

The regular monthly meeting of the Gallatin Airport Authority was held September 8, 2005 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, John McKenna, Steve Williamson, Eric Hastings and Greg Metzger. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director and Cherie Ferguson, Administrative Assistant.

Kent Foster, General Manager of Yellowstone Jetcenter, said that Ted Turner's flight department notified Yellowstone Jetcenter that Mr. Turner would fly an Angel Flight taking supplies to the victims of hurricane Katrina in New Orleans. Mr. Foster contacted the radio and television stations, and between the 3:00 p.m. announcement and 8:00 the next morning, the citizens of Gallatin Valley donated over 15,000 pounds of supplies. Mr. Turner flew two loads of supplies, Jerry Severson flew one and Blessey Marine flew another one. Central Copters drove the remaining supplies down. He said the response from the citizens of Gallatin Valley was overwhelming.

John McKenna thanked the employees of Yellowstone Jetcenter, Arlin's Aircraft Service, the citizens of Gallatin Valley, Ted Turner, Jerry Severson and the Blessey Marine crew in Louisiana. He said we understand the good these people have done. He said that people should appreciate the aviation industry in their neighborhoods.

Ted Mathis introduced Emily Banuelos, the station manager of Big Sky Airlines, at Gallatin Field. He said we are very happy to have her and Big Sky Airlines here at the airport. Their loads have been good and their service has been excellent.

The first agenda item was to review and approve the minutes of the regular meeting held August 11, 2005. Steve Williamson asked that the minutes from the August 11<sup>th</sup> meeting include this change:

“At this point, Mr. Metzger (our newest board member) interrupted Mr. Mathis’ presentation and announced that he had an appointment and would have to leave the meeting. He went on to say that the present discussion seemed irrelevant to him and a waste of time. Mr. Roehm pointed out that the discussion was at his request and it had been agreed by the other board members at last month’s meeting that such a discussion would be useful to help new board members better understand the workings of the airport. Mr. Metzger responded that this type of discussion was not necessary for him to be able to vote on any items to come before this board. Chairman McKenna then excused Mr. Metzger from the meeting and called a short recess.”

Richard Roehm said he would like to start fresh and not prolong any problems we may have thought we had. Eric Hastings said he felt it would be appropriate to move on. He said he did understand why Mr. Williamson would like this put in because it is an accurate reflection of what happened. He said he didn’t have a preference either way.

Mr. Williamson said the minutes should reflect what happened.

Mr. Hastings moved to accept the minutes as corrected by Mr. Williamson; Mr. Williamson seconded the motion and it passed. All voted aye except Mr. Roehm, who voted no.

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

The third agenda item was to consider the request by Glenn Oakes to transfer his interest in Hangar #82 to Farnum Alston. Mr. Mathis said that Mr. Alston is a glider pilot. The hangar, which is part of the Eagle Nest Condominium Association, is in good condition and the rent is current. Mr. Roehm moved approval of the request; Greg Metzger seconded the motion, which carried unopposed.

The fourth agenda item was to consider the request by Yellowstone Jetcenter to extend their sublease agreement with FedEx until February 28, 2006. Mr. Mathis said that Scannell Properties is building the new facility for FedEx and he recommended approval of the extension request until possibly the 30<sup>th</sup> of June, 2006. Mr. Foster said that FedEx asked for the extension for one month beyond what Scannell Properties recommended. Following a brief discussion, the board members decided to only extend the sublease agreement for the period of time that was requested. Mr. Roehm moved to approve the request by Yellowstone Jetcenter to extend their sublease agreement with FedEx until February 28, 2006. Mr. Metzger seconded the motion, which passed without opposition.

The fifth agenda item was to continue consideration of the request by Northwestern Energy Company to construct a natural gas regulator facility on airport property. Mr. Mathis said Pat Asay from Northwestern Energy was present and could answer the board's questions. Mr. Mathis said Northwestern Energy contacted the National Guard and they denied the request because they want to use their property. We have the space and the facility could be tucked behind the National Guard property.

Pat Asay showed where the facility needed to be. It would primarily serve the airport and JTL and future growth in this area. It is a passive facility, just a regulator, with no compressor.

Mr. Hastings asked if it would be hazardous if someone ran into it. Mr. Asay said their plans include putting a fence around it. Mr. Hastings said it is valid to build it back off the road a little way. The National Guard has no problem with having the facility built close to them.

Mr. Hastings moved to approve a lease of the property for Northwestern for the purpose of establishing the facility; the plan to be reviewed by Ted Mathis and the airport engineer. Mr. Metzger seconded the motion, which carried without opposition.

The sixth agenda item was to continue consideration of the request by S & S Construction to trade 4.5 acres in the East Gallatin Commercial Center for a like amount of airport property in the same area. Mr. Mathis said the airport has an easement restricting use of the property that S & S Construction would like to allow to be used for a parking lot. S & S has a like amount of property that we could use.

Don Platisha, of S & S Construction, said they have had a few potential buyers for the property. The easement isn't explicit enough to determine if the property can be used for a nursery as an agricultural activity. Another interested buyer is an Internet business, which would like to use the property for parking semis for transferring items. They would need office and some storage space.

Mr. Williamson expressed concern several times about Mr. Platisha's comments that the restrictions in our easements aren't specific enough. Mr. Mathis said he believes the restrictions in the easement are clear. You could pasture cattle or raise crops and that's all. The board members said they don't have enough information to do the swap at this time but they agreed to allow the negotiations to continue.

Mr. Hastings moved to allow Mr. Mathis to continue to evaluate the land swap as proposed by S & S Construction. Mr. Metzger seconded the motion. It carried unopposed.

The seventh agenda item was to consider the request by The Ford Family Limited Partnership for a new Non-Commercial Ground Lease Agreement for Hangar #66. Mr. Mathis said that the Airport Authority, as a courtesy, sends out an extension form letter to lessees whose leases are about to expire and give them the option to extend. We sent a letter

to Wayne Marshall, the current lessee. The letter was returned as undeliverable. Mr. Mathis said he then contacted the Ford Family, who owns the hangar. They wanted to enter into a new lease agreement.

The lessee is supposed to contact the Airport Authority prior to the expiration date. Mr. Mathis contacted our legal counsel who said that since Mr. Marshall didn't contact us, his lease with us is terminated.

Mr. and Mrs. Warren Ford subleased the land from Mr. Marshall. Mr. Ford passed away and the Ford Family Limited Partnership would like to lease the property for the next 10 years. Mr. Mathis said that John Ford has an aircraft he stores in the hangar in the summer and Arlin's uses the hangar too. The lease will include the new language and the hangar cannot be used as an apartment or for any overnight accommodations. The family has agreed to the new language and the terms of the lease.

Mr. Roehm moved to offer a new 10-year Non-Commercial Ground Lease Agreement to The Ford Family Limited Partnership for Hangar #66. Mr. Williamson seconded the motion and it carried unopposed.

The eighth agenda item was to consider proposals for five-year commitment for engineering and planning services. Mr. Mathis said that every five years the FAA requires us to select an engineering firm. We don't sign a contract for the five years with them but we do enter into an agreement whereby we negotiate a contract with them for each project within that five-year term. We received three very good proposals from Mead & Hunt, Armstrong Consultants, Inc. and Morrison-Maierle, Inc. Mr. Mathis said he has a recommendation but he could set up interviews with the other applicants if the board wants him to. We are not required by the FAA to interview the applicants.

Mr. Mathis said that once we get a proposal and fee estimate, we take that scope of work and put it out for peer review by another engineering firm. If they think it is off by 10% or something else major, they recommend we go back to the engineer.

Mr. Roehm told Mr. Bell that he does an excellent job when he's here but sometimes he is not here. He asked Mr. Bell what kind of plans he has for the future. Mr. Bell said he has a daughter in the 6<sup>th</sup> grade. He and Morrison-Mailerle are in agreement that Mr. Bell will live in Belgrade for the next five years. He said he usually does some work at other airports to keep their other airport engineers busy.

Mr. McKenna asked if our Master Plan is really up to date and if he can fairly represent both the airport and Belgrade since the Airport Authority interacts with the City of Belgrade. Mr. McKenna also asked Mr. Bell how he feels about giving objective advice and who gets told they can't have his services.

Mr. Bell said there is no comparison of the amount of work between the airport and the City of Belgrade. He said that the Master Plan was started in 1991 and completed in 1993. In the case of forecasting for operations and enplanements at the airport, he came up with higher numbers. He worked with Dave Stelling, who was in the Helena FAA office, and they used more conservative numbers. Mr. Bell said they were both low, however.

Regarding the Master Plan, Mr. Bell said that it was a 20-year projection, but the majority of the projects have already been completed. Mr. Bell said that building the airside as the need arises is good and the turf runway is good, but the terminal area needs to be updated.

He said that in 1993, Morrison-Mailerle hired an architectural firm out of Seattle named TRA to design the schematic phase and do the terminal feasibility study. What was in the Master Plan on the terminal side worked for the ticketing and baggage make up areas.

The third phase was a center concourse extending from the middle. When that was outgrown, the plan was to do a mirror image and flip it so there would be ticketing at both ends of the terminal building. Because of discussions with Mr. Mathis and Mr. Sprenger, he believes there is a need to review the Master Plan regarding the terminal area, parking lots, car rental facilities, remote car facility and how the airport infrastructure ties into the interchange.

He believes Morrison-Maierle should ask for proposals from different architectural firms for terminal planning and movement within the terminal. Then the board and Morrison-Maierle should go through the proposals and select an architectural firm at that time. They could be a sub consultant of Morrison-Maierle.

Mr. Bell said he is very familiar with the agreements between the City of Belgrade and the Authority. They share the water and sewer systems. He believes it is a very win-win situation. It has cost a lot of money and the airport has put out a lot of money toward those improvements. There would be a lot of expenses if we were running our own facilities.

Mr. Roehm said that some Belgrade city council members have negative attitudes toward the airport and he asked Mr. Bell what he sees Morrison-Maierle's role in promoting a better relationship. Mr. Bell said it is a continuous education effort. He believes Morrison-Maierle should help and support the airport, as well as Belgrade, to facilitate meetings. He believes that the Airport, the City of Belgrade and the County Commissioners have made progress because they have had meetings regarding planning, approaches and the area north of the airport.

Mr. Williamson asked if he thinks the center concourse is still a possibility. Mr. Bell said that in conversations with Mr. Mathis and Mr. Sprenger, he believes that providing the secured area in a linear fashion is probably more feasible. He said that there is more airplane

parking than in the Master Plan with the center concourse because of the airlines utilizing push back of their airplanes.

Mr. Mathis said the linear design lends itself to regional jets (RJs); the concourse to larger aircraft. Given the flux in airlines, it is hard for us to know what it will be like two years from now.

Mr. Roehm asked if representatives were present from the other engineering firms, Armstrong Consultants or Mead & Hunt. There were no personal presentations by the other two engineering firms.

Mr. Mathis said they weren't asked to be at the meeting. Both said they would be happy to interview if that is what the board wants. This meeting wasn't meant to be an interview process and that is why Mr. Mathis initially asked the board if they wanted to interview the other representatives through a subcommittee of the board or having them come to another meeting.

Mr. Metzger asked if the board wanted to improve the services the airport receives or if there is any other compelling reason to change. Mr. Hastings said there are benefits of having one engineer to help the airport, city and county work together rather than at cross purposes.

Mr. Roehm said he thinks we have excellent service. His only concern is the dual commitment wherein Mr. Bell may feel so obligated to both sides and mitigate his recommendation. There are benefits to having him on the other side.

Mr. Williamson said he believes the other two firms are adequately qualified. He said he is completely satisfied with Morrison-Maierle and the work they have been doing for us, and especially Mr. Bell as he has been leading the charge for them for quite a while.

Mr. Mathis said the working relationship with Morrison-Maierle over the years has been excellent. He believes that Mr. Bell and his team are the best pavement engineers in the nation. Representatives from other airports have come here and marveled at our pavement. Mr. Mathis' only concern is their workload and where we stand in that workload. He has spoken to other airport directors and they say they have the same situation with other firms. Mr. Mathis said he continually complains to Mr. Bell and his superiors, but part of the problem is that we overload him. He said they are responsive to tenant projects like setting a grade on someone's ramp at their new hangar.

Mr. Mathis said he is very comfortable working with Morrison-Maierle and his recommendation is to enter into a new five-year commitment with them.

Mr. McKenna said that Morrison-Maierle is clearly one of the better aviation firms and we are fortunate because Mr. Bell lives in Belgrade. He asked if Mr. Bell could increase the staff here.

Mr. Bell said that in the last 7 to 8 years, mainly Mr. Bell & some draftsmen worked on airport projects. Since then, Mark Maierle and Travis Eikman have been added to the airport staff. Travis Eickman and Jeff Daily will be coming back. Mr. Bell plans to offer Kevin Diggins a job this spring. Mr. Bell said he has the latitude to increase the staff in Bozeman. He said that training the staff doesn't just involve paving and design, but includes working with the FAA and learning the information in the Advisory Circulars. He said he is committed to growing the staff in Bozeman.

Mr. McKenna asked if we could help by outsourcing some of the work. Mr. Mathis said that paving & design is only part of the job and that Mr. Bell has done a great job working with the FAA on our grant programs and keeping all that current.

Mr. Metzger asked if we have done everything we need to do for the selection process.

Some of the board members expressed disappointment that the other firms weren't represented but said they didn't want to invite them to another meeting. Mr. Williamson said that, in their defense, they may have perceived that we wouldn't change engineers even if they had come.

Mr. Roehm moved to extend an additional five-year commitment to Morrison-Maierle for engineering and planning services. Mr. Hastings seconded the motion, which carried without opposition.

Mr. McKenna thanked everyone for all their comments, especially Mr. Metzger. He said that choosing an engineering firm is a big deal as engineering drives the airport. He thanked Mr. Bell for the work he and Morrison-Maierle have done for us and said he think he's done a great job.

Mr. McKenna then read a portion of a letter from the American Association of Airport Directors (AAAE), which said:

"Dear Mr. Sprenger. First of all, congratulations on achieving the AAE status. This is a distinct honor in the aviation industry, one that stands for your ability to meet a number of challenges established by AAAE's executive committee and the accreditation program." It then goes on and basically says that you have every reason to be proud, as we do as well. On behalf of AAAE, I welcome you to the ranks of accredited airport executives and wish you continued success. It was signed by Lowel Pratt, AAAE Chair, Executive Committee.

Mr. McKenna told Mr. Sprenger that we are very proud of him and thanked him for continuing his education.