

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
May 25, 2021
1:30 pm, Airport Board Conference Room

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

STAFF: Acting Director Brian Ellestad
Finance Manager Teri Norcross
Administrative Manager Lynn Fagan
Manager of Projects Tim Damrow
Dan Neuman, Business Development Manager via conference call
Nate Cole, Airfield Manager
Thad Williams, Building Manager
Justin Shaffer, Chief of Public Safety
Rick Reeve, Administrative Assistant via conference call
Donna Marie Robnett, Office Administrator, via conference call
Brianna Brewer, Accounting Clerk, via conference call

OTHERS: Gary Matson, Runway 25 Hangars via conference call
Cory Aldridge, Mountain Line via conference call
Dana Abbot, KLJ Engineering via conference call
Jon Simon, JCS Recruitment via conference call
Josh Johnson, Minuteman Aviation via conference call
Shaun Shea, Morrison-Maierle, Inc. via conference call
Martin Kidston, Missoula Current via conference call

Chair Matthew 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.

Chair Matthew Doucette noted that an alternate commissioner would need to be seated.

Motion: Vice Chair Adriane Beck moved to seat Alternate Commissioner Pat Boyle

Second: Secretary/Treasurer Larry Anderson

AGENDA

Administrative Manager Lynn Fagan stated that the New Business item titled "Award of Bid for Snow Removal Equipment" will not be discussed this meeting and should be removed from the agenda that was presented.

Motion: Commissioner Deb Poteet moved to approve the agenda as amended.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

None.

MINUTES

Chair Matthew Doucette asked if anyone had questions, edits, or comments regarding the minutes for the Regular Board Meeting dated April 27, 2021; there were none.

Motion: Secretary/Treasurer Larry Anderson moved to approve the minutes of the Regular Board Meeting dated April 27, 2021 as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross noted that the project payments to Fred's, Norlift and MFGR are for Furniture, Fixtures and Equipment items for the new terminal. She also added that there is an additional check for \$20,000.00 to Liquid Planet. This was part of the contractual agreement for their takeover of the restaurant (including a deep clean of the kitchen) and was cut after the normal check run, which is why it was not listed on the claims for payment sheet.

Acting Director Brian Ellestad noted that the payment to Alaska Airlines was for the use of their deicing truck. However, it is a pass through cost as we are invoicing the airlines whose planes are deiced.

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

Motion: Alternate Commissioner Pat Boyle moved to approve the Claims for Payment as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross noted that the accounting team is working on tracking down outstanding accounts receivable funds as the fiscal year draws to a close. Teri mentioned there is a large amount of grant money that is still to be finalized. Overall, the actual financials look good compared to what was budgeted. Teri said it was tough to know how to budget since Fiscal Year 2020 was good until COVID hit, and then FY 2021 started off under COVID and is now

recovering. She did note that commercial airline landing fees are down, but that is due to specialized rate changes that were made at the beginning of FY2021.

Chair Matthew 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 Pat Boyle

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Acting Director Brian Ellestad began by noting that passenger numbers in March were 63% compared to 2019 and that summer numbers are trending to stay at that rate. Summer seasonal flights are also increasing and new destinations are being added. As a way to help deal with staffing shortages and increased passenger numbers, MSO has hired an ambassador to assist in the terminal. In addition, the Airport will have a summer intern, paid for by a grant from the Northwest chapter of the American Association of Airport Executives.

Manager of Projects Tim Damrow gave an update on the terminal project. One major note was that the construction crews plan on finishing the project top down – so the 3rd floor will be the first floor that will be completed. Brian added that there is a plan in place to potentially add electronic vehicle charging stations to the parking lot remodel.

Chair Matthew Doucette asked if anyone had any further questions or comments for Brian or Tim; there were none.

LEGAL REPORT

Administrative Manager Lynn Fagan noted the airport received just one proposal for engineering services at MSO; it was from Morrison-Maierle. Three proposals were received for planning services. The candidates are Air Transport Business Development, Inc., KLJ Engineering, Inc., and Morrison Maierle. These proposals will head to committee for selection.

Lynn then informed the Board that staff had received a Notice of Intent to purchase the remaining optioned land from the Deschamps, contingent on a sale of other property owned by the Deschamps scheduled to close on June 1st. Lynn explained that in 2011, as a result of a lawsuit filed by the Deschamps, MCAA and the Deschamps entered into a Settlement Agreement giving the Deschamps the option to purchase back some of the property that MCAA had purchased from them in 2003. There are approximately 173 acres remaining under option and the sale would net MCAA approximately \$1.3 million. Staff has submitted a request to the FAA to have the land released from our grant assurances. Once the release is obtained, the sale will proceed. Lynn will continue to keep the Board informed.

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

COMMITTEE UPDATES

Executive Committee: Met May 25, 2021 to review 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

Acceptance of GSA Lease Amendment No. 1 for South Concourse TSA Lease Space Improvements

Manager of Projects Tim Damrow explained that in the current airport terminal, the General Services Administration (GSA) leases space on behalf of the Transportation Security Administration (TSA) to support their operations. This space consists of several staff offices, training rooms and a break room located at various locations throughout the terminal. Over the past 4 years, the airport team has been coordinating with GSA/TSA to implement construction improvements for lease space in the South Concourse. The new space consists of approximately 3,215 square feet located on both the basement and second levels of the South Concourse. The project team has coordinated the design of these spaces to conform to GSA/TSA leasing and security requirements. The airport will complete this scope of work under the existing South Concourse GMP using available contingency funds. The GSA will reimburse the airport in the amount of \$618,657.15 upon completion of the lease space improvements.

Chair Matthew Doucette asked if anyone had any other questions or public comments; there were none.

Motion: Commissioner Deb Poteet moved to accept General Services Administration Lease Amendment No.1 for South Concourse TSA lease space improvements in the amount of \$618,657.15.

Second: Alternative Commissioner Pat Boyle

Vote: Motion Passed Unanimously

Authorization to Accept FAA Grant for AIP Entitlements

Acting Director Brian Ellestad noted that MSO received word from the FAA that they will be issuing additional grant offers shortly. It is estimated that the dollar values will be \$938,883 and \$1,566,601. Time frames to execute grants back to the District Office are always short. AIP-073 reimburses MSO for all expenses from summer/fall of 2020 that finished the Terminal Access Road and Aviation Way Widening Projects. AIP-074 is for Snow Removal Equipment, Airport Rescue Fire Fighting vehicle and Pavement Condition Index Study. In order to avoid the need for a special meeting, staff determined that it was prudent to request that the Board pre-authorize the Acting Airport Director to accept the grant offer.

Chair Matthew Doucette asked if anyone had any other questions or public comments; there were none.

Motion: Commissioner Dori Brownlow moved to pre-authorize the Airport Director to accept upcoming AIP Grants 073 & 074.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

NEW BUSINESS

Approval of the Missoula County Airport Authority Budget for fiscal year 2022.

Finance Manager Teri Norcross reviewed the FY 2022 budget. The budget model is used for the budgeting of operating revenues and expenses based on best estimates of airport staff. It is also used to calculate the terminal rental rates and landing fees charged to the signatory air carriers for the upcoming year. Fiscal Year 2022 will span the move to the new terminal facility. Although the operating costs of the new facility are yet to be determined, staff is proposing to use this budget through the entire fiscal year that ends 6/30/22. The board can determine any need for budget augmentation or revision if indicated after occupancy. Staff discussed this plan with MSO's signatory air carriers, and they agree that this is an acceptable strategy.

The finance committee met on April 19, 2021 to review the draft budget. Staff also talked with signatory air carriers on May 10, 2021 to review and discuss the draft budget, as well as potential changes to the model after moving to the new terminal building. At the date of this meeting, no adverse comments have been received from the air carriers.

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

Motion: Commissioner Deb Poteet moved to approve the budget for Fiscal year July 1, 2021 to June 30, 2022.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Resolution No. 2021-01 Setting Ground Handling Fees at the Missoula Montana Airport

Acting Director Brian Ellestad explained that the Airport provides ground handling services for American, Allegiant and Frontier airlines. Initially, the Airport entered into separate contracts with each of the individual airlines for ground handling services. However, some of the contracts have expired or will expire soon and staff felt it prudent to set rates. The below fees would be for air service providers that do not have valid ground handling contracts and are handled by MCAA.

MCAA provided Ground Handling Fees with up to 3 hours per event: \$495.00 for aircraft with less than 100 seats for those not under contract.

MCAA provided Ground Handling Fees with up to 3 hours per event: \$695.00 for aircraft with 100 seats or more for those not under contract.

Chair Matthew Doucette asked if anyone had any questions or public comments; there were none.

Motion: Alternate Commissioner Pat Boyle moved to approve MCAA Resolution No. 2021-01 Setting Ground Handling Fees at the Missoula Montana Airport as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Resolution No. 2021-02 Setting Use Fees for Commercial Air Service Providers at the Missoula Montana Airport

Acting Director Brian Ellestad noted that in October 2014, the Board approved MCAA Resolution No. 2015-01 – Terms and Conditions Governing Use By Commercial Air Service Providers of Missoula Int. Airport (“the Use Resolution”). The Use Resolution provides that the Board set terminal use and landing fees on an annual basis. The Use Resolution is for air service providers who have not executed MCAA’s current Airline Use Agreement. These non-signatory rates are approximately 30% more than the rates paid by the signatory airlines. Currently, Allegiant, Frontier and American are non-signatory and would pay the rates presented in the Use Resolution. Per the FY2022 budget presented to the Board at this meeting, there are no changes to the terminal rates proposed; however, the landing fee rate has increased from \$1.30 per 1,000 pounds to \$1.95 per 1000 pounds for non-signatory air carriers. The Authority reduced landing fees in FY 2021 from our historical rate of \$2.48/1000 due to COVID. The landing fees for cargo remain at \$2.48/1000.

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

Motion: Commissioner Deb Poteet moved to approve MCAA Resolution No. 2021-02 Setting Use Fees for Commercial Air Service Providers at the Missoula Montana Airport as presented.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

Resolution No. 2021-03 Resolution Setting Ground Rent for Aviation Leases at the Missoula Montana Airport (Rate Resolution)

Acting Director Brian Ellestad noted that Missoula Airport manages ground rent based on a Board resolution system. This ensures consistency in ground rents on airport in compliance with FAA regulations and give the lessees an opportunity to address the Board on rent increases. The last increase was in 2019, this Resolution increases the ground rent by a half of a cent per square foot - from \$0.160 to \$0.165 per square foot, effective July 1st, 2021.

Chair Matthew Doucette asked if anyone had any questions or public comments; there were none.

Motion: Commissioner Dori Brownlow moved to approve Resolution No. 2021-03 setting ground rent for aviation leases on airport at \$0.165 per square foot of airport property.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Award of Bid for ARFF Truck at Missoula Montana Airport

Acting Director Brian Ellestad noted that on April 26, 2021 Missoula Airport Authority put out a bid for a new airport fire truck. Bids were due on May 19, 2021. One bid was received from Oshkosh Airport Products with a base bid of \$848,040 with \$20,612 of requested options for a total of \$868,652. The current fleet is a 2007 Oshkosh 1500-gallon truck and 1997 E-One 1500-gallon truck. This will replace the E-One truck. FAA guidelines say that typical life span of equipment is 20 years.

Commissioner Dori Brownlow asked why only one bid was received. Chief of Public Safety Justin Shaffer explained that the Airport does typically get 2-3 bids for this type of request and were a bit surprised to only receive one bid. He added that there were some custom elements in the request and that may have led some companies to not submit a bid. Administrative Manager Lynn Fagan reiterated that the Invitation for Bids was indeed published for the public to bid.

Chair Matthew Doucette asked if anyone had any other questions or public comments; there were none.

Motion: Secretary/Treasurer Larry Anderson moved to approve award to Oshkosh Airport Products for a new Airport Rescue Fire Fighting truck in the amount of \$868,652

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

Approval of Lease for Museum of Mountain Flying

Administrative Manager Lynn Fagan stated that the Museum of Mountain Flying has been on airport since 2001 and their lease is expiring on June 30, 2021. Museum and airport staff have been in discussions for some time about a new lease and the Museum's long-term plans. The Museum has had a lot of success with the Miss Montana flights and has done a great job fundraising and engaging the public through social media. The Museum would eventually like to build a new hangar with expanded space but is not quite ready for that. This Lease is for a 10-year term and provides a discounted rental rate of half the aviation rate set by Board Resolution, currently \$0.0825 per square foot per year. The FAA has very strict revenue use guidelines which require that aeronautical fees be reasonable and non-discriminatory. A limited exception to this rule permits airports to charge reduced rental rates to not-for-profit aviation museums, to the extent that the reduction is reasonably justified by the tangible or intangible benefits to the airport or to civil aviation. At the committee meeting, Museum President Eric Komberec spoke about the public outreach that is being done and the interest that is being generated among young people in aviation by the Museum's work. Staff and committee members agreed that the museum provides benefits to both the airport and to civil aviation.

Chair Matthew Doucette asked if anyone had any other questions or public comments; there were none.

Motion: Alternate Commissioner Pat Boyle moved to approve the Lease Agreement with the Museum of Mountain Flying, Inc. for a 10-year period at half of the annual aviation rental rent set by Board Resolution.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Republic Services Master Agreement

Administrative Manager Lynn Fagan explained that for quite some time, Republic Services has had a monopoly in Missoula for commercial trash and recycling services. Under their "Customer Service Agreement," every time a change to service dates and times at the airport was requested, it initiated a new three-year term. Staff met with Republic Services personnel several times and

explained to them that under our procurement rules, all contracts for term needed to be approved by the Board. Additionally, under our procurement rules, if there was another entrant into the market, we would have to obtain competitive bids. The Public Service Commission is currently conducting hearings on another entrant. We agreed to bring a one-year Master Agreement with Republic Services to the Board for approval. The Addendum A includes the current schedule and pricing. When changes are needed, the Addendum A can be changed without requiring Board action. Additionally, this allows us to seek bids next year if a new entrant to the market is approved.

Chair Matthew Doucette asked if anyone had any other questions or public comments; there were none.

Motion: Commissioner Dori Brownlow moved to approve the Master Agreement and Addendum A with Republic Services and authorize the Acting Director to execute.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Amendment to Deschamps Access Easement

Administrative Manager Lynn Fagan explained that back in 2003, when the Airport originally purchased property from the Deschamps, an access and utility easement was granted to the Deschamps across the property being purchased as well as across a portion of a parcel purchased from Dr. Pruyn (the old rail bed). The portion across the old rail bed has been used by the Deschamps to access their home. The Deschamps have a buy-sell for that property, which is scheduled to close on June 1st. Staff has been contacted by the attorney for the purchasers. They have requested to amend the easement so that the road is straight instead of curving to the west. As is shown in the close up, it requires an addition of a small triangle of land. Staff and our engineer have reviewed this and see no problem with the change.

Honorary Commissioner Jack Meyer asked if the Airport needs to let the FAA know of this sale of airport land. Lynn stated that there would need to be a release from the FAA. Jack noted that he was perhaps the only Board member left from the original transactions with the Deschamps but that the relationship had been very contentious. He also noted, however, that it was important to be a good neighbor.

Secretary/Treasurer Larry Anderson asked if the land in question was already a paved roadway. Airfield Manager Nate Cole replied that it is a developed/drivable dirt road.

Commissioner Shane Stack asked if there was an option to say no to this request. Lynn responded by noting that it is a small section of land (approximately 884SF) that did not really seem have any impact on airport operations. However, this is why the agenda item is being brought to the board – for discussion. Lynn noted that the Airport can indeed say “No”.

Commissioner Deb Poteet asked if FAA approval was needed before a motion could be entertained on this item. Lynn noted that should not be the case, as there have been similar motions in the past that have been acted upon, contingent to FAA approval. Lynn further noted that the land in question is not designated for aeronautic use on MCAA’s Airport Layout Plan and pursuant to recent changes in the FAA’s regulatory framework, the FAA’s review for releases of such land is limited.

Vice Chair Adrienne Beck commented on the fact that the land in question is near the planned trail the city is working toward for future use. She asked if this sale compromised any of that future planning with the proposed land. Acting Director Brian Ellestad noted that there is already an easement in that area. Lynn noted that the land being sold is mainly for the Deschamps to straighten the road. Lynn also noted that The Ranch Club also has an easement in that same area.

Chair Matthew Doucette asked if anyone had any other questions or public comments; there were none.

Motion: Alternate Commissioner Pat Boyle moved to approve the Amendment to Amended and Restated Easement Agreement and authorize Acting Director Brian Ellestad to execute same, contingent upon FAA approval.

Second: Commissioner Dori Brownlow.

Vote: Motion Passed Unanimously

The May Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, June 29, 2021 at 1:30pm.

There being no further business, the meeting was adjourned.