

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
March 31, 2020
1:30 pm, Airport Board Conference Room

THOSE PRESENT: Chair Matt Doucette via web conference
Secretary/Treasurer Larry Anderson via web conference
Commissioner Shane Stack via web conference
Commissioner Deb Poteet via web conference
Commissioner Jeff Roth via web conference
Commissioner Dori Brownlow via web conference
Alternate Commissioner Winton Kemmis via web conference
Honorary Commissioner Jack Meyer via web conference

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

OTHERS:
Shaun Shea, Morrison-Maierle via web conference
Gary Matson via conference call
Mike Gierau, Jedediah Missoula LLC via conference all

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 and MCAA staff members.

AGENDA

Chair Matt Doucette recommended the minutes from the Board Workshop dated March 9, 2020 be moved to a future date since they were not submitted prior to this month's Regular Board Meeting. He asked if anyone had further questions or comments regarding the agenda; there were none.

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

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

None.

MINUTES

Chair Matt Doucette asked if anyone had comments regarding the minutes for the Regular Board Meeting dated February 25, 2020; there were none.

Motion: Commissioner Dori Brownlow moved to approve the minutes of the Regular Board Meeting dated February 25, 2020 as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated there were no major items to be discussed on this month's Claims for Payment. She then offered to answer any questions from the Board; there were none.

Chair Matt Doucette asked if there were any questions for Teri or public comments; there were none.

Motion: Commissioner Shane Stack moved to approve the Claims for Payment as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross began by explaining MCAA staff and Board members are aware that the Airport's financial outlook will change going forward. She stated that staff has assumed revenues will be cut off after February 2020 due to decreased passenger numbers, though non-passenger revenue has been kept in the budget for the remainder of fiscal year 2020. She stated that staff would like to wait to determine what the actual cash position of MCAA will be until after the full impact of the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act has been accounted for.

Teri stated there is a new bank account for project expenses and that the account that experienced fraudulent activity last month has been closed. She stated that MCAA's contractors are now being paid primarily by Automated Clearing House (ACH) payments and very few checks will go out of that account. Teri added that ACH payments will work better for project expenses, and that separate safety provisions have been set up for MCAA's other bank accounts.

Secretary/Treasurer Larry Anderson asked if MCAA's Short Term Investment Pool (STIP) funds have been moved into the First Security Bank sweep account, and Teri confirmed that approximately \$800,000 have been moved because STIP funds are not insured by the Federal Deposit Insurance Corporation (FDIC). She added that the STIP account was also showing some diminishing returns so moving funds to the sweep account was a good switch.

Chair Matt Doucette thanked Teri for her financial analysis and asked if anyone had additional questions for her; there were none. Matt asked if there were any public comments; there were none.

Motion: Secretary/Treasurer Larry Anderson moved to accept the financial report as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen began by acknowledging how much things have changed since the coronavirus pandemic has spread to Montana. He explained that he has been sending regular updates as information comes in and as things change at the airport. He stated that the safety of the traveling public remains MCAA's primary concern. He stated that airport operations have been augmented to encourage social distancing of at least six feet including measures that split MCAA staff into "A" and "B" teams and cancelling all non-essential meetings. Cris mentioned that one MCAA staff member has been quarantined to account for a close family member recently being diagnosed with the coronavirus.

Cris stated that the CARES Act passed last week, adding that MCAA is eligible to receive a number of benefits offered by the Act. He explained that staff calculated a potential grant of \$1.75 million based on passenger enplanement numbers, adding that any awarded funds can be used in any lawful way MCAA sees fit. He stated the Act will also allow for the \$7.9 million in discretionary and entitlement grants that were received this year for the terminal project to now be matched at 100%; he explained this means all eligible expenses of the terminal project will no longer require MCAA to match a portion of the funding. He also stated there is potential funding for MCAA's ground handling operation that would also be separate from the \$1.75 million grant.

Secretary/Treasurer Larry Anderson asked if the \$1.75 million will need to be designated for specific expenses upon receipt of the grant as it would be beneficial to hold those funds until staff can decide where they would be best put to use. Cris responded that any awarded funds would be available for any lawful purpose, adding that it is staff's intention to plan for the funds slowly to apply them in the best possible way. He also stated there are no guidelines for submitting how the funds will be spent yet. Larry asked if Board action will be necessary to accept the funds and Cris confirmed that would likely be the case, much like other Federal Aviation Administration (FAA) grants.

Cris went on to state that the National Guard has been deployed to the Airport at Governor Bullock's instruction, adding that they have been deployed to all airports and railway stations across the state. He explained the governor declared no travel into the state unless individuals plan to self-quarantine upon arrival, and that the National Guard will be stationed outside of the secure area to ask arriving passengers to volunteer to have their temperatures taken as they exit the revolving doors. He explained that passengers presenting with temperatures of at least 100.4 degrees Fahrenheit will be given a medical mask and connected with medical professionals. Larry asked if MCAA has any financial obligation in connection with the National Guard's deployment and Cris stated that there has been no discussion on that topic, though MCAA has offered to loan the National Guard its non-contact thermometers. Alternate Commissioner Winton Kemmis asked

how long the National Guard will be here and Cris stated it is difficult to guess at this point, though it will likely be several weeks with the spread of virus dictating the timeline of their deployment.

Cris stated that a terminal project construction update has been included in the Board Packet this month and he asked if anyone had questions for Manager of Projects Tim Damrow. Chair Matt Doucette asked if there will be any shift in construction work to be done given the lack of cars in the parking lots. Cris confirmed that staff is using this slow-down in traffic to take advantage of some of the areas of the airport property that crews now have access to. Winton asked if work on the terminal building will still continue throughout the coronavirus issue and Cris stated that public works construction is considered an essential service, so crews are currently allowed to continue working. Cris added that financially speaking, staff is currently working on revising budgets and cash flows, adding that staff is also committed to completing Phase I; something that is required of MCAA since it received funding from the FAA for the project. Cris added that a ninety-day pause has been put into effect for further design of Phase II of the terminal project.

Deputy Director Brian Ellestad then delivered an air service update, explaining that radical changes to flight schedules and enplanements have been occurring and will likely continue. He stated that while the situation continues to be a fluid one, 35% of April's traffic has been officially cut by airlines ahead of time and load factors are quite dismal at this point. He added that Frontier Airlines has backed off their mid-April start date to May 15, 2020. Brian stated that the Department of Transportation ordered airlines that will be receiving relief from the CARES Act to keep at least one flight that was present prior to March 1, 2020 in each market at least five days per week. Cris agreed, stating that to have access to available grant funds, airlines will need to continue to fly.

Larry asked if First Security Bank is still on board with the plan to stay on track with the new terminal building construction project. Cris responded that he and Finance Manager Teri Norcross had a phone conference with First Security Bank regarding that question and they are still on board. Teri added that staff is figuring out with bond council Ben Johnson when and how MCAA will be able to use debt funds to reimburse itself for project expenses that have been paid to date. Cris added that the partnership between MCAA and First Security Bank is still a good one and that MCAA staff will keep them in the loop.

Larry asked if there would be anything in the CARES Act that would allow banks to provide relief to MCAA or other similar entities for repayment of debt. Cris responded that the federal government is already discussing the next part of the stimulus and calling it Phase Four, so something like that may be included in that phase. Honorary Commissioner Jack Meyer asked Cris to discuss any discretionary money that might come out of the Act, and Cris responded that he does not believe funds will be divided into discretionary and non-discretionary; he believes the CARES Act funds will be treated as entitlement funding. Winton asked if \$1.75 million will be all MCAA is guaranteed to be awarded and Cris responded that while \$1.75 million is what MCAA staff has calculated based on enplaned passengers, the actual award amount may be different.

Cris then asked Shaun Shea of Morrison-Maierle if he covered all his bases and Shaun confirmed he had, adding that Scott Bell of Morrison-Maierle has been using emailed updates from Cris to keep Morrison-Maierle's airport team informed.

Larry thanked Cris and the rest of the MCAA staff for keeping on top of this continuously changing situation; other members of the Board agreed with Larry's comments. Cris responded by stating that MCAA's staff has definitely come together during this time, which has proven to be much more complicated than even the events of September 11, 2001. He stated that staff members have been trying to figure this out without hesitation and with good humor, adding that he is very proud to be a part of this team.

LEGAL REPORT

None.

COMMITTEE UPDATES

Executive Committee: No Activity
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

None.

INFORMATION/DISCUSSION ITEMS

Larry asked if the Transportation Security Administration (TSA) has adjusted their staffing at the security checkpoint as a result of the decrease in enplanements. Cris confirmed that is correct, adding that their staffing schedule continues to reflect flight schedules. Cris asked if there were any additional questions; there were none.

Gary Matson thanked MCAA for sponsoring the General Aviation (GA) Barbecue at the Museum of Mountain Flying on March 7, 2020. Director Cris Jensen expressed that he had a wonderful time at the GA barbecue, adding that the Museum was a great venue for such an event.

Chair Matt Doucette thanked Cris for his timely and appropriate updates, and for efforts by staff at keeping the airport running. He added that he believes the Airport community will get through this situation together.

The April Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, April 28, 2020 at 1:30pm.

There being no further business the meeting was adjourned.