

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
September 28, 2021  
1:30 pm, Airport Board Conference Room

THOSE PRESENT

BOARD:

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

STAFF:

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

OTHERS:

Martin Kidston, Missoula Current via conference call  
Shaun Shea, Morrison-Maierle

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: Secretary/Treasurer Larry Anderson moved to seat Alternate Commissioner Winton Kemmis.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

AGENDA

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

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

#### PUBLIC COMMENT PERIOD

None.

#### MINUTES

Chair Matthew Doucette asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated August 31, 2021, and the Special Board Meeting dated September 16, 2021; there were none.

Motion: Commissioner Deb Poteet moved to approve the minutes of the Regular Board Meeting dated August 31, 2021, and the Special Board Meeting dated September 16, 2021, as presented.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

#### CLAIMS FOR PAYMENT

Finance Manager Teri Norcross mentioned that there were just a few project payments. There was an influx of cash flow that allowed those outstanding bills to be paid. There is a quarterly interest check to interest payment to First Security for the debt that the Airport is holding for the project. That is budgeted to be paid out of the CRRSA fund.

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

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

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

#### FINANCIAL REPORT

Finance Manager Teri Norcross started by pointing out that Receivables are down from \$961,000 to only \$518,000 thanks in part to Office Administrator Donna Marie's efforts. Ground Services does not currently have any outstanding debt more than 90 days aged. Regarding Profit & Loss, the first 2 months of the Fiscal Year have generated 26% of the budgeted amount, a great start. Teri did note, however, that Director Brian Ellestad believes we could still see a slowing of this progress now that we are away from the typically busy summer months. Teri added that the interest on reserves increased to .11% from .09%.

Regarding the audit, field work was done last week. One notable change was the Airport's contribution amount to PERS. There was an increase in expenses of \$714,000.

Secretary/Treasurer Larry Anderson asked if there was any heads up given to the large increase on the PERS liability change. Teri answered that it is an annual report based on measurements done on the end of the last fiscal year's numbers. So, it always lags behind a year.

Alternate Commissioner Pat Boyle also asked about the pension expense. He wanted to know if that expense was only something that we had to spend if we pulled from it. Teri replied that it is a bit of a strange thing. She explained that we book an expense that we don't have to pay. It is now a liability on the books that is higher and keep paying the rate that the Airport is required to as an employer, adding that it would take a high number of employees backing out of the plan all at once to require us to pay that actual amount, which is unlikely.

Teri also said that Grant revenue had a change. She and the auditors did not see eye to eye on how some funds were invoiced, so that also did affect the bottom line. In summary, the end of year financials that were shown in June have changed quite a bit.

Pat asked if the grant receivable item would be included with last year or this year. Teri replied that it is now recognized as part of the end of last year's revenue.

Chair Matthew Doucette asked if anyone had additional questions or public 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 Brian Ellestad began by re-announcing that Tim Damrow had been promoted to the Deputy Director position at the Airport. Brian took the time to mention that there were 4 internal candidates that also interviewed for the deputy position. They all did extremely well and made it a tough decision.

Now is the time we look ahead to next summer's air schedule. We hit 2019 numbers this year. MSO continues to outpace the national average. Federal implications across several potential factors will also contribute to the landscape ahead. International travel restrictions have been loosened, so that should help the airlines overall. A General Aviation camera is being installed and should go live soon. This will give GA pilots access to a live camera feed, and not many commercial airports have this feature. Community group tours of the new terminal continue.

Brian mentioned that he had already had meetings with all the major airlines here at the Airport, and also some prospective carriers. Secretary/Treasurer Larry Anderson asked about Sun Country as a future provider for flights here at MSO. He wanted to know if that was the same Canadian carrier that had inquired about having service in/out of Missoula earlier in the summer. The Canadian company Larry asked about was called Rocky Mountain Airways and there was no real follow up since their initial discussions with MSO. Brian explained that Sun Country is based out of Minneapolis and services Bozeman and Kalispell. Brian said the Airport will certainly welcome Sun Country if the logistics of serving MSO eventually work out.

Deputy Director Tim Damrow began by updating progress on the new terminal project. Access road is nearing completion with the exit plaza columns going up and the canopy expected to follow

soon. It will feature 3 automated exit lanes, and 1 staffed lane, along with a new attendant booth. The new terminal will feature heated sidewalks which will help mitigate the need to use chemicals. Cabinetry throughout the building continues to be installed. One neat feature on the outdoor light poles is that the heads lower all the way down, allowing a simple bulb replacement at ground level. Tim also did a bit of a deep dive on the new TSA baggage system. The goal is to have the building operational by April/May 2022.

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 gave an update on the Deschamps land sale. They have agreed to the changes that the Board recommended at the special meeting. The motion has been filed with the court for the sale of 154 acres to be sold in 5 parcels rather than one. Once the court rules, closing can commence since the FAA has already approved the sale.

Secretary/Treasurer Larry Anderson asked where the proceeds of the land sale go. Lynn replied that it goes into the Airport's general reserves and should be about \$1.2 million for this transaction.

Staff had a meeting with Missoula Economic Partnership (MEP) to do a meet and greet with new members on both teams. Grant assurances, compatible land use and the new Airport Master Plan were some of the topics of discussion. The meeting was successful and future discussions have been scheduled.

A meeting with the County Commissioners also took place with the topics of meet and greet and an update on Airport happenings being discussed. Quarterly reoccurring meetings have been scheduled. There is a lot of excitement on both ends.

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

### COMMITTEE UPDATES

Executive Committee: Met September 28, 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

#### American Airlines Ground Handling Contract

Director Brian Ellestad explained that the Missoula Airport is one of a handful of airports across the country that is in the ground handling business. Currently, the Airport provides service to Allegiant, American and Frontier. The Airport has been ground handling American since June of 2018, under an original 3-year contract. We continued to ground handle and charge them via a Board Resolution that was passed May 25, 2021. The rate was \$395 per turn for the 1<sup>st</sup> 3 years,

with no service for mainline aircraft. The rate is now at \$495 for regional and \$695 for mainline. This extension will be in effect until May 31st of 2022 and matches the higher rates that were established in the May Resolution.

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

Motion: Alternate Commissioner Winton Kemmis moved to approve the American Ground Handling contract extension as presented.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

## NEW BUSINESS

### Airport Capital Improvement Plan

Director Brian Ellestad explained that MSO is required to annually submit an Airport Capital Improvement Plan (ACIP) to the FAA. This ACIP shows proposed capital projects for the next 6 years. While the FAA is primarily concerned with projects that are funded using Airport Improvement Program (AIP) funds and Passenger Facility Charge (PFC) funds, staff has included local contributions (debt or reserves) to these projects in the spreadsheet as well. Brian explained that the Airport worked closely with Morrison-Maierle and Helena ADO on this plan. All the plans are subject to change

Some notable items included: New Terminal opening in 2022, updated Master Plan with Noise Study, Snow Removal Equipment, 2 new Jet Bridges, and Ramp Expansion. The potential ramp plan includes an expansion of the deice pad, connection of taxiway to Minuteman Aviation, a dual use jet bridge and an extra parking spot.

Alternate Commissioner Winton Kemmis commented that the overall program is very proactive and that is very appreciated.

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

Motion: Secretary/Treasurer Larry Anderson moved to approve the 2022 Airport Capital Improvement Plan as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

### AAAE Interactive Employee Training System Upgrade

Compliance Officer Jesse Johnson explained that in 2011, MSO went out to bid and awarded the American Association of Airport Executives (AAAE) the contract for our current Interactive Employee Training System (IET). This system facilitates all SIDA and AOA badge holder required TSA training, and also facilitates required FAA Movement/Non-Movement area drivers' training. Jesse explained that the current system is sunsetting in January 2022, so we will no longer be able to use that system at all. There were 2 options for upgrading – one to use the current videos,

but allow the ability to upgrade videos to reflect new areas of the terminal, as well as any FAA changes. This system would cost \$21,200 and is not currently budgeted.

The other option would be a full upgrade with all new videos. This would mean a film crew coming down to shoot all new material, edit a new video, etc. Chair Matthew Doucette asked the price for this second option. Jesse said it was \$80,000, which is quite a price jump from the first option. Jesse explained that this is why he is proposing the Airport go with the first option, pending board approval.

The request is to upgrade the IET Legacy systems currently in use at the airport to the new, web-based version of the platform, named IET-LS. All current training curriculum will be transferred over to the new system including 3 customized videos and 3 non-customized videos. MSO is looking to procure the upgraded system through a Sole Source purchase agreement. The IET training system is not available from a competitive source and the AAAE IET training system is patented and customized. Each IET workstation is connected to a central database maintained and managed by AAAE. The secure database stores training records for the individuals and these records are made available to authorized personnel. This allows the airport to comply with FAA mandated training and record keeping requirements found in FAR Part 139. The AAAE IET-LS software is the only training system available that is fully compatible with the existing proprietary IET Legacy system. Legal counsel and the Airport Director concur with the use of the Sole Source process as required by the Procurement Policy.

Chair Matthew Doucette asked if there was any salvage value with the current system. Jesse responded that once the system sunsets in January 2022, the Airport would not be able to add/edit the current videos to reflect any new FAA changes. So, the system will become obsolete.

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

Motion: Commissioner Shane Stack moved to accept the Sole Source purchase agreement for the AAAE Interactive Employee Training System upgrade to the new AAAE Web Based Interactive Employee Training – Learning Suite in an amount not to exceed \$21,200.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

#### Airport Command Vehicle Purchase

Public Safety Chief Justin Shaffer explained that MCAA's Procurement Policy, approved by the Board in November 2019, permits staff to procure goods through cooperative purchasing groups, such as Sourcewell. The Public Safety Department was approved to purchase a new Command Vehicle in the FY2022 Capital Equipment Budget. The vehicle to be purchased is a 2022 Ford Interceptor Utility and would be purchased through Sourcewell (National Auto Fleet Group). The vehicle will come mostly outfitted with emergency lights and siren package. A console, antennas, and radios will have to be installed after delivery. The vehicle will be delivered to the Airport once completed.

Secretary/Treasurer Larry Anderson asked what the delivery timeline was. Justin commented that it would be 6 months or longer.

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

Motion: Commissioner Deb Poteet moved to approve the purchase of the 2022 Ford Interceptor Utility in the amount of \$50,285.58.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

#### Northwestern Energy Easement Agreement

Administrative Manager Lynn Fagan explained that Northwestern Energy has requested an easement along the eastern section of the south boundary of the airport property where they currently have an overhead electric line. NW Energy wants to relocate the overhead electric to underground and update the line. The area in questions runs about one thousand feet long by 10 feet wide. They also want to install gas facilities. The retirement of the overhead line will be phased over several years. Staff submitted a request for approval of the easement to the FAA. The FAA determined that the easement will not impact the safe and efficient operation of aircraft or safety of people and property on the ground related to aircraft operations.

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

Motion: Secretary/Treasurer Larry Anderson moved to approve the Underground Gas & Electric Easement Agreement with Northwestern Energy and authorize Director Brian Ellestad to execute same.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

Chair Matthew Doucette mentioned that there were no other discussions items on the agenda, and that the October Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, October 26, 2021, at 1:30pm.

There being no further business, the meeting was adjourned.