

The regular monthly meeting of the Gallatin Airport Authority was held January 9, 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, 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. Mr. Mathis announced that on December 27, 2024 a former board member, Bill Merrick passed away. Mr. Merrick was 97 years old.

1. Review and approve minutes of regular meeting held December 12, 2024

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 December 12, 2024. Mr. Switzer seconded the motion, and all board members voted aye. The motion carried.

2. Public Comment Period

Bryan Rogan of Outlaw Subdivision spoke to address the impacts of the touch and go operations of the flight school affecting their neighborhood. Mr. Rogan said they have no aviation easement agreements. The flight school impact is much greater than the commercial traffic. Mr. Rogan said the noise of the planes, its duration and the altitude are not appropriate for a residential area. Mr. Rogan has been working, for over a year, with Brian Sprenger without a resolution. Mr. Rogan expressed that he feels dismissed by the Airport Authority. The noise impact is affecting his work and his school. There are times Mr. Rogan

has to leave his house because of the noise. Mr. Rogan said there are standards, protocols, and tools, at all levels, that address noise issues. Nothing is being utilized and there is a known issue. Mr. Rogan is extremely frustrated. Mr. Rogan referred to the airport's 2016 master plan indicating it addresses touch and go operations which are within the area of influence. That area is protected from noise nuisance, fumes, and has height restrictions for safety. Mr. Rogan said touch and go operations where there are no flight restrictions is a safety issue. Mr. Rogan hopes to be able to sit down and have a discussion about this and establish some dialogue so everyone is happy.

Mr. Sprenger responded that the Federal air space is 100% under the control of the Federal government. We will continue to work with the flight schools for improvements through voluntary procedures such as twin-engine aircraft operations being moved to the main runway because they have more options. That is 10% of the flight school traffic. We are trying to work on reducing impacts where we can. However, once the aircraft leaves the ground, we no longer have control.

Mr. Rogan said he understands the protocols are voluntary. That doesn't mean that there aren't things that can easily be done. Mr. Rogan is asking the airport to establish some voluntary protocols. Mr. Rogan would like to sit down and talk.

3. Consider request by John Blackwell to enter into a new 10-year non-commercial land lease on hangar 132

Mr. Sprenger said the hangar is in good condition and the rent is current. Staff recommends approval of the request.

MOTION: Ms. Stelmak moved approval of the request by John Blackwell to enter into a new 10-year non-commercial land lease on hangar 132. Mr. Switzer seconded the motion, and all board members voted aye. Mr. Sprenger confirmed for Mr. Mathis that they are building an aircraft. The motion carried.

4. Consider proposed staffing plan

Mr. Sprenger said the plan was sent out ahead of the meeting. Staff levels were maintained over the last year to determine needs. During the summer it was clear that the dynamics changed, and staff needs increased. We have added custodial staff. Mr. Humphrey, our Chief Operating Officer, will be retiring. We will have some adjustments there to accommodate losing Mr. Humphrey. The service contract for our baggage system was included for the first year to learn the system with them on site, but that will be ending this year. We compared staffing with the 10 next bigger and smaller airports, including contractual services. Some airports contract out services like custodial, but that is still an expense. Generally, our staff levels compare favorably. Our revenue to expenses can accommodate the additional staff. Staff is hoping that with the approval of this staffing plan, we can be ready for the summer while still being conservative.

Mr. Mathis said the staffing plan is well thought out. There was a discussion regarding engineering staff. Mr. Sprenger said the current engineering contract has worked well. Mr. Mathis asked who, under the new plan, would oversee lease compliance and lease enforcement. Mr. Sprenger said there would be a Chief Operating Officer (COO) and Chief Commercial Officer (CCO). The CCO would create leases, and the COO would be responsible for enforcement and lease compliance. The two positions create checks and balances. Mr.

Mathis looks forward to having someone doing more enforcement as he feels that is something we are lacking.

Ms. Stelmak agreed that the staffing plan was well made. Mr. Barkley commented that the staffing plan is consistent with a growing airport.

MOTION: Ms. Stelmak moved approval of the Staffing Plan as proposed by staff. Mr. Switzer seconded the motion, and all board members voted aye. The motion carried.

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

Mr. Humphrey said there were 9,200 verses 8,769 total tower operations in December which is up 4.9% compared to December 2023. Rolling 12-month operations are 120,578. Corporate landings over 12,500 lbs. were 980 and 4.3% up year to date. Corporate landings over 9,000 lbs., were 1,111 and about flat for year to date. There were 23 customs clearances this December and up 8.1% year to date. Total revenue enplanements were up 6.8% with 95,063 versus 88,978 passengers and up 7.3% for the year. That brings the total past 12-month enplanements to 1,321,461 which is a new record. Total deplanements were up 10.1% with 106,031 versus 96,303 deplanements and up 7.2% for the year. Landings were up at 901 versus 869 which 3.7% better for the month and 12.5% up year to date. We had 4,500 more seats in the market in December. The overall airline load factor was 77% versus 75% last December and 82.2% for the year and was 83.5% in 2023. Fuel dispensed was up 13.9% for November.

We are flat on seats for January. The load factor was 75% last January. We are having a strong start to January. We expect to end up 4-5% better.

We have a couple additions to the summer schedule. Alaska has contacted us looking for gate space. Delta is jumping back into the Seattle market starting June 30th with 3 daily round trip flights year-round.

Mr. Mathis asked about capturing operations outside the tower hours. Mr. Humphrey said we do capture them. Mr. Sprenger said we can't count them for the FAA but we do track them.

6. Report on CY 2024 Airline Traffic Results – Brian Sprenger

Mr. Sprenger reported that our corporate landings above 12,500 lbs. were up 4.3% for the year, which is the highest ever showing growth in larger corporate jet traffic. The total tower operations were down 7.1%. We would have had 800 more operations if we did not have the tower hour adjustment. We did end up with 120,579 operations which is still significant. The passenger total was 2,642,707 inbound and outbound compared to 2,467,325 in 2023 which is up 175,382 passengers over the year. That is an all-time record. We expect to surpass 2.7 million passengers by the end of 2025. Will have the estimate in March.

7. Airport CEO Report – Brian Sprenger

Mr. Sprenger said a full report was submitted prior to the meeting and he offered to answer any questions.

Overnight cars in December were 98% of last December. We filled the economy and premium lots over the holidays and did not use the overflow lot but it was close. Going into January we had a unique situation with the Bobcat game. We estimate that 2,000-2,500 fans departed from BZN. Half the fans were on charters and the rest on any available seats. Parking is 108% month to date. Concession revenue in December was 108% of last December and

month to date is 124% of last January. Last Saturday was the second busiest passenger day in history. We surpassed 6,000 passengers in the middle of a snowstorm. We had 20 airliners on the ground at one point in various stages. Our snow operations team did a great job. We are learning a lot working with Big Sky Approach. Big Sky Approach has been great to work with. We used to have gaps between flights. With the number of operations we have now, the gap has to be created. Mr. Mathis gave his compliments to the tower and approach whose efforts have been impressive.

Mr. Sprenger said we are moving towards demolition for the older areas in the terminal. The bag system is working but it is crowded. The marginal impact in passengers was worth not having to extend the project longer at more cost.

The summer will be tight on gates. The biggest concern is bad weather on the east coast. We are working on ground level boarding for 1 additional parking position with a separate boarding path. That will likely require us to take out one boarding bridge to have 2 ground level boarding gates. We are currently operating out of 10 gates.

8. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger.

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

9. Adjourn

The meeting was adjourned at 2:50 p.m.

January 9, 2025

Ted Mathis

Ted Mathis, Board Chairman