

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
October 29, 2019
1:30 pm, Airport Operations Building

THOSE PRESENT: Chair Jeff Roth
Vice Chair Matt Doucette
Secretary/Treasurer Adriane Beck
Commissioner Deb Poteet
Commissioner Shane Stack
Commissioner Dori Brownlow
Alternate Commissioner Pat Boyle
Alternate Commissioner Winton Kemmis

STAFF
Director Cris Jensen
Deputy Director Brian Ellestad
Finance Manager Teri Norcross
Administrative Manager Lynn Fagan
Accounting Clerk Rita Harris-Powers
Manager of Projects Tim Damrow
Business Development Manager Dan Neuman

OTHERS:
Steve Conway, Martel Construction
Shaun Shea, Morrison-Maierle
Martin Kidston, Missoula Current
Todd Donahue, Homestead
Kynan Spethman, Neptune/Northstar
Grace McKoy, Anderson Zurmuehlen
Gary Matson

Chair Jeff Roth called the meeting to order and advised everyone that the meeting was being recorded.

Motion: Vice Chair Matt Doucette moved to seat Alternative Commissioners Pat Boyle and Winton Kemmis.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

AGENDA

Motion: Secretary/Treasurer Adriane Beck moved to approve the agenda as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

None.

MINUTES

Motion: Alternate Commissioner Winton Kemmis moved to approve the minutes of the Regular Board Meeting dated September 24, 2019 as presented.

Second: Vice Chair Matt Doucette

Finance Manager Teri Norcross noted that the minutes for September's meeting listed First Security Bank as First National Bank under the section for the Financial Report, and that it should be corrected to First Security Bank. Chair Jeff Roth suggested that a motion be made to approve the minutes with that amendment added.

Motion: Vice Chair Matt Doucette moved to approve the minutes of the Regular Board Meeting dated September 24, 2019 as amended.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that the larger payments to vendors have been itemized on the first page of the Claims for Payment, as well as the credit card transactions for the month. She noted that the check register shows a progress payment to Anderson Zurmuehlen for the annual audit; this will be followed by one more payment after Board approval of the audit. Teri also noted the larger amount paid to Pape Material Handling for a scissor lift that will be used by the Building Department for changing lightbulbs and jet bridge maintenance among other things. She then stated that the payments from the terminal project bank account are listed behind the payments from the general account.

Teri offered to answer any questions. Alternate Commissioner Pat Boyle asked about the nature of the payment to First National Bank, and Teri stated First National Bank is the bank that holds MCAA's credit card accounts.

Motion: Alternate Commissioner Pat Boyle moved to approve the Claims for Payment as presented.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross began by stating that the fiscal year-to-date is looking positive, adding that miscellaneous revenues are looking particularly healthy, primarily due to rideshare revenues. Business Development Manager Dan Neuman estimated that rideshare companies Uber and Lyft account for approximately \$50,000 to \$60,000 of revenue annually.

Teri stated that grants receivable will continue to be on the balance sheet for grant amounts that are due from the Federal Aviation Administration (FAA) that MCAA has already paid out of pocket.

She stated that the next grant MCAA is waiting for will hopefully fund the West General Aviation (GA) development project in the spring. She then added that Grace McKoy is in attendance from Anderson Zurmuehlen to go over the audit report and answer any questions. Teri stated that changed items from the fiscal year ended June 30, 2019 include depreciation entries and Montana Public Employee Retirement System (PERS) calculation adjustments.

Chair Jeff Roth asked if anyone had questions for Teri; there were none.

Motion: Alternate Commissioner Winton Kemmis moved to accept the financial report as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen began by stating that MCAA is expecting to be awarded the final \$5 million of the available \$20 million discretionary fund cap based on communications from the FAA. Cris extended his thanks to the FAA, and to MCAA's contractors for keeping the FAA in the loop regarding the new terminal building construction project.

Cris stated that MCAA ran a successful snow operation on Monday, October 28, 2019 which acted as a good warm-up for the coming winter season. He stated it was a pretty intense storm, but that staff handled it well and all went smoothly.

He then mentioned that the Food and Beverage Request for Proposals (RFP) has been released, and that any Board members interested in joining that selection committee should contact Administrative Manager Lynn Fagan. Lynn stated that the proposals are due Friday, December 13, 2019. From there, the respondents will be short-listed, interviews will be scheduled, and a recommendation will likely come to the Board at February 2020's Regular Meeting.

Cris then mentioned that Destination Missoula will be hosting their annual event at the Missoula Children's Theatre on October 29, 2019 at 6pm, adding that MCAA is a sponsor of the event. Vice Chair Matt Doucette stated that performing artists Chloe and Letter B will be performing, adding that this annual wrap-up event will boast four caterers and networking opportunities. Cris stated that anyone interested in attending should contact him to get tickets. He then mentioned that MCAA's own Holiday Party will be held at the old Mercantile in Downtown Missoula on Friday, December 13, 2019 at 6pm in the McLeod-Hammond Room.

Deputy Director Brian Ellestad stated that air service is up by 9.2% over last year, adding that a recent news article showed Missoula's numbers overtaking Billings' numbers for the first time. He noted that Billings will likely pass Missoula by year-end, and Missoula will remain number three overall in Montana. He stated that the \$400,000 local community match to receive a \$600,000 grant for air service marketing led to \$14 million in savings for travelers. Brian stated that MCAA is expecting to receive \$31,000 from the federal government to close out that grant, adding that part of MCAA's ongoing conversation with the Missoula Economic Partnership is what next steps will occur. Chair Jeff Roth thanked Brian for his work regarding air service, adding that the grant to be received is good news.

Manager of Projects Tim Damrow then presented a brief terminal construction project update. He stated that work on the new terminal access road has been seasonally suspended until spring while work on the new terminal building continues. He explained that the foundation grade beams and walls are in progress, as well as foundation waterproofing and underground plumbing. He stated that the Package Three bid opening for vertical construction will be held on Wednesday, November 20, 2019. Tim then passed around a draft of MCAA's new coloring book and explained that it highlights the new terminal construction project, helpful tips regarding TSA regulations, air service in Missoula, and general information about Missoula International Airport. Chair Jeff Roth asked if anyone had questions for Cris, Brian, or Tim; there were none.

Jeff stated that Cris will be absent from November 2019's Regular Meeting, and he asked for general thoughts about keeping the meeting schedule for Tuesday, November 26, 2019. A consensus was reached that the date would remain the same. The same was discussed for December's Regular Meeting, which is scheduled for Tuesday, December 31, 2019; most Board members agreed that they would be in attendance, but Jeff stated he would revisit the question at November's Meeting.

LEGAL REPORT

Administrative Manager Lynn Fagan began by stating that seven companies attended the mandatory Food and Beverage RFP meeting; three Montana-based companies and four national companies. Lynn reminded everyone that November's Regular Meeting is also the Annual Meeting where officer elections are held, and she mentioned that MCAA does use the succession rotation.

She then stated for all interested that the Marriott in Downtown Missoula will offer rooms at a discounted rate of \$99 for the night of the Holiday Party if rooms are booked by November 13, 2019.

COMMITTEE UPDATES

Executive Committee: Met October 29, 2019 to discuss the Board agenda.

Finance Committee: Met on October 29, 2019 to discuss the Fiscal Year 2019 Audit.

Business Development: No Activity

Contract & Lease Committee: No Activity

Facility & Operations Committee: No Activity

Marketing Committee: No Activity

General Aviation Committee: No activity

Legislative Committee: No Activity

UNFINISHED BUSINESS:

Fiscal year 2019 Audit Report Approval

Finance Manager Teri Norcross stated that Anderson Zurmuehlen's (AZ) audit work was completed in September 2019, adding that Grace McKoy is in attendance to go over the report and answer any questions regarding the reports.

Grace stated that she met previously with the Finance Committee to go over the audit reports as a member of AZ's airport auditing team. She explained that she has been involved in MCAA's audits for seven years, adding that AZ always brings in new staff to get fresh eyes on MCAA's books and ask new questions. She explained that the four reports included in the audit report are a Financial Statements Report, a Government Auditing Standards Report, an Airport Improvement Program (AIP) Report, and a Passenger Facility Charge (PFC) Report. She added that all of the reports included a clean opinion, and that the auditing team had no negative opinions regarding compliance or control issues.

Grace stated that MCAA's PERS liability decreased this year, and while revenues increased 10%, expenses only increased 5%. She added that AIP funds increased by approximately \$6 million for the terminal construction project, and that MCAA successfully paid off its existing debt.

Chair Jeff Roth asked if there is anything MCAA should be doing differently, and Grace responded that there is nothing she would suggest. Teri added that internal controls have improved since additional help in accounting areas is being provided by the Administrative Assistants and Accounting Clerk. Grace agreed that having more personnel in the financial reporting process makes internal controls stronger.

Motion: Vice Chair Matt Doucette moved to approve the annual audit report for fiscal years 2019 and 2018 as presented.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

Task Order No. 25 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Director Cris Jensen stated that a previous discussion about constructing two new rental car counters to reduce congestion near the Security Checkpoint and me^eter/greeter areas was tabled until after the new selection of rental car agents was completed. Now that the selection period is over, MCAA staff have determined that construction of the new counters is necessary, and the counters will be constructed east of where the current counters are located. Cris stated that the required amount of \$19,250 will be funded with customer facility charge (CFC) funds. Chair Jeff Roth asked if there were any questions for Cris; there were none.

Motion: Alternate Commissioner Winton Kemmis moved to approve Task Order No. 25 with Morrison-Maierle in the amount of \$19,250.00.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

NEW BUSINESS

New/Used Vehicle Bid Award

Director Cris Jensen stated that a new vehicle purchased by the Administrative Department would be available for use by all MCAA staff, adding that use of personal vehicles has increased on the airfield, for running airport-related errands, and for additional bag deliveries when the dedicated

bag van has been in use. Cris stated that staff would like to use Sourcewell as part of the national procurement process to purchase a 2020 Kia Sorento for \$29,201.08, adding that \$30,000 has been budgeted for this item.

Secretary/Treasurer Adriane Beck asked if the new vehicle will have an MCAA logo on it, and Cris confirmed that a magnetic logo could be added to the vehicle.

Motion: Secretary/Treasurer Adriane Beck moved to approve the purchase a 2020 Kia Sorento from Sourcewell in the amount of \$29,201.08.

Second: Vice Chair Matt Doucette

Vote: Motion Passed Unanimously

Task Order No. 26 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Director Cris Jensen explained that several peculiarities have recently been discovered by MCAA staff regarding easements and the Airport's Exhibit A document. He stated that an easement was granted to the Ranch Club a long time ago that was just discovered by current staff, and that the Forest Service was also granted an easement and has vehicles parked on airport property as a result. He also mentioned that some land was acquired from the Deschamps, adding that part of that land has been sold back. Cris stated that it would be beneficial to look at the Airport's Exhibit A document, update the Airport's layout, and put markers out to show true boundaries of the Airport's property. He offered to answer any questions; there were none.

Motion: Commissioner Deb Poteet moved to approve Task Order No. 26 with Morrison-Maierle in the amount of \$11,000.00.

Second: Vice Chair Matt Doucette

Vote: Motion Passed Unanimously

Airport Director Performance Evaluation

Chair Jeff Roth read a statement that Director Cris Jensen's performance appraisal will be closed to the public to protect his individual right to privacy. Cris then waived his right to privacy, leaving the remainder of the meeting open to the public. Jeff went on to state that Cris's reviews were all very positive, explaining that input solicited from staff and tenants resulted in remarkable comments. He shared that employees of Horizon Airlines and TSA both stated that Missoula is far better than any other airport they work with, commenting on the proactive, problem-solving attributes of MCAA's staff. Jeff then opened the floor for other Commissioners to add their comments.

Alternate Commissioner Winton Kemmis stated that he was glad to read the comments they received, and that the Airport is fortunate to have Cris. He added that part of Cris's positive review is based on hearing of no bad reviews in the news for Cris or the Airport as a whole.

Vice Chair Matt Doucette stated that he believes focus should be put on a retention plan based on comments the Board continuously gets about Cris as a result of good communication, up-front

honesty, and approachability. He added that if any criticisms are presented, Cris handles them with grace, he takes ownership and does not deflect, and he is always willing to improve.

Commissioner Deb Poteet stated that the culture of the Airport staff comes from its leader, adding that it shows in this organization. She added that she appreciates the great work Cris continuously does.

Secretary/Treasurer Adriane Beck stated that Cris is a true champion of the Airport and its staff, adding that she appreciates that he works with a 'How do we say yes?' approach which is not easy to do.

Cris stated that MCAA has the best staff, he hopes that the whole team are equals in every way, adding that each staff member has a valuable opinion and great ideas. He credits the staff for making him look good, adding that he would like to see that credit passed on to them. He shared that the two biggest compliments he read in his review were that (1) MCAA's excellent staff working together makes operation of the airport appear easier than it is; and (2) MCAA's excellent staff makes it seem to proceed almost effortlessly. He noted that while ensuring smooth operation at the airport is not effortless, it goes back to the talented people that work at the Airport to make it so successful.

The discussion then turned to the topic of setting the salary for the Director's position for the coming year. Jeff's opinion was that based on the magnitude of the new terminal construction project and his being employed at the airport for fourteen years, Cris should receive a 5% raise instead of the 3% that was budgeted for. The rest of the Board agreed, and Vice Chair Matt Doucette noted Cris's prior motives to forego a raise and give that amount back to MCAA staff.

Motion: Commissioner Deb Poteet moved to approve an increase to Director Cris Jensen's salary by 5% for the coming year.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

The November Board Meeting will be held in the Airport Conference Room on Tuesday, November 26, 2019 at 1:30pm.

There being no further business the meeting was adjourned.