

The regular monthly meeting of the Gallatin Airport Authority was held May 11, 2006 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, Steve Williamson, John McKenna, Greg Metzger and Deborah Dietz. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director, Cherie Ferguson, Administrative Assistant and Melissa Whittaker, Office Assistant.

John McKenna, Board Chair, said agenda item #8 would follow agenda item #3 as 3A so those people won't have to wait.

The first agenda item was to review and approve the minutes of the regular meeting held April 13, 2006. Steve Williamson moved to accept the minutes as mailed, Richard Roehm seconded the motion and the motion carried unopposed.

The second agenda item was the public comment period. Pat Martin said he was once hijacked on a Horizon Air flight so he understands the importance of security. He said he was asked to make comments to the board because the Transportation Security Administration (TSA) gave him a \$10,000 fine for driving his car through one of the vehicle gates after someone else had opened it. He said it was late at night and the person didn't recognize his car and called 911 and reported that he had driven through.

Mr. Martin said the person was obligated to report the incident and he doesn't have a problem with that. He said that, following a "cops and robbers interrogation", the TSA person admitted knowing he had a gate card. He said the fine has been reduced to \$500.00.

Mr. Roehm asked if there is an appeal process. Mr. Martin said there are several options listed: one is to pay the fine, another is to submit evidence that the violation did not occur, the third one is to submit information for consideration requesting a reduction of the civil penalty, which includes your federal income tax return and shows you are financially

unable to pay the penalty. The fourth and fifth options are to request a formal conference with a TSA attorney or a formal hearing with the TSA.

His primary concerns are that it is our airport and not the TSA's, the fine is excessive for the violation and that the airport community is aware of the consequences of going through a gate that someone else has opened. Mr. Mathis said we plan to further explain the rule in the next newsletter. Mr. Roehm suggested signage at the gates. Mr. Williamson reconfirmed that if there were two vehicles waiting to enter a gate, the first driver would open the gate, go through, make sure the gate closed and then the second driver would go through the same process.

Brian Sprenger said that it is permissible for two vehicles to enter at the same time if one is being escorted, but that all persons without proper clearance must be escorted at all times.

Mr. Martin said he didn't feel the person who made the call was in error and he asked that the signage emphasize responsibility.

The third agenda item was to consider a variance from the Minimum Standards for Fixed Base Operators for Central Copters Inc. regarding the "on-call" requirement for their aircraft charter operation. Ted Mathis said that in the Aircraft Charter and Air Taxi section of the Minimum Standards for Fixed Base Operators there is a requirement that the Operator shall provide on-call service whenever the Operator is not at the office. Central Copters is requesting that the language be changed to specify for emergency and life threatening instances only.

Greg Morgan, representing Central Copters, said that the Minimum Operating Standards are broken into several parts and that the Duffys need to sign them to offer commercial flight and maintenance services. The three parts that affect the Duffys are

Airframe and Power Plant Repair Facilities, Aircraft Charter and Air Taxi, and Specialized Commercial Flying Services.

Mr. Morgan said that of the three, only the Aircraft Charter and Air Taxi portion requires on-call services and he asked what the basis is for that, why it needs to be for 24 hours a day and what it means to be on call. He said that should be a business decision and asked why the airport cares. He said he has been told that the practice of being on call is that if someone calls you, and you don't want to do it, you don't have to. He said that the Duffys are not asking that the Minimum Standards be changed, but that their request be accommodated. He said he believes that their request to provide on-call service for the 6 days from sundown Saturday until sundown Friday and provide on-call services 7 days a week for emergency services which endanger life or property is fair and he hopes this will be resolved. He said the on-call issue has become the basis to keep them from signing a lease for several months.

James Goetz, representing the Airport Authority, said he didn't have much to say but if the board entertains this request, they entertain it in a general way. He said the policy should be the same for all aircraft charter and air taxi operators and not just accommodate Central Copters. He believes that if there is a change, the Minimum Operating Standards should be changed so everybody is treated similarly. The board should consider if this is a good policy and if it will serve the flying public, the consuming public.

Mr. Williamson said he believes that the board should look at the Minimum Standards as a whole and not just for one entity.

Mr. Roehm moved to temporarily deny this request and revisit the subject with a policy recommendation. Mr. Williamson seconded the motion, which carried unopposed.

Mr. Williamson said we have to deal with interpretation problems and that it is probably not possible to interpret things the way everybody wants. Greg Metzger said he would like to know, from a legal standpoint, what it means to be on call and he would like at least that part clarified before the next step. Mr. McKenna said there is a possibility that nothing will change.

Agenda item number 3A, consider request by Mark and Pam Duffy to construct a 150' x 225' commercial hangar on the east ramp, was addressed next. Mr. Mathis said that since the initial request, Mark Duffy requested a modification to reduce the hangar to 125' x 150'. Mr. Mathis said that if the board approves the request with this size of hangar, then he recommends moving Bob Green's proposed hangar and putting the Duffy hangar in that location.

Mr. Roehm asked when the size reduction request was made and Mr. Duffy said it was either Friday or Monday. Mr. Roehm said there is a lead-in time and cut-off time for the agenda and his concern is for Bob Green. Mr. Green was not notified of the change.

Mr. Williamson said his concern is with having a commercial lease with natural persons rather than an LLC or a corporation. He asked that Mr. Goetz help with the language. He said he also has a concern for Mr. Green.

Mr. Mathis said that until someone signs a lease we have the freedom to make changes. If Mr. Green objected, we would have to determine who had the greater need to be in that particular location.

Deborah Dietz said that for her the greater issue is the one of providing commercial leases to natural persons and she believes we need to look at the policy.

Mr. Williamson moved to deny the request by Mark and Pam Duffy to construct a 150', or revised size hangar on the location as indicated by Mr. Mathis until the board has had time to review these two issues. Mr. Metzger seconded the motion.

In response to Mr. Roehm's request for clarification of the two issues, Mr. Williamson said that the first is to consider the policy in regard to natural persons entering into commercial leases with the airport and the second is allowing adequate notification time to Mr. Green that we will move his proposed hangar.

The motion passed without opposition.

The fourth agenda item was to consider adoption of a policy regarding signage, advertising and artwork display in the airline terminal. Copies of the draft policy were available for public review at the Airport Authority office prior to the meeting.

Mr. Mathis said that at the last meeting it was brought up that there is no written policy regarding advertising in the terminal building so staff had one drafted. Because advertising and artwork are somewhat tied together, they included the artwork policy the board adopted several years ago. He said that the language allows accommodation for those who want to advertise in the terminal building without cluttering the building with advertising, causing way finding problems for the public or obstructing the beauty of the building.

Mr. Roehm said that Mr. Mathis did a good job but that the final approval is the boards and he has a problem with the language "the sole discretion of the Airport Director". He also believes there should be an appeal process. The board members don't want to undercut the authority of the Airport Director and they don't want to be involved in all the little details. Mr. Metzger said he would like to see the waiting list of advertisers and have a set policy for a length of time for a company to take advantage of the opportunity for

advertising in the terminal after they have been notified. Mr. Williamson said he wasn't aware there was a list and he would like a map of the building where advertising or artwork would be allowed.

Ms. Dietz moved to table the agenda item until Mr. Mathis makes the changes in policy pointed out and the appeals process, and consider the item at the next meeting. Mr. Roehm seconded the motion. The board voted unanimously to approve the motion.

The fifth agenda item was to consider the request by the City of Belgrade for an easement across airport property to extend Cruiser Lane to Dry Creek Road. Mr. Mathis said this would tie Dry Creek with Jackrabbit Lane northwest of the airport and would serve everyone who lives north of the airport and south of Belgrade. When and if the airport bypass is built, it will provide another option for entering or exiting the airport. It is also a condition for approval for the Ryen-Glenn, Meadowlark Ranch and Hinson Phase III subdivisions.

Joe Menicucci, Belgrade City Manager, said that this has been on Belgrade's transportation plan for 20 years. Having it done now would be beneficial because the city wouldn't have to pay for it. He said this connecting road and easement would provide another emergency route for that area, including our crash fire rescue.

Mr. Williamson said he can see some benefits for a number of folks but he is reluctant to grant an easement that doesn't do anything for the airport. He said the fact that it could open up more housing in the vicinity of our runways is a concern.

Mr. McKenna said he would dissent if he were voting because he would like the City of Belgrade to consider the airport as important. He said the airport appreciates the fact that the City of Belgrade is considering the airport's request to place Avigation Easements on properties that are near the airport. Mr. Williamson said he would like the Belgrade City

Commission to pay more attention to the airport when its representatives speak at their meetings.

Mr. Menicucci said he would pass that on to the city commission.

Mr. Metzger moved to approve the request by the City of Belgrade for an easement across airport property to extend Cruiser Lane to Dry Creek Road. Ms. Dietz seconded the motion. Mr. Williamson, Mr. Metzger and Ms. Dietz voted aye. Mr. Roehm voted nay. The motion carried.

The sixth agenda item was to consider the request by R B Enterprises, LLC to transfer their Non-Commercial Hangar Ground Lease Agreement for Hangar #114 to Lanero, LLC. Mr. Mathis said it is a 100'x100' hangar that was sold to Lanero LLC. Mr. Roehm moved to approve the request; Ms. Dietz seconded the motion, which passed unopposed.

The seventh agenda item was to consider the request by Payless Rental Car for an Off Airport Rental Car Concession Agreement. Mr. Mathis said that Payless Rental Car is starting up again near the airport. The request is from a business entity rather than individuals. Mr. Metzger moved to approve the request by Payless Rental Car for an Off Airport Rental Car Concession Agreement. Ms. Dietz seconded the motion and it carried without opposition.

The ninth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in April there were 569 air carrier operations, 706 air taxi, 2,150 general aviation (GA) itinerant and 3 military, for a total of 3,428 itinerant operations. Local GA operations were 2,831, for a total of 6,259 tower operations, up 14.2% from April a year ago. There were 134 landings of aircraft over 12,500 pounds, up 30.1% from April 2005.

Mr. Sprenger said that April was a strong GA month due in large part to the flight schools being very active. He also said that the airlines are transitioning from 50 seat regional jets (RJs) to 66 and 70 seat RJs. This is increasing the air carrier activity while reducing the air taxi activity.

Mr. Sprenger reported that passenger boardings were 20,302, up 1.1% from April a year ago. After four months of lower passenger enplanements, we are pleased to see positive growth and expect May numbers to be similar. This was a record for April.

Mr. Sprenger also reported that projections for our new flights to Atlanta and Chicago are strong with the Chicago flights already booked to 64% for the first 28 days of operation. Some of the Atlanta flights are completely full in coach and are only selling first class seats. These results are excellent considering we are still nearly a month away from the first flights.

Mr. Sprenger said that Delta is very interested in providing non-stops again this coming winter and with the numbers United Express is seeing, he thinks they would be at least looking at the winter season and, in the near future, daily service year round. He said that for the month of April we had a decrease of 11% in available seats but still had a 1% increase in the number of enplanements. The 2005 April load factor was 60%; this year it was 69%. That is lower than we'd like, but April is a slow month nationwide. Most of the over capacity came from Delta Connection, which maintained their full flight schedule.

Mr. Roehm asked if it is time to review our cutoff weight for civilian landings that we bill. Currently the aircraft weight cutoff is 12,500 pounds gross landing weight (GLW). Mr. Sprenger said that the landing fees from the itinerants have a formula affect on the airline landing fees, and with the advent of light jets a review has merit. He also said that a number of the passengers who formerly flew first class are now traveling on the light jets and that some of the larger corporate jets are being replaced by light jets.

Mr. Roehm said that 12,500 pounds GLW was picked arbitrarily and has been in place for a long time. Mr. Sprenger said that just this week he asked Melissa Whittaker to go back a few months and track the smaller aircraft that have landed here and see what kind of an impact charging them would have. Mr. Roehm asked if Mr. Sprenger would do a study and make a recommendation. He said there might be enough of an impact to warrant a change.

The tenth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that the Belgrade City Council had the first reading of the Avigation Easement on May 1<sup>st</sup> and that it was well received by them. They will hold a public hearing on it at their June 5<sup>th</sup> meeting.

He also reported that Mr. Sprenger and he attended a meeting regarding a proposed air show next summer. He said that they are happy to work with the Chamber and other members of the community. The Chamber will file an application for one of the three demonstration teams, the Snowbirds, Blue Angels or Thunderbirds to perform here sometime next summer.

He said that Scott Bell has the schedule and information regarding the Master Plan.

Mr. Bell, airport engineer, said that Mr. Mathis, Mr. Sprenger, Mark Maierle and he have been doing a lot of preparatory work on the Master Plan. The scope and fee will be ready to be acted on at the next board meeting. Mr. Bell said it is an 18-month schedule. He would like to speed it up but with the public process, it will probably take 18 months from today until final approval. He attached a preliminary fee estimate but Mr. Mathis, Mr. Sprenger and Mr. Bell have not gone through it yet. This fee includes hiring a sub-consultant for the terminal feasibility and terminal area plan. He said he is defining the inventory and will submit it at the July meeting.

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Mr. Bell's plan is to submit one chapter each month. At the July meeting, he will present the written document for the inventory and then take comments on it at the August meeting. At the August meeting, he will also make a presentation on forecasting and give the board members the written documentation to take home.

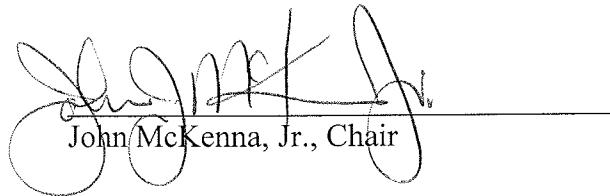
He said that when they get to the facility, airside, and landside sections, they will take about three or four months to consider alternatives. The final portion of the Master Plan is the environmental overview and a section on financial planning, which Mr. Bell thinks is very important. He believes the key is knowing when to do each part of the capital improvement plan, what time frame to do it in and how to pay for it.

Mr. Williamson asked if there is a line item on this fiscal year's budget. Mr. Mathis said there is, plus \$300,000 has been approved for reimbursement for the Master Plan through our current Passenger Facility Charge (PFC) airport improvement project. We will also include a line item in our next budget.

Mr. McKenna thanked Mr. Bell.

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

The meeting was adjourned at 4:35 p.m.



John McKenna, Jr., Chair