

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
July 28, 2020
1:30 pm, Airport Board Conference Room

THOSE PRESENT: Chair Matt Doucette
Vice Chair Adriane Beck
Commissioner Jeff Roth via conference call
Commissioner Shane Stack via conference call
Commissioner Dori Brownlow via conference call
Alternate Commissioner Winton Kemmis via conference call
Alternate Commissioner Pat Boyle via conference call
Honorary Commissioner Jack Meyer via conference call

STAFF
Director Cris Jensen
Finance Manager Teri Norcross via conference call
Administrative Manager Lynn Fagan via conference call
Business Development Manager Dan Neuman via conference call
Accountant I Rita Harris-Powers via conference call
Manager of Projects Tim Damrow
Airfield Operations Manager Nate Cole via conference call

OTHERS:
Gary Matson via conference call
Kim Briggeman, Missoulian via conference call
Sterling Stayton, Museum of Mountain Flying
Steve Conway, Martel Construction via conference call
Shaun Shea, Morrison-Maierle

Chair Matt Doucette called the meeting to order and advised everyone that the meeting was being recorded.

Administrative Manager Lynn Fagan performed a roll call of Board members, staff members, and members of the public that called in.

Motion: Vice Chair Adriane Beck moved to seat Alternate Commissioner Winton Kemmis and Alternate Commissioner Pat Boyle.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

AGENDA

Motion: Commissioner Jeff Roth moved to approve the agenda as presented.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

None.

MINUTES

Chair Matt Doucette asked if anyone had questions or comments regarding the minutes for the Regular Board Meeting dated June 30, 2020; there were none.

Motion: Vice Chair Adriane Beck moved to approve the minutes of the Regular Board Meeting dated June 30, 2020 as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated the Claims for Payment have been sufficiently explained on the cover sheet but that she would be happy to answer any questions.

Chair Matt Doucette asked if there were any questions or comments regarding the Claims for Payment; there were none.

Motion: Vice Chair Adriane Beck moved to approve the Claims for Payment as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross began by explaining that accounts receivable at the end of the fiscal year are typically larger than the rest of the fiscal year since year-end concession accruals are included in those amounts. She added the accrual for Republic Parking was nearly \$1.1 million and they paid the invoice within a day of receiving it. Teri also explained that most grants receivable accrued in June 2020 were received in July 2020.

Teri stated Business Development Manager Dan Neuman and other staff have worked diligently on securing various types of grant money which will allow MCAA to carry more of the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding into the future.

Teri stated a large check was recently received from Delta Air Lines to help clean up their past due balance. She explained that thanks to Dan and Commissioner Dori Brownlow, MCAA received over \$155,000 in Tax Increment Funding (TIF) for the widening of Aviation Way. Teri stated that cash receipts in July for grants receivable and concession accruals have helped improved MCAA's cash position.

Teri mentioned the annual audit will take place in September 2020 and that the process for that has already started. She added that it will be mostly a virtual process this year.

Chair Matt Doucette asked if anyone had additional questions or comments regarding the Financial Report; there were none.

Motion: Commissioner Dori Brownlow moved to accept the financial report as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen began by explaining a press conference was just held before the Board Meeting to announce the largest expansion of air service by Alaska Airlines in the history of the Airport. He stated that Alaska Airlines will be adding new service to San Francisco, San Jose, and San Diego effective March 11, 2021. He took a moment to acknowledge the work of Deputy Director Brian Ellestad, Manager of Projects Tim Damrow, and other staff members in putting the press conference together.

Cris stated the Federal Aviation Administration (FAA) has been asked by MCAA staff to consider additional funding for the Airport. He added the FAA is sympathetic to MCAA's position, and that they continue to communicate and look for additional funding for the new terminal building construction project. He stated there is reason to be optimistic that MCAA will receive additional funding for the terminal project, and hopefully some good news can be shared on that front before the fiscal year end.

Cris stated MCAA staff is working with Faber to get the gift shop reopened, adding that the target date is August 3, 2020. Cris stated he is confident Faber will do a great job.

Cris explained an updated mask policy has been released related to the public health crisis. He added this release includes talking points for staff to address mask-wearing among passengers in the terminal building without being confrontational.

Cris then delivered a brief air service update, stating that throughput numbers from the Transportation Security Administration (TSA) checkpoint show roughly 800 – 1,000 passengers per day, a number that is usually 1,500 – 2,000 for this time of year. He stated these numbers reflect about 50% of the passenger traffic that is typical. Cris explained while available seats have decreased approximately 35% over last year, load factors are beginning to climb back up. He stated in general, air service is as good as can be expected in the current climate. Cris added there is some concern in the aviation industry that CARES Act funding will run out leading to layoffs and air service cuts by airlines.

Manager of Projects Tim Damrow then delivered a brief terminal construction project update. He stated that work to the Access Road is nearing completion, as well as work on the Demo/Foundation phase. Tim added that work on Vertical Construction is in progress, including the concrete decking, walls, and roofing. Tim stated that final project bid packages are coming soon, food and beverage design finalization will be coming up in August 2020, and the new website will be launching on July 29, 2020.

Chair Matt Doucette asked if anyone had additional questions or comments for Tim or Cris; there were none.

LEGAL REPORT

Administrative Manager Lynn Fagan began by stating that Faber has been working hard to get the gift shop open by August 3, 2020 and that she is impressed with the response they have shown to this situation. She stated she has heard back from the City of Missoula that Faber's business license will be issued in the next day or two, adding their third party inventory verification is set up for August 1, 2020.

Lynn explained the lease with the Museum of Mountain Flying expires in January 2021 and they would like to get together to discuss a renewal. Lynn then stated that General Aviation Committee Members Vice Chair Adriane Beck, Commissioner Dori Brownlow, and Commissioner Shane Stack should expect to receive a Doodle poll for scheduling a meeting to discuss this topic. She added MCAA is getting set up with DocuSign to streamline its lease-signing process and that it should be implemented sometime next month.

Lynn stated she sent a memo to the Board regarding COVID-19 relief. She added this was prompted by an email received from the FAA suggesting that airports support their business partners, tenants, and concessionaires during this time; a measure MCAA already opted to pursue.

Chair Matt Doucette asked if anyone had questions or comments regarding the Legal Report; there were none.

COMMITTEE UPDATES

Executive Committee: Met July 28, 2020 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

Recommendation of Award for the Terminal Parking Lot Expansion and Reconstruction Project

Manager of Projects Tim Damrow explained that with reduced passengers, the rare opportunity has presented itself for reconstruction and optimization of the west side parking lot. He stated this project will include restriping and adding 200 – 300 spaces to the existing lot. Chair Matt Doucette asked if the bid came in under the engineer's estimate. Tim stated that is correct, the bid came in well under the engineer's estimate. Shaun Shea of Morrison-Maierle added the bid came in lower because the parking lot can be closed completely during construction since passenger numbers have declined.

Commissioner Shane Stack noted there seemed to be considerable competition for this project and he inquired about why there was only one bid received. Shaun stated Firstmark Construction was initially interested but pulled their bid out at the last minute due to a lack of sufficient staffing for the project. He stated that Knife River showed considerable interest, had a lot of good questions, and were ultimately the only contractor to submit a bid.

Chair Matt Doucette asked if anyone had questions or comments for Tim; there were none.

Motion: Commissioner Dori Brownlow moved to accept the Terminal Parking Lot bid results and award construction to Knife River in the amount of \$2,293,000.00.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

Task Order No. 33 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Manager of Projects Tim Damrow stated that to go along with the previous action item, the Board is being asked to consider Morrison-Maierle to provide professional engineering services for the terminal parking lot expansion and reconstruction project. He added this Task Order will be subject to an Independent Fee Estimate (IFE).

Chair Matt Doucette asked if anyone had questions or comments; there were none.

Motion: Alternate Commissioner Pat Boyle moved to approve Task Order No. 33 with Morrison-Maierle in the amount of \$187,550.00 contingent on completion of an IFE.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

NEW BUSINESS:

Pre-approval of acceptance of FAA VALE Grant Offer for Jet bridge components

Business Development Manager Dan Neuman explained that MCAA decided to apply to the Voluntary Airport Low Emissions (VALE) grant program last year. He stated that Mead & Hunt, the consulting firm hired to complete the application, spent time gathering data and putting together the application to be submitted to the FAA. Included in the grant application are ground power units (GPUs) and pre-conditioned air units (PCAs) for the jet bridges.

Dan explained that MCAA staff is asking for pre-approval of this grant offer because the FAA is running thin on CARES Act funding and receiving an offer before those funds run out would eliminate the 10% matching portion that VALE funds are usually subject to for an airport of this size. He went on to state that if MCAA can accept the grant as soon as it is offered, it has a better chance of being included under CARES Act funding, and thus, will be treated as a 100% federal portion grant. He noted the grant amount is approximate for this reason.

Chair Matt Doucette asked if anyone had questions or comments; there were none.

Motion: Commissioner Jeff Roth moved to pre-authorize the Airport Director to accept VALE Grant in the amount of approximately \$757,000.00 for the Jet bridge equipment.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Museum of Mountain Flying – Rent Reduction request

Administrative Manager Lynn Fagan explained that the Museum of Mountain Flying has been operating on the airport for quite some time. She stated they requested and were granted a rent reduction roughly ten years ago. Lynn stated in 2010 the Museum entered into an addendum with MCAA to reduce the rent to \$0.012 per square foot plus a common area maintenance (CAM) fee of \$0.045 per square foot. She explained the reduced rent amount expired on June 30, 2020 and went back up to the amount in the original lease which was \$0.165 per square foot; \$0.005 per square foot more than what is standard for MCAA's other aviation leases. Lynn stated the Museum is once again asking for a rent reduction based on hardships brought on by COVID-19. She added MCAA staff is recommending a rent rate of \$0.08 per square foot and elimination of the CAM fee.

Alternate Commissioner Winton Kemmis asked about the nature of the CAM fee and Lynn explained that it covers maintenance to common areas for things like snow plowing, adding that staff are working on eliminating this fee for all airport tenants.

Chair Matt Doucette asked if anyone had other questions or comments for Lynn; there were none.

Motion: Alternate Commissioner Winton Kemmis moved to approve the Museum of Mountain Flying's request to reduce its rent for FY2021 to \$0.08 per square foot as set forth in the attached Lease Addendum.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

The August Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, August 25, 2020 at 1:30pm.

There being no further business the meeting was adjourned.