

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

THOSE PRESENT

BOARD:

Chair Larry Anderson
Vice Chair Winton Kemmis
Secretary/Treasurer Deb Poteet
Commissioner Adriane Beck
Commissioner Jeff Roth
Commissioner Shane Stack
Commissioner Matthew Doucette (Call In)
Alternate Commissioner Pat Boyle
Honorary Commissioner Jack Meyer (Call In)

STAFF:

Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Legal Counsel Lynn Fagan
Business Development Manager Dan Neuman
IT Specialist Dylan O'Leary
HR Generalist Nikki Munro

OTHERS:

Accounting Clerk Brianna Brewer
Shaun Shea, Morrison-Maierle
Gary Matson, Runway 25 Hangars
Cole Jensen, Martel Construction
Josh Johnson, Minuteman Aviation
Mike Mamuzich, Minuteman Aviation
Mark Mamuzich, Minuteman Aviation
Ashley Osten, Moss Adams
Dale Haarr, Missoula Car Condos

Chair Larry Anderson called the meeting to order and advised everyone that the meeting was being recorded.

Legal Counsel Lynn Fagan performed a roll call of Board members, staff members, and members of the public.

Chair Larry Anderson noted that an Alternate Commissioner needed 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: Secretary/Treasurer Deb Poteet moved to approve the agenda as presented.

Second: Commissioner Jeff Roth

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. Dale Haarr, owner of Missoula Car Condos, an on-airport lessee, provided a comment and request to the Board. Dale stated that he had been a lessee on-airport for 23 years and had not previously had the occasion to appear before the Board. Dale stated that he had always been able to work with airport management. Dale explained that he is currently planning on building 14 more units on site. He submitted the documentation for a building permit in September and was told it would be 4-6 weeks but was told yesterday that it will likely be the end of January before the permit is issued. In the meantime, he is required to pay rent on the parcel. The rent adversely affects the cost of each unit. Dale requested that the rent be waived from September until the building permit is issued. Dale also noted that he had paid rent on the other parcels through December.

MINUTES

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

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

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

Commissioner Matthew Doucette arrived. Chair Larry Anderson noted that there was no need for an Alternate Commissioner with Matthew's arrival and Alternate Commissioner Pat Boyle was unseated.

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell noted that project expenses for October 2023 were approximately \$2.7 million and will be paid in the next few days; 63% of those expenses will be submitted to the FAA for reimbursement. Of the operating expenses, Will noted two significant operating expenses included in the claims for payment related to winter operations - payment to Ascent Aviation in the amount of \$40,428 and payment to MB Companies for \$14,460.18.

Chair Larry Anderson asked if there were any Board questions or public comments regarding the Claims for Payment. There were no questions or comments.

Motion: Vice Chair Winton Kemmis moved to approve the Claims for Payment

Second: Secretary Treasurer Deb Poteet

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell mentioned that there was a draw on the 2022 debt series in the amount of \$1.5 million for project expenses. Will noted that this payment will be included as a note in the audited financial statements and it is the only change in the audited financial statement that was included in the Board packet.

Chair Larry Anderson asked if there were any 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: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad noted that October was another record month for the airport. United took over from Delta as the carrier lead carrier. Delta has held that position for many years. Alaska will be introducing mainline aircraft to MSO beginning with their midday flight on April 16, 2024. Alaska's nonstop to Portland will also be back on our schedule beginning March 14, 2024. Brian also reminded the Board that the air service consultant from Ailevon will be onsite Tuesday December 5th for a community meeting on air service and the Department of Transportation's Small Community Air Service grant program.

Brian noted that Morrison-Maierle had submitted the MSO terminal project for an award through the American Counsel of Engineering Companies. The project was awarded the Montana Engineering Excellence Award for 2023. Brian stated that he, Deputy Director Tim Damrow, Shaun Shea of Morrison-Maierle, Chair Larry Anderson and Vice Chair Winton Kemmis travelled to Helena to receive the award.

Deputy Director Tim Damrow gave a construction update. Phase 2 vertical construction is in progress with structural steel nearing completion. The laydown yard and parking expansion project is basically complete. There is some fencing and lighting that need to be added but the expansion should be prepared to open for peak Christmas parking.

Tim also noted that the long-awaited entrance sign is in place and working.

Chair Larry Anderson asked if there were any Board questions or public comments regarding the Director's Report. Vice Chair Winton Kemmis asked if Brian expected United's lead position to hold. Brian responded that it would likely go back and forth between United and Delta for awhile. There were no other questions or comments.

LEGAL REPORT

Legal Counsel Lynn Fagan noted that staff had just completed the first parallel payroll with UKG, the airport's new HR and payroll software. Lynn praised Nikki Munro, HR Generalist, for her hard work on this implementation.

Lynn also mentioned that Jeff Roth's term on the Board will end on December 31st. Jeff has been on the Board since 2012, acted as Chair several times and has been a very engaged Board member. Staff will miss his input. Lynn noted that the County Commissioners will be appointing Pat Boyle as a full Board member and moving David Bell to the first Alternate position. The County is still taking applications for the open Alternate seat.

Finally, Lynn noted that Thad Williams, the airport's Facility Manager, has left our employment after 12 years of service. Thad was a great manager and staff will miss him. The position is being advertised.

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 November 28, 2023, to review the Board agenda.

Finance Committee: Met November 13, 2023

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

Fiscal Year 2023 Audit

Director of Finance and Administration Will Parnell introduced Ashley Osten of Moss Adams to the Board. Will stated that Ashley was here from Portland, Oregon to conduct the audit exit interview. Will also stated that Ashley and her team were professional and great to work with and he thanked Ashley for their work and for taking on the engagement.

Ashley thanked the Chair and the Board and presented the Audit results. Ashley went through the auditor opinions and reports. The auditors are prepared to issue an unmodified opinion that the financial statements are presented fairly and in accordance with US GAAP. She stated that although it only takes her seconds to say "unmodified opinion," it takes management all year of following controls to obtain that opinion and gave kudos to management. There were no significant control or compliance findings. Additionally, the audit team looked at the Airport Improvement Program and reviewed all aspects of the program for compliance. Ashley noted that this compliance testing has a very low materiality threshold. Any variance over fifty cents would have to be investigated and potentially reported. Again, there were no control or compliance findings, meaning that the grant funds are appropriately administered. They also issue an opinion on the Passenger Facility Charges and there were no control findings on those.

Ashley then went through required communications. Ashley noted that the airport did adopt two new accounting standards – GASB 94, Public-Private and Public-Public Partnerships and Availability Payment and GASB 96, Subscription-Based Information Technology Arrangements. The auditors found that management had selected accounting policies appropriately and consistent with the prior year.

Ashley called the Board's attention to specific financial statement disclosures, specifically Note 1 on Summary of Significant Accounting Policies, Note 4 Capital Assets, Note 5 Long-Term Debt, Note 6 Lease of Airport Facilities, Note 8 Public Employees' Retirement System, and Note 13 Service Concession Arrangement.

Ashley noted that there were no difficulties encountered during the audit. Will and his team were great to work with. There were also no corrected or uncorrected audit adjustments identified.

Ashley explained that this means that the draft trial balance provided by staff was the same as the audited financial statements.

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

Motion: Commissioner Shane Stack moved to accept the Fiscal Year 2023 Audit

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Election of 2024 Board Officers

Chair Larry Anderson noted that the Bylaws required election of officers to be held at the November annual meeting. Larry read Article III, Section 3 of the Bylaws:

The current Chair may nominate a slate of Officers by nominating a Commissioner to serve as Secretary/Treasurer, nominating the current Secretary/Treasurer to serve as Vice Chair and nominating the current Vice Chair to serve as Chair.

Larry then stated that he is proposing to follow the Succession Order, in that Vice Chair Winton Kemmis be elevated to Chair, and that Secretary/Treasurer Deb Poteet be elevated to Vice-Chair. Larry then nominated Alternate Commissioner Pat Boyle to serve as Secretary/Treasurer. Pat will be moved to a full Board Commissioner as of January 1, 2024. Pat has served as an Alternate Commissioner since January 1, 2018.

Larry then called for nominations from the floor three times. Hearing no nominations, a vote was proposed to accept the slate of officers as nominated: Winton Kemmis to serve as Chair, Deb Poteet to serve as Vice Chair, and Pat Boyle to serve as Secretary/Treasurer. The vote was unanimous. The elections become effective on January 1, 2024.

Discussion Items

Chair Larry Anderson noted that the next Board meeting will be in the same hybrid format on December 19th at 1:30 p.m.

Meeting Adjourned.