

The regular monthly meeting of the Gallatin Airport Authority was held April 10, 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, 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. Honor Scott Humphrey

Mr. Sprenger announced this is Mr. Humphrey's last board meeting as Chief Operating Officer. Mr. Humphrey started at the airport on September 1, 2009. Mr. Sprenger reported the following increases from August 2009 to March 2025:

- 383% increase in passengers
- 165% increase in tower operations
- 417% more corporate landings
- 333% more employees
- Operating revenue increased by 680% and expenses by 463%
- Our passenger rank within the U.S. went from 134th to 92nd
- Average daily departures increased from 17 to 31
- Average seats per departure increased from 76 to 142
- Non-stop destinations increased from 7 destinations on 5 airlines to 25 destinations on 8 airlines

Mr. Humphrey has been part of all that growth. Mr. Humphrey has done our enplanement reporting and has the reputation of being "Good News Scott". Mr. Sprenger said it has personally been an honor to work alongside Mr. Humphrey and have him as his right-hand man. We could not have accomplished what we have without Scott Humphrey. Mr. Sprenger presented Mr. Humphrey with a plaque to represent the airport Mr. Humphrey helped build.

Mr. Humphrey thanked the board for their guidance, direction and support, mentioning that Mr. Mathis laid the foundation for all of this. Mr. Humphrey thanked all the staff and tenants. Mr. Humphrey said it has been a great 16 years and the airport will be in good hands. Mr. Humphrey will still be in the valley and still be watching and cheering for the airport. Mr. Switzer said excellence doesn't happen overnight. It is difficult to find a leader who accomplishes so much who always has a smile on his face. Mr. Switzer said Mr. Humphrey is the type of person people want to work for and with. If it takes 2 people to replace you, that means a lot. Mr. Switzer said he has personally enjoyed having Mr. Humphrey on the team and has a lot of respect for all he has done.

Mr. Mathis agreed and said he is welcome at the meetings.

2. Review and approve minutes of regular meeting held March 13, 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. Switzer moved approval of the minutes of the regular meeting held March 13, 2025. Ms. Stelmak seconded the motion, and all board members voted aye. The motion carried.

3. Public Comment Period

Mr. Bryan Rogan from the Outlaw South Subdivision addressed the board. Mr. Rogan distributed written comments. Mr. Rogan said the first couple pages are some examples of the touch and go operations. The first page was operations at 10:49 pm last night. Mr. Rogan said the Good Neighbor Program is a starting point but so far doesn't appear to have had any impact. Mr. Rogan said a comment was made last month that there is nothing the airport can do regarding the noise impacts. Mr. Rogan said the Billings airport has established noise abatement procedures and addresses touch and go operations. Great Falls' procedures are not written but they try to address it. He agrees the procedures are voluntary as is airport expansion. Noise compatibility is a key factor in working along with the community. Mr. Rogan suggested reaching out to Great Falls and Missoula who have a noise compatibility program. Mr. Rogan said Michaela from the airport reached out to get together with airport management on April 17th and Mr. Rogan looks forward to that despite some apprehension. Mr. Rogan requested there be board representation at the April 17th meeting. Mr. Rogan also requested to have FAA and tower representation at the meeting as well.

4. Consider request by Mr. Robert Marshall to enter into a new 10-year non-commercial land lease on hangar 64

Mr. Sprenger said the hangar is in good condition and the rent is current. Staff recommends approval of the request. Mr. Sprenger confirmed there is an aircraft designated to the hangar.

MOTION: Mr. Lehrkind moved to approve the request by Mr. Robert Marshall to enter into a new 10-year non-commercial land lease on hangar 64. Mr. Barkley seconded the motion. All board members voted aye. The motion carried.

5. Consider request by Dr. Wayne Vinje to enter into a new 10-year non-commercial land lease on hangar 65

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

MOTION: Ms. Stelmak moved to approve the request by Dr. Wayne Vinje to enter into a new 10-year non-commercial land lease on hangar 65. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

6. Consider request by Mr. Billy Jacobson Jr. to assign the lease on hangar 49 to Centerline Holdings, LLC

Mr. Sprenger said the hangar is in good condition and the rent is current. There is a need for painting on the side that should be addressed. Otherwise, staff recommends approval of the request.

MOTION: Mr. Switzer moved to approve the request by Mr. Billy Jacobson Jr. to assign the lease on hangar 49 to Centerline Holdings, LLC to include painting of both sides. Mr. Barkley seconded the motion, and all board members voted aye. The motion carried.

7. Consider request by J2020, LLC to transfer the non-commercial land lease on hangar 176 to Thomas and Emily Ungersma

Mr. Sprenger said the hangar is in good condition and the rent is current. The budget information was corrected. Staff recommends approval of the request.

MOTION: Mr. Lehrkind moved to approve the request by Hangar Nine, LLC to transfer the commercial land lease on hangar EU8 to Saratoga Aerospace, LLC and enter into a new 30-year commercial land lease. Mr. Switzer seconded the motion, and all board members voted aye. The motion carried.

8. Consider Land Acquisition Priorities

Mr. Sprenger said we have been approached by Dixie Parsons who has 2 properties. There are 6 properties in this area that we don't own, and this would be 2 of those. Staff recommends moving forward with an appraisal.

MOTION: Mr. Barkley moved to approve the Airport CEO negotiating a buy-sell on the Dixie M. Parsons properties and to bring to the Board for consideration, understanding the Board may or may not approve the negotiated buy-sell agreement. Ms. Stelmak seconded the motion. There is a trailer on each property. Ms. Parsons lives in one and rents the other. The expectation if the properties are purchased is there would be no further residence on the property after closing. All board members voted aye. The motion carried.

9. Consider Request to Operate at BZN by CLEAR

Mr. Sprenger said there were some questions and answers on this agenda item prior to the meeting. CLEAR is a subscription-based program of enhanced screening at the TSA checkpoint. Members come to the checkpoint and are screened by biometrics and then taken to the document check at the checkpoint. CLEAR has been operating at larger airports and is now moving to smaller airports as well. The intention is coordination with the TSA to have a private based program so there is enhanced security to get to the front of the line. We have reviewed orienting the checkpoint to accommodate TSA PreCheck, ADA and we could accommodate CLEAR. They would pay rent for their space. We have not determined if other airports have a concession fee for CLEAR. We still have to make an operating agreement and lease. We will continue to look at the opportunity for a concession fee. The estimated usage is 60,000 passengers per year. We think that anything that increases security and efficiency

at the checkpoint is a good thing. TSA has authorized a 6th lane but there is no room for it until the terminal expansion is completed.

Mr. Sprenger confirmed for Mr. Barkley that if we move this forward, there would be a lease agreement for review. There are no other similar services interested in operating at our airport at this time. CLEAR enrollments (including PreCheck) can be done online and the final biometric is done at the airport during off-peak times. The more people that are enrolled, the less strain at the checkpoint.

Ms. Stelmak commented it would be good to pursue.

MOTION: Ms. Stelmak moved to approve the request to operate at BZN by CLEAR. Mr. Switzer seconded the motion. Mr. Mathis said he agrees this is a good service; however they are a private business, and it is his opinion that they should pay a concession fee like all the others do. A concession fee can help cover all the services we provide such as employee parking and restrooms. Ms. Stelmak amended her motion to include researching the possibility of a concession fee. Mr. Mathis said if we are the only ones to charge the fee, that is ok. All board members voted aye. The motion carried.

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

Mr. Humphrey said total operations for March were down 10.2%. Rolling 12-month operations are 117,688. There were 1,104 corporate landings over 12,500 lbs. which is up 61% and 1,459 corporate landings over 9,000 lbs. which is up 32%. There were 46 customs clearances this March versus 36 last March so a 27.8% increase. Total revenue enplanements were up 4.9% with 120,480 enplanements. That brings the total past 12-month enplanements to 1.33 million enplanements which is a new record. Total deplanements were up 1.8% at

113,918. Airline landings were up 2.1% with 1,057 landings versus 1,035 landings. The overall airline load factor was 82% versus 80.1% last March. American Airlines posted an 88.3% load factor. Fuel dispensed was up 18% for February.

We are down 9,200 seats in April due to low load factors last April. Ski resorts close soon and then MSU concludes for the session in May. We will probably end up flat for April.

Mr. Lehrkind asked about the load factor. Mr. Humphrey said the sweet spot is 82-84% year-round.

Ms. Stelmak thanked Mr. Humphrey for all the hard work and the good sense of humor. Mr. Humphrey said this is a great place to work and we are in great hands. Ms. Stelmak wished Mr. Humphrey a wonderful retirement with clear skies ahead and the wind at your back.

11. Airport CEO Report – Brian Sprenger

Mr. Sprenger said a report was sent out ahead of the meeting.

Overnight cars for March were 88% of the previous year. We are seeing overnight cars decrease. April month to date overnight cars is 91%. We think a portion of that is people who were driving to our market for better fares before other markets recovered. March concessions were 109% compared to last March. Concessions month to date is 86%. The timing for Easter this year had an impact.

There are concerns going into the summer. Delta is concerned about tariff actions along with consumer and business confidence. Delta has indicated plans to reduce its service internationally. How that affects us is still to be determined. We have seen additional seats

in the fall market. There are warning signs and concerns that we need to be aware of and align with various scenarios.

Mr. Lehrkind asked about the City of Belgrade Sewer and Water agreement. Mr. Sprenger said we have met a few times. While we do have an agreement in place, there are other pressing challenges. Valuing past investments is challenging. We expected to be considered more of a partner of the system than a user of the system. This will probably require board participation.

Ms. Stelmak asked about runway closures. Mr. Sprenger said the construction is going well. One hiccup was that FedEx was not ready to utilize their aircraft on the parallel runway but that has been corrected. We can accommodate some minor delays and have had good weather.

12. Consider bills and approve for payment

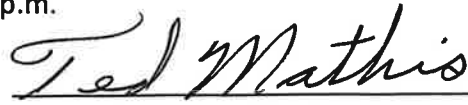
The bills were reviewed and detailed by Mr. Sprenger.

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

Mr. Grayson Sperry spoke in response to the public comments on pattern activity and flight school operation. Mr. Sperry said they donated flights to the community to see the patterns. They have changed the pattern altitude which comes at a significant cost to clients and students which he has not yet quantified. Our airport is busy. There have been significant efforts to address these concerns. Some businesses have had to lock their doors to community members due to inappropriate behavior. The Good Neighbor Program should go both ways. Mr. Sperry said Mr. Jake Simpson can speak to their cooperation.

13. Adjourn

The meeting was adjourned at 2:54 p.m.

A handwritten signature in cursive script that reads "Ted Mathis". The signature is written in black ink and is positioned above a horizontal line.

Ted Mathis, Board Chairman