

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
November 29, 2022
1:30 pm, Johnson Bell 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
Commissioner Shane Stack via conference call
Commissioner Matthew Doucette
Alternate Commissioner Pat Boyle
Honorary Commissioner Jack Meyer via conference call

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Finance Manager Teri Norcross via conference call
Administrative Manager Lynn Fagan
Airfield Manager Nate Cole
Compliance Officer Jesse Johnson
IT Specialist Dylan O'Leary
Accounting Clerk Brianna Brewer

OTHERS: Gary Matson, Runway 25 Hangars
Shaun Shea, Morrison-Maierle
Steve Conway, Martel Construction
Will Parnell, Anderson Zurmuehlen
Jan Schweitzer, Anderson Zurmuehlen
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.

Chair Adriane Beck noted that an Alternate Commissioner would not need to be seated as all the Board members were present.

AGENDA

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

Second: Secretary/Treasurer Winton Kemmis

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 October 25, 2022. There were none.

Motion: Commissioner Jeff Roth moved to approve the minutes of Regular Board Meeting dated October 25, 2022.

Second: Vice Chair Larry Anderson

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Director Teri Norcross explained that the first page of the claims contained a list of the credit card expenses and the September project invoices. Teri stated that the largest check in the claims was a \$91,000 check to Cooper-Crouse Hinds for an item that is on the agenda today.

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

Motion: Secretary/Treasurer Winton Kemmis moved to approve the Claims for Payment.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross noted that the financials are looking good. Teri told the Board that staff will be drawing on the debt in the next few days to pay some of the project expenses. Teri turned the Board's attention to the Profit and Loss statements on the financials and noted that they are looking good and that the interest income is up, although the rates are still fairly low.

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

Motion: Vice Chair Larry Anderson moved to accept the Financial Report as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that September and October were record months for MSO and that the load factors were 92% on average. Brian brought up a New York Times article that stated that Missoula lost 20% of its flights and explained that the statistic was misleading because our market has been able to sustain mainline service; therefore, even though we have less flights, we have more seats.

Brian congratulated Compliance Officer Jesse Johnson for a clean TSA audit and congratulated Public Safety Officer Dyhlan Jodsaas and Ground Handling Manager Andrew Bailey for attaining their Certified Member status with the American Association of Airport Executives.

Deputy Director Tim Damrow gave a brief update on construction progress. Project closeout for the south concourse is nearing completion. Staff is waiting for the last few invoices to come in. Tim explained that he expects to have some money coming back in for the next phase of the project from unspent contingencies. Deconstruction continues but is a few days behind due to weather. The first organizational meeting for the Master Plan project was held and it was agreed that the starting point would be the runway configuration. As discussed previously, all the meetings would be noticed so that Board members may attend if interested.

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

LEGAL REPORT

Administrative Manager Lynn Fagan reported that the matter that was tabled at the October meeting regarding removal of items from the former Pruyn property was not on the agenda today because the asbestos testing bid came in at \$3,600.00. The testing was being done and staff would bring a full package to the Board when completed.

Lynn also noted that staff had met with Jeremy Keene, Ryan Sudberry and Logan McInnis from the City of Missoula regarding the City's obligation to install a well for the Airport to replace the Hellgate Irrigation shares. Jeremy also brought up several issues that the City would like to discuss with Airport staff, including Grant Creek realignment, a right of way for George Elmer Drive and the Hiawatha trail project. Staff will be meeting with the Mayor and other City staff in the coming months.

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

COMMITTEE UPDATES

Executive Committee: Met November 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

None.

NEW BUSINESS

System Upgrade for Airfield Lighting

Airfield Manager Nate Cole explained that staff would like to upgrade all five computers for the airfield lighting and control system as they are running on obsolete operating systems that can no longer be upgraded. Nate noted that this item was budgeted.

Chair Adriane Beck asked if Board members had any questions. Secretary/Treasurer Winton Kemmis asked Nate how long it would take to do the upgrade and Nate responded that it would take two days depending on weather.

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

Motion: Secretary/Treasurer Winton Kemmis moved to approve the upgrade of the lighting control computers.

Second: Vice Chair Larry Anderson

Vote: Motion Passed Unanimously

Fiscal Year 2022 Audit

Finance Manager Teri Norcross expressed her appreciation to Anderson Zurmuehlen's staff for all their help with the audit and stated that each year there are new rules that make the audit more complex. Anderson Zurmuehlen has been doing the Airport audit since 2012 and we have had a good relationship for all those years. This year was a little rocky because of a new lease reporting rule but the audit team worked hard to get that information together and reported accurately.

Will Parnell from Anderson Zurmuehlen then reviewed the financial statement highlights. They have issued an unmodified audit opinion. For fiscal year 2022, current and restricted assets decreased by \$823,000; net capital assets increased by \$20.9 million; other assets decreased by \$1.2 million; total net assets increased by \$14.9 million and current liabilities decreased by \$1.3 million.

Jan Schweitzer from Anderson Zurmuehlen reviewed the Governance Communications, including the auditor responsibility, the new standard in GASB 87, significant estimates, an uncorrected misstatement which was immaterial to the overall financial statement, adjustments, no disagreements with management, no difficulties in performing the audit, finding related to the financial statement audit and no findings related the major program – Airport Improvement Program.

Chair Adriane Beck thanked Will and Jan for their comprehensive presentation and asked if Board members had any questions. There were none.

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

Motion: Commissioner Deb Poteet moved to approve the annual audit report and the Management Representation letter for fiscal years 2022 and 2021.

Second: Vice Chair Larry Anderson

Vote: Motion Passed Unanimously

Assignment of Washington Corp Lease to Washington Companies LLC

Administrative Manager Lynn Fagan explained that Washington Corporation had been planning a corporate restructuring to take place at the beginning of 2023, but she had received an email from their staff noting that they have delayed implementation of this. Lynn noted that Washington Corp. may bring this back to the Board sometime in 2023.

Motion: Secretary/Treasurer Winton Kemmis moved to table this item.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Election of Board Officers

Chair Adriane Beck noted that per Article III, Section of the MCAA Bylaws, as Chair she proposed a slate of officers as follows: current Vice Chair Larry Anderson as Chair; current Secretary/Treasurer Winton Kemmis as Vice Chair and Commissioner Deb Poteet as Secretary/Treasurer. Adriane then noted that she would also take nominations from the floor.

Chair Adriane Beck called for nominations from the floor three times. Hearing no nominations, a vote was proposed to accept the slate of officers as nominated. The vote was unanimous. The elections become effective on January 1, 2023.

Discussion Items

Chair Adriane Beck noted that the December meeting is scheduled for December 27, 2022. Because of its proximity to the Christmas holiday, Adriane proposed moving the meeting a week earlier, to December 20, 2022. Adriane asked if anyone objected to that move. Board members responded as to their availability. A quorum was available to attend on December 20, 2022, so Adriane noted the change would be made. Adriane then reminded the Board that the Christmas party would take place on December 13, 2022.

Chair Adriane Beck asked if there were any other items for the Board's consideration. Commissioner Matthew Doucette thanked Adriane for a wonderful year of service as Chair. Matthew's sentiment was echoed by the rest of the Board members.

There being no further business, the meeting was adjourned.