

The regular monthly meeting of the Gallatin Airport Authority was held February 12, 2004 at 3:00 p.m. in the Airport Conference Room. Board members present were Steve Williamson, Tom Nopper, John McKenna, Yvonne Jarrett and Richard Roehm. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk.

The first agenda item was to review and approve the minutes of the regular meeting held January 8, 2004. Tom Nopper moved to accept the minutes as mailed, Yvonne Jarrett seconded the motion and it passed unopposed.

The second agenda item was the public comment period. Mike Lucero, the local manager of Hertz/Overland West wanted to know the status of a possible 5th rental car counter. He hopes the Airport Authority Board will expedite the bidding process because there are time constraints on ordering the summer fleet. He also said he doesn't feel there is a need or room for a 5th on-airport car rental agency and that the agencies currently here have always provided cars for the traveling public. He said that there are times when there is double parking in the parking area now.

The third agenda item was to consider lowering the minimum aircraft landing weight for landing fee charges from 12,500 pounds to 8,500 pounds. Ted Mathis said that currently there is an inequity in the system due to the 12,500-pound base and he showed a picture showing different aircraft of similar size, one of them over the 12,500-pound base, and the others below the base. They look about the same and require the same services, but there is no landing fee charge for the lighter aircraft. The revenue generated by lowering the threshold is not that great and therefore not the issue.

Jim Bastiani said that he believes that lowering the base would be setting a bad precedent. He said that some airports charge landing fees on all aircraft that land and that some pilots don't go to those airports anymore.

The Board members discussed how the fees would be collected, the fact that they want this airport to be general aviation (GA) friendly, the possibility of the base being at 10,000 pounds, the implications of not lowering the base and that the life flights provide a service to the community. Richard Roehm commended Mr. Mathis for bringing the issue to the Board as it is good to review policies periodically.

Ms. Jarrett moved to keep the landing fee base at 12,500 pounds. The motion was seconded and approved.

The fourth agenda item was to consider construction projects for 2004. Mr. Mathis gave a brief overview of the projects being considered and said that FAA entitlement and discretionary funds are available to help fund the construction. The estimate for the general aviation ramp reconstruction is \$1,730,885.21 and the estimate for the auxiliary GA ramp expansion is \$395,310.00.

Mr. Roehm wanted to know if the self-serve fuel pad was included in the estimate. Mr. Mathis said it is not because the FBOs haven't come to an agreement on moving the self-fueling facility. There followed discussion as to how part of the work could be done now so it could be installed later. The Board members said they would like to go ahead with the self-fuel pad now. Mr. Roehm said that it is a contractual issue and that the Board can't force anyone to move.

Mr. Mathis also recommended that the Board use the \$1.4 million of discretionary funds that the FAA has made available to replace our 28 year-old Aircraft Rescue Fire Fighting (ARFF) truck, upgrade or build a new fire station and construct an incursion road.

All three of these projects were recommended by the FAA. The cost estimates for them total \$1.6 million. We can make up the difference with local funds and reimburse the Airport Authority with entitlement funds next year.

John McKenna moved to approve the construction projects as listed, with the projects in the discretionary fund category to be capped at \$1.6 million. Mr. Roehm seconded the motion and it passed unopposed.

The fifth agenda item was to consider the request by Mr. Gary Coe to construct a 100' x 100' commercial hangar. Mr. Coe said he and his son want to get into aircraft management and a flexjet type operation. He believes the area is ready for that and would like to build a 100' x 100' commercial hangar. Mr. Mathis said that Pervasive Steel had originally requested to build a hangar next to their other one and that if the Board approved the request by Mr. Coe, he would have to work out parking with Cris Iverson of Pervasive Steel.

Because Mr. Coe and Pervasive Steel both requested the same area, the Board asked Cris Iverson of Pervasive Steel to speak. Mr. Iverson said that he hadn't realized that his request had expired and that he was asking primarily for Jason Lea, who wants to build a spec hangar.

Jason Lea said he would like to build a commercial hangar with a south-facing door and that he liked the location that Pervasive Steel had originally requested.

The Board asked who had submitted a request first for the hangar site and Mr. Mathis said that Mr. Coe had. The Board members said that they thought it should be based on a first come first serve basis. They discussed what would be necessary to accommodate another commercial hangar and the location of it.

Mr. Roehm moved to approve Mr. Gary Coe's request; Mr. Nopper seconded the motion and it carried.

The sixth agenda item was to consider the request by Pervasive Steel, Inc. to construct a 100' x 80' commercial hangar. The Board discussed how to accommodate the request. At the present time, the only space that is available in this area is for a 100' x 80' non-commercial hangar and an FBO could not be operated out of it. It would also have a north-facing door. After ascertaining that Mr. Lea knew, understood and agreed to those terms, Mr. McKenna moved to approve the request by Pervasive Steel, Inc. and Jason Lea to build a 100' x 80' non-commercial hangar on the site that has been agreed upon. Ms. Jarrett seconded the motion and it was approved.

The seventh agenda item was the report on passenger boardings and flight operations — Brian Sprenger. Mr. Sprenger reported that in January there were 453 air carrier operations, 968 air taxi, 1,039 GA itinerant and 29 military, for a total of 2,489 itinerant operations. Local general aviation operations were 1,826, for a total of 4,315 tower operations, down 9.1% from last January. Mr. Sprenger said that general aviation was down, primarily due to poor weather. There were 133 landings of aircraft over 12,500 pounds, up 11.7% from January 2003. This is a record number for January.

Mr. Sprenger reported that passenger boardings were 24,198, down 2.2% from January a year ago. He said that January is a tough month to predict. Last year Northwest had a load factor of 64% so this year they operated one less flight than last year. This year they had a load factor of 83%. The number of seats that were lost because of the loss of the Northwest flights was partially offset by an increase in the number of seats by both United Express and Delta Connection. Boardings may have been down because of the closure of

Yellowstone Park to snowmobiles. Car rental agencies have done better this year so there may have been an increase in the number of skiers.

Mr. Sprenger reported that bookings for February are strong and that it helps having an extra day in February this year. He said that the weekday numbers are stronger than in previous years and the weekends are weaker than in the past. That means that business travel may be rebounding.

He said that items of concern though are that Northwest, Delta and United Express are still going through difficult times. Delta and Northwest are still negotiating union contracts and United Airlines is still in bankruptcy, so there may be turbulence from these situations.

Mr. Roehm said that the Airport Authority had received a letter from the St. Vincent's flight service people. They flew in Saturday night in a blizzard and had to wait for a critical patient to arrive. Our snowplow drivers waited with them until the patient arrived and then had the runway plowed within 10 minutes. Mr. Roehm asked that the letter be attached to the minutes and added that the Board commends the maintenance staff members who make this happen.

The eighth agenda item was the Director's Report — Ted Mathis. Mr. Mathis reported that he did receive a report from Mary Carroll and would like to retain her to meet with the tenants and help with the Request for Proposals (RFP) process. He said that the additional fees would be \$4,700 plus costs for her to make one or two trips here from Minneapolis. The Board members gave their approval.

Mr. Mathis said that because the car rental concessionaires need to know how many cars to order for their fleets, he would like the RFPs to be ready for discussion and for the Board to approve at the March meeting, and have the RFPs returned by the April meeting.