

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
December 19, 2023  
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD:

Chair Larry Anderson  
Vice Chair Winton Kemmis  
Commissioner Jeff Roth  
Commissioner Shane Stack  
Commissioner Matthew Doucette (Call In)  
Alternate Commissioner David Bell (Call In)  
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  
Chief of Public Safety Justin Shaffer  
Airfield Manager Nate Cole

OTHERS:

Compliance Officer Jesse Johnson  
Accounting Clerk Brianna Brewer  
Shaun Shea, Morrison-Maierle  
Gary Matson, Runway 25 Hangars  
Cole Jensen, Martel Construction  
Travis Frey, Martel Construction  
Josh Johnson, Minuteman Aviation  
Mike Mamuzich, Minuteman Aviation  
Mark Mamuzich, Minuteman Aviation

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 David Bell

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

AGENDA

Motion: Vice Chair Winton Kemmis 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 November 28, 2023. There were none.

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

Second: Alternate Commissioner David Bell

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell explained that there was no Finance Report for this month as the meeting was moved to earlier in the month due to the Christmas holiday. Will then noted that project expenses for November were approximately \$2.3 million. 46% of those expenses will be submitted to the FAA for reimbursement. The remaining project expenses will be paid with reserves and debt.

Will also noted that staff is transitioning to a new credit card company. FNB is the previous company and the credit card account there will be terminated by the end of the month. The new credit card charges will be broken out by category and department.

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: Commissioner Jeff Roth moved to approve the Claims for Payment

Second: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad noted that there were some fog diversions over the past few days. Staff performed some fog seeding on Saturday and Sunday. Brian stated that flights would not have been able to leave on Sunday without the staff's diligence.

Brian stated the community air service meeting went very well. MEP, Glacier County and Destination Missoula are all working on fund raising. Brian noted that Senator Tester has been helpful in getting flights to Texas for the Grizzly NCAA championship game. Delta and American have both added flights and there are several charters also. Brian noted that there are seats out there but they are expensive.

Deputy Director Tim Damrow gave a construction update. Overall, construction is progressing. Concrete floors are in progress. Tim noted that staff will likely be bringing a project contingency adjustment to the Board in January or February. This is due to added scope to the project – primarily added basement space was added and some minor changes to level one and two bathrooms. In addition to added scope, Tim noted that the contingency on this phase of the project was significantly smaller than the first phase – first phase had a 13% contingency balance versus 8% for the second phase.

Tim also stated that the parking expansion would be open to passengers beginning tomorrow in time for holiday traffic.

Chair Larry Anderson asked if there were any Board questions or public comments regarding the Director's Report. There were no questions or comments.

### LEGAL REPORT

Legal Counsel Lynn Fagan updated the Board on the status of the Car Condos lease amendment. Dale Haarr, one of the owners, spoke at the November meeting and requested that his rent be waived while he was waiting for the City of Missoula to approve his building permit. Dale has since executed the Lease Amendment the Board approved last June and has paid the rent on the added parcel.

There was a minor accident with a high cost on airport in late November. An employee of one of our tenants was leaving through an airfield gate by Minuteman Aviation. The gate had not fully opened when he proceeded through it and the gate hit the camper on the back of his truck. The cost of repair is \$21,475. Farm Bureau is the insurance provider and they informed me this week that they have accepted liability, and we are authorized to proceed with the repair. They will be sending a check.

Lynn also reported that staff have been working on revisions to the airport's Primary Guiding documents. Dan Neuman has been spearheading the project and prodding the rest of staff to keep the project moving. Staff began this project right before the pandemic hit and had to set it aside. The documents are almost ready to be sent to our tenants for review and comment. Once those are received and reviewed by staff, there will be a public meeting. Staff hopes to bring these to the Board for approval in late Spring 2024. Lynn thanked Dan for keeping the project moving.

Lynn then reminded the Board that there were some committees that needed added participation and requested that Board Commissioners email her if they were interested in being on those committees.

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

## UNFINISHED BUSINESS

### Minuteman East and Life Flight Lease term extension

Airport Director Brian Ellestad explained that Minuteman Aviation has had a ground lease for their east facility since May 1989, and has had several extensions over the years. The last extension was a 5-year extension in 2019. That lease amendment notes that Minuteman East lease shall not be extended and shall be terminated on November 30, 2024 based on staff's perception that the space would then be needed for parking. Through the Airport Master Plan process, staff has obtained updated passenger and parking forecasts and determined that with modifications to their current lease area based on future projections that we are able to give Minuteman East a three-year lease extension until November 30, 2027. Minuteman has requested a 5-year extension. This issue was discussed at the last Facilities and Operations meeting and the committee suggested bringing the length of the extension issue to the Board.

Brian also explained that Minuteman Aviation also has a second lease nearing termination on the west side of the terminal. Staff is recommending that the lease be extended until November of 2036 due to a recent capital investment Minuteman made in that facility. Minuteman has requested that the Life Flight hangar parcel be added to their FBO lease, whose term extends to 2046. The staff's position is that the capital improvements do not justify a 22-year lease extension.

Chair Larry Anderson asked if there were any further Board questions or public comments. Mike Mamuzich, President of Minuteman Aviation, asked if there would be an opportunity for another extension of the East parcel after the three years. Brian explained that the term is always reviewable but that staff would like to be transparent with Minuteman that the time is coming where the Airport will need that space for parking. Brian noted that the airport just spent over \$1 million to expand parking to the south and gain some time for the east side lease. Brian stated that staff is very comfortable with three years right now and stated staff would keep discussions open with Minuteman as time passed and there was an opportunity to test the forecasts.

Mike then asked if it was possible to include the Lifeflight parcel in Minuteman's westside lease agreement. Legal Counsel Lynn Fagan responded that the airport's Primary Guiding Documents and FAA regulations require a capital investment to increase the term. Based on the capital investment, staff was not comfortable extending it an extra ten-years, which is the term of the westside lease. Lynn did note that if Minuteman were to make another significant capital investment during the term of the lease, it would be possible to combine the two agreements and line up the termination dates.

Mark Mamuzich then commented that Minuteman has already lost a number of hangars over the years to terminal growth and there was limited space on the west side for them to consolidate operations. Brian responded that there would be space opening up near their westside leased parcel that could be used for tie-downs.

Discussion ensued regarding space constraints and other areas that may be available for Minuteman's consolidated operations. Commissioner Shane Stack asked Minuteman if they had an estimate on when they could begin construction of a new building. Mike responded that it would be three years.

Motion: Vice Chair Winton Kemmis moved to approve a 3-year lease extension on Minuteman East and a 12-year extension to Minuteman's Life Flight Hangar.

Second: Commissioner Jeff Roth

Abstention: Commissioner Shane Stack

Vote: Motion Passed Unanimously

## NEW BUSINESS

### Dollar Rent a Car Off Airport Lease

Legal Counsel Lynn Fagan explained that Dollar Car Rental has been operating at Missoula Airport for many years. All off-airport car rental companies operating at the airport are required to have an Off Airport Rental Car Agreement. Dollar has been operating under the holdover provision of their current agreement. This agreement requires Dollar pay 6% of their gross receipts to MCAA. It allows Dollar to use the commercial lane and/or to leave cars within the paid parking lot. Dollar generally runs a shuttle to pick up their customers. They have been a great partner and are up-to-date with all their required payments and reports.

Chair Larry Anderson asked if there were any Board questions or public comments. There were no questions or comments.

Motion: Commissioner Jeff Roth moved to approve the Off Airport Rental Car Agreement with Dollar Car Rental.

Second: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

### Missoula Car Rental Off Airport Lease

Legal Counsel Lynn Fagan explained that Missoula Car Rental is new to MSO and operates seasonally from May through September. This agreement is identical to the Dollar agreement and requires Missoula Car Rental pay 6% of their gross receipts to MCAA. It also allows them to use the commercial lane and/or to leave cars within the paid parking lot.

Chair Larry Anderson asked if there were any Board questions or public comments. Honorary Commissioner Jack Meyer asked if Missoula Car Rental voluntarily contacted the airport or did staff find out secondarily. Lynn responded that staff did find out secondarily, but she does not fault the company for that as many people are not aware that an agreement is required to operate a commercial business on airport property.

There were no other questions or comments.

Motion: Vice Chair Winton Kemmis moved to approve the Off Airport Rental Car Agreement with Missoula Car Rental.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

Martel Construction Additive and Deductive Change Orders – Terminal Construction Phase 2

Deputy Director Tim Damrow explained that while the South Concourse has been open for over a year, the final punch list and warranty items were still being addressed. Now that all items have been officially closed out, a deductive change order is necessary to close the project out and reconcile unused budgets.

The unused budget from Martel Contract #14 will be advanced to the East Concourse Project (Contract #24) as additional contingency budget. The deductive change orders result from responsible fiscal management of the project team and not utilizing all of our allowances or contingencies on the project. The amount of the change order is \$22,859.15. This changes the total GMP for Martel Contract #24 to \$42,449,319.08.

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: Commissioner Jeff Roth moved to approve the deductive change order to Martel Contract #14 in the amount of \$22,859.15 and the additive change order to Martel Contract #24 in the amount of \$22,859.15.

Second: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

Morrison-Maierle Task Order No. 56 - Design for Aviation Way rehab

Director Brian Ellestad explained that Aviation Way parallels Broadway on the north side of the Airport. It serves as the main roadway that connects businesses, passengers, public safety, operations, rental cars, FBOs, etc. across the northern portion of the Airport.

Airport staff can no longer keep up with the annual maintenance needs of Aviation Way, and it is time to reconstruct the roadway. There are also segments of the road that need to be widened out to accommodate additional traffic and the size of vehicles using this road.

The reconstruction efforts will consist of strengthening the pavement section, widening specific sections of the road, and improving storm drainage along the corridor. The project will be divided into two schedules (west of the terminal access road and east of the terminal access road). Design for this project would begin immediately and bid in May 2024 and possibly run into 2025. Construction costs are estimated to be \$2,000,000.

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 Task Order No. 56 with Morrison-Maierle for \$197,500.00 to complete the Final Design of the Aviation Way Reconstruction Project.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

Morrison-Maierle Task Order No. 57 - Storm Water Pollution Prevention Plan

Airport Director Brian Ellestad stated that Montana Department of Environmental Quality (DEQ) has requested revisions to the Airport's Stormwater Pollution Prevention Plan (SWPPP) which is also associated with the Airport's Spill Prevention, Control and Countermeasure Plan (SPCC). Tetra Tech has been subconsulted to assist with the updates to these plans and submittal to DEQ.

In addition to the plan update, this Task Order will also include water quality sampling at three designated stormwater outfall locations and developing new inspection forms to be used by the Airport and tenants when evaluating the SWPPP and SPCC measures on the airfield.

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: Commissioner Jeff Roth moved to approve

Second: Vice Chair Winton Kemmis

Vote: Motion Passed Unanimously

Discussion Items

Chair Larry Anderson thanked Commissioner Jeff Roth for his 12 years of service on the Board and noted that in that time, Jeff served two terms as Chair of the Board.

Chair Larry Anderson noted that the next Board meeting will be in the same hybrid format on January 30<sup>th</sup> at 1:30 p.m.

Meeting Adjourned.