

The regular monthly meeting of the Gallatin Airport Authority was held January 8, 2004 at 3:00 p.m. in the Airport Conference Room. Board members present were Tom Nopper, who chaired the meeting, Richard Roehm, John McKenna and Yvonne Jarrett. Steve Williamson, Chairman, was absent. 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 December 11, 2003. Richard Roehm moved to accept the minutes as mailed, Yvonne Jarrett seconded the motion. The motion carried.

The second agenda item was the public comment period. Tom Nagorski requested that the Board put the construction projects on the agenda before the landing weight decrease so there can be discussion regarding the need for the increase in revenues first.

He said he had heard a rumor for planning a new general aviation (GA) ramp but there isn't anything on the agenda for that. He believes that the traffic and tie downs could be accommodated if there was higher density of the tie downs on the existing ramp. That would cut down on additional infrastructure and costs projected for the future.

Tom Nopper said that the items on the agenda this month are for discussion only and that the Board isn't going to take any action at this meeting.

The third agenda item was to consider lowering the minimum aircraft landing weight for landing fee charges from 12,500 pounds to 8,500 pounds. Mr. Mathis said he had mailed information on various aircraft and a picture to the Board members. The picture points out the inequity of landing fees for aircraft over 12,500 pounds certified gross landing weight (GLW). The revenues that are generated for scheduled GA flights, including FedEx, Airborne Express and Ameriflight, are about \$60,000 per year. Only one of four aircraft in the picture pay a landing fee. Mr. Mathis believes the weight cutoff is incorrect because of

the advent of lighter jets. These aircraft require the same services as the heavier aircraft but don't pay for those services. If we lower the weight for the fee, it will generate \$20,000 to \$22,000 to help defray the maintenance and operating costs.

Mr. Mathis said he talked to other airports and the charges vary. Some don't charge at all and some charge all aircraft. Helena's fees start at 10,000 pounds and Billings doesn't charge at all. However, Billings charges an 8¢ per gallon fuel flowage fee and we charge 5¢ per gallon.

Locally it would only affect three owners at this time. A lot of itinerant aircraft come in with enough fuel so they don't pay anything to the airport or to the fixed base operators (FBOs) at the airport. One example is the air ambulance flights out of Billings. We still have to plow the runway and turn on the lights, etc.

Mr. Mathis said this item was put on the agenda to be discussed. It will be on the agenda next month for further discussion.

Ms. Jarrett asked how Mr. Mathis decided on a weight of 8,500 pounds and Mr. Mathis responded that, except for the Pilatus, which is a large single engine turboprop aircraft, they are easy to identify as they are all jets or twin-engine turboprop aircraft.

Mr. Roehm asked Mr. Mathis to list what other airports do because he is interested in fees at comparable airports. Mr. Mathis will bring the information to the next meeting.

John McKenna said that the airport is a friendly place for aircraft and should not be unreasonable in providing services. He added that he was not comfortable lowering the weight. He said that he doesn't like the logic that because you fly a big aircraft you can afford the fee. He asked Mr. Mathis how much would be cut off if we went to 10,000 pounds. Mr. Mathis said that it would be difficult to know because we don't keep track of

aircraft lighter than 12,500 pounds. His estimate is based on an average of three landings of aircraft between 8,500 pounds and 12,500 pounds per day, 365 days per year.

Mr. Nopper asked if we could charge the transient aircraft but not the based aircraft a landing fee because local pilots pay fuel flowage fees, ground rental and hangar rental. Mr. Mathis will check with legal counsel.

Doug Chapman said that Mr. McKenna summed up the situation pretty well and he would like a study to see who uses the services and who creates the maintenance expenses. He also believes it would be more equitable to use the tax money from the county rather than lower the landing weights for the fees.

Arlin Wass said he did some checking at Montana airports. He said Great Falls, Kalispell and Missoula charge a fee at 12,500 pounds and Helena is at 10,000 or 10,500 pounds. Helena doesn't charge a fuel flowage fee. Billings doesn't charge GA landings but non-airlines pay \$1.60 per 1,000 pounds GLW and the airlines pay \$1.27 per 1,000 pounds GLW. At Kalispell, the airlines pay a 1.5¢ flowage fee. Mr. Wass believes that the revenues received will just be used to pay the administrative costs of collecting the fees.

Mr. Nagorski extended his compliments to Mr. McKenna. He believes that the lower weight for collecting fees is completely ill advised and unnecessary and said that the smaller aircraft don't need most of the services and that the services exist for the airlines. Some of the services he mentioned are a 9000' foot runway that is 150' wide, a stressed ramp, the cargo ramp, the sod runway or the additional land that was purchased in 2003.

He said that he is not in favor of the airport generating the additional revenues because there has been an increase in assets and expenses are down.

Mr. Nopper said that generating revenue is not the primary purpose but that fairness is and that maintenance of the existing facilities is talking about marginal cost.

Mr. Mathis said that since 1999, operating expenses are up 49%, airline rates and terminal area revenues have risen 49%, but with the new hangars and other revenues from GA, GA revenues have risen 39% and therefore haven't kept pace with costs for maintenance, operations or capital improvements.

The fourth agenda item was to consider construction projects for 2004. Mr. Mathis said that the staff is recommending the following construction projects for 2004 and would welcome public comments.

The primary project is to expand or resurface the existing GA ramp, which is a \$1.8 million to \$2 million project, with 95% federal funding. The tenants using the GA ramp have made several good suggestions that will be considered, which include relocating tiedowns, improving parking and relocating based aircraft.

The FAA has requested that we put in an incursion road at the south end of the existing GA hangar area around the end of 03 and down to the east ramp. It will look like a road but will be planned and stressed so it can be used as a taxiway.

The FAA has also requested and made discretionary funds available so we can replace our 28 year-old fire truck and either extend the existing fire station or build a new one. Locations being considered for the new fire station are on the west side of Yellowstone Jetcenter's big hangar, next to the old terminal, between the control tower and Yellowstone Jetcenter's big hangar, or to tear down the old terminal building and build the fire station there. If a new fire station is built, the old one could be used as a substation for the Gallatin County Sheriff's Department, which would give them office space here and allow them to make quicker responses to the Belgrade area. The airlines could also have more storage area if they needed it.

The fifth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger said that this is a dual report because it is the end of December and the year 2003. He reported that in December there were 471 air carrier operations, 867 air taxi, 1,107 GA itinerant and 22 military, for a total of 2,467 itinerant operations. Local general aviation operations were 1,599 for a total of 4,066 tower operations in December, down 4.87% from December a year ago. Weather was a factor. In spite of the bad weather on December 26th, we had 79 instrument operations. We can't thank our crew and the tower staff enough for the exceptional job they did coordinating snow removal and aircraft activity.

There were 136 landings of aircraft over 12,500 pounds, up 52.81% from December 2002. A substantial number of those aircraft came in on the 26th and the 27th during heavy snow removal. Total tower operations for the year were 65,410, which is up 7.44% over the prior year. That was a record for tower operations, as was the total of 1,681 for aircraft weighing over 12,500 pounds.

Mr. Sprenger reported that passenger boardings for December were 23,799, up 3.6% from December a year ago. Total boardings for the year were 282,164, up 2.8% over the previous record set in 2002. Mr. Sprenger said that he expects January to be at or slightly behind January 2003 due to adjustments by the local carriers. January is a hard month to predict. Some years are good and some are not quite so good.

In February and March, we will have 7 daily flights to Salt Lake City, 5 daily flights to Denver, 3 daily flights to Minneapolis/St. Paul and 3 daily flights to Seattle. On Sundays there will be a non-stop flight to Detroit, and on Sundays and Thursdays, a non-stop flight to Los Angeles.

The sixth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that at the end of the year we send out a press release spelling out the major projects for the year, plus the boarding figures and tower operations. One is scheduled to go out tomorrow.

Mr. Mathis also said that as part of the terminal project we are rebuilding a used jetway. We need to order a new aircraft ground power unit to be mounted on the bridge. Mr. Mathis received three quotes, the lowest one being from FMC Technologies, for \$25,407 plus freight. He requested and received approval to order the unit. He said that we are still under our budgeted amount of \$100,000 for the jetway, having spent \$58,000 to date. This unit will bring us close to the budgeted amount.

Mr. Mathis reported that on Monday he and Ms. Jarrett and Scott Bell attended the closing on the KMC Property, which went well. We are now the owners of the property.

Mr. Mathis said he was approached by Tim Merica, who owns property in the runway protection zone at the end of the runway and would like to sell it. We purchased an avigation easement on the property in 1982 and the only use that can be made of the property is commercial. The purchase would be eligible for federal funds.

Mr. Mathis asked for and received approval to get an appraisal on the property.

The seventh agenda item was to consider the bills and approve for payment. After review and discussion, Mr. McKenna moved to pay the bills, Mr. Roehm seconded the motion and it passed unopposed.

The meeting was adjourned at 3:51 p.m.



Tom Nopper, Vice-Chairman