

The regular meeting of the Gallatin Airport Authority was held in the Airport Conference Room in the airport terminal on May 8, 2008. Board members present were Richard Roehm, John McKenna, Greg Metzger and Kevin Kelleher. Steve Williamson was unable to attend 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 open bids for the public parking lot expansion project. There were seven bids and all of them acknowledged the three addendums, had the 10% bid bonds attached, included their Montana contractor numbers, were signed and all of them appeared to be in order. Big Sky Asphalt of Big Sky, Montana bid \$441,093.04 on Schedule I, \$1,522,905.70 on schedule II for a total of \$1,963,998.70. AM Wells, Inc. of Norris, Montana bid \$334,710.38 on Schedule I, \$1,256,928.43 on schedule II for a total of \$1,591,638.80. Knife River of Belgrade, Montana bid \$304,805.85 on Schedule I, \$1,214,521.23 on schedule II for a total of \$1,519,327.08. Sime Construction of Bozeman, Montana bid \$382,805.35 on Schedule I, \$1,520,570.53 on schedule II for a total of \$1,903,375.88. Duneman Construction of Bozeman, Montana bid \$369,913.15 on Schedule I, \$1,458,233.45 on schedule II for a total of \$1,828,146.60. Hollow Contracting, Inc. of Butte, Montana bid \$433,363.66 on Schedule I, \$1,599,308.56 on schedule II for a total of \$2,032,672.22. JEM Contracting of Billings, Montana bid \$429,051.20 on Schedule I, \$1,505,919.45 on schedule II for a total of \$1,934,970.65. Greg Metzger moved to tabulate the bids and award the bid to the lowest qualified bidder. John McKenna seconded the motion and the motion carried unopposed. Board Chair Richard Roehm thanked all the contractors for their time and for submitting bids.

The second agenda item was to review and approve the minutes of the meeting held April 10, 2008. Mr. McKenna moved to approve the minutes from the April 10, 2008

meeting; Mr. Metzger seconded the motion and all the board members voted in favor of the motion.

The third agenda item was the public comment period. There were no public comments from the audience. Ted Mathis introduced Bill Dove, our new Public Safety Chief. Mr. Mathis said Chief Dove hit the ground running, has completed all of the state requirements to set up a law enforcement department and is working on numerous other issues. All the other officers have been chosen. Chief Dove said he is looking forward to working at the airport and is happy to answer any questions anyone may have. Mr. Roehm welcomed Chief Dove and said as a supporter of the second amendment, he is pleased to have them here.

The fourth agenda item was to consider proposals for Auditing Services. Mr. Mathis said we received three proposals; one from Junkermier, Clark, Campenella, Stevens P.C. (JCCS) of Bozeman, one from Denning, Downey & Associates, P.C. from Kalispell, and one from Anderson ZurMuehlen & Co., P.C. of Bozeman.. After reviewing the proposals, based on quality and price, he recommended we retain JCCS for the next three years.

Mr. McKenna asked if we should have someone else look at our numbers. Mr. Roehm said he asked Steve Williamson and Mr. Williamson is supportive of having JCCS perform the audit. There are some benefits to retaining them as they are familiar with our operation and know what to look for. There would be a learning curve for someone new but there is also a benefit to having fresh eyes look at our books. Mr. Mathis said that after our audit is done, we pay the state to review the audit. Mr. McKenna said the fee is pretty inconsequential and that he just wanted to raise the issue. Mr. Metzger and Kevin Kelleher agreed that having someone familiar with our books is a strength. Mr. McKenna moved to retain JCCS per their proposal. Mr. Kelleher seconded the motion and the decision was unanimous to retain JCCS.

The fifth agenda item was the terminal expansion project – Jamie Lenon. Mr. Roehm asked if the architects are just giving the board plan information and not viewing this as the board's approval to proceed. Mr. Lenon said that the plans are evolving; they welcome the input and the final drawings won't look like this. These presentations are just informational.

Mr. Lenon said they had several meetings in the past month. They are working with Morrison-Maierle, Inc. on site issues. One of the major points they are currently focusing on is site planning and he asked Michael Spitzer of RS&H and Scott Bell of Morrison-Maierle to discuss the site planning.

Mr. Spitzer said that the site is evolving as the building is evolving. Mr. Bell said the plans they are looking at is a 20,000' view of the perspective plan. It includes what we are currently trying to do as well as project for the future. They pointed out what things will take place now, what things are part of the 20-year plan and what is projected for the 40-year plan. Mr. Bell said they are trying to retain areas for the future but only build what is needed now. The existing road and loop road could be used as they exist today.

Mr. Spitzer said you need to project what you need for the future so you don't have to move infrastructure later on as you expand and implementation isn't determined by other things. The issues can be resolved now. There are many things that are still in the planning process.

Mr. Roehm asked if there will be a raised walkway from the garage and Mr. Spitzer said there would be and it would be well lit and feed into the middle of the terminal.

He said there will ultimately be 14 gates. Four gates will be added in Phase I. Passenger drop off will remain the same but we are forced to reverse flow in the terminal. Passengers will come to baggage first rather than ticketing. Mr. Bell is designing more traffic lanes for departure. They are planning for curbside bag drop off.

Space for ticketing will almost double and there is a need for more lobby space. Security will have three to four positions now and eventually there will be six, and there will be three baggage claim belts now, which will increase to four by 2025. Mr. Spitzer said they are planning an internal route for bags to be brought from the aircraft to the baggage claim area.

Mr. Roehm asked about amenities for handicapped persons and Mr. Spitzer said all boarding will take place from boarding bridges and wheelchairs will be accommodated. There will be elevators and stairs for each two planes and the restaurant will be easy to access.

Mr. Roehm asked if there will be additional space for rental cars and Mr. Sprenger said there will be 30% to 40% more in the first phase. Mr. Spitzer said that when the car garage is built they can have as many as they want.

Mr. Metzger asked about locations of concessions and Mr. Lenon showed where there would be gift shops, lounges and a food court. He also pointed out where there would be fireplaces.

Mr. Roehm said he was glad they are considering those things. The trees, fireplaces and lounges give the terminal a mountain cabin environment. Mr. Lenon said that is the main reason to move the fireplace and stairs. The plans call for four baggage belts, which splits up the claim lobby and would impact airport traffic.

Mr. Sprenger said if we get international service, the gate could be separated and we could have customs.

Mr. Metzger asked if part of the he shell would just sit if we built the whole middle at one time and Mr. Lenon said it would. We need more gates and they are really trying to gear to that. Baggage claim would be next, then moving security, the airlines and bag makeup would be next.

Mr. Sprenger said we hope to add the 3<sup>rd</sup> security lane by next month. Mr. Lenon said we will begin our reconstruction next month and the ticket counter and security late next fall or next winter.

Mr. Roehm thanked them for their presentation and Mr. Lenon said they appreciate the board's input.

The sixth agenda item was to consider a new ten-year Non-Commercial Hangar Ground Lease Agreement for Michael E. Sidders Hangar #53. Mr. Mathis said the original twenty-year lease has expired, the hangar is in good condition and the rent is paid. Mr. McKenna moved to approve the request by Michael Sidders for a new ten-year Non-Commercial Hangar Ground Lease for Hangar #53; Mr. Metzger seconded the motion and the motion carried with all board members voting aye.

The seventh agenda item was to consider a new ten-year Non-Commercial Hangar Ground Lease Agreement for Eugene Graf Hangar #28/39. Mr. Mathis said the original twenty-year lease has expired, the hangar is in good condition and the rent is current. Mr. Metzger moved to approve the request by Eugene Graf for a new ten-year Hangar Ground Lease Agreement for Hangar #28/39 and the motion was seconded by Mr. McKenna. It was a unanimous decision to approve the motion.

The eighth agenda item was to consider the request by Dean Hatten to construct a 46' x 46' non-commercial hangar. Mr. Mathis said it is a spec hangar and would go quite nicely on the east ramp by Doug Hartzheim's hangar. There would be two large and two small hangars by the Marshall's complex. Mr. McKenna moved to approve the request by Dean Hatten to construct a 46' x 46' non-commercial hangar on the site designated by the Airport Director. Mr. Metzger seconded the motion and all the board members voted to approve the request.

The ninth agenda item was to consider the request by Dean Hatten to transfer his Non-Commercial Hangar Ground Lease for Hangar #116 to Baxter Enterprises LLC. Mr. Mathis said this is just a request to transfer the lease to his limited liability corporation. Mr. Kelleher moved to approve the request; Mr. Metzger seconded the motion and it was a unanimous decision to approve the request.

The tenth agenda item was to consider the request by Mr. Shannon Glenn of Apex Helicopters, LLC to operate a helicopter flight school from Yellowstone Jetcenter building #305 on the east ramp. Mr. Mathis said Mr. Glenn has fulfilled all the requirements for an operating agreement and has the necessary insurance. Mr. Glenn is working with Aero Flight School and will provide helicopter training in a Schweizer 300c helicopter. Mr. Kelleher moved approval of Mr. Glenn's request to operate a helicopter flight school from Yellowstone Jetcenter building #305 on the east ramp. Mr. McKenna seconded the motion and all the board members vote aye. Mr. Roehm welcomed Mr. Glenn and said we look forward to a profitable relationship with him.

The eleventh agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in April there were 442 air carrier operations, 735 air taxi, 2,036 general aviation (GA) itinerant and 8 military, for a total of 3,221 itinerant operations. Local GA operations were 2,396, for a total of 5,617 tower operations, up 2.2% last year. There were 123 landings of aircraft weighing 12,500 pounds or more, down 5.4% from last April.

Mr. Sprenger also reported that passenger boardings were 18,576, which is down 12.7%. Year to date boardings were 110,192, up 3.7% for the year. He said April numbers were partially impacted because Easter and the weekend after were in March this year and partially due to people booking for summer travel due to lower fares. He said fuel prices

continue to adversely affect the airlines. We may have some increases in fares this summer but he doesn't expect we will be affected as much as airports where fares are generally lower.

The twelfth agenda item was the Director's Report – Ted Mathis. Mr. Mathis said that we will have a bid opening for the canopy over the parking lot ticketing booths at our next meeting. He also reported that it is getting close to budget time again and we would have a draft budget for the board soon.

Mr. Mathis said we have purchased a six-year old Tahoe for our public safety department and may get a couple of cars from the Bozeman City Police Department.

The airport in Missoula is privatizing their passenger screening. The TSA has been mandated to put screeners in the air carrier airports in eastern Montana.

Mr. Mathis said that Triple R seems to be interested in recycling.

The interchange committee will meet with the Montana Department of Transportation (DOT) again on the 19<sup>th</sup> of June. They continue to be supportive of the interchange project and have requested money from Congress.

We still don't have our radar display screen for the tower. We are the 1<sup>st</sup> airport to pay for such a project so they are taking their time doing the paperwork.

The thirteenth agenda item was to consider the bills and approve them for payment. After reviewing and discussing the bills, Mr. McKenna moved to pay the bills; Mr. Kelleher seconded the motion and it carried unopposed.

The meeting was adjourned at 4:30 p.m.

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Richard R. Roehm, Chairman