

The regular monthly meeting of the Gallatin Airport Authority was held February 13, 2025, at 2:00 p.m. in the Conference Room at the Airport Customs and Operations Building. Board members present were Ted Mathis, Karen Stelmak, Kendall Switzer, Carl Lehrkind and Ted Barkley. Also present were Brian Sprenger, CEO, Scott Humphrey, COO, and Troy Watling, CFO.

Ted Mathis, Board Chairman, welcomed everyone to the regular meeting of the Gallatin Airport Authority Board and called the meeting to order.

1. Review and approve minutes of regular meeting held January 9, 2025

Mr. Mathis 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 minutes of the regular meeting held January 9, 2025. Mr. Switzer seconded the motion, and all board members voted aye. The motion carried.

2. Public Comment Period

Mr. Dowd, who lives in Outlaw Subdivision North, said nothing has changed with the noise from the flight school. Mr. Dowd said they have the same number of flights and the same flight pattern. Mr. Dowd said he was also speaking on behalf of a neighbor, Katelyn Kennedy Smith, who has been in contact with Jake Simpson at the airport. Mr. Dowd said the FAA has said that their only rule is that what is requested and approved is safe and that the Airport Authority has the ability to strongly suggest flight patterns. A meeting with the flight schools was planned after the last meeting Mr. Dowd attended and he had asked to be kept in the loop. Mr. Dowd was not contacted and expressed frustration with that. Mr. Sprenger

said their meeting included discussion on the southside pattern and that 10% of the flight school traffic has been changed to different areas. Mr. Sprenger said all we can do is make a request. Mr. Dowd continued to express his dissatisfaction with the noise.

Written comments from Bryan Rogan were distributed.

3. Consider Audit Proposals

Mr. Sprenger said our auditor's business model has changed and we have to find new auditors. We put out a Request for Proposals and the 3 proposals received were reviewed with an evaluation matrix. Staff recommends awarding a contract to Rudd & Company. Unfortunately, Rudd & Company's proposal is double the previous price, but still significantly lower than the others. Rudd & Company is local and can perform the audit on site. Ms. Stelmak asked if we expect it to be a smooth transition and Mr. Sprenger confirmed that we do.

MOTION: Ms. Stelmak moved to accept the proposal by Rudd & Company to provide Audit services for FY 2026, 2027 and 2028 with an option for FY 2029 and 2030. Mr. Lehrkind seconded the motion.

Mr. Switzer asked if we would still receive the same service and flexibility with the lower cost. Mr. Sprenger said we feel comfortable with what Rudd covers, and they also work for the Helena airport. They have airport experience. Rudd & Company has proposed in the past and was the runner-up. Mr. Mathis asked if this proposal counts for any spot audits for tenants. Mr. Sprenger said additional audits would need to be requested. Mr. Mathis asked if tenant audits would be expected. Mr. Sprenger said that previous audits

have not indicated a need for that. However, a new auditor will take a fresh look and perhaps identify things that were not addressed in the past.

All board members voted aye. The motion carried.

4. Consider request by M&M Alaska LLC to enter into a new 10-year non-commercial ground lease on hangar 59

Mr. Sprenger said the hangar is in good condition and the rent is current. However, we have asked that the screens and pedestrian door be replaced and the pedestrian door trim be painted. They have agreed to the repair requests and staff recommends approval of the request.

MOTION: Mr. Switzer moved to approve the request by M&M Alaska LLC to enter into a new 10-year non-commercial ground lease on hangar 59. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

5. Consider request by Bridger Solutions International, LLC to modify their lease on hangar SE3 to extend construction requirement dates of the hangar

Mr. Sprenger said this is the last undeveloped parcel to the south. The entity has a development lease that requires development by a certain time frame. The hangar development has been delayed so they have requested an extension for the hangar portion of the lease. We want this area to be developed.

Sam Davis, CEO of Bridger Aerospace, said they have plans to make the apron improvements. They will also be working on the design of the hangar and that will be presented in the future.

Mr. Mathis said this is a commercial hangar and requires 10 vehicle parking spaces which the plan doesn't seem to indicate. Mr. Davis said they will have to address that. Mr.

Davis also mentioned they used Rudd & Company and he expressed his confidence in the firm.

Mr. Lehrkind asked, when was the original agreement made. Mr. Humphrey said it was in 2020. Mr. Sprenger confirmed for Mr. Switzer that we can do up to a 40-year lease depending on the size of the hangar. There is a rate adjustment every three years. The condition of the hangar can always be addressed throughout the lease term.

MOTION: Mr. Lehrkind moved to approve the request by Bridger Solutions International, LLC to modify their lease on hangar SE3 to extend construction requirement dates of the hangar until June 30, 2026, understanding that a new 40-year lease will not be offered until construction of the hangar has actually begun. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

6. 2025 Project Presentation

Mr. Sprenger had printed screen shots and also screen images of the presentation. We completed the relocation of the central concourse retail to allow for the checkpoint expansion and queueing. We have essentially completed Schedule 0 of the terminal project. We have acquired 3 multipurpose pieces of snow removal equipment. We completed Taxiway Foxtrot (F) and the service road relocation. We connected Taxiway Bravo (B) to Runway 3-21. We have been working on the cooling system for the air traffic control tower. We are also working on electrical for the Navigational Aid project. Work is also continuing on the northside environmental assessment.

Mr. Sprenger presented some key dates for the East Terminal Expansion project. The Guaranteed Maximum Price (GMP) for the shell will be brought to the next board meeting.

Structural demolition should be completed this spring. Excavation and foundation will begin after that. The Guaranteed Maximum Price (GMP) for Schedule 3 is planned for September and steel erection should begin in September as well. In February 2026, the exterior envelope will begin and will continue for a year. Work will start on the west and move east. Work on the envelope will continue into 2027. Some portions will be completed in 2026 allowing interior work. Baggage claim carousel 1 should be completed in the later part of 2026. There will be more gates and concessions in 2028 with the project wrapping up in 2029.

This summer will be difficult. We are trying to adapt. July is scheduled to have 98 average daily in and out flights. Our peak day will be 115 flights on Saturdays. We are working to create 2 gates out of 1 with ground boarding which will really only be needed for a portion of the morning. If the weather on the east coast is bad, we will see aircraft waiting for gates. Mr. Switzer asked if we have the equipment for ground boarding. Mr. Sprenger said we have one and we can purchase another from Missoula. It appears we would have to buy one more if we can get it here in time. The cost for a new one is \$90-\$100,000. Mr. Switzer asked about personnel for external boarding. Mr. Sprenger said we will work with the airlines on that. Airport staff may have to assist during certain times. We are advising Allegiant and Sun Country, if they cannot adjust their flight schedule, they will need to arrange for ground boarding.

Images of what the new baggage claim area will look like were presented. Baggage will be a challenge until then. It is a key item to complete on the terminal project. We hope to have one carousel in before winter 2026/2027.

Mr. Lehrkind asked what other pinch points are expected. Mr. Sprenger said the TSA is maxed on equipment. We are looking at a reconfiguration this summer. We may have CLEAR operating here which increases the number of people that can use the PreCheck lane. CLEAR is a paid process and they escort you to the front of the line, they shouldn't need too much queueing space. We plan to put the ADA lane between PreCheck and standard. Mr. Sprenger presented some expected passenger numbers. It will be tight, but they should be able to keep up. Saturdays will be our worst days. We are working with the airlines to announce that Saturday departures will require more time.

Mr. Mathis asked if ground level boarding will be needed in the winter. Mr. Sprenger said that is not anticipated.

Mr. Barkley asked what the main limiting factor is for capacity and Mr. Sprenger said that it is gates. We have 10 gates now. We are creating an 11th gate. We could create a 12th, but it would be dual boarding with deplaning and enplaning. There are ways. In the summer we have more flexibility for ground boarding.

Mr. Sprenger reviewed land acquisition. We are hopeful to have an agenda item for the acquisition of the Gillette property next month. The Gillette property is the last needed to accomplish all our projects.

Mr. Sprenger reviewed some airfield projects planned for 2025. There will be an extension to Runway 30 along with navigational aid improvements. There will be no airline service 3pm-11pm Monday- Friday April 8th-May 20th. We will continue working on Taxiway B-east. Jet Aviation's fuel farm work will start which is adjacent to the Million Air fuel farm. Ridgeline will also be doing something in that area on a smaller basis. The Signature hangar

complex and Ridgeline hangar complex should see steel going up soon. The Aircraft Rescue and Fire Fighting (ARFF) and quick response snow removal building is currently being built. Preparation work for the terminal apron expansion to the east will begin. A de-icing fluid storage facility on the far west is also planned.

Taxiways B1 and C1 should be completed by July 4th and are the last part of the extension on the east end. The Instrument Landing System (ILS) will be taken out of service from early August to early October when the weather should be better than other times. The ILS will be upgraded. The final Runway 30 restripe is planned and we will see the bidding for that next month. The flight check will then happen, and October 2 the FAA publications will be updated for Runway 30.

January 22, 2026 the next FAA publication will give us the special authorization Category II approach for Runway 12. The very high frequency omni-directional range (VOR) relocation will happen next year. Phase I of Taxiway B-west is anticipated to start along with Tarmac Trail dirt work towards the end of 2026. Taxiway B-west should be completed in 2028.

Preliminary plans are in place for a de-icing fluid storage facility. We are working with the airlines on that. We will be constructing the facility, but it will be operated by a consortium of airlines.

7. Report on passenger boardings and flight operations – Scott Humphrey

Mr. Humphrey said total operations for January were down 9.4% with 86,066 versus 95,065 mostly due to weather. Rolling 12-month operations are 119,679. There were 1,147 corporate landings over 12,500 lbs. and 1,046 corporate landings over 9,000 lbs. There were 36 customs clearances this January. Total revenue enplanements were up 2.6% with 94,876

versus 92,478 passengers. That brings the total past 12-month enplanements to 1,323,859 which is a new record. Total deplanements were 91,908 versus 91,761 deplanements last January. Airline landings were down 4.6% with 901 landings versus 944 landings. The overall airline load factor was 75.8% versus 70.9% last January mainly because we were down 6,000 seats. Fuel dispensed was up 2.6% for December.

We are down 7,500 seats in February so we will probably be about flat. Delta celebrates 100 years of service tomorrow February 14.

8. Airport CEO Report – Brian Sprenger

Mr. Sprenger reported that a tentative retirement party for Mr. Humphrey is planned for Friday May 2nd. We will not have any flights departing after 3pm that day.

Overnight cars in January were 97% of last January. February month to date is down to 87% and a day of week adjustment bumps it to 90%. 68% of the cars are in the premium lot compared to 49% previously. Concession revenue month to date is 112% of last year.

Mr. Sprenger presented some of the Leadership Big Sky presentation. A destination map was shown. Year-end numbers for Montana's major airports were also presented. Billings has dropped to number 4 in Montana. Top markets were shown. New York City is our number one market for inbound and outbound traffic. This includes, all 3 of the city's airports (JFK, LGA, EWR). Las Vegas is second for passengers originating at BZN. 61% of our passengers are inbound non-residents and 38% are local outbound. Pure tourism is 24% of the market with 2/3 during the summer and 1/3 during the winter.

Mr. Sprenger presented some history on how New York became our number one market. The tourism industry, primarily started by the Yellowstone Club, focused on the New

York market in 2011. Various community organizations partnered to raise over \$750,000 and match a \$750,000 Federal Small Community Air Service Grant for a total of \$1.5 million. This money was put towards a Minimum Revenue Guarantee (MRG) to start a weekly nonstop route from BZN to Newark. United required a MRG because they expected only 27% of seats to be filled, but actual occupancy exceeded 80%, using less than 20% of the MRG. That generated interest for Delta, JetBlue and others. Tourism created the New York market. For our population and location, the nonstop access that we have is far superior to other communities in the western U.S. Tourism has sparked economic development. We have many markets that are year-round and daily. In the middle of April, there aren't many tourists, but we still have flights. This is part of the reason why we have been successful. Tourism got us in the door, and now we don't rely on it as much as people think. Our market is much more robust because markets that began because of tourism are now supporting an expanding non-tourism based local economy throughout the year.

9. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger. Snow removal services were extensive this month and the last. Until we start building up for parking, we will continue to have snow storage issues. There was discussion on staff versus contract for snow removal operations. We would not have the response and efficiency if we were to use staff instead of the contracted services.

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

10. Adjourn

The meeting was adjourned at 3:28 p.m.



Ted Mathis, Board Chairman