

**MONTANA AERONAUTICS BOARD
TELECONFERENCE MEETING
2630 Airport Road, Helena, MT
June 2, 2016**

Aeronautics Board

Tricia McKenna, Board Chairman
Robert Buckles
Dan Hargrove
Fred Lark
Fred Leistiko
Roger Lincoln

Department of Transportation

Debbie Alke, MDT Aeronautics
Effie Benoit, MDT Aeronautics
Wade Cebulski, MDT Aeronautics
Tim Conway, MDT Aeronautics
Carol Grell-Morris, MDT Legal
Mike Tooley, MDT Director

Not Present:

*Chris Edwards
Bill Hunt, Jr
Walt McNutt*

Call to Order

- Chairman McKenna called meeting to order at: 9:02 a.m.
- ***Roger Lincoln made a motion to approve the January minutes as presented. Dan Hargrove seconded the motion, which passed unanimously.***

Public Comment

- Chairman McKenna asked for public comment, which there was none.

FY16 Grant/Loan Extensions

- There were no FY16 grant or loan extension requests.

MDT Update - MDT Director, Mike Tooley

- State special revenue fund had to make spending reductions to ensure that the state special revenue fund remained solvent. The spending reductions were necessary because working capital balance was going to be too low by the end of fiscal year end 2018. The state fund pays expenses upfront and then are reimbursed by federal agencies for highway construction. MDT prefers to have a working capital balance of about \$40 million and was projected to be \$10 million at the end of fiscal year 2018. The spending reductions has required MDT to reevaluate how we do business. The fuel tax has not increased since 1993, but construction and other costs have increased. MDT will not propose a tax increase, but is looking at how the fund is used.

Aeronautics Update - Debbie Alke, Aeronautics Division Administrator

- Aeronautics is funded primary through an aviation fuel tax. Aeronautics received \$0.01 in 1945, and then a little less than a penny in 1999. Aeronautics earns about \$630,000 a year from aviation fuel tax. Aeronautics also has miscellaneous funding sources such as aircraft registration, pilot registration, clinics, etc. Aeronautics receives \$150,000 from the highway state special revenue fund that Director Tooley spoke of. Yellowstone Airport is funded separately and also received its state match for federal projects from the highway state special revenue fund. Aeronautics is looking at all staffing and projects and reprioritizing all duties.
- Since November, Aeronautics has not maintained those airway beacons that have gone out of service in an attempt to gauge the intended usage of the beacons. Currently five out of 17 are not operational. Since November Aeronautics has heard from less than ten people inquiring about them. Of those ten, five or six said they use them as intended, and the others because of historical reasons and Montana is the only state to operate any. The McDonald Pass beacon was placed on the National Historic Registry last year and Aeronautics would support the efforts to keep that beacon operational. There was an article in the Montana Pilots Association newsletter calling for comments to myself, Director Tooley or Governor Bullock regarding the beacons and to date, no responses have been received.
- Aeronautics has been asked by about six airports to decommission their non-directional radio beacons as they now have an instrument approach. Under agreements, Aeronautics owns the transmitter and the airport maintain them.
- SkyWest Airlines has started service at West Yellowstone, six days early. With the spending reductions Director Tooley mentioned, the intern program was eliminated, so the airport does not have an intern. The airport manager continues to look at revenue generation through lease reevaluations and other measures. The airport is in better shape than a year ago, but still fragile due to only operating four months a year. MDT is funding the 10% state match for the \$8 million dollar pavement project, which is allowing the airport to maintain its pavements.
- Poplar Airport – In FY14 the board offered loan and grant funds. Aeronautics received the FAA grant, but did not receive the certificate of sponsors attorney or a signed loan resolution agreement. In the spring of 2014, Aeronautics sent a letter information of the extension deadline but did not receive an extension request. This resulted in Poplar forfeiting approximately \$40,000 in loan and grant funds. Poplar inquired in May 2016 about the funds and were able to find signed paperwork. The forfeited funds were returned loan and grant accounts and included in the Board's last allocation to other airports. Poplar was told they could apply for retroactive grant and loan funding for the project in FY17. FY14 was the last year that reminder letters were sent, as the board felt it was the airports responsibility to track and follow-up on their loan and grant funds.
- Powder River Training Complex will conduct a large-scale training exercise next week. This will be the third this year with a total of four allowed. On June 8th,

Senator Daines' is having a town hall meeting with the Ellsworth Base Commander in Baker.

- Audit Update – Tim Conway
 - In 2015, the Twin Bridges and Cut Bank Airports were audited with no findings or recommendations.
- Close Out Form – Tim Conway
 - The close out form is now in administrative rule and sponsors must provide the form if the project is completed. If the project is not complete, the airport still needs to provide a status update. One of these forms must be received in order for a sponsor to be eligible to apply for loan or grant funds for the current year. Aeronautics has been getting that message out and will do another reminder in the monthly newsletter.

Board Discussion

- Roger Lincoln stated that there is still talk in the industry about an aviation fuel tax increase next legislative session. While there is talk about it, Aeronautics has not seen a proposal of much traction in that regard.

Next Meeting

- The next meeting is scheduled for 1/18-19/17. There are five board members whose terms expire. However, those members continue to serve until a new person is appointed.

Being no other business, Robert Buckles made a motion to adjourn the meeting. Roger Lincoln seconded the motion, which passed unanimously.

Tricia McKenna, Chairman

Roger Lincoln, Secretary