

The regular monthly meeting of the Gallatin Airport Authority was held April 12, 2007 at 3:00 p.m. in the Airport Conference Room. Board members present were John McKenna, Richard Roehm, Steve Williamson and Greg Metzger. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director and Cherie Ferguson, Administrative Assistant.

The first agenda item was to open bids for water & sewer, ditch and building improvements. There were thirteen bids. All of the bidders attached their bid bond of 10% except Wasley Excavating and they attached a certified check of \$29,476.16, which was 10% of their bid. They all attached Additive Alternate #1. Beckman Excavating and Wasley Excavating didn't label their envelopes properly and the board members agreed to note the lack of labeling and allow the bids to be read as they can waive irregularities. They will check with legal counsel. Omdahl Excavation and Utilities wrote the unit prices in pencil but everything else in ink. Scott Bell, the airport engineer, said that was a minor discrepancy and recommended reading the bid and taking it under advisement. Missoula Sheet Metalworks of Montana submitted a copy of the bid and not the spec book. Mr. Bell did not find anywhere in the requirements that they had to submit the spec book. The board decided to allow the irregularity and check with legal counsel. There were three schedules and an additive alternate that could be bid on.

The first bid was from Intermountain Construction Services, LLC of Butte, Montana. They bid \$83,947.80 on Schedule I, \$39,796.80 on Schedule II, \$0 on Schedule III and \$93,104.40 on the water and sewer additive alternate. The bid was signed and everything appeared to be in order.

The second bid was from Timmer Roofing of Bozeman, Montana. They bid \$0 on Schedule I and \$0 on Schedule II. Schedule III has three parts and they bid \$128,200.00 on item 301, \$4,080.00 on item 302 and \$11,420.00 on item 303. They bid \$0 on the water and sewer additive. The bid was signed by Troy Timmer, President, and everything appeared to be in order.

The third bid was from Beckman Excavating of Butte, Montana. They bid \$0 on Schedule I, \$47,419.05 on Schedule II, \$0 on Schedule III and \$0 on the water and sewer additive. The bid was signed by Dean Beckman. Except for the labeling deficiency noted above, everything appeared to be in order. It was hand delivered.

The fourth bid was from Wasley Excavating of Butte, Montana. They bid \$142,740.40 on Schedule I, \$0 on Schedule II, \$0 on Schedule III and \$152,021.20 on the water and sewer additive. The bid was signed by Brent Wasley. Except for the labeling deficiency noted above, everything appeared to be in order. It was hand delivered.

The fifth bid was from Walker Excavation of Belgrade, Montana. They bid \$121,040.50 on Schedule I, \$52,499.50 on Schedule II, \$0 on Schedule III and \$137,464.00 on the water and sewer additive. The bid was signed by Brent Walker, President, and everything appeared to be in order.

The sixth bid was from Williams Plumbing and Heating of Bozeman, Montana. They bid \$109,596.50 on Schedule I, \$108,027.50 on Schedule II, \$0 on Schedule III and \$104,969.50 on the water and sewer additive. The bid was signed by Ken Williams, President, and everything appeared to be in order.

The seventh bid was from Duneman Construction of Bozeman, Montana. They bid \$77,584.00 on Schedule I, \$37,653.00 on Schedule II, \$0 on Schedule III and \$84,562.00 on

the water and sewer additive. The bid was signed by Keith Duneman and everything appeared to be in order.

The eighth bid was from JTL Group of Belgrade, Montana. They bid \$0 on Schedule I, \$61,650.00 on Schedule II, \$0 on Schedule III and \$0 on the water and sewer additive. The bid was signed by Dave Schmidt, General Manager, and everything appeared to be in order.

The ninth bid was from Frost Excavation of Three Forks, Montana. They bid \$0 on Schedule I, \$39,472.11 on Schedule II, \$0 on Schedule III and \$0 on the water and sewer additive. The bid was signed by John D. Frost, President/Owner and everything appeared to be in order.

The tenth bid was from Omdahl Excavation and Utilities from Bozeman, Montana. They bid \$99,125.00 on Schedule I, \$37,441.50 on Schedule II, \$0 on Schedule III and \$107,060.00 on the water and sewer additive. The bid was signed by Bryan Omdahl. As noted above, the unit prices were in pencil but the words were in ink. Everything else appeared to be in order.

The eleventh bid was from Missoula Sheet Metalworks of Montana dba Missoula Sheet Metal and Roofing from Missoula, Montana. They bid \$0 on Schedule I, \$0 on Schedule II, \$83,500.00 on 301 of Schedule III, \$7,900.00 on 302 of Schedule III, and \$12,483.00 on 303 of Schedule III. They bid \$0 on the water and sewer additive. They submitted a copy of the bid form and not the spec book, as noted above. Everything else appeared to be in order. It was signed by Jeff Gordon, President.

The twelfth bid was from Bullock Contracting, LLC of Boulder, Montana. They bid \$96,211.57 on Schedule I, \$44,144.33 on Schedule II, \$0 on Schedule III and \$101,559.29 on

the water and sewer additive. The bid was signed by Butcher Bullock and everything appeared to be in order.

The thirteenth bid was from Summit Roofing of Missoula, Montana. They bid \$0 on Schedule I, \$0 on Schedule II, \$73,740.00 on item 301 of Schedule III, \$3,216.00 on item 302 of Schedule III, and \$11,485.00 on item 303 of Schedule III. They bid \$0 on the water and sewer additive. The bid was signed by William Johns, President, and everything appeared to be in order.

Greg Metzger moved to take the bids under advisement and award the bid to the lowest qualified bidder and Deborah Dietz seconded the motion.

Richard Roehm asked how the bidding would be awarded and Mr. Bell said all three items of Schedule III would be awarded to one contractor or the Airport Authority may only have the work done for one or two of the items of Schedule III. The additive alternate would be awarded to that same contractor. Schedules I, II and III may all be awarded to different contractors. All the board members voted aye and the motion carried.

The second agenda item was to open bids for terminal building carpet replacement. There were three bids submitted. All three bidders attached a bid bond of 10%. There were five schedules for this project.

The first bid was from Diversified Flooring, Inc. of Salt Lake City, Utah. They bid \$37,520.00 for Schedule I, \$16,453.00 for Schedule II, \$16,034.00 for Schedule III, \$10,234.00 for Schedule IV and \$11,333.00 for Schedule V for a total bid of \$91,574.00. The bid form was signed by Mark Holsten and all appeared to be in order.

The second bid was from Pierce Flooring & Design of Bozeman, Montana. They bid \$34,235.00 for Schedule I, \$11,782.00 for Schedule II, \$14,447.00 for Schedule III,

\$6,819.00 for Schedule IV and \$9,138.00 for Schedule V for a total bid of \$76,421.00. Brian Sprenger, Assistant Airport Director, who was reading the bids noted that there was a discrepancy because they said the custom color will add \$2,748.00 to the bid. The bid form was signed by Mike Hagland and all but the noted discrepancy appeared to be in order.

The third bid was from Rich's Flooring of Belgrade, Montana. They bid \$37,500.00 for Schedule I, \$11,835.00 for Schedule II, \$12,142.00 for Schedule III, \$6,100.00 for Schedule IV and \$12,460.00 for Schedule V for a total bid of \$80,037.00. The bid form was signed by Brian Hertzog and all appeared to be in order.

Mr. Roehm moved to take the bids under advisement and award the contract to the lowest qualified bidder and Deborah Dietz seconded the motion.

Mr. Roehm asked if the Pierce proponent was regular and Mr. Sprenger said this carpet is no longer being made and we required a color match. We will have counsel review the discrepancy if necessary. All the board members voted aye to the motion and it carried.

The third agenda item was to review and approve the minutes of the regular meeting held March 8, 2007. Mr. Metzger moved to approve the minutes as mailed and Mr. Roehm seconded the motion. Tom Nagorski said that on page 2 regarding the lease change of ownership of Aero Flight School, Mr. Williamson asked why it was necessary and Mr. Mathis said approval was needed because it was a requirement of the agreement.

The board approved the minutes as amended with all board members voting aye.

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

The fifth agenda item was to consider draft interlocal agreement for interchange project – Larry Watson. Larry Watson, the Grants and Projects Administrator for Gallatin

County, said he was here to make the 3<sup>rd</sup> and final presentation of this draft agreement. He has met with the City of Belgrade and the Gallatin County Commissioners and now is meeting with the Airport Authority. He would like to incorporate their comments into the draft before he gets into a discussion with the Montana Department of Transportation (MDT).

He said that at a previous meeting, Mr. Bell made a Power Point presentation of the project so they decided not to make that presentation again. His purpose is to reach agreement with the three governmental parties before Gallatin County takes the lead and signs a Memorandum of Understanding (MOU) with the MDT. This draft agreement spells out the rules and responsibilities, commitments relative to the planning, sequencing, costs, administration, design, construction and maintenance responsibilities necessary for the planning and construction of the new Interstate 90 interchange and connecting roadways to be located within the vicinity of the Gallatin Field Airport.

He pointed out on page 1 where it says the planning and environmental review and request for access segments of the project are subject to the interlocal agreement signed on June 7, 2005 among the three governmental parties. He gives credit to the Airport Authority for the \$300,000 they put up front for the environmental assessment and also says that if the construction does not go forward, the City of Belgrade and Gallatin County will each refund the Airport Authority \$100,000 as their 1/3 of the environmental assessment. Page 2 outlines the work that has been done in completing the environmental assessment with the \$300,000.

Mr. Watson said that page 3 addresses the agreement, which is to be considered in conjunction with the MOU the Gallatin County will sign with the MDT. The financial outline in this agreement also will be contained in the agreement with MDT and is contingent

upon the supplemental funding agreement being acceptable to all of the parties. Funding contributions may include, but are not limited to, private contributions, in-kind private contributions, cash or in-kind contributions from local governmental entities and the use of impact fees from developments to pay primarily for the off system improvements.

Mr. Watson said there are two project components that need to be managed. MDT, after the agreement is signed with them, will receive a matching amount from local government and enter into the preliminary engineering portion using \$2 million of funding from the \$8 million federal earmark received through the county a year ago. At the same time, Gallatin County, as the lead sponsor, will enter into an agreement with an engineering firm beginning the preliminary engineering for the off system work. Both the interchange planning and off system connector planning need to be proceeding together and reaching milestones at the same time. He said this is very important for expenditures and tracking in the preliminary planning stages. The MDT would be using a calendar and activities planning chart for the interchange portion and the local engineering firm would be working on the same type of time schedule for the four types of improvements with the other connector roads. He said coordination would take place on a monthly basis and meetings would take place at least once a quarter to compare work efforts, cost estimates and information they are finding out as a course of design. The current dollar figures are best guesses based on information from the environmental assessment and similar projects the MDT has done in Montana.

Mr. Roehm said he read in the Chronicle that the County Commissioners had some hesitation in at least one area and he asked how Mr. Watson would proceed if he made changes to the draft interlocal agreement. Mr. Watson said we would see the modified draft

agreement. All three local governmental bodies need to approve and sign the agreement before it will go forward.

Mr. Watson said that the county and city are basing their contributions on growth and may change who is responsible for certain areas. The airport's participation is already defined, more specific and not dependent on growth in the time frame being considered.

Mr. Watson then read the airport's participation as outlined in the draft agreement, which includes \$934,000 right of way in the blue area, \$934,000 right of way in the yellow area, the east side bypass to Dry Creek Road of \$2,070,640, Northern Pacific to the cross road of \$133,633.00, Frank Road to Alaska Road of \$502,907.00 and Alaska Road from I-90 of \$1,331,438.00. \$300,000 is included in the calculation of the budget. The total for the airport is \$5,073,230 less \$300,000 less \$1,869,600 in donated right of ways, leaving cash contributions of \$2,903,638.00.

The board members expressed concern that increased expenditures or decreased land valuations would mean they would have to contribute more in cash than they are planning on. They are more willing to agree to an exact amount than one that might increase due to circumstances.

They also asked how it was determined which parts of the project they would be responsible for. They said they would rather contribute 100% of the costs for Dry Creek Road rather than the other roads because it would be on or immediately adjacent to the airport.

Mr. Bell said he picked the portions for the airport to have a starting place for the board to consider and because users of the airport will use these roads. He said he put the airport's portion of the east side bypass at 2/3, with the city and county splitting 1/3. He split

Northern Pacific at 1/3 airport and 2/3 for the city and county. He split costs for Frank Road at 1/3, 1/3 and 1/3.

The board members said they didn't have a compulsion to pay for Frank Road, Northern Pacific or Alaska Road. They said there could be additional expenses in the future and they would rather use airport funds for things on the airport or immediately near it. They have a problem if it's further away.

Mr. Bell said that the purpose and need of the interchange is to improve intermodal travel between air travel, rail, the Interstate and the local road system and not just provide access to the Interstate. He also said that the blue area can be federally funded and they are trying to maximize those funds. Local funds are to be used for the connector roads.

Mr. Bell wanted it in the record that this is not his project.

Mr. Watson said the figures are based on their best guess. He said the project is estimated at \$49,399,150 with \$13,749,605 coming from federal funds. They have local funding of \$137,500 and are short \$7.04 in local funds. Overall, they are short \$20.79 million dollars for the project. Mr. Watson said the county got the first \$8 million and he thinks it should be up the MDT to get the funding for the federal portion of the project. He said MDT is using money the county received in federal funds and money they received from federal funds and none of their own funds.

He would like to get the project started so they would have a better cost estimate and not just their best guess. He also reminded the board that the environmental assessment is only valid for a certain period of time and would have to be updated if that time frame is passed before the project is approved.

They discussed how the North 19<sup>th</sup> interchange was funded and if they would need to pay back the federal funds if this project isn't completed. Mr. Bell's and Mr. Watson's interpretation is that the funds wouldn't have to be paid back unless there was a fatal flaw in the project. They don't believe lack of funding would make it necessary, as there are uncompleted projects all over the country. Their understanding is it is still a viable project as long as they continue to work on the project. Mr. McKenna said that if the project can be done with the airport contributing \$3 or \$3.5 million dollars in cash, it would be a good thing for the airport. He would prefer to pay \$3.5 million and be done with it rather than have it be open ended. Mr. Metzger said he would support \$3 million but the draft agreement is not firm enough for him. He believes whoever does the designs can take the overruns. They are in control. Mr. Watson would like to be able to break the project down into parts and be able to fund the parts individually. The board members would like that also, but that isn't the way the MDT works.

All the board members appreciate Mr. Watson for being so pleasant and for all his hard work. They asked if they had given him enough specific information to help with the next draft and he said he appreciated their input and comments. He will rework the draft and will communicate with Mr. Mathis so he properly addresses the board member's concerns.

The sixth agenda item was to consider the request by Daniel C. Brooke to construct a 48' x 50' non-commercial hangar. Mr. Mathis said Mr. Brooke owns a Piper Arrow the recommended location for a hangar by would be by Jarrett's' hangar #129. Mr. Williamson said it is a small hangar for that site and asked if it could go over by #131. Mr. Mathis said a hangar had been approved for that site at the last meeting. Mr. Metzger moved to approve

the request by Daniel C. Brooke to construct a 48' x 50' non-commercial hangar and Mr. Williamson seconded the motion, which carried unopposed.

The seventh agenda item was to consider the request by M Brothers Construction to construct a 200' x 50' four-unit non-commercial hangar. Mr. Mathis said they don't need sewer and water and he recommended the hangar being approved for the north side of hangars 71 through 74. He said the Airport Authority would need to extend the taxiway for the hangar and the board has already approved funds for the project in the current budget. Also, federal funds may be used. No other hangars can be built on this taxiway. Mr. Williamson said this is a four-unit spec hangar and asked if it would be set up as a condominium unit. Mr. Mathis said it has been discussed. Mr. Williamson said it should be set up before they start selling the units. He moved approval of the request and Mr. Metzger seconded the motion, which carried unopposed.

The eighth agenda item was to consider the request by Rocky Mountain Aviation to construct a 40' x 165' four-unit non-commercial hangar and a 203' x 56' eight-unit non-commercial T-hangar. Mr. Mathis said there is a location for the 40' x 165' hangar but the next T-hangar will have to go over on the east side. There aren't any taxiways built yet that would accommodate the T-hangar. He recommended approving the first hangar but deferring action on the T-hangar until a later time.

Mr. Williamson said he had the same comments regarding setting these up as condominiums before the units can be sold.

Mr. Metzger moved to approve the request by Rocky Mountain Aviation to construct a 40' x 165' four-unit non-commercial hangar on taxiway "N". Mr. Williamson seconded the motion, which carried unopposed.

Mr. Williamson moved to deny the request by Rocky Mountain Aviation to construct a 203' x 56' eight-unit non-commercial T-hangar and Mr. Metzger seconded the motion. The motion carried without opposition. Mr. Metzger asked Mr. Mathis to let them know when they can submit their request again.

The ninth agenda item was the Master Plan project update – Scott Bell. Mr. Bell said that Mr. Mathis, Mr. Sprenger and he have drafted a 20-year capital improvement and 20-year cash flow analysis that includes \$60 million for terminal expansion, \$10 to \$12 million for maintenance and \$20 million for airside improvements. He will put together a summary from the spreadsheet showing that it is doable and the Authority can continue to have money in the bank and grow the money over the next 20 years. He said he will include in the memo an offer for the board members to meet with Mr. Mathis, Mr. Sprenger or himself to go through the capital improvements plan. He would like to have a board discussion on the financial section at the next board meeting.

Mr. Metzger asked if the commitment to the interchange is in there and Mr. Bell said that \$2.9 million is included.

The tenth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in March there were 872 air carrier operations, 769 air taxi, 2,612 general aviation (GA) itinerant and 2 military, for a total of 4,255 itinerant operations. Local GA operations were 2,676, for a total of 6,931 tower operations, up 13.5% from March a year ago. He said there were 314 landings of aircraft over 12,500 pounds, up 2 landings from last March.

Mr. Sprenger reported that passenger enplanements were 31,344, up 5.9% from the previous March. Year-to-date enplanements are 85,585, up 5.2% compared to last year.

The eleventh agenda item was the Director's Report – Ted Mathis. Mr. Mathis said that yesterday representatives from Yellowstone Jetcenter, Mr. Sprenger and he met with the customs representative to discuss requirements for customs at Gallatin Field. He said it was daunting, to say the least. Customs is short 20 agents for this area. Even though we are willing to fund an agent, he said it wouldn't be an easy process. They showed him the building the Jetcenter is willing to offer for the location and the agent was impressed and said it would work. It is equally inconvenient for both fixed base operators.

He said the custom's agent was planning to meet with representatives from Arlin's. Mr. Mathis will send customs the next information they need and keep the board informed of progress.

Mr. Mathis also reported that the air show is progressing quite well. Sponsorship is going well according to David Smith. There is a problem with the air show waiver but they will meet with the Flight Standards District Office (FSDO) in early May to get it resolved. He also said we have more military static displays than we have space for.

Our radar will be commissioned the 18<sup>th</sup> of April. We are still working with the FAA on the display at the tower but Mr. Mathis believes we are making progress. He said he heard from all three of our Congressmen and they are going to bat for us.

Mr. Mathis said we need a new garbage compactor. We currently are leasing one and Allied Waste Services is recommending that we buy our own soon. We need to put a concrete pad down for it. The project will cost \$30,000 and Mr. Mathis asked the board's approval to move ahead with the project. Mr. Metzger moved to allow staff to spend up to \$30,000 to improve our compactor situation. Mr. Williamson seconded the motion, which carried unopposed. The compactor will be painted to match the building.

The twelfth agenda item was to consider the bills and approve them for payment. Following discussion, Mr. Williamson moved to pay the bills and Mr. Metzger seconded the motion. The motion passed unopposed and the bills will be paid.

The meeting was adjourned at 5:18 p.m.

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John McKenna, Jr., Chair