified Instructors, Summit Aviation has evolved into the West’s Benchmark award-winning Flight School and exclusive training facility for the Montana State University Aviation Degree Program, and provider of private on-demand Aircraft Charter. For more information on upcoming Cancer Camps or to make a donation: 406-388-(UFLY).

PASSENGER TERMINAL INFORMATION

CSSI/Firstline:

Gallatin Airport Authority welcomes CSSI/Firstline as the security screening company contracted to perform screening functions for Bozeman Yellowstone International Airport. CSSI/Firstline has taken over all screening functions as of November 16th, 2014.

Tourism Tidbits (From the Institute for Tourism and Recreation Research 2012/13):

- Approximately 11% of nonresident vacationers enter Montana by air; however, they account for approximately 24% of the nonresident vacationer spending in Montana.
- Nonresident vacationers entering by highway spend approximately 5 ½ days in Montana whereas nonresident vacationers who arrive by air spend approximately 9 days in Montana.
- Nonresident vacationers entering by highway spend approximately \$69/per person/day while nonresident vacationers arriving by air spend approximately \$108/per person/day.
- BZN accounts for approximately 27% of all arriving passengers in Montana but generates approximately 38% of air tourism impact on Montana. BIL (Billings) accounts for approximately 23% of arriving passengers in Montana and generates approximately 20% of air tourism impact on Montana.
- Total nonresident spending in Gallatin County is approximately \$666,820,000. Total nonresident spending by travelers arriving by air at BZN is approximately \$272,000,000.

Employee Parking/Parking Passes:

Effective January 1st, 2015 – Gallatin Airport Authority will be implementing a \$50 fee for unreturned employee parking passes. Each business within the terminal will be held responsible for collecting and returning issued employee parking passes for the year of 2015. If at year end, December 31st, 2015, any passes have not been returned to the airport office, companies will be billed \$50 for each missing pass. By implementing the \$50 non returned pass fee, Gallatin Airport Authority will be able to continue to offer free parking to those employed at the airport.

AIR SERVICE UPDATES

Winter Seasonal non-stops:

Atlanta (ATL) – Delta Air Lines: Twice daily service from December 20th – January 4th. Saturday/ Sunday service from January 5th – March 28th.

Chicago (ORD) – United Airlines: Daily service beginning December 3rd – April 6th.

Houston (IAH) – United Airlines: Daily service from December 18th – January 5th. Saturday/ Sunday service from January 6th – April 5th.

Los Angeles (LAX) – United Airlines: Daily service on United from December 18th – January 5th and from February 12th – April 6th. Delta Air Lines: Twice daily service on Delta from December 20th – January 4th. Delta will also offer Saturday service from January 5th – March 28th.

New York/Newark (EWR) – United Airlines: Saturday/Sunday service from December 21st – January 4th. In addition, there will be an 11:30 p.m. departure to Newark on Saturday evening from December 21st – January 3rd. United will also offer Saturday service from January 5th – April 4th and Sunday service from February 15th – March 29th.

Portland (PDX) – Alaska Airlines: Daily service returns summer 2015.

San Francisco (SFO) – United Airlines: Daily service beginning December 4 – January 5 and February 12th – April 6th.

Seattle/Tacoma (SEA) – Alaska Airlines: Three times daily service year round.

Delta Air Lines: Daily service from December 20th – January 4th and then Saturday only service from January 5th – March 28th.

Alaska Airlines – Alaska Airlines has added a third daily non-stop to Seattle/Tacoma (SEA) year round. Portland service will return summer 2015.

Allegiant Air – Allegiant Air has extended their flight schedule through August 18th for Thursday/Sunday Las Vegas (LAS) service and Monday/Friday Phoenix/Mesa (IWA) service. In addition, Allegiant will offer additional Phoenix/Mesa flights over the Christmas/New Year's holiday period.

Delta Air Lines – In addition to the seasonal service to Atlanta, Los Angeles and Seattle announced above, Delta offers multiple daily flights to both Minneapolis/St. Paul (MSP) and Salt Lake City (SLC).

Frontier Airlines – Frontier has extended their flight schedule through August 16th with daily departures to Denver (DEN) through January 6th and then four days per week through the end of their current schedule period.

United Airlines – In addition to the seasonal service to Chicago, Houston, Los Angeles, New York/Newark and San Francisco announced above, United offers multiple daily departures to Denver (DEN).

GENERAL AVIATION NEWS

Manhattan Flying Tigers

The Manhattan Flying Tigers, are dedicated to providing safe aircraft for the convenient use of its members at a cost that is highly economical by general aviation standards. The club has been continuously operational for 40 years since its formation in 1974 by founding members, Bob and Shirley Seifert.

The club owns two 180 HP Cessna Sky Hawks of the 1972 and 1973 vintage, that are housed in a hanger owned by the club at the “back hangers” of the Bozeman Yellowstone International Airport (west of 12-30) and north of taxiway Hotel. These aircraft, though basically equipped with “steam gauges”, provide excellent opportunities for mountain flying, basic VFR and IFR training, including training for the private pilot’s certificate. Though the club rules out spin training in its aircraft, they are used the year round by members to fly both locally and on extended cross-country excursions. Members have flown its Cessnas to Mexico, Canada, California and various Midwestern venues.

Over the last few years, members ranged in age from 16 to 70+, male and female with a good balance of younger and older members. They run the full spectrum of experience levels from military jet pilots, commercial jet pilots, military drone pilots, search and rescue personnel, Civil Air Patrol volunteers, to purely recreational and student pilots. The membership meets on the first Tuesday of the month (except July and August) at 7 p.m. in the Fire Station Conference Room.

Membership is limited to 40 individuals, requires a \$400 non-refundable joining fee, dues of \$63/month, a minimum flight activity of 1 hour per month at a variable per hour flying fee of about \$60, depending on current maintenance and fuel prices. Membership is open to all and by the vote of the current membership. More information is available in the MFT By-laws accessible at <http://www.mft-bzn.com>, where current contacts are also posted. If you love to fly or think you might, come to one of our meetings and meet some of our members. Our meetings and the club’s aircraft are a great way to get to know Montana.

Summit Aviation Employees Receive Awards

Randall Holliday, Assistant Chief Instructor of Summit Aviation, has been recognized two years in a row as an Outstanding Flight Instructor by Aircraft Owners and Pilots Association (AOPA), the world's largest aviation association. Only ten Flight Instructors in the country earned this top designation.

Additionally, four Flight Instructors achieved Honor Roll status; Assistant Chief Instructor Mike Schwahn for the second year in a row, along with Assistant Chief Instructor Jason Grafel, Alexander Mitchell (A.J.), and Michael Moholt.

Brittney Miculka, Senior Manager of pilot community development explains, "We created these awards to recognize those who instill a lifelong passion for aviation among their students, and who exemplify the best the flight training industry has to offer." The AOPA online poll was conducted from June 3 to August 23, and had more than 3,600 respondents.

The comments coming in from recent flight training experience are in agreement. "Thank you Summit Aviation for the great week of training! A world class operation and a top ranked instructor made for an efficient and productive, as well as enjoyable, week at Summit. I will be back," exclaims Scott Booth who came out for a week of training with Holliday in the DA42 Twin Star to earn his Multi-engine Add-on Rating this October.

A WORD FROM THE CONTROL TOWER - Submitted by Mitch Robison, Bozeman Tower Air Traffic Manager

Bozeman Yellowstone International Airport (BZN) Users, you are cordially invited to join us for the 2015 Pilot Meeting and Runway Safety Action Team (RSAT) meeting, January 21st, at 7:00 P.M.

In conjunction with airport management, we will be conducting our quarterly pilot and local RSAT meeting on January 21st, 2015. The meeting is scheduled for 7:00 P.M. in the Airport Fire Station Conference Room located in the old terminal building across the parking lot from the Air Traffic Control Tower.

Runway incursions remain a serious concern nationally. One important component of our ongoing efforts to improve surface safety at BZN Airport involves conducting an RSAT meeting at least once each year. The purpose of this RSAT meeting is to unite those individuals and organizations that are actively involved in air traffic operations and movement of aircraft, vehicles and equipment on the Airport Operations Area (AOA). Topics for discussion will include: Big Sky Approach Control operations, VFR practice instrument approach procedures, opposite directions operations, requesting basic VFR service in the Gallatin Valley, winter operations, hot spots, runway incursions, surface incidents, best practices, and pilot deviations.

If there are any questions which need clarifying, please feel free to address them during the question and answer session in the meeting. Invitations for this will also be sent out through the local tenant distribution system and the FAA FAST web site.

Your participation is important, your input is welcome, and is highly encouraged.

If you have questions or need more information, please let me know. I can be reached at 406-388-9082.

Meeting will be held in the Fire Station Conference room.

BADGING HOURS

For anyone needing a Gate Card or a SIDA badge, the office badging hours are from 8:00 a.m. until 10:00 a.m. and 2:00 p.m. until 4:00 p.m., Monday through Friday. If you need assistance or need to schedule an appointment, please call Meggie at 406-388-6632 x103 during business hours, 8:00 a.m.-5:00 p.m., Monday through Friday, or the on-duty public safety officer at 406-581-5490 outside of business hours.

Gate Card / AOA Applications and SIDA Applications can be found on our website www.bozemanairport.com by clicking on About the Airport, Documents & Statistics and then on the applicable Access Applications.

Passenger Enplanements and Tower Operations -12 months- ending 9/30/2014

	Bozeman	Billings	Missoula
Enplanements	470,170	414,559	323,324
Tower Operations	79,273	79,687	33,899

Source - Enplanements - Montana Department of Transportation
Tower Operations - Federal Aviation Administration

Upcoming regular Airport Board Meetings – December 11, January 8, February 12

The Gallatin Airport Authority Board meets on the second Thursday of every month. The meetings start at 2:00 p.m. in the Bridger Room in the main terminal building across from the Airport Offices.

Upcoming Pilot Meeting – January 21st

Pilot meetings are held at 7:00 p.m. in the Airport Fire Station Conference Room.

Mailed BZN Newsletter is available only by request.

This newsletter is being produced for the benefit of all Bozeman Yellowstone International Airport tenants and airport users. Please forward comments and suggestions for future newsletters or instructions to be added to or removed from the mailing list to: Meggie Moeller via email at meggie.moeller@bozemanairport.com or (406) 388-6632 x 103.

Gallatin Airport Authority, 850 Gallatin Field Road, Suite 6, Belgrade, MT 59714

**Board Members:
Kevin Kelleher, Chair
Ted Mathis, Vice Chair
Carl Lehrkind IV, Secretary**

Kendall Switzer, Member
Karen Stelmak, Member

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Airport Director – Brian Sprenger
Deputy Airport Director – Scott Humphrey
Assistant Airport Director – Operations – Paul Schneider
Public Safety Chief - Bill Dove

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