

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
November 26, 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 Winton Kemmis
Honorary Commissioner Jack Meyer

STAFF
Deputy Director Brian Ellestad
Finance Manager Teri Norcross
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
Gary Matson
Travis Frey, Martel Construction
Dan Snyder, Neptune/NSJ
Josh Johnson, Minuteman Aviation

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

Motion: Commissioner Shane Stack moved to seat Alternative Commissioner Winton Kemmis.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

AGENDA

Motion: Commissioner Dori Brownlow moved to approve the agenda as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

None.

MINUTES

Secretary/Treasurer Adriane Beck noted that Vice Chair Matt Doucette's comments on Director Cris Jensen's performance appraisal should have referenced his prior "motives" to forego a raise instead of his prior "votives." It was recommended that the minutes be amended to reflect that suggested change.

Motion: Vice Chair Matt Doucette moved to approve the minutes of the Regular Board Meeting dated October 29, 2019 as amended.

Second: Secretary/Treasurer Adriane Beck

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 stated that the large payments for project expenses came out of the project checking account and that the checklist for those payment are directly behind that of the general checking account. Teri noted that payments from both accounts are approved with the same Board vote.

Chair Jeff Roth asked if the check for custodial services amount is always around \$18,000 per month and Teri confirmed that is correct. Jeff asked if anyone else had questions for Teri; there were none.

Motion: Secretary/Treasurer Adriane Beck moved to approve the Claims for Payment as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross began by stating that grants receivable on the balance sheet reflects federal grant-eligible items that have been paid. Staff are expecting repayment for these items sometime between Spring and Summer of 2020. She mentioned that MCAA's debt covenants require that some cash and equity be restricted for operations and debt repayment.

Teri stated revenue for the year-to-date is over budget and expenses are under budget. She then stated that two of MCAA's short-term investment pool (STIP) accounts' returns are decreasing more than the returns on other accounts. She stated this may warrant considering future changes for these funds. Chair Jeff Roth asked what kind of difference Teri is noticing, and she responded that the current STIP rate is 1.97% while the lowest rate on other bank accounts is 2.0%.

Teri then explained that MCAA's cash on hand for operations is currently over seven months out which is favorable. She stated that staff looks at this figure to determine what needs to be borrowed for the terminal project. Teri then asked if anyone had questions for her; 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

Deputy Director Brian Ellestad stated that the federal government is currently operating under a continuing resolution, adding that it is currently funded through December 20, 2019.

Brian explained that MCAA exceeded the marketing expense budget, adding that \$31,000 was received in small community air service grant (SCASG) funds to get that number back under budget. He stated that after meeting with Missoula Economic Partnership (MEP) and Destination Missoula, MCAA staff may want to apply for another SCASG in 2021.

Brian then stated that it has recently come to the attention of MCAA staff that the Lifelong Learning Center in Missoula offers a permanent location for Transportation Security Administration (TSA) Pre-Check three days a week by appointment.

Commissioner Shane Stack asked about the nature of the Art Call expenses listed on the Claims for Payment. Brian explained that these payments were to compensate two local artists for painting two art panels each that will be hung inside the new passenger boarding walkway at Gate One.

Brian then mentioned that MCAA's Ground Handling department, led by Ground Handling Manager Andrew Bailey, was picked by Envoy flight crews as one of the two most desirable stations to work with since the turns out of Missoula go flawlessly and are staffed by knowledgeable ground handlers that are timely in their operations.

Manager of Projects Tim Damrow presented a brief terminal construction project update. He stated that work on the foundation for the new terminal continues to progress. Tim mentioned that upcoming items include structural steel assembly. He then stated that Northwestern Energy completed some utility enhancements wherein they added a redundant electricity line to the airport property to ensure consistent power during outages.

Tim then explained the Package Three bid opening for vertical construction was held on Wednesday, November 20, 2019. Martel received 67 individual bids from companies located in Montana, Idaho, and Washington. He stated next steps include bid reconciliation, exclusions/inclusions, budget review and value engineering, adding that the contract award will be next month.

Tim stated that responses to the Food and Beverage Request for Proposal (RFP) are due Friday, December 13, 2019, adding that a recommendation will be made to the Board in February 2020.

Commissioner Dori Brownlow asked how much inclement weather impacts work on the new terminal project, and Steve Conway of Martel Construction responded that a totally flooded jobsite will cause productivity to decrease, but in general, weather does not hinder construction progress.

LEGAL REPORT

Deputy Director Brian Ellestad stated that the Food and Beverage RFP will be reviewed by a committee of staff and three Board members. He also stated that the airport's Use of Force Policy will be on Lynn's agenda for when she returns from vacation.

He stated that next month's Regular Board Meeting is scheduled for December 31, 2019, and he asked who would be available to attend. All Board members in attendance stated they would be available for the meeting.

COMMITTEE UPDATES

Executive Committee: Met November 26, 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: Met November 26, 2019 to discuss changes to lease agreements that will be covered during New Business.

Facility & Operations Committee: No Activity

Marketing Committee: No Activity

General Aviation Committee: No activity

Legislative Committee: No Activity

UNFINISHED BUSINESS:

Change Order No. 01 to the contract with First Mark Construction for the construction of the West GA Ramp Project

Deputy Director Brian Ellestad explained that this change order will balance the final contract amount for Schedule I of the West GA Ramp Project since Phase I finished under budget. He added that it will reduce the contract with First Mark Construction by \$15,044.24.

Motion: Alternate Commissioner Winton Kemmis moved to accept Change Order No. 01 which balances the final contract amount for Schedule I of the West GA Ramp Project for First Mark Construction in the amount of \$15,044.24.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

NEW BUSINESS

Homestead Helicopters, Inc. and Homestead Hangars, LLC Consent to Lease Assignment to Neptune Aviation Services

Deputy Director Brian Ellestad explained that Neptune Aviation Services and Todd Donahue of Homestead worked out a buy-sell agreement whereby Neptune will be purchasing two buildings - one from Homestead Helicopters and one from Homestead Hangars. . Todd Donahue of Homestead stated that this will help him to consolidate his operations for Homestead Helicopters, Inc., Homestead Hangars, LLC, and East LZ Hangars to the same place. He stated that he would like to expand the East LZ parcel after winter, and Brian added that MCAA staff has been made aware of Todd's desire to do so and sees no issue with it. In order to complete the sale, MCAA needs to consent to the assignment of the two leases from Homestead Helicopter and Homestead Hangar to Neptune.

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

Motion: Vice Chair Matt Doucette moved to consent to the assignment of Homestead Helicopters, Inc. and Homestead Hangars, LLC Lease Agreements to Neptune Aviation Services and authorize Director or Deputy Director to execute upon agreement and addition of Effective Date.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

Amendment to Procurement Policy and Protest Procedures

Deputy Director Brian Ellestad explained that this item will cover two items with the same Board action. He stated that FAA regulations have changed since the last time MCAA's Procurement Policy was updated, adding that staff wanted to have a Protest Policy in place before the Package Three bids close in December 2019. He stated that Lynn included an edited document to the Board packet that highlights proposed changes to the Procurement Policy.

Brian asked if anyone had questions; there were none.

Motion: Commissioner Deb Poteet moved to approve the Amendment to Procurement Policy and the Procurement Protest Procedure as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Amendment to Republic Parking Lease

Deputy Director Brian Ellestad explained that Republic Parking has recommended rate adjustments since the last adjustment was in 2014. He stated that Republic proposes to increase the credit card parking lot daily rate to match the long-term parking lot rate of \$9 per day with the eventual intention of doing away with the credit card parking lot altogether. He added that daily rates for the short-term parking lot will increase to \$15 per day, and that the amount of free minutes parking lot users get will increase from fifteen up to sixty minutes. Staff are recommending these adjustments take effect on January 1, 2020.

Brian stated that MCAA needs a pavement preservation plan, and these rate increases will allow for a fund to be created for that purpose. Chair Jeff Roth asked if the rate increases are still consistent with other airports in Montana, and Brian confirmed that is correct. He added that Republic's local manager requested the increase in free time for parking lot users.

Chair Jeff Roth asked if anyone had questions. Secretary/Treasurer Adriane Beck asked if outreach or marketing had been done to let the public know ahead of time that the rates will be changing. Brian responded that staff will let the public know via the airport's website, signage in the parking lots, and social media. Vice Chair Matt Doucette asked if the Quotient Group would be involved in getting that information out, and Brian confirmed that is correct.

Motion: Commissioner Dori Brownlow moved to adjust rates in our current Credit Card lot to \$9.00 per day/\$54.00 per week and in the Short-Term lot to \$15.00 per day and also increase "free" time from 15 minutes to 60 minutes, effective January 1, 2020 as requested.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

Election of 2020 Officers

Under Article III, Section 3 of the MCAA Bylaws, "The current Chair may nominate a slate of Officers by nominating a Commissioner to serve as Secretary/Treasurer, nominating the current Secretary/Treasurer to serve as Vice Chair and nominating the current Vice Chair to serve as Chair." "This shall be defined as the Succession Order."

Chair Jeff Roth stated that, under this Succession Order, he would like to nominate Commissioner Larry Anderson to serve as Secretary/Treasurer for the coming year. Matt Doucette would move to Chair and Adriane Beck would move to Vice-Chair. Jeff asked if any other Board members had a nomination they would like to make; no one responded.

Commissioner Shane Stack asked if this would be Larry's last term on the Board of Commissioners, and Jeff responded that Larry will be able to renew it for five years.

Motion: Commissioner Shane Stack moved to accept the slate of officer nominations as proposed by Chair Jeff Roth.

Second: Alternate Commissioner Winton Kemmis

Vote: Elections Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Chair Jeff Roth reminded the Board that the Airport Holiday Party will be held on Friday, December 13, 2019 at The Mercantile. Deputy Director Brian Ellestad mentioned that last year, staff worked to raise donations to purchase Christmas gifts for local families through the YWCA's adopt-a-family holiday program. Accounting Clerk Rita Harris-Powers stated that the wish list items, as well as gift basket items, will be purchased for families that are either homeless or in transitional housing. She added that any funds left over once those items have been purchased will be used to help members of MCAA's Public Safety Department raise funds to participate in the Firefighter Stair Climb to be held in Seattle on March 8, 2020. They need to raise \$1,500 as a team, and all funds raised will go directly to the Leukemia and Lymphoma Society.

Commissioner Deb Poteet requested that December's Regular Board Meeting be moved to an earlier time slot. The Board and staff decided to move the Board meeting to 10:30am in the Airport Conference Room on Tuesday, December 31, 2019.

There being no further business the meeting was adjourned.