

The regular monthly meeting of the Gallatin Airport Authority was held March 12, 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, and Kendal Switzer. Ted Mathis attended via video conference. Also present were Brian Sprenger - CEO, Aaron Collins – CCO, Chris Pomeroy - COO, and Troy Watling - CFO.

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

1. Open bids for 2026 AIP Improvements – Taxiway B

Mr. Sprenger made a last call for bids.

First Bid: Treasure State Inc. Belgrade Montana

MT Contractor Registration # 157069

Signed by Barret Haugan, President

Bid price \$10,999,269.50

Second Bid: Williams Civil Construction, Belgrade, Montana

MT Contractor Registration # 158949

Signed by Quinn Williams, President & CEO

Bid price \$9,557,777.00

Third Bid: CK May Excavating, Belgrade, Montana

MT Contractor Registration # 35949

Signed by Vale May, VP

Bid price \$6,920,345.75

Fourth Bid: DC Excavation LLC, Belgrade, Montana

MT Contractor Registration # 224559

Signed by Bill Demspy, VP of Operations

Bid price \$8,123,973.18

Fifth Bid: Knife River, Belgrade, Montana

MT Contractor Registration # 10089

Signed by Leo Zwemke, VP and GM

Bid price \$7,987,425.25

Sixth Bid: Riverside Contracting Inc. Missoula, Montana

MT Contractor Registration # 7850

Signed by Dwayne Rehbein, President

Bid price \$8,591,048.50

MOTION: Mr. Switzer moved to take the bids under advisement and award a contract to the lowest qualified bidder. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

2. Review and approve minutes of regular meeting held February 12, 2026

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

MOTION: Ms. Stelmak moved approval of the minutes of the regular meeting held February 12, 2026. Mr. Switzer seconded the motion, and all board members voted aye. The motion carried.

3. Public Comment Period

There were no public comments.

4. Consider revised aviation commercial and aviation non-commercial lease criteria

Mr. Sprenger said staff has been working to set up north side development. Staff has also reviewed operations on the south side. Over the years, there has been more commercial use of hangars without street side access such as sub-leasing entities that meet the minimum standards for commercial operators by leasing the space from a Fixed Base Operator (FBO) but utilizing a non-commercial hangar and FBOs using non-commercial hangars for aircraft storage and other business-related purposes. Non-commercial hangars are being used for business purposes to generate income which defeats the purpose of a non-commercial hangar. Over the years, the lines have become blurred.

Staff compared hangar utilization policies and rates to other airports in the state: Missoula, Billings and Kalispell airports don't have major distinctions between commercial and non-commercial hangars so there are no rate differences either. To support truly non-commercial airport users at BZN, staff is proposing that leases be revised to be in line with a true commercial versus non-commercial hangar. Those committed to not generating income from the hangar would be offered the lower non-commercial lease rate. Staff proposes that commercial use of hangars without public facing access, be limited to sub-leasing or supporting commercial operations that meet the minimum standards, such as additional hangar space for aircraft storage. Staff's intent is to continue the distinction of offering a lower rate to personal non-commercial use and requiring commercial land leases rates to the rest.

Ms. Stelmak appreciates making the effort to offer the lower rate. Mr. Switzer asked if we are the only airport with the rate distinction and Mr. Sprenger said Butte does too. The

rest have some minor distinctions, such as no utilities, which are at a lower rate. Mr. Switzer said that clarity helps and this clears up the intent and expectations. It will never be perfect, but this seems like a good way to go.

Mr. Mathis said staff has worked on this a lot, has researched other airports, and he is in favor of the revised lease criteria.

Doug Chapman expressed concerns over tracking the use of hangars from month to month. Mr. Chapman said a primarily non-commercial hangar may make their hangar available to an FBO for a short period of time for aircraft storage and shouldn't be locked into a commercial lease. Mr. Chapman proposed that to lower lease payments for all, the airport should create a mill levy and accept some tax money back. Mr. Chapman concluded by saying the proposed leases lack clarity and that locking someone into a certain lease, when operations can change, doesn't make sense.

Aaron Wass with Arlin's Aircraft Service expressed concerns over condo associations with several hangars for which the uses change over time between commercial and non-commercial. Mr. Wass proposed that the option to switch back and forth from commercial to non-commercial would be fairer.

There was discussion on the different lease rates and how parcels are measured.

Mr. Switzer said he has valued the way we have continued to be a self-sustaining entity. It allows us to make decisions that are best for the flying public. Costs will go up no matter what. Based on the research, this is the best model we can come up with. Mr. Sprenger added that when we open up the north side, the ability for speculation opens. When it does, it will drive up prices and make it more difficult for the small aircraft owners to lease

a hangar. Staff is trying to find a happy medium that supports all operations. It will never be perfect.

Mr. Mathis said the audio is difficult to hear. This is a nebulous formula to make it work for everybody. We will review minimum standards soon that will further clarify this matter.

MOTION: Mr. Switzer moved to approve revised aviation commercial and aviation non-commercial lease criteria. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

5. Consider request by ACW, LLC to enter into a new 10-year non-commercial land lease on hangar #10

Mr. Sprenger said the hangar is in good condition and the rent is current. This is one of the oldest hangars on the field. We would like to support the commercial operation of this hangar. Staff recommends approval of this as a commercial hangar.

Ms. Stelmak commented that she appreciates seeing the older hangars being kept in good condition.

MOTION: Ms. Stelmak moved to approve the request by ACW, LLC to enter into a new 10-year commercial land lease (on Hangar #10) contingent upon completion of the required door replacement, trim painting and pavement repairs. Mr. Mathis seconded the motion. All board members voted aye. The motion carried.

6. Presentation of Draft Environmental Assessment Findings for Improving Runway 11-29 to D-IV Standards and Constructing Northside General Aviation Area Improvements – Travis Eickman

Travis Eickman with Morrison-Maierle, one of the principal authors on the ongoing Environmental Assessment (EA), said a brief update was provided in the board packet.

Mr. Eickman presented additional details on the EA. They have been working with the FAA Airport District Office in Helena over the last 2 years. The office has performed reviews on report development and analysis of the environmental categories. A large portion of the work over the past year has been aligning the document with the new administration's guidance. The document had to be consolidated to 75 pages and the rest was moved to an appendix that is now over 1,000 pages. After the district office was satisfied with the overall document, it went to legal review at FAA headquarters where some minor edits were made. The EA document has received approval from the FAA for public review.

When we completed the Master Plan in 2023, there were several recommendations from the FAA to improve safety and increase operational capacity. Mr. Eickman presented slides in relation to the improvement of Runway 11-29 to D-IV Standards and additional improvements. These include taxiway adjustments, portions of county roads being abandoned and replaced by Tarmac Trail and north side development.

Mr. Eickman presented on the runway renumbering planned for 2029. The turf runway will remain until September 2027 when it will change from a runway to an alternate landing surface.

There are 13 environmental categories tabled in the board packet. There were some brief mitigation comments and overall consequences. Most all reflect no significant effect or impact.

Mr. Eickman presented a few of the environmental categories:

- Section 4F and 6F: Resources
- Historical, Architectural, Archeological and Cultural Resources

Those two sections are combined as a result of the VOR. A cultural resource inventory was completed which included a review of our potential area of affect. The area was highlighted on a slide display. The area is roughly 1,500 acres. Beyond that area, archeologists looked at the hangar area, land side, and terminal complex to determine the need to be identified as a historic district. As a result of the cultural resource inventory, there were 16 historic resources identified, of which 4 are eligible for the national register of historic places. The first is the VOR (Very High Frequency Omnidirectional Range) based on the age. The second is the building we are in, the 1951 terminal. The third is a historic irrigation ditch, Spain Ferris, that bisected the airport and has been modified over time. The fourth is a historical rail line off the north side of the airport. The only one being impacted is the VOR which is being relocated. The State Historic Preservation Office and National Park Service are requiring we enter into a Memorandum of Agreement. A written and photo document will be created by an archeologist that will be entered into the National Park Service archives. To meet the State Historic Preservation Office's requirements, we will create an interpretive display in the terminal. The VOR is just over 50 years old. The National Park Service said they did not have anything like this in the archives and asked that we add it.

A key piece of public feedback is noise and noise compatible land use. There is a 60-page noise analysis in the EA appendix. The FAA dictates the noise modeling software we use. A 24-hour time weighted sound level is used with a day and night level (DNL) average. The FAA's level of significance is 65 DNL which equates to 65 decibels described as normal speech at a distance of 3 feet. Nighttime has an additional 10% decibel penalty at night. A base case

is collected, then again on the first day the project is implemented (2030), and then 5 years later (2035). The base case is annual operations from 2023.

A slide was presented of the primary flight tracks from August 2024. Software computes the noise impacts and includes some default information from aircraft manufacturers. Engineers input additional information and assign them to flight tracks and time of day. 2030 and 2035 were extrapolated based on growth. A slide displayed noise impact projections for 2035 within airport property

Surface water impacts were presented. We will have a Storm Water Pollution Prevention Plan and an updated industrial storm water permit.

With the board's approval, the EA will be live on BZN's website Monday. We will advertise in the Bozeman Daily Chronicle and Belgrade News for 4 weeks. On April 16th we will hold an open house with engineers and airport staff to address any and all questions the public has. We will be doing a 2-week robust social media campaign to get comments prior to the open house. April 24th is the close of the comment period and last public input. This public outreach is not required by the FAA. In the interest of transparency, staff has advised we publicize this. Overall, the document will be available for comment for about 40 days. All comments received will be provided verbatim. The FAA will review. If there is a finding of no significant impact, the airport can move forward with the work.

Ms. Stelmak said Mr. Eickman covered the information well.

Mr. Switzer thanked all involved for their work on this adding that all the effort and transparency are how we serve the public well.

Mr. Mathis said changing the numbering of the runways to left and right is confusing. There have been ground collisions due to renumbering. The renumbering will be a multi-million-dollar project. Mr. Mathis stated we should do everything we can to avoid the renumbering and recommends we challenge the FAA on that requirement.

Ms. Stelmak agreed that our current numbering is more understandable.

7. Presentation of CY 2026 Enplanement Forecast

Mr. Sprenger said this an annual projection on passengers since 90% of our revenue comes from passenger enplanements and what we will budget based on. Staff is forecasting a 5.6% increase in enplanements for this calendar year. We are usually within 1-2% of our projections. We expressed concerns last year and had low, medium and high projections. This year also has many unknowns such as oil prices and air fares. The war with Iran is on our minds. Typically, what we see is decreased international travel and increased domestic travel to safe havens which we consider BZN to be. We looked all the way back to the Gulf War. Every situation is different. We don't know if an increase in domestic travel will offset the increase on fares. Experience shows that BZN performs better than other markets in similar situations.

8. Consider preliminary FY 2027 Budget – Rates and Charges, Operating Revenue & Non-AIP Capital Plan

Mr. Sprenger said packets went out ahead of the meeting. We are proposing full infrastructure recapture for the north side development investment. It will be \$4 million for the first phase of infrastructure for hangar development. This would be similar to the recapture of investment for Taxiway SY. For those who wish to develop on the northside, there will be rates for gas, power, water, sewer, roads, taxiways, etc. Airline rates are by

formula. An adjusted overall budget was included. We have instituted the de-icing facility charge. Overall, the operating income is projected to increase to \$40,500,000 and facility charge income to \$10,200,000. The numbers are preliminary. We are splitting out the preliminary budget approval into two sections, (1) Rates and Charges, Operating Revenue & Non-AIP Capital Plan and (2) Personnel & Operating Expenses.

Mr. Sprenger said the Non-AIP Capital Plan includes \$1.4 million in proposed projects. The biggest single item is a chemical application vehicle for the runway. We could have the vehicle as early as next winter. An efficient vehicle would be helpful considering our increased runway operations.

Remaining improvements will be slowed back to see how things go this year. We want to have that \$1 million available if needed.

AIP related items include an Aircraft Rescue and Fire Fighting (ARFF) truck replacement. We have that in place with the FAA for 2029 AIP dollars. There is a 2-year lead time. This will include a bid process through Morrison-Maierle.

MOTION: Mr. Switzer moved to approve the Preliminary FY 2027 Budget – Rates and Charges, Operating Revenue & Non-AIP Capital Plan. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

9. Airport Business Report – Aaron Collins

Tower operations for February were 10,470 which is up 45% from last February and up 40% YTD. Rolling 12-month operations were 124,396, which is 5,000 short of our record in 2023-2024. There were 1,513 corporate landings over 12,500 lbs., up 37% compared to last February and up 21.7% YTD. Corporate landings over 9,000 lbs. were up 36% compared to

last January 1,725 and 34.5% YTD. There were 43 customs clearances in February versus 33 last February. Total revenue enplanements were 104,473, which is up 8.9% for the month and up 9.2% YTD. Rolling 12-month enplanements were 1,423,493, a new record. Total deplanements were 107,227, which is a 10.2% increase since last February and 10% increase YTD. Commercial airline landings were 954, which is up 9.5% compared to last February and up almost 10% YTD. The overall load factor was 76.8%, which is up 1.5% from last February. Fuel dispensed for January was 2,176,670 gallons dispensed, which is a 18% increase for the month.

There is volatility in the global energy market. Locally the fuel rates are relatively flat. Tuesday, they went up \$.80/gallon. Our average price per gallon is \$7.40 which will change next Tuesday.

10. Airport Operations Report – Chris Pomeroy

Mr. Pomeroy, COO, reported on the tower. Delegation signed a co-signed letter to the FAA on the federal contract tower to FAA pilot program status. We will update as information becomes available.

Tower staffing is stable and they are extending operations by 30 minutes in the morning and late night.

The Runway 30 project had a delay due to data submittal and review issues which should now be resolved, and we should see completion towards the end of October this year.

Our Part 139 annual certification inspections will take place the first week of June.

Mr. Pomeroy announced and welcomed a new Public Safety Officer, Mark Hernandez.

11. Airport CEO Report – Brian Sprenger

Mr. Sprenger reported that overnight parking was up 3% for February. Concessions were up 1% in February and are up 20% March to date. Passengers are up 13% for the first 14 days of March. We expect to see parking numbers up. We are seeing a strong spring break and expect to be up 8-10% for March.

We will be opening bids next month for the terminal apron. Most of the work is concrete.

We will be considering personnel and operating expenses next month.

12. Consider bills and approve for payment

Standard bills for the month were sent in advance of the meeting. The additional bills were reviewed and detailed by Mr. Sprenger.

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

13. Adjourn

The meeting was adjourned at 3:25 p.m.



Mr. Lehrkind, Board Chairman