

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
July 27, 2021
1:30 pm, Airport Board Conference Room

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

STAFF: Acting Director Brian Ellestad
Finance Manager Teri Norcross
Administrative Manager Lynn Fagan
Manager of Projects Tim Damrow
Business Development Manager Dan Neuman
Public Safety Chief Justin Shaffer
Airfield Manager Nate Cole
Compliance Officer Jesse Johnson
Office Administrator Donna Marie Robnett
Administrative Assistant Rick Reeve
Accounting Clerk Brianna Brewer via conference call
Public Safety Office Gus Geldersma
Airport Intern Doug Stobie

OTHERS: Gary Matson, Runway 25 Hangars
Martin Kidston, Missoula Current via conference call
Shaun Shea, Morrison-Maierle
Steve Conway, Martel Construction via conference call
Ed Taylor, Private Citizen

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: Commissioner Jeff Roth moved to seat Alternate Commissioner Pat Boyle

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

AGENDA

Administrative Manager Lynn Fagan noted that the Temporary Rental Car Facility agenda item would no longer be presented at the meeting.

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

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

Chair Matthew Doucette asked if there were any public comments. Ed Taylor, a private citizen who lives in the Target Range area of Missoula, wished to express his discontent for the amount of noise from aircraft departures in his neighborhood. He asked if there could be a further discussion about this, as he and his neighbors are seeking a route change, or a similar solution.

Acting Director Brian Ellestad responded that he would be happy to give Ed a call to engage with him further on this. Brian stated that most of the complaints he is aware of are related to firefighting type aircrafts and was not aware of specific flight path related issues.

Ed responded that Representative Willis Curdy has made numerous comments, but not sure if they had been presented to the Board. Ed cited the fact that his area of residence seems to be affected by a possible change from having arriving flights over his neighborhood to now having departures go by.

Brian agreed to contact Ed directly after the meeting.

Matthew asked if there were any other questions or public comments; there were none.

MINUTES

Chair Matthew Doucette asked if anyone had questions, edits, or comments regarding the minutes for the Regular Board Meeting dated June 29, 2021; there were none.

Motion: Commissioner Deb Poteet moved to approve the minutes of the Regular Board Meeting dated June 29, 2021, as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross noted that Office Administrator Donna Marie Robnett was in person for the meeting and would be able to help answer any questions. Teri also noted that Secretary/Treasurer Larry Anderson, who was unable to attend the meeting, wanted to know a bit more about some recent credit card fees the Airport incurred (from First National Bank).

Donna Marie explained that the original charges in May were due to a lost check in the mail. This led to fees and interest being assessed; the fees were reversed. The checks for the credit card bills are now sent as part of the early check run, and are being sent via FedEx, instead of via US

Postal Service. We are also actively checking online to ensure the monthly payment has been applied to the account balance.

Teri added that the Airport attempted to pay the credit card bill via ACH, but First National Bank provided some incorrect information, and it did not go through. Then First National finally did receive the check that was lost and tried to cash it. This led to First National shutting down all of the Airport cards temporarily because the check bounced due to a stop payment that the Airport put on the check. Eventually, it was all straightened out. She also noted that we may be looking at getting a new credit card.

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

Motion: Vice Chair Adriane Beck moved to approve the Claims for Payment as presented.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross commented that the year-end financials presented this month will be adjusted during the September audit and the month after, so the finalized versions are still forthcoming.

Chair Matthew Doucette asked Teri about how the audit process would be conducted this year. Teri replied that it would be partially on site, and partially digital – a hybrid of sorts.

In the outstanding Accounts Receivable, there is one customer who had to wait for some fraud in his own accounting department to be sorted before he could pay the Airport; but talks are in process and payment is expected. TSA is still working on getting us outstanding payments for some Law Enforcement reimbursements.

On Profit & Loss, the parking lot is still behind compared to years past, with the current year's numbers sitting at 66% of 2020 and 50% of 2019. Acting Director Brian Ellestad commented that part of the reason the parking lot revenue is down is due to a single pay rate that has been in place. The entire lot has been under the cheaper Long-Term rate for a few months now due to the ongoing construction throughout the lot.

Regarding interest, Teri noted earned interest is very minimal compared to what it was in the past. Last fiscal year, the revenue was around \$10,000 in interest, and it was in excess of \$200,000 in 2000-2001. Teri also noted that, as a whole, her Profit & Loss number comparisons in the report were based on 2019 since 2020 numbers were an anomaly.

Last week, the Airport received 4 grant offers: Terminal Access Road (Widening of Aviation Way); snow removal and ARFF equipment; Terminal Construction; and ARPA (last of the CARES program). Those grants total in excess of \$9 million, though \$4 million will go towards paying project expenses.

Matthew asked if anyone had additional questions or comments regarding the Financial Report. There were none.

Motion: Commissioner Doris 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 introducing the newest Public Safety Office Gus Geldersma to the Board. Brian continued his report by noting that June enplanements were at 97% of 2019 numbers. He commented that Unifi (Delta/United Ground Handling) is starting to turn things around on the hiring front, and that their work is getting progressively better.

On a national scale, Brian noted that lots of airports are struggling with things like labor and fuel shortages, and long lines at TSA. Agencies like the FAA and TSA have gotten involved to help out the Northwestern US region to help mitigate such problems. Missoula Montana Airport seems to be doing better in handling these issues compared to a lot of other regional airports. Payroll Protection of airline employees is scheduled to end September 30th. As a result, there is likely to be some scale back in destinations and load factors from MSO.

Regarding the recent FAA Inspection, the final evaluation is still ongoing. Brian was made aware of just one write up, which involved a dome light cover missing from a fuel truck. The violation has since been fixed.

On a lighter note, Brian was able to give a tour of the Air Control Tower to a local grade school student earlier this month. The student then made Brian a picture and give him a book as an expression of thanks.

Manager of Projects Tim Damrow gave an update on the terminal project. Landscaping should start in August, and the new canopy and booths in the exit area of the parking lot are expected in the next couple months. The TSA bag screening system install continues. Representatives from the View Glass company will be on site to demonstrate and dial in the dynamic glazing system of the glass windows throughout the new terminal.

Tim also brought up a Terminal Taskforce that is planned for the Airport. He noted that this would be an ongoing feedback system where selected local groups of individuals will evaluate various aspects of the new terminal to provide specific comments, concerns, etc., to help MSO provide the best customer experience as the new terminal opens.

Alternate Commissioner Pat Boyle asked about where exactly the future short term lot area would be. Tim replied that there will be a dedicated area, but it would be a sort of ebb and flow with that area as need dictates.

Chair Matthew Doucette asked how the tours were going. Tim noted that is has been sort of hit and miss, but tours continue for various interested parties, and he has done more group tours lately.

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

LEGAL REPORT

Administrative Manager Lynn Fagan pointed out that Faber has been running the Gift Shop at the Airport for about one year now. They are doing a great job and have paid us \$90,000 so far, which includes paying back the \$50,000 Faber owed for purchase of the existing inventory. The rest is profit.

Northwestern Energy recently met with the Airport to discuss an easement along the southern border of the Airport of about 1,000 feet near Mullan. The Airport has no issue with this request and Lynn will reach out to the FAA for formal approval.

Regarding the Deschamps land sale to buy some of their land back from the airport, Lynn sent the FAA request, but it has taken more than the allotted 60 days. Lynn updated the Deschamps attorney that she should have the release this week. In addition, she had spoken to the Deschamps about putting a covenant on the land that they buy back, limiting any developments to two houses per acre. This was mutually agreed upon, which is good for the Airport.

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

COMMITTEE UPDATES

Executive Committee: Met July 27, 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

Approval of Amadeus Common Use Services Contract

Manager of Projects Tim Damrow gave some background information on the procurement process for the Amadeus system. On February 24, 2021, MCAA issued a Request for Proposals (RFP) for a Common/Shared Use Passenger Processing System for installation in the South Concourse. The airport received 3 responses to the RFP and recommended award of the RFP to Amadeus Airport IT Americas. The RFP was officially awarded during the May 25th Missoula County Airport Board meeting. At this point, the airport staff worked with Amadeus to propose and finalize a contract for the requested services. The airport is recommending purchase of 15 Common Use workstations to be deployed throughout the new South Concourse. All airport gates will be equipped with a Common Use workstation in addition to a bank of common use check-in counters in the main lobby. This arrangement will provide the airport ultimate flexibility to shift operations from both a gate and ticketing side to accommodate demand changes and irregular operations. The installation of this infrastructure will also serve as an effective air service development tool, minimizing air carrier investment, while also providing a turnkey solution to setup an operation. The contract includes an initial equipment and implementation fee of \$157,802 and recurring yearly charges of \$27,385 for each year of a 5-year contract.

Acting Director Brian Ellestad commented that the Amadeus system will provide a huge advantage for ground handling teams if/when they need to adjust to real-time situations.

Commissioner Jeff Roth asked if these types of systems are being installed nationwide. Tim responded that this has been the trend at large airports and is now being seen at some more mid-size airports, including Bozeman.

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 Common Use Services Contract with Amadeus Airport IT Americas, Inc. in the amount not to exceed \$294,727.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

NEW BUSINESS

Task Order No. 40 to the Master Agreement for Professional Engineering Services with Morrison-Maierle - Ramp Expansion Design

Acting Director Brian Ellestad provided some background information on this item. The existing air carrier ramp at the Airport currently accommodates 7 commercial airline aircraft parking positions. With the completion of the South Concourse and the potential East Concourse Terminal project, the ramp will be able to accommodate 8 parked aircraft positions. Due to the continued growth of air service and airlines requesting RON (Remain Over Night) operations at the Airport, the ideal ramp for the Airport would have 9 commercial aircraft parking positions. Therefore, we wish to create one additional position by expanding the ramp to the east. This expansion will also improve the flow of vehicular traffic across the ramp which supports airline operations.

Design for this project would begin immediately, then be folded into the East Concourse Project, and bid as an additive alternative schedule in early 2022. The ramp expansion project (design and construction) is eligible for year-end discretionary funding from the FAA. Having a project that is "shovel ready" increases the likelihood of securing discretionary funding as well.

The schedule for construction would be dependent on funding availability and the guaranteed maximum price developed through bidding.

Alternate Commissioner Pat Boyle asked if the new ramp would accommodate 2 planes at once. Brian replied that the final decision was still being made, with the possibilities ultimately relying on a solution that would allow us to do the job once and do it right.

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

Motion: Commissioner Jeff Roth moved to approve Task Order No. 40 with Morrison-Maierle in the amount of \$185,000.00 for completing the Final Design of a future Commercial Air Carrier Ramp Expansion contingent up on an independent fee estimate.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Purchase new brushes for Auto Wash at QTA

Administrative Manager Lynn Fagan explained that the Quick Turn Around facility for the rental cars was put into operation in October of 2017. In that time, they have moved over 196,000 thousand cars through the auto wash. It is time to replace the brushes, as they are not making proper contact anymore. She added that she did account for this replacement in her budget and put it into her small capital projects for this year.

Lynn also noted that this is a sole source item due to the need to match the existing equipment. She cannot find any other vendor who sells N/S equipment or this style of brush with the same adapter. Per our Procurement Policy, a sole source procurement is appropriate when the compatibility of current equipment or replacement parts is the paramount concern. The Acting Airport Director and Legal Counsel have concurred in the use of the sole source process for this procurement.

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

Motion: Commissioner Deb Poteet moved to approve the sole source purchase of 2 full sets of new N/S brushes for the QTA Auto Wash bays in the amount of \$25,320.94 plus freight.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

Review, discussion, and possible approval of the purchase of deice truck for the Airport Ground Handling Service

Acting Director Brian Ellestad gave some background information on the current situation. Ground Service is experiencing unprecedented growth this year. We expect to double the number of flights we ground handle year over year. As a part of our overall review of and investment in ground handling equipment, our priority is adding a deice truck to our equipment inventory. Our current deice truck is undergoing repairs, and it is not anticipated to be useable until sometime in 2022. This was due to an accident at the Fuel Farm, which the Airport did receive insurance money for. We need to start our deice testing, training, and certification processes within the next 6 weeks. We also believe that having an additional deice truck will help us to accommodate our expanded flight schedule, which will result in an expanded deicing operation. We propose adding this additional vehicle to fill those needs. We have also added funds to this amount to cover the cost of either minor repairs and/or travel and inspection costs for a mechanic.

Per our Procurement Policy, staff has gotten three quotes. One is quite a bit higher and the other two are very close. The truck from Kynan Spethman has been inspected by our mechanics and has some issues, so further negotiations are required. The third truck has not yet been inspected. Staff is requesting an amount not to exceed \$75,000 to pursue purchase of one of these two trucks. Brian also noted that a new truck costs between \$350,000 to \$390,000. So having 2 trucks is still a more cost-efficient option. This purchase would be the primary deice truck, and the old one would act as a secondary once it is fixed. There is an option to sell the second truck once it is fixed, but the Airport would prefer to keep both.

Commissioner Shane Stack asked about leasing a deice truck for the short term until the old truck is fixed. Brian replied that the majority of those are old, in poor quality, and have high shipping costs to get them to Missoula.

Alternate Commissioner Pat Boyle asked what the Airport did when the truck was down originally. Brian responded that Alaska Airlines let us use their truck during that time. The Airport passed on the costs to American Airlines but was not able to make a profit off the service as it typically does. Brian noted that the purchase of this second truck will pay for itself in a few years.

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

Motion: Alternate Commissioner Pat Boyle moved to approve the purchase of a deice truck in an amount not to exceed \$75,000.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

Airport Car Condos, LLC Lease Addendum

Administrative Manager Lynn Fagan explained that Airport Car Condos, LLC has been conducting business with the Missoula Montana Airport since February 8th, 2002. Since that time, they have expanded their facility 5 times. They are proposing a 6th expansion to the facility by leasing an additional 2,400 SF (approximate) to construct additional storage units (Parcel 13-G). This facility currently is located on Corporate Way adjacent to the 7/25 hangars. This lease will generate an additional \$936.00 in annual revenue since lease rate is \$0.39 per square foot per year.

Lynn also noted that the Car Condos current lease goes thru 2035. She is aware that they are likely to ask for an extension of that lease. She also commented that when all of the land has been developed, all the addendums will be rolled up under one lease agreement.

Commissioner Dori Brownlow asked if this type of facility was a national trend and/or if it is a thing at other airports. Acting Director Brian Ellestad replied that it would seem to be more of a thing at resort-type destinations with seasonal traffic. Business Development Manager Dan Neuman added that a lot of the condos are used by private jet owners. Lynn further commented that the LLC also has a similar setup in Kalispell, but on a larger scale.

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

Motion: Commissioner Dori Brownlow moved to approve the Addendum to the Lease Agreement with Airport Car Condos, LLC.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Update and Recommendation on Airport Director Selection from Hiring Committee

Chair Matthew Doucette started off by thanking the Hiring Committee – consisting of Matthew, Honorary Commissioner Jack Meyer, Vice Chair Adriane Beck, Secretary/Treasurer Larry Anderson, and Commissioner Jeff Roth – along with Administrative Manager Lynn Fagan for helping conduct the hiring process.

Matthew noted that Acting Director Brian Ellestad had accepted the role of Interim Director when the position was made available. He also noted that the Committee chose not to hire any outside

consultants in the hiring process. Out of 22 applicants, 7 met the minimum requirements of the job position. Four finalists were chosen, and Zoom interviews were conducted. A standardized question list and score sheet was used for the interviews. Only three of the finalists were actually interviewed and all were well qualified.

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

Accordingly, Matthew said he would entertain a motion for the recommendation of the Hiring Committee to make Brian Ellestad the Director of the Missoula Montana Airport.

Motion: Commissioner Dob Poteet moved to accept the recommendation of the Hiring Committee to make Brian Ellestad the Director of the Missoula Montana Airport.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

In accordance with that approved motion, there needed also to be approval for Brian to be issued a formal contract by the Executive Committee.

Motion: Commissioner Jeff Roth moved to authorize the Executive Committee to negotiate a contract for the employment of Brian Ellestad as the Director of the Missoula Montana Airport.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Commissioner Jeff Roth commented that it was a good process, the candidates were all great, and that the Hiring Committee is very pleased with their decision.

Brian expressed his compliments for the way the Committee and Lynn handled the process. He is thankful for the opportunity and is happy to be here.

Gary Matson of Runway 25 Hangars congratulated Brian and the Airport for this news and decision.

The August Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, August 31, 2021, at 1:30pm.

There being no further business, the meeting was adjourned.