

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

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

STAFF  
Director Cris Jensen  
Deputy Director Brian Ellestad via conference call  
Finance Manager Teri Norcross  
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  
Administrative Assistant Rick Reeve

OTHERS:  
Sterling Stayton, Museum of Mountain Flying  
Shaun Shea, Morrison-Maierle  
Martin Kidston, Missoula Current  
Travis Frey, Martel Construction  
Colton Mall, Martel Construction

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.

AGENDA

Motion: Vice Chair Adriane Beck moved to approve the agenda as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD:

None.

## MINUTES

Chair Matt Doucette asked if anyone had questions, edits, or comments regarding the minutes for the Regular Board Meeting dated July 28, 2020; there were none.

Motion: Secretary/Treasurer Larry Anderson moved to approve the minutes of the Regular Board Meeting dated July 28, 2020 as presented.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

## CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated the Claims for Payment have been explained on the cover sheet. She stated the payment to Windfall is for marketing expense and the payment to Anderson-Zermuehlen is for accounting expense for the auditing process. She added the payment to Montana GSE is for a heat cart for the ground handling department.

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

Motion: Commissioner Jeff Roth moved to approve the Claims for Payment as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

## FINANCIAL REPORT

Finance Manager Teri Norcross stated the Construction in Progress (CIP) number from the Balance Sheet has continued to increase as invoices for the new terminal construction project continue to be paid.

Teri explained some items on the financial statements for June 2020 have changed and will be reflected in the audited financial statements for Fiscal Year 2020. She stated among those items are the annual Public Employees' Retirement System (PERS) liability adjustment which has increased MCAA's portion of the PERS expense along with the liability on the Balance Sheet by \$350,738.00.

Teri noted the Profit and Loss for July 2020 looks positive, adding that the revenue numbers for the month are better than what were budgeted. She noted that non-based landing fee revenue is much higher than was expected, as well as revenue from ground handling services. Teri stated that rental car revenue is looking healthy beyond what was budgeted. She added that expenses are currently running higher than what was budgeted, but overall, the numbers are still good relative to this year's budget. Teri added that year over year numbers are not looking good, that Contracted Maintenance expenses are higher than budgeted but are related to timing, and that COVID-19 expenses are predominantly attributable to Advertising fee forgiveness.

Alternate Commissioner Winton Kemmis asked about the nature of the payment to Donaldson Bros for \$4,415.00 for Snow and Ice Removal. Teri responded that payment was to purchase sand in preparation for winter operations.

Chair Matt Doucette asked for a summary of the transition in gift shop operations from Gifted Wings to Faber. Administrative Manager Lynn Fagan explained that Faber took over the gift shop operations on August 3, 2020 after the inventory verification was completed on August 1, 2020. She stated the inventory estimate Gifted Wings provided was almost to the penny of what the third-party vendor verified. Lynn added that Faber is positive about the sales they have been making so far, but there is no report for their first full month yet. She then stated that under the management contract, any extra benefit of sales will go to MCAA. She explained that a management position was offered to Denise Prince of Gifted Wings but she declined, so a former Gifted Wings employee has been hired as the new gift shop's manager.

Honorary Commissioner Jack Meyer noted that MCAA's pension liability for PERS increased to \$3.2 million this year. He stated that the U.S. Postal Service has been required to fund their pension liability in advance, so it is interesting that MCAA has such a large number to theoretically fund in the future.

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

Motion: Commissioner Shane Stack 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 MCAA has had some recent staff retirements. He stated that Dave Samel from the Field department retired last week after working at MCAA for fifteen years, adding that Doug Stevens and Jay Shaffer both retired from the Public Safety department in June 2020. Cris stated that MCAA has chosen not to fill those open positions as a cost-saving measure until it can be determined what the financial future of the Airport will be.

Cris stated that passenger numbers are hovering at approximately 50% of normal for the season. He added that in general, Montana is faring better than other states in the country. He explained that staff is concerned about what the commercial airlines' response will be when Coronavirus Aid, Relief, and Economic Security (CARES) Act funding runs out on September 30, 2020.

Cris explained that the disaster drill went well last week, stating that only a few agencies came to the Airport to take part. He explained the drill was modified for social distancing, adding that the communication between agencies was the best he has seen in ten years. Cris then thanked Chief of Public Safety Justin Shaffer, staff member Jesse Johnson, and other staff for their work in preparing and executing the drill.

Cris explained that the Federal Aviation Administration (FAA) has not been able to offer any additional CARES Act funding to MCAA, but they do continue to look for funding and communicate openly with staff about it.

Deputy Director Brian Ellestad then delivered a brief air service update, stating that passenger numbers are down approximately 70% throughout the country, while Montana is only down roughly 50%. Brian explained that a healthy industry is important for maintaining the least impact, adding that there is concern about October 2020 and beyond when CARES Act funding runs out. Brian stated that total available seats in July 2020 were down approximately 34% over last year, not including seat blocks. He added that the next two weeks should provide a better idea of what October 2020 will bring. Brian reminded the Board about Alaska Airlines adding three new routes beginning March 2021, and he added that staff is looking at marketing those cities: San Francisco, San Jose, and San Diego.

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 walls and roofing, with interior walls next in the queue. Tim stated that final project bid packages are coming soon, food and beverage design finalization will be completed this month, and the new website launched on July 29, 2020. Tim stated there will be a terminal project walkthrough on September 11, 2020 at 9:30am.

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

## LEGAL REPORT

Administrative Manager Lynn Fagan began by explaining that the Board approved MCAA staff to work with Neptune Aviation on another infrastructure loan through the Montana Board of Assessments in February 2019. She stated that Neptune has been working on that and MCAA staff will likely have an action item for the Board next month. She stated that Neptune had originally planned on financing a newly constructed hangar, but they instead purchased two hangars from Homestead Helicopters using those funds to finance the purchase. Lynn explained that the program allows Neptune to go through a public entity like MCAA, adding they will have some job creation requirements, they will receive tax benefits from that financing, and they will use MCAA as a conduit to receive the funding.

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

## COMMITTEE UPDATES

Executive Committee: Met August 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

None.

## NEW BUSINESS

### Republic Parking – Contract Amendment

Administrative Manager Lynn Fagan explained that Republic Parking, like many other concessionaries, has been negatively affected by COVID-19 so they have asked for some financial relief from MCAA. Currently, Republic is required to pay its Minimum Annual Guarantee (MAG) monthly and true up at the end of the fiscal year based on a percentage of their gross parking lot revenue. As a result of their financial hardship, Republic is requesting to switch that around and only pay the percentage of their gross parking lot revenue monthly, and then true up to their MAG at the end of the fiscal year.

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

Motion: Commissioner Jeff Roth moved to approve the Addendum to the Parking Lot Concession Lease Agreement for Operation at Missoula International Airport as presented.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

### Contract Amendment No. 18 to the Master Agreement with Martel Construction for the New Passenger Terminal Building

Manager of Projects Tim Damrow stated that last year, the Board approved a Task Order with Morrison-Maierle for designing the checked baggage system for the new terminal building. This design will allow the Transportation Security Administration (TSA) to screen all baggage in a secured area in the back end of the building. TSA preliminarily agreed to share in the cost of the design and construction. This contract amendment will allow Martel Construction to build out this space through an Other Transaction Agreement (OTA) grant.

Tim explained everything in the checked baggage system outside of TSA's secure screening area will be included in MCAA's portion of the cost; this will amount to roughly \$1 million. Tim added there will not be a notice to proceed until the OTA grant is received by TSA.

Honorary Commissioner Jack Meyer asked Tim if the \$1 million that MCAA will pay was included in the original project budget, and Tim responded that was correct. Vice Chair Adriane Beck asked what will happen if the OTA grant is not awarded, and Tim responded the design of the checked baggage system will be adjusted to make it a much simpler system. He stated the simpler system would include more screening by hand by TSA agents since plans for a full in-line system would not continue. Tim added that TSA does seem committed to funding this portion of the system.

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

Motion: Commissioner Dori Brownlow moved to accept the Guaranteed Maximum Price from Martel Construction in the amount of \$3,608,670 for the construction of the Baggage

Handling System for the New Passenger Terminal Building and accept Contract Amendment No.18 contingent on receiving a grant from the TSA.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Task Order No. 32 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Manager of Projects Tim Damrow stated that this Task Order will allow Morrison-Maierle to provide construction management services, on-site observation, and day-to-day management of this project. He added that design of a new temporary baggage claim would be included in this Task Order. Tim explained that approval of this Task Order will be contingent upon receipt of the OTA grant from TSA.

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

Motion: Commissioner Jeff Roth moved to approve Task Order No. 32 with Morrison-Maierle in the amount of \$212,500 contingent on the results of an Independent Fee Review and OTA Grant.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Contract Amendment No. 03 to Task Order No. 09 to the Master Agreement for Professional Engineering Services with Morrison-Maierle

Director Cris Jensen explained that there was a fuel spill near the rental car wash area back in the early 1990s. He stated that while the Montana Department of Environmental Quality is close to closing out this spill, they have requested MCAA to have additional monitoring wells installed. He added that all costs associated with these wells will be reimbursed by the state petroleum fund.

Cris pointed out the area of the wells on an aerial map of the airport, adding that this will hopefully be the last action MCAA has to take in mitigating this spill.

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

Motion: Commissioner Deb Poteet moved to approve Amendment No. 03 to Task Order No. 9 with Morrison-Maierle in the amount of \$22,162.23.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Director Cris Jensen reminded everyone that the Marketing Committee Meeting will be held today at 2:30pm.

Chair Matt Doucette stated to other members of the Board that Administrative Manager Lynn Fagan will distribute Cris' appraisal review. He asked that Board members fill out and return the reviews timely.

The September Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, September 29, 2020 at 1:30pm.

There being no further business the meeting was adjourned.