

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

THOSE PRESENT

BOARD: Chair Larry Anderson
Vice Chair Winton Kemmis via conference call
Commissioner Jeff Roth
Commissioner Adriane Beck
Commissioner Shane Stack
Commissioner Matthew Doucette via conference call
Alternate Commissioner David Bell

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Administrative Manager Lynn Fagan
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
Accounting Clerk Brianna Brewer
Receptionist Kathi Fritz
Public Safety Officer Robert Whalen
Public Safety Officer Evan Eshleman

OTHERS: Gary Matson, Runway 25 Hangars
Shaun Shea, Morrison-Maierle
Martin Kidston, Missoula Current via conference call
Josh Johnson, Minuteman Aviation
Mike Carlson, Morrison-Maierle
Travis Frey, Martel Construction
Cole Jensen, Martel Construction
Nicole Rush, Missoula Economic Partnership
Richard Huffman

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 Jeff Roth moved to seat Alternate Commissioner David Bell

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

AGENDA

Motion: Commissioner Jeff Roth moved to approve the agenda as presented.

Second: Commissioner Shane Stack

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 was none.

MINUTES

Chair Larry Anderson asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated February 28, 2023. There were none.

Motion: Vice Chair Winton Kemmis moved to approve the minutes of Regular Board Meeting dated February 28, 2023.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell noted that project expenses were included in the Claims packet. Will also explained that a void check was for a travel advance for an employee whose travel was cancelled.

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

Motion: Commissioner Shane Stack moved to approve the Claims for Payment

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell explained to the Board that he included some new report forms in the finance packet – a Statement of Cash Flow, Statement of Operating Revenues and Expenses as a Percentage of Gross, and a Long-Term Debt Roll-forward. Will noted that the Balance Sheet shows that the accounts receivable turnover rate has increased over prior years. Staff are pursuing collections on the remaining older balances.

Commissioner Jeff Roth asked if Will sees any trends in revenue or expenses that concern him. Will responded that there are no outliers but that it is difficult to compare year over year because

of the move into the new terminal. After June when we hit the one-year mark of occupying the new terminal, comparisons will be easier.

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

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

Second: Alternate Commissioner David Bell

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that enplanements are still strong – February was up 5% over 2019 and 12% over last year. Are load factors continue to be high. Summer numbers continue to look good. Currently we are 15% over in seats for June year over year and 30% over in July. The airlines are still adjusting numbers for the summer based on staffing shortages.

Brian congratulated Nate Cole for successfully completing his Certified Member designation.

Staff members IT Specialist Dylan O'Leary, Public Safety Officer Robert Whalen, and Public Safety Officer Evan Eshleman introduced themselves to the Board.

Deputy Director Tim Damrow gave a brief update on construction progress. Tim reported that work is in progress on the foundation for the East Concourse of the terminal. Approximately 294 engineered piers have been installed and crews are working on concrete forms for the basement foundation. The engineered piers are meant to stabilize the foundation and are required because of the abundance of clay left from Lake Missoula. Tim also reported that the laydown yard and parking expansion site preparation will begin immediately after Board approval and site preparation for the de-ice ramp expansion is scheduled to begin in May.

Tim reminded the Board that MSO's triennial disaster drill will take place on May 5th. Tim then congratulated four of our Public Safety Officers who took part in a stair climb in Seattle, Washington to benefit the Leukemia Lymphoma Society. The challenge required the officers to climb 70 floors in full gear and on supplemental air.

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 procurement season is in full swing. Staff has issued a Request for Proposals (RFP) for cybersecurity assessment and one for Managed IT Services. RFPs for Badging, Security Access Control, and ATMs will be coming up. Lynn then reported that staff were completing the budget process and would likely be scheduling a Finance Committee meeting in the next month. Lynn then reported that staff has identified a company that may be able to perform payroll services. In the past, MSO's complex union rules have made it difficult for software companies to handle our payroll. A third-party vendor will ensure compliance and provide access to employees to review and change their data as needed. The platform also integrates HR functionality and covers everything from the application phase through the life of an employee.

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

COMMITTEE UPDATES

Executive Committee: Met March 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

Morrison-Maierle Task Order No. 48 – Added Design Scope for Laydown Yard/Fuel Truck Road

Deputy Director Tim Damrow explained that the next three items on the agenda were all intertwined. Task Order No. 48 was initially designed under Task Order 44 with Morrison Maierle in mid-2022. Since the completion of the initial design, several things have changed at MSO requiring additional design elements to be considered. Tim stated that the added design work under this Task Order will create an additional 240 parking spaces during construction with the ability to add another 400 parking spaces upon terminal project completion. In addition, the added design scope will incorporate a larger paved parking section, lot lighting, drainage, and fencing. This added space will help supplement an already constrained parking lot by providing several hundred additional parking spaces, limit encroachment on existing tenant leaseholds and will provide a means to add additional parking in phases.

The additional design work will begin immediately in hopes of beginning construction in the April - May 2023 timeframe. This timeline will ensure the laydown yard and additional parking is available for the peak 2023 travel season.

Chair Larry Anderson asked if there were any Board questions or public comments. Alternate Commissioner David Bell asked if staff had any sense of the ultimate parking needs right now. Tim responded that staff do not have a good sense of that, but that as new parking is added, it is being filled. The plan currently is to incrementally add spaces so that we don't overcorrect. David then asked if the new spaces would exit through the current parking exit lanes. Airport Director Brian Ellestad stated that they would not; the new spaces will utilize the pay by license plate system that was recently installed.

Chair Larry Anderson asked if there were any further Board questions or public comments. Josh Johnson from Minuteman thanked the Board and the staff for creating options that help preserve Minuteman's time in their maintenance building. Josh also invited Board members to come and tour their facilities at any time. There were no further questions or public comments.

Motion: Commissioner Jeff Roth moved to Approve Task Order No. 48 with Morrison-Maierle in the amount of \$20,000

Second: Alternate Commissioner David Bell

Vote: Motion Passed Unanimously

Martel Contract Amendment No. 25 – Laydown Yard Expansion

Deputy Director Tim Damrow explained that Martel Construction has provided a guaranteed maximum price (GMP) to complete the Laydown Area, Fuel Truck Road and Parking Lot Expansion. This GMP also reflects the added design scope that will be incorporated into the project with Morrison Maierle Task Order #48. Pathways for fiber and lighting are included in the design and construction work.

The bid package was priced with existing subcontractors associated with the East Concourse project. The pricing set was reviewed and vetted by Martel Construction, Morrison-Maierle and Airport Staff to evaluate potential cost savings measures in preparation of the GMP. Tim stated that individual bid proposals are on file with Martel Construction, Morrison-Maierle and the Airport.

As a result of the bid opening, Martel Construction is proposing a GMP of \$2,125,289.50 to complete construction for the project. Construction is expected to begin in the April - May 2023 timeframe. This timeline will ensure the laydown yard and additional parking is available for the peak 2023 travel season.

Airport Director Brian Ellestad thanked Shaun Shea of Morrison-Maierle for the time that he put in reviewing bids on this to ensure MSO got the best value from this project. The original bid was in the range of \$2.6 million for less space.

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

Motion: Vice Chair Winton Kemmis moved Move to accept Contract Amendment #25 from Martel Construction and the Guaranteed Maximum Price in the amount of \$2,125,289.50 for the construction of the Laydown Area, Fuel Truck Road and Parking Lot Expansion

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Morrison-Maierle Task Order No. 49 - Construction Management for Laydown Yard Expansion

Deputy Director Tim Damrow explained that this task order is for the construction management services for Morrison-Maierle to have an engineer on site to ensure that the project is constructed in compliance with the plans.

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

Motion: Alternate Commissioner David Bell moved to Approve Task Order No. 49 with Morrison-Maierle in the amount of \$80,000

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

Amendment to Rising Fast Contract

Administrative Manager Lynn Fagan reminded the Board that staff issued a Request for Proposals for cleaning services for the airport buildings in 2018. At that time, the design phase for the new terminal had begun but not the construction phase. We received two bids – one from Rising Fast

and one from American Facility Services. Rising Fast was awarded the bid and a five-year contract was signed in May 2018. The contract expires on June 30, 2023. In March 2022, the Board approved an amendment to the contract to address changes in scope and price resulting from the move into the first phase of the new terminal. Staff recently approached Rising Fast to extend the contract until the second phase of the terminal is complete. Rising Fast's owners were open to a one-year extension with an option for a second year. With this extension, a Request for Proposals can be issued upon completion of the second phase. The extension also includes a price increase of \$2,300 per month to account for increases in payroll and longer terminal hours. Lynn stated that Rising Fast has done a great job for the airport.

Motion: Commissioner Jeff Roth moved to approve Second Addendum to Custodial Services Contract with Rising Fast extending the term for one year with an option for a second year

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

NEW BUSINESS

Memo of Understanding with Missoula Economic Partnership

Airport Director Brian Ellestad explained that this Memo of Understanding (MOU) with Missoula Economic Partnership (MEP) documents MSO's working relationship with MEP as we work towards securing another Small Community Air Service grant (SCASG) in the future. The airport would designate five (5) parking spots within the Airport's public parking lot to be used by companies donating to MEP to support the community match requirements for future air service revenue guarantees. This was brought to the Marketing Committee in January. One of the Board members on the committee brought up the question of what would happen to the money if MSO did not apply for a SCASG and suggested adding a term that the money would then be returned to MSO. Administrative Manager Lynn Fagan explained that staff considered this option but chose not to include this term as it would trigger requirements for MSO to include those amounts in our financials. Rather, staff added a provision allowing for an extension if a SCASG grant was not applied for during the initial term of the agreement.

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. Alternate Commissioner David Bell noted that he recused himself from this vote.

Motion: Commissioner Shane Stack moved to approve the MOU with Missoula Economic Partnership as presented

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Award of Cybersecurity Bid

IT Specialist Dylan O'Leary explained that last summer TSA required all airports to complete a cybersecurity self-assessment and develop a remediation plan for any vulnerabilities. Last month, TSA issued an emergency amendment requiring certain large airports to immediately

implement changes to their cybersecurity stance. Given the trend of TSA regulations focusing on cybersecurity, staff would like to contract with a third party experienced with the NIST standards to assess our cybersecurity environment, identify unknown vulnerabilities, and suggest remediation steps prior to TSA mandating rapid, expensive changes.

Dylan then noted that a Request for Proposals for Cybersecurity Assessment was issued on February 10, 2023. Twelve firms requested the RFP documents and seven firms submitted proposals – Trace Security, LowersRiskGroup, Adversis, Systems Technology Consultants, LMG Security, and Plante Moran. A review committee including Deputy Director Tim Damrow, IT Specialist Dylan O’Leary, Compliance Officer Jesse Johnson and Director of Finance and Administration Will Parnell evaluated the proposals and determined that the proposal from Systems Technology Consultants was the most advantageous to MCAA.

Chair Larry Anderson asked if Board members had any questions or public comments. Commissioner Adriane Beck asked whether staff had considered cybersecurity liability insurance. Lynn responded that she has spoken with the insurer in the past on this type of coverage but that it was very costly. Deputy Director Tim Damrow added that as a result of the assessment, there may be a recommendation to purchase liability insurance. Alternate Commissioner David Bell asked if a penetration test would be included in this assessment. Dylan responded that it would not, but that staff anticipated having a penetration test once the issues identified in this assessment were addressed.

Motion: Commissioner Adriane Beck moved to authorize staff to accept the proposal of Systems Technology Consultants for a cybersecurity assessment

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

Award of Agricultural Lease and approval of contract

Administrative Manager Lynn Fagan reminded the Board that as a part of the purchase of property from Pruyns and Deschamps in the early 2000’s, MCAA was required to lease the land back to the seller for a period of approximately ten years. Both of those leases have now expired and staff issued a Request for Proposals for Agricultural Lease on February 16, 2023, for approximately 850 acres. Two proposals were received by the deadline – one from Grass Valley Farms, LLC, and one from JBK Ranches. A review committee of Airport Director Brian Ellestad, Airfield Manager Nate Cole and Administrative Manager Lynn Fagan evaluated the proposals and determined that the Grass Valley Farms proposal was the most advantageous to MCAA. The main difference between the two proposals was in price. Grass Valley proposed rent in the amount of \$31 per acre for the full acreage (approximately \$26,000 annually); JBK Ranches proposed rent in the amount of \$3,000 annually, noting that it would work 100 acres per year in new planting and spraying. The attached lease form has the acreage left blank at this point while MCAA’s engineer calculates an accurate number.

Chair Larry Anderson asked if Board members had any questions or public comments.

Motion: Vice Chair Winton Kemmis moved to award the agricultural lease to Grass Valley Farms, LLC, for \$31 per acre, and authorize Airport Director to execute lease

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

MASTER PLAN UPDATE

Shaun Shea from Morrison-Maierle introduced Mike Carlson, a Senior Aviation Planner in their Helena office, who presented an update on the draft Forecasting chapter of the Master Plan.

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 April 25th at 1:30 p.m.