

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
August 27, 2024
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD: Chair Winton Kemmis
Vice Chair Deb Poteet
Secretary/Treasurer Pat Boyle
Commissioner Shane Stack
Commissioner Adriane Beck
Commissioner Matthew Doucette via MS Teams
Alternate Commissioner Jack Meyer

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Legal Counsel Lynn Fagan
Business Development Manager Dan Neuman
Ground Handling Manager Andrew Bailey
Public Safety Chief Justin Shaffer
Compliance Officer Jesse Johnson
Human Resources Manager Nikki Munro
IT Specialist Dylan O'Leary
Accounting Clerk Brianna Brewer
Airfield Operations Supervisor Jake Sol

OTHERS: Shaun Shea, Morrison Maierle
Tyler Reed, Morrison Maierle
Cole Jensen, Martel Construction
Jerry Woodahl, Western Rentals Inc.
Kim Woodahl, Western Rentals Inc.
Ashley Osten, MossAdams via MS Teams
Taylor Hillmick, MossAdams via MS Teams

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

Motion: Vice Chair Deb Poteet moved to seat Alternate Commissioner Jack Meyer

Second: Secretary/Treasurer Pat Boyle

Vote: Motion Passed Unanimously

AGENDA

Chair Winton Kemmis asked if there were any changes to the agenda. There were none.

Motion: Commissioner Adriane Beck moved to approve the agenda.

Second: Vice Chair Deb Poteet

Vote: Motion Passed Unanimously

PUBLIC COMMENT PERIOD

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

MINUTES

Chair Winton Kemmis asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated July 30, 2024. There were none.

Motion: Secretary/Treasurer Pat Boyle moved to approve the minutes of Regular Board Meeting dated July 30, 2024.

Second: Alternate Commissioner Jack Meyer

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell presented the Claims for Payment. Starting with project expenses, during the month of July 2024, MCAA incurred approximately \$1.7 million in project expenses. July project expenses will be paid in the next few days and are presented as accounts payable projects on the balance sheet. Of the \$1.7 million in project expenses, approximately \$1 million or 59% has been submitted to the FAA for reimbursement. The remaining project expenses will be paid with reserves and debt.

There were a few significant payables incurred over the reporting period. Will explained that the payment to Big Sky Kabota for \$22,604.30 was for a new Kabota for parking operations. The Board approved this purchase at the May 2024 regular meeting.

Payment to Miller Roofing for \$105,770 was the final installment for a new roof on the U.S. Forest Service Hangar. This came in just under budget.

Payment to Veoci for \$45,137 is pre-payment for access and consulting services and was included in the Fiscal Year 2025 budget.

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: Alternate Commissioner Jack Meyer moved to approve the Claims for Payment

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell presented the Financial Report. Will reported that parking revenue has increased by approximately \$153,000, or 85%, as compared to the same period. The increase is primarily related to a change in billing terms as MSO selected a new parking vendor effective July 1, 2024. The previous billing terms required a tiered remittance approach based on gross receipts. For comparison purposes, using the same approach as last year, parking gross revenue increased by \$74,000 as compared to last year.

Revenues and expenses are currently 14% and 16% of the annual operating budget respectively. Staff paid approximately \$136,000 in principle towards long-term debt in July.

Chair Winton Kemmis asked if there were any Board questions or public comments regarding the Financial Report. There were no questions or comments.

Motion: Secretary/Treasurer Pat Boyle moved to approve the Financial Report

Second: Vice Chair Deb Poteet

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad presented his report to the Board. Brian noted that there was a 14.1% increase in passengers in July. Year to date, passengers are up 10% over last year. Brian does not expect August to have as large of an increase and is projecting 10%.

Brian and Tim Damrow travelled to Billings for the annual Montana air service meeting. They heard good comments from the airlines and have several follow-up meetings scheduled.

Brian reported that the new parking equipment is in and will be operational this week. This will bring much more functionality for staff and customers.

Staff rolled out the new Explore MSO program which allows non-airline ticketed customers through the check point. Brian thanked Tim for all his work on the project.

Tim Damrow, Deputy Director, presented a construction update. Phase 2 and 3 of the terminal project are in progress. Footings and foundation work is ongoing on Phase 3. All trades are on site for Phase 2 and the curtain wall glazing in the front of the terminal is almost complete. The expansion of the SRE is ongoing. This project is moving from two doors in the ARFF bay to one door to accommodate larger trucks.

Chair Winton Kemmis asked if there were any Board questions or public comments for Brian or Tim. There were no questions or comments.

LEGAL REPORT

Legal Counsel Lynn Fagan presented her report to the Board. Lynn reminded the Board of a AAAE Board Orientation and Training on September 19, 2024. Lynn reported that she and Brian met with City Parks staff and Cory Miller regarding the Milwaukee Railroad right-of-way. Cory expressed that he would like to increase the size of the two easements he has across the right-of way from sixty feet to eighty feet and to also place a height restriction on the

easement. Cory is not willing to pay for those enhancements as he feels his current access is fine. Lynn will work with City staff on moving this project forward.

Lynn also reported that two long-term tenants are leaving the airport this month. Flathead Travel has been in the terminal for over 20 years. They are moving out by the end of August. Jerry and Kim Woodahl, whose company Western Rentals, Inc. operates the Hertz franchise, are selling the company. Jerry has owned and operated the franchise at the airport for over thirty years. Kim will retain a management position with the new company.

Chair Winton Kemmis asked if there were any Board questions or public comments regarding the Legal Report. There were no questions or comments.

COMMITTEE UPDATES

Executive Committee: Met August 27, 2024, to review the Board agenda.

Finance Committee: No Activity

Business Development: No Activity

Contract & Lease Committee: No Activity

Facility & Operations Committee: Met July 30, 2024

Marketing Committee: No Activity

General Aviation Committee: No Activity

Legislative Committee: No Activity

UNFINISHED BUSINESS

Contract with FastSigns for Phase 2 Terminal Construction

Deputy Director Tim Damrow presented this item. Staff circulated the Phase 2 FFE (Furniture, Fixtures and Equipment) Signage package to 5 local providers and received three quotes to supply and install the respective elements of the signage and wayfinding packages. FastSigns of Missoula provided a complete quote to supply and install the 160 signs in the Signage/Wayfinding Package. The Board approved the award of the bid to FastSigns at its regular meeting in May 2024. The attached contract memorializes that award and sets out the parties' respective duties and obligations. The contract includes a Service Agreement, required federal provisions, 100% plans for signage and the FastSigns bid.

Chair Winton Kemmis asked if there were any Board questions or public comments. There were no questions or comments.

Motion: Alternate Commissioner Jack Meyer moved to approve Contract with FastSigns for Phase 2 Terminal Construction.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Contract with TRS Group, Inc. for ARFF Vehicle Cleaning Services

Legal Counsel Lynn Fagan presented this item. At the July 2024 meeting, the Board awarded the bid for ARFF Vehicle Cleaning Services to TRS Group, Inc. Staff has completed negotiations and are bringing the contract for Board approval. The contract includes the ARFF Cleaning Services Contract, Required Federal Provisions, the RFP and TRS' response to

the RFP. As noted at the July meeting, these services are highly sought after right now as almost all airports transition to fluorine-free foams. The contract requires that TRS complete all work on or before May 31, 2025. TRS will be on site for approximately three weeks.

Chair Winton Kemmis asked if there were any Board questions or public comments. There were no questions or comments.

Motion: Commissioner Adriane Beck moved to approve Contract with TRS Group, Inc. for ARFF Vehicle Cleaning Services.

Second: Alternate Commissioner Jack Meyer

Vote: Motion Passed Unanimously

NEW BUSINESS

Western Rentals, Inc. dba Hertz and Thrifty Contract Assignment to Overland West, Inc.

Legal Counsel Lynn Fagan presented this item. Jerry Woodahl of Western Rentals, Inc. has been operating the Hertz and Thrifty car rental concessions at MSO for many years. The on-airport car rental concession was put out to bid in 2019 and Western Rentals was the second-highest bidder at that time. The concession agreement's term extends until June 30, 2025. Jerry and his daughter Kim have been great partners. Jerry is retiring and is proposing a sale of his business to Overland West, Inc. Overland West, Inc. operates concessions in seven western states and in four other Montana locations – Bozeman, Great Falls, Helena and Billings. Staff reached out to those airports and have received positive feedback. The sale is scheduled to go through on October 1, 2024.

Chair Winton Kemmis asked if there were any Board questions or public comments. Jerry Woodahl, Western Rentals, Inc., stated that it has been great to work at the airport. He has been here since 1985. Jerry also stated that his daughter, Kim Woodahl, will continue with Overland West in a different managerial capacity.

Motion: Alternate Commissioner Jack Meyer moved to approve Western Rentals, Inc. dba Hertz Rent a Car and Thrifty Car Rental's assignment of the On Airport Rental Car Concession and Lease Agreement to Overland West, Inc. and the proposed Assignment and Assumption Agreement.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Allegiant Deice Agreement

Ground Handling Manager Andrew Bailey presented this item. The Ground Handling division of Missoula Airport provides contract aircraft deicing services for Allegiant. For the 2024-2025 deicing season, the Ground Handling Department will assess the same fees for deicing services as the prior season. Type I glycol will be sold to Allegiant at \$20.50 per gallon. Type IV glycol will be sold to Allegiant at \$24.50 per gallon. A per event truck charge of \$85.00 will be assessed as well.

Chair Winton Kemmis asked what the difference was between Type I and Type II glycol. Andrew explained that Type I is diluted with water; Type II is not diluted and is applied when there is an active event.

Chair Winton Kemmis asked if there were any other Board questions or public comments. Commissioner Shane Stack asked how many gallons are used in one event. Andrew responded that it depends but generally one event averages from 50 to 100 gallons.

Motion: Vice Chair Deb Poteet moved to approve the Airport Services General Terms Agreement with Allegiant Air.

Second: Secretary/Treasurer Pat Boyle

Vote: Motion Passed Unanimously

MOU with Forest Service

Public Safety Chief Justin Shaffer presented this item. This Memo of Understanding (MOU) with the Forest Service is intended to provide for joint law enforcement for both organizations. The MOU provides that MCAA's Public Safety Officers have jurisdiction on Forest Service property and the ability to respond to incidents in progress.

Chair Winton Kemmis asked if there were any Board questions or public comments. Commissioner Adriane Beck asked who had firefighting jurisdiction on the Forest Service property. Justin responded that the City of Missoula has firefighting jurisdiction.

Motion: Alternate Commissioner Jack Meyer moved to approve Memo of Understanding between USDA Forest Service, Northern Region, Law Enforcement and Investigations and the Missoula County Airport Authority.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Lease Agreement with Greg Tabish/Mark Bretz

Business Development Manager Dan Neuman presented this item. There is a vacant lot between Homestead Aviation and the FedEx plant that Neptune previously leased. When Neptune's development plans changed, both MSO and Neptune agreed to terminate the lease. Staff was approached recently by Greg Tabish of Tabish Bros. Distributors, Inc. for land to construct a hangar. Greg completed an application and staff is recommending a lease for a 20-year term. The lease contains a requirement that construction be completed within two years. As the lease is for an aviation purpose, the rate will be set by the Board annually and is currently \$0.18 per square foot. Greg is partnering with Mark Bretz. They have formed a limited liability company and the Lease Agreement will be in the name of Bravo One Hangar LLC. However, both Greg and Mark have agreed to sign personal guarantees.

Chair Winton Kemmis asked if there were any Board questions or public comments. There were no questions.

Motion: Secretary/Treasurer Pat Bolye moved to approve Lease Agreement with Bravo One Hangar, LLC, contingent upon execution of personal guarantees by Greg Tabish and Mark Bretz.

Second: Vice Chair Deb Poteet

Vote: Motion Passed Unanimously

Morrison-Maierle Task Order #64 – Consulting on Low-Emissions Grants

Business Development Manager Dan Neuman presented this item. An Airport Zero Emissions Vehicle Grant is being developed to be submitted to the FAA in hopes of funding multiple electric airfield vehicles. The vehicles will be used for airfield maintenance only. This Task Order with Morrison-Maierle will develop the pre-application for FAA approval. If the pre-application is approved, Morrison-Maierle will then put together a package to solicit bids for vehicle acquisition, followed by a reimbursable grant and FAA closeout process. This Task Order assumes that a final grant application will be submitted to the FAA. However, if the pre-application is not approved by the FAA, the services associated with this task order will be discontinued at that time. Dan noted that the exposure on the pre-application is \$6,700.

Chair Winton Kemmis asked if there were any Board questions or public comments. Alternate Commissioner Jack Meyer asked if this grant program comes out of FAA discretionary funding. Director of Finance and Administration Will Parnell responded that this grant program is separately funded and will not come out of discretionary funds.

Motion: Commissioner Adriane Beck moved to approve Task Order No. 64 with Morrison-Maierle in the amount of \$23,500.00

Second: Alternate Commissioner Jack Meyer

Vote: Motion Passed Unanimously

Airport Capital Improvement Plan

Airport Director Brian Ellestad presented this item. Annually, MSO is required to submit an Airport Capital Improvement Plan (ACIP) to the FAA. This ACIP shows the proposed capital projects that will be funded by the FAA for the next 6-years. The FAA uses this document to program funding throughout the region. While the FAA is primarily concerned with projects that are funded using Airport Improvement Program (AIP) funds, staff has included local contributions (reserves/debt) to these projects in the spreadsheet as well.

Brian noted that for federal fiscal year 2025 and 2026, the majority of federal funding will be used for design and construction to repave Runway 12-30. Staff are asking that the board formally consider and approve the ACIP prior to submission to the FAA.

Chair Winton Kemmis asked if there were any Board questions or public comments. There were no questions.

Motion: Alternate Commissioner Jack Meyer moved to approve the 2025 Airport Capital Improvement Plan as presented.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

Information/Discussion Item(s)

Moss Adams Audit Planning Presentation

Ashley Osten and Taylor Hillmick from MossAdams presented information to the Board regarding the FY2024 financial audit. Ashley explained the auditor's responsibilities regarding required communications with the Board and performance of the audit. Ashley then explained the audit process. Her team will first review internal controls, including testing of key controls and information technology; they will then perform analytical analysis of revenue and expenses with a focus on trends, comparisons and expectations; substantive procedures include confirming account balances, examining objective evidence and representations from attorneys and management. Ashley stated that they expect to conduct the field work for the audit through September and present the audit results to the Board before December 31st.

Chair Winton Kemmis thanked Ashley and Taylor and noted that the next Board meeting will be in the same hybrid format on September 24, 2024, at 1:30 p.m.

Meeting Adjourned.