

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
March 29, 2022
1:30 pm, Airport Board Conference Room

THOSE PRESENT

BOARD:

Chair Adriane Beck
Vice Chair Larry Anderson
Secretary/Treasurer Winton Kemmis
Commissioner Shane Stack via conference call
Commissioner Matthew Doucette via conference call
Alternate Commissioner David Bell via conference call
Honorary Commissioner Jack Meyer via conference call

STAFF:

Director Brian Ellestad
Deputy Director Tim Damrow
Finance Manager Teri Norcross
Administrative Manager Lynn Fagan
Public Safety Chief Justin Shaffer
Facilities Manager Thad Williams
Compliance Officer Jesse Johnson
Office Administrator Donna Marie Robnett via conference call

OTHERS:

Accounting Clerk Brianna Brewer 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
Colton Mall, Martel Construction via conference call
Bryan Flagg, First Security Bank
Ralph Gentile, Rising Fast
Ben Johnson, Ballard Spahr, via conference call
Travis Frey, Martel Construction via conference call
Cole Jensen, Martel Construction 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.

Chair Adriane Beck noted that an Alternate Commissioner would need to be seated.

Motion: Vice Chair Larry Anderson moved to seat Alternate Commissioner David Bell

Second: Secretary/Treasurer Winton Kemmis

Vote: Motion Passed Unanimously

AGENDA

Motion: Commissioner Matthew Doucette moved to approve the agenda as presented.

Second: Vice Chair Larry Anderson

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

Chair Adriane Beck asked if there was any public comment on items not on the Board 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 February 22, 2022. There were none.

Motion: Secretary/Treasurer Winton Kemmis moved to approve the minutes of the Regular Board Meeting dated February 22, 2022, as presented.

Second: Commissioner Matthew Doucette

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross mentioned one item in the Project Checking Account payment from the infrastructure of the new Rental Car Facility. Also, on the General Claims for Payment, Teri requested the Board approve an additional check for First Security Bank in the amount of \$129,784.73 for the quarterly interest on the current 2019 Note.

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

Motion: Vice Chair Larry Anderson moved to approve the Claims for Payment as presented.

Second: Secretary/Treasurer Winton Kemmis

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross explained the Accounts Receivable negative balance in the Profit & Loss report for the Concessions. Teri stated that staff issued credit memos for CRRSA & ARPA funds which were allotted to provide relief to the concessionaires. Teri explained the credit memos were issued for the Concessionaires to apply against balances owed to the Airport. Teri will be working on a format for showing year over year comparisons without the credit balances skewing the history.

Teri also brought up on the Balance Sheet that an additional \$1,000,000 was drawn from the 2019 note with a current balance of \$15,480,000.

Chair Adriane Beck asked if anyone had any questions or public comments regarding the Financial Report.

Vice Chair Larry Anderson asked if the Accounts Receivable for Ground Services is a high amount. Teri responded that it is very seasonal and it is a reasonable balance currently. Teri also stated that Office Administrator Donna Marie Robnett has done a good job cleaning up the Accounts Receivable.

Motion: Commissioner Shane Stack moved to accept the Financial Report as presented.

Second: Secretary/Treasurer Winton Kemmis

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Brian Ellestad stated that the focus right now is to get into the new terminal. He mentioned that air service for the summer season went down a bit from 2019 levels. Brian stated we do see some bright spots in our summer schedule. American increased seats with an upgraded aircraft. United then came in with a Saturday service to Chicago. Allegiant also added a Saturday frequency to Phoenix-Mesa. Brian then stated that the American Los Angeles schedule is even better than last year as far as timing with great connections to Hawaii and London. Over Spring break, the parking lot overflowed by 20 spots but there will be an additional 40 spots paved out in the next few weeks.

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 the continuation of the Union Agreement with the Public Safety Officers and are getting close to an agreement with them. Lynn also reported that management had their first Union meeting with Building and Field and she expected that to be done soon as well. Lynn stated they are hoping to have four-year contracts with both Unions. Lynn is also wrapping up some contract and lease changes for the new building. Lynn also reported that there are some staff changes coming up. One of the Airfield Operation Techs will be transferred to the Public Safety department. A posting has been made for the Airfield Operation Tech and because of having our HR consultant in a couple weeks ago we will be posting for a Receptionist position.

Chair Adriane Beck asked if anyone had any questions or public comments regarding the Legal Report.

Vice Chair Larry Anderson asked if Brian could go into a little more detail on the review of the HR consultant that came in. Director Brian Ellestad responded that with his move into his current position, with retirements coming up in a few years, turnover up in the front office, he wanted to evaluate the organizational and management structure. Bethany Williamson from Associated Employers interviewed all the managers, had great things to say about the staff and recommended some tweaks to the front office and then suggested the part time Receptionist. Brian also stated that nothing is coming up for retirements yet but just want to be ahead of the game for when that happens.

COMMITTEE UPDATES

Executive Committee: Met March 29, 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

UNFINISHED BUSINESS

MCAA Resolution No. 2022-03 Supplementing MCAA Resolution No. 2022-01

Finance Manager Teri Norcross explained that staff is working with First Security Bank & Ben Johnson, Airport Bond Counsel, on financing for the next phase of the terminal. Some important dates were mentioned; April 21st is the closing of the note and the first interest payment on this note would be in April of 2023. Teri then mentioned other funding sources for this part of the project would be entitlement funds, the BIL entitlement funds for the next five years and the PFCs. Bryan Flagg from Glacier Corp commented that the financing has already been approved at the local level and the corporate office would be voting on it tomorrow. Bryan stated he was confident it will be approved at the corporate level as well.

Chair Adriane Beck then thanked staff and Bryan Flagg for everything they have done.

Chair Adriane Beck asked if Board members had other questions.

Vice Chair Larry Anderson then thanked the staff and consultants and First Security Bank and stated that this is a big step forward for the Airport and we have a good crew on this project, and he is looking forward to Phase II.

Commissioner Matthew Doucette echoed all the hard work and thanked Bryan Flagg for being a phenomenal partner to this project.

Motion: Alternate Commissioner David Bell moved to approve the MCAA Resolution 2022-03 outlining the terms of the First Security Bank Notes 2022 for partial funding of the terminal expansion and replacement project at Missoula Airport and authorizing the Board Chair and Airport Director to execute the closing documents subject to Glacier Bank Corp's agreement to the terms.

Second: Secretary/Treasurer Winton Kemmis

Chair Adriane Beck asked if there were any public comments.

Vote: Motion Passed Unanimously

Martel Construction Amendment No. 24 Phase II Guaranteed Maximum Price

Director Brian Ellestad reported Martel went out to bid for Phase II on the terminal project, which consists of two jet bridges plus two ground board positions, permanent baggage claim with two carousels and car rentals. There were multiple bids in each division of work and Martel was overall very happy with the bids. For the most part about 90% contractors that are currently working on the building will be continuing with Phase II, so it should be seamless transition The Guaranteed Maximum Price is \$42,330,278 with an 8% contingency. Shaun Shea with Morrison-Maierle then

added that he believes this is a fair price with inflation and today's market. Brian then added that they did apply for a discretionary grant from the FAA and should know something on that in June or July

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

Chair Adriane Beck then commented on the leg work that was put in to prep the Board with individual workshops.

Motion: Secretary/Treasurer Winton Kemmis moved to approve the Guaranteed Maximum Price from Martel Construction in the amount of \$42,330,278 for the construction of the East Concourse for the New Passenger Terminal Building and accept Contract Amendment No. 24, subject to Glacier Bank Corp's agreement to the terms of MCAA Resolution No. 2022-03.

Second: Vice Chair Larry Anderson

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

Vote: Motion Passed Unanimously

Morrison-Maierle Task Order No. 43 – Phase II Construction Management Services

Director Brian Ellestad reported that Morrison-Maierle has done a great job to date on Phase I of the project and would like to continue the team and have them coordinate the next phase of the project. Shaun Shea with Morrison-Maierle then added they will keep with the part time observation team and inspection. There is no need to add on more hours and Martel has been great to work with and it is a very easy project to manage.

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

Motion: Vice Chair Larry Anderson moved to approve Task Order No. 43 with Morrison-Maierle in the amount of \$2,150,000 contingent on the completion of an Independent Fee Estimate (IFE), and subject to Glacier Bank Corp's agreement to the terms of MCAA Resolution No. 2022-03.

Second: Secretary/Treasurer Winton Kemmis

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

Vote: Motion Passed Unanimously

Rising Fast Custodial Services Contract Addendum for New Terminal

Administrative Manager Lynn Fagan reported in Spring 2018, staff issued a Request for Proposals for cleaning services for the airport buildings. At that time, we were in the design phase for the new terminal but had not yet begun any work. We received two bids – one from Rising Fast for \$18,260 per month for all five years and one from American Facility Services for \$31,206.81 per month for the first three years and \$32,767.16 for the last two years. Rising Fast was awarded the bid and a five-year contract was signed in May 2018. The contract runs through June 30, 2023. Pursuant to both bids received, the terminal comprises approximately 89% of the total contract.

Staff prepared a revised Scope of Services for the new terminal and requested that Rising Fast provide a bid for cleaning the new terminal beginning May 1, 2022. The new terminal includes more square footage, more glass, more common areas, etc. Consequently, Rising Fast's bid came in significantly higher than staff had anticipated at \$43,950 per month. After discussion with Rising Fast, they agreed to reduce the amount to \$35,600 per month. As this is still a significant increase, staff reviewed all factors, including Rising Fast's history of providing superior service at the Missoula Airport; the cost of buying out the remaining 14 months of Rising Fast's contract should we re-bid the custodial services; the likelihood of receiving lower bids given the bids received in 2018; and the fact that custodial services will have to be re-bid in a year. After discussion with the Board Chair and Executive Committee, it was determined to bring the Addendum to the full Board for consideration.

Chair Adriane Beck asked if there was any Board comment or questions.

Vice Chair Larry Anderson asked Ralph Gentile with Rising Fast how many new hires he plans on having with the new expansion. Ralph responded with probably five new hires.

Motion: Commissioner Matthew Doucette moved to approve the Rising Fast Custodial Services Contract Addendum for new Terminal in the amount of \$35,600 per month.

Second: Alternate Commissioner David Bell

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

Vote: Motion Passed Unanimously

NEW BUSINESS

KONE Maintenance Agreement – escalator and elevators in new terminal

Facilities Manager Thad Williams reported with the purchase and installation of one new freight elevator, one new passenger elevator, and two new escalators this agreement will take us through the warranty period, to the 5-year load test that is required by code. This agreement will cover the general monthly maintenance, the 24-7 connected service, emergency phone monitoring in the elevators, wireless phone services and the required yearly testing and cleaning. The 24-7 KONE connected service is a proprietary program that was purchased through the Terminal project for advanced troubleshooting on all the equipment.

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

Vice Chair Larry Anderson asked since there is one major elevator if there is a backup for Americans with Disabilities Act issues if something does happen to the elevator.

Director Brian Ellestad then responded saying we do have a secondary elevator that is post security so we would have to escort passengers. There will be secondary elevator pre-security in the new phase that will serve as a backup.

Motion: Alternate Commissioner David Bell moved to approve contract with KONE in the amount of \$39,200.76

Second: Vice Chair Larry Anderson

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

Vote: Motion Passed Unanimously

ARINC Lease Agreement for new terminal

Administrative Manager Lynn Fagan reported ARINC currently has a Lease agreement which allows them to have communication equipment in the basement of the terminal and an antenna on the roof. Through this system, they provide information to the airlines. The current lease expires on April 30, 2021, which coincides nicely with the move into the new terminal building. The new lease provides ARINC with space in the server room in the basement of the terminal and roof space for their antenna. The term is for one year but is automatically renewable for up to five consecutive one-year terms. Current rent is \$697.65 per year. After applying the Consumer Price Index to that rate, it has been increased to \$800 per year. Each successive year that the lease is renewed will include a CPI increase to the rate. Lynn also stated that she checked the rate at a couple different airports and Helena is charging them \$600/year and Bozeman is charging them \$1,200/year so we are right in the middle.

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

Motion: Secretary/Treasurer Winton Kemmis moved to approve the Lease Agreement with ARINC Inc.

Second: Alternate Commissioner David Bell

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

Vote: Motion Passed Unanimously

Chair Adriane Beck mentioned that there were no other discussions items on the agenda, and that the April Board Meeting will possibly be held in the Airport Conference Room in the New Terminal and remotely via GoToMeeting on Tuesday, April 26, 2022, at 1:30 pm.

There being no further business, the meeting was adjourned.