

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
December 31, 2019
10:30 am, Airport Board Conference Room

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

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
Airfield Operations Manager Nate Cole
Facilities Manager Thad Williams
Business Development Manager Dan Neuman

OTHERS:
Shaun Shea, Morrison-Maierle
Martin Kidston, Missoula Current
Kynan Spethman, Neptune/Northstar

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

AGENDA

Motion: Commissioner Larry Anderson moved to approve the agenda as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

None.

MINUTES

Motion: Secretary/Treasurer Adriane Beck moved to approve the minutes of the Regular Board Meeting dated November 26, 2019 as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that the two payments to JBT Aero were for repair expenses for equipment parts that failed and needed to be replaced. She stated that Director Cris Jensen brought to her attention the “pp” symbol for pre-paid checks was missing from this month’s Claims for Payment, and she noted that check numbers 46026 through 46046 were pre-paid items. Teri added that the list of checks paid from the terminal project account were attached behind the list of checks paid from the general checking account, adding that the project account checks for this month totaled approximately \$3 million. Chair Jeff Roth asked if anyone had questions for Teri; there were none.

Motion: Vice Chair Matt Doucette moved to approve the Claims for Payment as presented.

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross began by stating that the Balance Sheet shows Construction in Progress (CIP) items that will be carried forward until they are moved to the depreciation schedule upon completion, noting that some items like vertical construction for the terminal project will remain in CIP for quite some time. She stated that the income statement shows that Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs) are not trending with actual revenues, so she will analyze these items and share her findings at the Special Board Meeting to be held on January 10, 2020. Chair Jeff Roth asked if anyone had questions for Teri; there were none.

Motion: Commissioner Dori Brownlow 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 despite enduring a fog event during the Christmas holiday that caused five lost flights, staff did a good job of maintaining smooth operations otherwise. He stated that he and Deputy Director Brian Ellestad will reach out to airline dispatchers to let them know about MCAA’s fog seeding program as staff has had some success at clearing the fog sufficiently for aircraft to take off and land.

Cris explained that the federal government’s continuing resolution for funding was set to expire on December 20, 2019, adding that appropriation for the coming year was finally approved on

December 19, 2019. He added that this measure will prevent a government shutdown event like the one that occurred last year at this time.

Cris stated that the Executive Committee corresponded with Technical Operations at the Federal Aviation Administration (FAA) about the potential discontinuation of Very high frequency Omni-directional Range (VOR) radio navigation systems across the country. He added that this VOR system is heavily used by General Aviation (GA) pilots, and the FAA is proposing to eliminate them. Cris stated that since MCAA has a large GA community of pilots, the Airport will speak out against eliminating VOR, adding that he believes they have a strong case for keeping it. Cris mentioned that the Airport will ultimately go the Global Positioning System (GPS) route, but that the GA pilot community is not ready for that transition just yet.

Cris reminded the Board about the Special Board Meeting to be held on Friday, January 10, 2019 at 2:00pm.

Deputy Director Brian Ellestad presented a brief air service update, beginning with the addition of Alaska Airline's mainline service to begin May 21, 2020. He stated that numbers are down in available seats for January 2020 but added that there was a large surge in seats in January 2019 over January 2018. Brian went on to state that numbers will still be up 6% - 7% for the 2020 calendar year.

Brian then stated that MCAA received its final grant funds from the Department of Transportation, adding that MCAA has been doing a lot of aggressive marketing for the American Airlines route which has led to double-digit increases in pre-bookings for that airline. He then explained that beginning on January 7, 2020, American Airlines will be running Remain Over Night (RON) operations with an 8am departure time each day.

Chair Jeff Roth asked if anyone had questions for Cris or Brian; there were none.

LEGAL REPORT

Administrative Manager Lynn Fagan stated that as of December 26, 2019, MCAA is litigation free. She added that the slip and fall from April 2018 was settled and the Judge signed the Dismissal Order on this date.

Lynn stated that she is working on the Airport's Use of Force Policy. She is also reviewing the Food and Beverage Request for Proposals (RFP) submissions ahead of setting interviews. She stated that MCAA received five very good submissions, adding that the Food and Beverage RFP Selection Committee would be meeting immediately following the Board meeting. Commissioner Larry Anderson asked if all the submissions came from local companies. Lynn responded that Liquid Planet was the only local company that submitted a proposal, adding that Jedediah's, based out of Wyoming, also submitted a proposal. Of the national brands, Lynn stated that one of them has partnered with several local businesses. She added that MCAA staff are hoping to bring two or three companies in for interviews in January and February 2020, and that a recommendation will likely be made at the February 2020 Regular Board Meeting.

COMMITTEE UPDATES

Executive Committee: Met mid-December to discuss the Employee Policy Manual, as well as December 31, 2019 to discuss the Board agenda.

Finance Committee: No Activity
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:

None.

NEW BUSINESS

Contract Amendment No. 14 to the Master Agreement with Martel Construction for the New Passenger Terminal Building; and

Task Order No. 27 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Director Cris Jensen stated that the vertical construction bid package was publicly advertised and bids were received and opened on November 20, 2019, adding that this bid package is large and includes the new terminal's structure and interior. He stated that sixty-seven individual bids were received. Cris explained that it has been the intention of MCAA staff for the terminal construction project to be driven by the budget since its beginning, and it was decided that a project budget of \$67 million was within reason for the Airport. He stated that he has seen other airport construction projects blow way over budget and that MCAA is cognizant of that, which is why MCAA has a good process for value engineering. He added that while it has taken more time to fully vet each submission than was expected, that delay will not affect the construction schedule at all.

Manager of Projects Tim Damrow presented a terminal construction project update. He stated that work on the new terminal access road has been seasonally suspended, and that work on the foundation for the new terminal continues to progress. He stated that the final estimate for the total project budget sits at \$67.8 million which includes a relatively high contingency fund of 10%. Tim added that any positive balances in contingency funds will roll forward to the next project phase. Alternate Commissioner Winton Kemmis asked if the amount earmarked for contingency funds is roughly \$6 million and Tim confirmed that is correct. Cris asked Tim if the approximate amount of contingency funds being carried forward was between \$300,000 and \$400,000, and Tim responded that it is closer to between \$500,000 and \$700,000.

Tim stated that all the bid results were available for review by anyone interested, adding that a bid reconciliation will be included in next steps which will help to ensure commensurable comparisons and quantity clarifications. Commissioner Larry Anderson asked if it would be possible to go through schematic designs for the project, and Tim confirmed that would be possible.

Cris then stated that Tim has been doing an amazing job as the project manager for the terminal construction project. He added that staff are recommending both of these action items be tabled until the Special Board Meeting to be held on January 10, 2020 when the Guaranteed Maximum Prices (GMPs) can be plugged in by Martel Construction and Morrison-Maierle, respectively.

Chair Jeff Roth asked what the process will be between now and the Special Board Meeting, and Tim explained that last-minute quantity adjustments will be made, allowance adjustments will be made to cover future amounts, and some value engineering clarifications will be added.

Motion: Commissioner Shane Stack moved to table the Contract Amendment No. 14 to the Master Agreement with Martel Construction for the new passenger terminal building, as well as Task Order No. 27 to the Master Agreement for Professional Engineering Services with Morrison-Maierle.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion to Table Passed Unanimously

Gifted Wings Lease Amendment

Administrative Manager Lynn Fagan stated that Gifted Wings has been operating in the airport terminal since 2006, adding that their lease is set to expire August 31, 2022. She stated that the owners of Gifted Wings have requested to move their lease expiration date January 1, 2022 to coincide with the new terminal completion date. Lynn added that this lease addendum will change the lease expiration date as well as waive the increase to the percentage of gross and a prorated minimum annual guarantee (MAG) for the period from September through December 2021.

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

Motion: Vice Chair Matt Doucette moved to approve the Fourth Amendment to Gifted Wings Lease Agreement as presented.

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

ATCT- Blind Replacement and Additional Second Blinds

Facilities Manager Thad Williams explained that the current blinds in the Air Traffic Control Tower (ATCT) were installed in 2012, and per FAA Order 6480.18, the five to seven-year life expectancy of these blinds has been met. He stated that MCAA staff would like to replace all sixteen blinds in the cab of the ATCT in addition to installing eight blinds to provide a secondary covering for the south-facing windows to help reduce glare in the winter months.

Commissioner Shane Stack asked if there would be a potential for using dynamic glazing in the ATCT windows if it works well for the terminal construction project. Thad responded that the FAA has specific regulations regarding the types of glazing that are suitable for use in ATCTs, adding that he will look into it and monitor any developments to FAA regulations. Commissioner Larry Anderson asked if the additional eight blinds will provide double coverage, and Thad confirmed that is correct. He stated that the additional blinds will be installed parallel to the main blinds so that they can be used along with or instead of the main blinds.

Thad went on to state that three bids were received, adding that Kerr's Drapery had the lowest bid.

Motion: Commissioner Larry Anderson moved to approve the contract to Kerr's Drapery for replacing the existing blinds and adding the additional 8 blinds for \$20,922.00.

Second: Vice Chair Matt Doucette

Vote: Motion Passed Unanimously

MCAA Resolution No. 2020-02 – Adopting MCAA Employee Policy Manual

Administrative Manager Lynn Fagan explained that as a government organization, MCAA is subject to some requirements set by grant assurances, some by federal law, and some by state law. She stated that there have been no updates to the employee policy manual since 2010, adding that several sections have been updated in this version. Lynn noted that MCAA does have two union agreements that do take precedence over the employee policy manual where applicable. Commissioner Larry Anderson asked if the union agreements are added as addendums to the employee policy manual, and Lynn responded that she distributes union agreements and the employee policy manual separately.

Chair Jeff Roth asked if anyone had question for Lynn; there were none.

Motion: Commissioner Deb Poteet moved to approve MCAA Resolution No. 2020-02 – adopting MCAA Employee Policy Manual, effective January 1, 2020, superseding all other personnel policies and amendments.

Second: Commissioner Dori Brownlow

Vote: Elections Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Chair Jeff Roth reminded everyone that the Special Board Meeting will be held in the Airport Conference Room on Friday, January 10, 2020 at 2:00pm.

Vice Chair Matt Doucette thanked Jeff for doing a great job as Board Chair in 2019, adding that Board members should expect to see an email from him shortly regarding 2020 Committees.

The January Board Meeting will be held in the Airport Conference Room on Tuesday, January 28, 2019 at 1:30pm.

There being no further business the meeting was adjourned.