

The regular monthly meeting of the Gallatin Airport Authority was held December 14, 2006 at 3:00 p.m. in the Airport Conference Room. Board members present were Greg Metzger, Richard Roehm, Steve Williamson, John McKenna and Deborah Dietz. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director and Cherie Ferguson, Administrative Assistant.

John McKenna, Board Chair, wished everyone a merry Christmas.

The first agenda item was to review and approve the minutes of the regular meeting held November 9, 2006. Greg Metzger moved to accept the minutes as mailed, Deborah Dietz 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 the Update on Interstate Interchange – County Commissioner Bill Murdock. Bill Murdock said that this is more than an update on the I-90 Interchange project. He said that it is a pitch on where we are and how much it is going to cost. He said that about six years ago the Belgrade Area Transportation Plan and the Bozeman Area Transportation Plan identified the new interchange that benefits not only the traffic circulation pattern for the airport, but the whole central valley and Big Sky canyon as well. He said that it is the number one priority. The funding is astronomical. About \$20 million has been funded through Congress, the Montana Department of Transportation (MDOT) and local funding. The Gallatin Airport Authority (GAA) has come up with \$300,000 for the Environmental Assessment (EA), of which 2/3 will be returned by the City of Belgrade and Gallatin County if the project does not move forward. Otherwise the \$300,000 will be counted toward what the Airport Authority will contribute toward the project.

Feasibility studies have been completed and the draft for the EA is done. The state won't sign off on the project until the local participation and funding scheme has been completed.

Darryl James of HKM Engineering made a presentation and said that the concept of the interchange has been discussed for decades. It was put in GAA's Master Plan in 1972, included in local feasibility studies, as well as the Bozeman Area Transportation and Belgrade Area Transportation Plans in 2001. HKM Engineering and Morrison-Maierle Inc. contracted with the county to prepare the EA. A draft EA is out and the Federal Highway Department and MDOT have made comments and minor issues are being resolved so a public hearing can be held this spring. The state is waiting for a Memorandum of Understanding (MOU) from Gallatin County and other local entities regarding individual funding and financial responsibilities, as well as an additional MOU with the County and the MDOT identifying roles and responsibilities on construction and maintenance of the ultimate project.

Mr. James said Morrison-Maierle conducted an operational analysis a couple of years ago and determined there is a need for other roadway improvements to make the interchange function appropriately. The project has been divided into two major pieces; the interchange action and the connected local action. The MDOT will fund and construct the interchange and the connector roadways. Local entities must fund the other roadway improvements and connections, which includes paving Alaska Road to Valley Center, extending Frank Road to the east to connect with Alaska Road, extending Northern Pacific Avenue to Alaska Road and constructing the eastside bypass from the GAA entrance to Dry Creek Road.

Scott Bell from Morrison-Maierle said the federal funding portion of the project is estimated at \$36.14 million, estimated local costs are \$10.04 million for a total estimated

project cost of \$46.18 million. He said that \$18.96 million has already been earmarked for the federal portion. If all the right of ways are donated, including the GAA donation of the right of way for the airport entrance and east side bypass, valued at \$1.87 million, then the federal portion will be short \$10.53 million. Mr. Bell said that we need to get Congress to earmark SAFETEA-LU funds for the project or for the Montana Highway Commission to earmark that amount from the Interstate Maintenance Fund and then the federal portion will be at \$0.

He said that locally we need \$10.04 million and he estimated the City of Belgrade, Gallatin County and the Airport could get \$3.00 million from right of way donations or subdivision review, leaving \$7.04 unfunded locally. Mr. Bell estimated the Airport right of way of \$900,000 being included in the \$3.00 million from donation or subdivision review.

Richard Roehm asked what would happen if the costs go up since these are estimates. Mr. Bell said he feels comfortable with these figures because the increased state unit pricing and inflation have been included in these figures. Mr. Bell said it is important how the final MOUs are written between the three government agencies, as well as between Gallatin County and the state. Larry Watson, the County Grants and Contracts Administrator, said he is working with the County Attorney to draft both of the local agreements. He said the MDOT is very definite in the terms of their Master Agreement regarding local commitments, cash match, and local roads. Mr. Watson said he is not comfortable going forward until the local participation has been identified. He said the agreements will include safeguards and milestones and the project won't move forward until the entities meet and agree to move forward after each milestone is met.

Mr. Roehm asked if the flying public would benefit from the interchange and how much it would be affected if the interchange weren't constructed at this location. Mr. Bell

said it is tough to find a scientific way to determine the percentage the airport would benefit and the percentage the City of Belgrade or Gallatin County would benefit. Mr. James said that at the transportation hearings, the public repeatedly requested the interchange be at the proposed site. Brian Sprenger, Assistant Airport Director, said that the staff in the office continually hears requests from people coming here to have the interchange for easy airport access. Mr. Bell said that the only way to the airport currently is on Highway 10 or Jackrabbit Lane. As the number of passengers using the airport continues to increase, the traffic on these roads will increase. The interchange would ease the congestion on these roadways. Mr. Bell said the \$2.9 million the Airport Authority has been planning to spend on this project is in perfect timing with the Master Plan development.

Mr. McKenna said he is not opposed to the project but that the devil is in the details. He wants to make sure the Airport Authority is protected through the MOUs and there won't be any surprises. The other board members were in agreement.

Mr. Murdock said he appreciated the board members questions and comments and said they would be remiss if they didn't have questions and concerns. He said they could make any stipulations in writing that they want in the MOU and submit it to the state. Mr. Watson said it is important for all of us to protect ourselves.

Mr. Roehm said the board's comfort level would be eased if they could get the 2-mill levy from the county. Mr. Murdock said he tried to contact Ed Blackman to see if the money is collected and used somewhere else but Mr. Blackman wasn't in. Mr. Murdock said he doesn't believe the money is collected. Ted Mathis, Airport Director, said that the airport is supposed to be self-supporting. Mr. Roehm said he wants the expenses to be balanced with revenues. He doesn't want to spend money on the interchange and not be able to afford projects for the airport.

The board asked Mr. Mathis to work with Mr. Watson on a MOU and the board will consider it at their next meeting in January. The board thanked Mr. Murdock, Mr. Skinner, Mr. Watson and Mr. Provance for their work. Mr. Skinner thanked the board for their time and consideration. He said the interchange at this location will not go further without the Airport Authority's participation.

The fourth agenda item was the Master Plan project update – Scott Bell. Mr. Bell introduced Michael Spitzer and Dave Nafie, from RS&H Engineering. Michael Spitzer said that RS&H Engineering has been designing terminals for 20 years and that they were invited to conceptualize new terminal facilities for the new Master Plan.

Mr. Spitzer brought 6 designs and said they hoped the board would narrow the selection to one or two. They said Mr. Mathis, Mr. Sprenger, Mr. Bell and they had selected three that they believe best fulfill the needs for Gallatin Field.

When they began designing, they looked at the concept from the old Master Plan to see how it would accommodate the current needs and needs for the future. They modified it to meet those needs and then added features and enhancements to create five other schemes. After that, they used a bubble matrix to rate how well each scheme met the preferred objectives. Schemes 3, 5 and 6 fulfill more of the objectives than the other three schemes. Scheme 6 has an elevated loop, which would allow for curbside check in.

Some of the objectives are to maintain as much of the current infrastructure as possible, avoid moving the utility lines as much as possible, centralize screening, minimize passenger and baggage movement, improve pedestrian and vehicular separation outside, accommodate future expansion easily and economically and meet the planning activity level of 1.4 million passengers and 12 gates by the year 2025. They also want to design something that can be expanded for growth for the next Master Plan.

Ms. Dietz said she prefers Schemes 5 & 6. There was some discussion regarding the dual loop road, which allows for vehicular separation for arriving and departing passengers. This would be very beneficial during the busy times of the day. Mr. Roehm said we need another road in case the main road to the airport is closed for some reason. Mr. Spitzer said there is much to plan for and these are just the beginning phases of planning.

The fifth agenda item was to consider the request from Scannell Properties #48 to transfer their FedEx building Ground Lease Agreement to Ms. Cynthia A. Leask. Mr. Mathis said the lease will actually be to Leask-Belgrade Properties, LLC and that everything looks in order. Ms. Dietz moved to approve the transfer to Leask-Belgrade Properties, LLC and Mr. Williamson seconded the motion, which passed unopposed.

The sixth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that passenger boardings for November were 20,053, down 7.4% from November a year ago. Year to date of 294,852 passenger boardings is down 5.1% compared to the same period in 2005.

Mr. Sprenger also reported that in November there were 342 air carrier operations, 973 air taxi, 1,754 general aviation (GA) itinerant and 29 military, for a total of 3,098 itinerant operations. Local GA operations were 2,568, for a total of 5,666 tower operations, up 10.1% from last November. There were 158 landings of aircraft over 12,500 pounds, up 12.0% from November 2005.

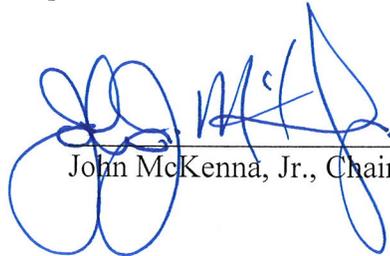
Mr. Roehm thanked Mr. Sprenger for the information that he sent to the board prior to the meeting stating that several Missoula flights were diverted to Bozeman last year. It explained why this year's numbers were down from last year.

Mr. Sprenger said that the Delta Bozeman to Atlanta flights for January, February and March will all be 757s.

The seventh agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that Gallatin Field has three new Explosive Detection System (EDS) machines in the lobby, which are out of the public way. We were able to eliminate five Explosive Trace Detection (ETD) units. The use of the EDS machines should speed up the baggage checking process. Some bags will still be checked manually by being selected randomly.

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

The meeting was adjourned at 5:50 p.m.



John McKenna, Jr., Chair