

The regular monthly meeting of the Gallatin Airport Authority was held August 14, 2003 at 3:00 p.m. in the Airport Conference Room. Board members present were Tom Nopper, acting as Chairman, Richard Roehm, Yvonne Jarrett and John McKenna. Steve Williamson, the Chairman, was absent. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk.

The first agenda item was to review and approve the minutes of the regular meeting held July 10, 2003 and those from the special meeting held on July 17th. Richard Roehm moved to accept the minutes as mailed, Yvonne Jarrett seconded the motion and it passed unopposed.

The second agenda item was the public comment period. Tom LeRoy was given permission to speak to the Board during discussion on agenda item number 5.

The third agenda item was a report on the proposed East Gallatin Zoning District. Mr. McKenna is one of the people involved in establishing the district and said he wouldn't participate in this agenda item. Joel Shouse made the presentation.

He said that he is a consultant for a number of our neighbors who are working to establish a zoning district, which is permitted by the Belgrade City/County Planning Board and that the district, if approved, will abut airport land to the north and east. He said he has seen the letter from the airport attorney, Mr. Ed Sedivy, stating that the airport could not participate in the zoning district, but that he wanted to make a presentation to inform the Gallatin Airport Authority Board and to seek the airport's support. They had initially requested to be on the agenda because they wanted to include the airport because it involves us.

They had enough signers of freeholders and area land acreage to present their petition to the Gallatin County Commissioners who will review their petition for properness, hold a

public meeting for discussion, and, hopefully grant them permission to exist. This will remove the property from the control of the Belgrade City/County Zoning District and transfer it to the County Commissioners.

Mr. Roehm said that our attorney said that it is not in the airport's interest to be included because we have our own zoning requirements, but we would like to work together with them. Tom Nopper said that the airport is allowed to support them.

Mr. Roehm moved to provide a resolution that we encourage and support the establishment of a zoning district and wish to work closely in collaboration with them. Ms. Jarrett seconded the motion, which carried. Mr. McKenna abstained from voting.

The fourth agenda item was to consider the request by Avis Rent A Car Systems, Inc. to allow car rental companies to add a Customer Facility Charge to pay for new rental car service facilities. Frank Jones made the presentation for Avis and said that Customer Facility Charges (CFCs) were introduced in 1997 and used as a funding mechanism for operations. In each case the money has to be put in a specific fund and designated for a specific project. The money can't be used for any other purposes. He gave examples of how they have been used at the Helena, Montana and Boise, Idaho airports. He said that the car rental agencies on the airport don't usually work together, but today they are united in their request.

Mike Lucero, Manager of Hertz Rent A Car in Bozeman, said that this airport has treated Hertz well. With Alamo being added last year, the wash facilities have become pretty cramped and it would also be nice to have them closer.

Mr. Nopper asked if all the agencies would contribute to a common fund. Mr. Lucero said that the airport engineer would design a building and come up with a cost. The car rental agencies would establish the number of days and charge each customer the CFC rate each day. The funds would be held by the Gallatin Airport Authority. Independent facilities

would be built for each agency. They would share common walls and a common parking area to minimize the footprint of the building.

There followed some discussion regarding other methods of funding the project, how maintenance and repairs would be handled and whether charging a CFC would be perceived negatively toward the airport by customers. Mr. Lucero said he never had a complaint when the state tax was 4% or about the 10% airport fee. Mr. Roehm asked that the car rental agencies help out with the public so they know there is not a collusion to soak the customer.

Mr. Mathis said the proposal is very timely. We have new agreements coming up next year. We allocated \$450,000 in the budget this year to improve rental car facilities, primarily a separate access road and additional parking. He said it is a good time to step back and talk to them about other alternatives that will better meet their needs and as we formulate the next contract look at all the options for funding new facilities.

Mr. Nopper said there was consensus among the Board members for Mr. Mathis to work with the car rental agencies.

The fifth agenda item was to consider construction of a pilot shelter at Gallatin Field – John McKenna. Mr. Roehm said this Board has an opportunity to make this airport even more friendly to general aviation. He said that Jim Monger suggested a museum out by the front entryway, Tom LeRoy is interested in putting up a restaurant that promotes aviation and Mr. Roehm proposes putting in a plane wash for GA aircraft. He said that Mr. McKenna has a great idea but that the Board should consider incorporating ideas. He asked that Tom LeRoy be allowed to make a presentation.

Mr. LeRoy said he and his wife would like to build a public restaurant at the airport. Mr. Roehm asked Mr. LeRoy where he envisioned a location and Mr. LeRoy said he and his wife don't have an overall plan but would be interested in a location that would be

complimentary to other issues. He wanted to open discussion and is ready to go at any time. He would like to see GA activities together.

Mr. McKenna said that he had started on a different path that wasn't as ostentatious but that what has been discussed augments the need for some other amenities. He initially had the idea of providing a gathering place for GA, but if it could be included in a greater facility, that would be great. He added that there are these kinds of facilities around.

He asked Jamie Lenon for a free concept and Mr. Lenon's original proposal was a \$60,000 facility. Mr. McKenna said he asked around to see if anyone would donate to the project and so far many people have offered to help. Mr. McKenna thinks it could be a success but if it were built in conjunction with the other ideas, it could be really nice.

Mr. Roehm asked how it would be maintained and cleaned. Mr. McKenna said that by design it would require very little exterior maintenance and that the concrete flooring could be hosed down. It would be an airport asset and therefore the airport would maintain the toilets and trash but the idea would be to minimize the maintenance as much as possible.

There followed discussion of combining ideas, location without increasing traffic on the airport access road, the necessity of the public having access to the restaurant and museum and where everything may be in relation to the Interchange. Mr. Nopper said that there appears to be a consensus that this is a good idea but that we need to do some planning without making Mr. LeRoy wait too long. Mr. McKenna thinks this is an exciting project for GA and could really create something unique and interesting.

The sixth agenda item was the report on passenger boardings and flight operations - Brian Sprenger. Mr. Sprenger reported that in July there were 562 air carrier operations, 929 air taxi, 3,016 GA itinerant and 14 military, for a total of 4,521 itinerant operations. Local general aviation (GA) operations were 4,134, for a total of 8,655 tower operations in July, up

up 24.71% from July a year ago. This is by far the busiest tower operations month ever at Gallatin Field. There were 221 landings of aircraft over 12,500 pounds, up 27% from July 2002. Local general aviation traffic was up almost 50% over the previous year. The 221 landings of aircraft over 12,500 pounds was the highest ever as well.

Mr. Sprenger reported that passenger boardings were 30,791, down 27 passengers from the previous year's record. Year to date is 162,120, which is up 1.3% compared to the same period in 2002. We are still at record pace despite the slight downturn in July. Deplanements were up 2.8% and indications are that August may be a record month but we will have to wait and see. His best guess is that we will have 280,000 enplanements for the year.

America West will begin service into Missoula with one flight to Phoenix and one red eye flight to Las Vegas. Bozeman traditionally is not a gambling town, but we may see America West in Bozeman in the near future.

Mr. McKenna asked Mr. Sprenger what would be the impact of another airline coming into Bozeman and Mr. Sprenger said that it usually adds some passengers but also takes some away from the existing airlines. We might gain two more 50-seat aircraft but lose the Delta 150 seat aircraft, which is a concern. Our airport is very oriented to the east coast while Missoula's passengers go to the west coast. Our number one market is New York City, and that may be why America West chose Missoula.

Mr. McKenna asked Mr. Sprenger if people care what size of aircraft they fly on and Mr. Sprenger said he doesn't think so, but the impact is that airlines may not decrease the fares for as many seats as they do for larger aircraft, such as just 10 on a 50-seat plane, while they may have lower fares on 50 seats on an aircraft with 150 seats. That is one reason why

hub markets have lost to the JetBlues and Southwest Airlines. Hub systems are the only viable way of existence for airports like ours.

Mr. Roehm asked why the tower operations spike in August and Mr. Sprenger said that most of it came from local GA; flight schools and touch and goes. We had a 7% increase in itinerant general aviation and a 15-20% increase in air carrier and air taxi. Across the board local GA was up approximately 50% over last year.

The seventh agenda item was the Director's Report – Ted Mathis.

Mr. Nopper complimented Mr. Mathis and his staff for the super job on the Annual Report.

Mr. Mathis reported that he has received the engineer's estimate of \$131,664 for two new taxiways, which is eligible for federal participation and an estimate of \$53,681 to resurface a portion of the old terminal building parking lot and access road to the GA gate area. We budgeted \$75,000 in this year's budget and have \$25,000 available from the state from airline fuel taxes. We hope to have the work done before winter.

Mr. McKenna asked if building the taxiways would affect Mr. LeRoys's request negatively and Mr. Mathis assured him that it would not.

Mr. Roehm said that there is only one access road to the airport and that he has believed for a long time that we need a loop road and he asked Mr. Mathis to have some discussions regarding that. Mr. Mathis said that was a good point and that it is in the Master Plan.

Mr. Mathis also reported that on July 29th, the FAA performed a certification inspection. The last one at Gallatin Field was in 2001. He said that we received a perfect score both years and he extended a "hats off" to the maintenance and safety departments and to the Fixed Base Operators (FBOs).

Mr. Roehm said that appreciation should come from the Board. Mr. McKenna said that a press release should be issued as this is an important achievement.

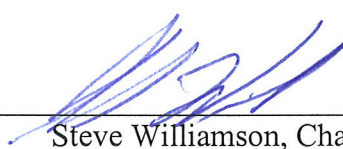
Mr. Mathis said that he had sent the Board members a memo regarding changes in the plans for installing standby generators. We are moving forward with the acquisitions and the stand-by generators will allow for future expansion.

He also reported that the new Rules and Regulations books have been printed and that the Board members have their copies. Copies will be mailed to the registered pilots in the community.

He also reported that we are moving forward on land acquisitions and that he should soon have an agreement for Mr. and Mrs. Sande to look at. He said we are also getting closer to an agreement with KMC Partners on their property.

The eighth agenda item was to consider the bills and approve for payment. After review and discussion, Mr. McKenna moved to pay the bills and Ms. Jarrett seconded the motion, which carried.

The meeting was adjourned at 4:35 p.m.



Steve Williamson, Chairman