

The regular monthly meeting of the Gallatin Airport Authority was held October 10, 2002 at 3:00 p.m. in the Airport Conference Room. Board members present were Yvonne Jarrett, John McKenna, Richard Roehm, Steve Williamson and Tom Nopper. Ted Mathis, Airport Director, Brian Sprenger, Assistant Director and Cherie Ferguson, Clerk, were present.

Richard Roehm began the meeting by honoring Al Sprenger for twenty-eight years of dedicated service to the flying public of southwest Montana. Ted Mathis gave a brief history of Mr. Sprenger's forty three years in aviation, including twenty-eight years of service at Gallatin Field, mentioning some of the challenges and some of the changes he has seen here. Mr. Mathis said we have received hundreds of compliments about his service and professionalism. He then presented a plaque to Mr. Sprenger and thanked him for his dedicated service.

The Board members thanked him and added special thanks for how he has handled things this last year with all the changes taking place. This was the third agenda item.

The first agenda item was to review and approve the minutes of the regular meeting held September 5, 2002. John McKenna 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. Arron Wass said that two weeks ago Mr. Mathis spoke to him regarding moving a gate down by Yellowstone Jetcenter. The next day digging began and Arlin's Aircraft Service lost about 25% of their leased area. Mr. Wass said the encroachment was for the full benefit of Yellowstone Jetcenter and that there are other leased areas Arlin's would like to consider swapping out, or at least reducing the lease area rent. Mr. Wass said he would like more in-depth discussions in the future, prior to action being taken.

The Board members asked Mr. Wass to meet with Mr. Mathis and work out something that is agreeable.

Mr. Wass said he hasn't signed the agreement yet regarding the redistribution of ramp aircraft flagging area.

Roger Stradley said he has lost parking space and ramp space as a result of Yellowstone Jetcenter's operations at their new facility. He asked who is liable for airplanes when they blow away due to the way Yellowstone Jetcenter is parking their customer's planes. Mr. Stradley said that Yellowstone Jetcenter's contractors, employees and customers, and Mr. Mecklenberg's people have parked in his lot and the Gallatin Flying Service and Aero Flight School employees and customers have no place to park.

He also said he has not been contacted regarding the ramp in front of his building. He would like five tiedowns.

Mr. Roehm said that Mr. Stradley's three issues have been noted.

Jeff Kern, the general manager at Yellowstone Jetcenter, said they don't want the planes to face east so that they have to start them with the tails to the wind. He said the pump needs to be moved and that there could be an accident in this area. The Board members told him he needs to do it that way until the pump is moved and find a way to turn the jets around.

Mr. Kern said he has met with Mr. Mathis and they are working on plans for parking and fuel service.

Tom Nopper said that all the parties involved should get together in one room and work things out and not bring their problems to the Board piecemeal. Steve Williamson said the fueling station may not be moved soon and they need to handle things as if nothing is going to happen. The Board members don't want to have these same issues come up at the next meeting. Mr. Roehm said the Board is anxious and concerned about the safety issues

and anxious and concerned about lease compliance. He said that we don't want any accidents.

The fourth agenda item was to consider construction of a gift shop and snack bar inside the terminal second level secure area. Mr. Mathis said that because of the changes after September 11, 2001, we have determined that we need to better accommodate the flying public by installing a snack bar and small gift shop inside the secure passenger waiting area. The best location would be where the vending machines are currently located. Jamie Lenon of Prugh and Lenon Architects, Inc. has worked with Bert Hopeman and Jim Schneider to come up with a workable solution. The Airport Authority would spend approximately \$55,000 to build the necessary improvements, the gift shop agreement would be amended to include operating the snack bar, and the restaurant would provide the food supplies.

Discussion of prices, spilled food, the necessity of a good agreement and percentage of sales followed.

Mr. Williamson moved approval for the Airport Authority to construct a gift shop/snack bar facility in the passenger screening area and spend up to \$55,000 to make that happen, and approval to modify the gift shop and restaurant agreements to allow them to co-locate and work together. Mr. McKenna seconded the motion and it passed unopposed.

Brian Sprenger said it has been very productive working with Mr. Hopeman to make this a possibility. He thanked Mr. Hopeman for his assistance.

The fifth agenda item was the report on passenger boardings and flight operations - Brian Sprenger. Mr. Sprenger reported that in September there were 549 air carrier operations, 645 air taxi, 2,148 GA itinerant and 28 military, for a total of 3,370 itinerant operations. Local general aviation operations were 2,457, for a total of 5,827 tower operations in September, up 25.23% from September a year ago. There were 140 landings of

aircraft over 12,499 pounds, up 64.71% from September 2001. This was a great month with landings 15% higher than any previous September tower operations record. The air carrier and local GA traffic were up substantially at 33% and 41% respectively.

This was an equally spectacular month for passenger boardings as well, at 23,591, up 42.7% from September a year ago, which was 16,532. Year to date is up 5.36% compared to the same period in 2001. This September was up nearly 19% over any previous September record. Our airport is doing well compared to most of the rest of the country.

Delta Connection will be adding a new daily flight to Salt Lake City starting November 1st. This brings the number of daily flights for Delta/Delta Connection to six.

Northwest Airlines was scheduled to add their third Minneapolis flight in December, discontinue it after three weeks, and then return it February 1st. They have decided to extend that flight through January. We may see over capacity and dropping load factors. This could result in some cancellations. October boarding projections look relatively even with last year.

Mesaba Airlines bought out Big Sky Airlines and Northwest Airlines will begin service to Helena; neither one should impact us very much. America West is starting up in Billings with two daily non-stop flights to Phoenix. This could have an impact on Gallatin Field, especially with business travelers.

The parking lot income was up 27% in September and the gift shop revenue is up nearly 6% from June through September compared to the same period last year.

The sixth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that we did receive payment from the TSA for May and claims are being processed for subsequent months. Federal screeners take over the passenger screening point on October 28th. They have until December 31st to do the baggage screening.

The paving on the freight and commercial ramp is complete. The turf runway has been smoothed out and compacted and the sprinkler system is in place. Two lines still need to be tested. The turf runway should be ready to use sometime next summer.

Central Copters' owner, Mark Duffy, signed their lease as a commercial operator. They have decided not to offer fuel sales.

Mr. Mathis also reported that two appraisers are doing work for land acquisition and some property we have an easement on. The appraisals should be completed by the next Board meeting. Ms. Jarrett asked how appraisers are chosen. Mr. Mathis said there are several whom the FAA has approved. The homeowners chose from that list and we approved those choices.

We are still considering resurfacing 12/30 next summer. If the runway is kept open except from 1:00 p.m. until 10:00 p.m. daily, it will take 15 to 20 days to complete the project. We need to see if any other airports have done this and still need to talk to the airlines and see how it will impact them.

Mr. Mathis said Jim Bastiani has purchased a jet warbird, an L-39, from one of the Russian block countries and will be restoring it.

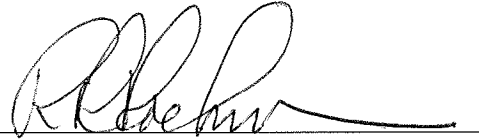
Mr. Mathis also said he and Mr. Sprenger attended the FAA/MAMA (Montana Airport Managers Association) meeting in Helena Tuesday and Wednesday. A representative from the TSA (Transportation Security Administration) was there too. Once we get our local security director, Bert Obert, in place, there will probably be some additional security measures required in the general aviation area and additional work around the terminal building.

The Triennial Disaster Exercise will be held on Saturday in cooperation with emergency providers in the area. The hospital has a new emergency room and will be testing its capabilities. The exercise will begin at 8:40 a.m. and run until noon.

Mr. Roehm ascertained from Mr. Mathis that the Belgrade Fire Department has not signed the new agreement but it is not a problem for us.

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. Nopper seconded the motion, which carried.

The meeting was adjourned at 4:15 p.m.

A handwritten signature in black ink, appearing to read 'R. Roehm', written over a horizontal line.

Richard R. Roehm, Chairman