

The regular monthly meeting of the Gallatin Airport Authority was held June 9, 2005 at 3:00 p.m. in the Airport Conference Room. Board members present were John McKenna, Yvonne Jarrett, Eric Hastings, Richard Roehm and Steve Williamson. 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 May 12, 2005. John McKenna moved to accept the minutes as mailed, Yvonne Jarrett seconded the motion and it carried unopposed.

The second agenda item was the public comment period. Tom Nagorski said the flags are displayed incorrectly and should be displayed prominently in clear view of the audience. His comments were duly noted.

The third agenda item was to consider the request by Tricia McKenna to construct a 60' x 70' non-commercial hangar. Ted Mathis showed a proposed location for the hangar next to the JARRAFCO hangar. Sewer and water are available at that site. Mr. Roehm moved to approve the request by Tricia McKenna to construct a 60' x 70' non-commercial hangar. Ms. Jarrett seconded the motion, which carried unopposed. Mr. McKenna abstained from voting.

The fourth agenda item was to consider the request by Yellowstone Jetcenter to sublet office space in the old FBO building to Mr. Bryan Blatt for the purpose of conducting aircraft sales and acquisition. Bryan Blatt introduced himself and said he has 15 years of aircraft sales. He has a private pilot license with instrument and multi-engine ratings. His business would bring aircraft prepurchase inspections and maintenance to the airport. He said this would be purely a brokerage business. As he is just starting out here, he doesn't know how much activity he will generate.

Kent Foster, General Manager of Yellowstone Jetcenter, said he conducted background checks on Mr. Blatt and his business and the references all checked out.

Mr. McKenna moved to approve the request by Mr. Bryan Blatt for the purpose of conducting sales and acquisitions in the old FBO building. Ms. Jarrett seconded the request and the motion carried without opposition.

The fifth agenda item was to consider the request to Gallatin County Commission and Belgrade City Council to require Avigation Easements on future residential developments near the airport. Mr. Mathis said that in 1979 the County Commission established Gallatin Field with the current airport influence area (AIA) and noise contours. He outlined part of the restrictions that are placed on landowners with property within the AIA noise contour. He said that it is obvious that we can't purchase all the property within those areas and it would be beneficial to landowners and the airport to have Avigation Easements on the properties. He said that one of the County Commissioners and the Belgrade planner are receptive of the idea of the easements. He showed a map with a three-mile radius and a five-mile radius but said we would need to have Morrison-Maierle establish the area following section lines. His recommendation is to use the five-mile radius. Mr. Mathis said that the easement would be listed on the title policy.

Mr. Roehm asked if an avigation easement would lessen the value of the property. Mr. Mathis said that the Missoula airport had no opposition from developers and they didn't believe it affected property values. The board members discussed the possibility of placing Avigation Easements on sales of property that currently don't have the easement placed on them, that it would be for the protection of the current owners because it puts the next person on notice, the fact that the county and city will have legal council review the request before approving it, and that the easements will protect the airport property for the future.

Mr. Roehm moved that Gallatin Airport Authority forward the request to the Gallatin County Commission and Belgrade City Council to require Avigation Easements on land developments and property transactions within five statute miles of the end of runway 12/30. Mr. McKenna seconded the motion, which carried unopposed.

The sixth agenda item was to consider the preliminary budget for fiscal year 2006. Mr. Mathis said that we anticipate operating revenues to increase approximately 4%, while operating expenses will increase approximately 7%. He said the biggest increase in expenses will be related to personnel, law enforcement and security. He said revenue should exceed expenses by approximately \$1.4 million, which will go into our capital improvement fund.

He said that the major expenditures for capital improvements will be for completion of phases I and II of the fire station, purchase of the new fire truck, purchase of a radar display for the control tower, taxiway and ramp expansion for the new FedEx facility and hopefully, land acquisition. He said that all of our current year Airport Improvement Project (AIP) entitlement grant funds (\$1,757,500) will go toward reimbursement for our previous land acquisition projects.

He also said that if we complete every capital improvement project that we included in the budget, including the \$4 million for land acquisition, we will deplete our capital improvement fund by approximately \$3.1 million. 95% of this amount may be reimbursed by future AIP grants. Mr. Mathis said that if the board approves the budget, it will become a component part of the county's budget. In answer to a question from Mr. Roehm, he also said the Airport Authority has to certify the need to the county for tax revenue before it could be assessed. He said that the Three Forks airport is receiving ½ mill and he believes that the county cannot assess more than 2 mills for the airports.

Mr. Roehm asked Mr. Mathis to comment about the personnel portion of the budget and Mr. Mathis said he believes we have the best crew we have had in the 24 years he has been here. He said we have given a cost of living increase as well as some incentive and merit increases.

Mr. Roehm said the board follows the policy of paying people really well so we can hire extraordinary people and keep them. He asked that it be put on record that we are still following that policy and that it is working well as evidenced by our low turnover.

He also asked if there are sufficient funds for preliminary steps for planning for a terminal.

Mr. Mathis said that we are proposing a \$300,000 update on the airport layout plan (ALP) in our new PFC application. He said that he believes it is premature to launch into a new building at this time because we just expanded. We would like to wait a year or two and see what air service at Gallatin Field is like and what new equipment the TSA may have in order to accommodate the needs.

Mr. Hastings thanked Mr. Mathis for an article called "Viewpoint" that Mr. Mathis passed on to the board members. He said it helped him understand some of the challenges airports face. He applauded this airport for its efficiency and for not spending money on unnecessary expenditures.

Mr. Roehm moved approval of the budget with the stipulation that it be left open for a pay adjustment following the evaluation of the Airport Director at the executive session. Mr. Hastings seconded the motion and it passed unopposed.

The seventh agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in May there were 402 air carrier operations, 919 air taxi, 2,066 general aviation (GA) itinerant and 10 military, for a total of 3,397

itinerant operations. Local GA operations were 1,659, for a total of 5,056 tower operations, down 5.55% from May a year ago. There were 94 landings of aircraft over 12,500 pounds, down 13.76% from May 2004. Itinerant operations were strong in May but general aviation was down due to poor weather. May is typically one of our slowest months.

Mr. Sprenger reported that passenger boardings were 21,564. That is up 15.7% from last May. Year-to-date boardings were 128,282, up 11.5% compared to the same period in 2004. Four of the last five months have had double digit increases and February would have if there had not been one less day. He said that from January through May this year we have boarded more passengers than were boarded in all of 1990.

Mr. Sprenger also reported that Delta has added another regional jet (RJ) for July and August, giving us 9 daily non-stops to Salt Lake City. That gives us the most departures to any one city for any airport in Montana. Delta is giving Gallatin Field extra service when we need it and taking it away when we don't. Mr. Sprenger said that the airline industry is the most competitive industry today. Five years from now there will still be an airline industry; we just don't know what it will be like.

The eighth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that last month there was a good interchange meeting. The interlocal agreement was signed by the County Commission and by the City of Belgrade and is ready to be signed by our Chair. The RFP for a consultant for the environmental study has been published in the paper. That work should begin in the next month or two.

Mr. Mathis showed a video of our current projects. The terminal ramp expansion and the employee lot expansion are coming along well. Progress is also being made on the new fire station. They should be able to start putting up sheet rock soon. It is a major renovation project and there have been no major surprises.

Mr. Mathis reported that beginning August 6th, Big Sky Airlines will be providing one daily non-stop flight to and from Boise, Idaho. The aircraft is a Beech 1900.

Mr. Mathis said he and Ed Sedivy, the airport attorney, are going to meet regarding the lease for Scannell Properties, the company that is constructing the new FedEx building at the airport.

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

The meeting was adjourned at 4:05 p.m. and reconvened immediately for an executive session to conduct the annual Airport Director performance review.



Steven H. Williamson, Chairman