

The regular monthly meeting of the Gallatin Airport Authority was held June 12, 2003 at 3:00 p.m. in the Airport Conference Room. Board members present were Steve Williamson, acting as Chairman, Yvonne Jarrett and John McKenna. Richard Roehm, Chairman, and Tom Nopper, Vice Chairman, were 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 May 8, 2003. John McKenna 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. There were no public comments.

The third agenda item was to consider the preliminary budget for fiscal year 2004. Ted Mathis said that a potential change from the Transportation Security Administration (TSA) may require law enforcement presence for 20 hours per day, which will increase our previous law enforcement expense. 27% of that is being passed on to the airlines. We have sent letters to the airlines but they haven't requested any changes. Our rates and charges to them are still lower than other airports in Montana.

New capital improvements include installing new Flight Information Display System (FIDS) monitors when the concourse addition upstairs is finished and replacing the 1992 GMC pickup.

For building improvements we would like to upgrade the old section of the maintenance shop, place furnishings, gang seating and shades in the addition upstairs, and a security door access system and closed circuit TV program. We would like to put off the security access system for a couple of years until there is standardization in airports but we

may have to go ahead before then, so it is in the budget. It is eligible for 90% Airport Improvement Project (AIP) funding.

Other items on the budget include tree replacement and landscaping costs, the turf runway sprinkler system, and a rental car parking and service road, additional parking at the end of the terminal for rental cars and buses, camp ground improvements, repairing the old terminal parking lot, fencing and road improvements for acquired land, finishing the well house and generator, general aviation (GA) taxiway and sewer line extension and \$150,000 for miscellaneous projects.

Increased safety equipment expenses are budgeted in case we have to have our own law enforcement people.

Also in the budget is Multilateration surveillance or radar. Dean Phares, control tower manager, Brian Sprenger, and Mr. Mathis met with representatives of the FAA yesterday. We're the only ones who they have spoken to who have offered to participate monetarily, which may help to move the process along faster. They are considering beacon only radar, which costs much less than the ASR-11 we have been discussing. It is for enroute Instrument Flight Rules (IFR) traffic. Aspen currently uses one like it so there is precedence. It would improve radar recognition of enroute traffic in this area, not just around our airport.

There is still some work to be done on the current AIP project, rehabilitating runway 12/30 and the terminal apron. We have \$905,000 available for the terminal expansion, with the remainder being funded from Passenger Facility Charges (PFC). Rehabilitating the GA apron in front of both Fixed Base Operators (FBOs) is in the budget as well as an access road at the end of runway 03 to the east ramp, which the FAA would like us to build. The FAA would also like us to replace our 1974 Aircraft Rescue Fire Fighting truck. A new one costs

approximately \$550,000 and we will only purchase it if discretionary funds are available.

Mr. Williamson asked if the truck purchase is something we have to do and Mr. Mathis said it is not mandatory.

Mr. McKenna said he has concerns with things that involve the TSA. We have been burned and would like to leave their projects as long as possible. Mr. Williamson said that these items are in the budget in case we have to do them. Yvonne Jarrett asked if we have considered having our own law enforcement and Mr. Mathis informed her that we have. At this time it is still more economical and practical for us to contract with the Sheriff's Department.

Ms. Jarrett moved to approve the budget for fiscal year 2004 as proposed by the staff. Mr. McKenna seconded the motion and it passed.

The fourth agenda item was to consider the request by Dennis Guentzel of Place Creek Airways, LLC to conduct scenic tour flights from the Gallatin Flying Service building. Roger Stradley of Gallatin Flying Service wrote a letter stating that he has worked out an arrangement with Mr. Guentel and requesting that Place Creek Airways be allowed to operate out of their building. Mr. Guentzel will be flying a 1929 WACO biplane for the tours, which will limit him to one passenger. The enterprise doesn't require Part 135 certification so the minimum standards can be less restrictive than those required for an FBO.

Mr. McKenna moved to approve the request by Dennis Guentzel of Place Creek Airways, LLC to conduct scenic tour flights from the Gallatin Flying Service building; Ms. Jarrett seconded the motion and it carried.

The fifth agenda item was to consider the request by Dolittle Construction to construct a 100' x 100' non-commercial hangar.

Mr. Mathis explained the details of the three hangars together (Agenda items 5, 6 and & 7). He pointed out on a map where he recommended that they be located. Dolittle Construction's and Pervasive Steel's hangars would be across from Klein Gilhousen's and Sky River Leasing's hangars, which will leave room for David Sullivan's hangar. There is room south of Dr. Blake's T-hangars for his proposed T-hangar complex.

Mr. Mathis recommended approval of the three requests with the requirement that Dolittle Construction complete the landscaping and reclamation of their other hangars before they begin building.

Mr. McKenna moved to approve the request by Dolittle Construction to construct a 100' x 100' non-commercial hangar with the contingency that the landscaping and reclamation of the two previous hangars be completed. Ms. Jarrett seconded the motion and it passed.

The sixth agenda item was to consider the request by Pervasive Steel, Inc. to construct a 100' x 100' non-commercial hangar. Ms. Jarrett moved to approve the request by Pervasive Steel, Inc. to construct a 100' x 100' non-commercial hangar; Mr. McKenna seconded the motion and it carried unopposed.

The seventh agenda item was to consider the request by Dr. Robert Blake to construct a ten-unit T-hangar complex. It was moved and seconded to approve the request by Dr. Robert Blake to construct a ten-unit T-hangar complex. The motion carried.

The eighth agenda item was the report on passenger boardings and flight operations - Brian Sprenger. Mr. Sprenger reported that in May there were 369 air carrier operations, 518 air taxi, 1,702 GA itinerant and 28 military, for a total of 2,617 itinerant operations. Local general aviation operations were 2,380, for a total of 4,997 tower operations in May, up 4.56% from May a year ago. This is a testament to the work Scott Bell, the airport engineer,

and his group did to have tower operations increase with the number of days with runway closures and displaced thresholds. They did a wonderful job of making sure that we minimized the impact on the aviation community.

There were 67 landings of aircraft over 12,500 pounds, down from 92 for May 2002. Air carrier and air taxi were both down 23%. In contrast, GA itinerant was up 15% and local general aviation landings were up 11% for May.

Mr. Sprenger reported that passenger boardings were 15,058, down 13.1% from May a year ago. Year to date boardings of 108,839 are up still up 1.8% compared to the same period in 2002. Enplanements were impacted by several factors, including the reduced capacity due to the mid-afternoon through evening runway closures, the cancellation of one Delta mainline flight for the month of May and the continuing effect from the war in Iraq.

Mr. Sprenger said that June numbers are recovering with bookings coming in later than in the past. He expects that June's boardings will be within 5% of last year's. SkyWest is operating eight 50-seat regional jet flights per day, four as Delta Connection flights and four as SkyWest.

Northwest Airlines is adjusting their 10:45 p.m. inbound flight to a 6:45 p.m. arrival time this fall. One of the reasons is that it will save costs by having one crew overnight in Bozeman rather than two. They also believe people will be happier with the earlier arrival.

The ninth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that it has been five years since we have awarded the parking lot concession and it is time to do it again. We hope to consider proposals for the parking lot concession and open bids for the terminal expansion at the July meeting. Scott Bell has been talking to the FAA Airports District Office and they believe that they may be able to get us some discretionary funding

for this project because it is security related. Discretionary funds have to be allocated before the project begins. Entitlement fund projects (AIP) can be reimbursed.

Mr. McKenna said that the main reason we are expanding the terminal building is because of security reasons. He said that the Board doesn't want to spend money on things they don't have to do and asked when would be the best time to expand. Mr. Sprenger said that it would start in August and that Jamie Lenon, the airport architect, thinks we will be able to use the new section by January 6<sup>th</sup>. The work is scheduled to minimize the impact on the traveling public.

Mr. Williamson said that it is a concern if no money for funding is available. Mr. Sprenger said that we are gaining a lot of security-related benefits now and that five years down the road we will need to do this. This is a good time since we are coming out of a down time because of the impact of the war in Iraq and a slow economy. Fewer people will be affected. It is a Catch 22 because of the uncertainty of funding and timing. Do we build now and impact fewer people or do we wait until we need it? We will lose about half of Delta's boarding area for about four months. Mr. Sprenger said that PFC funds may be used for the project if other funding isn't available.

Mr. Mathis said that the turf runway will not be ready as soon as we expected. The weeds are coming up good but the grass isn't coming in thick enough. The sprinkler system is working well.

Most of the runway overlay work is completed and it went very well. Safety and scheduling meetings were held every day. No one working in the construction area went without a hardhat or orange vest at any time and everyone was very safety conscious. Mr. Mathis complimented JTL Inc. and Scott Bell and his people for a project well done. Mr. Mathis said that out of the four resurface projects with which he has been involved, this was

the smoothest and safest. There is still some lighting and grooving to be done later this summer.

Mr. Mathis also reported that we have accepted RFPs from some local banks. We should have one chosen before July 1<sup>st</sup>, which is when we start handling our own funds.

Mr. Mathis also reminded the Board that this is the month that he usually has his annual review and he asked that it be in closed session. The Board members chose to wait until next month when all Board members should be present.

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

The meeting was adjourned at 3:55 p.m.

  
Yvonne Jarrett, Secretary-Treasurer