

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
April 26, 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 via conference call
Alternate Commissioner Pat Boyle 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
Compliance Officer Jesse Johnson
Office Administrator Donna Marie Robnett
Accounting Clerk Brianna Brewer

OTHERS:

Gary Matson, Runway 25 Hangars via conference call
Shaun Shea, Morrison-Maierle
Scott Bell, Morrison-Maierle
Martin Kidston, Missoula Current via conference call
Steve Conway, Martel Construction via conference call
Scott Billadeau, Liquid Planet 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.

Administrative Manager Lynn Fagan made a note that there is a change to the Agenda. There was a Facilities and Operations Committee meeting that met on April 22, 2022.

AGENDA

Motion: Commissioner Jeff Roth moved to approve the agenda with correction noted.

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 Board's 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 March 29, 2022. There were none.

Motion: Secretary/Treasurer Winton Kemmis moved to approve the minutes of the Regular Board Meeting dated March 29, 2022, as presented.

Second: Commissioner Matthew Doucette

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross mentioned the check to First Security Bank for interest on the 2019 note for \$129,784.73 was approved as an amendment to the Claims for Payment last month but this month it is showing that the check was written.

Director Brian Ellestad then added that the check for Republic Parking System was for the parking booths and all the equipment for the project.

Teri then stated the review of project expenses was delayed so there are not many expenses on the Project Checking Account this month..

Vice Chair Larry Anderson then asked who the vendor Uline was. Finance Manager Teri Norcross responded they are a shelving and storage company. That expense was for the building crew's equipment and deck furniture for the patio.

Chair Adriane Beck 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: Vice Chair Larry Anderson

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross mentioned that Accounts Receivable balances are looking good and let everyone know that Donna Marie is doing an excellent job on collecting those. Teri then mentioned the Grants Receivable has both the CRRSA and ARPA concessions relief money. Teri then stated these grants are to help our concessions and give them some relief/credits on their current year revenue but also to reimburse the airport for those revenues that we will not be collecting. Teri also mentioned that the budget went to the Air Carriers on April 7, 2022, so we are closing in on the end of the 30-day comment period and so far, there has been nothing from any

of them. Also, an additional \$1.3 million has been drawn on the 2019 note for Phase I expenses and \$300,000 on the new note for design expenses on Phase II.

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

Motion: Commissioner Jeff Roth moved to accept the Financial Report as presented.

Second: Commissioner Matthew Doucette

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Brian Ellestad commented on the airlines ability to comment on the budget and stated that we have a great working relationship with the airlines. Staff has upcoming meetings about the new Airline Use Agreement and airline representatives will be on site next week in preparation for the new terminal opening. Brian also commented on that we are trending with the US right now for air service as far as the pilot shortage goes and airlines cutting back on service this year compared to 2019. Although our seats our down, staff expects to have record load factors this summer.

Deputy Director Tim Damrow then reported staff has been working to get energy rebates through a program with Northwestern Energy. These are primarily rebates for energy efficiencies in terms of lighting and our mechanical systems. The new terminal is being built to LEED standards; however, we chose not to pursue the actual certification but are starting to see the benefits from some of these energy efficiency programs such as LED lighting and geothermal mechanical heating systems. The airport should receive close to \$80,000 in the form of energy rebates that will show as a credit on our bill with Northwestern Energy.

Director Brian Ellestad then added that we invited Google to do a walkthrough of the new terminal.

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 the Pruyn Agricultural lease termination date has been extended until the end of May. Dr. Pruyn held an auction and is making progress on cleaning up the property and moving personal property off site.

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

COMMITTEE UPDATES

Executive Committee: Met April 26, 2022, to review the Board agenda.

Finance Committee: No Activity

Business Development: No Activity

Contract & Lease Committee: No Activity

Facility & Operations Committee: Met April 22, 2022, to discuss Union contracts.

Marketing Committee: No Activity

General Aviation Committee: No Activity
Legislative Committee: No Activity

UNFINISHED BUSINESS

Liquid Planet Lease – Outside Coffee Kiosk

Administrative Manager Lynn Fagan reported that in January 2021, we re-negotiated the Liquid Planet lease, allowing them to take over the restaurant space at the end of Jedediahs' term in exchange for shortening the term on the upstairs coffee shop space. Included in that amendment was an option for Liquid Planet to renew the lease on the outside coffee kiosk for five years. The outside coffee kiosk is movable and owned by Liquid Planet. The lease is for a 5-year term and the rent will be 11% of gross revenues.

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

Motion: Vice Chair Larry Anderson moved to approve the Liquid Planet Lease for Outside Coffee Kiosk for five-year term and rent in the form of 11% of gross revenues.

Second: Secretary/Treasurer Winton Kemmis

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

Vote: Motion Passed Unanimously

Flathead Travel Lease for New Terminal

Administrative Manager Lynn Fagan reported that Flathead Travel has been in the Missoula Airport since 2007. Flathead Travel provides a great service for our passengers. Because space in this first phase was limited and the leased space is temporary, we have agreed to a month-to-month tenancy. The space consists of one room which is 179 square feet and then a shared atrium (with John Horton) of 63 square feet for a total of 210 square feet and the rent is \$439.31 per month. Lynn also mentioned there was a correction in the lease in the insurance section. There is a discrepancy between the written words and the numbers on what is required for insurance. This has been corrected and the correct amount of \$1 million in insurance is required.

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

Motion: Secretary/Treasurer Winton Kemmis moved to approve the Lease agreement with Flathead Travel with the correction to the insurance required amount as noted.

Second: Commissioner Shane Stack

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

Vote: Motion Passed Unanimously

John Horton Lease Agreement for New Terminal

Administrative Manager Lynn Fagan reported that John Horton has had a real estate office in the airport for many years. He would like to continue that tradition and has agreed to move into space in the first phase of the new construction. Because space in this first phase was limited and is temporary, we have agreed to a month-to-month tenancy. The space consists of one room which is 158 square feet and then a shared atrium (with Flathead Travel) of 63 square feet for a total of 189.5 square feet and a rent of \$395.48 per month. Lynn then stated that this lease also had the same typo in the insurance section as the Flathead travel lease, so it is \$1 million insurance required and that has been corrected on the final lease agreement.

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

Motion: Commissioner Deb Poteet moved to approve Lease agreement with John Horton for new terminal space with the correction to the insurance required amount as noted.

Second: Commissioner Matthew Doucette

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

Vote: Motion Passed Unanimously

Amendment to Faber Food and Beverage Concession Agreement

Faber Coe & Gregg will be providing food and beverage services at the new terminal. As part of that concession, the Airport will be leasing its liquor license to Faber. The liquor license also allows Faber to obtain a gaming license. However, Montana gaming law prohibits the sharing of gaming revenue between parties, so Faber is not permitted to pay the airport a percentage of gross on the gaming revenue, which is how rent is usually calculated for concessions on airports. Instead, we have agreed to a flat fee rental of \$500 per month for the lease of the liquor license to Faber. This is similar to the arrangement the airport had with Liquid Planet. The airport and Faber have agreed to revisit this fee after the first year so that we can evaluate performance.

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

Vice Chair Larry Anderson asked if this is accepted across the state as a way for airports to do this.

Administrative Manager Lynn Fagan responded that she does not know how other airports do this. This same set up worked with Liquid Planet though.

Motion: Secretary/Treasurer Winton Kemmis moved to approve the Amendment to Faber Food and Beverage Concession Agreement exempting gaming revenue from gross receipts and providing for a flat fee of \$500.00 per month to lease the Airport's liquor license.

Second: Vice Chair Larry Anderson

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

Vote: Motion Passed Unanimously

GSA Lease Amendment No. 3 for South Concourse TSA Lease Space

Administrative Manager Lynn Fagan reported in May 2021, the Missoula County Airport Authority Board accepted General Services Administration Lease Amendment No. 1 to reimburse the airport for construction of TSA lease space in the South Concourse. In December 2021, the Board approved Lease Amendment No. 2 increasing the reimbursable amount to a total of \$633,253.56. Now that the space is complete, Lease Amendment No. 3 is to set the rental amount for the new square footage of 3,296. The annual rental rate will be \$165,394.16. This amendment cannot be executed until the punch work is completed and TSA has accepted the space.

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

Motion: Commissioner Deb Poteet moved to authorize the Airport Director to accept General Services Administration Lease Amendment No. 3 upon TSA's acceptance of the Leased Space.

Second: Secretary/Treasurer Winton Kemmis

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

Vote: Motion Passed Unanimously

NEW BUSINESS

Agreement between Local 2457, International Association of Firefighters and Missoula County Airport Authority

Director Brian Ellestad reported a couple of years ago our Public Safety Officers voted to change unions (from Montana Federation of Public Employees to International Association of Firefighters). Because of this they had to go one full year without being in a union before joining the new one. In January of this year, they were approved and joined Local 2457, International Association of Firefighters. Staff then had to negotiate a new bargaining agreement which is now complete and ready for your consideration. Brian's goal was to get a long-term agreement that would stretch through the next phase of the terminal construction. Staff looked at numerous similar jobs and this agreement puts the starting pay where it needs to be to be competitive in the job market. For example, the starting pay would be \$30.60, City Police start at \$30.80 while first year City Fire Fighters can earn \$29.71 once they have full certifications. Our Public Safety Officers cover Police, Fire, Operations and EMS duties.

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

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

Seconded Motion from the Facility and Operations Committee: to approve the Agreement between Local 2457, International Association of Firefighters and Missoula County Airport Authority as presented.

Vote: Motion Passed Unanimously

Memo of Understanding between the Missoula County Airport Authority and the Montana Federation of Public Employees – Building and Field Personnel

Director Brian Ellestad reported this union covers a total of 14 employees who do maintenance on the airfield and terminal building. The past few years staff has been negotiating wages on a year-to-year basis. This proposed contract would be in effect for the next four years. Like the Public Safety Officer contract, staff looked at comparable County and industry jobs to come up with a justified wage schedule. Starting pay for this position would be \$27.17 and moves to \$31.97 at year five. A similar job at the Pasco Washington Airport is \$25.33 but after a 1 ½ years jumps to \$29.69. Helena's airport range is \$27.52-\$33.84 but their department also covers Airport Fire and Rescue duties. Bozeman's range is \$30-\$35, but with electricians on staff. Missoula County Road crews are in the \$30.05 range. Brian stated that we have a great staff and look forward to a longer-term contract.

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

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

Seconded Motion from the Facility and Operations Committee: approve the Memo of Understanding between the Missoula County Airport Authority and the Montana Federation of Public Employees – Building and Field Personnel as presented.

Vote: Motion Passed Unanimously

Chair Adriane Beck mentioned that there were no other discussions items on the agenda, and that the May Board Meeting will be held in the Airport Conference Room in the New Terminal and remotely via GoToMeeting on Tuesday, May 31, 2022, at 1:30 pm.

There being no further business, the meeting was adjourned.