

The regular monthly meeting of the Gallatin Airport Authority was held February 12, 2008 at 3:00 p.m. in the Airport Conference Room. Board members present were Richard Roehm, John McKenna, Steve Williamson, Greg Metzger and Kevin Kelleher. Also present were Ted Mathis, Airport Director, Brian Sprenger, Assistant Airport Director and Cherie Ferguson, Administrative Assistant.

Chairman Richard Roehm said that Melissa Huston was leaving and he wished her a fond farewell and thanked her for all she has done. He introduced Nancy Vitarius, our new office assistant, and said she will have a hard act to follow.

Mr. Roehm said that Sky River Management had withdrawn their request for agenda item 7. He also said that the sheriff was attending a funeral and would be late so agenda item number 5 will be addressed around 4:00 p.m.

The March meeting will be held on Tuesday the 11th at 3:00 p.m.

The first agenda item was to review and approve the minutes of the special and the regular meetings held January 10, 2008. John McKenna moved to accept the minutes and Greg Metzger seconded the motion. The vote was unanimous to accept the minutes.

The second agenda item was the public comment period. There were no public comments. Mr. Roehm reminded the attendees that the board welcomes comments on specific agenda items at the time the items are being discussed.

The third agenda item was the terminal expansion project – Jamie Lenon. Mr. Lenon said they hit the ground running since they were selected a month ago. He said that Michael Spitzer of RS&H was here and met with Brian Sprenger, Assistant Airport Director, and Scott Bell, airport engineer with Morrison-Maierle, Inc. They worked out a scope of services for the conceptual planning phase and have a work order in progress for the services to be performed. They will assess the existing conditions and plan for new services for the

building. In March, they hope to put out a Request For Proposals (RFP) for contractor selection. They have a site concept plan in the works wherein they are compiling all the site information so their plans make sense with what already exists. They will present that at the March meeting.

Prior to the April meeting they will interview staff and the major tenants in the building to make sure their program hones in on areas that are required for each one of the functions. That will be presented at the April meeting. They plan two months to compile the information and will make an interim update at the May meeting and the conceptual presentation at the June meeting.

Mr. Roehm said it is a fairly aggressive plan and asked if it is realistic. Mr. Lenon said the schedule is very tight. He said they would be relying on RS&H initially because they have the airport design experience. He said Prugh and Lenon has people freed up to work on it. They are planning the construction bidding in three phases; a foundation package to be bid in February 2009, a shell package that includes the mechanical and electrical two months later, and three months later the interior packages and technical aspects, which includes equipment that goes into the building later on. He said that if they can start the construction bidding five months early, they should be on schedule. Mr. Roehm thanked Mr. Lenon.

The fourth agenda item was the Master Plan project update – Scott Bell. Ted Mathis said that at the last meeting he and Mr. Bell were instructed to pare down the presentation and he believes they have done that. They can use information boards and have the information available for a PowerPoint presentation if necessary. He said he would get information to the board to schedule an evening meeting at the conference room in the Fire Station Building within the next month or so. The board members and the public are invited.

He said the plan was to use the boards for a work session in an informal situation to answer questions. Then he would do a short presentation to let people know where we are and seek further input. Mr. Mathis then showed some boards that showed the process starting with the last Master Plan from 1993, the chapters of the new Master Plan, forecasting from 2005 until 2025, airport improvements, terminal and landside improvements that include roads, the proposed interchange, terminal expansion and a general layout for the future plans for the landside. He also showed a couple of boards showing the terminal as it is currently proposed. The last board shows land use planning and the areas recommended for further assistance from the planning groups and the County Commission. It includes a 5 mile radius of the airport where aviation easements are required, plus the Belgrade planning area and the East Gallatin Zoning District.

Mr. Roehm said one of our objectives is to gain support from the County Commission for noise reduction, gaining land, requiring aviation easements and similar things. He asked Mr. Mathis where these items are accentuated. Mr. Mathis said the last board and board for Chapter 6, the land use planning chapter of the Master Plan, have the key elements. We will invite the commissioners and the Belgrade Planning Board. Mr. McKenna asked if Mr. Mathis is planning on pointing out which areas are recommended for further review and he said he said he plans to.

Greg Metzger said this is much better. Mr. McKenna asked how much would change on the landside if the interchange doesn't go through. Mr. Mathis said we could still build the bypass road and have two entrances.

Gregg Fuller said that they use sound sensors to monitor noise levels at the Jackson Hole airport, which is on a national park. He asked if we had considered using them at

Gallatin Field and he explained their purpose. He said he would contact the Airport Manager, Ray Bishop, if we have questions.

Greg Mecklenburg said he is back at Gallatin Field now and working for Barnard Aviation/Barnard Construction. He asked that we consider planning for hangar complexes in the new Master Plan so it would be easier to work with the larger aircraft flying in to Gallatin Field. He said there are Gulfstreams, 7Xs and Falcon 900s here now. He said that if they had a traffic loop, the aircraft could go in one direction and out another and it would make it easier for egress and ingress without creating traffic difficulties. He believes that if there was an entity that had different types of ground equipment in a small area that could be used by a group of operators, it would be more efficient for the operators and be a better use of land by the airport. Mr. Fuller said that if Mr. Mecklenburg represents the large aircraft, he represents the midsized aircraft. Mr. Mecklenburg and Mr. Fuller volunteered to assist in any area that would be helpful to the master plan planning process.

Mr. Roehm said Montana has land, space and no sales tax. He said it would be a boon for the valley and economy to have the corporate planes based here and he asked Mr. Bell to interview Mr. Fuller and Mr. Mecklenburg. Mr. Roehm thanked Mr. Mathis and Mr. Bell for their presentation. Mr. Metzger said the writing for chapter 6 isn't what he expected and Mr. Bell said he will get a technical writer to rewrite chapter 6. Mr. McKenna said he would like to see us finish well.

Mr. Bell said the Master Plan is still in the draft stage and modifications may still be made to it.

The sixth agenda item was to consider the request by Doug Hartzheim to construct a 44' x 48' non-commercial hangar. Mr. Mathis said that Mr. Hartzheim has a single engine Columbia airplane and he would like to build a hangar on the east side to accommodate it.

Mr. Mathis said it would be on Taxiway V next to the two large hangars the board recently approved. The board members discussed whether it could go anywhere else and if there is land available for the kinds of hangar complexes that Mr. Mecklenburg and Mr. Fuller were suggesting. Mr. Mathis said that often he and the airport engineer set aside land for large hangars, but often two smaller hangars are built on that site. He said there is land available to accommodate the types of complexes they are talking about and he is open to their ideas. Mr. Fuller said that as they develop the north side, they should consider having the smaller aircraft there so it doesn't create conflicting traffic with the larger aircraft taxiing to the longer runway, and the smaller aircraft taxiing to the shorter runway.

Kent Foster, General Manager of Yellowstone Jetcenter, asked how many hangars are for sale on the airport. He said there are a number of hangars that are for sale on the west side that no one is purchasing, probably because of the prices, and the airport might find they have empty hangars that they aren't receiving revenues for. Mr. Foster said there is probably nothing anyone could do about the situation, but it is food for thought.

Mr. Metzger moved to approve the request by Doug Hartzheim to construct a 44' x 48' non-commercial hangar as noted in location by the Airport Director. Steve Williamson seconded the motion and it carried unopposed.

The eighth agenda item was to consider the request by Rocky Mountain Aviation Group, Inc. to transfer their non-commercial hangar ground lease agreement for Hangars 155-158 to RMAVIT Building One Condominium Association, Inc. Mr. Mathis said the builder has completed this hangar and would like to transfer it to a condominium association. He has sold two of the four units. Mr. Kelleher move to approve the request by Rocky Mountain Aviation Group, Inc. to transfer their non-commercial hangar ground lease

agreement for Hangars 155-158 to RMAVIT Building One Condominium Association. Mr. McKenna seconded the motion and it passed with all ayes.

The ninth agenda item was the report on passenger boardings and flight operations – Brian Sprenger. Mr. Sprenger reported that in January 2008 there were 780 air carrier operations, 951 air taxi, 1,915 general aviation (GA) itinerant and 19 military, for a total of 3,665 itinerant operations. Local GA operations were 1,962, for a total of 5,627 tower operations, up 5.4% from January 2007.

Mr. Sprenger reported that passenger boardings were 29,118, almost 2,000 more passengers, up 2.7%. Those are our year-to-date numbers as well. He also said that Big Sky Airlines stopped operating out of the airport soon after our last meeting. Great Lakes will be taking over a number of their routes but will not replace their service at Gallatin Field. Great Lakes needs planes and pilots so they can provide the service. This has created an imposition at airports on the eastern side of the state.

Mr. Sprenger said that starting tonight, United will start bringing in their 737s for their overnight flight. This summer they will be bringing in two 156 seat Airbuses to Denver and one for the daily flight to Chicago. That is an increase of about 40 more seats but we will lose some frequency. We hope that will be adjusted in other ways by the summer. If Northwest Airlines and Delta Air Lines merge, Mr. Sprenger is hopeful they will continue service to Salt Lake City and to Minneapolis/St. Paul. When competition is reduced, fares tend to go up but we have been working to increase competition. Mr. Sprenger said the Airport Authority and the local communities put together an incentive package to entice Frontier here. The media, TV, radio, newspaper, visitors' bureaus of Bozeman, Big Sky and West Yellowstone and various large businesses made contributions and the Airport Authority contributed capital improvements, as it has with other large air carriers. All together, the

incentive package was about \$400,000 to bring Frontier here. Mr. Mathis said we paid for an air service study from The Boyd Group, which we furnished to Frontier. Because Allegiant takes money from the community rather than bringing it in, we find it more difficult to find support from area businesses to entice them here. Mr. Sprenger said he communicates with them monthly and their costs to operate here are within their expectations.

The fifth agenda item was to consider hiring supplemental law enforcement staff. Mr. Roehm said that our contract with the Gallatin County Sheriff's Department ends on June 30th and that Mr. Mathis has put together some numbers, looked at our future needs and will make a presentation of a proposal. Mr. Roehm thanked Sheriff Cashell for coming and said he looked forward to his comments after Mr. Mathis' presentation.

Mr. Mathis said that since 9/11, security functions at the airport have grown exponentially and we have to continuously adjust how we do things to accomplish fulfilling our requirements. During this time, passenger numbers have grown from 255,000 to over 335,000. Mr. Mathis believes we need to consolidate security functions into one group in order to insure that all the various components of security are performed to the standards required by the Transportation Security Administration (TSA). Currently we have an agreement with the Gallatin County Sheriff's Office to provide supplemental law enforcement but we also have custodians answering door alarms, maintenance staff providing vehicle inspections for entry onto the airline ramp, administrative staff fingerprinting and badging individuals, and our operations supervisor overseeing security training and the airport security plan, and even our assistant airport director is approving all criminal history record checks and security threat assessments. Nearly all of these functions are included in our existing law enforcement contract with the county, but because of the difficulty in ensuring a trained and dedicated airport staff by the county, we have had to incorporate these

functions into our Gallatin Airport Authority staff duties at the expense of our existing responsibilities. The main difficulty is having dedicated airport knowledgeable deputies at the airport. Mr. Mathis said that currently we have one person dedicated to the airport four days per week covering 10 hour days and that Deputy Bickle has done an excellent job for us. Unfortunately, he is potentially leaving the county. While the sheriff has assured us he will assign a person to replace Deputy Bickle, plus one more for 10 hours per day, the remaining three days per week will still be under a rotation of over 40 deputies for the remaining 10 hours per day 7 days per week, as well as vacations, sick leave and training. Obviously, without a dedicated staff that is airport trained and knowledgeable, we will be unable to assign many of the security duties to the county. Mr. Mathis said that our proposal will move all the mentioned functions into one cohesive group that understands the airport's needs and will also permit us to have a second law enforcement officer on site 14 hours per day. This will allow us to provide much better coverage and customer service to our tenants and those that need fingerprinting and badging. With the changes in the industry, we have many requests to provide this service into the evening and weekends to accommodate employees who have limited availability. We would also be able to better insure curbside patrol and the many other responsibilities that the TSA requires of us. Mr. Mathis said that we don't expect staffing to be an issue because we have already received interest in potential positions by former local officers. Mr. Mathis said that all of those were unsolicited and just through word of mouth on the possibility that the airport may internalize supplemental law enforcement. Mr. Mathis asked the board's approval to hire airport law enforcement staff and thanked them for their consideration.

The board members asked Mr. Mathis a number of questions about support from the Sheriff's Department to supplement our services. Mr. Mathis said there are a number of

things that would need to be worked out, like investigative duties, detective work and what would happen in case of an arrest. We would have to see that people would get training. Mr. Mathis said that it is not a simple task and it is something we have tried to avoid for years, but feel we have grown to the point where it makes more sense to have our own force. The primary reason is not fiscal but the added benefits we would get. We could shift the responsibilities that other staff members are providing now and allow them to get their own work done. We need to hire another half-time person if we don't receive approval for this request.

Kevin Kelleher said they are considering this at Big Sky and he sees a lot of pitfalls for them as well as us. He asked about the possibility of hiring ancillary staff to cover what we need and leaving the liability with the county. We don't have a holding cell or jail. He said we would have an administrative burden with turnover.

Mr. Mathis said that the Billings and the Missoula airports have their own staff and they recommend it. He said that he believes five officers and one supervisor would be able to provide our required services.

Sheriff Cashell said the airport pays the salary for four deputies and that covers the services required by the TSA and the airport relative to the security of the flight line, baggage and other items. He said he was requested to submit a proposal to the airport for the services they would provide for the next five years and he did that. Their proposal was that the county would pay half the wages and the airport would pay half the wages for a clerk to do the badging, fingerprinting and things of that nature. He said the contract would include another airport deputy the second year, and the fourth year another deputy would be added. Mr. Sprenger said we need people on site who are familiar with airport issues, such as unattended baggage, passenger handling, security aspects and answering door alarms.

Assigning the additional deputies is in response to that request. Sheriff Cashell said other deputies have been coming out to the airport to handle parking so the deputy who is out here can handle the things required by the TSA.

Mr. Sprenger notified the Sheriff's office that we are trying to bring the law enforcement in house. Sheriff Cashell said the law allowing the airport to have its own law enforcement was written before 9/11 and that our officers would have to provide all the services such as investigative, support, clerical, going to court, and an evidence technician. He said we would be like a small city. If there was a burglary and the witness was in Gallatin Gateway, our officer would have to go to Gallatin Gateway to do the interview and would then be away from the airport. We could not call the Sheriff's office and have them take over. If our employee was cross trained as a fireman and there was a fire, he would have to respond to that. If there was an unruly passenger on board, he would have to make the decision what situation to handle.

Mr. McKenna asked how many officials we would need and Sheriff Cashell said they figure that it takes 6 people to staff one position 24 hours a day 7 days a week. Without counting a supervisor and without the infrastructure/support, he believes we would need 12 law enforcement people to fulfill our needs. Because the Sheriff's office has the support staff, they would only need 6 people. He said the airport in Billings is in the city's jurisdiction and budget. If there is a major incident or no one is available, the city's police department steps in.

The Sheriff said that after an officer has been with the department for one year, they have a fully equipped car to take home. The cars have radar, cameras, emergency medical supplies and many other things that are very valuable to have on hand and it is not practical to transfer supplies from one car to another. He said that on 9/11, they were notified at 11:25

a.m. that six deputies needed to be at Big Sky because many of the Federal Emergency Management Agency (FEMA) people were meeting up there. They also needed to have six officers at the airport to shut it down. He said they were able to accomplish that in 1 hour and 15 minutes. There are huge benefits to everyone in Gallatin County to have the ready law enforcement we have.

Sheriff Cashell said he hasn't talked to anyone at the Missoula airport so he doesn't know what their situation is. He said that when he was in that area, he saw a fatal accident on the interstate and an airport vehicle was present. He said he has heard that the county backs up the airport folks.

Mr. Mathis said that we know there are details to work out and it would be a learning curve for us. He hopes the Sheriff will continue to work with us as he always has and that he has always been a great guy to work with over the years. Mr. Mathis said with the hangar owners and all those who own businesses at Gallatin Field paying taxes to Gallatin County to help support the Sheriff's Department, he's sure they would feel some obligation to assist us. He said it won't be easy but we can do it.

Mr. Sprenger said that he is looking at the fiscal side of things and that it is an expensive endeavor. He said that Missoula has a staff of six and they are on duty 20 hours per day. He said they are very similar to the way we are proposing doing it here and he believes a staff of six could provide the services here. He said there is a total of one deputy here in general and that we are currently pulling our staff to do deputy services. The current contract says the deputy shall monitor and control the employee parking lot and rental car lot and issue citations and request towing through the airport office. Our staff does that now. The deputy is to monitor and respond to access control alarms but our custodians do all of that. Our problem is with staffing and training. Most of the 40+ deputies who come out

don't know the airport. We need dedicated staff to be here who we can depend on and we need them on a regular basis. When Deputy Bickle is on vacation, the other person is not trained for airport law enforcement. Our maintenance staff does the vehicle inspections a lot of the time because a knowledgeable deputy isn't available.

Mr. Sprenger said that the Secure Information Display Area (SIDA) training is supposed to be done by the Sheriff's Department and he asked how we can depend on them when the deputy is only here one day in three months. He said there are 300 people at the airport who need training and security badging and with the turnover at 50 to 70%, there are upwards of 200 people per year to badge. Many of those people are college students and can't come in during the hours we are open. According to our current contract, the deputy is to do the electronic fingerprinting but we had to bring that into our obligations and take away from our staff's duties. Mr. Sprenger said we are frustrated without a dedicated person. We asked the Sheriff for a proposal and he proposed increased staffing by one clerk and that ½ half their wages be paid by the Sheriff's Department and ½ by the airport just to cover the current contract. We have a need that is very airport specific. Mr. Sprenger said the experience of the Sheriff's Department can't be beat but their experience isn't airport law enforcement. Some of the administrative functions could be done at 8:00 at night by a deputy when it is very quiet. He said we would be happy if the things in the current contract of \$400,000 were being accomplished, but it is costing us \$50,000 to \$100,000 for our staff to do what they are not doing.

Mr. Sprenger asked Jerry Caler, the Northwest Airlines manager at Gallatin Field, to make some comments. Mr. Caler had experience at the Missoula airport and had the responsibility of running the hub at the Washington Dulles airport. Mr. Caler said that he has been at Gallatin Field for 11 months, and prior to that he was the station manager at Missoula

and Kalispell. He said the airport at Missoula ran well with their public service officers. He said it was beneficial for the airline users and all the employees at the airport because they were familiar with all of them. If they were investigating something, the employees felt comfortable discussing things with them. He said these officers issued the badges and knew everyone. He said Deputy Bickle does a great job here but he is the only one who is familiar with the procedures. Mr. Caler said he has been at about 12 other airports over the years and some had public service officers and some didn't. He said that none of the airports that had internal police went back. He said it was very effective and beneficial for the users.

Sheriff Cashell said he didn't want to address all the issues that Mr. Sprenger brought up today. He said that Lt. Wade comes out for the security meetings and that these issues should have been dealt with there. He said that he believes all the issues can be addressed and fixed. He said that he feels it is his responsibility to let the board know that the airport having an internal police force doesn't come cheaply and that there is a cost. There are other things that need to be considered.

Mr. Mathis said that nothing that has been said today has changed his opinion. He would like to have our own in-house officers and would like to work with the Sheriff's Department for situations outside the airport's normal security related duties.

The board members discussed the fact that they don't feel they have enough information on jurisdictional issues and they aren't comfortable with making the decision today. Since our current contract runs through June 30th, they want to carry this item over to the next meeting and have some of the details worked out. They would like to see the issues in the current contract addressed. They thanked Mr. Mathis and Mr. Sprenger for the time and effort they have put into this project.

Mr. McKenna made a motion for staff and the Sheriff's Department, if agreeable, to continue this discussion and bring back a joint proposal. Mr. Williamson seconded the motion and in discussion said that we need to discuss ongoing problems and noncompliance with the Sheriff's Department. Mr. Kelleher said that we need to also look at adding additional staffing to relieve pressure on our current staff. Mr. Metzger said he is not comfortable asking staff to come back with a joint proposal. Mr. McKenna withdrew his motion and Mr. Metzger made a motion to ask staff to further refine the proposal to make our security as good as it can be at the airport. Mr. McKenna seconded the motion and it passed unanimously.

Mr. Roehm thanked Sheriff Cashell for his proposal and time. He said we are all passionate about this and he hoped the Sheriff didn't take anything as offensive as we don't want to be offensive. The Sheriff said that no offense was taken.

The tenth agenda item was the Director's Report – Ted Mathis. Mr. Mathis reported that there was an interchange meeting yesterday and the outlook is a little bit bleak. He said we need more money to finish the Environmental Assessment (EA) and we are now short \$14 million for the interchange. The next step is for the consultants to let us know how much more we need for the EA. He said there is about \$16,500 left of the \$300,000 the Airport Authority approved initially.

Mr. Mathis also reported that he is still working on the radar screen for the tower. He said that after all these years, he is still amazed at how slowly the FAA moves. He is still optimistically calling and emailing them and will make it happen.

He said we are also continuing work on the parking lot expansion. We want to increase the number of parking spaces from the current number of 776 to at least 1,350. In

the forthcoming months, he will have plans, cost estimates and a time we will be able to proceed.

Mr. Williamson said he was reading that the City of Belgrade is experiencing a water dilemma and asked if the airport will be involved. Mr. Mathis said he hopes not. The city has two wells on airport property and the airport paid for half of the water tank so they could proceed. We have been reimbursed for that. He said we have paid for our own lines and have gone the extra mile. The city has not contacted us as they are looking at their options for putting up another water tower.

The eleventh 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. All members voted to pay the bills.

The meeting was adjourned at 5:12 p.m.

Richard R. Roehm, Chairman