The regular monthly meeting of the Gallatin Airport Authority was held July 9, 2026, at 2:00 p.m. in the Conference Room at the Airport Customs and Operations Building. Board members present were Carl Lehrkind, Karen Stelmak, Ted Barkley, and Ted Mathis. Mr. Switzer attended virtually. Also present were Brian Sprenger - CEO, Aaron Collins – CCO, Chris Pomeroy - COO, and Troy Watling - CFO.

1. Welcome/Call to Order

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

2. Public Comment on Non-agenda Items

Mr. Lehrkind gave notice that the Airport Authority Board cannot take action on any item which does not appear on the agenda. Please state your name for the record and limit your comments to three (3) minutes.

There were no public comments.

3. Consent Agenda

Mr. Lehrkind announced that any member of the Airport Authority Board can request that an item be removed from the consent agenda for discussion or clarification. Public comment on items within the consent agenda will be called for prior to the Airport Authority Board vote for approval.

3.1 Approve minutes of regular meeting held June 11, 2026

3.2 Approve the request by thirteen (13) existing hangar tenants to enter into a new Private Non-Commercial lease.

3.3 Approve request by Bozeman Airport Garages Phase 1, Car Park Condos C, D, E Owners Association, and Gallatin Field Garages 2, LLC for Amendments to their existing agreements.

3.4 Approve bills for payment.

One bill description was clarified for the deicing facility. The amount was correct, but the description was not.

MOTION: Mr. Barkley moved to approve the consent agenda. Mr. Mathis seconded the motion. All board members voted aye. The motion carried.

4. Regular Agenda

4.1 Report on Audit Review Process – Dane Hancock

Mr. Hancock reviewed the timeline for the next fiscal year. The audit team met with Mr. Watling previously. The planning process will be in July and August. Field work process will begin mid-September. The overall financial report will be issued towards the end of October. The audit results will be presented at the November meeting.

4.2 Election of Officers

Mr. Sprenger said the slate has historically been changed every other year. It was changed last year. That doesn't prevent changes from being made this year.

MOTION: Mr. Mathis moved to approve the existing officers for another year:

Chair – Carl Lehrkind, IV
Vice Chair – Kendall Switzer
Secretary – Karen Stelmak

Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

4.3 Consider proposals for ARFF Truck Acquisition

Mark Maierle said they utilized an online bidding system that they are using at many airports. The bids were received at noon today and were reviewed by staff. There were 2 bids. The vehicle is a duplicate of our current ARFF trucks and will replace our oldest truck.

Rosenbauer, LLC in Minnesota bid price: $1,044,494.00

Oshkosh Airport Products bid price: $1,006,788.00

Staff recommends the bid be awarded to the lowest qualified bidder.

Ms. Stelmak asked about the budget price. Mr. Sprenger said the original budget price was $800,000. That figure was based on the purchase price of the last truck four years ago.

The funding for this is future AIP funding. The lead time on the product is about 2 years. We plan to receive the truck in 2028.

MOTION: Ms. Stelmak moved to take the bids under advisement and award a contract to the lowest qualified bidder. Mr. Barkley seconded the motion. Mr. Mathis said that after we approved the purchase price on the last 2 trucks, a number of additional items were purchased. Mr. Sprenger said staff looked into that for this truck and there is no additional equipment that needs to be purchased. All board members voted aye. The motion carried.

4.4 Consider proposals for professional airport engineering and architectural services

We received proposals from A&E + SMA Design, Lund Opsahl and Morrison Maierle for airport engineering and architectural services. Each proposal was reviewed with a 100-point matrix.

A&E + SMA Design received 57 points primarily because they only offered architecture services.

Lund Opsahl received 64 points because they rely on a lot of subcontracting.

Morrison Maierle scored 87 points based on significant local resources, internal engineering and significant experience at BZN. Staff recommends that the contract be awarded to Morrison Maierle.

MOTION: Ms. Stelmak moved to award a 5-year contract for professional airport engineering and architectural services to Morrison Maierle. Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

4.5 Consider proposals for professional on-call Airport Planning Services

Mr. Sprenger reported these are separate from the services in the prior agenda item based on FAA direction. We received proposals from HDR and Morrison Maierle

HDR received 76 points as they lack local airport planning personnel.

Morrison Maierle scored 85 points. They have designated specific individuals for these on-call services, and they have significant experience here. We are in the middle of several major projects. Staff recommends that the contract be awarded to Morrison Maierle.

MOTION: Mr. Mathis moved to award a 5-year contract for professional on-call airport planning services to Morrison Maierle. Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

4.6 Consider Airport Lounge Proposals

Mr. Sprenger said the decision will be tabled, but they would like to provide some background for consideration next month. Due to unforeseen circumstances the proposing company could not be here personally.

A common-use lounge consideration was included in the board packet. The location is planned for the 3rd floor. That area has been designed for a future lounge. That section is getting closer to being finished, potentially prior to next summer.

Lounges have become a prominent part of airports in the U.S. and at airports our size. The lounges cater to frequent fliers.

One of the challenges is determining who is willing and able to provide this service. The most effective time to consider proposals is in conjunction with the project we have going.

Staff determined a common-use lounge was preferred over an airline proprietary lounge because we don't have one dominant carrier. A credit card proprietary lounge would restrict access to a limited number of customers who hold that card. A common-use lounge is available to all with a fee or other membership options. This would be our preferred approach because it is more inclusive and better aligns with our market.

That space doesn't have to be used for a lounge. We have the option to not do anything at this time. It could be finished to provide office space for an airline or rental company. That would require money up front and then a lease agreement. Based on our projections, in 5 years, we would come close to covering the capital expenditure.

Another option is to make the area a public area. It could be a bar area operated by SharBert without an entrance fee. The airport investment for finishing the area doesn't necessarily mean an increase in revenue unless there is strong congestion and people go upstairs because everywhere else is full.

The proposal we received includes capital expenditures they would put in and an estimate of revenues to the airport based on entrance fees.

There are valid concerns that people are going to the lounges and then not spending money at the restaurants downstairs, creating a loss of the concession fee from the concourse provider.

We want to make sure our concessionaire is providing the food and beverage for the lounge. Montana liquor laws become more complicated with multiple vendors. Staff confirmed with the state that the lounge could operate under our current liquor license. So, the Request for Proposals (RFP) requires food, beverage, and alcohol purchases through our concessionaire.

The difference in revenue and investment over 5 years is a projected $3.5 million versus $1.9 if we did the traditional format.

Finishing the area would be an expenditure without revenue. It is still a valid option.

We received one proposal. There has to be an agreement between SharBert and the proposer, Las Americas. We have heard there is good movement on that.

We would have to work with Hennebery Eddy to determine design options based on restrictions, infrastructure, code limitations, budget, etc. We can offer a contingent agreement and come back to the board for final approval when the contingencies have been met. The potential opening would be fall 2027.

A visual of their design hopes compared to where the building is at today were included in the packet. Things are coming together quickly. This is the right time to consider this. It is not necessary to move in this direction, but we do have a proposal. Hopefully the proposer can be here in person next month to answer some questions.

Mr. Barkley said he is not all in but is open to exploring this as an option.

Mr. Mathis asked Doug Stock with SharBert Enterprises to provide some background and asked why they did not submit a proposal. Mr. Stock said a lot is unknown and they don't have experience in the lounge world. They considered the build-out investment and the potential revenue but ultimately could not put a proposal together. They have spoken with Las Americas, and they are looking to expand into the American market. There could be some synergies with staffing. It should be easy to support operationally.

Mr. Sprenger asked if they looked into agreements with other lounge providers. Mr. Stock said many wanted exclusivity. Priority Pass presented some opportunity, but there were too many unknowns to take the leap.

Mr. Mathis asked if they would anticipate working with this vendor. Mr. Stock said they are considering it. They have had great preliminary discussions. SharBert has a model that could work out well. They would have on-site management to meet their standards and SharBert would have the ability to fulfill from operations down below. They put some forethought into the bar placement with easy access to the service elevator and stairs to deliver product.

Ms. Stelmak said lounges are usually utilized during a layover which wouldn't apply to our airport. Mr. Sprenger said they considered this as well. Reno is a destination airport like us. They have a smaller footprint but often have an hour long wait to get in. Reno's terminal expansion is looking to increase the lounge significantly. Other than local passengers, we have a significant number of passengers who get here early. They plan to eat and drink here. 65% of passengers are not local. We can't predict success or failure. Nothing would restrict SharBert from offering what they offer downstairs.

Mr. Barkley said he had similar concerns to Karen. We have people who travel to a destination at different times but arrive together. Mr. Sprenger said we see that at the Bistro. We are a United and Delta premium market with top end travelers coming through here. They are used to lounges. Many Delta passengers have asked about a Sky Club. Delta has said they have a strong premium market flying in and out of Bozeman.

Mr. Sprenger clarified that Las Americas is proposing a $900,000 build out in capital expenditures in advance of revenue. Staff's recommendation is to tie their agreement to the SharBert term so it can be considered together for renewal. We are currently in the first year of a 7-year contract with SharBert. Mr. Lehrkind asked about an exit clause. Mr. Sprenger said this type of contract is usually no harm, no foul. They pay for the improvements and then it becomes airport property. Worst case scenario is they no longer operate and we change it to a bar. If there was a failure, we could be better off than where we were before. We received questions from 4 different lounge providers. Partnering with the concessionaire is a unique requirement, and the others decided not to propose. This company is out of Columbia, and they also operate in the Dominican Republic, Mexico and a couple other countries. This would be their potential entry into the U.S. They would have to meet all U.S. regulations. The proposal indicated they did their due diligence for that.

Mr. Mathis said up until yesterday the proposed motion was to approve the proposal on a contingent basis. Mr. Mathis said he asked Mr. Sprenger to take a step back. The board has not approved the concept which should be the first step and then consider concessionaires to operate it.

Ms. Stelmak said we have high end travelers who would expect a facility like this. This would be a nice way to meet that, and it makes sense to her.

Mr. Sprenger said he doesn't disagree with Mr. Mathis. Without having an interested party, we could spend a lot of time guessing on the concept and still get it wrong. Just 3 months ago this was still evolving. We worked hard to create the RFP in such a way that SharBert was accommodated.

Mr. Mathis expressed concern that the concept has not been considered prior to considering the proposal. Mr. Sprenger said this is staff's recommendation, but the board can ultimately not approve it.

Mr. Mathis said he is very disappointed that they were asked to approve this company and enter into a contract a day ago and now we are considering it.

Ms. Stelmak and Mr. Lehrkind agreed that if anyone needs more information, we can obtain that information before making a final decision.

5. Staff Reports

5.1 Airport Business Report – Aaron Collins

Tower operations for June were 11,333 which is up 7.5% from last June and up 22% YTD. Rolling 12-month operations were 129,987 which is a new record. Corporate landings over 12,500 lbs. were 763 up 22% compared to last June and up 14% YTD. Corporate landings over 9,000 lbs. were 901, which is up 17% compared to last June and up 16.3% YTD. June had 23 customs clearances, up 14.4% YTD. Total revenue enplanements were 167,181, which is up 13.6% for June and up 10.1% YTD. Rolling 12-month enplanements were 1,469,142, a new record. Total deplanements were 177,368, which is a 10.6% increase compared to last June and a 10.1% increase YTD. Commercial airline landings were 1,367, which is up 7% compared to last June and up 11% YTD. The overall load factor was 79.2%, which is down 3.5% from last June and down 1.3% YTD. Fuel dispensed in May was 1,506,402 gallons dispensed, which is up 24% for the month and up 11% YTD.

The parking revenue in May was down 1.2% and up 4% YTD. Rental car revenue was up 16.5% in May and 16.5% YTD. One rental car operator had a 28% increase in May compared to last. Food and beverage was up 15.5% in June. The BZN Market had its largest sale of any location at the airport on June 22nd with over $32,000.

5.2 Airport Operations Report – Chris Pomeroy

Mr. Pomeroy, COO, reported on the tower. The FAA was here on June 23rd for a tower audit. Twelve FAA representatives came for the audit including architects, mechanical, electrical, plumbing, and project management. We don't know the results of the audit. We expect the results at the end of July. The schedule shows 29-44 months to make the conversion happen. There are indications it will be on the lower end depending on the inspection.

The Environment Assessment (EA) is in final FAA review. The EA is hung up with FAA Regional Legal.

The Taxiway B project is on schedule. Nighttime work is being completed in July because of a runway closure.

We had our annual security audit and we had a new inspector. Trent Schumacher, Airport Security Manager, had good interactions with the inspector. Mr. Pomeroy offered kudos to Mr. Schumacher for his well-received participation in the audit. The inspector was complimentary of the badging team. We have a roughly 2,800 badge population.

Mr. Mathis asked how many cameras we have. Mr. Edgar said we have roughly 315 camera licenses and many have 4 lenses. Our software says we have 860 views through a lens. We are adding 200 more licenses for the construction project.

5.3 Airport CEO Report – Brian Sprenger

Mr. Lehrkind asked about a tour of the project. Travis, with Martel, said we can do a tour next month after the meeting.

A photo update was presented. Milk Creek Café has opened. Mr. Stock said it has been well-received and sales have been strong. A photo of the completed ground transportation curb was presented. It is designed to ultimately have a canopy, but the cost is $3 million. We are holding off for design and expenditure approval. Terminal expansion photos were presented. Travis said 9,000 cubic yards of concrete have been completed so far. Photos of the work on Taxiway B were presented. Mark Maierle said they are doing a good job and it should be paved out by this fall and finished in the spring.

There was discussion on arrivals that are being scheduled later. We are evaluating the need to go to a 24-hour operation.

Next week is Google Week and we are expecting large aircraft.

Photos of the Aircraft Deicing Facility, lavatory dump station and triturator were presented. We are looking forward to its completion as it will save us $100,000 over a year.

We have had a strong start to July. We are 11% up on 9% additional seats July to date. Remainder of the month is 4% additional seats and then August through the end of the year is flat in seats. If we see increases, it will probably be on the load factor. Between July 5-11, we will handle 100,000 passengers in the terminal.

RVR and fiber optic pricing is moving over to what we do with the VOR for an increase in price by $1.5 but will get that back on the other project.

The Airline Rendezvous will be at the end of August, and we have confirmed attendance from Alaska, Allegiant-Sun Country, Delta, Southwest, United, American, Cape Air and Southern Airways. We are waiting on the possibility of Breeze. Jet Blue expressed regrets for being unable to attend.

Additional private non-commercial hangar leases are being reviewed. We will revisit the lounge concept. The rental car RFP is coming up. We are expecting a request by Clear for consideration next month. The AIP Capital Improvement Plan will be reviewed. We are closing out a lot of projects. We are working on minimum standards.

Mr. Sprenger thanked Mr. Pomeroy for making efforts to reach out to people with noise issues, it has been helpful. Mr. Lehrkind said he met with county commissioners and that was a concern, so he is glad that it is being worked on. Mr. Sprenger said Belgrade Planning has shifted to Gallatin County Planning. Mr. Sprenger had a very good meeting yesterday with their personnel.

6. Adjourn

The meeting was adjourned at 3:31 pm.

GALLATIN AIRPORT AUTHORITY

July 9, 2026

Mr. Lehrkind, Board Chairman