

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
November 30, 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 Dori Brownlow 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 via conference call

STAFF:

Director Brian Ellestad
Deputy Director Tim Damrow
Finance Manager Teri Norcross
Administrative Manager Lynn Fagan via conference call
Business Development Manager Dan Neuman via conference call
Public Safety Chief Justin Shaffer
Compliance Officer Jesse Johnson
Administrative Assistant Rick Reeve

OTHERS:

Office Administrator Donna Marie Robnett via conference call
Gary Matson, Runway 25 Hangars via conference call
Shaun Shea, Morrison-Maierle
Martin Kidston, Missoula Current via conference call
Steve Conway, Martel Construction via conference call
William Parnell, Anderson ZurMuehlen via conference call
Jan Schweitzer, Anderson ZurMuehlen via conference call

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

Administrative Assistant Rick Reeve performed a roll call of Board members, staff members, and members of the public.

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 October 26, 2021. There were none.

Motion: Commissioner Jeff Roth moved to approve the minutes of the Regular Board Meeting dated October 26, 2021, as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross noted there were 2 large checks. The first was for equipment - a landside loader. The other was a large refund check to Delta. They overpaid the Airport by sending us the landing fees intended for LAX.

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

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

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross mentioned that a decrease in passenger traffic over the last couple months has the Accounts Receivable (AR) balances down overall. However, we were able to collect some aging monies in the General Account - \$104,527 - all dated July 31 or older. In addition, Ground Handling recuperated \$149,225 in past due balances.

Regarding debt, the Airport drew another \$1.4 million in November. The Airport did collect about \$1.3 million from the sale of land to the Deschamps. A request for reimbursement has been placed with the CARES funds for about \$600,000, which includes operating expenses. The Airport was reimbursed by the CRSSA grant for \$123,000 that was from interest on the debt.

On Profit & Loss, the revenue to date looks good compared to what was budgeted.

Secretary/Treasurer Larry Anderson asked if the Airport imposes late fees and/or interest charges on customers with outstanding invoices. Teri replied that with air carriers, we do not.

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

Motion: Secretary/Treasurer Larry Anderson moved to accept the Financial Report as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Brian Ellestad began by noting that MSO continues to outpace the national average. Overall, we are short about 15% of available seats compared to 2019, but the load factors are very high and flights are pretty much full. Over the Thanksgiving holiday, the parking lot was just about at capacity. The plan then is to use the Overflow Plan for the Christmas holiday as numbers are expected to be even higher. Summer 2022 schedules have pretty much been set and the numbers are expected to be higher than 2019.

Federal funding continues to await a formal resolution. December 3rd could be the date that certain agencies are forced to shutdown if no agreement is reached. The Infrastructure Investment and Jobs Act was signed into law on November 15th, which is great news for Missoula and our industry.

Brian took time to thank MSO Staff for their help in getting the University of Montana Western football team to its bowl game. The charter plane was a 767 and the large craft required some extra work in order for it to land here at MSO. Staff took on the challenge and made it happen. Many thanks were expressed for everyone's efforts.

Secretary/Treasurer Larry Anderson asked if there had been any feedback on the new parking lot exit system. Brian replied that Republic/Reef Parking employees are happy with the new setup. He also said he has not noticed any long lines to leave the parking lot, as there had been in the past. Deputy Director Tim Damrow added that the audio prompts at the payment booths appear to be helping folks get in and out. He also said the 2nd lane of the exit takes cash, which is handy for when there is no attendant. Finally, Brian noted that there are still about 50-60 parking spots left to finish, but winter weather interrupted.

Deputy Director Tim Damrow began his report by updating progress on the new terminal project. The short-term portion of the parking lot has been re-established. Interior finishes continue throughout the terminal. Landscaping features are also going in out front. The loading ramp was poured, and the concrete work is all finished in that area. The east concourse bid package is being finalized and will be going out to bid in early 2022. Public tours will be going on hiatus for a while starting soon so the construction crews can focus on getting the building prepped for the Ribbon Cutting Ceremony/Grand Opening on 2/22/22.

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 informed everyone that the Deschamps land sale was completed. The Airport received \$1,314,231 in proceeds for the sale of 154.2 acres. The settlement is completed and there is no further pending litigation for the Airport.

The City and County are updating their zoning codes and Lynn is working with them to incorporate changes to the Airport Affected Area into their codes. This will be a long-term process, but it is good that MSO is working with them right from the start.

The Public Safety officers have been officially certified with the International Association of Firefighters Local 2457. Union negotiations to reach an agreement with the Airport will happen in December and will eventually be presented to the Board in the following months.

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

COMMITTEE UPDATES

Executive Committee: Met November 30, 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

Terminal Civil Construction Projects Balancing Change Orders

Deputy Director Tim Damrow explained that with the recent completion this fall of terminal civil construction projects (Aviation Way Widening, Access Road, Parking Lot Modifications), we are needing to reconcile project balances and closeout these units of work. Each of these respective projects is requiring a deductive change order to effectively close out the project and balance unused funds. Upon initial GMP formulation, these projects contained several allowances to cover unknown/unbid items that subsequently came in under budget. In addition, we also saw a reduction in overall quantities on several project items leading to additional cost savings. The deductive change orders are listed below for reference:

Martel Amendment No. 8 – Deductive Change Order #3 = (\$54,677)

Martel Amendment No. 8.2 – Deductive Change Order #2 = (\$41,600)

Martel Amendment No. 8.3 – Deductive Change Order #1 = (\$20,130)

Total Deductive Change Orders – (\$116,407)

As this portion of the project ends, staff is looking to augment existing project contingencies (Martel Contract Amendment #14, Vertical Construction) with the unspent funds from previously mentioned civil project components (Martel Contract Amendments 8, 8.2, 8.3) in the amount of \$116,407.

Martel Amendment No. 14 – Additive Change Order #1 = \$116,407

Total Additive Change Orders – \$116,407

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

Motion: Commissioner Deb Poteet moved to accept the deductive change orders to Martel Contract Amendment's 8, 8.2 and 8.3 in the amount of (\$116,407) and accept the additive change order to Martel Contract Amendment 14 in the amount of \$116,407.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

NEW BUSINESS

Fiscal year 2021 Audit Report Approval

Finance Manager Teri Norcross explained that the annual audit report is required by the state and by the Authority's federal programs. The auditors express an opinion as to whether the Authority's

financial statements for the period ending June 30, 2021, fairly present the financial position of the Authority. The auditors also provide opinions as to whether the Authority complied with requirements of the Airport Improvement Program and the Passenger Facility Charge program for the period ended June 30, 2021. All audit opinions were unmodified = good!

Will Parnell and Jan Schweitzer of Anderson ZurMuehlen attended the board meeting virtually to discuss highlights and additional deliverables of the audit report, and to answer any questions.

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

Motion: Commissioner Shane Stack moved to approve the annual audit report for Fiscal Year 2021.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Award of Vending Request for Proposals

Administrative Manager Lynn Fagan explained that MSO Staff published a Request for Proposals for Vending Services in the new terminal on September 23, 2021. Proposals were due on October 13, 2021. Five proposals were received: 1. Coca-Cola Bottling Company High Country; 2. Refreshing USA LLC, dba Valley Vending; 3. Pepsi-Cola of Missoula; 4. Faber Coe & Gregg of Florida, Inc.; and 5. Local Lux. A committee of staff members reviewed and scored the proposals. This was a difficult process because the proposals did not all offer the same products. In the current terminal, there are three vending locations with three separate machines in each location – Coke, Pepsi and snacks provided by Valley Vending. In addition to the three current providers, Faber proposed providing beverage and snack machines and Local Lux proposed providing a variety of products, including snacks, gifts and electronics.

In the new terminal, because of space constraints until the second phase is completed, there will only be two vending locations with two machines in each location. Faber's percentage of gross bid was 11% for beverage and snacks; Local Lux's bid was 18% for snacks and gifts; Valley Vending's bid was 20% for snacks; Coke and Pepsi both bid 40% for beverages only. Based on the lack of space and the difference in the bid amounts, the committee determined there needed to be one snack bid accepted and one beverage bid accepted. Valley Vending and Pepsi each also proposed Minimum Annual Guarantees, whereas the other bidders did not. The committee recommends that the vending bid for the new terminal be awarded to Valley Vending and Pepsi. Contracts will be brought to the Board in January.

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

Motion: Commissioner Jeff Roth moved to award the vending bid for the new terminal to Refreshing USA LLC, dba Valley Vending and Pepsi-Cola of Missoula.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Purchase of PFAS Testing Solution for ARFF Trucks

Director Brian Ellestad explained that AFFF, known officially as aqueous film-forming firefighting foam, creates a blanket that cuts off the fuel from the oxygen it needs to burn. To help smother

the fire, chemicals known as Perfluoroalkyl and polyfluoroalkyl substances (PFAS) are used. Major health organizations like the Centers for Disease Control and Prevention (CDC), United States Environmental Protection Agency (EPA), and the American Cancer Society (ACS) have noted that certain PFAS may be linked to cancer. In fact, the EPA has classified PFAS as “emerging contaminants,” meaning they are likely dangerous to human health. FAA Part 139 Certificate holders are required to test the AFFF annually. That means firefighters and maintenance staff are exposed to these hazardous materials, along with exposing our soil to hazardous contaminants.

The FAA issued a Cert Alert with recommendations on testing AFFF. Under section 4 of Part 139 CertAlert No.19-02 states:

The FAA recommends the following to airport operators:

Consider using one of the following AFFF testing systems, accepted by the FAA for immediate use, to satisfy the Part 139 testing requirement while minimizing any possible environmental impact:

- a. Eco-Logic System from E-One
- b. NoFoam System
- c. Oshkosh Eco EFP (Electronic Foam Proportioning)

Essentially, the foam has become recognized as a carcinogenic and an environmental hazard. Public Safety Chief Justin Shaffer added that this purchase eliminates the need to physically release the foam each year in order to test it. Not only is the foam dangerous, but it is also costly to waste the foam and then have to clean it up after the test. Further, it eliminates the need for any MSO Staff to have to come in contact with the foam.

Staff has received quotes from Eco-Logic System for \$27,250.00 and NoFoam System for \$31,771.53. The Oshkosh System is not an option for our existing unit. Eco-Logic System provided the lowest quote and staff is recommending that system.

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 an Eco-Logic Mobile Foam Test System for ARFF Vehicles not to exceed the amount of \$27,250.00

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

Election of 2022 Board Officers

Chair Matthew Doucette explained that Pursuant to Article III, Section 3 of the MCAA Bylaws, “The current Chair may nominate a slate of Officers by nominating a Commissioner to serve as Secretary/Treasurer, nominating the current Secretary/Treasurer to serve as Vice Chair and nominating the current Vice Chair to serve as Chair. This shall be defined as the Succession Order.”

Chairman Doucette is proposing that Secretary/Treasurer Larry Anderson be elevated to Vice-Chair and that Vice-Chair Adriane Beck be elevated to Chair. Chairman Doucette also proposed that Alternate Commissioner Winton Kemmis be elevated to Secretary/Treasurer.

As no motion is necessary, Chairman Doucette called for nominations from the floor three times. Hearing none, a vote was proposed to accept the slate of officers as nominated. The vote was unanimous.

Administrative Manager Lynn Fagan noted that the elections become effective on January 1, 2022.

Chairman Doucette took time to thank current Board members as well as MSO Staff for all their support and help during his two-year tenure as Chair. He also thanked everyone for their consistent attendance and for the feedback they have provided.

Chair Matthew Doucette mentioned that there were no other discussions items on the agenda, and that the December Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, December 28, 2021, at 1:30 pm.

There being no further business, the meeting was adjourned.