

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
September 26, 2023
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD: Vice Chair Winton Kemmis
Secretary/Treasurer Deb Poteet
Commissioner Jeff Roth
Commissioner Adriane Beck
Commissioner Shane Stack
Commissioner Matthew Doucette
Alternate Commissioner Pat Boyle (Call In)
Alternate Commissioner David Bell

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Finance Manager Teri Norcross
Legal Counsel Lynn Fagan
Business Development Manager Dan Neuman
Ground Handling Manager Andrew Bailey
IT Specialist Dylan O'Leary
Human Resources Generalist Nikki Munro
Accounting Clerk Brianna Brewer

OTHERS: Gary Matson, Runway 25 Hangars
Shaun Shea, Morrison-Maierle
Martin Kidston, Missoula Current
Cole Jensen, Martel Construction

Vice Chair Winton Kemmis 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.

Vice Chair Winton Kemmis noted that an Alternate Commissioner needed to be seated.

Motion: Secretary/Treasurer Deb Poteet moved to seat Alternate Commissioner David Bell

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

AGENDA

Motion: Alternate Commissioner David Bell moved to approve the agenda as presented.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

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

MINUTES

Vice Chair Winton Kemmis asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated August 29, 2023. There were none.

Motion: Commissioner Adriane Beck moved to approve the minutes of Regular Board Meeting dated August 29, 2023.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell told the Board that June project expenses of \$1.5 million accrued in August will be paid in the next few days. \$965,000 of those project expenses are reimbursable by the FAA. Will stated that the checks to Arconas for \$145,333 and Connection for \$34,515 are related to Phase 2 of the terminal project. Will explained that the check to Amadeus for \$129,662 was for remaining implementation costs and a subscription fee for the common use computers in Phase 1.

Vice Chair Winton Kemmis asked if there were any Board questions or public comments regarding the Claims for Payment. There were no questions or comments.

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

Second: Alternate Commissioner David Bell

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell discussed some variances on the profit and loss and other schedules. Under the heading of non-Aeronautical revenue, Will noted that terminal-retail is down by approximately 34% as compared to the prior year. This is primarily due to a one-time fee that was recorded as revenue in August 2022 in the amount of approximately 55K. If we adjust for the one-time fee in 2022, terminal retail is up by approximately 17% or 12K which coincides with an increase in enplaned passengers as compared to the prior year.

Will also noted that last month a rental car group had not reported activity for the month of July. We have since received and recorded the activity or revenue in the month of July, so the year-over-year comparison is complete to date. Parking revenue is up by approximately 100K or 30% as compared to the same period last year.

Will also noted that in expenses, there is an increase of approximately \$106,000 as compared to last year. The increase is primarily related to two significant expenses incurred in August. The first, in the amount of approximately \$52,000, was related to the Pruyn property remediation effort and the second, in the amount of approximately \$26,000, was related to baggage handling replacement parts.

Revenues and expenses are currently 24% and 15% of the annual operating budget, respectively. Finally, Will stated that the airport did not draw money from the bank notes in August. Principal and interest is due the first day of each quarter. The next payment is due on October 1, 2023, in the amount of \$337,498.

Vice Chair Winton Kemmis 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: Commissioner Matthew Doucette

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that the airport saw increases in passengers in July and August over last year. Brian also reported that Allegiant Air would start four weekly flights to Mesa, Arizona in October.

Brian then reminded the Board that there will be an air service conference the first week of October. He has confirmed ten airlines will be represented by 12 or so individuals. Board members should have received invitations to a dinner on Tuesday October 3rd at Paws Up as part of the conference. There will also be a Facility and Operations meeting at noon on October 19th. Lunch will be provided.

Brian then reported that it looked like we may be facing a government shutdown at the end of the week, as the federal fiscal year comes to a close and Congress has not approved a new budget or a continuing resolution.

Deputy Director Tim Damrow gave a construction update, noting that vertical construction on Phase 2 of the terminal project is underway, with most of the structural steel in place. Martel is preparing for concrete falls to be poured next week.

Tim then reported that the Master Plan group will be looking at options for the second runway next month. There are three options for runway placement: (1) 700 feet from the current runway; (2) 900 feet from the current runway; or (3) 2800 feet from the current runway, which is the placement on the current Airport Layout Plan. The committee will discuss a preferred option.

Vice Chair Winton Kemmis asked if a federal shutdown would stop any of the airport's current projects. Tim responded that it would not affect our projects but the staff at the control tower may not be able to participate in ongoing Master Plan meetings. Engineer Shaun Shea explained that the grants for the airport's projects have already been funded, so we will be able to continue to draw down on those grants.

LEGAL REPORT

Administrative Manager Lynn stated that she wanted to clarify the airport's position on criminal charges under the Trespass Resolution the Board adopted last month. The Trespass Resolution sets out MCAA's policy regarding who is permitted on airport property – namely, those with legitimate airport business. As PSO Officer Jodsaas explained last month, when the officers encounter individuals on airport property who do not have legitimate airport business, they talk with them and respectfully ask them to leave. The majority of individuals do leave upon request. However, occasionally the officers encounter someone who refuses to leave.

There is a state statute prohibiting trespass which makes it unlawful to enter or remain in or on the premises of another. The Resolution sets out the criteria for those who are 'invited' or 'privileged' to be on airport property. All others are in violation of the Resolution and may be subject to criminal prosecution.

At the end of last month's discussion on the Resolution, Lynn explained, she suggested that the officers may want to refrain from charging individuals with trespass. Lynn stated that she would like to correct that statement on the record. When individuals violate the Resolution and refuse to leave upon request of an officer, the officer has the discretion to charge that individual under state law.

The privilege to be on the airport property may be revoked. Therefore, even individuals who are on airport property with legitimate airport business may lose the privilege of remaining here, based on their conduct or behavior. The policy of MCAA has been to allow our Public Safety Officers the discretion to press criminal charges as they see fit. If a charge is contested, the Missoula County or City Attorney also has discretion on whether to prosecute the charge or not.

Lynn stated that if any Board members disagree with this policy or would like further discussion on it, she would add this item to an upcoming agenda. None of the Board members indicated they disagreed with the policy.

Lynn then told the Board that staff met with Forest Service staff last week to discuss their lease. As a reminder, MCAA built the Forest Service hangar and it was completed by 8.1.2005. The original lease was for a 20-year term with 2 5-year renewals built in. The Forest Service is interested in entering into a new lease, but they would like some improvements done to the building. Thad and Shaun were onsite to review those. Costs for the improvements could be paid for by a lump sum payment up front, amortized over the term of the lease or a combination of both. Shaun will provide feedback on the feasibility of the requested improvements.

Vice Chair Winton Kemmis asked if there were any Board questions or public comments regarding the Legal Report. There were none.

COMMITTEE UPDATES

Executive Committee: Met September 26, 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

Allegiant – Agreement for Deicing Services

Deputy Director Tim Damrow explained that Allegiant requested this contract amendment to address increases in deicing charges. The airport evaluates these charges annually because, as a petroleum byproduct, the costs are volatile. The airport has been able to maintain a relatively flat pricing structure over the last four years, but current conditions require an increase. This is a 10% year-over-year increase and will match rates charged to other carriers serviced by MSO ground handling.

Vice Chair Winton Kemmis asked if there were any further Board questions or public comments.

Commissioner Shane Stack asked how much quantity can be stored on site. Ground Handling Manager Andrew Bailey responded that there is a 9,000-gallon tank on site.

Alternate Commissioner David Bell asked how many aircraft could be deiced with the truck. Ground Handling Manager Andrew Bailey responded that they could deice four or five planes depending on the weather and the type of aircraft.

Motion: Commissioner Shane Stack moved to approve the Airport Services General Terms Agreement with Allegiant Air.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Airport Capital Improvement Plan (FY24-FY29)

Airport Director Brian Ellestad explained that MSO is required to submit an Airport Capital Improvement Plan (ACIP) annually to the FAA. This ACIP shows the proposed capital projects that will be funded by the FAA for the next 6-years. While the FAA is primarily concerned with projects that are funded using Airport Improvement Program (AIP) funds, staff has included local contributions (PFC and/or reserves/debt) to these projects in the spreadsheet as well.

Brian explained that the runway resurface project noted for Federal Fiscal Year 2025 is the largest project, requiring \$9 million in discretionary funding. Brian stated that personnel from the Airport District Office in Helena have come out to see the runway conditions. Board members, Brian and Shaun Shea discussed the paving project in more detail.

The last three years of the ACIP are very fluid, as staff will need to respond to what comes out of the Master Plan project.

Staff is asking that the board formally consider and approve the ACIP prior to submission to the FAA.

Vice Chair Winton Kemmis asked if there were any further Board questions or public comments. There were none.

Motion: Commissioner Jeff Roth moved to approve the 2024 Airport Capital Improvement Plan as presented.

Second: Commissioner Matthew Doucette

Vote: Motion Passed Unanimously

Airport Director Performance Review

Vice Chair Winton Kemmis stated that the meeting is being closed to the public because it relates to a matter of individual privacy – specifically the Airport Director’s performance. Winton stated that as the presiding officer, he has determined that the demands of individual privacy clearly exceed the merits of public disclosure. Winton asked Airport Director Brian Ellestad if he wanted to waive his right to privacy. Brian stated he did not. The meeting was then closed to the public.

Vice Chair Winton Kemmis re-opened the meeting to the public.

Discussion Items

Vice Chair Winton Kemmis noted that the next Board meeting will be in the same hybrid format on October 31st at 1:30 p.m.

Meeting Adjourned.