

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
February 25, 2020  
1:30 pm, Airport Board Conference Room

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

STAFF  
Director Cris Jensen  
Finance Manager Teri Norcross  
Administrative Manager Lynn Fagan  
Accounting Clerk Rita Harris-Powers  
Manager of Projects Tim Damrow  
Airfield Operations Manager Nate Cole  
Business Development Manager Dan Neuman  
Administrative Assistant Rick Reeve

OTHERS:  
Steve Conway, Martel Construction  
Travis Frey, Martel Construction  
Gary Matson  
Martin Kidston, Missoula Current  
Scott Billadeau, Liquid Planet  
Kim Woodahl, Hertz/Thrifty  
Cheryl Kaiser, Hertz/Thrifty

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

Motion: Commissioner Jeff Roth moved to seat Alternate Commissioner Winton Kemmis and Alternate Commissioner Pat Boyle.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

AGENDA

Motion: Secretary/Treasurer Larry Anderson moved to approve the agenda as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

## PUBLIC COMMENT PERIOD:

Scott Billadeau of Liquid Planet spoke briefly about his concerns over the food and beverage Request for Proposals (RFP) award likely going to an out-of-state company. He stated his concern as a Missoula resident that local dollars may be funneled away from the local economy, as well as his concern as the owner and co-founder of Liquid Planet and Pangea Restaurant Group that his company was passed over during the selection process after having been a presence at the airport for the past sixteen years. He then asked the Board to reconsider the layout for the new terminal building to ensure that Liquid Planet will continue to have a place at the airport.

## MINUTES

Motion: Commissioner Jeff Roth moved to approve the minutes of the Regular Board Meeting dated January 28, 2020 as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

## CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that the Claims for Payment were completed by Accounting Clerk Rita Harris-Powers, adding that the first page included information regarding larger payments for the month. She then offered to answer any questions from the Board; 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 stating that the bottom line for the fiscal year-to-date still looks very favorable. She added that air service and concessions have both increased year over year which has added to revenues being over budget. Teri then explained that the West General Aviation (GA) development project will be funded with Airport Improvement Program (AIP) funds, details of which can be found on the first page of the financial report under other financial information. Teri then stated that she has started work on the upcoming audit agreement, adding that staff will propose extending the contract with the existing audit team at next month's meeting.

Teri then explained staff discovered last week that some fraudulent activity had occurred on MCAA's terminal checking account wherein a fake check for \$28,000 was cleared by the bank, as well as the surfacing of several other fraudulent checks that had not cleared. She stated the bank was able to reclaim the amount that cleared, and steps were being taken to prevent future occurrences of fraud. She shared her belief that a check that was mailed to Martel Construction

last summer had been stolen since the account information matched but the signatures didn't exactly match any previously cleared checks.

Alternate Commissioner Winton Kemmis asked if Martel Construction ever received that check and Teri responded they had not. She added that Martel had some issues with the post office up to that point, so MCAA began hand delivering all checks to them from that point forward. Teri added that behind the regular Claims for Payment in the Board packet this month, she included some payments that were due to MCAA's contractors but had not been issued yet until the situation with the terminal account has been cleared up.

Secretary/Treasurer Larry Anderson asked what next steps will be taken, and Teri responded that a block has been placed on all activity regarding the terminal checking account, adding that all other checks staff had written from that account had already cleared. Larry asked if law enforcement was contacted and Teri confirmed that was correct. She stated that local law enforcement was contacted, and it had been turned over to the Federal Bureau of Investigation (FBI) from there.

Chair Matt Doucette asked if anyone had any remaining questions for Teri; there were none.

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

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

## DIRECTOR'S REPORT

Director Cris Jensen began by stating that Chief of Public Safety Bob Otte will be stepping down as of March 1, 2020 and he will be temporarily replaced by Jesse Johnson for a period not to exceed six months. Cris stated the hiring process for a permanent replacement will begin in the next few weeks.

Cris then presented a brief air service update, beginning with passenger numbers being up approximately 7% in 2019 which is roughly twice the national average. He stated that load factor numbers have fully recovered since the significant 2018 increase in available seats. Cris added that with load factors trending in the right direction, it looks like 2020 will be another record year for the airport. He then stated that American Airlines will be switching to mainline service this summer, and that Delta Airlines will be adding weekly service to Seattle for the summer.

Cris then explained that he, Finance Manager Teri Norcross, Manager of Projects Tim Damrow, and Shaun Shea of Morrison-Maierle visited the Federal Aviation Administrations (FAA) Area District Office (ADO) a few weeks ago. He stated that they discussed the availability of additional discretionary funding, as well as the entitlement grant. He then expressed his compliments to MCAA staff for educating the FAA ADO about the terminal construction project, to MCAA's Board of Commissioners for doing a good job of educating the community and for making the case that a new terminal building construction project was the right thing to do, and to Montana's congressional members for going to bat for MCAA to be awarded this additional funding.

Cris then mentioned that value engineering continues for the Avis and Hertz car rental counter relocation since numbers came in higher than expected for that project. He also stated that the food and beverage RFP process has been a difficult process for the selection committee, and that

it was not taken lightly by anyone involved. He added that the selection committee has decided to hold off on making its recommendation to the Board until the Regular Meeting to be held on March 31, 2020, and that MCAA staff will be meeting with Scott Billadeau of Liquid Planet next week.

Alternate Commissioner Winton Kemmis asked if wording in the Minimum Revenue Guarantees (MRGs) that MCAA has with individual airlines allow the airlines to come in with larger aircraft to decrease load factor numbers under the same MRG. Cris responded that MCAA does not currently have any MRGs with individual airlines since the MRG with American Airlines has expired. Commissioner Jeff Roth asked when Delta Airlines service to Seattle begins and Cris responded it begins the first Saturday in June.

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

## LEGAL REPORT

Administrative Manager Lynn Fagan began by introducing MCAA's newest employee, Administrative Assistant Rick Reeve. She stated that Rick has replaced Katie Coleman-Assad at the front desk and that he will be taking over keeping minutes for Board meetings for Accounting Clerk Rita Harris-Powers.

Lynn explained that she submitted the Airport Concessions Disadvantaged Business Enterprises (ACDBE) report to the FAA and that MCAA's ACDBE goal has increased from 0.00% to 0.002%. She stated that she submitted Title VI documents and that they were approved by the FAA. Lynn then stated that the food and beverage RFP selection committee will bring its recommendation to the Board meeting next month, after which she will begin working on the RFP for the gift shop to be located in the new terminal.

## COMMITTEE UPDATES

Executive Committee: Met February 25, 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:

### Martel Construction Contract Amendment No. 8.2 – Terminal Access Road, Phase IV – Aviation Way Widening Guaranteed Maximum Price

Manager of Projects Tim Damrow began by delivering a terminal construction project update, beginning with the new terminal access road still being seasonally suspended. He stated that demolition and foundation work are still in progress, adding that foundation grade beams and walls are nearing completion and that vertical construction is in progress. Upcoming items include

concrete decking, escalator install, a public relations campaign, and additional worksite walkthroughs will continue, likely on a weekly schedule.

Secretary/Treasurer Larry Anderson asked if MCAA has water rights for the geothermal system it is installing, or if the system will be a closed loop. Steve Conway of Martel Construction stated water rights are not necessary since the system will draw water from the aquifer and then be deposited back into the same aquifer after passing through the heat exchanger. Larry then asked if access to the current terminal access road will be hindered at all when work on widening Aviation Way begins, and Tim stated that the work will be phased to where access to the current terminal access road will be good. Alternate Commissioner Winton Kemmis asked if the main entrance to the airport will still be configured the way it is currently configured off of Highway 10, and Tim confirmed that is correct. Tim added that a roundabout was considered for the entrance, but it was determined that it would not be feasible at this point.

Director Cris Jensen explained that the Guaranteed Maximum Price (GMP) for Amendment No. 8.2 with Martel Construction for Phase IV of the Terminal Access Road is \$1,035,182, adding that representatives from Martel were present to answer any additional questions. Scott Billadeau of Liquid Planet asked if Liquid Planet's drive through location at the entrance of the airport will need to be closed at all during this project, and Tim responded that portions of the road will be closed in phases, but that it will be open from one end or the other at all times. He added that MCAA and Martel will work with Liquid Planet directly if anything changes. Larry then asked if the number of exit gates will change, and Tim responded that improved exit options will be available in the same locations upon project completion. Chair Matt Doucette asked if anyone had additional questions; there were none.

Motion: Secretary/Treasurer Larry Anderson moved to accept Martel Construction Contract Amendment No. 8.2. with a Guaranteed Maximum Price of \$1,035,182 as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

#### Martel Construction Contract Amendment No. 8.3 – Terminal Access Road, Phase V – Parking Lot Modifications Guaranteed Maximum Price

Director Cris Jensen explained that the GMP for Amendment No. 8.3 with Martel Construction for Phase V of the Terminal Access Road is \$611,503, adding that representatives from Martel were present to answer any additional questions. Alternate Commissioner Pat Boyle asked what the timeline for this item would be. Travis Frey of Martel Construction responded that it would wrap up in October 2020, and Steve Conway of Martel Construction added that work would begin after Labor Day 2020. Cris noted that the parking lot modifications would happen relatively quickly.

Motion: Commissioner Dori Brownlow moved to accept Martel Construction Contract Amendment No. 8.3 with a Guaranteed Maximum Price in the amount of \$611,503.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

## NEW BUSINESS

### Contract Amendment No. 16 to the Master Agreement with Martel Construction for the New Passenger Terminal Building

Director Cris Jensen and Chair Matt Doucette explained that after some discussion, MCAA staff has decided to recommend that the Board table this item for this meeting; the Board agreed.

### Morrison-Maierle Task Order No. 28 – Final Design of East Concourse of Terminal Project

Director Cris Jensen explained that this task order will allow Morrison-Maierle to begin working on the final design for the east concourse of the new terminal building because MCAA staff is interested in getting good cost estimates for the phase in question. He added that the cost for this task order is \$2,035,000. Cris then stated that further discussion of the design will happen at the Board Workshop which is scheduled to happen on Monday, March 9, 2020 from 8:15 AM – 11:30 AM at the Morrison-Maierle offices located on Mount Street in Missoula. Chair Matt Doucette then asked if anyone had questions for Cris; there were none.

Motion: Alternate Commissioner Winton Kemmis moved to Task Order No. 28 with Morrison-Maierle in the amount of \$2,035,000.00 contingent on the completion of an Independent Fee Estimate (IFE).

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

### Martel Construction Contract Amendment No. 15 – Pre-Construction Services for design of the East Concourse of the Terminal Project

Director Cris Jensen explained that similar to past design projects with Morrison-Maierle, MCAA will have a coinciding pre-construction services project with Martel Construction for the east concourse of the new terminal building. He stated that the GMP for this contract amendment is \$149,982.

Commissioner Jeff Roth asked what the rough square footage of the east concourse will be in comparison to the south concourse, and Manager of Projects Tim Damrow stated that the south concourse will make up roughly 70% of the completed new terminal building while the east concourse will make up the other 30%.

Secretary/Treasurer Larry Anderson asked what a commissioning consultant's role will be for the terminal project. Steve Conway from Martel Construction responded that a commissioner consultant is a mechanical engineering specialist that works with other mechanical and electrical engineers to review plans, make recommendations, and ensure the new building will operate as planned. Larry asked if the commissioning consultant's services will be utilized one time and Steve responded that their services will be ongoing, adding that they will also assist with testing the building envelope to ensure maximum energy efficiency.

Motion: Alternate Commissioner Pat Boyle moved to approve Amendment No. 15 with Martel Construction in the amount of \$149,982.00 for Pre-Construction Services associated with the East Concourse Design.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

Washington Corporation Lease Addendum

Business Development Manager Dan Neuman stated that Washington Corporation wants to modify their current hangar space to increase the number of aircraft it will house from two up to three. He stated that to do so, they would like to increase their lease parcel size by roughly 11,000 square feet and move the parking lot to the east side of the building.

Secretary/Treasurer Larry Anderson asked if they have a future plan as their fleet increases, and Dan stated that Washington Corporation plans to be on the airport for at least ten years based on their building plans.

Motion: Commissioner Dori Brownlow moved to approve the Addendum to the Lease Agreement with Washington Corporation.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Chair Matt Doucette reminded the Board that the workshop will be held on Monday, March 9, 2020 at 8:15 AM at 1055 Mount Avenue in Missoula.

The March Board Meeting will be held in the Airport Conference Room on Tuesday, March 31, 2019 at 1:30pm.

There being no further business the meeting was adjourned.