

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
February 22, 2022  
1:30 pm, Airport Board Conference Room

THOSE PRESENT

BOARD:

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

STAFF:

Director Brian Ellestad  
Deputy Director Tim Damrow  
Administrative Manager Lynn Fagan  
Business Development Manager Dan Neuman  
Airfield Manager Nate Cole via conference call  
Ground Handling Manager Andrew Bailey  
Compliance Officer Jesse Johnson  
Information Systems Specialist Dylan O'Leary  
Office Administrator Donna Marie Robnett  
Accounting Clerk Brianna Brewer

OTHERS:

Gary Matson, Runway 25 Hangars via conference call  
Shaun Shea, Morrison-Maierle  
Martin Kidston, Missoula Current via conference call

Chair Adriane Beck 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

Chair Adriane Beck asked if there was any public comment on items not on the Boards agenda. There was none.

## MINUTES

Chair Adriane Beck asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated January 25, 2022. There were none.

Motion: Vice Chair Larry Anderson moved to approve the minutes of the Regular Board Meeting dated January 25, 2022, as presented.

Second: Secretary/Treasurer Winton Kemmis

Vote: Motion Passed Unanimously

## CLAIMS FOR PAYMENT

Chair Adriane Beck noted that Finance Manager Teri Norcross could not be at the meeting today. Director Brian Ellestad noted that there were some travel expenses related to an air service conference Deputy Director Tim Damrow attended in Palm Springs. This is a conference put on annually and Missoula is on the short list for the May 2023 conference. It's a very well attended conference – there were nine different airlines represented at the Palm Springs conference and staff expects that if Missoula is picked for 2023, we would get similar attendance.

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

Motion: Commissioner Matt Doucette moved to approve the Claims for Payment as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

## FINANCIAL REPORT

Since Finance Manager Teri Norcross could not be at the meeting, Director Brian Ellestad noted some things in the Finance Report; specifically, Brian noted the debt draw down in January, bringing the total debt to Fifteen Million Dollars (\$15,000,000). Brian also noted that the profit and loss shown on the financial statement included grant dollars so was not quite an accurate portrait of revenues but that passengers are returning and the airport is doing better than forecast.

Chair Adriane Beck asked if anyone had any questions or public comments regarding the Financial Report; there were none.

Motion: Secretary/Treasurer Winton Kemmis 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 American Airlines recently announced some sweeping air service cuts throughout their system. They have cut Chicago service for Missoula but United still provides that service and Brian is talking with United about upgrading their aircraft on that service. Brian stated that our seat numbers are still in line with 2019 numbers. Brian also noted that the Notice of Funding Opportunity for the FAA terminal grant funding has been issued. Deadline for applications is the end of March and staff will begin working on that immediately.

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

## LEGAL REPORT

Administrative Manager Lynn Fagan reported that Union Negotiations with the Public Safety Officers are ongoing. The team has agreed to all the non-monetary written provisions and hope to have a final agreement soon. The Airline Use Agreement has been finalized and sent to the airlines for their review. Lynn then mentioned that she will be working on several lease amendments for the new building that will be coming to the Board in the next two months, as well as tenant rules for the new building.

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

## COMMITTEE UPDATES

Executive Committee: Met February 22, 2022, 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

Chair Adriane Beck noted that as part of the Master Plan project, she will be looking at the Board committee structure and assignments and if any Board members have a particular interest in a committee that they are currently not on, please reach out to her. More correspondence on that issue will be forthcoming.

## UNFINISHED BUSINESS

### Pepsi Vending Contract for new Terminal

Administrative Manager Lynn Fagan noted that the first two items were identical except for the vendors. Staff published a Request for Proposals for Vending Services in the new terminal on September 23, 2021. Five bids were received and reviewed by a committee of staff members. A recommendation to award the bid to Pepsi and Valley Vending was brought to the Board in November 2021 and the Board awarded the vending bid for the new terminal to Valley Vending and Pepsi. The contracts are for a three-year term and provide for three locations for vending machines – pre- and post-security and in the airline employee break area. The agreement also allows MCAA to add, remove or relocate machines as required. Contracts include all required federal provisions. Pepsi's contract includes their bid amount of 40% of gross receipts and a minimum annual guarantee of \$6,000.00.

Commissioner Shane Stack asked what the 40% looked like compared to the \$6,000 minimum guaranteed amount. Deputy Director Tim Damrow responded that \$6,000 annually was very close to their actual historic amount at the 40% of gross, COVID numbers notwithstanding.

Chair Adriane Beck asked if Board members had other questions; there were none.

Motion: Commissioner Jeff Roth moved to approve the Vending Concession Agreement with Pepsi-Cola of Missoula.

Second: Vice Chair Larry Anderson

Chair Adriane Beck asked if there were any public comments; there were none.

Vote: Motion Passed Unanimously

#### Valley Vending Contract for new Terminal

Administrative Manager Lynn Fagan stated that Valley Vending was the snack portion of the vending services Request for Proposals. Their bid amount was 20% of gross receipts and a minimum annual guarantee of \$3,000.00. Other than that, it is identical to the Pepsi contract.

Chair Adriane Beck asked if Board members had any other questions; there were none.

Motion: Commissioner Deb Poteet moved to approve the Vending Concession Agreement with Refreshing USA, LLC, dba Valley Vending, LLC.

Second: Commissioner Matthew Doucette

Chair Adriane Beck asked if there were any public comments; there were none.

Vote: Motion Passed Unanimously

#### Broadway Monument Sign Award and Contract

Deputy Director Tim Damrow explained to the Board that this would be one of the last pieces under the Terminal Furniture, Fixtures and Equipment phase. This phase includes things on the airport side that are relatively simple but support the movement to the new facility. The original budget for this phase was around \$2.2 million and is scheduled to finish up around \$500,000 under budget. This item is to replace the existing terminal entrance sign, located on airport property, just off Broadway St., and has been in place for more than 20 years. Over the course of time, both the airport, and the sign have experienced numerous changes. The sign has been updated with various iterations of digital signage to communicate air service, advertising, and public service announcements to airport users. In addition, the airport itself has been renamed and rebranded as the "Missoula Montana Airport". The existing monument sign is also at a point where its components are beginning to fall into disrepair due to age and weathering. This proposal includes removal of the existing sign and purchase/installation of the new monument sign. The new sign will include updated branding and feature an enhanced digital display which will help offset marketing and advertising costs. The team solicited quotes and received 3 competitive proposals to complete the scope of work of which Sign Solutions was the successful respondent. A contingency amount of 5% has been added to help cover additional adjustments that may occur.

Chair Adriane Beck asked if there was any Board comment or questions; there were none.

Motion: Secretary/Treasurer Winton Kemmis moved to approve Terminal FFE Package 7, Terminal Entrance Monument Sign in the amount not to exceed \$63,420.

Second: Commissioner Matthew Doucette

Chair Adriane Beck asked if there were any public comments; there were none.

Vote: Motion Passed Unanimously

#### MCAA – Hellgate Schools Emergency Evacuation Center Agreement

Director Brian Ellestad noted that Hellgate Elementary has been a great partner over the years and staff would like to update and formalize an emergency evacuation agreement with them. For the airport, it is important to have options in case of an aircraft emergency where we would need to reunite families. Similarly, Hellgate Elementary might need an offsite facility for student pickup. In that case, we would, on short notice, clean out our snow removal equipment building which has street access that they could use in emergency situations.

Chair Adriane Beck asked if there was any Board comment or questions; there were none.

Motion: Commissioner Matthew Doucette moved to approve MCAA/Hellgate Elementary Schools Emergency Evacuation Center Agreement as presented.

Second: Vice Chair Larry Anderson

Chair Adriane Beck asked if there were any public comments; there were none.

Vote: Motion Passed Unanimously

#### Acceptance of DEQ Grant for Electric Ground Service Equipment

Business Development Manager Dan Neuman reminded the Board that several years ago, Volkswagen got into trouble over an emissions issue with their vehicles and entered into a settlement agreement with the states. The result of that settlement is that Montana Department of Environmental Quality (DEQ) has offered a grant opportunity to replace old diesel equipment with new electric equipment. MCAA applied for the grant to replace several of pieces existing ground service equipment. Staff was recently notified that our grant application for \$236,096 was approved. The money will be spent on three new belt loaders and 1 push back tractor and includes a 30% match by the MCAA. This also includes an allocation for the needed infrastructure, i.e. charging stations and installation of electric service to those stations.

Chair Adriane Beck asked if there was any Board discussion, comment or questions for Dan.

Commissioner Matt Doucette asked if this had an impact on cash flow. Dan responded that yes, the grant is reimbursable, so MCAA is required to purchase the equipment and DEQ will reimburse us.

Vice Chair Larry Anderson asked if staff has experience with electric vehicles. Dan responded that our staff does not. However, Alaska ground handling using the same type of equipment that staff requested in the grant and Dan spoke with the Alaska mechanics. They have a good track record.

Board members had several other questions regarding the maintenance of the electric vehicles and the lifespan of the batteries. Dan answered all the concerns and raised the point that the airport would save significantly on gas costs.

Director Brian Ellestad commented that we have had a lot of positive movement in reducing emissions at the airport in that we are about to move into a new terminal that is significantly more energy efficient; we obtained a VALE grant so the airlines no longer have to run their APU and as the ground handler for some of these airlines, we will now have these new electric vehicles.

Motion: Commissioner Matthew Doucette moved to authorize the Airport Director to accept DEQ grant in the amount of approximately \$236,096.00.

Second: Secretary/Treasurer Winton Kemmis

Chair Adriane Beck asked if there were any public comments; there were none.

Vote: Motion Passed Unanimously

#### Purchase of Electric Ground Service Equipment

Business Development Manager Dan Neuman stated that following the acceptance of the DEQ grant, staff would like the authority to issue purchase orders for 3 belt loaders and 1 pushback tractor and install electrical service per the received quotes. The quotes were received in November and the vendors are willing to hold those quotes if we issue the purchase orders now. The market is very volatile right now, with prices and freight costs increasing. Total amount needed for purchases is \$337,280. By using purchase orders, these amounts are not due until we take delivery of the equipment. The DEQ grant will reimburse the airport for \$236,096. The match to be paid as \$40,000 from current fiscal year's capital budget, and \$61,184 from next fiscal year's capital budget.

Chair Adriane Beck asked if there was any Board comment or questions; there were none.

Motion: Commissioner Shane Stack moved to authorize Airport staff to purchase Electric ground service equipment and install infrastructure in the amount of \$337,280.

Second: Commissioner Matthew Doucette

Chair Adriane Beck asked if there were any public comments; there were none.

Vote: Motion Passed Unanimously

Honorary Commissioner Jack Meyer commented that the Airport staff and Chair Adriane Beck did a great job that morning at the dedication ceremony for the new terminal building. Chair Adriane Beck also thanked the staff for the event and stated that it was well executed and well attended.

Chair Adriane Beck mentioned that there were no other discussions items on the agenda, and that the March Board Meeting will be held in the Airport Conference Room and remotely via GoToMeeting on Tuesday, March 29, 2022, at 1:30 pm.

There being no further business, the meeting was adjourned.