

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
January 27, 2026
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD: Chair Deb Poteet
Vice Chair Pat Boyle
Secretary/Treasurer Adriane Beck
Commissioner Matt Doucette
Commissioner Andrew Hagemeyer
Commissioner Shane Stack
Commissioner Jack Meyer
Alternate Commissioner Richard Huffman
Alternate Commissioner Chay Hughes

STAFF: Director Brian Ellestad
Deputy Director Tim Damrow
Director of Finance and Administration Will Parnell
Legal Counsel Juniper Davis
Business Development Manager, Dan Neuman
Public Safety Chief Justin Shaffer
Director of Maintenance Nate Cole
Field Maintenance Supervisor Jake Sol
HR Manager Nikki Munro
Federal Compliance Manager Jesse Johnson
IT Manager Dylan O'Leary

OTHERS: Gary Matson, Runway 25 Hangars
Shaun Shea, Morrison & Maierle
Julie Lacey (via Teams)
Ashley Osten, Baker Tilly (via Teams)

Chair Deb Poteet called the meeting to order and advised everyone that the meeting was being recorded.

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

AGENDA

Chair Deb Poteet noted that the Minuteman Update would move to the end of the Agenda and that the agenda item for approval of the Rates and Charges will move to a later date.

Motion: Vice Chair Adriane Beck moved to approve the agenda as corrected.

Second: Commissioner Jack Meyers

Vote: Motion passed unanimously

ELECTION OF 2026 BOARD OFFICERS

Chair Deb Poteet proposed following the Succession Order for 2026 Board Offices. That succession order indicates that Vice Chair Pat Boyle would be considered for Chair, and that Secretary/Treasurer Adriane Beck would be considered for Vice-Chair. Chair Poteet also nominated Shane Stack to serve as the new Secretary/Treasurer. Chair Deb Poteet called for nominations from the floor. There were no nominations from the floor.

Chair Deb Poteet called for a vote to install Pat Boyle as Chair, Adriane Beck as Vice Chair, and Shane Stack as Secretary/Treasurer, effective immediately.

Vote: Motion passed unanimously.

PUBLIC COMMENT PERIOD

Chair Pat Boyle asked if there was any public comment on items not on the Board's agenda. There was no public comment.

MINUTES

Chair Pat Boyle asked if anyone had questions, edits, or public comments regarding the minutes for the Regular Board Meeting dated December 23, 2025. There were none.

Motion: Commissioner Andrew Hagemeyer moved to approve the minutes of the Regular Board Meeting dated December 23, 2025.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Chair Pat Boyle asked if anyone had questions, edits, or public comments regarding the minutes for the Finance Committee Meeting dated January 21, 2026. There were none.

Motion: Commissioner Jack Meyter moved to approve the minutes of the Regular Board Meeting dated January 21, 2026.

Second: Secretary/Treasurer Shane Stack

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell presented the Claims for Payment for December 2025. Starting with project expenses, in December 2025 the airport incurred approximately \$708,000 in project expenses. Of that amount, approximately \$586,000, or 83% of total project expenses, was or will be submitted to the FAA for reimbursement. The remaining project expenses will be paid with reserves and debt. Will also provided a summary of the general checking account notable non-recurring or significant payables during the period.

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

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

Second: Secretary/Treasurer Shane Stack

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell presented the Financial Report for the month of December 2025, which provides details on accounts receivable, budget performance, long-term debt, and construction-in-progress related to the East Concourse project. Will also summarized some accounting and finance items related to the PFC application, as well as letting the Board know that the Rates and Charges will come before the Board at a later date.

Chair Pat Boyle asked if there were any Board questions or public comments regarding the Financial Report. Staff confirmed that the heater repair was not due to storm damage but rather to the equipment's age.

Motion: Commissioner Deb Poteet moved to approve the Financial Report

Second: Commissioner Matt Doucett

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that December was a strong month for the airport, with passenger activity up 2.8%, bringing the full-year increase to 2.3%, or

roughly 1.44 million passengers. Within the industry, Alaska and Hawaiian Airlines have completed their merger under a single operating certificate, and Allegiant has announced plans to acquire Sun Country—an action expected to have a generally positive effect on the Missoula market.

Looking ahead to the summer season, United will restart Los Angeles–Missoula service in late May, adding an early-morning departure that will complement American's traditional afternoon L.A. flight and Allegiant's Orange County service. This will meaningfully expand L.A. connectivity.

On the facilities side, the first new restrooms in the terminal expansion are now open, and all upstairs gates are in service. Parking demand reached record levels over the holidays, particularly on Christmas Day, though the expanded economy lot provided sufficient capacity this year.

Operational updates included notice that, beginning February 1, TSA will charge a \$45 temporary clearance fee for passengers without a Real ID or passport, payable online at the checkpoint. Additionally, there is increasing concern about a potential federal government shutdown, which could again affect TSA staffing and pay.

Deputy Director Tim Damrow provided a progress update on airport terminal construction, which is primarily completed except for some final punch list items.

LEGAL UPDATE

The airport has issued an RFP for the former Visitor Information Center space, with responses due March 16; inquiries are directed to staff. Several agreement updates are expected to come before the Board in the coming months, including modifications to the airport's contracts with TNCs such as Uber and Lyft, as well as a likely amendment to the Dollar Car Rental agreement due to a change in ownership. Negotiations with the airport's union bargaining units are also ongoing, with finalized agreements anticipated later this year.

Staff provided an update on continued coordination with the City regarding its land-use planning efforts. Over the past year, the airport has advocated for land-use protections on property east of the airport to ensure compatible development, ideally light industrial or open space, given safety considerations and FAA guidance. Significant progress has been made: the City's updated land-use plan now expressly acknowledges airport hazard areas, and the draft Unified Development Code incorporates an Airport Hazard Overlay that is substantially improved from earlier iterations. While the overlay does not include all adjustments requested by the airport, particularly regarding an area to the southeast of the airport which is needed to protect against hazards for a future second runway, the current proposals represent

improvement over the versions first released. Some residential development will still be permitted within the overlay, which may contribute to future noise concerns, but staff expressed satisfaction that City Council and staff have incorporated many of the airport's recommendations. Further advocacy will continue as needed in future planning phases.

COMMITTEE UPDATES

Chair Pat Boyle notified the Board that there was an Executive Committee meeting on January 27, 2026, to discuss the Board agenda and packet and a Finance Committee meeting on January 21, 2026, with the minutes included in the Board packet

NEW BUSINESS

Audited Financial Statements

Director of Finance and Administration Will Parnell presented Fiscal Year 2025 Financial Statements which were included in the Board packet. Will explained that the Missoula County Airport Authority is required to undergo an annual single audit conducted by an independent auditor approved by the State of Montana and that the single audit covers both the airport's financial statements and its compliance with federal grant requirements. Will then turned the presentation over to Ashley Osten from Baker Tilly to present the audit in more detail.

Ashley presented the results of the FY 2025 audit and confirmed that the airport received clean, unmodified opinions across all required reports. This included the independent auditor's opinion on the financial statements, the report on internal control and compliance under Government Auditing Standards, the single audit for the Airport Improvement Program, and the separate compliance report for the Passenger Facility Charge (PFC) program. No control findings, no compliance findings, and no audit adjustments were identified, indicating that the airport's financial reporting is accurate and that federal grant requirements were met.

Ashley explained that the audit was conducted in accordance with the plan previously communicated, with issuance delayed slightly due to the late release of federal compliance guidance and delays in receiving OPEB information. The airport adopted one new accounting standard during the year (GASB 102), which affected disclosures only. All significant accounting estimates were reviewed and deemed reasonable, and several key financial statement notes were highlighted as especially important for users.

The auditor reported no difficulties during the audit, no disagreements with management, no uncorrected misstatements, no concerns regarding fraud or noncompliance, and no issues involving management seeking alternative audit

opinions. Finally, Ashley provided a brief update on upcoming accounting standards, including GASB 103 and 104, which will affect presentation and certain disclosures in future years.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the audited financial statements. There were no questions or comments.

Motion: Commissioner Jack Meyer moved to approve the annual audit report for fiscal year 2025.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

American Airlines Amendment to Airport Handling Services

The Missoula Montana Airport is one of only a few airports nationwide that provides its own ground-handling services, currently serving Allegiant, American, and Sun Country. The Airport has handled American Airlines flights since 2018, with the last rate adjustment occurring in 2022. Following a review of market conditions, the Airport is proposing to increase its ground-handling rates for American from \$495 to \$580 per turn for regional aircraft and from \$695 to \$773 per turn for mainline aircraft. These increases bring MSO's rates closer to market levels while maintaining the operational and customer-service benefits of in-house ground handling. To implement the updated rates and extend American's ground-handling agreement through June 30, 2027, an amendment to the existing contract is required, with the new rates proposed to take effect February 1.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the American Airline amendment. There were no questions or comments.

Motion: Commissioner Jack Meyer moved to approve the American Airline Ground Handling Agreement Amendment #3 as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Minuteman Aviation Update

Airport Director Brian Ellestad explained that Minuteman Aviation has completed engineering and architectural plans for the construction of a new maintenance hangar on the western side of the Airport. Minuteman has shared the plans with the Airport

for review, and will soon be submitting the plans to the City for their review. Minuteman hopes to break ground in May, but it is unclear if that timeline will be met and how long construction will take place. Brian further explained that the area to the east of the Airport is needed for future parking expansion, which is what precipitated the need to remove the Minuteman Aviation maintenance hangar from the east side. Brian clarified on some questions that were asked regarding parking capacities and indicated that with the expansion area, the Airport should be well situated for the foreseeable near future.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the update. There were no questions or comments.

Chair Pat Boyle noted that the next Board meeting will be held on February 24, 2026, at 1:30 p.m.

Meeting Adjourned.