

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
October 26, 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  
Honorary Commissioner Jack Meyer

**STAFF:**

Director Brian Ellestad  
Deputy Director Tim Damrow  
Finance Manager Teri Norcross  
Administrative Manager Lynn Fagan  
Public Safety Chief Justin Shaffer via conference call  
Airfield Manager Nate Cole via conference call  
Facilities Manager Thad Williams via conference call  
Administrative Assistant Rick Reeve

**OTHERS:**

Gary Matson, Runway 25 Hangars via conference call  
Shaun Shea, Morrison-Maierle  
Martin Kidston, Missoula Current via conference call  
Rick Pukis, Private Citizen  
Steve Conway, Martel Construction via conference call  
Jared Schmit, Blackfoot Communications via conference call  
Taylor Heggen, Ferguson Law 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.

AGENDA

Motion: Commissioner Shane Stack moved to approve the agenda as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

Rick Pukis, a private citizen, attended the board meeting in person. He read a prepared statement about how he feels the amount of air traffic over Missoula, and in the Orchard Homes

neighborhood in specific, has negatively affected his livelihood. He referred to the loud airplanes as “mechanical monsters” that have not had a positive outcome on the people or wildlife in Missoula. He asked that something be done to address this ongoing and increasingly disruptive issue. A copy of Mr. Pukis’ prepared statement is attached to these minutes.

Director Brian Ellestad thanked Mr. Pukis for his comments. Brian noted that the Airport does not control the airspace, but we do value community input. The Airport is in works to collect data to present to the FAA so that a determination can be made if any routes can be diverted. The upcoming Airport Master Plan will examine the noise issues that have been raised. Brian also noted that more and more folks are moving to Montana, and to Missoula, so air traffic is likely to increase as time goes on.

Mr. Pukis thanked Brian for his feedback and noted that he would love to be a part of any citizen representation if the Board was open to that. Chair Matthew Doucette stated that an opening was to be posted next week. Administrative Manager Lynn Fagan clarified that it was for one of the Alternate Commissioner positions. Lynn added that the County Commissioners are the ones that appoint Board members so the posting would be on the Missoula County website.

### MINUTES

Chair Matthew Doucette asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated September 28, 2021. There were none.

Motion: Vice Chair Adriane Beck moved to approve the minutes of the Regular Board Meeting dated September 28, 2021, as presented.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

### CLAIMS FOR PAYMENT

Finance Manager Teri Norcross mentioned that there are 9 credit cards that the Airport uses that get summarized each month. Regarding projects spending, check #1084 was to Office City for 50% down payment for office furniture for the new terminal. There was also a payment to First Call for some tech connections.

Teri mentioned that during the Executive Committee meeting earlier that day, she explained that the refund check to DGS was a result of some long, hard work by Office Administrator Donna Marie Robnett to balance old credits and aging. Chair Matthew Doucette expressed his thanks to Donna Marie and Teri for their efforts on that and similar Accounts Receivable issues.

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

Motion: Commissioner Deb Poteet moved to approve the Claims for Payment as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

## FINANCIAL REPORT

Finance Manager Teri Norcross started by talking about the balance sheet level of debt. In October, the Airport drew another \$1,150,00, meaning the current level of debt will increase to \$17 million, which will be shown on the end of October financials. Regarding Profit & Loss, FY2022 continues to look good and that operating revenues are very healthy. Compared to the first quarter of 2020 (Pre-Covid), FY2022 is 39% ahead of those numbers for revenue.

Director Brian Ellestad noted that those numbers are aided by the restructuring of the payment schedule from Republic Parking. They now pay a percentage of gross each month rather than triuing up at the end of each fiscal year. So, Republic may or may not be down in total cars at the end of the year; that remains to be seen.

There was a meeting of the Finance/Audit Committee prior to the Board meeting today. The draft of the audit was reviewed, and the full audit will be brought to the full Board in November.

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

Motion: Vice Chair Adriane Beck moved to accept the Financial Report as presented.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

## DIRECTOR'S REPORT

Director Brian Ellestad began by noting that MSO has been reclassified from a Non-hub to a Small Hub airport. This is a result based on the percentage of US air traffic that comes through the Missoula Montana Airport. Small Hubs are classified as having .05% to .25% of US air traffic. MSO was 154<sup>th</sup> in the country in 2010 with 289,000 enplanements, peaking at 455,000 enplanements in 2019. So, the Small Hub status is definitely a result of MSO doing better than other parts of the country since COVID. This will likely lead to our status fluctuating between Non and Small hub as air traffic returns.

Vice Chair Adriane Beck asked if MSO would yo-yo between Non and Small Hub status. Brian responded that the numbers are not static, and that it is based on percentage of overall US air traffic. So, it is likely that we go back and forth over then next few years. Although, it is just as likely we stay in the Small Hub status since traffic to Missoula and surrounding areas is increasing.

Adriane also asked about a transition/grace period in complying with new regulations that accompany the Small Hub status. Brian replied that the expectation is to comply by March/April 2022 in accordance with the next grant cycle. MSO has a tool in place (Veoci) where most of the newly required items are being done already. These tasks would just now need formal documentation in order to meet the requirements.

Secretary/Treasurer Larry Anderson asked if there were any signs of dropoff due to the latest COVID variant. Brian said the short answer was yes, but less than the rest of the country. Brian added that while Payroll Protection ended in September and less seats became available, the flights have been fuller. Airlines are seeing overbooked flights to the point where they are asking folks to volunteer to take other flights. Load Factors have increased from around 70% to more than 80% as a result.

Regarding air service, Christmas schedules have been finalized. Notably, American kept their double departures to DFW. Brian estimated that overall, the holiday season should be at about 2019 numbers. Brian and Deputy Director Tim Damrow attended an Allegiant meeting, and the carrier was happy with our core markets. Brian noted that the Airport Master Plan should start sometime in March 2022 after the FAA grant money has been received. The potential Infrastructure Bill currently in Congress is something to keep an eye on for the Airport. The General Aviation camera at MSO is now active; this will aid pilots. MSO is the first commercial airport in Montana to have this feature.

Deputy Director Tim Damrow began his report by updating progress on the new terminal project. The new Exit Plaza should be finished by early November. The heated sidewalks have been finished. Framing for the new bar is in place. Numerous interior finishes continue to progress. The location of the temporary rental car facility will be near the existing flagpole in the parking lot.

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 explained that she was in Washington DC last week for an Airport Law Conference. One of the big topics of discussion was the proposed Infrastructure Bill. The main points to be decided on that legislation were the size of the bill and if it would pass in 2021. Brian Bell, the House Transportation and Infrastructure Committee Counsel, seemed to think it would pass before the end of December.

The Committee was also looking into increasing fines for unruly passengers since that has become a bigger issue since COVID and the mask requirements. Reducing emissions was also a hot topic for the aviation industry, as it is the fastest growing transportation sector. The FAA Reauthorization is up in 2023.

The General Counsel from TSA also spoke at the event. She talked about the priorities of handling COVID, cyberterrorism attacks and possible unarmed aircraft/drone attacks.

The Vaccine mandate was discussed, as the federal government has continued to push those mandates to include as many people as possible. MSO Airport / MCAA is not currently included in the mandate, but it is likely that it will be in the future.

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

### COMMITTEE UPDATES

Executive Committee: Met October 26, 2021, to review the Board agenda.

Finance Committee: Met October 26, 2021 to review draft of audit.

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

### Purchase of Temporary Rental Car Facility and Components

Deputy Director Tim Damrow explained that MCAA's Procurement Policy, approved by the Missoula County Airport Board in November 2019, permits staff to procure goods through cooperative purchasing groups, such as General Services Administration (GSA). As construction of the South Concourse nears completion in early 2022, we will need to relocate our last remaining tenants (rental cars) out of the old terminal to a temporary facility. The airport team and rental car partners evaluated several phasing and facility options to accommodate operations during construction.

The proposed Sprung Structure facility will more than double the space available for rental car operations, provide easy access to the vehicle ready lot and simplify project phasing. This purchase also includes a restroom trailer to be located adjacent to the facility in addition to office furniture for rental car tenants. The upcoming Martel Contract Amendment #21 will complete assembly of the structure, outfit the facility with tenant offices, ticket counters and complete all site civil work items. Procurement of these items is being completed by staff in accordance with procurement policy to reduce overall projects costs. A contingency amount of 5% has been added to help cover any additional product adjustments that may occur.

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

Motion: Commissioner Jeff Roth moved to accept the lease agreements for the Temporary Rental Car Facility in the amount of \$293,827.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

### Contract Amendment No. 22 to the Master Agreement with Martel Construction for Temporary Rental Car Facility Construction and Site Improvements

Deputy Director Tim Damrow explained that as part of Martel Construction's contract amendment #22, they have provided a Guaranteed Maximum Price (GMP) to construct and complete site civil work for the airport purchased temporary rental car facility. The scope of this amendment will cover all necessary items to bring the airport purchased structure and support facilities online and ready for operations. A copy of the summarized work has been included with Martel's Contract Amendment. Individual bid proposals are on file with Martel Construction and Morrison-Maierle. Due to current market supply and labor conditions, we are holding several allowances and contingencies at elevated levels. The project team believes there are still several opportunities to decrease the overall cost of this project phase and will continue to work with sub-contractors to find these opportunities.

Secretary/Treasurer Larry Anderson asked if there would be some sort of covered walkway from the bag claim area to the temporary facility location. Tim responded that this was a topic of discussion throughout the process, but the answer is no. Given the length between the building and the temporary nature of the rental car facility, the covered walkway was not feasible, but there should be a limited time of outdoor exposure for customers. Director Brian Ellestad added that summer is the peak time for car rentals, meaning that good weather should accompany the high demand period.

Larry asked if there would be any type of traffic control devices for passengers to get across the road to the rental car facility. Tim noted this was also a highly discussed item with the rental car companies. Automotive traffic does tend to move slow during peak times for passenger pickup/dropoff, so at this time, no traffic control devices will be installed. Shaun Shea of Morrison-Maierle added that new signage that is to be installed should help avoid the current issue of double parking in front of the terminal. Once the new terminal curb front is open, the length of area for cars to park in the “drop zone” will greatly increase. These 2 items should help to improve passenger experience as it relates to travel to/from the temporary car rental facility.

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

Motion: Secretary/Treasurer Larry Anderson moved to accept Martel Contract Amendment #22 for the amount not to exceed \$915,535.82 for Temporary Rental Car Facility construction and site improvements.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

#### Task Order No. 41 to the Master Agreement for Professional Engineering Services with Morrison-Maierle.

Deputy Director Tim Damrow explained that in continuation of the phased construction approach to this project, Morrison-Maierle is submitting this Task Order to provide construction management services for the temporary rental car facility project. This Task Order will include part time on-site observation, construction survey staking and architectural services to assist with the construction process (submittals, RFIs, inspections, etc.) on an as-needed basis.

Notice to Proceed will begin immediately with the review of shop drawings and site-civil work items. Construction of this facility is estimated to be completed by March 2022 and will allow for rental car operations to be temporarily relocated in preparation for East Concourse construction.

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

Motion: Commissioner Deb Poteet moved to approve Task Order No. 41 with Morrison-Maierle in the amount of \$72,500.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

#### NEW BUSINESS

##### South Concourse Telecommunications Contract

Deputy Director Tim Damrow stated that on August 13th, 2021, MCAA requested quotes to provide telecommunications services (phone/internet) for the South Concourse. In this request, MCAA asked respondents to provide unit price options for multiple different service levels in addition to sample service level agreements and contract terms for a 5-year service period. MCAA received two responses to provide these services, both of which were evaluated and scored by a selection committee. This contract will allow us to migrate our existing phone line counts from the

current terminal and will substantially increase internet service levels to support the increased systems demand of the new terminal. Overall, this contract will be a substantial savings from our existing agreement even with a heavily upgraded internet service level. The required amount for this contract is an existing budgeted line item expense and will replace the existing service contract upon final commissioning of the South Concourse.

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

Motion: Commissioner Shane Stack moved to approve the telecommunications contract with Blackfoot Communications to provide phone and internet service for the South Concourse as presented.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

\*Commissioner Jeff Roth noted that he abstained from voting due to a conflict with a client.

#### Airport Condos, LLC Lease Extension

Administrative Manager Lynn Fagan explained that Airport Car Condos, LLC original lease with MSO began on September 1, 2001, with a 20-year term and one 5-year extension. In 2009, the lease was extended until July 1, 2035. Since that time, the Lessees have constructed 23 new units and are in the process of constructing another 12 units. The total capital investment for these units exceeds \$500,000.00. Pursuant to the Primary Guiding Documents, a lessee can request an extension and lease terms should be commensurate with the level of capital improvement/investment made in order to allow the lessee to amortize capital investment and make a reasonable return. However, Montana statute limits lease terms to a maximum of 40 years. Based on the Montana statute and the number of addendums to the original lease, staff felt it prudent to enter into a new lease. The lease is in the same format as other airport leases and includes updated provisions. Lynn noted that as a non-aviation lease, the rental rate will increase based on the Consumer Price Index every 3 years.

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

Motion: Commissioner Jeff Roth moved to approve the Lease Agreement with Airport Car Condos, LLC with a term ending June 30, 2050.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

#### Memorandum of Agreement between City of Missoula and MCAA – Hellgate Irrigation Ditch shares replacement well

Administrative Manager Lynn Fagan explained that with increased development in the area to the east of the Airport, the City of Missoula has been working to acquire the assets of the Hellgate Valley Irrigation Company (HVIC), including the water rights, easements, and headgates for the Flynn-Lowney Ditch. MCAA owns shares in HVIC, which were acquired with the Pruyne property purchase. Staff has been working with the City separate from the HVIC because the City would like to possibly lease land for municipal water wells on airport property. This agreement provides that the City will drill an 8" well for the airport in exchange for its HVIC shares, and MCAA will allow the City to use the well as a test well to determine the feasibility of potential future municipal

supply wells in the area. Lynn also noted that the surface water rights will be converting to sub-surface rights, which are more valuable.

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

Motion: Commissioner Deb Poteet moved to approve to approve the Memorandum of Agreement Between the City of Missoula and Missoula County Airport Authority.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

#### Charles and Nancy Deschamps Buy Sell and Closing Documents

Administrative Manager Lynn Fagan explained the Deschamps gave the airport notice back in May 2021 of their intent to exercise their rights under a 2011 Settlement Agreement to purchase 154.2 acres. The price for the property was set in the Settlement Agreement at \$3,935.00 per acre for 35.4 acres and \$6,054.00 per acre for 118.8 acres, plus 4.35% interest from October 5, 2011. The attached Agreement to Sell and Purchase Land is in the name of the Deschamps LLC, Pine Hollow Estates, and provides for a closing date before November 15, 2021. The Deschamps have agreed to pay for survey costs. The airport is responsible for the cost of ALTA title insurance, and the parties will split closing costs. The agreement includes a Resolution authorizing the Airport Director to execute the closing documents for the purchase and sale. Lynn noted that if the sale was not closed by November 15<sup>th</sup>, 2021, the interest would start up again.

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 Agreement to Sell and Purchase Land between MCAA and Pine Hollow Estates, LLC and adopt MCAA Resolution No. 2022-01.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

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

There being no further business, the meeting was adjourned.



## Rick Pukis' Public Comment

Everyday more and more mechanical monsters fill the sky over our little valley. They come over my home daily in a deafening swarm, 24 hours a day spewing unbearable levels of noise pollution. Much louder than the 85 decibels that scientific research proves causes **serious health issues**. My db meter cannot measure all of the levels of the mechanical monsters because their engines scream louder than the meter's 120 decibel limit. These mechanical monsters are passenger aircraft, commercial aircraft, transport aircraft, military aircraft, private aircraft, fire-fighting aircraft and helicopters. Blasts from these invaders are so loud, not only does their noise drive you mad, but your body shudders as their sound waves penetrate deep into your body.

Why do we live in Montana? We live here for a high quality of life. To connect and enjoy our country's last functioning ecosystems.

Missoula County's Mission:

"Provide quality public service to protect and enhance the **well-being** of the people, communities and environment of Missoula County."

Vision:

"Missoula County is a trusted community leader **enhancing quality of life** so people can thrive and realize individual and collective potential."

About 30 years ago I moved from the Northside to the historic Orchard Homes neighborhood on Third Street. One could experience dozens of great blue herons flying daily over my place. I was awoken at 6am my first morning in my new old home by the roar of a mechanical monster. Back then the number of mechanical monsters was significantly lower. Now 30 years later, I'm lucky to even see a heron. Have you ever heard the flapping of a bird's wings when flying overhead. Now that's an amazing sound. One that can no longer be heard in Orchard homes. It's a good example of what made this neighborhood special and why we live in

Montana. It's been lost to the ear piercing after burners of mechanical monsters. Almost 200 a day during the busy months fly directly over my property. Imagine 200 mechanical monsters a day screaming & swarming **directly** over your property. The control tower directs these mechanical monsters to turn and scream directly over my house on takeoff. And not only takeoffs but now these invaders circle overhead from East to West and fly overhead coming in for landings. This airport has created more misery than a Stephen King novel yet it brags as it brings in **more** monsters, **bigger** monsters and yet takes little to no responsibility for their negative impacts ruining the lives of Missoula's citizens.

What of the future? Will these mechanical monsters, spewing air and noise pollution continue to grow in such great numbers they will completely darken our little valley's skies? They have already laid bare a valley once so wonderful to a cacophony of noise so loud, Missoula no longer represents the values of Montana. It's no longer one of the last best places. My two long time neighbors who lived on Third street for over 30 years finally had enough and left for quieter pastures in Idaho & Washington. The county, the airport and its leadership should turn a new leaf and realize how much harm it's doing to many citizens of Missoula. We need leadership not to continue to create more problems but find solutions for the place we call home.