

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
September 24, 2019
1:30 pm, Airport Operations Building

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

STAFF
Deputy Director Brian Ellestad
Administrative Manager Lynn Fagan
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 Damrow
Kynan Spethman, Neptune/Northstar

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

Motion: Commissioner Larry Anderson moved to seat Alternative Commissioners Pat Boyle and Winton Kemmis.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

AGENDA

Motion: Secretary/Treasurer Adriane Beck moved to approve the agenda as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

There were no comments from the public. Vice Chair Matt Doucette presented Manager of Projects Tim Damrow and Deputy Director Brian Ellestad with plaques from the American Association of Airport Executives (AAAE) in recognition of their individual accomplishments in completing their Accredited Airport Executive programs. Matt commended both employees for their dedication to the aviation profession and to their continued education in the field.

MINUTES

Motion: Secretary/Treasurer Adriane Beck moved to approve the minutes of the Regular Board meeting dated August 27, 2019 as presented.

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Administrative Manager Lynn Fagan stated that the larger check to Intellisoft, Inc. was to pay for the badging system. She offered to answer any questions from the Board. Commissioner Dori Brownlow asked about the nature of the credit card charges for jet bridge maintenance. Deputy Director Brian Ellestad explained this was to pay for parts for a damaged jet bridge, and the full expense will be reimbursed by Delta Ground Services since it was their employee that caused the damage.

Motion: Commissioner Larry Anderson moved to approve the Claims for Payment as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Administrative Manager Lynn Fagan began by stating that the balance sheet is currently showing larger current assets under grants receivable for Airport Improvement Program (AIP) 66 for terminal access road construction and AIP 67 for west general aviation (GA) area development. Under other assets, she noted that the deferred pension outflows for Montana Public Employees Retirement System (PERS) as well as concession contract receivable numbers change annually. Lynn then stated that accounts payable are higher this month due to terminal construction project expenses that have not been paid yet. She also noted that the origination fees have been posted for Notes A and B totaling \$175,000 from First Security Bank and they are listed under long term liabilities.

Vice Chair Matt Doucette asked if any restaurant concession payments have been received by MCAA, and Lynn responded that she would ask Teri to get back to him about that.

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

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Deputy Director Brian Ellestad began with an air service update. He stated that he and Director Cris Jensen met with nine airlines last month at the annual airport rendezvous. He explained that MCAA's discussions with airlines continue to trend in the right direction. He then added that MCAA's passenger numbers inched past Billings' passenger numbers for the first time last month.

Brian then mentioned that the Federal Aviation Administration (FAA) is still working on appropriating grant funds for MCAA before the end of the federal fiscal year, adding that MCAA just accepted \$1 million yesterday that will help to pay for the terminal access road.

Brian then reminded everyone that the annual GA barbecue will be held outside of the East LZ Hangars Saturday, September 28, 2019.

Manager of Projects Tim Damrow then presented a brief terminal construction project update. He stated that construction of the terminal access road and foundation footings and walls are in progress, adding that the package three vertical construction bid set plans are due October 14, 2019, the bid opens on November 20, 2019, and the contract award will likely be included on the agenda for December's Regular Board meeting. He stated that work to the water line continues in front of the terminal building. He then mentioned that the bids for the precast concrete stairs for the new terminal came in \$80,000 over what was budgeted, so contractors will be going back to value engineering for that item. He added that responses to the food and beverage Request for Proposals (RFP) are due December 13, 2019 and a recommendation will likely come to the Board in February 2020.

Commissioner Larry Anderson asked what the pros and cons are for precast concrete versus steel. Tim responded that a pro for steel is that it has a lower cost than concrete, adding that they are aesthetically the same. Steve Conway of Martel Construction stated that regardless of what the stair form is made with, the stair steps themselves will still be made with concrete. Tim also added that installation of steel stairs would be much easier than the original concrete stair concept. Larry then asked about whether a seasonal pause would halt construction for any of the project, and Tim responded that the access road will be only portion of the project halted for the winter season.

Honorary Commissioner Jack Meyer asked if the current terminal access road will be used until 2020, and Tim confirmed that is correct. Brian then presented a picture of the Ground Power Unit (GPU) that the Board voted in favor of purchasing last month.

LEGAL REPORT

Administrative Manager Lynn Fagan began by reminding the Board that she distributed the performance review form for Director Cris Jensen, adding that she will need responses back from each member of the Board before the Regular Board meeting in October 2019.

Lynn stated that the food and beverage RFP has piqued interest from both local and national companies, adding that staff are hoping to conduct interviews in January 2020. She added that the food and beverage contract will be for a twenty-year period since a large capital investment of at least \$1 million into the new terminal building will be required of the concessionaire. She asked that any Board members interested in joining that selection committee please reach out to her directly.

Commissioner Larry Anderson asked how concessionaire performance will be addressed if a twenty-year contract is signed, and Lynn responded that it will be possible for the concessionaire to default on the contract according to the contract's performance standards requirements. Larry asked if MCAA will have to buy the concessionaire out of their contract if they default considering the capital investment they will be expected to make. Lynn responded that she does not believe a buy-out will be necessary in the case of default on the contract, though the concessionaire will be allowed to take their property with them. Larry then asked if the concessionaire's beer and liquor license will be under the MCAA umbrella, and Deputy Director Brian Ellestad confirmed it will be under the Airport Director's name. Alternate Commissioner Winton Kemmis asked if the contract in question is for the main concessionaire, and Brian confirmed that is correct, adding that Jedediah's current contract expires on June 30, 2021.

Lynn then mentioned that the updated employee policy will likely be presented to the Board for approval at October's regular meeting.

Lynn stated that the slip and fall case is ongoing, adding that a settlement meeting will be scheduled, but that date has not yet been set.

COMMITTEE UPDATES

Executive Committee: Met September 24, 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:

On Airport Rental Car Bid Award

Administrative Manager Lynn Fagan stated that four responses to the rental car RFP were received: Enterprise submitted for Alamo/National to occupy one counter/office space and for Enterprise to be in a separate space, Western Rentals submitted for Hertz/Thrifty to occupy one space, and Larson Enterprises and Blackfoot submitted for Budget/Avis to occupy one space. She stated that the current contracts expire October 1, 2019, and that the highest bidder, Alamo/National, will get their choice of counter spaces for the coming contract period. Commissioner Larry Anderson asked if Dollar Rent A Car is the only off-airport car rental agency that operates at the airport, and Lynn confirmed that is correct.

Alternate Commissioner Pat Boyle asked if the prices per parking space are increasing from \$10 to \$20 per space, and Lynn confirmed that is correct. Secretary/Treasurer Adriane Beck asked how much new revenue will be generated under the new contracts, and Lynn responded that the minimum annual guarantee (MAG) amounts in the new contract have doubled since the contract period that began in 2014. Larry then asked if the increase in revenue will help to cover MCAA's share of the Quick Turn Around (QTA) facility, and Brian responded that the facility itself has been paid off. He then added that since the size of the QTA is more than double what the old facility was, there is a lot more upkeep to account for. Vice Chair Matt Doucette then asked if anyone had other questions for Lynn or Brian; there were none.

Motion: Commissioner Dori Brownlow moved to approve the selection for on airport car rental companies of: Enterprise RAC Company of Montana/Wyoming, LLC d/b/a Alamo Rent A Car and National Car Rental; Enterprise RAC Company of Montana/Wyoming, LLC d/b/a Enterprise Rent-A-Car; Western Rentals, Inc., d/b/a Hertz and Thrifty; Larson Enterprises, Inc. d/b/a Avis Rent A Car, and Blackfoot Rentals, Inc. d/b/a Budget Rent A Car; and authorize staff to execute concession agreements as presented with said companies.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

NEW BUSINESS

Title VI Policy and Complaint Procedure

Administrative Manager Lynn Fagan stated that MCAA has never had a formal written complaint form or complaint policy in place to address the Title VI Civil Rights non-discrimination clause, so staff are asking the Board to approve the presented complaint procedure. She then asked if anyone had questions; there were none.

Motion: Commissioner Larry Anderson moved to approve the Title VI Policy and Complaint Procedure and Complaint Form as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

Airport Capital Improvement Plan

Deputy Director Brian Ellestad stated that the FAA requires MCAA to present a plan for how received grant funds will be spent over the next five years. He explained that in the coming years, grant funds will be used to pay for development in the west GA area and a pavement planning process by Morrison-Maierle. Shaun Shea of Morrison-Maierle explained that the last true pavement planning process was held in 2008, adding that they should typically be completed every five years. Brian then stated that upgrading and replacing snow equipment and maintaining the fire truck rotation of having one engine less than ten years old and one backup engine less than twenty years old will be included in the coming years' expenditures. He added that the rest of the funds will be spent on the new passenger terminal building. Vice Chair Matt Doucette then asked if anyone had any questions; there were none.

Motion: Alternate Commissioner Pat Boyle moved to the Airport Capital Improvement Plan as presented.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

Commissioner Dori Brownlow asked how much new equipment will be purchased for the new passenger terminal building. Manager of Projects Tim Damrow explained that there will not be an

inundating purchase when the new building opens; purchasing of new equipment will be included along the way throughout the project.

Task Order No. 24 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Deputy Director Brian Ellestad stated that this task order applies to the design of a new fuel island for the rental car companies. He explained that the capacity of the current fuel island is limited to approximately a one-day supply of fuel with only one dispenser/pump for each car rental company. Brian stated that the new fuel island storage tank will hold more fuel, more dispensers/pumps will be made available to the car rental companies, and it will be located closer to the QTA. He added that the project will be funded with customer facility charge (CFC) funds.

Shaun Shea of Morrison-Maierle stated that the required amount of \$51,000 will include the design and bid opening for the project. Vice Chair Matt Doucette asked if the specified area has capacity for further expansion of the QTA. Shaun responded that there is sufficient space to fit two more wash bays to the west, and the number of bays could be doubled to the east. Brian then stated that there are options to place the fuel storage tank either above ground or below ground. Alternate Commissioner Winton Kemmis asked if the state requires one or the other, and Shaun responded that he is not sure, adding that the underground tank option would allow for a smaller footprint. Matt then asked if anyone had additional questions; there were none.

Motion: Alternate Commissioner Winton Kemmis moved to approve Task Order No. 24 with Morrison-Maierle in the amount of \$51,000.00.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Contract Amendment No. 01 to Task Order 'B' to the Master Agreement for Professional Planning Services with Morrison-Maierle

Shaun Shea of Morrison-Maierle stated that this task order amendment will allow for the budget underrun of \$52,775.90, a result of the discontinuation of the GA hangar development plan, to be reconciled within the task order. Commissioner Larry Anderson asked if there is a limit on how far west GA development can go on the airport, and Shaun replied that development can go east of taxiway F right now, adding that development could go west of taxiway G, but the cost of pursuing that endeavor is prohibitive. He stated that there is still plenty of room for development, but that it would have been a \$500,000 expense for MCAA to build the infrastructure and open it up for public use. Deputy Director Brian Ellestad then added that having a mix of cars and airplanes on the taxiway would not be a good situation during the busy months of fire season. Vice Chair Matt Doucette asked if anyone had additional questions; there were none.

Motion: Commissioner Dori Brownlow moved to accept Amendment No. 01 to Task Order 'B' with Morrison-Maierle in the reduced fee amount of \$52,775.90

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

Contract Amendment No. 02 to Task Order No. 08 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Shaun Shea of Morrison-Maierle stated that this task order amendment will allow for the budget underrun of \$29,942.00, a result of the discontinuation of the roundabout concept plan, to be reconciled within the task order. He explained that the roundabout was originally designed to come off Aviation Way, but that it was later mentioned to Commissioner Shane Stack that construction on Broadway could be an option. He added that the Montana Department of Transportation (MDT) was on board with that concept, but that no state funds could be made available to supplement the project; this would leave 100% of the expense to come out of MCAA's general reserves. Shaun then stated that the subsequent amendment will allow MCAA and Morrison-Maierle to table the roundabout discussion and instead look at widening Aviation Way.

Alternate Commissioner Winton Kemmis asked what the cost of the roundabout on Broadway would have been, and Shaun responded that it would have been between \$2 million and \$2.5 million in total. Winton then stated that a roundabout on Broadway should be kept in focus moving forward, as the intersection at the entrance of the airport is a dangerous one that should be addressed, and Shaun agreed. Vice Chair Matt Doucette asked if there were any tax increment financing (TIF) funds available for the project. Commissioner Dori Brownlow responded that there will be insufficient TIF funds by the time existing contracted projects are completed. Matt then asked if there were any other questions; there were none.

Motion: Commissioner Larry Anderson moved to approve Amendment No. 02 to Task Order No. 08 with Morrison-Maierle in the reduced fee amount of \$29,942.

Second: Secretary/Treasurer Adriane Beck

Vote: Motion Passed Unanimously

FAA SFO Building Lease Extension

Administrative Manager Lynn Fagan explained that the Support Facility Office (SFO) was built next to the QTA in 1990 and was subsequently leased to the FAA. She went on to state that the FAA is constructing a new building off airport that the FAA will likely move into in June 2020, and that MCAA has agreed to an extension of the lease agreement that will expire June 30, 2020. Alternate Commissioner Winton Kemmis asked if it will be a problem having their office off-site, and Deputy Director Brian Ellestad responded that while it is convenient to have them on-site, they will still be relatively close given that they service airports in all of western Montana.

Motion: Alternate Commissioner Winton Kemmis moved to approve the extension of the supplemental lease agreement with the FAA through June 2020 as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

Budget Augmentation – Airline Incentives

Deputy Director Brian Ellestad explained that he is asking for a budget augmentation of \$100,000 in part to account for the Airline Incentives that the Board approved in response to the recently increased Montana state fuel tax. He stated it will allow for marketing the second of American Airlines' two-year contract as well as Alaska Airlines' permanent daily service to Los Angeles (to begin March 2020). He added that the augmentation will also aid in making the ground handling department whole after offering incentives to airlines in the form of ground handling discounts, and that it will allow MCAA to market TSA's October 2020 changes to required identification regarding REAL IDs. He stated that the augmentation will be enough to get through fiscal year 2020, adding that staff are looking at this augmentation as a wash or what would otherwise be lost revenue. He also stated that staff wants to make sure the Los Angeles service is successful to open for other markets. Vice Chair Matt Doucette asked if anyone had questions; there were none.

Brian then mentioned that Finance Manager Teri Norcross, while not in attendance at the meeting, does support the budget augmentation. He added that non-signatory and turn fees are both over budget for the current fiscal year. Matt commended Brian for a job well done in targeting new markets.

Motion: Alternate Commissioner Pat Boyle moved to augment the marketing budget \$100,000 to market additional air service.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Vice Chair Matt Doucette reminded the Board to return Airport Director Cris Jensen's performance reviews to Lynn as soon as possible.

The October Board Meeting will be held in the Airport Conference Room on Tuesday, October 29, 2019 at 1:30pm.

There being no further business the meeting was adjourned.