

The regular monthly meeting of the Gallatin Airport Authority was held June 12, 2025, at 2:00 p.m. in the Conference Room at the Airport Customs and Operations Building. Board members present were Ted Mathis, Carl Lehrkind, Karen Stelmak, Kendall Switzer, and Ted Barkley. Also present were Brian Sprenger - CEO, Chris Pomeroy - 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 May 8, 2025

Mr. Mathis asked if everyone had received their copy of the minutes and if they had any corrections or additions.

There was one adjustment on page 5. Reimbursement for the deicing facility would be through "per passenger charges" through our normal rates and charges, not "passenger facility charges".

MOTION: Mr. Barkley moved approval of the amended minutes of the regular meeting held May 8, 2025. Mr. Lehrkind seconded the motion, and all board members voted aye. The motion carried.

2. Public Comment Period

Mr. Bryan Rogan commented on a meeting he was in with airport staff, engineers and local residents. Mr. Rogan said he appreciated the time that was spent but expressed that it was a lot of repeated information. Mr. Rogan said he didn't learn anything new, and nothing was presented to address their issues. Mr. Rogan said the Airport Influence Area (AIA) is determined at the state level. Mr. Rogan cited barriers to communication and asked why the

state statute of the AIA is considered insignificant. Mr. Rogan said his conclusion is that the airport is doing the absolute minimum and it doesn't fit well for community impacts. Mr. Rogan commended the airport for being advanced and well-designed but lacking in adequate noise mitigation. Mr. Rogan said the 2020 Master Plan includes the word "noise" 118 times. Mr. Rogan asked what kind of noise assessments are being done and asked if the board understands the actual impact. Mr. Rogan invited board members to come out to the neighborhood and experience it for themselves.

Mr. Mark MacLeod spoke next. Mr. MacLeod said he is a drone operator and lives in the same area as Mr. Rogan. Mr. MacLeod said his ship is controlled by a box that only allows it to go 396 feet above ground level (AGL). Mr. MacLeod said there are times he is operating the drone at 300 feet above ground level, and he has to bring it down because of planes overhead and is concerned his drone will get hit. Mr. MacLeod said the planes operate at times below 500 or 1,000 AGL minimum.

Mr. Steve White, former Gallatin County Commissioner, complimented Mr. Sprenger and airport staff for all that is going on. Mr. White said he appreciates the free parking for one hour. Mr. White said his wife noticed that some passengers are not picking up after their dogs in the lawn area and suggested additional dog waste stations.

3. Consider Fuel Flowage and Ramp Parking fee rate adjustment

Mr. Sprenger said we continue to see our expenses increase. Based on other airports' fees, we have re-evaluated fuel flowage fees. Our current fuel flowage fees are \$0.08 per gallon. Our fee is equal to many other airports and two cents less than Billings. There are limited opportunities for us to collect income from the private jet owners who utilize the

services of the airport. We adjusted landing fees somewhat recently. Staff recommends we raise fuel flowage to \$0.10 per gallon. Our proposal for parking fees is to keep small aircraft rates the same and increase the larger aircraft rates by 25% to help maintain the additional facilities required by the larger aircraft.

Mr. Sprenger said the FBO's collect the parking and fuel fees. There was discussion on fuel flowage fees on a national basis.

Mr. Switzer commented that this rate adjustment looks like a balanced approach to recoup fees for operations, and he appreciates there are no changes to the lighter aircraft fees.

Ms. Stelmak agreed that this is a good approach. It is economic and respectful.

MOTION: Ms. Stelmak moved to approve increasing the fuel flowage and ramp parking fee as proposed by staff effective September 1, 2025. Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

4. Consider offering cash to card services in the terminal

Mr. Sprenger said this request is a result of technology and life changes. Cash has become a challenge to work with since so many businesses are going to card payments only. This has created some challenges in the terminal. There have been requests for cash to card services. We would receive income from the machines. This kiosk comes in two colors: dark grey and white. We could wrap the kiosk for \$2,000.

Mr. Mathis said grey would be fine. Mr. Sprenger said there should be minimal staff involvement.

Mr. Barkley said he was curious to know how the card is branded and if there is a limit. Mr. Sprenger said staff could get the info. A security service would collect the cash and deposit it regularly. The agreement is for one year and then it is month to month.

MOTION: Mr. Lehrkind moved to approve offering cash to card services in the terminal. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

5. Consider request by Prime Flight Aviation Services, Inc. to provide aircraft ground handling services at BZN

Mr. Sprenger said we have had World Flight Services (WFS) and Menzies provide aircraft ground handling services. Southwest has re-bid and selected Prime Flight. This hasn't come to the board in the past, but staff feels it should. We want there to be an operating agreement for insurance requirements and geared to airline operations.

MOTION: Mr. Switzer moved to approve the request by Prime Flight Aviation Services, Inc., to provide aircraft ground handling services at BZN. Mr. Lehrkind seconded the motion, and all board members voted aye. The motion carried.

6. Airport Business Report – Aaron Collins

Mr. Sprenger said Mr. Collins couldn't make it so he would be providing the report.

Total operations for May were 9,120, up 3.5% but down for the year by 7.5%. Rolling 12-month operations are 117,015. There were 397 corporate landings over 12,500 lbs., down 6.6% but up 22.8% YTD. There were 493 corporate landings over 9,000 lbs. which is down 7.2% but up 22.9% YTD. There were 8 customs clearances this May compared to 12 last May up 14.4% YTD. Total revenue enplanements were 92,883 up 2.6%. Total deplanements were up 1.9% at 101,335. Airline landings were down 13.1% with 657 landings primarily due to

runway construction. The load factor was 82.1% compared to 74% last year. The YTD load factor is 80%, which is more in line with what airlines want. 1.5 million gallons of fuel were dispensed in April, which is down 26%, primarily Jet A. YTD fuel dispensed is up 9.2%.

7. Airport Operations Report – Chris Pomeroy

Mr. Pomeroy, COO, provided his report and an update from Mr. Collins' report. Mr. Pomeroy said we are welcoming two new staff members to the IT and Terminal Appearance team. We are also welcoming an intern to the Finance and Administration team. The Finance and Administration team issued 280 badges in the last month. Rental car projections are showing a combined fleet of 10,000 vehicles. Parking capacity is being addressed.

The major project elements for Runway 12/30 will be complete this week including the 328-foot runway extension. The Taxiway A configuration has been completed with a connector on the east end. The north side has a new partial taxiway and connectors. Maintenance has been in progress for the turf runway.

Mowing and weed spraying are being completed in the GA area. Also, in-house painting and striping.

Last week we received acceptance of our Safety Management Systems manual. The FAA has been pushing this for years. It is basically a risk assessment and management process. Scott Humphrey and Paul Schneider worked hard on it. The manual went to the FAA and was turned around quickly. There will be a lot more to come over the next year during implementation.

Operations completed a Part 139 tabletop exercise and it went well. There was a lot learned.

Staff has spent time reviewing and planning for the busy season. We may run out of gates on Saturday mornings. We are looking at some ground boarding options to be implemented before mid-July. Someone from senior management will be here to work with our airlines during those peak days.

The Aircraft Rescue and Fire Fighting (ARFF) and Quick Response Snow Removal Equipment (SRE) building project has made progress over the last month and we are planning for mid-August occupancy.

Trent Schumacher is doing a great job with airport security.

For our Law Enforcement Officers (LEOs), more traffic means more calls. We are adjusting schedules to ensure double coverage of late-night hours.

We will have a new Airport Operations Specialist. He is through the process and hopefully on board by mid-July.

Mr. Mathis said we got a copy of the letter from the FAA certification inspection. The inspection happened while the runway was torn up and multiple major projects were underway. This report confirms that our staff had a perfect inspection and that is rare. Mr. Mathis commended staff for an outstanding job and a perfect certification inspection.

Mr. Mathis said he attended the ribbon cutting at the new terminal building in West Yellowstone. Mr. Mathis said it is first class. They did a great job, and it will serve the park and community well.

8. Airport CEO Report – Brian Sprenger

Mr. Sprenger reported that overnight cars for May were 95% of the previous year and June month to date is about 86% but school is out a week later. May concessions were up

4.8% and month to date for June were up 3.2%. We are about even with last year which matches enplanements.

Mr. Sprenger was in Atlanta along with Mr. Barkley. Mr. Sprenger spoke with the AAAE Legislative Affairs staff on various subjects including the Contract Tower to Federal Tower Pilot program. During the conference, Senator Sheehy informed Mr. Sprenger that BZN is one of six airports that will be transitioned into a federal tower. In addition, we received a confirmation email from Senator Sheehy's staff that we are one of six airports that have been selected for the pilot program. Mr. Sprenger said this pilot program was initiated by us and Ryan Smith at Mesa airport in cooperation with the four Senators from the two states. While there are still many details to be worked out, we are hoping a transition could happen by the middle of next year.

Mr. Sprenger also spoke with a representative of the Build America Bureau with the U.S. Department of Transportation about airport financing through the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. It is essentially a government loan program that is now available to airports. It includes flexible amortization up to 75 years. Interest is only accrued when funds are drawn. There is a deferred payment for 5 years and no pre-payment penalty. We are considered a rural community with a population of less than 150,000. Gallatin County's population is roughly 130,000. This qualifies us for additional credit assistance at half the treasury rate. The application is a 4-page form and we would need to get a credit rating. We have a chance of paying for everything in cash. But we also have unknowns this fall. This project could be up to \$100 million, and the loan would cover up to 49% of that.

Mr. Sprenger said we are close to maxing out much of our rental car parking garage. The next parking garage may be a rental car garage instead of passenger parking.

Mr. Sprenger participated in the top 100 airport session. The percentage of passengers that fly only on a nonstop flight in 2010 was 68% and in 2024 it was 78. People are avoiding connections. That impact is the heaviest on the small hub airports. We are benefiting from this service. There is an emphasis towards bypassing the traditional hub.

Mr. Barkley said he appreciated the opportunity to go, and he learned that we live in a world of uncertainty. There are many dynamics in terms of the regulatory environment. Mr. Barkley was surprised by the insight he received from the vendors on things such as software integration. Mr. Barkley said he was able to operate a fully electric ARFF unit. A lot of the equipment is going that way.

Mr. Sprenger said our concessions Request for Proposals (RFP) is out. We are looking for two board volunteers to be part of the selection committee. That will be in July. Much of our kitchen equipment is now 15 years old. Improvements are needed in Copper Horse like the carpet. We had an analysis done by a local firm and the estimate is \$450,000 for replacement equipment. When we transfer from one operator to another, there is not always agreement on the quality of the equipment. This is a challenging RFP because it also looks at concessions for the terminal expansion. We feel comfortable designing food and beverage concessions; we don't know what retail may be offered. We want an operator to provide good food and retail at an effective return for the airport. We will contribute \$50,000 per space for the materials of the four new retail locations. It will cost more but it will be ours at the end of the day. After the expansion there will be 18 food/beverage and retail venues. We

want to have flexibility for them to propose concepts. The RFP will close July 1st. We expect a recommendation and approval in August and a cutover November 1 for the successful concessionaire. There will be hard decisions to be made.

9. Consider bills and approve for payment

The bills were reviewed and detailed by Mr. Sprenger. Many were sent out in advance for review. Another list was provided for the larger ones being approved at this meeting.

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

Mr. Lehrkind extended congratulations to staff regarding the news about the tower.

10. Adjourn

The meeting was adjourned at 3:12 p.m.



Ted Mathis, Board Chairman