

The regular monthly meeting of the Gallatin Airport Authority was held September 13, 2007 at 3:00 p.m. in the Airport Conference Room. Board members present were John McKenna, Richard Roehm, Steve Williamson, Greg Metzger and Kevin Kelleher. 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 August 9, 2007. Kevin Kelleher moved to accept the minutes as mailed, Steve Williamson seconded the motion and it was approved without opposition.

Ted Mathis said that Milly Ross, the long-time station manager for Horizon Air, retired and that Jason Boyd is the new manager. Mr. Boyd is very qualified and is working out well already. The board welcomed him and asked about the situation at Horizon because two Scandinavian Airlines had landing gear collapses on two Q400s. Mr. Boyd said Horizon had voluntarily pulled 19 of their 33 Q400s out of service before the FAA made the call. Bombardier was asking airlines to immediately inspect the landing gear units of all Q400s that have operated more than 10,000 flights. Mr. Boyd said that approximately 13 of their Q400s were operating and they hoped to operate all their scheduled flights by Sunday.

Richard Roehm said that Milly Ross has been a wonderful associate to work with and they hope Mr. Boyd will be too. They wished him the best.

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

The third agenda item was to consider the request by Rocky Mountain Aviation Group, Inc. to construct a four-unit 40'x165' non-commercial hangar. Mr. Mathis said Benjamin Bulis was present if the board members had questions for him. Mr. Mathis said the hangar would be behind hangars 71, 72, 73 and 74, facing north on Taxiway India. Just these

four hangars will be on this taxiway as any others would interfere with the view of the runway from the control tower.

Mr. Bulis said the shed roof would be similar to the one behind it and would have the same construction panels as the other one he is building. This one doesn't have sewer and water so the hangar will have overhead heat rather than radiant heat, which will minimize the cost. He is selling the hangars that he is currently building for \$115,000. These hangars have heated floors and restrooms. He said he has a contract on one unit and someone is interested in another one.

Mr. Roehm said he would like the board to have information on spec hangars, rental space and construction costs and asked Mr. Bulis to discuss that with them.

Mr. Bulis said he used R26, 8'x12' OSB panels and it took about 1 ½ days to put the walls up. He said he is doing some of the work himself. Costs were more than he anticipated with concrete running \$85 per yard. Mr. Roehm asked if the cost of the hangar building was about \$60 per sq. ft. and Mr. Bulis said it was close to that, depending on how much work he does himself. Mr. Bulis said some people don't want to purchase a hangar for \$115,000, but there are no spaces to rent. He said putting radiant heat in the floor costs about \$4.50 per sq. ft. and raises the price of the hangar by about \$6,000.

Scott Bell, airport engineer, said there is a 15' separation between the hangars because of the line of sight from the tower and it affects the hold line on Taxiway Mike. He said this hangar is the controlling factor.

Greg Metzger asked how much the taxiway costs. Mr. Mathis said it doesn't pencil out but, because there are federal funds available for the construction we only pay 5¢ on the dollar. Mr. Metzger moved to accept the motion as submitted, John McKenna seconded the motion and the vote was unanimous for approval.

Mr. Roehm asked Mr. Mathis to discuss keeping hangar costs down and other matters regarding hangars. Mr. Mathis said the board recently raised non-commercial land rates to \$.085 (8.5¢) per sq. ft. per year. Federal funding allows us to build additional taxiways and purchase snow removal equipment. The entire general aviation (GA) area doesn't pay its way with maintenance, snow removal and the additional security requirements. He said it is fortunate we have other sources of revenue to subsidize this area.

Mr. Mathis said that there is still a demand for more expensive hangars and that lessees can store other items in them. They must store an airplane in the building first and foremost to meet FAA requirements.

Mr. Mathis said we will continue to see folks like Mr. Bulis putting up hangars for people moving here. There are some aircraft and hangars being sold due to the aging local pilot population as well.

Mr. Roehm asked what kind of impact this has on the Master Plan and Mr. Mathis said we are blessed with lots of land. When the southeast side is filled, we can move to the north side. Mr. Mathis said prices of hangars are also affected by inflation, utilities and other services the public wants.

Mr. Roehm asked Richard Keenan about hangar rentals. Mr. Keenan said Arlin's Aircraft Service rents a lot of hangar space and they are out of space for light aircraft. They have a waiting list for 20 spaces by light aircraft owners who don't have enough money to build their own hangars. He said rentals are running \$50 to \$65 per sq. foot for a completed space that is not super fancy. He said they told Jerry Grant they would work with him on the T-hangar complex he recently built only if he would agree to rent his hangars for one year before selling them.

Mr. Keenan said rentals for large aircraft can pay their way but rentals for light aircraft cannot service the debt on a new building. Arlin's is charging \$225 to \$350 per month for a light aircraft hangar. He said anyone who builds a hangar is building to sell or to make a long term investment.

Mr. Kelleher asked if the road impact fees the county is considering will affect hangars. Mr. Mathis said the county has not approached us. He said because we own and maintain our own access roads, taxiways, gates, and water and sewer systems, it may not impact us.

Mr. Bell said he hasn't checked into it but he thinks the fees would be tied to county permits or subdivision review. Hangar owners here have to have state permits. Because we have a Master Plan, we don't have to go through subdivision review.

Mr. McKenna said that is a good reason for us to not deviate from aviation-related operations. Mr. Mathis said the FAA would ask for their airport improvement grant money back if we got away from that.

Mr. Roehm thanked the board for their indulgence and everyone for their input. He said in the past the board has kept the land rent down to encourage the average Joe to fly and now they're being muscled out by construction costs. It is getting to where they can't afford it. He said he wanted the board to be cognizant of the situation.

The fourth agenda item was the Master Plan project update – Scott Bell. Mr. Roehm asked Mr. Bell if there were any changes on Chapter 5 and Mr. Bell said he hadn't received any comments or questions. He then passed out a sheet showing what is left for the final chapter.

He said that he would let the board know the dates of the Belgrade City Planning Board meeting, Belgrade City Council and the County Commissioners meetings at the end of

October and early part of November. He said those would all be public meetings and he would also make a presentation of where we are with the first five chapters of the Master Plan.

He hopes to discuss the final draft at the November 8th Gallatin Airport Authority (GAA) meeting and have a bound draft for the December meeting for approval or recommended additional work. Mr. Roehm asked if the public has had opportunity to have input and Mr. Bell said the Master Plan update has been on the GAA meeting agendas, there have been pilot meetings and tenant meetings. He said we could advertise our November 8th meeting more than usual. The information is on our website and Mr. Bell said we could decide at our November meeting if we would like to have a special meeting. Mr. Bell wants this done by the end of the year as requested by the board.

Mr. Roehm said he would like to encourage public participation. Mr. McKenna said he is comfortable with the opportunities that have been offered and are scheduled for public participation.

He said he would like us to monitor the changes and see how we did compared to what was projected. He said that the interest rate on a bond or the number of boardings being different by a point or two could have a huge impact. He recognizes that this is the best guess based on historical and current information.

He said he would like the county and city planning boards to know how important we think the land use around the airport is. Mr. Metzger said he is more skeptical because boards are made up from the public and the public changes their minds every year. He thinks we will have battles to fight in the future and doesn't think it will be as smooth sailing as we hope, but he thinks we put together our best plan and inform them.

The fifth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in August there were 864 air carrier operations, 1,165 air taxi, 3,843 GA itinerant and 24 military, for a total of 5,896 itinerant operations. Local GA operations were 2,918, for a total of 8,814 tower operations, down 2.9% from 9,077 in 2006. It was still a good month. Mr. Sprenger said there were 390 landings of aircraft 12,500 pounds or more, up 5.1% over the 371 in August of last year. This is an all-time record.

Mr. Sprenger reported that passenger enplanements were 39,132, up 7.1% over 2006. It is slightly less than 100 passengers less than our all time record, which was set in 2005. Year to date we are tracking 5.2% ahead of 2006 with 235,381 passengers.

The sixth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that he had a picture of the first Eclipse VLJ to fly in here. It is based in Rapid City and stopped in for fuel on the way to Portland. Mr. Mathis said there were four passengers.

Mr. Mathis showed a video of the construction and improvements taking place. He showed the terminal ramp expansion with the French drain. Because JTL is selling so much concrete during the day, they are working here at night.

Mr. Mathis showed the service road that runs from the terminal ramp to the deicing pad at Runway 12. The service road runs parallel to the taxiway and will allow the deicing trucks, tugs and other vehicles to access the deicing pad and go around the end of the runway without being in the safety or movement areas.

He showed where the waste materials are going on the north side of Runway 12/30 to smooth the area and enhance safety and ease of maintenance. Mr. Mathis showed the hangar Ben Bulis is building, where the grass is coming in nicely in the new pilot shelter tie down area, the hangar Dan Brooks is building, and where Lance Lerner's and Dennis Forhart's new

hangars will be. He also showed the progress on Jim Booth's new hangar, and the Ruefer and Marshall hangars. He said we received federal funds to construct the taxiways.

Mr. Mathis said the Marshalls have finished painting their hangars and three have been spoken for. Mr. Mathis showed Central Copter's hangar and parking lot and said it probably won't be ready to move into until after Christmas.

Mr. Mathis showed the Merica shop and former Witt auction barn. He said the GAA had demolished and disposed of five old mobile homes and a 2-story residence with garage on that property.

Mr. Mathis showed the new ditch, which is south of Tubb Road. He showed two new headgates and said two new culverts had been installed under the security fence, which also makes the road safer. The ditch work is being done by Omdahl Construction.

Mr. Mathis said that just about everywhere you look on the airport, you see construction equipment. The projects are going well and we hope the paving is completed before the snow falls.

Mr. Roehm said he started flying out of Gallatin Field in 1952 and that the land is a lot flatter and safer. He said that is a feather in Mr. Mathis' cap.

Mr. Mathis also reported that the specifications for the new broom truck have been completed and he hopes to open bids at the November meeting. He said the delivery time is 270 days and the truck should be here next fall. The truck will have a 20' broom.

Mr. Mathis said the auditors have been here and have taken the numbers back to their office.

Mr. Metzger asked why the GAA doesn't build hangars for light aircraft and rent them. Mr. Mathis said that historically the board thought they should be privately owned and the private sector should be paying taxes on them. He said the Airport Authority owns five

hangars. Mr. Metzger said maybe we could look at the possibility of building and renting some hangars and creating a revenue stream. He said he doesn't like to compete with the private sector but maybe it should be considered to provide a service.

Mr. Roehm said that is an excellent point. He said when he first was appointed to the board, there were two prevailing thoughts; one that the board ought to build hangars and rent them out, the other was to let the private sector build them. Mr. Roehm said things are changing and we have to take care of the broad population, not just the high rollers with Gulfstreams.

Mr. Kelleher said if impact fees are charged against hangars, it would slow down hangar construction. Mr. Mathis said the new state requirements are having a huge impact and are making it very costly to construct larger hangars because fire sprinkler systems are now required.

Mr. McKenna said that if the board considers building hangars, it should look at them philosophically rather than economically for maintaining the health of the general aviation population. He said it is no different than building a taxiway that doesn't pay for itself. He said if it is good for GA, it is good for the fixed base operators (FBOs), the car rental agencies and the airport as a whole.

Mr. Williamson said he doesn't think you should have to pay more for a hangar than for the airplane. He said maybe they should reconsider. When he first came on the board, you could still buy or lease a hangar for a reasonable amount.

Mr. Metzger said they would have a small space for a light aircraft, nothing fancy. He feels bad competing, but if the FBOs can't provide the space, then the government could subsidize those who need it. Mr. Kelleher said that at current costs, he probably wouldn't

have gone into general aviation. He said they have a shed roof hangar at Salt Lake City. Mr. Mathis said we have expanded our based aircraft tie down area.

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

The meeting was adjourned at 4:06 p.m.

Richard R. Roehm, Chairman