

The regular monthly meeting of the Gallatin Airport Authority was held July 10, 2003 at 3:00 p.m. in the Airport Conference Room. Board members present were Steve Williamson acting as chairman, Tom Nopper, John McKenna and Yvonne Jarrett. Richard Roehm, Chairman, wasn't able to attend the meeting. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk.

Steve Williamson asked for public comments. Arlin Wass of Arlin's Aircraft Service said that Yellowstone Jetcenter put up a sign regarding their gas prices. He said that he has requests from a number of businesses off airport wanting to advertise at the airport. He believes this will set a precedent for signs outside the buildings. He asked that he be allowed to put up these signs or that Yellowstone Jetcenter remove theirs. The Board will take this under advisement.

The first agenda item was to open bids for the terminal expansion project. Six construction companies submitted bids. All submitted their contractor numbers, acknowledged both addendums, included their Disadvantaged Business Enterprise (DBE) plans and submitted the required bid bond of 10%. The bid from Contractors Northwest of Boise, ID was \$1,275,000; Diamond Construction's of Helena, Montana was \$1,256,000; High Tech Construction of Bozeman, Montana bid \$1,135,000, Ingram-Clevenger Inc. of Helena, Montana bid \$1,343,000; Martel Construction Inc. of Bozeman, Montana bid \$1,551,000 and the bid from R & R Taylor Construction of Bozeman, Montana was \$1,220,500. Ted Mathis thanked all the contractors for submitting bids. Tom Nopper moved to take the bids under advisement and award the contract to the lowest qualified bidder. John McKenna seconded the motion and it carried.

The second agenda item was to review and approve the minutes of the regular meeting held June 12, 2003. Mr. McKenna moved to accept the minutes as mailed, Yvonne Jarrett seconded the motion and it passed unopposed.

The third agenda item was the public comment period, which was dealt with at the beginning of the meeting.

The fourth agenda item was to consider proposals for the public parking lot contract. Copies of the proposals from Republic Parking and Standard Parking were mailed to the Board members a week prior to the meeting.

Jack Kelly of Standard Parking spoke first. He said that APCOA is the company that has been the parking lot concessionaire at the airport since Gallatin Field has had a paid lot, and that they had invested quite a bit of money to help the airport get the lot going. They have merged and have become Standard Parking. He said that Standard Parking is in good financial standing, their cash flow is phenomenal, they have almost 2,000 large parking facilities and that they have 14,000 employees. He also said that no airport wants to set a minimum annual guarantee (MAG) because there is history that when things go bad the contractor wants relief from that guarantee.

The two bids are fairly competitive with the one from Republic being better at a higher limit, which Mr. Kelly doesn't believe the airport will reach. He added that the proposal by Standard Parking is close to the revenues projected by the airport staff.

Mr. Nopper asked if any of the individual companies owned by Standard Parking are having financial difficulties and Mr. Kelly informed him that they are not.

Jeff Hoff of Republic Parking spoke next. He said that a minimum annual guarantee is a very important part of the bid and that Republic Parking has 38 years of experience in airports and operates the parking lot concessions at 68 airports around the country. He said

that his company is a very financially sound company and it has the resources to make improvements at the airport if necessary. Because of the way they calculate the percentage the airport receives, the airport would receive more money up front than with Standard Parking.

Mr. Kelly asked which company was the highest bidder and Brian Sprenger, the Assistant Airport Director, said that Republic had a higher MAG the first year, but after the first year, Standard had a higher MAG. Mr. Sprenger said that 11.9% average annual growth is the break point between the two proposals. Republic Parking would generate higher revenues for the airport over 11.9% and Standard Parking's revenues would be higher if the 11.9% average annual growth didn't occur. Republic Parking included rate increases for parking in the first, third and fifth years. Standard Parking just had a rate increase the first year. Mr. Sprenger said that in the Request for Proposal (RFP), the airport only mandated the first year increase. He also said that if there was an 18% gross income for the first year and maintained an 8% increase for the other four years, the two companies' projected revenues would be within \$5,000 of each other.

Mr. Mathis said that in the last five years there have been no complaints about APCOA's service. Our staff called three other airports about Republic. One airport liked their service and two others didn't rate them quite as high. Because the dollar figures aren't that much different and the service has been good, the Board members didn't see a need to change concessionaires.

Mr. McKenna moved to accept the RFP from Standard Parking; Ms. Jarrett seconded the motion and it carried.

The fifth agenda item was to consider the request by Yellowstone Jetcenter to construct a building for Federal Express at the east ramp. Kent Foster, speaking for

Yellowstone Jetcenter, said that the final papers haven't come through from the lawyers yet. He was hoping he would have them so he could make application for a land lease agreement and request help in the negotiations with FedEx in the design and outcome of the facility. Because the airport won't allow Yellowstone Jetcenter to renew the existing lease in 2005 on the building that FedEx is subleasing from the Jetcenter, FedEx has asked Yellowstone Jetcenter to build a new facility on the east ramp that they could sublease.

Mr. Foster asked for and received permission to respond to Mr. Wass' comments at the beginning of the meeting. He said that, because of their name, there are a number of people who don't know that the Jetcenter sells Av Gas and that he had submitted a written request and received permission from Ted Mathis, the Airport Director, to put up the sign.

The sixth agenda item was to consider the request by Stan Monger to transfer the lease on hangar #60 to Don Profota. Mr. Mathis said that Don Profota has 3 airplanes and needs more hangar space. Mr. Monger requested that the Board allow Mr. Profota to lease hangar #60 and to extend the lease for 10 years when the current lease is complete.

Ms. Jarrett moved approval to transfer the lease on hangar #60 to Don Profota. Mr. Nopper seconded the motion and it carried.

The seventh agenda item was to consider revisions to the Gallatin Airport Authority Rules and Regulations. Mr. Mathis said that the attorney reviewed the Rules and Regulations and recommended a couple of changes, which were read. Mr. Nopper moved to approve the Rules and Regulations as proposed. Mr. McKenna seconded the motion, which passed unopposed. The Board members will get full size copies of the Rules and Regulations and a smaller version will be printed and bound for public dissemination.

The eighth agenda item was to consider revisions to the Gallatin Airport Authority Bylaws. Mr. Mathis said that the Bylaws needed to be revised because the County

Commissioners authorized us to handle our own funds. The wording was changed to match Resolution No. 1553-B from the County Commissioners. The other change requested by Mr. Mathis was that "The Airport Director may, without prior Board approval, execute contracts and purchase materials, equipment, supplies or services for \$20,000.00 or less so long as the expenditure is within the limits of overall budget constraints and in accordance with all applicable statutes." Mr. Nopper suggested adding the words "except that" in front of that sentence to clarify the Board's intentions. The Board members were in agreement with that so Mr. Nopper moved the adoption of the Bylaws as proposed and amended. Mr. McKenna seconded the motion and it carried.

The ninth agenda item was the election of officers. Because Mr. Roehm was absent, the other Board members tabled this item and agreed to hold a special meeting on July 17<sup>th</sup>.

The tenth agenda item was the report on passenger boardings and flight operations - Brian Sprenger. Mr. Sprenger reported that in June there were 520 air carrier operations, 753 air taxi, 2,338 GA itinerant and 24 military, for a total of 3,635 itinerant operations. Local general aviation (GA) operations were 3,211, for a total of 6,846 tower operations in June, up 20.08% from June a year ago. There were 149 landings of aircraft over 12,500 pounds, down 14 landings (8.59%) from June 2002. June 27<sup>th</sup> was the busiest tower operations day on record at Gallatin Field with 476 operations. Annualized that would come to 173,000 operations, which is about 1 landing or take-off every two minutes for 18 hours. Local GA operations were up 35% from the previous June.

Mr. Sprenger reported that passenger boardings were 23,190, up 1.0% from June a year ago. Year to date is up 1.6% compared to the same period in 2002. Northwest Airlines and Delta Connection had record June traffic. Mr. Sprenger expects July and August traffic to be within 3%, plus or minus, of July and August's traffic last year.

The eleventh agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that the Transportation Security Administration (TSA) has agreed to reimburse us partially for law enforcement. Because they are offering us less per hour than they offered the Billings or Butte airports, we have put in a request for modification. The Board members discussed the fact that this is another unfunded Federal mandate that we are required to maintain that presence and that it is a big-ticket item. The payment to the Sheriff's Department this month was \$17,400. Mr. Mathis said that the airlines are leaving some airports due to all the added costs. The Board members wonder how much more we should do for them and how much do we have to have crammed down our throats? In addition, the screeners are not supposed to be unionized, but there is a union in Washington, D.C. that is currently suing the TSA on behalf of its employees.

Mr. Mathis said that we are working with the Sheriff's Department with a new contract coming up to have the officers work the curb, patrol the perimeter and some other duties that are supposed to be done under the new guidelines, rather than just having a presence in the terminal lobby.

Mr. Williamson asked if there is anything the Congressional delegation can do for us. Mr. Mathis said Congress is committed to increased law enforcement because if they aren't, they feel that overall security will be reduced.

The Board members wanted it noted in the minutes that they are disgruntled with the whole situation and that they don't want to have to keep spending money on the TSA's requests.

Mr. Mathis reported that there are two new based aircraft at the airport. Montana Aircraft purchased a Cessna Centurion 210 and Barnard Construction purchased a 1996 Falcon 2000.

We have purchased the Branstetter property and Mr. Mathis asked for and received the Board's approval to put the house up for bid with the requirement that it be relocated. It is built on a concrete slab and will be difficult to move.

There is a used passenger boarding bridge being auctioned off in Boise, Idaho on July 26<sup>th</sup>. He asked for and received the Board's approval to bid on it, up to \$40,000. It was in service when they moved it and was reportedly in fair condition. We would have to hire someone to move it and install it. We don't know if it will need any repairs. Even if it cost an additional \$100,000, it would still be cheaper than buying a new one for \$245,000. We are already putting in a door and a ramp for another gate with our terminal expansion. The door and ramp will be lower and the slope will be less than the Jetways currently in service by the airlines.

The Board members said they want to evaluate the leases from a legal standpoint regarding signage on the airport so they can review the policy and change it if necessary.

The twelfth 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 4:37 p.m.

  
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Tom Nopper, Vice-Chairman