

The regular monthly meeting of the Gallatin Airport Authority was held August 14, 2008 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, John McKenna, Steve Williamson, Kevin Kelleher 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 review and approve the minutes of the regular meeting held July 10, 2008. John McKenna moved to approve the July minutes as mailed; Kevin Kelleher seconded the motion and all board members voted aye to approve the minutes.

The second agenda item was the public comment period. Chair Richard Roehm said he welcomes comments from the public. He said it is our airport, your airport and the people of Gallatin County's airport. He said if there were no general public comments, the board would welcome comments as we address each agenda item.

Mr. McKenna said he would like to make a comment regarding the aerobatic box over Gallatin Field that the Federal Aviation Administration (FAA) recently denied. He said there are legitimate reasons for the denial but that in paragraph one, the FAA stated that the primary reason for the denial is due to development north of the airport with housing cropping up.

Mr. McKenna said he is very strongly opposed to the FAA coming into our airport and telling us there is an aviation activity that should be curtailed due to housing developments in our area. He said this is regarding an aerobatic activity that perhaps should be held in a different area, but he is wondering if the next thing the FAA curtails will be flight operations at night or training during the day. He said he believes the board should discuss this and tell the FAA that aviation activities at airports do take place and if they plan on sticking in their noses and telling people they can't fly in and around airports, they are off

base. He doesn't believe their letter belongs anywhere in the public's hand. He said this is fodder for the future where someone could say that the FAA recognized that there were safety issues and he doesn't want that in our file. He thinks it is wrong.

Ted Mathis said that he and the tower manager talked to the FAA inspector and that the aerobatic box causes problems for other pilots. He said we have to close two out of three runways and it restricts any traffic north of the airport up to 9,000'. He said all aircraft have to approach from the south. Mr. Mathis said none of their comments had anything to do with housing to the north.

Mr. McKenna said he agrees with the reasons Mr. Mathis stated but that the FAA did not cite our reasons. In their first paragraph, they said it was due to housing developments in the immediate area. He doesn't like the FAA saying that aviation around the airport should be limited due to housing in the area. Mr. Mathis said that flying over a housing development is different than having aerobatics over a housing development.

The board discussed how to proceed from here. The topic will be put on the agenda for the next meeting. Mr. McKenna will draft a letter to the FAA and the board will discuss it and take public comments.

The third agenda item was the terminal expansion project – Jamie Lenon. Mr. Lenon sent a memo to the board regarding Work Order #2. If they approve it, the project will move forward on schedule. This is one of the points where the board can decide if it is favorable to shelve the project or continue. If the board approves it, we will be ready to put the project out around the first of the year.

Greg Metzger said he favors moving forward. He said the valley is hurting in the short term but in the long term we will probably be fine. He wants to have the plans ready so the project can move forward in the spring if the board wants to proceed at that time. Mr.

McKenna agreed. He believes if we have the money, we should move forward. He said we have worked hard to have money for these projects.

Mr. Metzger moved to proceed with Work Order #2 with the deadline being the March meeting. Mr. McKenna seconded the motion and it was a unanimous decision to proceed.

The fourth agenda item was to consider imposition of a Passenger Facility Charge to pay for terminal expansion planning. Mr. Mathis said we currently collect a \$3.00 Passenger Facility Charge (PFC). Our authorization for that is about to expire because we have completed most of the items on that application. Because of the terminal expansion project, Mr. Mathis would like the board's approval to raise the fee from \$3.00 to \$4.50. Most airports are currently collecting \$4.50 for PFCs, including Missoula, Kalispell and Helena. The airport at Butte is still at \$3.00.

Mr. Mathis said it is an odd program because we have to consult with the airlines and the FAA has to approve the funding. Even though we have to consult with the airlines, they don't have veto power.

Mr. McKenna moved to initiate the process imposing a Passenger Facility Charge of \$4.50 for the purpose of expanding the terminal plan. Mr. Metzger seconded the motion and it was a unanimous decision to impose the new PFC rate.

The fifth agenda item was to consider the request by Tricia McKenna to transfer her Non-Commercial Hangar Ground Lease Agreement for Hangar #78 to William A. Howie. Mr. McKenna abstained from discussion or voting on this item.

Mr. Mathis said the building is in good condition and the rent is paid. Steve Williamson moved to approve the request by Tricia McKenna to transfer her Non-Commercial Hangar Ground Lease Agreement for Hangar #78 to William Howie. Mr.

Metzger seconded the motion, which carried. All board members voted aye except Mr. McKenna, who abstained.

The sixth agenda item was to consider the request by Car Park II Owner's Association to extend their car condo building lease agreement. Mr. Mathis said the car condo was built in 1988 and the original term was 10 years with a 5 year option to extend, which they took. We allowed them to extend another five years after that. At the end of the lease term, we have the option to ask them to remove the building and return the site to its original condition or to take title to the building.

Mr. Mathis said that, in the past, if the building is in good condition and the parties want to continue to use the property for that purpose, we have entered into a new agreement. We expect to need the property in the not too distant future so Mr. Mathis is recommending we enter into a new lease on a year to year basis. Mr. Mathis spoke to Dr. Jude and he is aware of our situation. The condo owners own the units and should be aware of the situation. Mr. McKenna asked if the Master Plan shows a future location and Mr. Mathis says it does and there are private off airport locations available too. Depending on the condition and age of the buildings, they may be picked up and moved to a new site.

The board members get quite a few calls regarding the car condos.

Mr. McKenna moved to extend the Car Park II Owners Association's lease on a year to year basis. Mr. Kelleher seconded the motion. The current lease ends next month. Mr. Williamson asked if the lease would be for a year or for longer. The motion wasn't voted on and Mr. McKenna wanted to clarify the language, so he amended his motion. Mr. McKenna moved to extend the Car Park II Owners Association a one year lease on their lease agreement. Mr. Kelleher seconded the motion, which carried unanimously.

The seventh agenda item was to consider purchase of a passenger boarding ramp. Mr. Mathis said Allegiant's preference is to use an ADA approved ramp rather than a boarding bridge and the cost of one is about \$32,000 plus freight. It can be used for 70 seat regional jets to airbuses. It has a wheelchair assist and full ramp.

Mr. Williamson moved to spend up to \$35,000 on the boarding ramp that Allegiant wants to board their MD80s. Mr. Metzger seconded the motion. All board members voted aye and the motion carried unanimously.

Mr. Roehm said the Missoula airport recently hired a new airport director and their board has invited our board to have lunch with them to discuss the process and sit in on their board meeting on August 26th. They have a public meeting and travel is allowed under the sunshine laws so any of our board members may go. Mr. Roehm said they would leave between 9:30 a.m. and 10:00 a.m. and asked the board members who are interested in going to let him know.

Mr. Roehm said he believes there is potential with Kalispell as they selected their director on their own. The Missoula airport used an outside search committee.

The eighth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in July there were 951 air carrier operations, 822 air taxi, 3,371 general aviation (GA) itinerant and 22 military, for a total itinerant count of 5,166. Local GA operations were 2,832, for a total of 7,998 tower operations, down 13% from the air show impacted month of last year. There were 335 landings of aircraft weighing 12,500 pounds or more, down 5.9% from July last year.

Mr. Sprenger reported that we boarded 42,438 passengers during the month of July. That was up 13.9% over the previous July. Year-to-date boardings are up 6.5%, at 208,962.

Mr. McKenna said he appreciated having the Fuel Flowage information on the report. Mr. Roehm thanked Mr. Sprenger for his report.

Mr. Mathis thanked the board for their personal contributions to the health facility in Chester, Montana after his mother-in-law passed away and the board extended their condolences to Mrs. Mathis and the family.

The ninth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that we have a signed agreement with the FAA and sent the check for \$412,815.04 to them for the display for the control tower. The initial estimate was \$300,000 and we would have had to maintain it ourselves. This rate includes maintenance for five years. He said the display should be up and running by Christmas.

Mr. Mathis also reported that the parking lot expansion is going well under Scott Bell's oversight and should be completed sometime in October.

He also said the first month of having our own public safety staff has gone well.

Mr. Kelleher asked about having a low altitude wind shear advisory alarm system at the tower and Mr. Mathis said he would check on it.

The tenth agenda item was to consider the bills and approve for payment. Mr. Mathis said we will discontinue using the toilet seat covers from Bella Bagno. He said the cost has become too prohibitive. After further review and discussion of the bills, Mr. McKenna moved to pay the bills and Mr. Kelleher seconded the motion. The motion carried without opposition.

The meeting was adjourned at 3:55 p.m.

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Richard R. Roehm, Chairman