

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
February 28, 2023
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD:

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

STAFF:

Director Brian Ellestad
Deputy Director Tim Damrow
Finance Manager Teri Norcross
Director of Finance and Administration Will Parnell
Administrative Manager Lynn Fagan
Business Development Manager Dan Neuman
Public Safety Chief Justin Shaffer
Airfield Manager Nate Cole
Ground Handling Manager Andrew Bailey
Accounting Clerk Brianna Brewer
Compliance Officer Jesse Johnson
IT Specialist Dylan O'Leary
Operations Tech Kent Russell
Operations Mechanic Jake Sol
Ground Handling Supervisor Stacy Gow
Ground Handling Compliance Coordinator Vanessa Kolberg

OTHERS:

Gary Matson, Runway 25 Hangars
Shaun Shea, Morrison-Maierle
Scott Bell, Morrison-Maierle
Josh Johnson, Minuteman Aviation
Marjorie Coots Doyle, Dementia Friendly Missoula

Chair Larry Anderson 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 Larry Anderson noted that an Alternate Commissioner would need to be seated.

Motion: Commissioner Shane Stack moved to seat Alternate Commissioner Pat Boyle

Second: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

AGENDA

Motion: Commissioner Shane Stack moved to approve the agenda as presented.

Second: Secretary/Treasurer Deb Poteet

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

Chair Larry Anderson asked if there was any public comment on items not on the Board's agenda. There were none.

MINUTES

Chair Larry Anderson asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated January 31, 2023. There were none.

Motion: Vice Chair Winton Kemmis moved to approve the minutes of Regular Board Meeting dated January 31, 2023.

Second: Secretary/Treasurer Deb Poteet

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell noted that there were no unusual or significant items in the Claims for Payment.

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

Motion: Secretary/Treasurer Deb Poteet moved to approve the Claims for Payment

Second: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell noted that there were no unusual or significant items in the Financial Report. Will mentioned that project expenses are not reflected in the \$2.1 million net operating income.

Chair Larry Anderson asked if there were any Board questions or public comments regarding the Financial Report. There were none.

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

Second: Secretary/Treasurer Deb Poteet

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that January enplanements were up over last year and 2019. The airlines continue to populate the summer schedule and Brian reported that our schedule for the summer continues to increase. Currently, the summer schedule is up 34% over last year and 15% over 2019. American has extended its Los Angeles summer schedule through September and will provide daily service to Chicago again. Brian reminded the Board that American began providing service to MSO in 2018 under a Small Community Air Service Development grant with one regional jet daily flight to Dallas. This summer MSO will have two daily flights to Dallas, a daily flight to Chicago and Los Angeles. Brian stated that this shows the value of a revenue guarantee. Brian also noted that Global Entry is coming back to MSO and is already sold out.

Staff members Stacy Gow - Ground Handling Supervisor, Nate Cole - Airfield Operations Manager, Jake Sol - Operations Mechanic, Kent Russell - Operations Tech introduced themselves to the Board.

Deputy Director Tim Damrow gave a brief update on construction progress. Tim reported that he is still waiting for three final invoices in order to close out Phase 1 construction. Excavation on Phase 2 has begun. Martel will be installing the engineered piers at the end of March and early April.

Chair Larry Anderson asked if the increase in passengers was due to business or pleasure travel. Airport Director Brian Ellestad responded that business travel has returned but that MSO's mix used to be 60/40 pleasure/business and now it is about 80% leisure.

Chair Larry Anderson asked if there were any more Board questions or public comments for Brian and Tim. There were none.

LEGAL REPORT

Administrative Manager Lynn Fagan reported that staff met with Minuteman Aviation owners last week to discuss their east side lease which expires in November 2024. Minuteman presented a list of capital improvements that have been made to the building and requested a five-year extension to plan and construct a new maintenance facility. Staff is reviewing parking options through the Master Plan process and the parcel Minuteman currently occupies will most likely be impacted by long-term parking needs. Staff scheduled a follow-up meeting with Minuteman at the end of March.

Lynn also reported that staff had met with Missoula City Public Works to discuss the City's Grant Creek restoration project. The project will impact the airport as current construction options include airport-owned land. Staff has scheduled a call with the FAA to determine what is required to move the project forward. The City will be preparing draft agreements for the airport to review.

Lynn also updated the Board on the status of bills of interest to MCAA in the legislature. The bill to increase the maximum lease term for airports from forty to fifty years has made it through committee with little to no resistance; the bill to increase the number of concessionaires that airports can lease their liquor license to from one to three has also passed out of committee. Unfortunately, the bill to allow airport public safety officers to enroll in the FURS retirement program does not look like it will advance.

Finally, Lynn told the Board members that they would be receiving airport emails and instructions later in the day. Lynn explained that all communications of the Board related to airport matters were public records and that using these email addresses will make it easier for staff to respond to public records requests and will protect the Board members' personal email accounts from disclosure.

Chair Larry Anderson asked if there were any Board questions or public comments regarding the Legal Report. There were none.

MSO SENSORY INITIATIVES PRESENTATION

Ground Handling Manager Andrew Bailey explained that he, Deputy Director Tim Damrow and Ground Handling Supervisor Stacy Gow met to determine how best to ensure that the new airport terminal was accessible and usable to everyone. They partnered with Dementia Friendly Missoula and the Missoula Public Library and identified two initiatives to pursue whose primary focus is hidden disabilities and sensory sensitivities: Kulture City and the Sunflower Lanyard program. Kulture City is a certification program designed to help private/public use facilities offer accommodations to individuals with sensory needs or processing issues. Those with sensory sensitivity may experience intense discomfort due to loud noises, bright lights, strong smells, crowds, and other stimuli. The Sunflower Lanyard program provides lanyards to individuals with non-visible disabilities in order to discreetly identify themselves to airport staff.

Marjorie Coots Doyle from Dementia Friendly Missoula and a retired reference librarian spoke about Dementia Friendly Missoula and her work with the Missoula Public Library. Invisible or non-visible disabilities are those disabilities that are not immediately apparent to third parties. The goal is that staff are trained to recognize signs of non-visible disabilities and can respond to individuals in our facilities with non-visible disabilities who are having issues with the environment. The training empowers our employees in their ability to de-escalate situations.

Andrew further explained that the goals of both programs are to make MSO as accessible as possible to all travelers; become an example of sensory inclusivity for the region and encourage more facilities/event venues to adopt accessibility programs; encourage all terminal tenants to participate in these ongoing initiatives; and to spread program awareness to the community.

Andrew stated that Kulture City is the largest sensory awareness organization in the world and the goal of the program is creating sensory accessibility and inclusion. The Sunflower Lanyard Program is a discreet way to make the invisible visible. The sunflower lanyard is used to indicate to trained personnel that the individual has a non-visible disability.

Finally, Andrew stated that MSO is the 4th airport in the United States to receive the Kulture City Sensory Inclusive Facility certification. Andrew also noted that neither of these programs is the end goal and staff intend to continue to work, train and assess these programs in order to make MSO accessible and usable by all individuals.

MASTER PLAN UPDATE

Scott Bell from Morrison-Maierle presented an update on the Master Plan process. The Master Plan committee has been meeting for several months, looking at the existing conditions and also at development alternatives and facility requirements. Aviation forecasting has been provided to Airport Director Brian Ellestad and Deputy Director Tim Damrow for their review. There will be a presentation at the next Board meeting on the forecasting.

Scott briefly reviewed the committee's work on runways, parking, and general aviation development.

A discussion took place between Board members and members of the general aviation community regarding the value of general aviation to MSO and the community and the need for more parking space. Scott Bell stated that the goal, at the end of the Master Plan process, is to provide adequate space for every need of the airport over the next twenty years.

COMMITTEE UPDATES

Executive Committee: Met February 28, 2023, 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

Contracts for Asbestos Remediation and Removal of Items from Pruyn Property

Administrative Manager Lynn Fagan explained that when the Pruyns' vacated their leased property in August 2022, there were still quite a few items left behind, including old railroad box cars and a single wide mobile home. Additionally, there is an old house on the property that is uninhabitable. The house and mobile home tested positive for asbestos and require remediation before they can be removed. Staff received bids from Elder Construction and ACM Specialty Construction for remediation and removal. Based on the bids, staff recommends Elder to remove the railroad box cars for \$11,500 and ACM Specialty Construction to perform asbestos remediation and remove both the mobile home and the house for a total of \$51,935. Lynn also explained that under the terms of the agreement with Pruyns, they are required to reimburse MCAA for the costs of removal of personal property left onsite.

Vice Chair Winton Kemmis asked how much MCAA is likely to recover. Lynn stated that since the removal of the house is not reimbursable, the amount Pruyns would owe MCAA was approximately \$30,000.

Chair Larry Anderson asked if there were any Board questions or public comments. There were none.

Motion: Secretary/Treasurer Deb Poteet moved to approve the contract with Elder Demolition for removal, disposal, and clean-up of the existing railroad box cars and contract with ACM Specialty Construction for asbestos remediation and removal of a single-wide mobile home and existing house on former Pruyn leased property for a total amount of \$63,435.00.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

Change of Terms for 2019 First Security Bank Notes

Director of Finance and Administration Will Parnell explained that since Phase 1 of the terminal project is complete, the loan through First Security Bank needs to be amended to include the final amounts borrowed and an amortization schedule. Will reminded the Board that there were two notes issued in 2019 as draw down obligations to finance Phase 1. Note Series 2019A (non-AMT) was issued for \$27,500,000. As of the meeting date, the unpaid principal balance was \$15,316,800. Note Series 2019B (AMT) was issued for \$7,500,000 and had an unpaid principal balance of \$3,580,029.91 as of the date of the meeting. Will explained that outgoing Finance Manager Teri Norcross and management staff had utilized federal grant money so that the note balances were significantly lower than originally projected. Will stated that the undiscounted savings from the staff's approach were approximately \$7,600,000.

Chair Larry Anderson asked if there were any Board questions or public comments. There were none.

Motion: Vice Chair Winton Kemmis moved to approve the Change in Terms Agreement for Series 2019A and 2019B notes with First Security Bank.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

MCAA Resolution No. 2023-01 – Terms of MT Department of Investment Short-Term Investment Pool (STIP) participation

Finance Manager Teri Norcross noted that since January 1, 2016, the Montana Board of Investments requires local governments participating in the Montana Short-Term Investment Pool (STIP) to adopt a Resolution outlining the terms of participation. The Resolution designates an Authorized Representative who is permitted to act on MCAA's behalf and updates the Authorized Delegates who are allowed to initiate transactions in STIP. With Teri's departure as the Finance Manager and the addition of Will Parnell as Director of Finance and Administration, it is necessary to update the resolution.

Chair Larry Anderson asked if there were any Board questions or public comments. There were none.

Motion: Commissioner Shane Stack moved to approve Resolution No. 2021-01 as presented.

Second: Secretary/Treasurer Deb Poteet

Vote: Motion Passed Unanimously

Martel Contract Amendment No. 25 – Laydown Yard Expansion

Morrison-Maierle Task Order No. 48 - Construction Management for Laydown Yard Expansion

Deputy Director Tim Damrow explained that staff has been working for the last few months trying to get pricing on expansion of Martel's laydown yard. This work has two goals; one is to provide Martel with an expanded laydown yard and the other is to provide some needed public parking. Staff had hoped to have the pricing complete for this meeting but are still vetting bids. Tim requested that the Board table both of these items for now.

Motion: Commissioner Adriane Beck moved to table Martel Contract Amendment No. 25 – Laydown Yard Expansion and Morrison-Maierle Task Order No. 48 - Construction Management for Laydown Yard Expansion

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

NEW BUSINESS

Memo of Understanding with Faber Coe & Gregg re: Phase II Terminal Construction

Deputy Director Tim Damrow explained that when Phase 2 was designed, staff determined to evaluate passenger behavior in Phase 1 prior to deciding what, if any, concession space was needed in Phase 2. Since the opening of Phase 1, MCAA staff and Faber have recognized the need for additional bar, storage, and kitchen support space to accommodate high passenger volumes. With Phase 2 under construction, the design and buildout requirements for concession space need to be finalized. As the exclusive holder of the airport's liquor license, this MOU would task Faber with funding design and purchasing equipment for Phase 2 concession space. In addition, MCAA would be included in design discussions as they relate to the added concession space. MCAA would be required to fund any space enhancements outside of the currently bid scope of the Phase 2 concession area. Additional funds for buildout are estimated to be less than \$150,000 and would be funded from construction contingencies.

Chair Larry Anderson asked if Board members had any questions; there were none.

Chair Larry Anderson asked if there were any public comments; there were none.

Motion: Vice Chair Winton Kemmis moved to approve the Memo of Understanding with Faber Coe & Gregg for Phase 2 Terminal Concessions

Second: Secretary/Treasurer Deb Poteet

Vote: Motion Passed Unanimously

Purchase of Fencing for East Side Rental Car Overflow Lot

Airport Director Brian Ellestad stated that, as summer approaches, there will be additional demand for rental cars. MSO's rental car companies increase their fleet size in the spring and need a place to store cars until summer. Staff are proposing to fence and gate an area for these vehicles until they are put in use. In the fall, the rental car companies have the same need as customers return cars. In July staff obtained fencing quotes from three vendors and Fencecrafters was the low bid and agreed to hold their price for this project.

Chair Larry Anderson asked if Board members had any questions or public comments. Vice Chair Winton Kemmis asked if the fencing is reusable, and Brian stated that it can be moved if necessary.

Motion: Secretary/Treasurer Deb Poteet moved to approve a contract with Fencecrafters Missoula, Inc. as presented for approximately 1535 feet of fence not to exceed \$49,120.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Discussion Items

Chair Larry Anderson stated that there being no further business, the meeting was adjourned. Chair Larry Anderson noted that the next Board meeting will be in the same hybrid format on March 28th at 1:30 p.m.