

The regular monthly meeting of the Gallatin Airport Authority was held April 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, Kendal Switzer, and Ted Mathis. 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 – Commercial Apron Expansion (Phase I)

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 \$2,469,000.00

Second Bid: Knife River, Belgrade, Montana

MT Contractor Registration # 10089

Signed by Leo Zwemke, VP and GM

Bid price \$1,728,562.00

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

2. Review and approve minutes of regular meeting held March 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: Mr. Mathis moved approval of the minutes of the regular meeting held March 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 request by Wayne Meyer, Rob Buckles and Tim Cashin to enter into new 10-year non-commercial lease for Hangar #8

Mr. Sprenger said the rent is current. There are some maintenance items that have been agreed to. Staff recommends approval.

MOTION: Mr. Barkley moved to approve the request by Wayne Meyer, Rob Buckles and Tim Cashin to enter into a new 10-year non-commercial lease for Hangar #8 contingent upon completion of the required hangar and door trim painting and repairs. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

5. Consider request by Josh Jones Construction to assign 50% of the Tenants in Common Interest for the non-commercial lease of Hangar #SY2 to Yellowstone River 360 LLC

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

MOTION: Mr. Mathis moved to approve the request by Josh Jones Construction to assign 50% of the Tenants in Common Interest for the Non-Commercial lease of Hangar #SY2 to Yellowstone River 360 LLC. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

6. Consider preliminary FY 2027 Budget – Operating Expenses

Mr. Sprenger reviewed the highlights of the budget including the 5 largest expenses. Insurance rates are expected to be up by 19.3%. Outside service expenses are projected to increase 12.3% primarily due to technology solutions, terminal expansion, and overall passenger volume increases. Personnel expenses show a projected 8.8% increase. Supplies and materials are projected to be up 4.9%. Projected utility expenses are up 6.4%. Overall, we are budgeting for a 9.6% increase in operating expenses compared to last year's budget. Compared to income projections, we expect net operating income to increase by 7.4%.

Mr. Mathis commented that 24 of 86 employees are supervisors and asked if that is common. Mr. Sprenger said that it is due to having many departments. Some departments require 18-hour or 24-hour operations 7 days a week. Some management is on duty, and some is due to being an exempt salaried position.

Ms. Stelmak said it is impressive that operating expenses were kept down. Mr. Sprenger said we aim for 50% of revenue for operating expenses and 50% for capital expenditure. Compared to other peer airports, we have the lowest expenses to revenue due to capital expenditure and a tight control on expenses.

Mr. Sprenger confirmed for Mr. Lehrkind that this budget starts July 1. Mr. Sprenger said this budget is preliminary and changes can be made prior to the May meeting. Then the budget goes to the county. This gives us ability to adapt. The full budget will be considered at the May meeting including expenditures and funding mechanisms. There was discussion on tabling the approval.

MOTION: Mr. Barkley moved to approve the preliminary FY 2027 Budget – Operating Expenses. Ms. Stelmak seconded the motion. All board members voted aye. The motion carried.

Mr. Barkley said that at this stage of organizational growth, it is normal to have more supervisory positions. We have all the functions of a larger organization but not necessarily the support staff at the time. They may not supervise as many people, but their supervisory responsibilities and expectations remain the same.

7. Airport Business Report – Chris Pomeroy

Tower operations for March were 11,833 which is up 18% from last March and up 31.5% YTD. Rolling 12-month operations were 126,205, which is a new record. There were 1,315 corporate landings over 12,500 lbs., up 4% compared to last March and up 15.3% YTD. Corporate landings over 9,000 lbs. were 1,532, which is up 5% compared to last March and 23% YTD. Total revenue enplanements were 127,691, which is up 6% for the month and up 8% YTD. Rolling 12-month enplanements were 1,430,704, a new record. Total deplanements were 120,632, which is a 5.9% increase since last March and an 8.6% increase YTD. Commercial airline landings were 1,128, which is up 8.8% compared to last March and up 8.6% YTD. The overall load factor was 79.7%, which is down 2.7% from last March down and down 1.4% YTD. Fuel dispensed for February was 1.87 million gallons, which is down .1% for the month and up 7.8% YTD.

8. Airport Operations Report – Chris Pomeroy

Mr. Pomeroy, COO, reported on the tower. We have not received an FAA response to the delegation letter sent in March. We received a new controller trainee at the tower. This is part of a program by Serco. The training and certification will take some months.

Taxiway B - Staff had an initial meeting with the contractor, CK May, a couple of weeks ago. There will be a formal pre-construction meeting April 16th, and a start date is planned for early May.

Environmental Assessment – We are still in the public comment period. There is a public open house next Thursday night from 5:30-7:30pm. The public comment period will close April 24. Depending on the number and content of the comments, we will work on responses, and the FAA will take it under consideration.

Construction Projects – 2 fuels farms, Jet Aviation and Ridgeline, will begin construction in a couple weeks on the eastside adjacent to the existing Million Air fuel farm.

The preliminary capital budget included a new runway de-ice truck. The vehicle has a 4,000-gallon tank capacity and 75-foot spray arms. The expenditure and procurement will be in the next fiscal year. The anticipated delivery date was in Sept-Oct. We are working through the cooperative purchasing program called Sourcewell and the vendor is Alamo Group. We have been informed the vehicle is coming off the assembly line and could potentially be delivered in May with the expenditure not until July. Alamo is flying two of our staff out there to review the vehicle. Sourcewell's program meets the requirements of a competitive bidding process. The vehicle has a \$603,000 purchase price.

Mr. Pomeroy extended congratulations to 3 of our Operations team members who passed their American Association of Airport Executives Airport Certified Employees (ACE) Program.

9. Airport CEO Report – Brian Sprenger

Mr. Sprenger reported he and Michaela Borovac attended the Allegiant Air conference. They discussed route performance at BZN particularly Phoenix Mesa, Nashville and Las Vegas. Mesa is performing very well. Nashville performed well enough that they extended the season later into the fall. Las Vegas traffic is being impacted. They did not indicate any changes, but there could be reductions during the shoulder season. Allegiant's merger with Sun Country is going according to plan. Both airlines have a successful financial model. Both airlines own their own aircraft, their markets are tailored to demand, and they have little competition in their markets. Sun Country also flies cargo for Amazon which creates diverse revenue.

There was a presentation at the conference by Bill Swelbar, a respected airport industry analyst. Network carriers have learned how to compete with low-cost carriers and compete well against those not in niche markets. Mr. Swelbar indicated confidence in the performance of Allegiant and Sun Country, but they are the anomaly in the low-cost carrier market. Most remaining low-cost carriers are struggling in the market. Fuel prices may cause some airlines to go out of business.

Mr. Sprenger spoke with Mr. Swelbar and Mr. Swelbar said Bozeman is an anomaly, mostly due to wealth and a premium market. Most markets have 5% of their passengers in the front cabin, we have 10%.

Food, beverage and retail was up 9% in March. Parking was up 2% in March. April to date passengers is up 20%. April to date food, beverage and retail are up 27%. Parking for April to date is 5% up.

Next month we will consider the remainder of the budget.

Mr. Barkley asked if we know at what point fuel prices affect the operating costs of airlines. In the past, fuel contracts were 4-6 months out. Mr. Sprenger said we don't know. The impact will vary by carrier and the terms of their contracts. Delta owns a refinery. This is a good time for that. There will be more of an impact the longer this lasts. We have seen some market costs increase by 10% while some airlines are putting in a fare sale to fill the seats. In general, the airlines that are performing well are those that have a more premium product. We may see airlines cut service on the fringe days like Tuesday and Wednesday to keep the demand higher on the other days and maintain a premium demand. Airlines that are not entering this with strong balance sheets will struggle.

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

11. Adjourn

The meeting was adjourned at 2:36 pm.



Mr. Lehrkind, Board Chairman