

The regular monthly meeting of the Gallatin Airport Authority was held December 9, 2004 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, John McKenna, Steve Williamson, Eric Hastings and Yvonne Jarrett. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk.

Steve Williamson, on behalf of the Board, extended deepest sympathies to the families of our friends, Brandon Speth, Jim Bastiani and Cliff Lincoln who were lost in the plane crash in the Bridger Mountains last Saturday.

Richard Roehm commended the people who assisted with the recovery. He said that Pat Martin, after returning with the glider, got into a plane with Jim Booth and they got the coordinates of the crash to the tower. Steve Nicoll and Doug Chapman were able to get a helicopter in and pick up Don Olson before dark. Mark Duffy also took a number of people up to the area. Mr. Rohem said there was superb, unselfish professional flying by members on the field who were not part of the organized search and rescue effort.

The first agenda item was to review and approve the minutes of the regular meeting held November 10, 2004. John McKenna moved to accept the minutes as mailed, the motion was seconded and passed.

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

The third agenda item was to consider the request by David Jarrett to transfer his interest in Hangar #71 to Paul F. Boylan. Ted Mathis said that he had conferred with legal counsel and with the four unit owners and they are all agreeable with a new lease. Richard Roehm moved approval of the request. Yvonne Jarrett abstained. The motion carried.

The fourth agenda item was to consider the request by Central Copters, Inc. to transfer their Lease and Operating Agreement to Mark and Pam Duffy. Mr. Mathis said he sent a letter to the Duffys with some questions and they responded.

Mr. Roehm suggested that the Board defer their decision indefinitely for a couple of reasons. He said it could be better for the Board to deal with a corporation rather than individuals. It would change the nature of the court case and the first hearing is imminent so it is beneficial to not change the parties involved. Believing it is in the best interest of the people of Montana, he moved to defer indefinitely this request for transfer. Mr. McKenna seconded the motion.

The Board members discussed the use of the term “defer indefinitely” and ascertained that according to Robert’s Rules the topic may be discussed at a later date and is the language that is recommended. The Board members also chose to not make a decision without the Duffys or their counsel present.

The motion passed unopposed.

The fifth agenda item was to consider the request by Gallatin Meadows Development Corporation for various road and utility easements and to connect to Airport owned utility lines. Bill Walker, president of Gallatin Meadows Development Corporation (GMDC), presented their proposal, which included easements for a road on the perimeter of part of the airport property, a tie in to the airport owned water line near the National Guard and an easement for a gas line.

After informing Mr. Walker that the water line was designed to accommodate future airport expansion, the Board members asked what benefit there would be to the airport for granting the easements. Buck Johnston, also of GMDC, said that it would allow the airport to request the abandonment of Lagoon Road, which passes through airport property, the

water main would allow the airport loop to have a better supply on the east end and GMDC would help to raise money for the proposed Interstate interchange near the airport.

Mr. Roehm said he didn't understand why the airport should facilitate using our monies to create more subdivisions near the airport so people could complain later and attempt to shut the airport down.

Mr. Johnston asked if the airport would allow a 30' easement for the connector road if GMDC didn't ask for the water main or gas main easements. He said that they will accomplish their goal using other routes, but that this proposed plan would be beneficial to the city, county and extant area.

Yvonne Jarrett and Eric Hastings said they could see some benefits of having Lagoon Road abandoned and not having a road cross through airport property.

Following further discussion, the Board members said they would like to hear from the county road department. Mr. Roehm moved to deny all the requests for the various road and utility easements and connections to Airport owned utility lines. The motion was seconded. As there was a tie vote, the Chairman broke the tie. The motion carried and all the requests were denied.

The sixth agenda item was to consider the request by Compass Advisors to operate an aviation consulting firm from their commercial hangar location. Chairman Williamson said that in the beginning, the Board approved a non-commercial hangar lease agreement with the hangar built to commercial standards so it could accommodate a fixed base operator (FBO). Mr. McKenna asked if they are requesting going from a non-commercial to a commercial lease as well.

Mr. Mathis said he had a list of commercial standards covered by our minimum standards for an FBO. Operating an aviation consulting firm is not on the list. Bryce

DeGroot, representing Compass Advisors, said that there is no specialist in the merger and acquisition field that accommodates aviation-related business and that is a niche they would like to fill. He said that it would be fully aviation related.

The Board expressed concerns if it doesn't stay totally aviation related. Mr. Mathis said that the commercial aviation activities outlined in the Minimum Operating Standards for Fixed Base Operators all require access to a taxiway or runway. He said that the proposed business did not have that requirement. Mr. McKenna said that if they were brokering an FBO in Cincinnati, for example, they wouldn't need to be on airport property.

Ms. Jarrett moved to approve the request by Compass Advisors. There was no second. Mr. McKenna moved to deny the request by Compass Advisors to operate an aviation consulting firm from their commercial hangar location. The motion was seconded and passed with a four to one vote. The request was denied.

The seventh agenda item was the report on request for clarification of open meetings and meeting minutes by Thomas Nagorski – Richard Roehm. Mr. Roehm said he had prepared a letter to Mr. Sedivy asking for a legal review of the issues raised by Mr. Nagorski. Both letters were sent to Mr. Sedivy. Mr. Roehm received a response from Rebecca Pape as Mr. Sedivy is out of the office until January. The only caution is regarding matters discussed during the Director's Report. Matters should not be discussed that invite or require public comment, or look like the Board is forming an opinion. If they do, they should be placed on the agenda in a future meeting. The minutes are inclusive enough but can be improved.

Mr. Nagorski brought up some issues that he felt hadn't been properly handled during the Director's Report and items that he thought hadn't been recorded sufficiently in the minutes. He asked again about the procedures for presenting something to the Board for action to be taken. The Board and Mr. Mathis responded to the allegations. They also told

Mr. Nagorski that the way to get an item on the Agenda is to write a letter to the Airport Director at least a week prior to a regularly scheduled Board meeting stating the purpose and requesting that the item be placed on the Agenda. If the item is something the Airport Director believes warrants coming before the Board and is something that he and the requestor can't work out, he will put it on the Agenda.

The Board does not want to constrain the Airport Director from bringing issues up in the Director's Report.

The eighth agenda item was to consider purchase of the Merica property. Scott Bell, the airport engineer, said he had sent a letter to the Board with the last counteroffer to Mr. Merica. He said it is a 3-acre property with a business on it and a shop building. This is an administrative settlement, which does not allow the landowner to receive additional compensation to move the business to another site. Mr. Merica will be allowed to operate his business there for two years and he must insure the property and work on relocating his business.

After discussing what an administrative settlement is, the appraisal values of comparable properties in this area and the fact that the cost would probably be reimbursable by the FAA in a future Airport Improvement Project (AIP) grant, Mr. Roehm moved approval of the purchase. The motion carried.

The ninth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in November there were 438 air carrier operations, 848 air taxi, 1,843 general aviation (GA) itinerant and 10 military, for a total of 3,139 itinerant operations. Local GA operations were 1,727, for a total of 4,866 tower operations, up 15.09% from November a year ago. There were 143 landings of aircraft over

12,500 pounds, compared to 93 last November, which is up 58.89%. Local general aviation flight activity is still weak and showing a decrease of 8.82% from November 2003.

Mr. Sprenger reported that passenger boardings were 19,947, up 11.0% from November a year ago. Year to date is up 9.6% compared to the same period in 2003. Year to date has already exceeded all annual boardings from the past. December is expected to be strong as well.

In response to a question from Mr. Roehm about our growth rate, Mr. Sprenger said that the terminal is probably in good shape for the next five years and the parking lot will be an issue within the next two to three years.

Mr. McKenna said that we want this airport to be a pleasant experience for everyone coming in; from the control tower to the TSA, and he would like that conveyed to them. Most of the comments we receive on this airport are very positive.

Occasionally we are questioned as to why it seems to take longer to get baggage to the bag claim here. Mr. Sprenger said that some reasons are that it isn't far from the plane to the baggage claim area, most of the airlines here are cross utilized and work the baggage as well as the passengers and every bag here is for people staying here rather than passing through.

The tenth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that the pre-bid conference for the fire station project went well and that bids will be opened on December 17<sup>th</sup> to be considered at the next Board meeting.

He also reported that the security access project is moving along and should be completed in January or February.

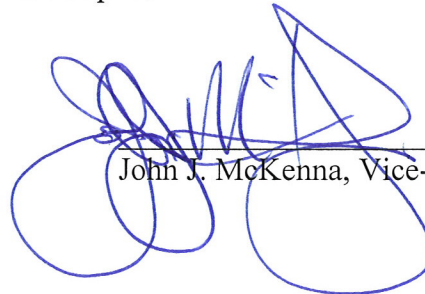
He and several other people are traveling to Helena Friday morning to make a presentation to the Transportation Commission promoting the interchange. They are hoping

that the Montana Department of Transportation will place the Interchange on their priority list. Federal funds will cover the bridge portion. Ramps and connector roads must be paid for with local dollars.

Mr. Roehm said that Torlief Aasheim would like a spotlight over the bobcat.

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

The meeting was adjourned at 5:45 p.m.



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John J. McKenna, Vice-Chairman