

The regular monthly meeting of the Gallatin Airport Authority was held May 12, 2005 at 3:00 p.m. in the Airport Conference Room. Board members present were John McKenna, Richard Roehm, Yvonne Jarrett and Eric Hastings. Chair Steve Williamson wasn't able to attend so John McKenna, Vice Chair, presided over the meeting. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director and Cherie Ferguson, Administrative Assistant.

The first agenda item was to review and approve the minutes of the regular meeting held April 14, 2005. Eric Hastings requested that the total for the bid submitted by TMC Inc. be corrected. Richard Roehm moved to accept the minutes as amended; Yvonne Jarrett seconded the motion, which passed unopposed.

The second agenda item was the public comment period. Gallatin Meadows Development Corporation wanted to speak regarding the bypass easements. They were willing to defer their comments until agenda item # 5 was introduced.

The third agenda item was to consider placement of pictures of fallen Montana military personnel in the airline terminal – Richard Roehm. Mr. Roehm introduced LeRoy Gaub, the project manager for the Northern Plains Transition to Teaching, also known as Troops to Teachers. Mr. Gaub said that last Christmas his boss, Greg Weisenstein, Dean of the College of Education, Health and Human Development, suggested that all the college employees donate funds to support our troops. They all did and the money was donated to an artist who creates drawings of military personnel killed in action (KIAs). The artist has also volunteered to draw a large eagle to make as a capstone, if the Board approves the donation.

There is some question if there are 6 or 7 Montanans who qualify. Mr. Gaub said they are getting their information from the Department of Defense regarding who would be

eligible. He also explained that they chose KIAs since 9/11/01 and the global war on terrorism.

Mr. Roehm said this is a work in progress and asked if the other Board members want him to continue moving forward. They would like him to continue.

The fourth agenda item was the report on requested road easements – Scott Bell. Scott Bell, from Morrison-Maierle, reminded the Board that they had requested him to report on two reports from the engineering firm of HKM; the traffic analysis and the preliminary design on water and sewer. He said that because it was a preliminary design, the report on water and sewer didn't include wetlands and flood planes, etc.

Mr. Bell said that recently the City of Belgrade and the Gallatin Airport Authority added two additional wells. With the full build out of the two subdivisions to the north and the Miller subdivision to the southeast of Belgrade, the water supply with the looping system is adequate but at capacity. Additional storage is required. Because it is an engineering report, it doesn't identify who is to pay for the additional storage.

With the consideration of the addition of the same three subdivisions, 10% of the sewer/lagoon system will be remaining. Neither the sewer/lagoon system nor the water system account for other properties that have been annexed by the City of Belgrade.

In response to questions from Mr. Roehm, Mr. Bell said that the water and sewer belongs to the City of Belgrade. They are to provide water and sewer for the airport. If the airport's usage expands, Belgrade will have to find additional capacity for us. The City of Belgrade doesn't have a plan of expansion for an additional sewage system yet because the airport and the city just completed the last lagoon. Mr. Bell said that there would have to be another study but he believes they will have to go to a mechanical treatment system and use the lagoons for winter storage.

Mr. Bell also addressed the traffic study prepared by HKM Engineering. He said that at the intersection of Airport Road and Highway 10, there would be a left hand turn lane and a signal. Because it is an engineering report, it doesn't address who would pay for it or the actual standards it would be built to. The traffic count was taken in February 2005 before the construction trucks started moving. HKM tried to adjust for that by using the figures from a previous commercial subdivision count.

Mr. Roehm asked if the proposed road system conforms to the City of Belgrade Master Plan and Mr. Bell informed him that there has been more work on the south bypass as it is one of the necessary links for the Interchange to work. He said that there hasn't been agreement whose jurisdiction this would be in, what standards it would be built to or who would pay for it.

Mr. Mathis and Mr. McKenna attended a meeting on May 6<sup>th</sup> at the invitation of Ryen Glenn Estates. Mr. Mathis said it was an excellent meeting and he appreciated the invitation, cooperation and information. Also present were representatives from the Gallatin County Road Department, the Montana Department of Transportation (MDOT), City of Belgrade, Gallatin Meadows Development Corporation and County Commissioner Joe Skinner. Mr. Mathis said he came out with a number of unanswered questions from that meeting. He said:

- 1) "There appears to be no coordinated effort between the developers to provide the required infrastructure. Developers appear to be acting independently on their own behalf.
- 2) Which sections of the proposed roads would be considered city streets and which would be county roads?
- 3) What role would the MDOT play in improving the required roads and intersections?
- 4) Would the proposed roads be developed to city, county, or state standards?
- 5) Who would be responsible for maintenance of the various sections of roadway?
- 6) Would the proposed utility lines be placed in the road right of way or in the center of the roadway?

7) Do the various developers have the necessary financial backing to construct the required improvements? 8) How do the proposed roads and streets interface with the Belgrade Area and Gallatin County Transportation Plans? 9) How do they affect the proposed east side bypass road and Interstate interchange? 10) How will the proposed roads and associated traffic affect vehicle traffic to and from Gallatin Field? 11) If the proposed developments are constructed, what impact will they have on the Belgrade / Airport Authority water and sewer systems and will there be sufficient capacity remaining to accommodate future growth of the airport? 12) What effect (if any) do recent conservation easements placed on neighboring properties have on proposed road developments and area transportation plans?"

Mr. Roehm asked David Penwell, attorney for Gallatin Meadows Development Corp., if eminent domain could apply to conservation easements and Mr. Penwell said it could. Mr. Penwell said that Gallatin Meadows Development would like to use the railroad grade road, which wouldn't go through the conservation easements.

Mr. McKenna said he also walked away from the meeting with a lot of questions.

The fifth agenda item was to consider the request by Gallatin Meadows Development Corporation for two road easements. Clint Litle, from HKM Engineering, said he appreciated Mr. Bell's review. He said their purpose in having the meeting was to gain consensus and that additional meetings are necessary. Regarding the waste water system, he said that 10% of the lagoon capacity would be available after full build out of the two subdivisions plus **Las Campanas**, and that is anticipated to occur by 2012. He said the City of Belgrade is ready to serve these two projects or they wouldn't have annexed them. With a looped 12" water main, storage isn't required at this location. He said Belgrade is considering a 2<sup>nd</sup> elevated storage tank south of the Interstate, and that would provide for

water needs for quite a long time. Mr. Bell concurred and said that nobody has addressed who would pay for the 2<sup>nd</sup> tank.

Mr. Skinner said that the Gallatin County Commissioners appreciate the work this Board does for the airport and community. He said they wouldn't ask them to jeopardize the airport or its functions. He emphasized the importance of a collector loop road around the north side of the airport to more efficiently move traffic and facilitate the interchange. He said a collector road has to be built before the interchange can be built.

Mr. Roehm and the other Board members said they would like to see a more cohesive plan. Mr. McKenna said our emphasis is to have a collector road south of the airport. He said the development and the road are different issues. He believes we should continue to have joint meetings.

Mr. Roehm said the Board wants to be in consonance with the Gallatin County and City of Belgrade planning groups to avoid situations such as the recent one where the Gallatin Airport Authority Board agreed to write a check to facilitate the funding of the environmental analysis for the future Interstate interchange. The Airport Authority had the funds readily available and therefore could speed up the process. The Gallatin Airport Authority Board passed the funding request with the proviso that the County and the City of Belgrade would repay two thirds of the \$300,000 amount to the Authority if the project is stopped. Two councilmen from the City of Belgrade voted against the agreement to repay the Airport Authority \$100,000 if the project fails. Mr. Roehm stressed the importance of all the involved parties to be in agreement before we grant any easements.

Mr. Penwell said that they are willing to build and pay for the collector road if they get approval for the two easements from Gallatin Airport Authority. If not, they will just build the road within their subdivision.

Jason Leep said he has an option on the Meadowlark Trails property. He also asked that the Airport Authority Board approve the two easements and said his organization would pay their fair share. He said that if the Board doesn't want to say yes or no, he would like them to at least give the developers feedback on the questions Mr. Mathis raised.

Following more discussion regarding the health and betterment of the airport, Mr. Skinner said that today we're looking at alternatives and trying to come up with a solution. He said that eventually there will be a collector road and that the county has Lagoon Road and Baseline Road, which will probably be their next best solution. He believes that will probably be more detrimental to the airport.

Mr. Roehm thanked everyone for their comments and moved to defer consideration of the request for these two easements until planners and engineers from all interested parties answer the questions raised at the May 6<sup>th</sup> meeting and develop a cohesive Master Plan for the area's development and further, that the Board aggressively pursue communication with the County Commissioners, City of Belgrade Board and all other interested parties to resolve the issues that have been raised to date. Mr. Hastings seconded the motion. Mr. Roehm and Mr. Hastings voted in favor of the motion; Ms. Jarrett was opposed. Mr. McKenna said he would have voted in favor of the motion.

Mr. Roehm asked approval for Mr. Mathis to actively pursue communication with the City of Belgrade and the County Commission to follow up on the intent described by Commissioner Vincent and our stated intent to keep communications open. Mr. Mathis will pursue communications.

The sixth agenda item was to consider request for agenda item inviting public comment on performance of the Airport Director prior to his annual evaluation – Tom Nagorski. Mr. Nagorski said that he believes the job description and current contracts should

be on a website so the public can educate themselves on the matter before making comments next month.

Mr. Mathis said he would furnish a job description to anyone who asks. He doesn't have a contract, as he is just a public employee. He would welcome constructive criticism and advice as to how he can do his job better.

Ms. Jarrett said she would welcome comments from anyone regarding the Airport Director's annual review but would like them to be written. Mr. Roehm said that the Airport Director is the Board's responsibility and employee and is hired to execute the policies they establish. How well the director does that is their obligation. Public relations are a part of the job but there are other factors to be considered. He said that if the Airport Director is at fault, it is the fault of the Board as they are the ones who set the priorities.

Mr. McKenna said he doesn't believe the Board has ever turned away a comment. Public comments are made a part of the public record. If comments are submitted to the Chair to be discussed during the executive meeting, the comments are not part of the public record. Either method is available to the public regarding the Airport Director's review.

The Board members all said they would welcome comments at any time with specifics or general observations and it was agreed that a footnote to that effect would be placed at the bottom of agendas from now on. It was also agreed that, in the future, at the meeting prior to the review, the public would be notified of the upcoming Airport Director's review.

The seventh agenda item was to consider the request for review of Gallatin Field's Minimum Standards for Fixed Base Operators – Tom Nagorski. Mr. Nagorski said he thought that after the final vote Bob Taylor said to review them in five years.

Mr. Roehm said that there was no such proviso, at least that was in the minutes from 1993. He did agree that it would be a good time to review the standards. Mr. Mathis said that he would be happy to work with any committee that the Board appointed and asked if it could be deferred until fall.

Greg Fuller asked that the committee consider any commercial operation under the minimum standards rather than just Fixed Base Operators (FBOs). The Board said that would be a good idea and asked him if he would serve on the committee.

Mr. Roehm moved to conduct a review of Gallatin Field's Minimum Standards next fall considering the importance of effective minimum standards, reviewing them to ensure an equitable business environment at our airport, not only maintaining competition and allowing for new activities, but also protecting the investment of businesses already established on Gallatin Field. Ms. Jarrett seconded the motion, which carried without opposition.

The eighth agenda item was the report on passenger boardings and flight operations — Brian Sprenger. Mr. Sprenger reported that in April there were 413 air carrier operations, 932 air taxi operations, 1,862 general aviation (GA) itinerant and 1 military, for a total of 3,208 itinerant operations. Local GA operations were 2,272, for a total of 5,480 tower operations in April, down 4.36% from April a year ago. There were 103 landings of aircraft over 12,500 pounds, up 30.38% from April 2004. April was a strong month, but not a record month.

Mr. Sprenger reported that passenger boardings were 20,088, up 18.4% from April a year ago. Year to date is up 10.7% from the same period in 2004. He said that we now have a good chance of enplaning 20,000 or more every month this year. We are watching airline developments closely, with particular attention to United and Delta's financial condition.

The bankruptcy judge with United has allowed transfer of its pension obligations to the Pension Benefit Guaranty Corp. and they are now in court to impose lower pay and benefits on two unions that have not previously agreed to lower rates. The survival of United is quickly coming to a head with a potential strike and legal implications of such a strike, which could possibly determine its future in the next few months.

While Delta's local enplanements have greatly benefited from their new fare structure, the results have not been as productive in other areas of the country. Consequently, with fuel prices high and total revenues not coming in as expected, Delta remains vulnerable. The next 3 to 9 months could be very telling for Delta as well.

The ninth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that the fire station and old terminal building project is moving forward and that TMC has begun excavation for the terminal ramp and employee lot expansions.

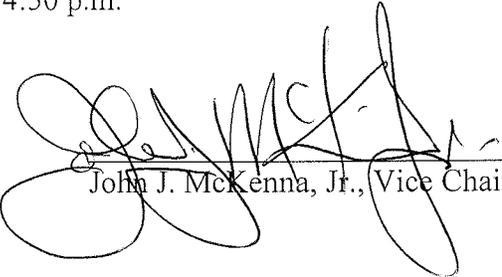
He also said that the trees along the entranceway to the airport need more water due to the drought in the last few years and he asked the Board's approval for installing a portable sprinkler system at a cost of \$20,122.38. The money is in the budget. The Board approved the expenditure.

Mr. Mathis reported that the staff is working on the budget for the new fiscal year and should have it to the Board soon for their review and also, that Mark Van Orden is our new haying contractor.

He also reported that he had visited with the County Commissioner's secretary regarding open meeting laws as the Board had requested. The county has offered documents that we may copy and Mr. Mathis has done that. He said that he was informed that the County Attorney may be putting on a seminar for new board members or auxiliary boards. The Board expressed interest and asked Mr. Mathis to check on the availability and cost.

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

The meeting was adjourned at 4:50 p.m.



John J. McKenna, Jr., Vice Chair