

The regular monthly meeting of the Gallatin Airport Authority was held October 9, 2003 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, Steve Williamson, Yvonne Jarrett, Tom Nopper and John McKenna. 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 September 16, 2003. Richard Roehm moved to accept the minutes as mailed, John McKenna seconded the motion and it passed.

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

The third agenda item was to consider the Real Estate Transfer Agreement for purchase of KMC Partnership property. Mr. Mathis said that we have been negotiating with them for some time and now have an agreement signed by KMC. Dale Beland was in attendance at the meeting representing the KMC Partnership.

Mr. Mathis said there has been one change in the proposed agreement since he mailed the Board members a draft copy on September 20th. The change is as follows: "SELLER and AUTHORITY agree to a pro-rata sharing of revenue and cost for continued farming of the property purchased by the AUTHORITY and the remaining property of the SELLER. The existing center-pivot irrigation system will continue to be owned by SELLER and provided for continued farming at no cost to the AUTHORITY until such time as the parties agree to buy/sell or relocate said system." This is good for both parties as the sprinkler system goes over both properties. There is a pro-rata share of the water rights as well, which is based on the amount of property owned by each party.

Mr. Mathis said if the Board approves the agreement, the Airport Authority will purchase 171.76 acres in fee and an avigation easement over the 163.9 acres that the KMC Partnership has retained. The purchase price is \$1,803,480.00.

Scott Bell, the airport engineer, said that the one contingency that the airport resolution be amended and filed prior to closing was completed.

Mr. Roehm moved approval of the Real Estate Transfer and performance agreement. Mr. McKenna seconded the motion and it carried without opposition. The Board members thanked all who had worked on the purchase.

The fourth agenda item was to consider a request by Pervasive Steel, Inc. to construct a 100' x 100' non-commercial hangar. Cris Iverson said he would like to construct the hangar just northwest of the one he is completing. Dolittle Construction had approval to build there but has decided to wait awhile before building any more hangars. Mr. Mathis said Cris has done a nice job on the building he is currently working on and recommended approval of the request. Mr. Roehm moved approval of the request, Yvonne Jarrett seconded the motion and it passed.

Mr. Roehm commended Mr. Iverson on the super job on his first hangar.

The fifth agenda item was the report on passenger boardings and flight operations - Brian Sprenger. Mr. Sprenger said that September was a record month pretty much all around. Recorded tower operations in September were 431 air carrier operations, 857 air taxi, 2,200 general aviation (GA) itinerant and 31 military, for a total of 3,519 itinerant operations. Local GA operations were 2,717, for a total of 6,236 tower operations in September, up 7.02% from September 2002. That is a record number of operations for September. There were 151 landings of aircraft over 12,500 pounds, which is up 7.86% from September a year ago. Year-to-date tower operations are up 8% over the previous record in

2002, and year-to-date landings of aircraft over 12,500 pounds are up 3.7% over the same record period a year ago.

Mr. Sprenger reported that passenger boardings were 24,284, up 2.9% from September a year ago. Year-to-date enplanements of 219,727 are a 1.7% increase over last year's record. October boardings look strong as well.

Mr. Sprenger also said that it is anticipated that Horizon Air will operate their weekend non-stop flights to Los Angeles in February and March again this year, and Northwest Airlines is planning a daily non-stop flight to Detroit for three weeks over Christmas. Northwest has scheduled a 3rd flight to Minneapolis, St. Paul in mid December, and on January 7th, Delta Air Lines will be adding an additional Canadair regional jet flight to Salt Lake City.

Mr. Roehm asked if there are enough users to justify having the Control Tower open until midnight. Mr. Mathis said there must be an average of four operations per hour for the FAA to pay to keep the tower open. In the summer months when the count was done there were, but the FAA said they didn't have the funds available.

The sixth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that Congress postponed action on the FAA budget but did pass a continuing resolution to keep the FAA operating after September 30th, which is their fiscal year end. He has continued communication with the regional FAA office and has another meeting planned with them to discuss the cost benefit ratio. He told them the Airport Authority is waiting for Congress to take action on the FAA budget before we commit to any local funding. Mr. Mathis is expecting a plan in the near future that will let us know what infrastructure we need to put in place and to establish a site. The funding should be determined by then.

Mr. Mathis said that he sent the Board members information regarding the control tower hours. As of October 1st, the Department of Labor wage rates increased our costs of operating the tower for the two hours that we pay to \$2,869.10 per month. If we drop the hour between 11:00 p.m. and midnight, our rate would be \$1,402.97 per month. Without any air carrier flights after 11:00 p.m. effective January 7, 2004, Mr. Mathis doesn't believe it is worth paying the extra money. We just need to notify the contractor and the FAA facility directory.

Mr. Roehm moved to close the tower from 11:00 p.m. until 6:00 a.m. effective January 7, 2004, Mr. McKenna seconded the motion and it carried.

Regarding construction, Mr. Mathis reported that the runway grooving should be finished by the weekend; Duffy's are working on their large storage hangar and have all their concrete poured, including the ramp. They have the steel to put up the walls of their office building. Resurfacing of the old terminal parking lot and paving of the two new taxiways in the south hangar area should be completed next week.

Mr. Mathis reported that we closed on the Sande property this morning.

Mr. Roehm asked about the status of the proposed campsite. Mr. Mathis said that Jim Monger, Mr. & Mrs. Leroy, John McKenna, Brian Sprenger, Scott Bell and he had a meeting and considered a number of ideas. One of the main challenges is not knowing where the new Interstate access interchange may go. Mr. Bell thinks the county will have a site chosen to propose to the federal highway department in nine months or less.

The Board members discussed whether they are even interested in the idea, possible locations and what may be expected of the Authority if they give their approval. It was decided that they need a comprehensive business plan before making any decisions. Mr. Mathis said he would talk to Mr. Monger who said he would spearhead the project.

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

The meeting was adjourned at 3:39 p.m.



Steven H. Williamson, Chairman