

The regular monthly meeting of the Gallatin Airport Authority was held August 12, 2004 at 3:00 p.m. in the Airport Conference Room. Board members present were Steve Williamson, Eric Hastings, Richard Roehm, Yvonne Jarrett and John McKenna. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk.

Chairman Steve Williamson introduced Eric Hastings, our new Board member. Mr. Hastings was born in Bozeman and graduated from Montana State College in 1964. After 30 years of distinguished service in the Marine Corp., Mr. Hastings returned to Bozeman.

The first agenda item was to review and approve the minutes of the regular meeting held July 8, 2004. John McKenna moved to accept the minutes as mailed. The motion was seconded and passed.

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

The third agenda item was to consider the request by Gallatin Flying Service to remodel their existing office area and add a 70' x 70' addition to their existing hangar. Mr. Mathis said that Gallatin Flying Service's sub lessee would like additional space for their classroom and he recommended approval of the remodel. He expressed concern regarding the addition to their existing hangar. Following discussion, the item was tabled.

The fourth agenda item was to consider the request by Arlin's Aircraft Service for a ten-year extension of the land lease on Hangar #7. Mr. Mathis said the hangar is in good condition and he recommended approving a new ten-year lease. There have been a number of changes since the original lease was signed and Mr. Mathis would like them to have the updated language. Richard Roehm moved approval of Arlin's request, which will be met with a new ten-year lease. The motion was seconded and it carried unopposed.

The fifth agenda item was to consider the request by Yellowstone Jetcenter and Arlin's Aircraft Service to lease space on the northeast edge of the new general aviation ramp for the purpose of installing a self-service avgas fueling facility. Following discussion, John McKenna moved that the Airport Authority spend \$10,000 toward the movement of the self-fueling facility within the next 90 days. The motion was seconded and carried.

The sixth agenda item was to consider the request by RB Enterprises to transfer their Non-Commercial Hangar Ground Lease Agreement for T-Hangar complex (hangars 103-112) to BZN Hangars, a condominium association. Mr. Roehm moved approval. After being seconded, the motion was passed.

The seventh agenda item was to consider the request by Scott and Barbara Heck to transfer their Non-Commercial Hangar Ground Lease Agreement for Hangar #100 to SBL Enterprises Limited Partnership. Mr. Roehm moved to approve the request. The request was approved.

The eighth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in July there were 624 air carrier operations, 1,022 air taxi, 3,225 general aviation (GA) itinerant and 14 military, for a total of 4,885 itinerant operations. Local GA operations were 2,835, for a total of 7,720 tower operations. While July tower operations were down 10.80% from July a year ago, it was still the second busiest month in Gallatin Field history. There were 233 landings of aircraft over 12,500 pounds, up 5.43% from last July. There was double-digit growth in air carrier and air taxi traffic; however, local GA was down.

Mr. Sprenger reported that passenger boardings were 34,406, up 11.7% from July a year ago. Year to date is up 8.8% compared to the same period in 2003. This was the busiest month for passenger boardings in Gallatin Field history. Counting both enplaned and

deplaned passengers, we handled 6,200 more passengers than ever before. Mr. Sprenger reported that August should be at record pace as well, and if traffic continues, we anticipate boarding more than 300,000 passengers this year.

Mr. Sprenger also reported that gift shop revenue is at record levels and the restaurant had a very good month. He said that fuel flowage for the fiscal year was down slightly for both AvGas and airline jet fuel, but was up substantially for Corporate/GA jet fuel.

Mr. McKenna asked about lighting over the airline ticket counter areas. Mr. Sprenger said that we are waiting until Delta gets their kiosks in to see what our lighting needs will be.

Mr. Roehm said that Torleif Aasheim would like a light over the bobcat.

The ninth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that Morrison-Maierle had a cultural resource study done on the old terminal building and findings were that the building wasn't of historical significance. However, when the FAA had to send a letter to the Montana Historical Society regarding changes to the old terminal building, they said the building was more than 50 years old and therefore had historical significance. Mr. Mathis recommended doing the project in two phases. Because we have to meet the Historical Society's approval by tomorrow to get the FAA grant, he recommended remodeling the interior, plus adding a 2-bay building four feet from the existing building. Once that is done, we can fulfill the requirements of the Historical Society. After that is approved, we can then proceed with the second phase, which will be paid for with Airport Authority funds.

Mr. Roehm moved to approve the new plan for our new fire station. The motion was seconded and carried.

Mr. Mathis said that we still haven't received a letter from the FAA regarding radar. The plan had to go before another group. They were impressed but haven't signed off on it yet.

Mr. Mathis reported that the Airport Improvement Projects are moving along well. The contractor may start tearing up the old asphalt on the GA ramp after Labor Day. He also said that the new jetway is up and running and working great.

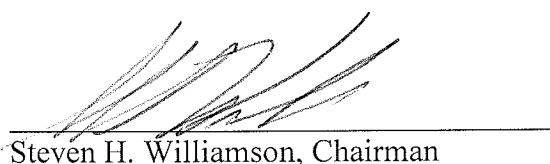
Mr. Mathis said we are already advertising for the second portion of the terminal project that we started over a year ago. It will be for state-of-the-art security equipment for the terminal as well as the GA vehicle gates. Mr. Mathis said he hopes to open bids at the next meeting. The estimate is \$375,000.

Mr. Mathis said that they looked at the estimate to do a taxiway across from Runway 21 to the new GA ramp. \$45,785 is the engineer's estimate. The Board members don't believe that there are enough benefits to warrant proceeding with it.

Mr. Mathis said that the turf runway is an ongoing situation. The sprinklers have been readjusted but the City of Belgrade needed all of the water to fill and test their sewage pond, consequently there is no water. The runway will be opened Saturday morning.

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

The meeting was adjourned at 4:47 p.m.



Steven H. Williamson, Chairman