

The regular monthly meeting of the Gallatin Airport Authority was held August 14, 2025, at 2:00 p.m. in the Conference Room at the Airport Customs and Operations Building. Board members present were Carl Lehrkind, Ted Mathis, Karen Stelmak, and Ted Barkley. Also present were Brian Sprenger - CEO, Aaron Collins – CCO, Chris Pomeroy - COO, and Troy Watling - CFO.

Carl Lehrkind, Board Chairman, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and called the meeting to order. Mr. Lehrkind recognized Mr. Mathis for his leadership over the last 2 years as Board Chairman.

1. Review and approve minutes of regular meeting held July 10, 2025

Mr. Lehrkind asked if everyone had received their copy of the minutes and if they had any corrections or additions. There were none.

MOTION: Mr. Barkley moved approval of the amended minutes of the regular meeting held July 10, 2025. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

2. Public Comment Period

There were no public comments.

3. Consider Master Concessionaire Proposals

Mr. Sprenger said we received 5 highly qualified proposals for Master Concessionaires which made a recommendation difficult. All entities were thanked for their proposals. A committee reviewed the proposals. The evaluation score out of a possible 100 points includes the following criteria:

- Revenue to the Airport – 20%

- Experience – 15%
- Financial Ability – 15%
- Management Plan – 15%
- Employee Hiring & Retention Plan – 15%
- Innovation & Concepts – 15%
- Airport Concessions Disadvantaged Business Enterprise (ACDBE) Participation – 5%

Representatives from the 3 entities who were interviewed were present at the meeting. Mr. Sprenger said based on an evaluation of the criteria and the interests of the Airport Authority and the traveling public, it is the recommendation of the Committee to select SharBert Enterprises to operate as Master Concessionaire for a period of 7 years effective November 1, 2025.

MOTION: Ms. Stelmak moved to select SharBert Enterprises to operate as Master Concessionaire for a period of 7 years effective November 1, 2025. Mr. Barkley seconded the motion.

Mr. Mathis thanked the committee members, the Chairman and all proposing entities for their efforts. Mr. Mathis said providing good food and beverage service to our traveling public is one of the most important and necessary services we provide. In addition, gift shops and other retail services are essential. For many years SharBert Enterprises has done a great job. They have researched the needs of our travelers and have provided excellent services and good, wholesome, products. In addition, they have grown to meet the needs of our ever-increasing number of passengers and their plans for the future will most

certainly meet or exceed our requirements. Mr. Mathis wholeheartedly concurs with the committee's recommendation.

Ms. Stelmak agreed with Mr. Mathis' comments and said over the years SharBert has shown what they are capable of, which is very impressive, and she would be pleased to have them as Master Concessionaire.

Mr. Barkley agreed with the comments and said after evaluating each of the proposals, it was a hard decision. We were fortunate to receive so many high-quality proposals. SharBert has done an exceptional job, in his opinion, and he looks forward to the next chapter with them.

All board members voted aye. The motion carried.

4. Consider request by Terry Giovanini to enter into a 10-year non-commercial land lease on hangar 61

Mr. Sprenger said the hangar is in good condition. There are some minor repairs that have been agreed to. Staff recommends approval of the request.

MOTION: Ms. Stelmak moved approval of the request by Terry Giovanini to enter into a 10-year non-commercial land lease on hangar 61. Mr. Mathis seconded the motion, and all board members voted aye. The motion carried.

5. Consider request by Bozeman Aviation Partners, LLC, d.b.a. Million Air, to amend the Commercial land lease on hangar 6 to include additional leased property

Mr. Sprenger said this was proposed and approved on November 10, 2022. The proposal included a covered structure. Because so much time has passed since the approval, the request is being made again for consideration. Staff has determined some improvements

that should be made to their ground equipment storage area including a covered structure. Staff recommends approval of the request.

Mr. Barkley said the additional leased space is not specified. Mr. Sprenger said they are increasing the leased space behind them to the east to allow paving and it will require a culvert.

MOTION: Mr. Mathis moved to approve the request by Bozeman Aviation Partners, LLC, d.b.a. Million Air, to amend the Commercial land lease on hangar 6 to include additional leased property. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

6. Consider FY 2026 – FY 2031 Airport Capital Improvement Plan (AIP)

Mr. Sprenger said this is a continuation of what we have discussed for several years. Mr. Sprenger highlighted some changes to the plan. We are looking at getting full capability on the parallel runway for air carrier operations. There will be several enabling projects which Mr. Sprenger reviewed. An Environment Assessment (EA) is in process and should be completed soon. We obtained a category exclusion for Taxiway Bravo, so we did not have to wait for the EA to be completed. The rehab of Taxiway Alpha is planned for 2031. The year 2034 includes a rehab of the main runway.

A recent addition to the Capital Improvement Plan is a Tower Base building. When we go to a Federal Tower, we don't know what the requirements will be. There is a funding mechanism that could be used that is expiring this fiscal year. The expectation is the building would accommodate the personnel needs of the tower.

We also have the de-icing project. Two potential projects are a prep facility for rental cars and a ground support equipment building for de-icing trucks and maintenance for ground equipment. Mr. Sprenger reviewed funding mechanisms and plans. We are still working on the TIFIA loan.

The overall plan is \$427 million over 10 years.

Mr. Lehrkind asked when we expect to be finalizing the TIFIA loan. Mr. Sprenger said they are anticipating later this fall. Mr. Lehrkind said the plan is well done and thanked staff.

Ms. Stelmak said she is a big advocate of extending runway 11/29 to continue operations and asked if the timeline could be moved up. Mr. Sprenger said they have reviewed that and there are several factors that limit the ability to accelerate the project.

Mr. Barkley asked if the Airport Authority has a credit rating. Mr. Sprenger said our most recent credit rating was an A3. There have been a number of changes since then which should increase our rating.

MOTION: Mr. Mathis moved to approve the FY 2026 – FY 2031 Airport Capital Improvement Plan (AIP) as presented by staff. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

7. Report on preliminary FY 2025 operating and concession statistics

Mr. Sprenger provided the following statistics:

- Tower operations were down 6.5% due to tower hours and air carrier operation adjustments.
- We had 9,729 corporate landings up 13.1%

- Available seats were up 4.1% at 1.6 million seats with an average of 142 seats per departure
- Departures were up 4.6%
- We had 1,340,656 enplanements up 5.6%
- On-airport rental car concessions were up 9.4% and off-airport were up 22.4%
- Rental car days were up 12.9%
- Food, Beverage and Gift Concessions increased from \$3.2 million to \$3.5 million, a 3.9% increase
- Ground Transportation was up 28%
- Parking lot revenue is showing .6% increase but with some accounting adjustments, it will come in higher
- Concession fees per enplanement were up slightly at \$18.62/enplanements
- Customs clearances were up 3.1% despite a reduction from Canada

8. Airport Business Report – Aaron Collins

Total operations for July were 12,154, up .5% for the month but down for the year by 4.6%. Rolling 12-month operations are 117,352. There were 1,004 corporate landings over 12,500 lbs., down 2.4% but up 13.8% YTD. There were 1,177 corporate landings over 9,000 lbs. which is down 4% but up 13.3% YTD. There were 37 customs clearances this July, which is up 4.5% for the year. Total revenue enplanements were 178,292 up 10.4% and up 4.7% YTD. Rolling 12-month enplanements were 1,357,452 which is a new record. Total deplanements were 178,279 which is a 10.6% increase and up 4.4% year over year. Commercial airline landings were 1,504 and up 4.3% year over year. The load factor was

84.1% and 1.2% up year over year. Fuel dispensed for June was 2,180,062 gallons. That is a 1% decrease, it is 3.4% increase year over year.

We will be renewing our commercial liability insurance in the month of August. The premiums are about flat compared to last year.

Honor Flight will come to our airport September 6th at 11:00 a.m. ready to fly 49 Korean and Vietnam Veterans to Washington D.C. Honor Flight has not occurred in Montana over the past 10 years. Airport staff will be present to assist them to their aircraft. United Airlines is sponsoring the event.

9. Airport Operations Report – Chris Pomeroy

Mr. Pomeroy, COO, provided some updates on Maintenance, Operations and Security. July was very busy. There were no major security incidents. Average TSA checkpoint wait times in July were 12 minutes for standard and 7 minutes for PreCheck.

We are still recruiting for one Maintenance Tech position. There are 2 candidates being reviewed.

Our Runway 12/30 project was completed in July. The Navigational Aid project is proceeding on time with a target completion date at the end of September. The ARFF building is going well, and we plan for partial occupancy by mid-September. Work is progressing on the de-icing fluid facility project.

Mr. Pomeroy served as the Vice Chair for the US Contract Tower Policy Board Meeting in Washington D.C. and attended their annual conference. Mr. Pomeroy visited with our delegation while he was there. Mr. Pomeroy also met with Jennifer Ellison, Program Manager for the Federal Contract Tower Office with the FAA. Ms. Ellison was engaging, helpful, and

reviewed the process moving forward. She formally confirmed that Mesa and Bozeman are the first 2 airports in the pilot program. Ms. Ellison and her team will be responsible for assisting with the transition to a Federal Contract Tower. They have a draft pilot program in place. They report to Congress in November after which we will receive more details. The timeframe is 24-48 months, hopefully closer to 24 months. Funding is a concern but there is \$8 million earmarked for the first 2 airports.

Several staff members also met with Senator Zinke a couple weeks ago while he was in Bozeman.

We are taking inventory with a goal to dispose of surplus property sometime this fall.

Mr. Mathis asked about the Navigational Aid upgrades and their impacts. Mr. Sprenger said the RVR and Cat II approach will be in January and the MALSR next Spring.

10. Airport CEO Report – Brian Sprenger

Mr. Sprenger reported that we had 87% more passengers this July compared to July during COVID. Over a 2-year period, from 2023, passengers are up 25%. We are on pace to handle 2.8 million passengers in 2025 compared to 2.64 million last year which is the higher end of our projections.

Overnight cars for July were 97% of the previous year and revenue was 109% of the previous year. August month to date is about 92%. July concessions were 115% and month to date for August are 115%. Month to date for August passengers is up 10%.

Available seats going into the winter are about 10% higher than last year. Southwest announced seasonal Saturday service to San Diego in March. Alaska will also be increasing San Diego flights.

We are working with the FAA on additional Airport Terminal Program funds. The amount is still to be determined but may end up to be \$20 million. That would be beneficial.

We just received our grant for this year's AIP Projects of \$5,348,459. The FAA is also working toward supplemental funding for a remaining balance of \$850,000 to 900,000.

The team has been working very hard. We had 3 runway incidents in a week that were handled well. We have 1 staff position open in maintenance and 1 in terminal services.

11. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger. Many were sent out in advance for review.

MOTION: Mr. Barkley moved to approve the bills for payment. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

12. Adjourn

The meeting was adjourned at 3:01 p.m.



Carl Lehrkind, IV, Board Chairman