

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

THOSE PRESENT

**BOARD:** Chair Matthew Doucette  
Vice Chair Adriane Beck via conference call  
Secretary/Treasurer Larry Anderson via conference call  
Commissioner Jeff Roth via conference call  
Commissioner Dori Brownlow via conference call  
Commissioner Deb Poteet 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  
Business Development Manager Dan Neuman via conference call  
Public Safety Chief Justin Shaffer  
Airfield Manager Nate Cole  
Facilities Manager Thad Williams via conference call  
Administrative Assistant Rick Reeve

**OTHERS:** Gary Matson, Runway 25 Hangars via conference call  
Shaun Shea, Morrison-Maierle  
Steve Conway, Martel Construction 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: Commissioner Jeff Roth moved to seat Alternate Commissioner Pat Boyle

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

AGENDA

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

Second: Vice Chair Adriane Beck

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 November 30, 2021. There were none.

Motion: Commissioner Jeff Roth moved to approve the minutes of the Regular Board Meeting dated November 30, 2021, as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

## CLAIMS FOR PAYMENT

Finance Manager Teri Norcross noted that there was a large check to First Security Bank for quarterly interest payment on 2019 notes.

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: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

## FINANCIAL REPORT

Finance Manager Teri Norcross mentioned that the land sold back to the Deschamps increased cash balances by \$1.3 million. Due to that and some TSA reimbursements that finally came through, no money was borrowed for project expenses this month.

In December, the Airport used ARPA grant funds to pay down debt in the amount of \$5.4 million. The total debt sits at just over \$13 million, which is a healthy amount considering all that has gone into the new terminal project.

Teri pointed that her report contained comparative profit and loss statement over the last 4 years. She also included a graph plotting Commercial Air Service Revenue for the last 4 years. Commissioner Jeff Roth thanked Teri for the visual representation.

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 Deb Poteet

Vote: Motion Passed Unanimously

### DIRECTOR'S REPORT

Director Brian Ellestad began by noting that Load Factors for November hit an all-time record of 88.9%, with several carriers featuring flights over 90% full. The trend should continue for December numbers. Based on the parking lot numbers, 20% more cars were in the lot on December 26<sup>th</sup> this year versus 2019. Holiday travel has been interrupted due to bad weather, particularly in Seattle. The crews at MSO have been diligently working to keep the runways and sidewalks clear. American is bringing back LA for next summer after initially pulling it. Minneapolis overnight will be back on March 7<sup>th</sup>.

The agenda has an item discussing Phase III of the terminal. The reason for this is due to the passing of the Infrastructure Bill, which will allocate \$5 billion over the next 5 years (\$1 billion per year) for airport terminals. The awarding of the discretionary funds will be very competitive and having "shovel ready" projects is key to receiving monies.

Chair Matthew Doucette formally presented Public Safety Chief Justin Shaffer with an award that they were recognized for at the Exchange Club Officer of the Year Banquet. Deputy Director Tim Damrow explained that the award was a special recognition for the entire Public Safety team at MSO for the multitude of hats they wear during their normal Airport shifts.

Tim began his report by updating progress on the new terminal project. On the third floor, carpet and other final finishes are taking shape. Glass walls for the upper-level conference room have been set. Bathroom fixtures are being set and ceilings are almost complete. The TSA baggage screening belt system is also being tested. Airline and gate counters are in place with counter tops being completed off site and should be installed shortly. Our temporary inbound baggage claim carousel is also in place. The food and beverage areas are now shaping up and you will see lots of progress on those areas over the next couple of months. The Phase II Bid package should be ready in early January, with an anticipation of seeing bids come in March/April 2022.

Commissioner Deb Poteet asked about the terminal project cost to date of \$57 million. She asked about the cost for completion and if there were any anticipated contract modifications or change orders. Tim replied that no task orders remained on the current phase of the project, with about \$13 million in work left to complete.

Commissioner Jeff Roth asked about the cost for Phase I. Tim responded that just under \$70 million was the projected cost. Tim also noted that portions of the project were funded by the Airport directly through contingencies. There are also some project costs on the books right now that will be reimbursed. At the end of the day, the Airport will be in for about \$67 million for Phase I of the terminal project. Tim further clarified that the schematic design projected about \$111 million for both Phase I and II. Based on current estimates, total cost is looking somewhere around \$109 million all said and done, assuming estimates hold true.

Secretary/Treasurer Larry Anderson asked if a new funding package was required for the construction of Phase II, or if it would continue through the existing line of credit with First Security Bank. Finance Manager Teri Norcross replied that initial discussions have been held with both First Security and the Airport's Bond Counsel and there is not an answer yet.

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 took some time to recap some of the upcoming board appointments that will take place effective January 1, 2022. Winton Kemmis will transition from an Alternate to a full Board Member. Dori Brownlow will no longer be a board member. Pat Boyle becomes the 1<sup>st</sup> Alternate Commissioner.

Secretary/Treasurer Larry Anderson asked about the term limits for Board Members and how their time served is counted. Lynn replied that the term limits are set by the County Commissioners. Additionally, she clarified that time served as an Alternate does not count towards term limits.

There were 5 candidates that applied for the open seat and, ultimately, David Bell was appointed by the County Commissioners to become the 2<sup>nd</sup> Alternate Commissioner. David is the President of ALPS. He also helped the Airport with the Airline Incentive Program that brought American Airlines to MSO.

A lease termination letter was sent out to Dr. Rollett Pruyn. He has been leasing some agricultural land. The lease had a 90-day termination lease on it. The Airport has been in discussions with the City about selling them the Old Milwaukee Trail, which is part of that lease. That plan is moving forward, along with some other potential uses for the property. The lease officially terminates mid-March 2022, but the Airport gave Pruyn an extension through the end of April to remove personal property.

The first meeting between the Airport and the International Association of Firefighters (IAFF) went well. There are no expected negotiation issues, but negotiations of the new agreement could prove to be time consuming. The agreement will go to the Board in the next few months.

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 December 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

### Republic Parking Contract Addendum

Director Brian Ellestad noted that Republic Parking's current Lease Agreement was entered into on July 1, 1999 and runs through June 30, 2024. Their Minimum Annual Guarantee is \$750,000.00, and they pay a tiered percentage of gross which ranges from 50% to 92.5%. Over the term of the Lease, Republic has made close to \$900,000 in capital investments. Obviously, since 1999, the cost of labor has increased significantly. In 2013, the Board approved an addendum to Republic's lease allowing an adjustment for any increases in minimum wages. Since

COVID-19, labor costs have increased dramatically, and Republic has had difficulty maintaining full staffing at MSO. Republic staff reached out to MSO with a request for assistance to bring their wages more in line with the local market.

Initially, staff believed that the concession relief provided through Congress would assist Republic. However, in working through the concession relief plan, it seems that parking services are not eligible for relief. Staff and Republic then formulated the plan presented today, which provides a credit to Republic to offset labor costs but that is tied to staff hours in order to address the airport's concern that the parking lot be manned 24/7. Last year during the pandemic, Republic requested and the Board approved an addendum to their lease so that they could pay the percentage of gross monthly rather than MAG, so it is difficult to compare their receipts from prior years to this year. However, anecdotally, the parking lot seems to be rivaling 2019 based on the need for overflow lots during the recent holidays. Additionally, the deduction is only between 4-6% of the MAG.

Alternate Commissioner Winton Kemmis asked about the current wage for Republic Parking employees. Brian said it was slightly above \$11/hour. Administrative Manager Lynn Fagan added that with this credit from the Airport, they intend to raise that wage to around \$14-15/hour.

Secretary/Treasurer Larry Anderson asked if this was a one-time deal or an annual supplement. Brian said it would continue every fiscal year through the end of the contract in 2024. Lynn noted that the amount of credit is based on the number of labor hours used per month. Republic will get the credit if they have the minimum hours needed to keep the booth attended 24/7.

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

Motion: Commissioner Jeff Roth moved to approve 2021 Addendum to Republic Parking Lease Agreement.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

#### Revision to GSA Lease Amendment for South Concourse TSA Lease Space Improvements

Deputy Director Tim Damrow explained that in May 2021, the Missoula County Airport Authority Board accepted General Services Administration Lease Amendment No. 1 for \$618,657.15 to reimburse the airport for construction of TSA lease space in the South Concourse. In addition to general construction, the scope of the amendment covered the procurement and installation of TSA security components. After contract award, the security contractor became unresponsive to the project team over the trailing months. The team coordinated with GSA/TSA to identify and bring another security contractor on board to complete the scope of work. The switch to the new contractor, combined with multiple supply and price constraints, led to an increase in the overall cost of the security scope of work. As a result of the increase, GSA has proposed amendment No. 2 to the existing lease agreement to cover the increased amount (\$14,596.41) of the security scope of work. 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 \$633,253.56 upon completion of the lease space improvements.

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

Motion: Commissioner Dori Brownlow moved to approve General Services Administration Lease Amendment No. 2 for the increased amount of \$14,596.41

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

## NEW BUSINESS

### Morrison-Maierle Task Order No. 42 – Design for Terminal Project Phase III – East Concourse Extension

Director Brian Ellestad explained that in light of record growth continuing at the Airport, conservative project budgets staying in line, and unexpected federal funds being allocated to the project, it is time to start planning for the third phase of the terminal project. This phase will build off design principals associated with the East Concourse.

This Task Order will complete the design for the expansion of the East Concourse hold rooms to allow for a third jet bridge to serve planned aircraft parking positions. The Task Order will be taken through bidding services once the delivered design coincides with a suitable project budget determined by the Airport. After bids have been opened and vetted with Martel Construction, a Guaranteed Maximum Price (GMP) will be presented to the Board.

Shaun Shea of Morrison-Maierle added that the diagram shown features boxes split up into 32-foot sections. Those correlate to the structural gridlines of the potential sections and shows what can be added or deducted depending on what is approved/funded. He added that Phase II will feature concessions and restrooms, but that Phase III is just building. Brian also clarified that there were options with how the jet bridges would come out of the terminal based on how long the building is in relation to aircraft parking. In a perfect world, Phases II and III would be built concurrently.

Secretary/Treasurer Larry Anderson asked if the monies for the project depended on a bill going through Congress. Brian noted that the 5 years of money has already been funded through the Infrastructure Bill and that the AIP Grants are the unknown.

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

Motion: Alternat Commissioner Pat Boyle moved to approve Task Order No. 42 with Morrison-Maierle in the amount of \$570,000.00 contingent on the completion of an Independent Fee Estimate (IFE).

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

### Martel Contract Amendment No. 23 – Pre-construction services for Design for Terminal Project Phase III – East Concourse Extension

Director Brian Ellestad explained that in conjunction with Morrison-Maierle's Task Order for Final Design of Phase 3 also comes the Pre-Construction Services contract for Martel Construction.

This Amendment will assist the design team with constructability reviews, value engineering alternatives and project scheduling.

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

Motion: Commissioner Jeff Roth moved to approve Amendment No. 23 with Martel Construction in the amount of \$13,087 for Pre-Construction Services associated with Phase III Design.

Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

#### MCAA Resolution No. 2022-02 – Revising Rules, Regulations and Fees for the Use of the Commercial Lane

Administrative Manager Lynn Fagan explained that in July 2017, the Board adopted a Resolution which set forth fees and rules for the use of the commercial lane in front of the terminal. The Resolution defined two classes of users – those whose business it is to transport people, such as taxis, Uber, Lyft, etc.; and those whose transportation of people is incidental to their business, such as hotel shuttles, guest ranches, etc. The cost for accessing airport property differs for the different classes. Because of changes to the configuration of the front of the terminal and the access road, the exhibit for the 2017 resolution needed to be updated. Staff took this opportunity to update the rules and regulations as well. The biggest difference is an added section requiring insurance and more clarity regarding some of the issues that have arisen since the 2017 resolution, such as the requirement for logos on vehicles and airport permits for vehicles when the driver intends on leaving the vehicle. The pricing has not changed. In addition to these changes, staff has been working on contacting all hotels who access the airport to ensure they are familiar with the rules and requirements to pay fees and have automated this process through the Veoci system. Lynn thanked staff members Rick Reeve and Brianna Brewer for their assistance in setting up the payment system in Veoci and reaching out to those who use the commercial lane.

Alternate Commissioner Winton Kemmis asked how much the cost was for the hotels and ranches to use the Commercial Lane. Lynn stated that it was a \$400 annual fee.

Motion: Commissioner Deb Poteet moved to adopt Resolution No. 2022-02 Revising the Rules, Regulations and Fees for the Use of the Commercial Lane.

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

#### Purchase of DTN Weather Sentry System

Airfield Manager Nate Cole explained that the Airport currently uses a company called Vaisala for runway sensor data, along with the National Weather Service for weather forecasting. Staff is proposing a switch to DTN Weather Sentry forecasting. This service is able to use our surface sensor data to provide more accurate localized weather forecasting. Also, staff will be able to customize the system to our needs, and automatically send out custom alerts to any number of people. For example, if lightning is forecast in the next 20 minutes any number of people can get the alert via text or email. We did a free trial, and the system worked well. We will still get the same information as always from the weather service. Currently we pay Vaisala \$7,354/year, and

also a company called DBT \$14,500/year for maintenance of the system, so this service will actually save the airport money. This is a sole source purchase, as we were unable to find anyone else to offer the same service. Director Brian Ellestad and Administrative Manager Lynn Fagan approved the sole source.

Motion: Commissioner Dori Brownlow moved to approve the purchase of DTN Weather Sentry system.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

#### Purchase of Motorola Dual Band Radios

Public Safety Chief Justin Shaffer 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 National Association of State Procurement Officials (NASPO). The Missoula County 911 Dispatch Center currently communicates with Law Enforcement, Fire, and EMS on VHF radio frequencies. Due to constant radio communication issues around the city/county, Missoula agencies conducted a study and learned communication would be better in certain areas by switching from VHF frequencies to 800Mhz frequencies. The Missoula County Sheriff's Office, Missoula City Police Department, and Missoula City Fire Department are currently in the process of changing out all their radios to a Motorola Dual Band Radio. This will allow agencies to transmit & receive on both VHF and 800Mhz frequencies. The plan is to switch the Missoula Police Department to 800Mhz frequencies by next year. This means our current radios will no longer be compatible to transmit & receive on those frequencies.

The City and County have already purchased their radios. A few months ago, the initial price setup for one portable radio, mic, spare battery, and charger was \$6,422.12. In November, there was a significant price increase without warning. The NASPO price went up to \$8,191.92 per setup. After speaking further with Motorola, they have agreed to a discounted price until the end of December. The Public Safety Department would need to purchase 8 portable radios. If purchased before the end of December, the discounted price to purchase all 8 radios will be \$55,016.16. The current NASPO purchase price for all 8 radios would be \$65,528.16.

Motion: Commissioner Jeff Roth approve the purchase of (8) Motorola APX Dual Band Radios not to exceed the amount of \$55,017.66

Second: Alternate Commissioner Pat Boyle

Vote: Motion Passed Unanimously

#### Authorization to Accept FAA Infrastructure Grant

We received word from the FAA that they will be issuing grant offers for the Bipartisan Infrastructure Law (BIL) recently passed by Congress and signed by the President. Missoula is set to receive \$3,433,751. Time frames to execute grants back to the District Office are always short. Because of the requirement to post public notices of Board meetings at least 48 hours in advance, staff determined that it was prudent to request that the Board pre-authorize the Airport Director to accept the grant offer. This grant will be used for terminal construction.

Motion: Commissioner Deb Poteet moved to pre-authorize the Airport Director to accept FAA Infrastructure Grant in the amount of approximately \$3,433,751.



Second: Secretary/Treasurer Larry Anderson

Vote: Motion Passed Unanimously

As it was his last meeting as Board Chair, members of the Board took time to thank Chair Matthew Doucette for his leadership over the past 2 years. Matt then presented Commissioner Dori Brownlow with a plaque in honor of her retirement from the Board. Matt also welcomed new member David Bell to the Board. Lastly, Matt said he is looking forward to his new 5-year term as a regular board member.

Chair Matthew Doucette mentioned that there were no other discussions items on the agenda, and that the January Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, January 25, 2022, at 1:30 pm.

There being no further business, the meeting was adjourned.