

The regular monthly meeting of the Gallatin Airport Authority was held December 13, 2007 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, John McKenna, Steve Williamson, Greg Metzger and Kevin Kelleher. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director and Cherie Ferguson, Administrative Assistant.

Richard Roehm, Board Chair, said we have a Tim coming and a Tim leaving. Tim Linn has been with us almost two decades and he wanted it on the record how pleased the board is that all these 19 years the airport has run perfectly. He said the board hasn't worried about backup machines not starting and so forth because Tim has done such a wonderful job. A lot of this stuff the board doesn't know because when things happen they are taken care of. He asked Ted Mathis to make some comments and introduce Tim's replacement.

Mr. Mathis introduced Tim Garton, our new maintenance supervisor. Mr. Garton has been here about a month now.

Mr. Mathis said that "Tim Linn started work with the Gallatin Airport Authority on February 1, 1989. He was hired because of his vast knowledge of all things mechanical, his background in heavy equipment maintenance, his meticulous attention to detail and his love of aviation. Tim learned to fly here back in the early 70s and went on to work as a commercial charter pilot and flew search and rescue for the Civil Air Patrol.

"When Tim started working here, he immediately set out to improve the physical plant. He rebuilt pumps, replaced plumbing, upgraded wiring, patched roofs, overhauled everything from the small lawn mowers to the huge snowplows and established elaborate preventative maintenance procedures for all airport owned equipment and vehicles. He helped to design many of the mechanical systems in the airport buildings, sewer and water systems, taxiways, ramps and airfield and building lighting. He established a close working

relationship with airport tenants and provided valuable input toward the expansion of our facilities and our equipment fleet.

“Tim has fought a lot of snowstorms, responded to many aircraft emergencies, rescued pilots and picked up their broken airplanes. He’s worked days, nights, holidays and weekends. He’s helped with everything from air shows to hangar construction. Every year the FAA certification inspector has spent days just trying to find one little item to write him up on, but they usually go home with nothing to show for their effort. The form they leave behind usually just has a note on the bottom that says “airport well maintained”.

“If you look around our airport today, you will notice that every runway, taxiway and building light comes on at night. The air conditioners cool and the boilers put out heat. The baggage belts go round and round and the electric gates open and close. The exhaust fans exhaust and the beacon on top of the control tower lights up every night and turns off every morning. Every airport vehicle runs well and each one of them has been greased and had its oil changed within the past three thousand miles. When you turn on the faucet water comes out and when you press the handle the toilet always flushes. The Jetways roll and the roofs don’t leak, the door locks lock, the pavement cracks are sealed and there’s a fresh coat of paint on everything that can be painted. The maintenance staff is well equipped and well trained.

“Thank you Tim for all you have done to maintain, improve and safely operate Gallatin Field for the past nineteen years.”

Mr. Roehm presented a plaque to Mr. Linn that said “In grateful appreciation for 19 years of exceptional service and devotion to the flying public of southwest Montana – Gallatin Airport Authority 2007”. Mr. Roehm thanked Mr. Linn for his service.

Mr. Linn said it has been good and that he wants to slow down a little bit. He said they would see quite a lot of him because he's not leaving; the Stearman needs flying and the 195 needs a little more polishing. He thanked Mr. Mathis and Mr. Roehm for their thoughts. He said he has been here 19 years and he gave it his heart and his best. The board thanked him.

Mr. Roehm then said there is a picture of Dennis Guentzel and his Waco in the Trade-A-Plane that Mr. McKenna took from his Cessna 185.

The first agenda item was to review and approve the minutes of the regular meeting held November 8, 2007. John McKenna moved to approve the minutes; Greg Metzger seconded the motion and it passed unopposed. The minutes were approved.

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

Mr. Roehm said that because there were several requests to build hangars or transfer the lease agreements, he had asked Mr. Mathis to review the board policy from the time the board decided to lease hangars rather than own them. Mr. Mathis said that for both commercial and non-commercial hangar leases, the term is 10 years with a ten-year option to extend, for a total of 20 years. The extension is at the owner's discretion. A hangar that is larger than ten thousand square feet may be granted a 20-year lease with a 10-year option to extend, for a total of 30 years. Each lease has a provision for what happens at the end of the lease term. That provision states "If the Authority desires to continue to lease this plot for the existing use, a good faith effort will be made by the Authority and the Lessee to either extend this Lease Agreement or enter into a new agreement mutually acceptable to both parties within ninety (90) days prior to the expiration of this agreement. If no agreement is reached, the lease shall be terminated.

“Upon termination of this agreement by the passage of time or otherwise, the Authority shall have the option to require the removal of all structures, installations or improvements within ninety (90) days after the expiration of the Lease Agreement at Lessee's expense. If the Lessee fails to remove the structures, installations and improvements within ninety (90) days, the Authority shall have the option to take title to such structures, installations and improvements.”

Mr. Mathis said that the hangars have generally been well maintained and we have extended or entered into several new lease agreements in recent years. Regarding assignment, selling or subleasing hangars, there is a provision which states: “The Lessee shall not assign, sublease, or transfer any of the rights, privileges, uses or interest arising hereunder without the written permission of the Authority is first obtained.

“Should written permission of the Authority be obtained under Section 6.03 above, the Lessee shall then have the right to sublease all of the space demised hereunder; provided, however, that any subtenant shall be subject to the same conditions, obligations and terms as set forth herein, and the Lessees shall be responsible for the observance of the sublessee and assignee of the terms and covenants of this Lease Agreement. Lessee shall provide Authority a copy of any such sublease agreement.”

Mr. Mathis said the tenants have been real good about observing the requirements and that is why we have the items on the agenda to transfer leases or partial interest therein.

The third agenda item was to consider the request by Creston Stewart to construct a 60' x 60' non-commercial hangar. Mr. Mathis said this is the last space that is available on the west side for a hangar this size. He said the board has approved a hangar here before but the individual didn't build the hangar and the time has elapsed. Mr. Stewart is requesting to purchase Hangar #96 and would like to build another hangar. He has been here several years

and owns a Bonanza and a Bird Dog. John McKenna moved to approve the request and Kevin Kelleher seconded the motion. Mr. McKenna asked how long he has to build the hangar and Mr. Mathis said he has 90 days from the day the board approves the request to enter into a lease. He then has 180 days to build the hangar if there are no extenuating circumstances. All members voted aye and the motion carried.

The fourth agenda item was to consider the request by Dolittle Construction to transfer their non-commercial hangar ground lease on Hangar #96 to Creston Stewart. Mr. Mathis said he was in favor of this request. Mr. McKenna moved to approve the transfer of the lease from Dolittle to Creston Stewart and Greg Metzger seconded the motion. The decision was unanimous to approve the motion.

The fifth agenda item was to consider the request by Pat Herring to transfer his interest in Hangar #86 to Lance Tinseth, National Corporate Leasing, LLC. Mr. Mathis said that Mr. Tinseth has a Skyhawk and that Mr. Herring sold his plane. Mr. Metzger asked if Mr. Tinseth would get a new lease and Mr. Mathis said he would only get the remainder of the existing lease. Mr. McKenna moved to transfer the interest now held by Pat Herring in Hangar #86 to Lance Tinseth. Mr. Metzger seconded the motion and it was unanimous to approve the motion.

The sixth agenda item was to consider the request by Robert Blake to transfer his interest in Hangar #104 to John Bognar and Hangar #105 to Jon Chaney. Mr. Blake built the hangar condominium and is selling these two units. Mr. McKenna moved to approve the request by Robert Blake to transfer his interest in Hangar 104 to John Bognar, and further to transfer the interest in Hangar 105 from Robert Blake to Jon Chaney. Mr. Metzger seconded the motion, which carried unanimously.

The seventh agenda item was to review the annual audit. Mr. Mathis said the audit went very well but took a little longer than usual. He said there was one minor discrepancy that was noted. Steve Williamson said he wants to make sure we understand what caused the discrepancy and that steps have been taken to keep it from happening again. Steps have been taken.

Mr. McKenna asked about Short Term Investment Pool (STIP) investments. He said there are no legal risks the Authority is aware of regarding their investments and he asked if the auditors look at the actual security instruments. Mr. Williamson said that governmental agencies are limited as to what they can invest in and should be buying the best that is available. Mr. Mathis said the Legislature determines what the STIP can invest in. Mr. Williamson said the auditor knows what we invest in. If we went out on our own, they would catch that because it wouldn't comply with our charter.

Mr. McKenna asked where we are with the interchange. Mr. Mathis said we have paid \$282,566.99 so far toward the environmental assessment. If the project stops for 5 years, we will get 2/3<sup>rds</sup> of that back. Scott Bell, airport engineer, said that the environmental assessment was put on hold in May of last year so the Montana Department of Transportation (MDT) could do a new traffic model for the Bozeman transportation plan. The federal Department of Transportation (DOT) and MDT wanted the same figures for both assessments. Mr. Bell believes they will be holding public meetings in the March/April timeframe. The project is still moving forward and Mr. Bell believes it will be easier to get money from DOT when everything is ready to go. The overall budget is short \$12 million.

Mr. Roehm said he keeps a newspaper article regarding the former director of the Missoula International Airport in his files. The audit didn't catch his embezzlement or kickbacks. Steve Williamson said we shouldn't depend on auditors to find problems but that

the controls should be in our organization. Mr. Mathis, Brian Sprenger and Cherie Ferguson check on each other and the board also has oversight and asks questions. We should be checking on ourselves. Auditors have to keep their fees down and that is why they only look at a small portion and make their disclaimers. Mr. Mathis said the administrative assistant reported the problem to the board in Missoula.

Mr. Williamson said the worst thing we could do is have one person do everything. Employees need to go on vacation and have others do their job and ask questions. The board needs to ask questions as well. He said something might show up.

Agenda item number eight was the Master Plan project update – Scott Bell. Mr. Bell said that last month he passed out Chapter 6 of the Master Plan and said that he would address the board members' comments and questions. He said that tentatively he's planning that he could represent the Airport Authority and make a Master Plan presentation at the Belgrade City County Planning meeting on Monday, January 14<sup>th</sup> at 7:00 pm, the Belgrade City Council on January 21<sup>st</sup> at 7:00 pm and to the Gallatin County Commissioners on Wednesday, January 23<sup>rd</sup> in the afternoon. He said the Planning Board meets only once a month. He said that he would like to meet with the Belgrade Planning Board first and that it is perfect timing because they are working on zoning the donut area around the City. He said their planning jurisdiction includes the airport.

Mr. Metzger asked what the purpose of the presentation is and Mr. Bell said it is to educate them as to the needs of the airport and to get their comments to add to the Master Plan. It is all part of the required public process.

Mr. Kelleher asked if the presentation to the County Commissioners was the most important, and Mr. Bell said he believes the presentation to the Belgrade City County Planning Board is more important. He said the presentation to the County Commissioners is

important also as they are our governing body and appoint our board members. He said he believes the presentation at the city county planning meeting is more important because everything they do needs to be compatible with our land use planning. Mr. Kelleher asked if a representative from the county would be at one of the other meetings. Mr. Bell said possibly and Mr. McKenna said that the county generally defers to the City County Planning Board.

Mr. Metzger asked if the Master Plan has any legal standing. He said it is our plan and we can do what we want to. He said we are not asking permission. Mr. Bell said that we seek their comments because these boards can help us. They control land around the airport that we don't own and we don't want to have problems 30 years down the road. We let them know what has been done historically, such as establishing the Airport Influence Area and the East Gallatin Zoning District and how they lay over the top of each other. We don't want residential property next to the airport and we've purchased as much land as we can.

Mr. Metzger asked if we should tell these boards what we have adopted and ask for action on their part and Mr. Bell said he didn't think so at these meetings. He said we are going to them for help in the public process. Mr. Mathis said we're asking for their input before we enact our Master Plan.

Mr. Kelleher said that we should make our presentation saying we have certain needs to protect the health and safety of the public. He said if we don't, someone could come to the County Commissioners meeting and say they didn't know about it and shoot it down. He said we should focus on public health and safety.

Mr. Metzger said we should say that we need to get certain regulations enacted, that we need a certain kind of zoning. He said if we don't say it up front now, we will have a lot



of problems later. He said we should tell them what problems we've identified and what we need from them for the solution.

The board members said that Mr. Bell should address issues such as not having standing water within 5 miles of the airport and the boards zoning that district as agricultural. If they aren't willing to do that, they should tell us what direction we need to take. Mr. Kelleher said that our purpose should be to educate the boards and provide direction for them so they can make it happen. He said having an approach regarding zoning could cut out hundreds of hours.

All the board members agreed that the last chapter addressed terminal needs and because Mr. Sprenger made an impassioned request for what we need to do, they realized they needed to take action. They would like this chapter to be more like that one. They want Mr. Bell to identify current and future needs and show how they are needed for public health and safety. They would like it in a summary at the end of the chapter.

Mr. Bell said that was how Mr. Mathis was able to get aviation easements as part of subdivision requirements. He said the airport has to be careful in how it presents needs because it was sued in 1979 and lost. Mr. Mathis said we are in compliance with the Airport Influence Area (AIA) map and completed Noise Study. We have gone beyond that and purchased land and have aviation easement or development rights on surrounding lands. We cannot say that according to FAR 77, we need to buy property X. We ran into that problem when we wanted to buy property beyond the approach and the FAA said we couldn't use federal funds. The board at that time authorized the purchase of the development rights with airport funds.

Mr. Williamson said that if this chapter is important, we need to list our needs, and focus on them. We've done a lot but there are some things that aren't done. Mr. Kelleher

said you can use health and safety as a huge hammer. If we don't ask, we don't deserve to receive. Mr. McKenna said we have done the 90% and now we are concentrating on the 10%. We need to make sure zoning that is in place doesn't get changed.

Mr. Keller said we don't want to get into zoning; we just need to tell the boards what we need and let the zoning commission decide how to deal with it. Mr. Bell said that some things have been established because of FAA requirements but we still need to be aware of things going on around us so someone doesn't get a project partially completed and then find out they can't do it.

Mr. Bell will write up a list of action items and get them to the board before the next board meeting.

The ninth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in November there were 603 air carrier operations, 813 air taxi, 2,066 general aviation (GA) itinerant and 53 military, for a total of 3,535 itinerant operations. Local GA operations were 2,053, for a total of 5,588 tower operations, down 1.4% from November a year ago. There were 171 landings of aircraft weighing 12,500 pounds or more, up 8.2% over the previous November 2006.

Mr. Sprenger reported that passenger boardings were 21,462, up 7.0% over 2006. Year to date of 311,278 is up 5.6% over 2006. We're right on track to board the same number as in 2005, which was our last record year.

Mr. Sprenger also said that the hot deal of the month is to fly to Düsseldorf in February or March for \$453.00; less than flying to Denver sometimes.

The tenth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that we will be receiving proposals from architectural firms by the 31<sup>st</sup> and he asked the board how they would like to handle the selection. The board tasked Mr. Mathis and staff to

pick the best qualified two or three and then we would have a special meeting at noon or 1:00 p.m. prior to the regularly scheduled meeting on January 10<sup>th</sup>. The board then will interview the firms and ask them questions. They asked Mr. Bell to make a list of questions they should ask. They can ask other questions as well but there are some they should definitely ask. They will ask the firms about the design-bid-build, design-build and contractor at risk methods and let them know the board will decide later which option they will choose. Mr. Williamson will be out town on the 10<sup>th</sup> but the other board members will be present at the special meeting and the regular meeting.

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

The meeting was adjourned at 4:45 p.m.

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Richard R. Roehm, Chairman