Missoula County Airport Authority
Regular Board Meeting

DATE: Tuesday, June 30, 2026
TIME: **1:30 p.m.**
PLACE: Johnson Bell Board Room - Airport Terminal

- Chair to call the meeting to order
  Advise the Public the meeting is being recorded
  Roll Call
  Seating of Alternate Commissioner if needed
  Approval of the Agenda
- Public Comment
- Review and approve the minutes of the Regular Board meeting dated May 26, 2026 **Pg 3**
- Approval of Claims for Payment - Will Parnell **Pg 13**
- Financial Report - Will Parnell **Pg 17**
- Director's Report - Brian Ellestad **Pg 29**
- Legal Report - Juniper Davis
- Committee Updates
  Executive Committee: June 30, 2026
  Business Development and Planning Committee: No Activity
  Facility and Operations Committee: No Activity
  Finance Committee: No Activity

Unfinished Business
- Agreement with Missoula County for Terminal Concourse Play Structure - Dan Neuman **Pg 31**

New Business/Action Items
- Audit Contract and Engagement Letter - Will Parnell **Pg 41**
- Fiscal Year 2027 Insurance Coverage - Will Parnell **Pg 78**
- Taxiway H Conversion Project Bid Award - Brian Ellestad **Pg 92**
- Final Design of ATCT Upgrades Project - Tim Damrow **Pg 94**
- Transfer of Federal AIP Entitlement Funding - Brian Ellestad **Pg 99**
- Planning Services Award and Contract - Brian Ellestad **Pg 107**
- Engineering Services Award and Contract - Brian Ellestad **Pg 126**
- UKG Contract - Nikki Munro **Pg 147**
- Baggage System Spare Parts Purchase - AJ Bemrose **Pg 151**
- Kembel/Stevens and Four Sons LLC Lease Assignment - Juniper Davis **Pg 155**
- Airport Director Evaluation and Contract - Nikki Munro and Juniper Davis **Pg 179**

Information/Discussion Item(s)
- Next Board Meeting July 28, 2026, at 1:30 pm

  PLEASE NOTE: This meeting will be in a hybrid format.

Members of the public can call in and connect digitally to the meeting using the information below and will have the opportunity to comment prior to any vote of the Board as well as on any item not before the Board at the beginning of the meeting.

Members of the public can submit comments by email to:jdavis@flymissoula.com.

Documents will be available on the airport's website, www.flymissoula.com, by 9 a.m. on the meeting date. Members of the public can view the meeting and documents by joining the meeting from their computer, tablet or smartphone at:

Microsoft Teams meeting
Join on your computer, mobile app or room device
Click here to join the meeting
Meeting ID: 266 456 298 882
Passcode: JtfCxe
Download Teams | Join on the web

Or call in (audio only)
+1332-249-0710.,857565796# United States, New York City
Phone Conference ID: 857 565 796#

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
May 26, 2026
1:30 pm, Johnson Bell Conference Room

THOSE PRESENT

BOARD:	Chair Pat Boyle
	Vice Chair Adriane Beck
	Secretary/Treasurer Shane Stack
	Commissioner Matt Doucette
	Commissioner Andrew Hagemeier
	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
	Director of Maintenance Nate Cole
	Building Maintenance Supervisor AJ Bemrose
	Field Maintenance Supervisor Jake Sol
	HR Manager Nikki Munro
	Federal Compliance Manager Jesse Johnson
	Staff Accountant Brianna Brewer
OTHERS:	Shaun Shea, Morrison & Maierle
	Sarah Michaelson, Morrison & Maierle
	Cole Jensen, Martel Construction

Chair Pat Boyle called the meeting to order and advised everyone that the meeting was being recorded.

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

AGENDA
Chair Pat Boyle noted that one Alternate Commissioner needed to be seated.

Motion: Commissioner Jack Meyer moved to seat Alternate Commissioners Chay Hughes as regular Commissioner for the duration of the meeting.

Second: Commissioner Matt Doucette

Vote: Motion passed unanimously

Chair Pat Boyle asked if there were any changes to the agenda. There were none.

Motion: Vice Cha r Adr ane Beck moved to approve the agenda.

Second: Commissioner Jack Meyer

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 April 28, 2026. There were no comments or questions.

Motion: Commissioner Jack Meyer moved to approve the minutes of the Regular Board Meeting dated April 28, 2026.

Second: Commissioner Shane Stack

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 May 21, 2026. There were no comments or questions.

Motion: Vice Chair Adriane Beck moved to approve the minutes of the Regular Board Meeting dated April 21, 2026.

Second: Alternate Commissioner Chay Hughes

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

DRAFT

The Director of Finance and Administration presented the Claims for Payment for April 2026. The airport incurred approximately $403,000 in project expenses during the month, of which approximately $309,000, or 77%, was submitted to the FAA for reimbursement. The remaining project expenses will be paid with reserves and debt. Will also noted a change in how project and capital expenses are presented in the claims for payment materials.Will explained that the variance between grant revenue and capital expenses this month is due to timing, as reimbursement was received in April for prior-year expenses. As a result. about $2 million in grant revenue was recognized now, while the related expenses were recorded in fiscal year 2025.

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:Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell presented the April 2026 financial report narrative, which included a breakdown of accounts receivable on the balance sheet. an aging summary, budget information, long-term debt activity, and a construction and progress roll-forward for the East Concourse project. Will reported that the final pay application for the East Concourse project was received this month, and the project will be reclassified from construction in progress to a completed asset next month. All related debt financing has now been fully drawn, and staff will finalize the 2022 series note and provide a debt service amortization schedule for the Board's review.

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

Motion:Vice Chair Adriane Beck moved to approve the Financial Report.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad reported that April enplanements increased over 8% over the prior year, marking the seventh consecutive month of growth and continuing to outperform national trends, with strong seat capacity and load factors. The airfield passed its annual FAA inspection with excellent feedback, and a successful disaster drill was completed. Brian highlighted ongoing air service development efforts, upcoming industry engagements, and community outreach, as well as progress on projects including the East Concourse, the Milwaukee Trail transfer, and conference planning. Additionally, the airport was awarded several FAA grants, including $1million for control tower infrastructure improvements.

LEGAL UPDATE

Legal Counsel Juniper Davis provided an update on current and upcoming legal and procurement matters. She reported that the RFQ for planning and engineering services has dosed, and staff will begin evaluating proposals with a recommendation expected at a future meeting. Board members were reminded to complete the director evaluation by the Sunday deadline, with results and related discussions, including contract and salary considerations, planned for the June board agenda.

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COMMITTEE UPDATES

Chair Pat Boylen otified the Board that there was an Executive Committee meeting on May 26, 2026, to discuss the Board agenda and packet.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

Building Maintenance Personnel MFPE Agreement

Airport Director Brian Ellestad presented that the Building and Field union has split into two separate bargaining units, resulting in two nearly identical three-year contracts to replace the expiring four-year agreement. The contracts were developed using comparable airport industry wages and include an approximate 8-8.5%increase in the first year, followed by 3% increases in each of the next two years.

The Building unit covers seven employees with a base wage set at $38.00 per hour by FY27, while the Field unit covers nine employees with a base wage of $37,81 per hour, plus a winter operations differential and higher rates for specialized positions. Brian noted strong working relationships with both groups and emphasized that the agreements position the airport competitively within the industry.

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

> Motion: Commissioner Jack Meyer moved to approve the Building Maintenance personnel MFPE as presented.
>
> Second: Vice Chair Adriane Beck
>
> Vote: Motion Passed Unanimously

<u>Field Maintenance Personnel MFPE Agreement</u>

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

> Motion: Commissioner Andrew Hagemeier moved to approve the Field Maintenance personnel MFPE as presented.
>
> Second: Commissioner Shane Stack
>
> Vote: Motion Passed Unanimously

<u>Minuteman Aviation Development and Deconstruction Agreement</u>

Airport Director Brian Ellestad explained that the intent of the Development and Deconstruction Agreement with Minuteman Aviation is to formalize prior board direction and committee discussions. The agreement outlines the framework for construction of a new hangar on the west side of the airport and the eventual decommissioning and removal of existing facilities on the east side, including timelines, bonding/letter of credit requirements, and expectations for both parties. Legal Counsel Juniper Davis noted the agreement reflects previously discussed terms, was coordinated with Minuteman, and is intended to provide clarity and a clear path forward.

Chair Pat Boyle asked if there were any Board questions or public comments regarding the Development and Deconstruction Agreement. There were no questions or comments.

Motion: Commissioner Jack Meyer moved to approve the Minuteman Development and Deconstruction Agreement as presented.

Second: Alternate Commissioner Chay Hughes

Vote: Motion Passed Unanimously

Approval of Fiscal Year 2027 Budget

Director of Finance and Administration presented the Fiscal Year 2027. Will informed the Board that the Finance Committee reviewed the FY27 draft budget and was sent to airline carriers for review. He noted the budget is stable and balanced, based largely on flat enplanement projections of approximately 530,000. Projected revenues of about $18.5 million exceed expenses of $17.9 million, and the airport maintains strong financial metrics, including a bond coverage ratio of 2.31.

Modest rate adjustments are proposed, including a roughly 3% increase in landing and use fees, while keeping terminal lease rates relatively stable to remain competitive for airlines. The budget also accounts for a reduction in landing fee revenue due to updated FAA guidance and potential federal limits on ADS-B use for billing.

Non-airline revenues, particularly rental cars and parking, are expected to remain generally flat. with slight declines anticipated due to reduced rental car fleet availability. Expense increases are primarily driven by labor agreements, rising healthcare and insurance costs, and cybersecurity investments. The capital plan prioritizes critical infrastructure and leverages federal funding for key projects.

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

Motion: Commissioner Matt Doucette moved to approve the budget for fiscal year 2027.

Second: Commissioner Jack Meyer

Vote: Motion Passed Unanimously

DRAFT

Adoption of Resolution 2026-08 Establishing FY27 Rates and Charges

Director of Finance and Administration Will Parnell presented the updated Schedule of Rates and Charges,which consolidates all fees for transparency and alignment with the FY27 budget. Proposed changes include modest adjustments to landing fees, terminal use fees, ground rents, parking, and meeting room rentals, with updates clearly identified in the packet. Will explained that parking rates are being simplified by removing the second hourly tier while keeping the first hour free and daily maximums unchanged. All updated rates would take effect July 1, 2026.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the rates and charges.

> Motion: Commissioner Matt Doucette moved to approve Resolution No. 2025-08.
>
> Second: Commissioner Jack Meyer
>
> Vote: Motion Passed Unanimously

Approval of Fiscal Year 2027 Capital Improvement Plan

Airport Director Brian Ellestad presented the FY27 Capital Improvement Plan, noting it is submitted annually to the FAA to support future discretionary funding planning. Brian explained that while the FAA primarily focuses on the next two to three years, the airport includes a longer-term outlook and incorporates both federally funded and non-federal projects to provide a more comprehensive view of anticipated capital needs, including future redevelopment projects such as the Minuteman hangar site.

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

> Motion: Commissioner Jack Meyer moved to approve the 2027-2033 Airport Capital Improvement Plan as presented.
>
> Second: Commissioner Matt Doucette
>
> Vote: Motion Passed Unanimously

Terminal Project Deductive Change Orders

Deputy Director Tim Damrow Staff presented a deductive change order to formally close out the terminal project, marking the completion of over a decade of work. The adjustment reflects approximately $400,000 in cost underruns from unused allowances and quantities related to the East Concourse expansion and recent gate addition. Tim acknowledged the project team's strong financial stewardship and noted plans to provide a more detailed project recap at a future meeting.

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

> Motion: Commissioner Jack Meyer moved to approve the deductive change orders to Martel Construction and Morrison-Maierle contracts in the amount of$397,754 .36 as presented.
>
> Second: Commissioner Shane Stack
>
> Vote: Motion Passed Unanimously

Maintenance Shop Vehicle Lift Purchase

Field Maintenance Supervisor Jake Sol requested approval to purchase a mobile vehicle lift for the maintenance shop, replacing a previously planned fixed lift that was budgeted but deferred from prior years. The mobile lift provides greater flexibility and avoids permanently occupying a service bay. The total cost is approximately $15,400, exceeding the original estimate, but the additional expense can be absorbed within the FY26 maintenance budget, which is currently under budget.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the purchase. Staff clarified how the lift functions, particularly noting the mobile nature of the lift.

> Motion: Commissioner Matt Doucette moved to approve the purchase of the mobile vehicle lift for the maintenance shop in the amount of $15,412.
>
> Second:Vice Chair Adriane Beck
>
> Vote: Motion Passed Unanimously

Kembel/Stevens Hangar Ground Lease Extension

Director of Maintenance Nate Cole recommended approval of a ten-year lease extension for Robert Kembel and Thomas Stevens for their hangar located east of the maintenance facility. The extension is consistent with the original lease terms, and staff noted the hangar is in good condition and being properly utilized.

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

> Motion: Vice Chair Adriane Beck moved to approve the addendum to the ground lease with Robert Kembel and Thomas Stevens, allowing for a 10-year lease extension.
>
> Second: Commissioner Andrew Hegemeier
>
> Vote: Motion Passed Unanimously

Intelligent Systems Now On-Call Support for Baggage Systems

Building Maintenance Supervisor AJ Bemrose presented a proposed service agreement with ISN Technologies, the original installer of the baggage handling system controls, noting the system includes proprietary software that can only be serviced by this vendor. The agreement provides 24/7 support with rapid response times and includes an annual maintenance site visit, at a cost of $14,000 per year. The contract is open-ended with a 30-day termination clause, and staff noted they are also exploring long-term alternatives to reduce reliance on proprietary systems.

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

> Motion: Commissioner Jack Meyer moved to approve the contract with ISN Technology in the amount of 14,000 per year for maintaining baggage handling system controls at the airport.
>
> Second: Alternate Commissioner Andrew Hegemeier
>
> Vote: Motion Passed Unanimously

Ailevon Pacific Consulting Agreement

Airport Director Brian Ellestad presented a proposed annual air service consulting agreement with Ailevon Pacific Consulting, following positive experience working with the firm on a task-order basis since 2024. The contract would replace a separate data subscription service, helping offset costs, and provides access to industry expertise to support air service development efforts. Staff noted the value of maintaining a third-party consultant despite having internal capability, and requested approval of the agreement.

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

> Motion: Commissioner Andrew Hagemeier moved to approve the Ailevon Pacific Consulting agreement as presented.
>
> Second: Alternate Commissioner Chay Hughes
>
> Vote: Motion Passed Unanimously

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

Meeting Adjourned.

DRAFT

Missoula County Airport Authority
Check Register by Account Name
5/1/2026 - 5/31/2026

Account Name	Total
AIP94ATCT	$ 58,135.25
AIP 96 East Concourse	316,577.01
Airfield Maintenance	26,954.15
ATCT	800.00
ATCTR&M	605.30
Badging Expenses	985.00
BHS Parts and MX	8,401.46
Building General R&M	73.61
Communication R&M	218.13
Computer Equipment Expense	3,470.16
Construction in Progress	1,583,648.86
Contracted Maintenance	12,542.01
Custodial Services	54,250.00
Custodial Supplies	10,269.73
Disposal Expense	2,860.48
Electric Maintenance	34.67
Electricity/Gas Expense	38,512.39
Employee Screening	4,480.00
Employee Training Expense	30,792.71
Flight Ice	430.50
GASB 96 Long-term Subscription	42,223.67
Insurance Expense	1,020.00
Landside Maintenance	582.34
Legal Services	2,614.50
Marketing	3,250.00
Mechanical/Supplies	795.78
Memberships	3,368.87
Office Supplies	332.91
On-demand IT Support	1,182.50
Petroleum Products Expense	2,798.00
Phone Charges	3,253.80
Plumbing Expense	122.15
Pre-Paid Expenses	41,632.40
Recurring IT Support Subscripti	4,506.94
Rent Car R&M	1,006.17
Rental Car Fuel	42,660.01
Safety Supplies/Equipment	5,245.91
SCASD MRG Expense	1,078,904.00
Sewer Expense	1,736.73
Staff Engagement	45.00
Tools/Equipment	2,013.17
Travel Expense	5,377.45
TW-ALPHA Entitlement	26,516.95
TW-HOTEL Entitlement	29,250.00
Uniform Expense	5,715.87
USFS Hangar R&M	800.00
Vehicle R&M	6,903.07
Water Expense	5,875.40
Grand Total	**$ 3,473,775.01**

Vendor Name	Total	
139 FIRE LLC	$ 25,595.00	
AAAE	150.00	
AEROTRONICS INC.	2,489.00	
AILEVON PACIFIC AVIATION CONSULTING, LLC	3,250.00	
AirBadge LLC	40,000.00	
Amadeus	2,223.67	
AMERICAN AIRLINES, INC.	1,078,904.00	
APPLIED INDUSTRIAL TECH	370.26	
BEMROSE, AJ	600.00	
BILL OPERATIONS LLC	22,622.40	
Black Knight Security and Investigations	4,480.00	
BLACKFOOT COMMUNICATIONS	905.99	
Cameron Doucette	605.00	
CENTURYLINK	590.16	
Charles Martellaro	500.00	
CHS MOUNTAIN WEST CO-OP	45,423.90	
CINCINNATI INSURANCE COMPANIES c	1,020.00	
City of Missoula	7,612.13	
Convergint Technologies, LLC	22,210.00	
Corporate Traditions, INC.	45.00	
CULLIGAN	97.00	
CURTIS	9,353.20	
D2 FIRE SPRINKLER CO	2,340.00	
DAMROW, TIM	206.79	
DAVIS, JUNIPER	426.39	
Diversified Inspections/III, Inc.	2,028.33	
DOLENCE, JOHN	75.60	
Eastgate Rental & Party	1,288.95	
Electro Controls	773.00	
ELLESTAD, BRIAN v	192.00	
ENERGISYSTEMS	280.00	
ENERGY LABORATORIES	272.00	
FIRST ARRIVING	571.83	
FIRST CALL	5,506.44	
GILLESPIE, CAMERON	473.00	
GRANITE TECHNOLOGY SOLUTIONS	929.13	
GreatAmerica Financial Services	183.00	
GRIZZLY DISPOSAL	2,860.48	
HILLYARD INC	10,269.73	
HOTSY	199.96	
HUGHES FIRE EQUIPMENT	1,577,313.16	
Ink Shed Merch	2,112.50	
INTEGRATED SECURITY SOLUTIONS, INC	2,550.00	
Intelligent Systems Now Inc.	1,400.00	*New Vendor - ISN remote suppport for displays
IRIS COMPANIES	985.00	
Jeffrey, Wharry	45.00	
KIMBALL MIDWEST	265.84	
KINDERWATER, JACK	605.00	
KNIFE RIVER	2,217.45	
LEXIS NEXIS	1,740.00	
Liberty Electric Inc	1,853.17	
LIFE-ASSIST INC	535.21	

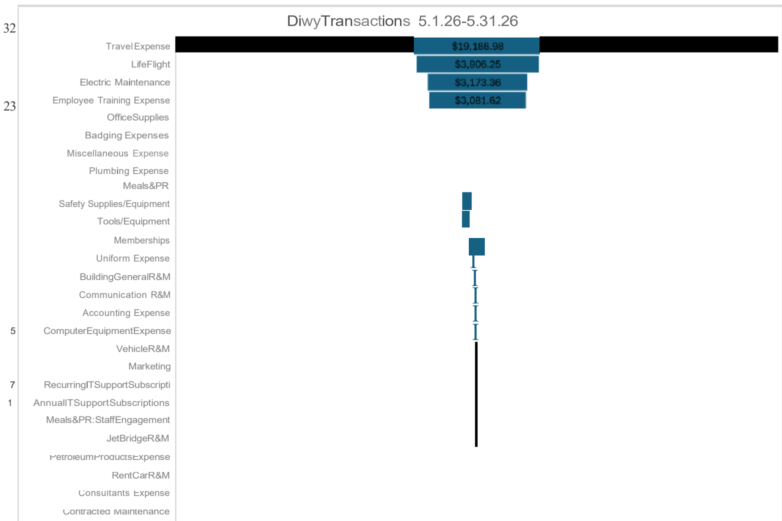
MACON SUPPLY, INC.	160.00	
MADSEN, BIANCA	45.00	
MARTEL	328,364.88	~
MIDLAND IMPLEMENT	55.12	
MISC TAX DIVISION	3,316.81	~
MISSOULA CHAMBER OF COMMERCE	695.00	
MISSOULA COUNTY OEM	2,102.04	
MISSOULA OFFICE CITY	45.99	
MISSOULA TEXTILE, INC	745.73	
MONTANA DEPARTMENT OF LABOR	1,110.00	
Montana Pest Solutions	590.00	
MORRISON MAIERLE	98,797.52	~
MOUNTAIN SUPPLY	727.45	
MURDOCHS	1,465.96	
NAPA	3,090.34	
NORCO INDUSTRIAL	176.44	
NORTHWESTERN ENERGY	38,512.39	
OFFICE SOLUTIONS & SERVICES	189.92	
O'LEARY DYLAN	486.00	
PCS, INC.	3,470.16	
PLATT ELECTRIC	49.88	
POMP'S TIRE-MISSOULA	23.05	
RDO EQUIPMENT CO.	1,031.08	
RISING FASTv	42,950.00	
Ritchie Manning Kautz PLLP	724.50	
ROBSON HANDLING TECHNOLOGY	8,401.46	
ROCKY MOUNTAIN SCALE	1,680.00	
RODDA PAINT	12,006.76	
SHAFFER, JUSTIN	218.13	
Sirennet	3,846.70	
SIX ROBBLEES	62.80	
SORRELL, JOSEPH	605.00	
Stevens, Richard	512.67	
SWARCO REFLEX, INC	12,934.56	
SWEET PEA SEWER	511.00	
THERMAL SUPPLY	425.52	
TRI-ARC INC.	493.82	
VERIZON	828.52	
VWICEINC	430.50	
WESTERN STATES EQUIP	1,046.64	
Z WATER SOLUTIONS LLC	11,300.00	
Grand Total	$ **3,473,775.01**	

~ Project Expenses

New Vendors

*Intelligent Systems Now Inc.

Category name	Total	Percent of spend	Transaction count
Travel Expense	$19,188.98	51.34%	32
Life flight	$3,906.25	10.45%	
Electric Maintenance	$3,173.36	8.49%	
Employee Training Expense	$3,081.62	8.25%	
Office Supplies	$1,153.22	3.09%	23
Badging Expenses	$1,000.00	2.68%	
Miscellaneous Expense	$853.00	2.28%	
Plumbing Expense	$756.58	2.02%	
Meals& PR	$603.99	1.62%	
Safety Supplies/Equipment	$512.95	1.37%	
Tools/Equipment	$494.94	1.32%	
Memberships	$485.00	1.30%	
Uniform Expense	$412.95	1.10%	
Building General R&M	$311.34	0.83%	
Communication R&M	$294.56	0.79%	
Accounting Expense	$275.00	0.74%	
Computer Equipment Expense	$261.80	0.70%	5
VehicleR&M	$154.91	0.41%	
Marketing	$137.58	0.37%	
Recurring IT Support Subscripti	$126.74	0.34%	7
Annual IT Support Subscriptions	$79.99	0.21%	1
Meals & PR:Staff Engagement	$76.98	0.21%	
Jet Bridge R&M	$30.20	0.08%	
Petroleum Products Expense	$29.53	0.08%	
Rent Car R&M	$24.97	0.07%	
Consultants Expense	$8.40	0.02%	
Contracted Maintenance	($60.11)	-0.16%	



<u>*Employee Training Expense Breakdown</u>
AME ASC course
Weed spraying license
Disaster drill supplies, food, etc.

*Negative balance due to refund

Missoula County Airport Authority (MCAA)

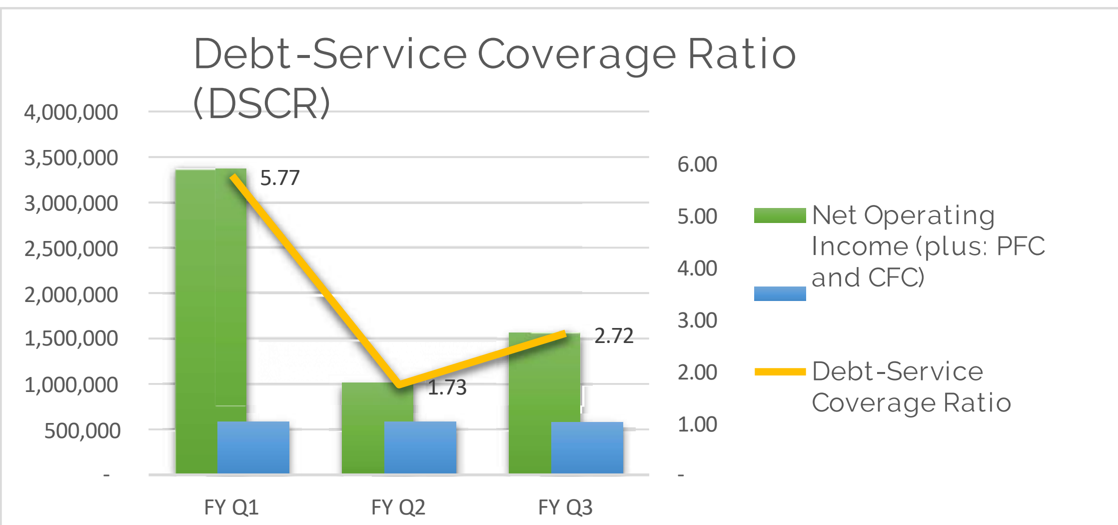
Financial Report Narrative

The board packet includes the comparative balance sheet, profit and loss comparison, profit and loss budget performance, operating revenues and operating expenses as a % of gross and as compared to prior period, cash flow statement, and the long-term debt roll forward.

Balance Sheet
As of May 31, accounts receivable consisted of the following:

		A/R Aging				
	Amount	Current	1 - 30	31 - 60	61 - 90	>91
Trade, Advertising, and Ground Handling	$ 2,126,595	84%	3%	3%	0%	10%
Grants	2,026,716	25%	0%	0%	15%	60%
Advance Contract Refund	48,421			N/A		
	$ 4,201,732					

A debt service coverage chart illustrating net operating income (including PFC and CFC), debt service, and the debt service coverage ratio (DSCR) by fiscal year quarter is presented as follows:

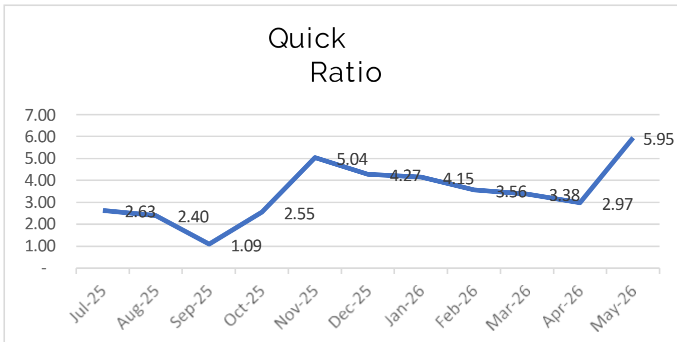


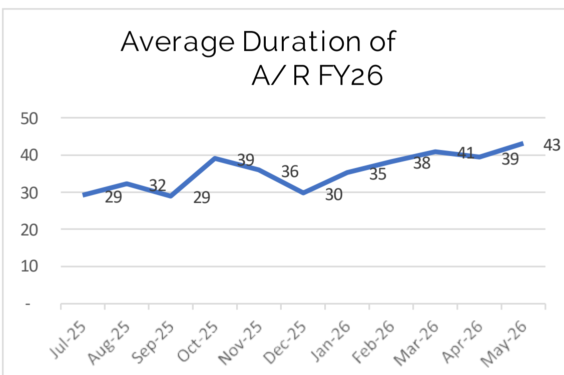
*DSCR measures the ability of an entity to meet its debt obligations by comparing net operating income to total debt service.

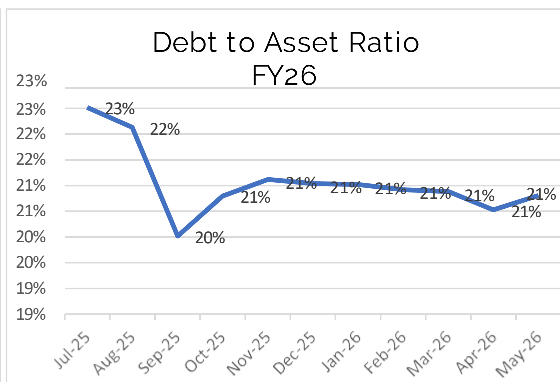
Cash Flow
MCAA had positive cash flows from capital and related financing, noncapital financing, and investing activities. Operating activities resulted in negative cash flows.

Long-term Debt:
No activity reported during the month of May 2026.

Financial Ratios
Fiscal Year
2026







Quick Ratio	*Ability to pay current obligations using liquid assets.*
Average Duration of A/R	*Average duration of accounts receivable (A/R) or the number of days it takes to collect them.*
Debt to Asset Ratio	*Proportion (or the percentage of) assets that are financed by interest bearing liabilities.*

Missoula County Airport Authority
Balance Sheet Previous Year Comparison
As of May 31, 2026

	Total	
	As of May 31, 2026	As of May 31, 2025 (PY)
Assets		
Current Assets		
Bank Accounts		
10100 Petty Cash	300.00	300.00
10500 General Checking Acct	5,374,396.38	1,681,215.63
10511 Project Checking Acct	10,000.01	1,561,622.04
10550 USFS Account	10,003.73	160,491.95
10560 Debt Service Account	332.18	331.94
10580 CFC Account	10,005.34	322,023.52
10590 STIP Terminal Reserve	27,356.78	26,245.02
10600STIP	1,018,418.54	953,010.82
10604 Money Market Accounts	$6,763,527.20	$14,391,521.72
10700 Payroll Checking	157,797.12	171,020.00
10710 Flex - FIB	5,823.75	10,876.07
1071 Bill.com Money In Clearing	1,353.53	2,451.61
1072 Bill.com Money Out Clearing	-8,589.49	-6,046.30
10750 PFC Cash at US BANK	2,634,344.62	2,024,951.29
Total for Bank Accounts	**$16,005,069.69**	**$21,300,015.31**
Accounts Receivable		
10800 Accounts Receivable	4,201,732.26	2,563,302.31
Total for Accounts Receivable	**$4,201,732.26**	**$2,563,302.31**
Other Current Assets		
10900 AvSec Fingerprinting Account	1,767.25	1,497.75
11300 Projects Rec'ble	12,742.92	$0.00
11500 Pre-Paid Expenses	135,877.88	189,251.53
11600 Prepaid Insurance	33,189.62	23,593.58
11810 ST Lease Recble GASB 87	213,875.48	1,590,049.01
11820 Interest Recble GASB 87	3,071.44	9,696.62
26200 Faber Loan	100,000.00	100,000.00
Total for Other Current Assets	**$500,524.59**	**$1,914,088.49**
Total for Current Assets	**$20,707,326.54**	**$25,777,406.11**
Fixed Assets		
13000 Land	11,617,234.48	11,617,234.48
13100 Land Improvements	18,040,105.37	16,368,644.98
13200 Buildings- Terminal	69,087,568.09	69,087,568.09
13300 Buildings- Ops & Fire	6,661,600.73	6,661,600.73
13450 Buildings - Other	11,664,162.96	11,643,143.81
13500 Runways/Taxiways/Apron	80,361,231.98	80,361,231.98
13600 Lighting/ Security System	4,002,233.31	4,002,233.31
13700 Sewage System	298,102.06	298,102.06
13900 ATCT	6,539,372.76	6,513,529.80
14000 Equipment	4,479,990.01	4,372,665.73
14100 Furniture & Fixtures	1,591,801.03	1,591,801.03
14300 Vehicles	10,484,815.28	7,802,777.12
14400 Studies	1,925,406.96	1,925,406.96
14500 Allowance for Depreciation	-119,010,088.41	-110,413,810.56
19400 Construction in Progress	$86,242,242.83	$60,448,964.35
Total for Fixed Assets	**$193,985,779.44**	**$172,281,093.87**
Other Assets		
11830 LT Lease Recble GASB 87	1,001,493.05	737,143.17
19610 Deferred Pension Outflows	$779,116.27	$978,352.15
19800 LT Loan - Faber	68,829.81	168,571.05
19901GASB 96 Subscription Asset(s)	$299,661.15	$367,183.34
Total for Other Assets	**$2,149,100.28**	**$2,251,249.71**
Total for Assets	**$216,842,206.26**	**$200,309,749.69**

Liabilities and Equity		
Liabilities		
Current Liabilities		
Accounts Payable		
20500 Accounts Payable	808,072.01	461,456.61
20505 Accounts Payable- Projects	$0.00	3,709,181.72
Total for Accounts Payable	**$808,072.01**	**$4,170,638.33**
Credit Cards	$11,799.05	$22,880.21
Other Current Liabilities		
20800 Current Portion of L/T Debt	565,472.93	548,541.91
20805 GASB 96 Short-term Subscription	80,567.12	70,730.08
20810 GASB 96 Accrued Interest Liab.	1,981.11	6,226.79
20900 Fed W/h Payable - Parent Account	$169.23	$341.30
21130 Misc Deductions Payable	-$184.32	-$184.32
21300 Valic Payable	21,150.30	20,059.81
21400 Workers' Comp Payable	3,360.45	3,139.24
21500 PERS Payable	29,520.08	28,186.55
21600 Accrued Vacation/Sick Payable	780,362.72	709,202.72
21930 FSB Notes Interest Payable	288,001.57	288,623.17
22140 Advertising Deferred Revenue	7,653.37	11,300.00
24000 Payroll Liabilities	$91,491.14	$91,197.92
Total for Other Current Liabilities	**$1,869,545.70**	**$1,777,365.17**
Total for Current Liabilities	**$2,689,416.76**	**$5,970,883.71**
Long-term Liabilities		
20502 2022 Note	29,999,779.74	29,999,779.74
25030 2019 Note A	13,316,800.00	13,316,800.00
25035 2019 Note B	1,803,668.41	2,368,954.81
25600 Current Portion L/T Debt 2019B	-565,472.93	-548,541.91
25805 A/P Retainage Long-Term	0.10	1,892,847.93
25809 GASB 96 Long-term Subscription	58,542.12	104,889.11
26010 Pension Liability sum	$4,174,981.00	$4,406,660.00
26110 Deferred Pension Inflows	$279,184.00	$199,506.00
26300 Dererred Lease Inflow GASB 87	1,137,376.30	2,125,301.62
Total for Long-term Liabilities	**$50,204,858.74**	**$53,866,197.30**
Total for Liabilities	**$52,894,275.50**	**$59,837,081.01**
Equity	$163,947,930.76	$140,472,668.68
Total for Liabilities and Equity	**$216,842,206.26**	**$200,309,749.69**

Missoula County Airport Authority
Profit & Loss YTD Comparison
May 2026

	Total	
	May 2026	**May 2025 (PY)**
Income		
30100 Signatory Landing Fees	79,168.26	61,302.27
30200 Non Sig Landing Fees	6,686.56	14,804.27
30210 Cargo Landing Fees	4,064.87	5,116.79
30300 Non-Based Landing Fees	9,456.00	8,120.24
30400 Signatory Rent	62,803.14	41,875.63
30420 Non-Sig Use Fees	8,487.15	19,904.50
30430 Signatory Use Fee	85,398.60	70,528.20
30500 Equipment/Space/Services	150.00	550.00
30507 Advertising Income	21,187.33	13,289.00
30509 Ground Handling	89,741.65	41,335.05
30600 FBO Rentals	24,981.80	22,291.17
30800 Fuel Flowage Fees	1,619.68	6,272.68
30900 Fuel Farm Leases	464.19	379.67
30901 Self Fueling	361.94	
Total for 30900 Fuel Farm Leases	**$826.13**	**$379.67**
31000 Coffee Concession	1,030.76	1,046.54
31100 Restaurant	21,792.00	20,942.16
31110 Liquor Concessions	14,912.80	14,372.88
31300 Rental Car %	136,150.08	117,920.96
31400 Rent Car Rent	45,377.27	15,179.80
31600 Rent Car Fuel	51,971.59	31,627.14
31900 USFS Hangar Rent	28,333.33	20,826.51
32100 Gift Shop Faber	31,171.60	29,261.01
32300 Terminal Rent		
32301 Airport Suite	833.33	
32302 Transportation Security	14,067.79	
Total for 32300 Terminal Rent	**$14,901.12**	**$0.00**
32400 Parking Lot	437,022.00	431,501.00
32700 Airport-Owned Commercial Bldg	13,500.00	
32800 Ag Land Leases	2,247.50	2,247.50
32900 Non-Aeronautical Ground Rent	6,484.70	28,904.52
32910 Aeronautical Ground Rent	14,441.19	8,465.47
33000 Vending	1,771.91	2,435.21
33800 Off Airport Rent Cars	989.89	1,532.02
34000 Utilities Reimbursement	2,722.10	5,112.31
34200 Miscellaneous Income	$947.45	$648.00
34300 Ground Transport	11,735.75	8,575.66
85100 Badging Fees Collected	2,784.00	340.00
42700 Drain Pumping Fee		260.00
81403 TSA Checkpoint OTA		1,231.66
Total for Income	**$1,234,858.21**	**$1,048,199.82**
Gross Profit	**$1,234,858.21**	**$1,048,199.82**

Expenses		
32401 Parking Management Fee	7,666.67	8,583.33
32402 Parking Hourly Wages	31,941.54	29,978.00
32403 Parking Credit Card Processing	12,700.11	12,419.64
32404 Parking Adjustments	-375.00	-375.00
40100 Wages	534,837.07	497,866.97
40330 Overtime Wages	18,456.49	13,636.10
40600 Fringe Benefits Expense	$198,598.01	$189,072.56
40800 Legal Services	1,168.50	-747.75
41200 Insurance Expense	33,189.61	23,593.55
41300 Accounting Expense	2,160.20	1,077.76
41400 Phone Charges	3,333.87	3,344.42
42000 Office Supplies	$1,215.13	$20,999.75
42100 Computer Equipment Expense	1,959.55	837.07
42200 Electricity/Gas Expense	50,913.83	42,801.34
42400 Water Expense	6,543.20	6,469.15
42500 Sewer Expense	1,736.73	2,632.91
42600 Disposal Expense	3,020.48	2,970.56
43000 Petroleum Products Expense	4,638.78	3,051.41
43400 Vehicle R&M	1,994.57	4,977.10
43800 Tools/Equipment	-1,290.85	3,516.16
44100 Custodial Services	45,950.00	42,210.00
44200 Contracted Maintenance	7,032.12	8,458.97
44302 Jet Bridge R&M	37.63	1,627.14
44400 Electric Maintenance	2,934.36	784.00
44600 Plumbing Expense	832.78	
44800 Mechanical/Supplies	15,930.30	457.26
45000 Building General R&M	2,649.62	87,036.10
45104 Rent Car R&M	1,474.08	8,834.58
45105 ATCT R&M	828.07	3,783.18
45106 USFS Hangar R&M	808.59	20,155.92
45107 BHS Parts and MX	2,179.89	69.96
45400 Landside Maintenance	509.38	2,408.14
45800 Snow & Ice Removal	1,900.90	3,349.10
46000 Custodial Supplies	7,404.06	6,678.43
46400 Uniform Expense	7,779.01	7,028.73
46600 Employee Training Expense	27,567.67	9,474.00
46800 Travel Expense	14,106.56	13,595.44
47000 Memberships	943.65	816.69
47200 Safety Supplies/Equipment	886.35	8,487.13
47400 Meals & PR	603.99	3,491.20
47402 Staff Engagement	216.98	
Total for 47400 Meals & PR	**$820.97**	**$3,491.20**
47501 Marketing	5,083.33	9,275.96
47600 Consultants Expense	8.40	12,507.20
47605 Landing Fee Commission Expense	1,891.20	1,624.05
49202 Badging Expenses	1,954.00	759.97
49204 Employee Screening	4,480.00	4,800.00
49206 On-demand IT Support	627.49	570.00
49207 Recurring IT Support Subscripti	2,720.07	2,576.53
49208 Rental Car Fuel	66,113.91	38,407.35
49300 Parking	12.00	
49600 Flight Ice	483.00	
·80611 ·BANK Charges	27.00	169.49
80611 BANK Charges	-96.22	
80625 TPA EE benefits and Payroll	1,127.50	2,886.90
80650 Finance Charges	360.64	44.63
89615 SCASD IN-KIND CONTRIBUTIONS		
89616 IN-KIND USE FEE	4,458.30	
89617 IN-KIND LANDING FEE	3,601.68	
Total for 89615 SCASD IN-KIND CONTRIBUTIONS	**$8,059.98**	**$0.00**
41800 Communication R&M		465.00
45203 Airfield Maintenance		6,902.70
47303 Wildlife Mitigation		2,764.68
49203 Badging / Compliance Contracts		575.00
49205 Annual IT Support Subscriptions		3,761.42
49209 ISS CCURE/accesscontrol/camera		736.32
80600 Miscellaneous Expense		140.97
8081O Bad Debt - non based		1,200.00
Total for Expenses	**$1,149,836.78**	**$1,185,619.17**
Net Operating Income	**$85,021.43**	**-$137,419.35**

Other Income		
31500 CFCs	122,820.00	84,100.00
70200 Interest Income-Unrestricted	16,521.76	32,453.02
70300 PFC Interest Income	20.06	
8901O Federal Programs		
89000 Airport Improvement Grants	61,635.56	1,223,190.62
89500 PFC Contributions	199,339.09	201,799.48
Total for 8901O Federal Programs	**$260,974.65**	**$1,424,990.10**
70400 Project Restricted Interest		40.97
80550 Insurance Settlement		6,375.00
Total for Other Income	**$400,336.47**	**$1,547,959.09**
Other Expenses		
80140 Note 2019A Interest Expense	44,046.38	44,046.38
80145 Note 2019 B Interest Expense	4,572.82	6,006.80
80150 Note 2022 Interest Expense	97,544.55	96,484.29
80300 Depreciation	690,481.88	683,335.62
80505 SCASD MRG Expense	248,458.00	
Total for Other Expenses	**$1,085,103.63**	**$829,873.09**
Net Other Income	**-$684,767.16**	**$718,086.00**
Net Income	**-$599,745.73**	**$580,666.65**

FY26 Profit & Loss Budget Perfonnance
July, 2025.June, 2026

	Actual	Budget	Percent of budget	Money remaining	Percent remaining
	Jul 2025 - Jun 2026				
Income					
30100 Signatory Landing Fees	832,555.54	845,217.00	98.50%	12,661.46	1.50%
30200 Non Sig Landing Fees	86,698.18	105,953.00	81.83%	19,254.82	18.17%
30210 Cargo Landing Fees	45,998.25	82,950.00	55.45%	36,951.75	44.55%
30300 Non-Based Landing Fees	288,549.25	184,797.00	156.14%	-103,752.25	-56.14%
30400 Signatory Rent	742,194.47	658,350.00	112.74%	-83,844.47	-12.74%
30420 Non-Sig Use Fees	118,182.90	153,211.00	77.14%	35,028.10	22.86%
30430 Signatory Use Fee	919,779.00	1,005,044.00	91.52%	85,265.00	8.48%
30500 Equipment/Space/Services	2,050.00			-2,050.00	
30507 Advertising Income	292,088.63	225,000.00	129.82%	-67,088.63	-29.82%
30509 Ground Handling	1,104,257.00	1,212,371.00	91.08%	108,114.00	8.92%
30600 FBO Rentals	296,216.82	275,000.00	107.72%	-21,216.82	-7.72%
30800 Fuel Flowage Fees	86,590.83	105,000.00	82.47%	18,409.17	17.53%
30900 Fuel Farm Leases	9,693.40	4,500.00	215.41%	-5,193.40	-115.41%
31000 Coffee Concession	10,539.79	12,000.00	87.83%	1,460.21	12.17%
31100 Restaurant	223,173.96	198,000.00	112.71%	-25,173.96	-12.71%
31110 Liquor Concessions	139,704.01	158,000.00	88.42%	18,295.99	11.58%
31300 Rental Car%	1,981,735.52	2,400,000.00	82.57%	418,264.48	17.43%
31400 Rent Car Rent	533,103.24	465,000.00	114.65%	-68,103.24	-14.65%
31600 Rent Car Fuel	410,243.77	440,000.00	93.24%	29,756.23	6.76%
31900 USFS Hangar Rent	332,493.14	340,000.00	97.79%	7,506.86	2.21%
32100 Gift Shop Faber	305,626.48	334,000.00	91.50%	28,373.52	8.50%
32300 Terminal Rent	178,598.60	$0.00		-178,598.60	
32400 Parking Lot	4,757,113.00	5,095,944.88	93.35%	338,831.88	6.65%
32700 Airport-Owned Commercial Bldg	132,000.00			-132,000.00	
32800 Ag Land Leases	27,079.23	37,000.00	73.19%	9,920.77	26.81%
32900 Non-Aeronautical Ground Rent	67,918.27	345,000.00	19.69%	277,081.73	80.31%
32910 Aeronautical Ground Rent	159,512.26	125,000.00	127.61%	-34,512.26	-27.61%
33000 Vending	36,475.96	30,000.00	121.59%	-6,475.96	-21.59%
33800 Off Airport Rent Cars	74,823.68	80,000.00	93.53%	5,176.32	6.47%
34000 Utilities Reimbursement	67,004.00	35,000.00	191.44%	-32,004.00	-91.44%
34200 Miscellaneous Income	22,124.06	30,000.00	73.75%	7,875.94	26.25%
34300 Ground Transport	163,634.30	155,000.00	105.57%	-8,634.30	-5.57%
81403 TSA Checkpoint OTA	12,316.60	15,000.00	82.11%	2,683.40	17.89%
85100 Badging Fees Collected	21,712.42	10,000.00	217.12%	-11,712.42	-117.12%
Total for Income	14,481,786.56	15,162,337.88	95.51%	680,551.32	4.49%
Cost of Goods Sold					
Gross Profit	14,481,786.56	15,162,337.88	95.51%	680,551.32	4.49%

Expenses					
32401 Parking Management Fee	84,333.37			-84,333.37	
32402 Parking Hourly Wages	328,155.03			-328,155.03	
32403 Parking Credit Card Processing	138,219.94			-138,219.94	
32404 Parking Adjustments	-4,125.00			4,125.00	
40100 Wages	4,641,683.53	4,776,247.00	97.18%	134,563.47	2.82%
40330 Overtime Wages	98,880.24	70,000.00	141.26%	-28,880.24	-41.26%
40600 Fringe Benefits Expense	1,700,263.65	1,829,032.01	92.96%	128,768.36	7.04%
40800 Legal Services	17,614.95	30,000.00	58.72%	12,385.05	41.28%
41200 Insurance Expense	375,048.38	325,000.00	115.40%	-50,048.38	-15.40%
41300 Accounting Expense	96,975.42	105,000.00	92.36%	8,024.58	7.64%
41400 Phone Charges	46,041.08	53,640.00	85.83%	7,598.92	14.17%
41600 Phone **R&M**	115.58			-115.58	
41800 Communication R&M	4,019.05	21,400.00	18.78%	17,380.95	81.22%
42000 Office Supplies	23,208.14	35,750.00	64.92%	12,541.86	35.08%
42100 Computer Equipment Expense	33,641.97	47,400.00	70.97%	13,758.03	29.03%
42200 Electricity/Gas Expense	592,460.34	765,000.00	77.45%	172,539.66	22.55%
42400 Water Expense	65,686.88	85,000.00	77.28%	19,313.12	22.72%
42500 Sewer Expense	34,856.39	51,800.00	67.29%	16,943.61	32.71%
42600 Disposal Expense	33,539.33	40,000.00	83.85%	6,460.67	16.15%
42800 Disposal-Industrial	2,537.61	6,475.00	39.19%	3,937.39	60.81%
43000 Petroleum Products Expense	77,982.07	105,036.00	74.24%	27,053.93	25.76%
43400 Vehicle R&M	67,930.09	103,511.00	65.63%	35,580.91	34.37%
43600 Equipment Rental	493.35	2,000.00	24.67%	1,506.65	75.33%
43800 Tools/Equipment	70,719.66	78,867.00	89.67%	8,147.34	10.33%
44000 Landscaping Expense	**2,088.18**	10,000.00	20.88%	7,911.82	79.12%
44100 Custodial Services	557,637.00	580,000.00	96.14%	22,363.00	3.86%
44200 Contracted Maintenance	146,681.93	157,625.00	93.06%	10,943.07	6.94%
44302 Jet Bridge R&M	22,622.85	15,000.00	150.82%	-7,622.85	-50.82%
44400 Electric Maintenance	7,883.65	12,000.00	65.70%	4,116.35	34.30%
44600 Plumbing Expense	6,057.49	12,000.00	50.48%	5,942.51	49.52%
44800 Mechanical/Supplies	28,604.63	15,000.00	190.70%	-13,604.63	-90.70%
45000 Building General R&M	28,730.75	25,000.00	114.92%	-3,730.75	-14.92%
45104 Rent Car R&M	37,824.85	15,000.00	252.17%	-22,824.85	-152.17%
45105 ATCT R&M	13,464.49	5,000.00	269.29%	-8,464.49	-169.29%
45106 USFS Hangar R&M	9,394.37	5,000.00	187.89%	-4,394.37	-87.89%
45107 BHS Parts and MX	61,575.71	75,000.00	82.10%	13,424.29	17.90%
45108 QTA Spare Parts	32,472.18	32,000.00	101.48%	-472.18	-1.48%
45203 Airfield Maintenance	50,636.05	55,000.00	92.07%	4,363.95	7.93%
45400 Landside Maintenance	69,078.98	21,500.00	321.30%	-47,578.98	-221.30%
45600 Airfield Lighting R&M	4,086.24	15,900.00	25.70%	11,813.76	74.30%
45703 Fog Abatement	506.92	3,240.00	15.65%	2,733.08	84.35%
45800 Snow & Ice Removal	120,991.50	280,515.00	43.13%	159,523.50	56.87%
46000 Custodial Supplies	97,831.99	80,000.00	122.29%	-17,831.99	-22.29%
46400 Uniform Expense	41,120.10	66,113.00	62.20%	24,992.90	37.80%
46600 Employee Training Expense	75,560.04	132,097.00	57.20%	56,536.96	42.80%
46800 Travel Expense	74,179.53	140,911.00	52.64%	66,731.47	47.36%
47000 Memberships	42,169.28	57,600.00	73.21%	15,430.72	26.79%
47200 Safety Supplies/Equipment	25,967.50	32,525.00	79.84%	6,557.50	20.16%
47303 Wildlife Mitigation	352.54	8,000.00	4.41%	7,647.46	95.59%
47400 Meals & PR	29,984.76	56,500.00	53.07%	26,515.24	46.93%
47501 Marketing	217,621.07	185,000.00	117.63%	-32,621.07	-17.63%
47600 Consultants Expense	14,540.20	7,750.00	187.62%	-6,790.20	-87.62%
47605 Landing Fee Commission Expense	46,580.44	38,000.00	122.58%	-8,580.44	-22.58%
47707 Display Expenses	2,613.84	2,500.00	104.55%	-113.84	-4.55%
49100 Fingerprint/STA Charges	-275.00			275.00	
49202 Badging Expenses	14,333.15	6,000.00	238.89%	-8,333.15	-138.89%
49203 Badging/ Compliance Contracts	7,245.00	21,500.00	33.70%	14,255.00	66.30%
49204 Employee Screening	62,560.00	50,000.00	125.12%	-12,560.00	-25.12%
49205 Annual IT Support Subscriptions	107,163.23	53,410.00	200.64%	-53,753.23	-100.64%
49206 On-demand IT Support	14,109.11	51,000.00	27.66%	36,890.89	72.34%
49207 Recurring IT Support Subscripti	33,212.95	38,112.00	87.15%	4,899.05	12.85%
49208 Rental Car Fuel	493,205.63	415,000.00	118.84%	-78,205.63	-18.84%
49209 155 **CCURE/accesscontrol/camera**	142,466.29	55,080.00	258.65%	-87,386.29	-158.65%
49300 Parking	5,984.82	7,500.00	79.80%	1,515.18	20.20%
49600 Flight Ice	6,180.50	6,000.00	103.01%	-180.50	-3.01%
66900 Reconciliation Discrepancies	71,741.39			-71,741.39	
80600 Miscellaneous Expense	6.98	600.00	1.16%	593.02	98.84%
***80611 *BANK Charges**	4,198.46			-4,198.46	
80611 BANK Charges	-348.20			348.20	
80625 TPA EE benefits and Payroll	31,084.23	30,000.00	103.61%	-1,084.23	-3.61%
80650 Finance Charges	3,113.20			-3,113.20	
80810 Bad Debt - non based	2,712.12			-2,712.12	
80900 SCADG Expense	625.97			-625.97	
89610 Misc.- ATCT	7,348.96			-7,348.96	
89615 SCASD IN-KIND CONTRIBUTIONS	39,811.14	$0.00		-39,811.14	
47717 VIC Expenses		1,500.00	0.00%	1,500.00	100.00%
Total for Expenses	**11,445,620.04**	**11,408,636.01**	**100.32%**	**-36,984.03**	**-0.32%**
Net Operating Income	**3,036,166.52**	**3,753,701.87**	**80.88%**	**717,535.35**	**19.12%**

MISSOULA COUNTY AIRPORT AUTHORITY
STATEMENT OF CASH FLOW
For the Month Ended May 31, 2026

	5/31/2026
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 1,432,138
Cash paid to suppliers	(1,484,322)
Cash paid to employees and employee benefits	(506,115)
Net cash flows from operating activities	(558,299)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments for capital assets	(2,038,346)
Federal contributions	3,079,661
Subsequent collections of capital contributions	8,312
Net cash flows from capital and related financing activities	1,049,626
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Customer facility charges	122,820
Passenger facility charges	199,339
Net cash flows from noncapital financing activities	322,159
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and investment revenue	16,542
Net cash flows from investing activities	16,542
Net change in cash and investments	830,028
Cash and investments, beginning of May, 2026	15,175,042
Cash and investments, end of May, 2026	$ 16,005,070

	5/31/2026
RECONCILIATION OF INCOMEFROM OPERATIONS TO NETCASH FLOWS FROM OPERATING ACTIVITIES	
Income from operations	$ 85,021
Adjustments to reconcile loss from operations to net cash flows from operating activities:	
Change in receivables and other assets	201,133
Change in prepaid expenses	20,780
Change in unearned revenue, advance payment, and deferred inflows	(6,078)
Change in accounts payable and accrued expenses	(859,155)
Total adjustments	(643,320)
Net cash flows from operating activities	$ (558,299)

MISSOULA COUNTY AIRPORT AUTHORITY
OPERATING REVENUES & OPERATING EXPENSES
For the Period Ended May 31, 2026 and 2025

	J.Jly-May26	J.Jly-May25	$DIFF.	%DIFF.	J.Jly-May26 %of Gross	J.Jly-May25 %of Gross	Change
Passenger Airline Aeronautical Revenue:							
Passenger airline landing fees (signatory & non-sig,atory), net air incentives	$ 919,254	$ 837,105	$ 82,149	10%	6%	6%	0%
Terminal arrival fees, rents, net air incentives	1,717,353	1,489,622	227,732	15%	12%	11%	1%
Total	2,636,607	2,326,727	309,880	13%	19%	18%	------w;
Non-Passenger Aeronautical Revenue:							
Landing Fees from Cargo	45,996	63,646	(17,648)	-28%	0%	0%	0%
LandingFees GA, Military & USFS	288,549	206,921	81,628	39%	2%	2%	0%
FBO revenue;contract or sponsor-operated	280,102	249,379	30,723	12%	2%	2%	0%
Cargo and hangar rentals (USFShanger & aeronautical g-ound rent)	437,620	341,116	96,505	28%	3%	3%	0%
Fuel sales and fuel flowage fees	86,591	77,039	9,552	12%	1%	1%	0%
Security Reimbursements from Fed govt.	12,317	13,548	(1,232)	-9%	0%	0%	0%
Other non-passenger operating revenue (ground handling)	1,104,257	823,801	280,456	34%	8%	6%	1%
Total	2,255,435	1,775,450	479,984	27%	16%	14%	
Non-Aeronautical Revenue:							
Land and non-terminal facilityleases and revenues (aglease & non-aeronautical ground rent)	224,872	370,684	(145,812)	-39%	2%	3%	-1%
Terminal-food and beverage	372,918	350,911	22,007	6%	3%	3%	0%
Terminal-retail stores & duty free	305,626	300,533	5,094	2%	2%	2%	0%
Terminal-services and other (advertising, vending, other)	305,376	246,506	58,870	24%	2%	2%	0%
Rental cars-excludes customer facilitycharges	2,954,529	2,717,161	237,368	9%	21%	21%	0%
Parking	4,757,113	4,571,403	185,710	4%	33%	35%	-2%
Other (fliglt creN parking, badging, utilities reimbursement, other)	270,971	234,334	36,637	16%	2%	2%	0%
Ground transportation	163,393	143,074	20,319	14%	1%	1%	0%
Total	9,354,798	8,934,606	420,191	5%	66%	69%	
Total Operating Revenue	$ 14,246,839.16	$ 13,036,783	$ 1,210,056		100%	100%	

Operating Expenses	J.Jly-May26	J.Jly-May25			J.Jly-May26 %of Gross	J.Jly-May25 %of Gross	Change
Personnel compensation and benefits	$ 5,917,092	$ 5,583,806	$ 333,286	6%	55.93%	56.14%	
Communications and utilities	876,027	711,912	164,115	23%	8.28%	7.16%	1%
SJppliesand materials	1,380,217	1,487,165	(106,948)	-7%	13.05%	14.95%	-2%
Contractual services	2,042,509	1,928,305	114,203	6%	19.31%	19.39%	0%
Insurance, claims and settlements	364,132	235,705	128,427	54%	3.44%	2.37%	1%
Total Operating Expenses	$ 10,579,977.11	$ 9,946,893	$ 633,084		100%	100%	
Net Operating Income	$ 3 666 862	$ 3 089 891	$ 576 972				

MISSOULA COUNTY AIRPORT AUTHORITY
LONG-TERM DEBT
For the Month Ended May 31, 2026

FY 2026	Balance June 30, 2025	Proceeds from Borrowing	Payments	Balance May 31, 2026
Note payable to First Security Bank of Missoula - series 2019A	$ 13,316,800	$ -	$ -	$ 13,316,800
Note payable to First Security Bank of Missoula - series 2019B	2,368,955		(565,286)	1,803,668
****Note payable to First Security Bank of Missoula - series 2022	29,999,780	-	-	29,999,780
	$ 45,685,535	$ -	$ (565,286)	$ 45,120,248

Note payable activity for the month ended May 31, 2026:	Amount
Proceeds from Borrowing	$ -
Payments	$ -

Current estimated debt service payment; payable July 1, 2026	Principal	Interest	Total
*Note payable to First Security Bank of Missoula - series 2019A	$ -	$ 130,687	$ 130,687
**Note payable to First Security Bank of Missoula - series 2019B	143,191	14,644	157,836
***Note payable to First Security Bank of Missoula - series 2022	-	286,272	286,272
	$ 143,191	$ 431,604	$ 574,795

**Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.98%. Interest is due and payable on the 1st day of each calendar quarter, beginning July 1, 2020. Principal is due and payable on the 1st day of each calendar quarter, beginning July 1, 2029. All unpaid principal and accrued interest is due and payable on July 1, 2044.*

***Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.04%. Interest is due and payable on the 1st day of each calendar quarter, beginning July 1, 2020. Principal is due and payable on the 1st day of each calendar quarter, beginning July 1, 2022. All unpaid principal and accrued interest is due and payable on April 1, 2029.*

****Interest on the unpaid principal is calculated on the basis of actual number of days elapsed in a 365 or 366 day year at a fixed annual interest rate of 3.87%. Interest is due and payable on the 1st day of each calendar quarter, commencing April 1, 2023, and principal is due and payable on the 1st day of each calendar quarter, commencing July 1, 2032. All unpaid principal of accrued interest is due and payable on April 1, 2047.*

Director's Report
June 26, 2026

Director's Statement: May enplanements ended with an increase of 4.4% as compared to May of 2025. This was our 8th month in a row of increases, as we had to restart our streak following our runway project (we were at 19 months in a row prior to our September runway project, so considering that month as an outlier, we would be at 27 months in a row!). Nationally, enplanements were slightly down in May (99.5%), so we continue to exceed the national average. We are expecting to see an increase in June, even with less available seats, as the month appears to be ending very strongly with the Zootown Festival and Missoula Marathon rounding out the month. In July we will have an average of 2,478 departure seats each day with Thursdays bumping up to 2,647 available departure seats.

Happy to report that our Airport Master Plan has been accepted by the FAA, we received official sign off last week and will be publishing it on our website. Lots of staff time and community involvement went into the plan, and it is great to have that project completed!

For the past couple of years, the airport has budgeted to update the airport website as a result of several enhanced accessibility requirements. Airport staff solicited and reviewed four quotes to perform the updated scope of work for the revised website. The Quotient Group, currently on a retainer for marketing and public relations assistance, was selected to perform the redesigned. The redesign process will take around 10 months to complete and will ensure the airport complies with ADA requirements in addition to improving access and organization of governance files and documents.

Our transfer and sale of the Milwaukee trail will be coming forward to you in a month or two. have attended two public meetings recently, with the last one where City Council granted the mayor the ability to sign a buy/sell agreement with the Airport Authority. Very positive comments came from both community and City Council members. We have since reached out to the FAA to get the property released and we will follow that up with your approval in the near future.

As mentioned in last month's report, I traveled to Chicago for what's known in our industry as "Speed Dating". I had very good meetings with all carriers, summer and fall advance bookings look good which usually prompts the need for additional service next year. Since those meetings, aircraft fuel has started to decline, which is good news for our industry and opens up potential opportunities. Sun Country is scheduled to return on July 1st with twice weekly flights through mid-August. United added an early morning departure to Los Angeles this summer and thus far it is performing to their projections. Also, with Kalispell doing runway construction next month, we have a few extra Chicago flights and we are expecting corporate general aviation traffic to increase during the weeks they are closed.

Montana Department of Transportation recently released an economic impact study of airports in our state. Their report stated that the Missoula Montana Airport contributes $1.2 billion of economic impact to Montana. The impact of our Airport resulted in over 6,850 jobs and a payroll of over $418.1 million contributed to our local economy.

I will be traveling to Washington DC once again in July to attend an AAAE Contract Tower conference. Discussion topics will include grant opportunities, new technology being deployed, and ongoing efforts to improve controller staffing. While there I will visit with our Senators and interact with FAA officials.

If you remember, Dan worked with DEQ and applied for Volkswagen settlement funds which we were awarded a few months ago. In that grant award we will be receiving our first fully electric vehicle (2026 Kia EV9 SUV). We are slated to pick it up today so if anyone would like to see it while on site next Tuesday let us know.

June 19th, we hosted Montana Department of Transportation's Aviation Career Exploration (ACE) Academy. The ACE Academy is an immersive aviation exploration experience which is designed to promote aviation and introduce high-school students to many career opportunities in aviation. Students had the opportunity of visiting numerous departments within MCAA.

Board Agenda: Another long agenda, explanations are included in your board packet.

- Agreement with Missoula County for Terminal Concourse Play Structure
- Audit Contract and Engagement Letter
- Fiscal Year 2027 Insurance Coverage
- Taxiway H Conversion Project Bid Award
- Final Design of ATCT Upgrades Project
- Planning and Engineering Services Award and Contract
- UKG Contract
- Baggage System Spare Parts Purchase
- Kembel/Stevens and Four Sons LLC Lease Assignment
- Transfer of Entitlements

AAAE is providing a 3-hour virtual New Board member training opportunity on Thursday July 30th from 1Oam to 1 pm-let me know if you are interested.

About the course: This training is designed for airport board members, commissioners, and airport executives. It will cover key topics essential for effective orientation and training, including the roles and responsibilities of board members, their level of authority, and expectations regarding meetings and member conduct (parliamentary procedures and open meetings laws). Additionally, the session will delve into the unique aspects of the airport industry. To support the development and implementation of comprehensive airport board orientation and training, a collection of crucial documents and information will be provided.

Missoula County Airport Authority

Agenda Item Sheet

Meeting Date: May 26, 2026

1. TITLE: Agreement with Missoula County for Terminal Concourse Play Structure

   Review, discussion and possible approval of an agreement to install and maintain a play structure in Concourse B of the Airport Terminal.

2. AGENDA CATEGORY: (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. TIME REQUIRED: 5 Minutes

4. BACKGROUND INFORMATION: In June 2022 the airport completed and opened the B-Concourse and baggage claim areas as part of a multi-phased terminal reconstruction project. Included as part of the concourse design was the allocation of space for a children's play area to be developed at a later date. Staff received interest from the Historical Museum at Fort Missoula (HMFM), operated by Missoula County, to install and maintain a play structure at the airport to help promote awareness of the museum. The Historical Museum at Fort Missoula engaged A&E architects to assist with design and code review to ensure the structure meets applicable safety standards.

   The Historical Museum at Fort Missoula will be responsible for the procurement, installation and maintenance of the structure, with the airport providing the space at no cost. The agreement will be for a period of 10 years with the Historical Museum to perform a rehab and refresh at the 5-year mark.

5. BUDGET INFORMATION: N/A

6. SUPPLEMENTAL AGENDA INFORMATION: N/A

7. RECOMMENDED MOTION: Move to approve the Agreement with Missoula County to install and maintain a play structure in the Missoula Airport terminal concourse.

8. PREPARED BY: Dan F. Neuman, Manager of Business Development

9. COMMITTEE REVIEW: None

Created on 6/26/26

LOCATION AND USE AGREEMENT

THIS AGREEMENT, made and entered into this _____day of _________, 2026 by and between the MISSOULA COUNTY AIRPORT AUTHORITY, (MCAA) and Missoula County (the Operator), provides as follows:

Recitals

A. MCAA owns and operates the Missoula Montana Airport (the Airport), located in Missoula County, Montana.

B. The Operator oversees the Historic Museum at Fort Missoula, which is operated with a purpose to "collect, preserve, and interpret the history of Missoula County and western Montana for the education and cultural enrichment of visitors and area residents".

C. The Operator and the Historic Museum at Fort Missoula desire a location on Airport property to install and maintain a play structure for public use.

D. MCAA is willing to permit Operator to install and maintain a play structure for public use at the Airport for the purposes and on the terms and conditions set out in this Agreement.

NOW THEREFORE, for and in consideration of the prompt payment of all amounts due under this Agreement and the performance of the covenants, terms and conditions of this Agreement, the sufficiency of which is recognized by both parties, the parties agree as follows:

Agreement

1. **Term**. Unless earlier terminated, as provided herein, the term of this Agreement shall be for ten years, commencing on July 1, 2026, (Start Date) and concluding on June 31, 2036. Upon termination of this Agreement, Operator shall remove all personal property from the Airport, doing so in a manner not causing injury or damage to the Airport terminal building or property.

2. **Location**. MCAA hereby agrees to permit Operator to locate, install and maintain a play structure for public use. MCAA will identify the exact location and configuration of the Location, in coordination with the Operator. MCAA retains the right to move or relocate or require the Operator to move or relocate the Location as needed for maintenance, repair, and upgrades to the Airport terminal, to comply with airport security requirements, or for other Airport purposes.

3. **Holding Over.** In the event the Operator shall hold possession of Location after expiration or termination of this Agreement, then such holding shall be a holdover tenancy from month to month and is otherwise governed by the same conditions, restrictions, limitations and covenants as contained in this Agreement. The intent of this provision is not to extend the term of this Agreement after termination or expiration, but rather to insure that any occupancy or use of the Location by the Operator after expiration or termination of this Agreement is in strict compliance with the conditions, restrictions, limitations and covenants of this Agreement governing the Operator's use of the Location.

4. **Rights and Privileges**. Operator shall have the rights and privileges as follows:

a. The non-exclusive right and privilege to locate, install and maintain a play structure at the Airport.

b. The right to ingress to and egress from the Location over and across the terminal building, and roadways serving the Airport for Operator, its agents and employees.

   Any and all rights of ingress and egress are subject to rules and regulations governing the use of the Airport. In the event of any conflict between Operator and any other lessee or Operator at the Airport, Operator agrees to be bound by the decision of MCAA.

5. **Operator's Obligation to Maintain**. Operator agrees that it will maintain the play structure, adjacent flooring, signage, and any other installation elements in a safe, well-maintained, clean, and orderly condition. Operator shall conduct routine inspections at intervals consistent with industry best practices to ensure continued compliance with applicable safety standards. Operator shall maintain records of such inspections and make them available to MCAA upon request.

   At MCAA’s request and at Operator’s sole expense, Operator agrees to repair any worn, broken, unsafe, or otherwise unsuitable conditions of the play structure and its associated installed elements. Operator shall immediately remove or restrict access to any element found to be unsafe until repaired or replaced.

   Operator agrees to provide a rehabilitation of the play structure and its associated installed elements no less than five (5) years into this Agreement, and such requirement shall not relieve Operator of the obligation to also provide as-needed or routine maintenance throughout the duration of the Agreement.

6. **Safety Compliance.** Operator shall design, construct, install, and maintain the play structure in full compliance with all applicable federal, state, and local laws, regulations, and recognized industry safety standards, including but not limited to the codes and standards identified in the Architect of Record’s approved plans, the 2021 International Building Code, applicable accessibility standards (including ICC A117.1 and ADA Accessibility Standards), the National Electrical Code, current NFPA life-safety standards, all applicable local building regulations, and the Consumer Product Safety Commission’s Public Playground Safety Handbook. Operator shall provide MCAA with written certification of compliance prior to opening the play area and upon any material modification.

   Operator shall promptly correct any condition that Operator or MCAA reasonably determines to pose a safety hazard. To accommodate Operator’s insurance requirements, MCAA will conduct periodic safety checks of the play structure utilizing the “Playground Safety Self Inspection Checklist” attached in this Agreement as Attachment A and shall promptly notify Operator in writing of any issues identified. MCAA’s safety checks are visual, non-technical inspections only. MCAA will maintain inspection logs for two (2) years beyond the later of the termination of this Agreement or the removal of the play structure. Both parties acknowledge that MCAA staff are not trained or certified playground inspectors, that the inspections performed pursuant to this section do not constitute a professional or regulatory inspection, and that MCAA staff will use reasonable, good-faith judgment in completing Attachment A. The Parties agree that the contents of Attachment A may be amended by mutual agreement without the need to amend this Agreement.

7. **Laws, Ordinances, Rules and Regulations.** The Operator shall observe and obey all laws, ordinances, rules and regulations of the federal, state, county, and city governments or any agency thereof, and those of MCAA, which may be applicable to its operation at the Airport, which are in effect now or as may apply in the future. This includes, but is not limited to any and all Airport security rules, regulations, procedures, as may presently exist and as may be amended, expanded or changed in the future. MCAA shall have the right to adopt and shall adopt and enforce reasonable rules and regulations with respect to the use of the Airport, terminal building and related facilities, which Operator agrees to observe and obey.

8. **Authority's Obligations**. MCAA agrees to operate Missoula Montana Airport as a public airport during the term of this Agreement, subject to its agreement with the United States Government and the Federal Aviation Agency and subject to the conditions contained in Section 10 of this Agreement, and further to maintain the grounds and the terminal building public portions of the airport in the manner it deems appropriate.

9. **Loss or Damage.** Operator acknowledges that MCAA shall have no responsibility for loss or damage to Operator's property located at the Airport, and Operator assumes all risk of such loss or damage but for loss or damage to Operator's property caused by the fault or negligence of MCAA.

10. **Badging Requirements**. Operator, its employees and/or contractors that require access to secured areas of the Airport shall be obligated to complete all training and comply with all security requirements and directives issued by MCAA, Transportation Security Administration or other entity having security jurisdiction at the Airport. Operator, its employees, and contractors will surrender security badges upon request by MCAA. Physical security media (badges and keys) remain the property of MCAA. Operator and their employees and contractors shall comply with all security related audits, inspections, and screenings. Operator will immediately return badges to the Airport Public Safety Office when badge holder's employment is terminated, the badge is no longer needed, or the employee/contractor is on extended leave. Misuse of a badge or security procedures will bring about punitive action including suspension or revocation of one or all badges. Operator shall be invoiced on a regular basis for badging fees as set forth in MCAA's Access Control Card Application. Fees shall be paid within 30 days of invoice.

11. **Agreement Subordinate to Rights of the U.S. Government**. This Agreement is subordinate to the provisions and requirements of any existing or future agreement between MCAA and the United States of America relative to the development, operation, or maintenance of the Airport. This Agreement is subject to whatever right the United States Government has affecting the control, operation, regulation and/or taking over of the Airport.

12. **Cancellation by Authority**. Upon default by Operator in the performance of any terms or conditions of this Agreement after thirty (30) days notice in writing specifying the nature of said default, MCAA may, at its sole option and without further notice, terminate this Agreement. Upon notice of default, Operator shall have thirty (30) days to remedy the default. In addition, MCAA reserves the right to terminate this Agreement if, in MCAA's reasonable judgment, the play structure poses a safety hazard or fails to comply with applicable standards, and Operator does not promptly remedy such condition after notice.

    Upon termination of this Agreement, the Operator shall remove or MCAA may remove, at Operator's expense, all of Operator's property from the Airport. In the event of termination based on Operator's default, the Operator agrees to pay all costs, incurred by Authority as a result of such default and removal. The rights and remedies herein granted to Authority shall be in addition to any other rights and remedies to which Authority may be entitled to at law and not in lieu thereof.

13. **Cancellation by Operator**. This Agreement shall be subject to cancellation by the Operator in the event any one or more of the following events should occur:

    a. The permanent abandonment of Missoula Montana Airport as an air terminal.

    b. The terminal building or Airport is damaged beyond use or destroyed by acts of God or for any other reason that the Airport cannot be operated as an airport.

    c. Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and the remaining in force of such an injunction for a period of at least ninety (90) days.

    d. Default by MCAA in the performance of any covenant or agreement herein required to be performed by Authority and the failure of Authority to remedy such default for a period of sixty (60) days after receipt from Operator of written notice to remedy and of Operator's intention to declare this Agreement canceled.

14. **Cancellation by Mutual Agreement**. At any time during the Term, the Parties may mutually agree in writing to terminate this Agreement in its entirety, for any reason or no reason.

15. **Insurance**. During the term of this Agreement, the Operator will obtain and maintain the following kinds and amounts of insurance with respect to the Location:

    a. Commercial general liability insurance with a reputable company insuring against liability for bodily injury and property damage occurring in, on or around Operator's location use at the Airport, in an amount not less than Two Million Dollars ($2,000,000.00) combined single limit of bodily injury and property damage per occurrence and shall name MCAA as an additional insured.

    b. Any other insurance that is required by law or customarily required for the type of activity conducted by Operator or that MCAA may request in writing.

    c. All such insurance policies will be in a form or forms which satisfy the requirements of MCAA's Primary Guiding Documents as the same may exist or be amended from time to time and shall include Operator's agents, representatives, employees, and subcontractors. Operator shall deliver to MCAA a certificate of all required insurance showing it to be in effect and providing that it will not be canceled without at least thirty (30) days prior written notification to MCAA. The procuring of such policy or policies of insurance shall not be construed to be a limitation upon Operator's liability under the hold harmless agreements set forth in this Agreement, nor as full performance of Operator's part of the indemnification provisions of this Agreement. Regardless of the existence of insurance, Operator's obligation is the full and total amount of any damage, injury or loss caused by the fault, negligence or lack of care of Operator, its officers, agents or employees in its operations at the Airport.

16. **Indemnification**. Operator shall indemnify and hold harmless MCAA, its officers, employees and agents, against any and all claims of any nature whatsoever, including personal injuries or damages to property, arising directly or indirectly out of any actions or operations of Operator, its employees or agents or in any way related to the installation, placement, use, operation, maintenance, and removal of Operator's uses at the Airport. MCAA agrees to indemnify and hold Operator and its officers, agents, and employees harmless from and against any and all claims, demands, loss or liability of any kind or nature which Operator, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons or damage to property arising out of or in any manner connected with the fault, negligence or lack of care of MCAA, its officers, agents or employees.

17. **Assignment**. Operator shall not assign or transfer his rights or obligations under this Agreement.

18. **Binding Effect**. All the covenants, stipulations and agreements herein shall extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

19. **Non-Discrimination**. Operator agrees to comply with all federal and state laws, rules and regulations regarding non-discrimination, including any such laws, rules or regulations of the U.S. Department of Transportation, Title 49, Part 23.

    a. This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The Operator agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23. The Operator agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

    b. Operator agrees for the term of this Agreement, and any renewals, that all hiring of employees must be on the basis of merit and qualifications, and there shall be no discrimination on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

    c. Noncompliance with the above provisions shall constitute a material breach of this Agreement. In the event of such noncompliance, MCAA shall have the right to terminate this Agreement and the estate created without liability therefor or at the election of MCAA or the United States either or both shall have the right to judicially enforce said provisions.

20. **Notice**. All notices required under the terms of this Agreement shall be deemed complete and effective upon being deposited in the United States mail, certified mail, with postage pre-paid, directed to:

    Authority: Missoula County Airport Authority
    Airport Director, Brian Ellestad
    5225 Hwy 10 West
    Missoula, MT 59802

Operator: Historical Museum at Fort Missoula
Executive Director, Matt Lautzenheiser
3400 Captain Rawn Way
Missoula, MT 59804

21. **Compliance with Laws**. Contractor, its officers, employees, agents, subcontractors, or those under its control, will at all times comply with applicable federal, state, and local laws and regulations, Airport rules, regulations, policies, procedures and operating directives as are now or may hereinafter be prescribed by MCAA, all applicable health rules and regulations and other mandates whether existing or as promulgated from time to time by the federal, state, or local government, or MCAA including, but not limited to, permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations and any other operational matters related to the operation of Airport. Contractor, its officers, employees, agents, subcontractors, and those under its control, will comply with safety, operational, or security measures required of Contractor or MCAA by the Federal Aviation Administration (FAA) or Transportation Security Administration (TSA). If Contractor, its officers, employees, agents, subcontractors or those under its control will fail or refuse to comply with said measures and such noncompliance results in a monetary penalty being assessed against MCAA, then, in addition to any other remedies available to MCAA, Contractor will be responsible and will reimburse MCAA in the full amount of any such monetary penalty or other damages. This amount must be paid by Contractor within 15 days from the date of the invoice or written notice.

22. **Waiver**. In the event MCAA does not exercise any of its options, rights or remedies enumerated in this Agreement, such omission shall not constitute a waiver of its right to exercise such options, rights or remedies in the future and it shall not be stopped from doing so.

23. **Relationship of Parties**. In performance of its duties under this Agreement, Authority and Operator both are, and shall remain, independent entities. No provision of this agreement shall be construed to make either party its officers, agents, contract consultants, or employees individually or collectively, employees of, or partners or joint ventures with the other. Further, each party is responsible for the acts and omissions connected with the work and persons directly or indirectly employed including their agents and their employees. Operator shall be responsible for all employer contributions for Worker's Compensation and other insurance programs and withholdings required by state and federal law.

24. **Interpretation**. In the event any covenant, term, condition or provision set forth herein is held invalid by any court of competent jurisdiction, the invalidity of such covenant, term or provision shall in no way affect the remainder of this Agreement. It is further understood and agreed that the paragraph headings set forth herein are for convenience only and shall in no way affect the interpretation or construction of this Agreement.

25. **Place of Performance, Governing Law and Choice of Venue**. The place of performance of this Agreement shall be in Missoula County, Montana. This Agreement shall be construed and interpreted pursuant to the laws of the State of Montana. Venue for any dispute or suit concerning this Agreement shall be in Missoula County, Montana.

26. **Attorney Fees, Expenses and Costs**. In any action brought by either party to enforce any of the terms of this Agreement, the prevailing party in such action shall be entitled to costs, out-of-pocket expenses, expert and lay witness fees and expenses, and such reasonable

attorney and paralegal fees as the court shall determine just including any such costs, out-of-pocket expenses and fees incurred on any appeals or in any bankruptcy proceeding.

27. **Entire Agreement**. This Agreement constitutes the entire agreement between the parties, superseding any prior agreements. It cannot be altered or modified, except by the signed written agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

Missoula County Airport Authority

By:___________________________________ Date:______________________

Brian Ellestad, Airport Director

Missoula County

By:___________________________________ Date:__________________________

Matt Lautzenheiser, Executive Director, Historical Museum at Fort Missoula

ATTACHMENT A

PLAYGROUND SAFETY SELF INSPECTION CHECKLIST

This self-inspection checklist is recommended for periodic use.
Routine safety checks of play areas reduce the potential for accidents and injuries.

SITE INFORMATION:	
Site name: Missoula Montana Airport	Town/City: Missoula
Site contact: Nate Cole (ncole@flymissoula.com)	Title: Director of Maintenance
Location: B Concourse	Age of equipment:

WHAT TO LOOK FOR (note additional comments below):	RESPONSE (Note any issues here)	CORRECTIVE ACTION (Note action to be taken, if any)	DATE CORRECTED
Check equipment for cracks, bending, warps, rust or breakage of any component			
Check for tripping hazards (e.g., exposed footings, roots, rocks)			
Check for loose nuts, bolts and caps or protruding bolts with sharp edges and/or no caps			
Check play equipment, wood surfaces for splintering wood			
Check all equipment and buildings for chipping or peeling paint			
Check for fall exposure. Platforms 20" or higher should have a secure guardrail/ barrier			
Check equipment/guardrails for head entrapment. Openings should be less than 4" or greater than 9"			
Check condition and securement of all netting, guardrails, grab bars, and interactive play elements.			

Additional Comments:

INSPECTION INFORMATION:	
Were all play areas used by passengers inspected (Y/N)?	Date of inspection:
Inspector's name:	Inspector's position:
Inspector's signature:	Signature date:

This and other inspection records must be kept on file at the site. Inspection records are to be maintained for no less than three years.

For more detailed safety and maintenance guidelines, see the "Public Playground Safety Handbook" from the U.S. Consumer Product Safety Commission.

Missoula County Airport Authority
Agenda Action Sheet
Meeting Date: June 30, 2026

1. **TITLE:** Approval of the Audit Engagement Letter

   ACTION ITEM Review, discussion and possible approval of the Audit Engagement Letter & Standard Audit Contract.

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS **NEW BUSINESS** COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 10 minutes

4. **BACKGROUND INFORMATION:** The annual audit process includes the approval and execution of an Audit Engagement Letter and Standard Audit Contract which outlines the responsibilities of both the Auditors and the Authority.

5. **BUDGET INFORMATION:**
   Amount Required:
   Fees for the services will be $86,850. This is broken down as follows:

Financial statement audit	$57,800
Single audit (includes one major program)	$9,250
Passenger facility charge audit	$5,775
Assistance in drafting the financial statements	$5,775

   The Airport will also be billed for travel expenses, not to exceed $8,250

   Budget amount available: $85,000

6. **SUPPLEMENTAL AGENDA INFORMATION:** The Audit Engagement Letter & Standard Audit Contract is attached.

7. **RECOMMENDED MOTION:** Request Board approve the annual Audit Engagement Letter & Standard Audit Contract with Baker Tilly.

8. **PREPARED BY:** William Parnell, Director of Finance and Administration

9. **COMMITTEE REVIEW:** N/A

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June 1, 2026

Board of Airport Commissioners and Management
Attn: William Parnell, Director of Finance and Administration
Missoula County Airport Authority
5255 Highway 10 West
Missoula, MT 59808

Re: Audit and Nonattest Services

Dear Board of Airport Commissioners and Management:

Thank you for the opportunity to provide services to Missoula County Airport Authority. This engagement letter ("Engagement Letter") and the attached Professional Services Agreement, which is incorporated by this reference (collectively, the "Agreement"), confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services Baker Tilly US, LLP ("Firm," "we," "us," and "our") will provide to Missoula County Airport Authority ("you," "your," and "Authority") subject to the terms and conditions of the Department of Administration Standard Audit Contract between Baker Tilly US, LLP and the Missoula County Airport Authority ("Contract").

Scope of Services – Audit

You have requested that we audit the Authority's financial statements, which comprise the statement of net position as of June 30, 2026, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements. We will also report on whether the schedule of expenditures of federal awards, the schedule of passenger facility charges collected and expended, operating revenues, operating expenses, revenue note coverage, and federally funded airport projects, presented as supplementary information, is fairly stated, in all material respects, in relation to the financial statements as a whole. We have not been engaged to report on whether the airport operations information, insurance in force, and graphs, presented as other information, is fairly stated, in all material respects, in relation to the financial statements as a whole.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Authority's RSI in accordance with auditing standards generally accepted in the United States of America. We will not express an opinion or provide assurance on the information because the limited

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

procedures do not provide us with sufficient evidence to express an opinion or provide assurance. The following RSI will be subjected to certain limited procedures, but will not be audited:

1) Management's discussion and analysis
2) Schedule of Proportionate Share of the PERS Net Pension Liability
3) Schedule of PERS Contributions
4) Notes to Required Supplementary Information

Scope of Services and Limitations – Nonattest

We will provide the Authority with the following nonattest services:

1) Assist you in drafting the financial statements and related footnotes as of and for the year ended June 30, 2026.
2) Assist in drafting the data collection form for the year ended June 30, 2026.

Our professional standards require that we remain independent with respect to our attest clients, including those situations where we also provide nonattest services such as those identified in the preceding paragraphs. As a result, Authority management must accept the responsibilities set forth below related to this engagement:

- Assume all management responsibilities.
- Oversee the service by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to oversee our nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services performed.

It is our understanding that William Parnell, Director of Finance and Administration, has been designated by the Authority to oversee the nonattest services and that in the opinion of the Authority is qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

Timing

Ashley Osten is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin our audit on approximately August 24, 2026, complete fieldwork on approximately September 18, 2026, and issue our report no later than December 15, 2026.

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.

Fees

We estimate that our fees for the services will be $86,850. This is broken down as follows:

Financial statement audit	$57,800
Single audit (includes one major program)	$9,250
Passenger facility charge audit	$5,775
Assistance in drafting the financial statements	$5,775

If additional major programs are identified, they will be billed separately at $8,000 per major program. You will also be billed for travel expenses, not to exceed $8,250.

If additional audit related reconciliations (considered outside the scope of our general audit procedures) are considered necessary, the limitations and the responsibilities Authority management must accept that are described in the "Scope of Services and Limitations – Nonattest" section of this letter will apply, and management will be required to designate an individual responsible for overseeing and monitoring this work. These nonattest services will be billed in excess of the fee noted above, at our standard hourly rates.

Reporting

We will issue a written report upon completion of our audit of the Authority's financial statements. Our report will be addressed to the Board of Commissioners of the Missoula County Airport Authority of the Authority. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended June 30, 2026.

At the conclusion of the engagement, we will complete the auditor section of the Data Collection Form and electronically sign the Data Collection Form that summarizes our findings. We will provide electronic copies of our reports to you; however, it is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan, as applicable) along with the Data Collection Form to the Federal Audit Clearinghouse. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditors' reports or nine months after the end of the audit period. At the conclusion of the engagement, we will make arrangements with management regarding Data Collection Form submission procedures.

Access to Records

Although Baker Tilly US, LLP may provide access to its working papers to the State and/or applicable oversight entities as set forth in Section 23 of the Contract, and notwithstanding any language to the contrary in the Contract, Authority shall not have access to Baker Tilly US, LLP's working papers in order to protect the integrity of the audit.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this letter and return it to us with the Professional Services Agreement.

Very truly yours,

Baker Tilly US, LLP

Enclosures

Accepted and Agreed:

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of the Authority with respect to this engagement and the services to be provided by the Firm:

Signature:___________________________________

Print Name:__________________________________

Title:_______________________________________

Date:_______________________________________

Signature:___________________________________

Print Name:__________________________________

Title:_______________________________________

Date:_______________________________________

Client: #712927
v. 06/04/2025

PROFESSIONAL SERVICES AGREEMENT
Single Audit Version (Uniform Guidance)

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services that the Firm will provide to the Authority. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

Objectives of the Audit

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives of our audit are also to obtain reasonable assurance about whether the Authority has complied with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program.

The objectives also include reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*.
- Internal control over compliance related to major federal programs and on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and the audit requirements contained in OMB Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

The reports on internal control and compliance will each include a statement that the purpose of the report is solely to: describe the scope of testing of internal control over financial reporting and compliance and the result of that testing and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance; describe the scope of testing internal control over compliance for major federal programs and major federal program compliance and the result of that testing and to provide an opinion on compliance but not to provide an opinion on the effectiveness of internal control over compliance; that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance and the OMB Uniform Guidance in considering internal control over compliance and major federal program compliance; and, accordingly, it is not suitable for any other purpose.

The objectives of our audit are also to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Auditor's Responsibility

We will conduct our audit in accordance with U.S. GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the audit provisions of the OMB Uniform Guidance. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control or to identify deficiencies in the design or operation of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

In accordance with the OMB Uniform Guidance we also:

- Determine major program(s)
- Identify and assess the risks of material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion on compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major federal program.
- Obtain an understanding of internal control over compliance that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program in order to design audit procedures that are appropriate in the circumstances. We will perform tests of controls to evaluate the effectiveness of the design and operation of such controls, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance or to identify deficiencies in the design or operation of internal control over compliance. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control over compliance that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program that we have identified during the audit.

The supplementary information will be subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

If our opinion on the financial statements or on compliance is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion we may decline to express an opinion or to issue a report as a result of this engagement.

Procedures and Limitations

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and transaction details by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, we will not provide reasonable assurance of detecting abuse. As required by the Single Audit Act Amendments of 1996 and the audit provisions of the OMB Uniform Guidance, our audit will include tests of transactions related to major federal award programs for compliance with applicable federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS, *Government Auditing Standards*, and the OMB Uniform Guidance. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements or noncompliance with the provisions of federal statutes, regulations, and the terms and condition of federal awards that do not have a direct and material effect on major federal programs. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, and noncompliance with the provisions of laws, federal statutes, regulations, contracts grant agreements and federal awards that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

We may assist management in the preparation of the Authority's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of the Firm.

Procedures and Limitations—Internal Control

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from noncompliance with the provisions of laws, regulations, contract and grant agreements and other noncompliance matters that have a direct and material effect on the financial statements.

Our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the OMB Uniform Guidance.

Procedures and Limitations—Compliance

Our audit will be conducted in accordance with the standards referred to in the section titled "Objectives of the Audit." As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we will perform tests of the Authority's compliance with the provisions of laws, regulations, contracts, and grant agreements that may have a direct and material effect on the financial statements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Our procedures will consist of the applicable procedures described in the OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of your major federal programs. The purpose of those procedures will be to express an opinion on the Authority's compliance with requirements applicable to each of its major federal programs in our report on compliance issued pursuant to the OMB Uniform Guidance.

Management's Responsibility for Financial Statements, Internal Control, and Federal Award Compliance

As a condition of our engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, including the schedule of expenditures of federal awards, but management remains responsible for the financial statements and the schedule of expenditures of federal awards. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets.

You are responsible for informing us about all known or suspected fraud affecting the Authority involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Authority received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the Authority complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud or noncompliance with the provisions of laws, regulations, contract, and grant agreements, that we may report.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control and for compliance with federal statutes, regulations, and the terms and conditions of federal awards and for identifying and ensuring that the Authority complies with such provisions. Management is also responsible for informing us of any significant contractor relationships in which the contractor is responsible for program compliance. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with federal statutes, regulations, and the terms and conditions of federal awards or abuse that we may report. Additionally, as required by the OMB Uniform Guidance, it is your responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement, management will provide us with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, whether obtained from within or outside of the general and subsidiary ledgers (including all information relevant to the preparation and fair presentation of disclosures), such as records, documentation, and other matters;
- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the Authority from whom we determine it necessary to obtain audit evidence.

Management's Responsibility to Notify Us of Affiliates

Our professional standards require that we remain independent of the Authority as well as any "affiliate" of the Authority. Professional standards define an affiliate as follows:

- a fund, component unit, fiduciary activity or entity that the Authority is required to include or disclose, and is included or disclosed in its basic financial statements, in accordance with generally accepted accounting principles (U.S. GAAP);
- a fund, component unit, fiduciary activity or entity that the Authority is required to include or disclosed in its basic financial statements in accordance with U.S. GAAP, which is material to the Authority but which the Authority has elected to exclude, and for which the Authority has more than minimal influence over the entity's accounting or financial reporting process;
- an investment in an investee held by the Authority or an affiliate of the Authority, where the Authority or affiliate controls the investee, excluding equity interests in entities whose sole purpose is to directly enhance the Authority's ability to provide government services;
- an investment in an investee held by the Authority or an affiliate of the Authority, where the Authority or affiliate has significant influence over the investee and for which the investment is material to the Authority's financial statements, excluding equity interests in entities whose sole purpose is to directly enhance the Authority's ability to provide government services

In order to fulfill our mutual responsibility to maintain auditor independence, you agree to notify the Firm of any known affiliate relationships, to the best of your knowledge and belief. Additionally, you agree to inform the Firm of any known services provided or relationships between affiliates of the Authority and the Firm or any of its employees or personnel.

Management's Responsibility for Supplementary Information

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

Other Information Included in an Annual Report

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in an entity's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to us as soon as it is available.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If we identify that a material inconsistency or misstatement of the other information exists, we will discuss it with you; if it is not resolved U.S. GAAS requires us to take appropriate action.

Key Audit Matters

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. You have not engaged us to report on key audit matters, and the Agreement does not contemplate the Firm providing any such services. You agree we are under no obligation to communicate key audit matters in the auditor's report.

If you request to engage the Firm to communicate key audit matters in the auditor's report, before accepting the engagement we would discuss with you the additional fees to provide any such services, and the impact to the timeline for completing the audit.

Dissemination of Financial Statements and Reports

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

Offering of Securities

This Agreement does not contemplate the Firm providing any services in connection with the offering of securities, whether registered or exempt from registration, and the Firm will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that the Firm will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

Changes in Professional or Accounting Standards

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

Representations of Management

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Authority's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Authority's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Authority's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the Authority further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the Authority's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any member of the Authority's management.

Fees and Expenses

The Authority acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;
- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by the Firm as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

Authority Information

All information provided by you or on your behalf ("Authority Information") will be accurate and complete. You represent the provision of Authority Information to us will not infringe any intellectual property, privacy, proprietary, or other third-party rights. You also represent that you have obtained all necessary consents and have provided all necessary notifications to the extent required by applicable law in connection with the provision of Authority Information to us. The Firm will use at least the same degree of care to protect the confidentiality of Authority Information as it employs in maintaining in confidence its own confidential information of a similar nature, but in no event less than a reasonable degree of care. The Firm will not disclose Authority Information to any third party without your consent, except we may disclose Authority Information: (1) as required by law or regulation, or to respond to governmental inquiries, or in accordance with applicable professional standards or rules, or in connection with litigation or arbitration pertaining hereto; (2) to the extent such information (i) is or becomes publicly available other than as the result of a disclosure in breach hereof, (ii) becomes available to the Firm on a nonconfidential basis from a source that the Firm believes is not prohibited from disclosing such information to the Firm, or (iii) is already known by the Firm without any obligation of confidentiality with respect thereto; (3) to contractors providing administrative, infrastructure, and other support services to the Firm and subcontractors providing services in connection with this engagement, in each case, whether located within or outside of the United States, provided that such contractors and subcontractors have agreed to be bound by confidentiality obligations related to Authority Information; or (4) as otherwise permitted under this Agreement. This paragraph replaces and supersedes any prior confidentiality or non-disclosure agreements entered into by the Firm or its affiliates with respect to Authority Information.

Data Privacy and Security

To the extent the Services require the Firm to receive personal data or personal information from Authority, the Firm may process, and engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws, and such processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Authority, such as the Firm 's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which the Firm or its clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. The Firm is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Authority personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Authority, the Firm shall, unless otherwise permitted by applicable privacy law, (a) follow Authority instructions; (b) not sell personal data or personal information collected from the Authority or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Authority's engagement and not for the Firm's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Authority to ensure compliance with applicable privacy laws. Authority is responsible for notifying the Firm of any applicable privacy laws the personal data or personal information provided to the Firm is subject to, and Authority represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize the Firm to process such information in connection with the Services described herein. Authority further understands the Firm, Baker Tilly Advisory Group, LP and Moss Adams Advisory Group, LP and their affiliated entities (collectively, the "Firm Entities") may co-process Authority data as necessary to perform the Services, pursuant to the alternative practice structure in place among the entities, and by executing this Agreement, you hereby consent to the sharing of Authority data, Authority files, workpapers and work product with such Firm Entities. Baker Tilly Advisory Group, LP maintains custody of client files for the Firm. The Firm Entities are bound by the same confidentiality obligations as the Firm. The Firm is responsible for notifying Authority if the Firm becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Authority to take reasonable and appropriate steps to remediate personal data or personal information processing. Authority agrees that the Firm Entities have the right to utilize Authority data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Authority to be used for the Firm Entities' business purposes and with the outputs owned by the Firm Entities. For clarity, the Firm Entities will only disclose aggregated/de-identified data in a form that does not identify Authority, Authority employees, or any other individual or business entity and that is stripped of all persistent identifiers. Authority is not responsible for the Firm Entities' use of aggregated/de-identified data.

Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Pursuant to authority given by law or regulation, we may be requested to make certain engagement documentation available to an applicable entity with oversight responsibilities for the audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such engagement documentation will be provided under the supervision of Firm personnel. Furthermore, upon request, we may provide photocopies of selected engagement documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

Document Retention Policy

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your Authority records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that the Firm may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Use of Electronic Communication
In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

Enforceability
In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

Entire Agreement
The Department of Administration Standard Audit Contract and Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between the Firm and the Authority. The Authority agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which the Firm provides services to the Authority, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written agreement or terminate their relationship, whichever occurs first.

Use of the Firm's Name
The Authority may not use any of the Firm's or its affiliates' names, trademarks, service marks or logos in connection with the services contemplated by this Agreement or otherwise without the prior written permission of the Firm, which permission may be withheld for any or no reason and may be subject to certain conditions.

Use of Nonlicensed Personnel
Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Limitations
IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

THE LIABILITY (INCLUDING ATTORNEY'S FEES AND ALL OTHER COSTS) OF THE FIRM AND ITS PRESENT OR FORMER PARTNERS, PRINCIPALS, AGENTS OR EMPLOYEES RELATED TO ANY CLAIM FOR DAMAGES RELATING TO THE SERVICES PERFORMED UNDER THIS AGREEMENT SHALL NOT EXCEED THE FEES PAID TO THE FIRM FOR THE PORTION OF THE WORK TO WHICH THE CLAIM RELATES, EXCEPT TO THE EXTENT FINALLY DETERMINED TO HAVE RESULTED FROM THE WILLFUL MISCONDUCT OR FRAUDULENT BEHAVIOR OF THE FIRM RELATING TO SUCH SERVICES. THIS LIMITATION OF LIABILITY IS INTENDED TO APPLY TO THE FULL EXTENT ALLOWED BY LAW, REGARDLESS OF THE GROUNDS OR NATURE OF ANY CLAIM ASSERTED, INCLUDING THE NEGLIGENCE OF EITHER PARTY.

EACH PARTY FURTHER AGREES THAT ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE COMMENCED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

Hiring of Employees
Any offer of employment to members of the audit team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.

No Legal Advice Provided

The services performed under this Agreement do not include the provision of legal advice and the Firm makes no representations regarding questions of legal interpretation. You should consult with your attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the state of Montana, without giving effect to the provisions relating to conflict of laws.

Alternative Practice Structure: Baker Tilly International

Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms.

Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP, trading as Baker Tilly, are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

DEPARTMENT OF ADMINISTRATION

STANDARD AUDIT CONTRACT

This Contract is made this 1st day of June, 20 26, by and among

Baker Tilly US, LLP

Certified Public Accountant
("Contractor"),

Missoula County Airport Authority

Government Entity
("Entity"),

and the **Montana Department of Administration, Local Government Services Bureau ("State"),** acting under the authority of Title 2, Chapter 7, Part 5, of the Montana Code Annotated. **The State's mailing address, phone number, and e-mail address are PO Box 200547, Helena, MT 59620-0547; (406) 444-9101; and LGSPortalRegistration@mt.gov.**

1. **Effective Date: This contract is not effective with respect to any party until it is approved and signed by the State, as required by Section 2-7-506(3), MCA. The Contractor may not begin any audit work until the State gives its approval.** If the Contractor begins work before the State's approval of the contract and the State subsequently does not approve the contract, the Contractor is not entitled to receive any compensation for the work performed.

2. **Audit Period and Payment:** This contract covers the following audit period(s):

July 1, 20 26 to June 30, 20 27
(Month/Day, Year to Month/Day, Year)

   A. The Entity shall pay the Contractor for the audit work on the basis of time and necessary out-of-pocket expenses, which will not exceed:

App. A:$ ______ for initial (or sole) audit covering ______ to ______
App. B: $ 86,sso for subsequent audit covering 07/01/2026 to 06/30/2027
App. C: $ ______ for subsequent audit covering ______ to ______
App. D: $ ______ for subsequent audit covering ______ to ______
App. E: $ ______ for subsequent audit covering ______ to ______

   B. The Entity shall pay the fees listed in Appendices A, B, C, D, and E, as applicable, which are attached hereto and incorporated by reference. **Any change to the audit fees requires a contract amendment.**

   C. The contract payments do not include the cost of additional work that may be required if the Contractor discovers a defalcation or material irregularity. **Any change in the scope of the audit services to be provided under this contract requires a contract amendment.**

   D. The Contractor may submit interim bills to the Entity each month, based on the estimated percentage of contract completion. The Entity may retain ten percent (10%) of each of these estimates until the Contractor has delivered the final audit report, at which time the Entity shall release the amount retained.

3. **Peer Review:** The Contractor shall provide the Entity with a copy of its most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the contract period.

4. **Audit Scope:** The Contractor shall perform the following:

   A. The Contractor shall conduct the audit in accordance with (i) generally accepted auditing standards adopted by the American Institute of Certified Public Accountants and (ii) the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

   The Contractor shall opine on the presentation of the Entity's financial statements in accordance with the Entity's applicable financial reporting framework prescribed at Section 2-7-504, MCA.

   If the Contractor's opinion on the Entity's financial statements is other than unmodified, the Contractor shall fully discuss the reasons with the Entity in advance of issuing a report. If, for any reason, the Contractor is unable to complete the audit or is unable to form or has not formed an opinion, the Contractor may decline to express an opinion or decline to issue a report as a result of the engagement.

   B. The Contractor shall perform tests of internal control over financial reporting. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards.

   C. The Contractor shall perform tests of the Entity's compliance with provisions of laws, regulations, contracts, and grant agreements. The Contractor shall use the local government compliance supplement prepared by the State, as required by Section 2-7-505(2), MCA, in conjunction with Government Auditing Standards to determine the compliance testing to be performed during the audit. Findings resulting from these tests shall be reported in accordance with Government Auditing Standards. If the Contractor becomes aware of fraud, waste, or abuse, the Contractor shall report related findings in accordance with Government Auditing Standards. The Contractor shall perform tests, including but not limited to the following, to determine whether:

   (1) the Entity has complied with all appropriate statutes and regulations, as required by Section 2-7-502, MCA;

   (2) the Entity has complied with the provisions of each of its debt covenants and agreements;

   (3) the Entity (county, city or town) has retained money in a local charge for services fund contrary to the requirements of Sections 17-2-301 through 17-2-303, MCA, as required by Section 17-2-302, MCA. **The Contractor shall report any findings of noncompliance with the provisions of these statutes, regardless of materiality;** and

   (4) the Entity (county, or consolidated city/county government) has complied with state laws relating to receipts and disbursements of agency or custodial funds maintained by the Entity, as required by Section 2-7-505, MCA.

   If required by the State, the Contractor shall provide documentation of testing performed to comply with (3) and (4) above.

   D. When applicable, the audit must meet all requirements of the Federal Single Audit Act of 1984, as amended, and Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"). If these federal regulations are amended, the amended regulations will prevail.

E. The audit scope with regard to federal financial assistance for each fiscal year covered by this contract must be as specified in Appendices A, B, C, D, and E. Any change to the audit scope with regard to federal financial assistance requires a contract amendment.

F. Except as provided below, for purposes of determining the scope of the audit, the Entity is considered the financial reporting entity as defined in the Entity's applicable financial reporting framework prescribed in Section 2-7-504, MCA. This provision does not preclude the Entity from engaging a different audit firm for the audit of a segment, fund, or component unit of the Entity. However, both the Entity and Contractor shall notify the State whenever the Entity elects to engage a different audit firm for the audit of a segment, fund, or governmental component unit. Such additional audit must be contracted for on the State's Standard Audit Contract, and the audit firm shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State.

   If this contract is for an audit of a segment, fund, or governmental component unit of the primary government, the Entity is considered to be the segment, fund, or component unit.

G. Any school district audit must also include auditing procedures sufficient to provide an opinion as to whether the following supplemental information is fairly stated in relation to the basic financial statements:

   (1) the school district's enrollment for the fiscal year or years being audited as reported to the Office of Public Instruction in the Fall and Spring "Student Count for ANB" reports; and

   (2) when applicable, the extracurricular funds for pupil functions.

H. If the Entity is a school district or associated cooperative, the Contractor shall contact the State Office of Public Instruction and the county superintendent of schools before or during the audit of the Entity. The Contractor shall determine whether those offices are aware of potential financial or legal compliance problems relating to the Entity that could affect the scope of the audit.

I. The Contractor shall immediately notify the Entity and the State in writing of any material irregularities it discovers. If the Entity is a school district or special education cooperative, the Contractor shall immediately notify the State Office of Public Instruction in writing. To notify the State, Contractors shall email LGSPortalRegistration@mt.gov to the attention of the Local Government Services Bureau Chief. To notify the State Office of Public Instruction, Contractors shall email OPIAuditReport@mt.gov to the attention of the OPI Auditor.

J. The Contractor shall notify the Entity of all proposed audit adjustments and, if the Entity concurs, shall obtain written acceptance of these proposed adjustments. The State reserves the right to request documentation of these proposed and accepted audit adjustments.

5. **Entity's Responsibilities:** The Entity shall be responsible for:

   A. its basic financial statements, including note disclosures;

   B. all supplementary information required by its applicable financial reporting framework prescribed at Section 2-7-504, MCA, and by provisions of this contract;

C. establishing and maintaining effective internal control over financial reporting, including internal controls related to the prevention and detection of fraud;

D. ensuring that it complies with the laws, regulations, contracts, and grant agreements applicable to its activities;

E. making all financial records and related information available to the Contractor;

F. the schedule of expenditures of federal awards required for audits conducted under Uniform Guidance;

G. approving all proposed audit adjustments before posting, if the Entity concurs with the proposed adjustments;

H. adjusting the financial statements and accounting records to correct material misstatements and to agree with the audited financial statements; and

I. providing the Contractor, at the conclusion of the audit engagement, with a letter that confirms certain representations made during the audit, including an affirmation that the effects of any uncorrected misstatements aggregated by the auditor during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

6. **Dates for Annual Financial Report or Trial Balance of Accounts:** The Entity shall prepare its annual financial report or a trial balance of accounts no later than the dates specified in Appendices A, B, C, D, and E. If the Entity is unable to prepare its annual financial report or trial balance by the date specified in the Appendices, the Entity shall notify the Contractor and the State in writing prior to the specified dates.

7. **Beginning the Audit:** The Contractor shall begin the audit field work based on the schedule established in Appendices A, B, C, D, and E. Under Section 2-7-503(3)(a), MCA, all audits must commence within nine months from the close of the last fiscal year of the audit period.

8. **Completion of Audit:** The Contractor shall deliver the audit report to the Entity and the State, based on the schedule established in Appendices A, B, C, D, and E. If **the Contractor cannot deliver the audit report to the Entity and the State on the date specified in the Appendices, the Contractor shall notify the Entity and the State in writing of that fact and the reason(s) for the delay.** Under Section 2-7-503(3)(a), MCA, all audits must be completed and the reports issued within one year from the close of the last fiscal year covered by the audit. If the audit is conducted in accordance with the provisions of Uniform Guidance, the Contractor shall complete the audit and issue the audit report within the deadline required by that federal regulation, **unless a longer period has been agreed to in advance by the federal cognizant or oversight agency for audit.** If the Entity has requested and received an extension of the due date of the Uniform Guidance from a federal agency, the Entity shall submit a copy of the approved extension to the State.

9. **Due Date Extension:** The State may grant an extension to the Entity for filing the audit report beyond the one-year due date provided for in paragraph 8, above. To do so, the Entity shall make a request to the State in writing and shall show good cause for delinquency or demonstrate that the failure to meet the deadline provided for in paragraph 8, above, resulted from circumstances beyond the Entity's control. The State will determine good cause or circumstances beyond the Entity's control based on the facts of each case.

10. **Presentation of Audited Financial Statements:** The final audit report must contain basic financial statements and supplementary information consistent with the applicable financial reporting framework prescribed at Section 2-7-504, MCA. In addition, other supplementary information required by provisions

within this contract and by Uniform Guidance must also be included, if applicable.

A. The final audit report must also contain any supplementary or other information as agreed upon by the Entity and Contractor.

B. If the Entity's accounting records or other circumstances do not permit financial statements to comply with the applicable financial reporting framework prescribed at Section 2-7-504, MCA, the Contractor shall notify the State of those conditions and describe the financial statements that will be presented. The applicable auditor's reports must be modified in accordance with professional standards to reflect a departure from the applicable financial reporting framework.

C. If the audit is of a school district with separate elementary and high school district general funds, the general funds must be combined as a single major fund. All other funds must be separately considered for major fund criteria.

D. If the audit is a biennial audit covering two years, the Contractor shall present complete financial statements as specified above for each year covered by the audit. However, note disclosures for both fiscal years may be in one set of notes, with separate fiscal year disclosures as necessary. The two years must be presented under one audit report cover and opined upon in one Independent Auditor's Report.

11. **Auditor's Reports:** All audit reports must contain the following auditor's reports, which must comply with applicable professional standards in effect for the fiscal year or years being audited:

A. a report on the financial statements of the Entity;

B. a report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards.

C. a reference to a report disclosing any deficiencies in internal control or instances of noncompliance with provisions of contracts or grant agreements or abuse that have a less than material effect on the financial statements but warrant the attention of management or those charged with governance. This report must be referred to in the report required in 11.B. above.

D. a report on any supplementary or other information presented in the audit report. This report must be given in an "other matters" paragraph(s) of the auditor's report on the financial statements (1I.A. above) and shall identify, if applicable:

(1) any Required Supplementary Information (RSI), as required by the Governmental Accounting Standards Board.

(2) any Supplementary Information (SI) included in the report to comply with provisions of laws, regulations, contracts, or grant agreements. For the following schedules, the Contractor shall report on whether the information is fairly stated, in all material respects, "in relation to" the financial statements as a whole, unless the condition of the financial records does not allow the auditor to render such an opm10n:

a) schedule of school district "Student Count for ANB" required in paragraph 13.A.

b) schedule of school district extracurricular fund financial activities required in paragraph 13.B.

c) schedule of expenditures of federal awards required by Uniform Guidance and in paragraph 12.A.;

and

d) Any supplementary information for financial reporting frameworks required by ARM 2.4.401.

(3) any Other Information (OI) for financial reporting frameworks required by ARM 2.4.401.

(4) any Other Information (OI) included in the audit report if deemed appropriate in accordance with professional standards.

E. a report disclosing the action taken by the Entity to correct any deficiencies or implement any recommendations contained in the prior audit report. This report must be in a format that specifically identifies, by title or summary, each deficiency or recommendation contained in the prior audit report and the action taken by the Entity on each such deficiency or recommendation.

F. the views of Entity officials and their planned corrective actions must also be included (for audit findings included by the Contractor in the reports referenced in 11.B. and 11.C. above), as required by Government Auditing Standards, if they are available at the time the Contractor submits the audit report to the State. If the views and planned corrective actions are not available at that time, the Contractor shall so indicate in the reports.

12. **Single Audits:** All audit reports for single audits completed in accordance with Uniform Guidance must contain the following:

A. a schedule of expenditures of federal awards prepared by the Entity, which must contain all elements required by Uniform Guidance.

B. a report on the schedule of expenditures of federal awards. This report may be combined with other reports provided by Uniform Guidance and professional standards. This report must comply with applicable professional standards in effect for the fiscal year or years being audited.

C. a report on compliance for each major program and a report on internal control over compliance in accordance with Uniform Guidance. These reports must refer to the separate schedule of findings and questioned costs described in paragraph 12.D. of the contract and must comply with applicable professional standards in effect for the fiscal year or years being audited.

D. a schedule of findings and questioned costs which must include the information required by Uniform Guidance.

E. an Entity-prepared document, separate from the Contractor's findings, that describes the Entity's corrective action plan in accordance with Uniform Guidance for each current-year audit finding, if that plan is available at the time the Contractor submits the audit report to the State. This document should be submitted on Entity letterhead and should include a corrective action plan for each finding, regardless of whether the finding is identified in accordance with Uniform Guidance or Government Auditing Standards.

13. **School Districts:** School district audit reports must include the following as supplementary information/schedules:

A. a schedule of the school district's enrollment as reported to the Office of Public Instruction for the fiscal year or years being audited. The schedule must contain the enrollment both as reported in the Fall and Spring "Student Count for ANB" reports and as documented by the school district's enrollment records;

and

B. a detailed schedule of extracurricular fund financial activities.

14. **Local Governments Reporting on Non-GAAP Financial Reporting Framework:** Audit reports of local governments that report on a non-GAAP financial reporting framework as provided in ARM 2.4.401 must include any Supplementary Information and Other Information required in that administrative rule.

15. **Written Report to Entity:** The Contractor shall render a single, written report for the Entity audited, including the reports and schedules referenced in paragraphs 11 through 14 above.

16. **Exit Conference:** Before submitting the final audit report, the Contractor shall hold an exit review conference in which the audit results are discussed with those charged with governance and other appropriate Entity officials and employees. The Contractor shall ensure that all members of the governing body and key members of management are notified of this exit conference. The Contractor further agrees that before the exit conference, it will not discuss the audit findings with anyone other than the Entity or the State. Once the Contractor delivers the final audit report to the Entity, the report is deemed to be a public record.

17. **Report Distribution:** The Contractor and Entity shall file copies of the audit report as specified below:

A. The Contractor shall provide the Entity with the number of copies of the audit report specified in Appendices A, B, C, D, and E. The cost of those copies is included in the total price for the engagement as set out in paragraph 2.A., above, and in the Appendices.

B. The Contractor shall submit one of the copies referred to in 17.A., above, to the attorney for the Entity.

C. Upon request by the Entity, the Contractor shall provide additional copies of the audit report at a price per copy agreed upon by the Entity and Contractor.

D. The Contractor shall provide the State with a text-searchable, unlocked, and unencrypted electronic copy of the audit report at no charge. The report must be submitted to the State at the same time when the Contractor delivers the final audit report to the Entity. Any report delivered separately to management or those charged with governance identifying findings and recommendations as described in 11.C. above must be submitted electronically at the same time the audit report is submitted. The Contractor shall advise the State, at the time of submitting the electronic report of, the date the exit conference was held with the Entity, the date the final report was delivered to the Entity, the date of the audit report, the actual number of hours the Contractor spent conducting the audit, the total audit fee billed the Entity, and whether the audit was conducted in accordance with the provisions of Uniform Guidance.

E. If the Entity is a school district or associated cooperative, the Contractor shall provide at no additional charge copies of the audit report to the Office of Public Instruction, the county superintendent of schools, and the county attorney.

F. If the Entity is a city or town fire department relief association disability and pension fund, the Contractor shall provide at no additional charge one copy of the audit report to the city or town clerk.

G. If the audit is a single audit conducted in accordance with the provisions of Uniform Guidance, the Entity shall provide copies of the reporting package defined in Uniform Guidance and the data collection form to the federal clearinghouse designated by OMB.

18. **Entity Response:** If not included in the audit report as provided in paragraphs 11.F. and 12.E., within 30 days after receiving the audit report, the Entity shall notify the State in writing as to what action it plans to take to correct any deficiencies or implement any recommendations identified or contained in the audit report as required by Section 2-7-515, MCA, and ARM 2.4.409. This notification must also address any findings and recommendations identified in any report to management or those charged with governance described in 11.C. above. If the audit is a single audit conducted in accordance with Uniform Guidance, this corrective action plan must also meet the requirements of Uniform Guidance. If the Entity is a school district or special education cooperative, the Entity shall also send a copy of this notification to the Office of Public Instruction to the attention of the OPI Auditor via email at OPIAuditReport@mt.gov.

19. **Entity's Attorney:** If requested by the State, the attorney for the Entity shall report to the State on the actions taken or the proceedings instituted or to be instituted relating to violations of law and nonperformance of duty as required by Section 2-7-515(4), MCA. The attorney shall report to the State within 30 days after receiving the request.

20. **Certification of Auditor Independence:** The Contractor certifies that, as required by generally accepted government auditing standards, it and its principals and employees are independent in all matters regarding this engagement. **This contract must not include non-audit services.** The Contractor shall neither arrange for nor accept other work with the Entity that could in any way impair the Contractor's compliance with professional independence standards. If required by the State, the Contractor shall provide documentation that independence has been maintained in both mind and appearance as required by professional auditing standards.

21. **Contractor and Subcontractors:** The Contractor shall not assign any rights, or subcontract or delegate any contract duties of the contract without the Entity's and State's prior written consent.

    The Contractor is the prime contractor and is responsible, in total, for all work of any subcontractors. Any subcontractors performing audit work shall be on the Roster of Independent Auditors authorized to conduct audits of Montana local governments that is maintained by the State. The Contractor is responsible to the Entity and the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors or agents. There is no contractual relationship between any subcontractor and the State.

22. **State Participation in Conferences:** The State may participate in all entrance and exit conferences between the Entity and Contractor, as well as all major conferences held in conjunction with the audit of the Entity.

23. **Access to Records:** The Contractor shall give the State and, when required by law, the Montana Legislative Audit Division, access to the Contractor's work programs, supporting working papers, time records, and all other documents relating to the audit. Access to these documents must be provided at the State's offices in Helena, Montana. Access to working papers includes the right of the State to obtain copies of working papers, as is reasonable and necessary. The Contractor shall make the work programs and supporting working papers available to the State for use by the State or other public accounting firms as directed by the State in future audits of the Entity. The Contractor shall make the audit programs and supporting working papers available to the cognizant or oversight agency for audit or its designee, federal agencies providing direct or indirect funding, or the US General Accounting Office, if requested. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary. The Contractor shall retain the audit report, work programs, and supporting working papers for a minimum of five years from the date of the audit report, unless the State notifies the Contractor to extend the retention period. If professional standards or other applicable laws, rules, or regulations require a longer retention period, the Contractor shall retain the above materials for that specified period.

24. **State Review of Report:** As provided by Section 2-7-522, MCA, the State shall review the Contractor's audit report. If the State determines that reporting requirements have not been met, it will notify the Entity and the Contractor of the significant issues of noncompliance. The Contractor shall correct the identified deficiencies within 60 days of notification.

25. **Independent Contractor:** The Contractor is an independent contractor and neither its principals nor its employees are employees of the State or Entity for any purposes.

26. **Workers' Compensation:** The Contractor certifies that it carries Workers' Compensation for its employees and has either elected Workers' Compensation or has an approved Independent Contractor's Exemption covering the Contractor while performing work under this contract. (Montana Code Annotated, Title 39, Chapter 71).

27. **Indemnity:** The Contractor shall defend and indemnify the State and Entity, their elected and appointed officials, agents, and employees from and against all claims, causes of action, damages, liabilities, court costs and attorney fees in favor of the Contractor's employees or third parties for bodily or personal injuries, death, or damage to property arising from the acts or omissions or alleged acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors under this contract. This defense and indemnify obligation do not apply to acts or omissions arising from the sole negligence of the State or Entity under this contract. This defense and indemnity obligation survives the termination or expiration of this contract.

    If the Contractor is or may be obligated to pay any cost, settlement, judgment, fine, penalty, or similar award or sanction as a result of a claim, investigation, or other proceeding instituted by any third party, then to the extent that such obligation is or may be a direct or indirect result of the Entity's intentional or knowing misrepresentation or provision to the Contractor of inaccurate or incomplete information in connection with this engagement, and not any failure on the Contractor's part to comply with professional standards, the Entity shall defend and indemnify the Contractor against such obligations.

28. **Insurance - Commercial General Liability:** The Contractor shall maintain for the duration of the contract, at its cost and expense, occurrence coverage insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Contractor, and/or its agents, employees, representatives, assigns, or subcontractors. The Contractor's insurance coverage shall be primary insurance for the Contractor's negligence with respect to the State and Entity and their elected officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the State and Entity and their officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

    Insurance - Professional Liability: The Contractor shall purchase and maintain occurrence coverage to cover such claims as may be caused by any act, omission, negligence of the Contractor or its officers, agents, representatives, assigns or subcontractors.

    If occurrence coverage is unavailable or cost-prohibitive, the state will accept 'claims made' coverage provided the following conditions are met: 1) the commencement date of the contract must not fall outside the effective date of insurance coverage and it will be the retroactive date for insurance coverage in future years, and 2) the claims made policy must have a three-year tail for claims that are made (filed) after the cancellation or expiration date of the policy.

    The State and Entity may require complete copies of insurance certificates during the term of this contract.

29. **Compliance with Laws:**

A. The Contractor shall, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, regulations, and executive orders including but not limited to, the Montana Human Rights Act, the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. The Contractor is the employer for the purpose of providing healthcare benefits and paying any applicable penalties, fees and taxes under the Patient Protection and Affordable Care Act [P.l. 111-148, 124 Stat. 119]. Any subcontracting by the Contractor subjects subcontractors to the same provisions.

B. In accordance with 49-3-207, MCA, and Executive Order No. 04-2016 the Contractor agrees that the hiring of persons to perform this contract will be made on the basis of merit and qualifications and there will be no discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status by the persons performing this contract.

30. **Work Accommodations:** The Entity shall provide the Contractor with reasonable space in which to conduct the audit and shall respond promptly to requests for information as well as for all necessary books and records. Support for clerical, equipment, and reproduction services shall be agreed upon by the Entity and the Contractor as specified in Appendices A, B, C, D, and E.

31. **Termination before Audit Commences:** Before the commencement of the audit, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach.

    The Contractor and the Entity may agree to terminate this contract without cause before the commencement of the audit. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

    The State, however, will not consent to the cancellation of an audit contract for the sole purpose of allowing the Contractor and Entity to then enter into a new contract that extends the number of fiscal years to be audited by the Contractor. Unless there are extenuating circumstances, the existing audit contract must be completed first. This provision does not prohibit the cancellation of a contract for the purpose of replacing an annual audit with a biennial audit.

32. **Termination after Audit Commences:** After the audit has commenced, but before the audit report has been issued, either the Contractor or the Entity, with the State's consent, or the State alone, may terminate this contract for cause if another party has breached a material term or condition of this contract or violated an applicable law or regulation. The non-breaching party shall provide the other party written notice of the breach and allow 20 days to remedy the breach. If the Contractor is the breaching party and fails to remedy the breach, the Contractor is not entitled to the fee set out in this contract. This is the Entity's and the State's sole remedy. If the Entity is the breaching party, the Entity shall pay the Contractor a pro rata portion of the fee set out in this contract, based on the percentage of work completed at the time of termination. This is the Contractor's sole remedy.

    The Contractor and the Entity may agree to terminate this contract without cause after the audit has commenced but before the audit report has been issued. If such a termination occurs, the State shall consent to the termination upon written notification by the Contractor and the Entity of their agreement to terminate this contract.

33. **Contractor Compliance with CPE and Quality Control Review:** The Contractor certifies compliance with the continuing professional education requirements and the external quality control review requirements as set out in Government Auditing Standards, as established by the Comptroller General of the United States. The State may require the Contractor to provide evidence that it has met the above requirements.

34. **Single Audit Act Certification:** If the audit is required to meet the requirements of the Single Audit Act of 1984, as amended, and Uniform Guidance, the Contractor certifies that neither it nor any of its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from performing audits by any Federal department or agency.

35. **Time is of the essence:** Time is of the essence regarding all provisions of this contract.

36. **Governing Law and Venue:** This contract is governed by the laws of Montana. The parties agree that any litigation concerning this contract in which the State is named as a party must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract. The parties also agree that any litigation concerning this contract in which the State is not named as a party must be brought in the State of Montana Judicial District in the County where the Entity is located. Each party shall pay its own costs and attorney fees, except as otherwise allowed in this contract.

37. **Notice:** All notices under this contract must be in writing and will be deemed given if delivered personally, by mail, certified, return receipt requested, or by e-mail. All notices will (a), if delivered personally, be deemed given upon delivery, (b), if delivered mail, be deemed given upon receipt, or (c), if provided by e-mail, be deemed given upon receipt.

38. **Invalid Provision:** If any provision of this contract is held to be illegal or unenforceable and the parties' rights or obligations will not be materially and adversely affected, such provision will be (a) severed from the contract, (b) the contract will be interpreted as if such provision was never a part of the contract and (c) the remaining provisions will stay in effect.

39. **Authority:** Each party represents that the person signing this contract has the authority to bind that party.

40. **Entire Agreement and Amendment:** This contract and the attached Appendices contain the entire understanding and agreement of the parties. No modification or amendment of this contract is valid unless it is reduced to writing, signed by the parties, and made a part of this contract.

Contractor, Entity, and State have executed this Standard Audit Contract on the date first above written:

Certified Public Accountant

Baker Tilly US, LLP
Firm Name

By: Ashley Osten Date: 6/1/2026
Authorized Representative

Printed Name: Ashley Osten

Governmental Entity

Missoula County Airport Authority Date: __________
Entity Name

By: __________ Title: __________
Authorized Representative

Printed Name: __________

Montana Department of Administration,
Local Government Services Bureau

Approved By: __________ Date: __________

Printed Name: __________

Title: __________

APPENDIX A

Initial or Sole Audit under this Contract

GOVERNMENT AL ENTITY (ENTITY): Missoula county Airport Authority

Address: 5255 Highway 10 West
(Street Address or PO Box)

406-830-8337
Telephone:

(Address Line 2)

Missoula, MT 59808
(City/Town) (Zip Code)

William Parnell; wparnell@flymissoula.com
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT or ACCOUNTING FIRM (CONTRACTOR): Baker Tilly US, LLP

Address: 805 S Broadway, Suite 1400
(Street Address or PO Box)

503-242-1447
Telephone:

(Address Line 2)

Portland, OR 97205
(City, State) (Zip Code)

Ashley Osten; ashley.osten@bakertilly.com
Contact Person(s) and E-Mail Address(es)

---

1. Audit Period and Dates of Engagement:
   - This audit will cover the fiscal year(s) ending:_________(and ________)
     (Year) *(Year)*
   - Date to commence audit work:___________________________________
   - Date to submit the final audit report to Entity and State: _________________________
2. Time and Price for Engagement:
   - Estimated total hours: ___________________
   - Price for audit personnel $___________________
   - Price for travel $___________________
   - Price for report preparation $___________________
   - The total price for this engagement $___________________
3. The reporting entity contains the following discretely presented component units:
   ____
4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity with the preparation of these reports, please note that here):____
5. Number of copies of audit report Contractor will provide to Entity: _____________
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows: ____

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

   li!!!! The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of $1,000,000** during the fiscal year(s) or such other dollar amount($_____________) that is effective for the fiscal year(s) being audited.

   OR

   ☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance. It will not include audit coverage of any federal assistance in accordance with requirements of that federal regulation because the Entity expended a total amount of federal awards of **less than $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Baker Tilly US, LLP
Firm Name

By:_______________________________ Date: 6/1/2026
Authorized Representative

Printed Name: Ashley Osten

Governmental Entity

Missoula County Airport Authority
Entity Name

Date:______________

By:_______________________________ Title: ______________________
Authorized Representative

Printed Name: ______________________

Montana Department of Administration,
Local Government Services Bureau

Approved By:______________________ Date:______________

Printed Name: ______________________

Title: ______________________

APPENDIXB

Subsequent Audit under this Contract

GOVERNMENT AL ENTITY (ENTITY): Missoula county Airport Authority

Address: 5255 Highway 10 West
(Street Address or PO Box)

406-830-8337
Telephone:

(Address Line 2)

Missoula , MT 59808
(City/Town) (Zip Code)

William Parnell; wparnell@flymissoula.com
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT or ACCOUNTING FIRM (CONTRACTOR): Baker Tilly US, LLP

Address: 805 S Broadway, Suite 1400
(Street Address or PO Box)

503-242-1447
Telephone:

(Address Line 2)

Portland, OR 97205
(City, State) (Zip Code)

Ashley Osten; ashley.osten@bakertilly.com
Contact Person(s) and E-Mail Address(es)

---

1. Audit Period and Dates of Engagement:
   - This audit will cover the fiscal year(s) ending: 2026 (Year) (and ______ (Year))
   - Date to commence audit work: August 24, 2026
   - Date to submit the final audit report to Entity and State: December 31, 2026
2. Time and Price for Engagement:
   - Estimated total hours: 300
   - Price for audit personnel $72,825
   - Price for travel $8,250
   - Price for report preparation $5,775
   - The total price for this engagement $86,850
3. The reporting entity contains the following discretely presented component units: None
4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity with the preparation of these reports, please note that here): July 2026
5. Number of copies of audit report Contractor will provide to Entity: Electronic copy available.
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows: Baker Tilly US, LLP will assist in drafting the Airport's financial statements for the year ended June 30, 2026.

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☒ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

OR

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance. It will not include audit coverage of any federal assistance in accordance with requirements of that federal regulation because the Entity expended a total amount of federal awards of **less than $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Baker Tilly US, LLP
Firm Name

By: Ashley Osten
Authorized Representative

Date: 6/1/2026

Printed Name: Ashley Osten

Governmental Entity

Missoula County Airport Authority
Entity Name

Date:____________

By:______________________________
Authorized Representative

Title:______________________________

Printed Name:______________________________

Montana Department of Administration,
Local Government Services Bureau

Approved By:______________________________ Date:____________

Printed Name:______________________________

Title:______________________________

APPENDIXC

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Missoula county Airport Authority

Address: 5255 Highway 10 West
(Street Address or PO Box)

406-830-8337
Telephone:

(Address Line 2)

Missoula, MT 59808
(City/Town) (Zip Code)

William Parnell; wparnell@flymissoula.com
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT or ACCOUNTING FIRM (CONTRACTOR): Baker Tilly US, LLP

Address: 805 S Broadway, Suite 1400
(Street Address or PO Box)

503-242-1447
Telephone:

(Address Line 2)

Portland, OR 97205
(City, State) (Zip Code)

Ashley Osten; ashley.osten@bakertilly.com
Contact Person(s) and E-Mail Address(es)

---

1. Audit Period and Dates of Engagement:
   - This audit will cover the fiscal year(s) ending:_________(and ________)
     (Year) (Year)
   - Date to commence audit work:______________________________
   - Date to submit the final audit report to Entity and State: ______________________
2. Time and Price for Engagement:
   - Estimated total hours: ________________
   - Price for audit personnel $________________
   - Price for travel $________________
   - Price for report preparation $________________
   - The total price for this engagement $________________
3. The reporting entity contains the following discretely presented component units:
   ____
4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity with the preparation of these reports, please note that here):__________________________________
5. Number of copies of audit report Contractor will provide to Entity: ___________
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows: ____

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

☐ The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of $1,000,000** during the fiscal year(s) or such other dollar amount($______________) that is effective for the fiscal year(s) being audited.

OR

D The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance. It will not include audit coverage of any federal assistance in accordance with requirements of that federal regulation because the Entity expended a total amount of federal awards of **less than $1,000,000** during the fiscal year(s) or such other dollar amount($_____________) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Baker Tilly US, LLP
Firm Name

By:_______________________________________ Date: 6/1/2026
Authorized Representative

Printed Name: Ashley Osten

Governmental Entity

Missoula County Airport Authority
Entity Name

Date:______________

By:_______________________________________ Title: ______________________________
Authorized Representative

Printed Name: ______________________________

Montana Department of Administration,
Local Government Services Bureau

Approved By:_______________________________ Date:______________

Printed Name: ______________________________

Title: ______________________________

APPENDIXD

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Missoula county Airport Authority

Address: 5255 Highway 10 West
(Street Address or PO Box)

406-830-8337
Telephone:

(Address Line 2)

Missoula, MT 59808
(City/Town) (Zip Code)

William Parnell; wparnell@flymissoula.com
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT or ACCOUNTING FIRM (CONTRACTOR): Baker Tilly US, LLP

Address: 805 S Broadway, Suite 1400
(Street Address or PO Box)

503-242-1447
Telephone:

(Address Line 2)

Portland, OR 97205
(City, State) (Zip Code)

Ashley Osten; ashley.osten@bakertilly.com
Contact Person(s) and E-Mail Address(es)

---

1. Audit Period and Dates of Engagement:
   - This audit will cover the fiscal year(s) ending:_________(and ________)
     (Year) *(Year)*
   - Date to commence audit work:______________________________
   - Date to submit the final audit report to Entity and State: ______________________
2. Time and Price for Engagement:
   - Estimated total hours: ________________
   - Price for audit personnel $________________
   - Price for travel $________________
   - Price for report preparation $________________
   - The total price for this engagement $________________
3. The reporting entity contains the following discretely presented component units:
   ____
4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity with the preparation of these reports, please note that here):__________________________________
5. Number of copies of audit report Contractor will provide to Entity: ____________
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows: ____

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

D The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

OR

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance. It will not include audit coverage of any federal assistance in accordance with requirements of that federal regulation because the Entity expended a total amount of federal awards of **less than $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Baker Tilly US, LLP

Firm Name

By:______________________________ Date: 6/1/2026

Authorized Representative

Printed Name: Ashley Osten

Governmental Entity

Missoula County Airport Authority

Entity Name

Date:____________

By:______________________________ Title: ____________________

Authorized Representative

Printed Name: ________________________

Montana Department of Administration,
Local Government Services Bureau

Approved By:________________________ Date:____________

Printed Name: ________________________

Title: ____________________________

APPENDIXE

Subsequent Audit under this Contract

GOVERNMENTAL ENTITY (ENTITY): Missoula county Airport Authority

Address: 5255 Highway 10 West
(Street Address or PO Box)

406-830-8337
Telephone:

(Address Line 2)

Missoula, MT 59808
(City/Town) (Zip Code)

William Parnell; wparnell@flymissoula.com
Contact Person(s) and E-Mail Address(es)

PUBLIC ACCOUNTANT or ACCOUNTING FIRM (CONTRACTOR): Baker Tilly US, LLP

Address: 805 S Broadway, Suite 1400
(Street Address or PO Box)

503-242-1447
Telephone:

(Address Line 2)

97205
(City, State) (Zip Code)

Ashley Osten; ashley.osten@bakertilly.com
Contact Person(s) and E-Mail Address(es)

---

1. Audit Period and Dates of Engagement:
   - This audit will cover the fiscal year(s) ending:_________(and ________)
     (Year) *(Year)*
   - Date to commence audit work:___________________________________
   - Date to submit the final audit report to Entity and State: _________________________
2. Time and Price for Engagement:
   - Estimated total hours: ___________________
   - Price for audit personnel $__________________
   - Price for travel $__________________
   - Price for report preparation $__________________
   - The total price for this engagement $__________________
3. The reporting entity contains the following discretely presented component units:
   ____
4. Date Annual Financial Report or a trial balance will be available (if Contractor is assisting Entity with the preparation of these reports, please note that here):_______________________________________
5. Number of copies of audit report Contractor will provide to Entity: _____________
6. The Entity will provide clerical, equipment, and photocopying or reproduction services to the Contractor as follows: ____

7. The audit scope with regard to federal assistance received by the Entity for the above fiscal year(s) will be as indicated below:

D The audit will be a single audit conducted in accordance with the provisions of Uniform Guidance because the Entity expended a total amount of federal awards **equal to or in excess of $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

OR

☐ The audit will not be a single audit conducted in accordance with the provisions of Uniform Guidance. It will not include audit coverage of any federal assistance in accordance with requirements of that federal regulation because the Entity expended a total amount of federal awards of **less than $1,000,000** during the fiscal year(s) or such other dollar amount($____________) that is effective for the fiscal year(s) being audited.

Certified Public Accountant

Baker Tilly US, LLP

Firm Name

By:____________________________________ Date: 6/1/2026

Authorized Representative

Printed Name: Ashley Osten

Governmental Entity

Missoula County Airport Authority

Entity Name

Date:____________

By:____________________________________ Title: ________________________

Authorized Representative

Printed Name: ____________________________

Montana Department of Administration,
Local Government Services Bureau

Approved By:____________________________ Date:____________

Printed Name: ____________________________

Title: __________________________________

Missoula County Airport Authority

Agenda Action Sheet

Meeting Date: June 30, 2026

1. **TITLE:** Fiscal Year 2027 Insurance Renewal Package

   ACTION ITEM Review, discussion and possible approval of insurance renewal package and matters related thereto.

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 5 Minutes

4. **BACKGROUND INFORMATION:** Gallagher Risk Management Services ("Gallagher"), the Airports insurance broker, and staff have been working on a proposal for MSO's FY27 insurance renewal. MSO's total insurance expense for FY26 was $395,542. The FY27 package was quoted at $370,926, a decrease of approximately 6% or $25K. This reduction is primarily driven by savings within the property line of coverage, where Gallagher successfully leveraged multiple competitive quotes.

   Beginning in FY27, the property insurance carrier, Cincinnati Insurance, will require a wind and hail deductible of $75K per occurrence; previously, no such deductible applied. Updated insured values and coverage details are reflected in the Fiscal Year 2027 Insurance Executive Summary.

5. **BUDGET INFORMATION:**
   Amount Required: $370,926
   Amount Budgeted: $425,997

6. **SUPPLEMENTAL AGENDA INFORMATION:** Fiscal Year 2027 Insurance Executive Summary attached.

7. **RECOMMENDED MOTION:** Request Board approve the Gallagher Insurance Renewal Package for Fiscal Year 2027 for a total amount of $370,926.

8. **PREPARED BY:** William Parnell, Director of Finance and Administration

9. **COMMITTEE REVIEW:** None

Executive Summary

July 1, 2026-2027

Missoula County Aviation Authority

5225 W Broadway St
Missoula, MT 59808

Arthur J Gallagher Risk Management Services, Inc.

Nick Terlecki | Area Vice President
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May 22 2026

Gallagher CORE360

Gallagher

Insurance | Risk Management | Consulting

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Introduction

Thank you for this opportunity to present your renewal proposal program options and recommendations for your Property and Liability policies. This Executive Summary is a shorter version of your proposal and is intended to summarize the highlights and point you to any decisions that need to be made prior to binding. We highlight each **CORE**360® cost driver, beginning with Insurance Premiums and ending with Contractual Liability. This will not only organize the document but ensure that we are deliberate in driving value to each of your six cost drivers which represent your total cost of risk. It also follows the decisions made and action items we discussed in our Strategic Review; which serves as the basis for this proposal. We know that you have a choice and we appreciate your business and continued support.

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Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

Name/Title	Phone	Email	Role
Primary Service Team			
Nick Terlecki	407.923.2559	Nick_Terlecki@ajg.com	Primary Producer
Tori Roberts	216.246.5714	Tori_Roberts@ajg.com	Account Executive
Samantha Reilly	513.977.3157	Samantha_Rilly@ajg.com	Client Service Manager
Program Specialists			
Brad Meinhardt	702.998.3902	Brad_Meinhardt@ajg.com	Aviation Director
Rose Marie Norman	702.998.3870	Rosemarie_Norman@ajg.com	Aviation Client Service
Sandra Sierra	407.563.3531	Sandra_Sierra@ajg.com	Client Service Manager
Claims & Loss Control			
Jim Smith	561.998.6809	Jim_Smith@ajg.com	Loss Control Leader
Bart Douglas	305.639.3121	Bart_Douglas@ajg.com	Claims Advocate
Senior Resources			
Michael Gillon	407.563.3550	Michael_Gillon@ajg.com	Area President

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Insurance Premiums

Line of Business	2025-2026	2026-2027	Change
Property	$229,000	$183,902	($45,098)
Auto	$42,659	$49,058	$6,399
Inland Marine	$31,800	$42,762	$10,962
Crime	$600	$600	$0
Aviation Liability	$72,367	$83,688	$11,579
Management Liability	$8,492	$8,492	$0
Cyber	$2,424	$2,424	$0
Total Annual Premium	**$387,342**	**$370,926**	**($16,416)**

Overall, this was a very successful renewal with the incumbent markets; we did market the Authority renewal to three additional markets, which provided two indications pricing for the renewal. This allowed us to leverage Cincinnati to lower their initial quote at a 5% decrease to a 20% decrease. This year Cincinnati required a Wind/Hail Deductible of $75K per occurrence to be applied to the policy due to recent claims activity. Travelers and AIG indicated pricing was $215,000 but both wanted a wind/hail deductible of $250K and all other perils deductible at $100K. The property renewal was the only rate decrease in the package; all other increase were due to exposure increase.

Property	24-25	25-26	26-27	% Change
TIV	**$75,879,494**	**$173,136,322**	**$173,136,322**	0%
Rate	$0.1352	$0.1323	$0.1062	-20%
Premium	$102,617	$229,000	$183,902	-20%

Coverage Item	Expiring	Cincinnati
Property Premium	$229,000	$183,902
TIV / Blanket	$173,136,322	$173,136,422
AOP Deductible	$10,000	$10,000
Wind/Hail Deductible	None	$75K
Earthquake Limit	$5M	$5M
Earthquake Deductible	$500K	$500K
Flood Limit	$1M	$1M
Flood Deductible	$25K	$25K
Business Income	$1.5M	$1.5M
OPTION 1% Wind/Hail Deductible		$179,033

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Auto	24-25	25-26	26-27	% Change
X-Date	7/1/2024	7/1/2025	7/1/2026	
Auto Count	**23**	**27**	**29**	7%
Rate	$1,584	$1,580	$1,692	7%
Premium	$36,427	$42,659	$49,058	15%

Inland Marine	24-25	25-26	26-27	% Change
X-Date	7/1/2024	7/1/2025	7/1/2026	
Limit	**$6,556,701**	**$6,556,701**	**$8,816,943**	34%
Rate	$0.4850	$0.4850	$0.4850	0%
Premium	$31,800	$31,800	$42,762	34%

Crime	24-25	25-26	26-27	% Change
Limit	$50,000	$50,000	$50,000	0%
Exposure	89	95	100	5%
Premium	$600	$600	$600	0%

Package Total	24-25	25-26	26-27	% Change
Premium	$171,444	$304,059	$276,322	-9%

Management Liability	24-25	25-26	26-27	% Change
Limit	$2,000,000	$2,000,000	$2,000,000	0%
Employees	89	95	100	5%
Premium	$8,087	$8,492	$8,492	0%

Cyber Liability	Cincinnati
Total Policy Aggregate	$1,000,000
Forensic Information Review	$500,000
Legal Review	$500,000
Identity Recovery	$25,000
Public Relations Services	$500,000
Business Interruption Limit	$500,000
Breach Response Limit	Included
Network Extortion Limit	$25,000
PCI Fines	$500,000
Retention (Each Coverage Part)	$10,000
Premium	**$2,424**

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The Aviation Liability Renewal with Chubb was a 15.6% premium increase due to increased passenger growth since the last time they underwrote the renewal back in 2024. We are going back to Chubb and other markets to see if this is the most competitive. They also provided pricing for TRIA and War coverage for an additional $10,461.

Total premium if you purchase TRIA and War coverage is $94,149

Aviation Liability	23-24	24-25	25-26	26-27	% Change
Enplanements FAA	458,429	511,553			NA
Client Reported Enplanements	441,974	475,040	528,295	535,000	1%
Rate	$14.6	$15.2	$13.7	$15.7	15%
Premium	$64,607	$72,367	$72,367	$83,946	16%

Policy Year	Enplanements	% Change	Policy Premium	% Change	War Premium	TRIA Premium	Total Annual Premium	$ Change	% Change
2018	407,685		**$40,849**				**$40,849**		
2019	452,216	10.92%	**$46,500**	13.83%			**$46,500**	$5,651	13.83%
2020	262,396	-41.98%	**$43,200**	-7.10%			**$43,200**	-$3,300	-7.10%
2021	345,304	31.60%	**$47,521**	10.00%			**$47,521**	$4,321	10.00%
2022	415,101	20.21%	**$56,180**	18.22%			**$56,180**	$8,659	18.22%
2023	457,625	10.24%	**$64,607**	15.00%			**$64,607**	$8,427	15.00%
2024	495,084	8.19%	**$72,367**	12.01%	Not Purchased	Not Purchased	**$72,367**	$7,760	12.01%
2025	523,556	5.75%	**$72,367**	0.00%	Not Purchased	Not Purchased	**$72,367**	$0	0.00%
2026	548,175	4.70%	**$83,688**	15.64%	$2,092	$8,369	**$94,149**	$21,782	30.10%

Line of Business	2025-2026	2026-2027 Option 1	2026-2027 Option 2	Change	Change
Property	$229,000	$183,902	$183,902	($45,098)	($45,098)
Auto	$42,659	$49,058	$49,058	$6,399	$6,399
Inland Marine	$31,800	$42,762	$42,762	$10,962	$10,962
Crime	$600	$600	$600	$0	$0
Aviation Liability	$72,367	$83,688	$94,149	$11,321	$21,782
Management Liability	$8,492	$8,492	$8,492	$0	$0
Cyber	$2,424	$2,424	$2,424	$0	$0
Total Annual Premium	**$387,342**	**$370,926**	**$381,387**	**($16,416)**	**($5,955)**

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Uninsured & Uninsurable Losses

A current exposure that the Authority has is PFAS/PFOS within Firefighting Foam. This is currently excluded from all Pollution policies in the industry. We will continue to monitor regulations and changes for airports to keep the Authority up to date on any improvements or changes with PFAS Regulation

Loss Prevention & Claims

GALLAGHER SAFETY TRAINING & EDUCATION PLATFORM (STEP)

Safety training programs and educational material for employees are critical for reducing losses and minimizing your total cost of risk. Gallagher STEP features online training to support your safety program, provide real-time access to your loss control plans, and keep employees up to date with the latest safety standards.

The primary feature of Gallagher STEP is the safety training modules, available to all employees within your organization, regardless of size or location. Managers and employees gain annual access to training modules at a time of their choosing. Courses can be opened and closed at any time depending on your risk management needs. There is unlimited user access, no per user fee, unlimited module access to allow real-time review, and additional modules from the 100+ library which can be added for a fee.

The list of currently available modules and descriptions is over 25 pages long and can be provided upon request. Some popular modules include:

- Sexual Harassment and Discrimination
- Slip, Trip, and Fall Training
- Electrical Safety Training
- Back Safety Training
- Blood-borne Pathogens
- Safe Lifting Practices
- Defensive Driving Basics
- Fire Prevention Basics
- Personal Protective Equipment
- GHS Hazard Communication

Thank You for Your Business

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team. This past year has been successful as evidenced by your scorecard. Your total cost of risk is being impacted favorably and our strategy for this upcoming renewal continues to focus on ways to improve this positive impact on your profitability. Thank you.

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Statement of Values

Location Number	Location Name	2026 Real Property Values	Personal Property Value	Fine Arts Value	Business Interruption, Rental Income & Extra Expense Value	Total Value
1	Terminal	123,900,000.00	$733,394		$1,500,000	**$126,133,394**
2	Crash Fire Rescue	10,220,000.00	$56,414			**$10,276,414**
3	FAA-AFS-SFO Facilities	720,000.00	$5,640			**$725,640**
4	Hangar	7,600,000.00				**$7,600,000**
5	Air Traffic Control Tower	3,825,000.00				**$3,825,000**
6	Fencing, Gates, Lighting	1,000,000.00				**$1,000,000**
7	Quick Turnaround Car Wash	4,650,000.00	$104,874			**$4,754,874**
8	Jet Bridge- A1 A3-53/104-125R	1,300,000.00				**$1,300,000**
9	Jet Bridge- A2 A3-53/104-125R	1,300,000.00				**$1,300,000**
10	Jet Bridge- A3 A3-53/104-125R	1,300,000.00				**$1,300,000**
11	Jet Bridge- A4 A3-53/104-125R	1,300,000.00				**$1,300,000**
12	Shop Building	2,235,000.00				**$2,235,000**
13	Materials Shed	115,000.00				**$115,000**
14	Baggage Handling Equipment	4,000,000.00				**$4,000,000**
15	Airport Property, Runways, and Fuel System	4,671,100.00				**$4,671,100**
16	Jet Bridge - B1	1,300,000.00				**$1,300,000**
17	Jet Bridge - B2	1,300,000.00				**$1,300,000**
		$170,736,100	**$900,322**	**$0**	**$1,500,000**	**$173,136,422**

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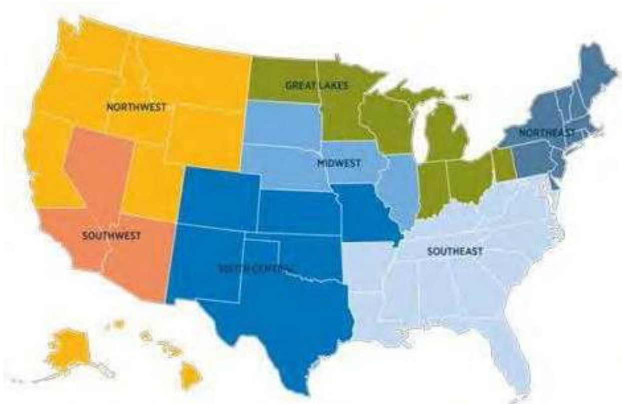
State of the Market Spring 2026 Edition

Introduction

The insurance market continues to be shaped by economic trends, regulatory changes, and emerging risks. Public sector organizations must navigate these complexities while addressing rising costs, rigorous underwriting standards, and increasing exposures. This report provides an overview of current market conditions across key coverage areas, along with recommendations to help public entities effectively manage their risks and secure comprehensive insurance solutions.

The data collected for this report represents a client base across 7 U.S regions (see map below) as reported by the Regional Directors of the Public Sector & K-12 Education Practice. Gallagher works with more than 12,000 public sector and K-12 education clients that include cities, counties, special districts, K-12 public schools and pools; the Regional Directors represent a cross section of these clients. We help our clients secure the insurance coverage they need while advising on strategies that reduce their costs and improve their risk profiles. These insights are broadly applicable, with regional differences noted.

It is important to remember that individual entities may have unique circumstances that influence both pricing and coverage structure. Please discuss these factors with your insurance broker if you have questions.



Current Conditions

The insurance market continues its disciplined underwriting practices, with a growing emphasis on loss prevention and risk mitigation. Insurers are prioritizing organizations that demonstrate strong risk management practices, making it essential for insureds to adopt proactive strategies to secure favorable terms and conditions. This is not always easy for public sector organizations that are being negatively affected by inflation, budgetary constraints, aging infrastructure and environmental liabilities. Other examples of conditions that can impact the availability and price of insurance include:

- **Reviver Statutes:** Sexual abuse reviver statutes are laws that temporarily reopen the statute of limitations for survivors of sexual abuse to file civil claims, even if the original time limit for legal action has expired. As a result, public entities may face an influx of claims related to historical abuse, potentially leading to substantial financial liabilities and reputational risks. Insurance coverage might also be challenged, as older claims may fall outside the scope of existing policies or involve disputes over coverage limits and exclusions.

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- **Litigation Funding:** Litigation funding, also known as third-party litigation financing, involves external investors providing financial support to plaintiffs to cover legal costs in exchange for a portion of the settlement or judgment. This practice has grown significantly, enabling individuals or groups to pursue claims they might not have been able to afford otherwise. For public entities, litigation funding can increase the frequency and severity of claims, as well-funded plaintiffs are more likely to pursue complex or high-value cases. This can lead to prolonged legal battles, higher defense costs, and potentially larger settlements or judgments. To read more about this exposure and its potential effect on public entities, read our white paper: Litigation Funding and the Public Sector: Managing the Risks to Protect Your Entity.

- **Inherent and Unavoidable Risks:** Public entities and K-12 schools operate under mandates to provide services to the public, which limit their ability to avoid specific risks in their operations. Law enforcement, firefighting, and student transportation are all examples of high-risk exposures that are difficult to insure.

Liability

The liability market outlook has remained much the same since our Fall 2025 report. Rising costs and stricter coverage terms continue to be driven by tort reforms, increases in claim severity, expanded liabilities for sexual abuse claims, and large jury awards and settlements. Although coverage is available, pricing and coverage options may be limited for an entity with a poor risk profile.

Market and Rate Data

Region	Rate Changes	Comments
Northeast	+5% to +15%	Coverage is readily available, but loss sensitive; limited package options
Southeast	+5% to +8%	Coverage is readily available, subject to acceptable loss history
South Central	+5% to +30%	Capacity is light; loss experience driving increases and higher retentions
Great Lakes	+7% to +12%	Several available markets
Midwest	Flat to +15%	Adequate market options
Southwest	+15%	Coverage is available
Northwest	+15%	Coverage is available

Recommendations

- Focus on loss control, training programs, and policies and procedures, especially in hard-to-insure lines of coverage such as law enforcement and sexual abuse and molestation.
- Work at improving your organization’s risk profile so that it is more attractive to insurers and their underwriters. An organization’s risk profile typically includes the nature of its risks, its risk appetite, historical loss experience and specific activities it uses to manage risk. Gallagher has a step-by-step process that includes several proprietary analytical tools to help an organization understand and address its specific risks.
- Start your renewal process early and work with your insurance broker to consider the full range of risk financing options available to you.

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Property

The property insurance market remains stable. However, there are still affordability and availability challenges in high-risk areas prone to natural disasters. On a positive note, more insurers are using technology like predictive analytics and artificial intelligence to better assess and manage risks, and this is expected to improve market resilience while supporting price stability.

Region	Rate Changes	Comments
Northeast	-15% to Flat	More market appetite than in previous years
Southeast	-23% to -5%	Coverage is readily available; plenty of capacity
South Central	-20% to Flat	Excess capacity; shared and layered programs seeing largest reductions
Great Lakes	-10% to Flat	Several available markets
Midwest	Flat	Adequate market options
Southwest	See Comments	-5% to -10% (K-12); -20% (Public Entity); Flat to -10% (Pools)
Northwest	See Comments	-5% to -10% (K-12); -20% (Public Entity); Flat to -10% (Pools)

Recommendations

- Perform risk assessments to identify and evaluate potential exposures and property-related hazards.
- Develop and implement proactive risk mitigation measures, such as installing fire alarms, smoke detectors, and sprinkler systems, improving building security, and ensuring compliance with building codes and safety standards.
- Maintain accurate and up-to-date property valuations and ensure all property assets are properly documented.

Cyber

Although the cyber insurance market has stabilized, it is worth mentioning that this is a coverage area that requires constant vigilance. The market for the public sector is expected to grow in response to escalating ransomware attacks, data breaches and critical infrastructure disruptions. While the need for coverage will increase, the good news is that in the majority of regions, rates remain flat for most public entities.

Artificial intelligence (AI) use is also introducing several risks to the public sector, particularly in the areas of data privacy, security and ethical decision-making. Using AI systems to manage sensitive information, such as student records or public sector data, can increase the risk of data breaches and unauthorized access, especially if robust security measures are not in place. Additionally, AI algorithms can inadvertently perpetuate biases, leading to unfair or discriminatory outcomes.

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Region	Rate Changes	Comments
Northeast	-15% to Flat	Plenty of market appetite
Southeast	Flat	Coverage is readily available; plenty of markets
South Central	Flat to +15%	Excess capacity; seeing improved terms and conditions
Great Lakes	Flat	5+ markets
Midwest	-5% to +5%	Adequate market options
Southwest	See Comments	+5% to +15% (K-12); Flat (Public Entity); +5 to +10% (Pools)
Northwest	See Comments	+5% to +15% (K-12); Flat (Public Entity); +5 to +10% (Pools)

Recommendations

- Strengthen cybersecurity controls and review coverage closely. If your entity uses – or is comtemplating using – AI, make sure that appropriate policies, procedures and reporting structures are in place to govern its use. Find guidance on AI Impact Assessments and AI Incident Response plans here.
- Monitor emerging threats and industry best practices.
- Read the 2026 Cyber Insurance Market Outlook report from Gallagher's Cyber Practice for a deeper dive into the cyber insurance world.

Specialized Lines: Environmental, Auto and E&O

In regions where clients purchased stand-alone environmental policies, renewals were flat to +5%.

Auto liability and physical damage coverages continues to be challenging, with rate changes between from +5% to 20%, especially where entities have poor loss histories. The high cost of parts is also influencing pricing for this coverage area. It is worth noting that most entities do not purchase this as a separate line of coverage.

Some entities purchase a separate policy for errors and omissions, educator legal or school board legal liability. In general, they provide coverage for decisions or actions that adversely affect a third party. The Southeast region is seeing rate changes for these policies from flat to +8%.

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Missoula County Airport Authority
Agenda Action Sheet

Meeting Date: June 30, 2026

1. **TITLE:** Recommendation of Award for the Taxiway 'H' Conversion Project.

   Review, discussion and possible approval of the bid results for the construction of the Taxiway 'H' Conversion Project.

   ACTION ITEM

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 10 Minutes

4. **BACKGROUND INFORMATION:** The Airport received and publicly opened bids for the Taxiway 'H' Conversion Project on June 23, 2026. Two bids were received (see attached for breakdown). The bid proposal (submitted by TJ Gardner) was vetted by Morrison-Maierle and is considered to be a reasonable and responsible bid. In comparison, $33,417 (less than 1.5%) separated the two bidders.

   This same project was originally bid in March. Due to high bid costs, it was determined that it was in the Airport's best interest to rebid the project. The original bid resulted in a price quote of $3,908,202. The rebid resulted in significant savings ($1,493,425) in federal grant and MSO matching funds.

   With all Additive Alternative bid schedules included, the low bid ($2,414,777.00) was 13% lower than the Engineer's Estimate of ($2,725,267.00). After careful evaluation of the bid results, there were no bid item costs that were considered to be irresponsible or excessively high/low and is recommended for award.

5. **BUDGET INFORMATION:**

Amount Required:	$2,414,777.00
AIP Funds:	$2,173,299.00
MSO Share:	$ 241,478.00

6. **SUPPLEMENTAL AGENDA INFORMATION:** Bid Tabulations

7. **RECOMMENDED MOTION:** Move to accept the Taxiway **'H'** Conversion Project bid proposal and award construction to TJ Gardner in the amount of $2,414,777.00

8. **PREPARED BY:** Brian Ellestad

9. **COMMITTEE REVIEW:** None.

Created on 6/26/26

MISSOULA MONTANA AIRPORT
TAXIWAY H CONVERSION PROJECT
BID OPENING: JUNE 23, 2026 - 10:00 A.M.

	ENGINEER MORRISON-MAIERLE	CONTRACTOR TJ GARDNER CO	CONTRACTOR COLVICO INC
COMPLETED BID FORM (SEPARATE ONLINE BIDDING DOCUMENT)	X	X	X
10% BID BOND ENCLOSED (ELECTRONIC SUBMITTAL, FORM B)	X	X	X
TAX DELINQUENCY AND FELONY CONVICTION CERTIFICATION (FORM C)	X	X	X
COMPLETED DEBARMENT CERTIFICATION (FORM D)	X	X	X
COMPLETED LOBBYING CERTIFICATION (FORM E)	X	X	X
CERTIFICATION REGARDING DOMESTIC PREFERENCE (FORM F)	X	X	X
TRADE RESTRICTION CERTIFICATION (FORM G)	X	X	X
NON-COLLUSION AFFIDAVIT (FORM H)	X	X	X
CONTRACTOR EVIDENCE OF COMPETENCY (FORM I)	X	X	X
CONTRACTOR FINANCIAL RESPONSIBILITY (FORM J)	X	X	X
COMPLETED DISADVANTAGED BUSINESS ENTERPRISE FORMS (FORM K)	X	X	X
COMPLETED BUY AMERICAN CERTIFICATION (FORM L)	X	X	X
BID PROPOSAL ELECTRONICALLY SIGNED/DATED	X	X	X
CONTRACTOR'S REGISTRATION NUMBER PROVIDED	X	X	X
ADDENDA ACKNOWLEDGED (ACKNOWLEDGED ONLINE)	X	X	X
SCHEDULE I - TW-H CONVERSION	$965,939.00	$873,522.80	$1,145,284.00
SCHEDULE II - TW-H ELECTRICAL REHABILITATION	$1,055,917.00	$967,490.50	$721,527.00
SUBTOTAL BASE BID	$2,021,856.00	$1,841,013.30	$1,866,811.00
ADD ALT 'A' - TW-D LIGHTING REHABILITATION	$235,109.00	$210,242.50	$185,696.00
ADD ALT 'B' - TW-E & F LIGHTING REHABILITATION	$177,752.00	$154,109.50	$148,552.00
ADD ALT 'C' - TW-C AND NORTHSTAR RAMP LIGHTING REHABILITATION	$98,364.00	$81,458.00	$79,153.00
ADD ALT 'D' - TW-A3, B1, B2 LIGHTING REHABILITATION	$121,586.00	$87,118.50	$105,000.00
ADD ALT 'E' - CONSTANT CURRENT REGULATOR REPLACEMENT	$117,600.00	$83,835.20	$109,440.00
DEDUCT BID ITEM 238 IF ADD ALT 'A' AND 'C ARE AWARDED	($27,000.00)	($23,000.00)	($24,328.00)
DEDUCT BID ITEM 237 IF ADD ALT 'B' IS AWARDED	($25,000.00)	($20,000.00)	($22,130.00)
TOTAL - ALL SCHEDULES AND ADDITIVE ALTERNATES	$2,720,267.00	$2,414,777.00	$2,448,194.00

Missoula County Airport Authority

Agenda Action Sheet

Meeting Date: June 30th, 2026

1. **TITLE:** Task Order No. 75 to the Master Agreement for Professional Engineering Services with Morrison-Maierle.

   Review, discussion and possible approval of Task Order No. 75 to the Master Agreement for Professional Engineering Services with Morrison-Maierle. This Task Order will be for Final Design of the Air Traffic Control Tower Upgrades Project and matters related thereto. **ACTION ITEM**

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 5 Minutes

4. **BACKGROUND INFORMATION:** Similar to a grant that was received last year for the Air Traffic Control Tower (ATCT), a second phase of upgrades is being implemented to replace equipment that has either outlived its useful life or is in need of repair. A federal grant (up to $1,000,000) has already been programmed through the FAA that would fund the design and construction of the upgrades. This includes upgrading tower lighting to LED fixtures, replacing window shades in the control cab, purchase and installation of new communication equipment that the air traffic controllers use to communicate with aircraft, and a new AWOS (Automated Weather Observing System).

   This Task Order is for design only and will be taken through bidding services. Design is anticipated to begin immediately following Board Approval and will progress until bid opening and a recommendation of award in August 2026.

5. **BUDGET INFORMATION:** Amount Required: $38,500.00 (100% federally funded)

6. **SUPPLEMENTAL AGENDA INFORMATION:** Task Order No. 75 Scope and Fee

7. **RECOMMENDED MOTION:** Move to Approve Task Order No. 75 with Morrison-Maierle for Air Traffic Control Tower upgrades in the amount of $38,500

8. **PREPARED BY:** Brian Ellestad, Airport Director

9. **COMMITTEE REVIEW:** None.

TASK ORDER-75

For Master Agreement for Engineering Services Between OWNER, Missoula County Airport Authority and the ENGINEER, Morrison-Maierle

Task Order

This Task Order is issued under the Master Agreement for Professional Engineering Services between OWNER, Missoula County Airport Authority (MCAA) and ENGINEER, Morrison-Maierle (M-M) dated July 1, 2026, the terms of which are incorporated herein by reference.

SPECIFIC PROJECT DATA

TITLE: AIR TRAFFIC CONTROL TOWER UPGRADES –FINAL DESIGN

I. **Objective:** To design a bid package for multiple upgrades to the Air Traffic Control Tower (ATCT). This includes rebidding design work that was not awarded in 2025, plus additional upgrades such as a new AWOS, new radio servers, and additional equipment as requested by ATCT Manager and eligible on the FAA's Minimum Equipment List. Morrison-Maierle shall prepare construction documents and assist with bidding process. The project will consist of multiple bidding schedules to maximize the grant budget for the Airport.

Bidding Services: This Task Order assumes that this project will begin advertising for bid in mid to late July 2026. Morrison-Maierle will work with MCAA to place the necessary advertisements and schedule the pre-bid and bid meetings. Morrison-Maierle will also complete a review of bids and develop a recommendation of award.

Construction Management Services: TBD post-bid results.

Deliverables: At the completion of this Task Order, the ENGINEER will deliver the following documents to the OWNER for review:

- Final Plans and Specifications for bidding purposes
- Recommendation of Award for construction

SECTION 1 – ENGINEER'S RESPONSIBILITY: Applicable paragraphs of Section 1 of the Master Agreement for Engineering Services are hereby incorporated for the following services:

A. Project Management Services

1. Develop project scope and fee for Task Order.

2. Communicate project progress, design issues, scheduling and construction project scope, bidding dates and miscellaneous project requirements with the OWNER, GC/CM, FAA-Helena and the ATCT. The following are estimated communication points used to properly manage the project:
   - Kick Off Meeting
   - Internal Design Team Meetings (bi-weekly)
   - OWNER Milestone Meetings (2 meetings)
   - Coordination with OWNER, FAA and ATCT

3. Coordinate, prepare and submit the following project documents on behalf of the OWNER:
   - FAA Grant Application
   - Environmental Documentation (CAT-EX)
   - Evaluate project eligibility with the FAA on equipment installations
   - Monthly Invoicing and RFR Paperwork

4. Complete internal quality assurance reviews.

B. Preliminary Design

1. Investigate AWOS options for siting locations, coordinate with FAA Project Implementation Manager (PIM) on obstructions and meteorological requirements/restrictions in accordance with the current Advisory Circulars.

2. Complete ground survey for AWOS to identify topography, utilities, ILS and other features within the site of work.

3. Coordinate with FAA for environmental review requirements and submit CAT-EX to the FAA.

4. Finalize location of AWOS, submit 7460 through the FAA for airspace review.

5. Develop a preliminary equipment list with ATCT personnel. Evaluate eligibility of equipment with the FAA, and procurement/installation procedures and the need to extend/route power for equipment. Itemize each piece of equipment for bidding purposes.

6. Develop preliminary construction phasing plan that will be least impactful to the Airport's operations. Determine staging area location and size, and construction site access.

7. Complete Quality Assurance reviews of the project plans as necessary through Preliminary Design.

C. Final Design

1. Finalize the removal and installation plan for upgrades in the lighting system to LED, new roof hatch access, new window shades for the cab glass, and other findings from preliminary design phase. Itemize and quantify each scope of work item.

2. Finalize the removal and installation plan for the new equipment being procured and installed. Itemize and quantify work items for each scope of work.

3. Finalize plans for installation of AWOS, including access, power requirements, grounding, foundation details, and communications back to ATCT.

4. Finalize controls and sequencing between AWOS and existing ASOS for weather reporting at the ATCT and ATIS, as well as the NWS.

5. Finalize Construction Safety and Phasing Plan and upload for FAA airspace review.

6. Finalize construction budget.

7. Prepare final plans and specifications for OWNER and ATCT review.

8. Complete Quality Assurance reviews of the project plans as necessary through Final Design.

D. Bidding Process

This project is assumed to be bid as one project but with multiple bidding packages and construction schedules.

1. Prepare Invitation to Bid and Bidders List.

2. Deliver electronic copy of plans, specifications, and contract to the OWNER for distribution to subcontractors, suppliers, and manufacturers.

3. Conduct Pre-Bid Conference to discuss Airport operational safety during construction, Airport

security requirements, project construction schedule, and FAA construction specifications with prospective subcontractors, suppliers and manufacturers.

4. Respond to bidder inquiries during the advertisement period; coordinate all design team responses and prepare addendums to Plans and Specifications as required. Two addendums are anticipated.

5. Attend bid opening and tabulate bids.

6. Review bid proposals for DBE participation and Buy American compliance.

7. Coordinate with OWNER and ATCT to compile a final bid award based on priorities and available budget, make recommendation of award.

SECTION 2 – OWNER'S RESPONSIBILITY: All paragraphs of Section 2 of the Master Agreement for Engineering Services are hereby incorporated by reference.

SECTION 3 – TIMES OF PERFORMANCE: Applicable paragraphs of Section 3 of the Master Agreement for Engineering Services are hereby incorporated for the following services:

Milestone	Completion Date
A. Project Kickoff	July 1, 2026
B. Preliminary Design	July 1, 2026
C. Final Submittal Plans/Specs	July 30, 2026
D. Bid Opening	August 19, 2026
E. Bid Award	August 25, 2026

SECTION 4 – PAYMENT TO ENGINEER: Applicable paragraphs of Section 4 of the Master Agreement for Engineering Services are hereby incorporated for the following services:

A. The approved and audited overhead rate in effect for this Task Order is **74.51%.**

B. The services identified under this Task Order will be paid by method of Lump Sum (LS). Total compensation for this Task Order is estimated to be:

	Labor	**Expense**	**Total**
Final Design Services	$32,715	$5,785	$38,500

SECTION 5 – GENERAL PROVISIONS: All paragraphs in Section 5 of the Master Agreement for Engineering Services are incorporated by reference.

SECTION 6 – CONSULTANTS: None

SECTION 7 – OTHER MODIFICATIONS TO MASTER AGREEMENT: None

SECTION 8 – ATTACHMENTS: None

SECTION 9 – APPROVAL AND ACCEPTANCE: Approval and Acceptance of this Task Order, including the attachments listed above, shall incorporate this document as part of the Master Agreement for Engineering Services. ENGINEER is authorized to begin performance upon receipt of a copy of this Task Order signed by OWNER.

The Effective Date of this Task Order is: **June 30, 2026**

ENGINEER

Shaun P. Shea **6/24/26**
Signature *Date*

Shaun P. Shea, P.E.
Name

Vice President, Morrison-Maierle
Title

1055 Mount Avenue, Missoula, MT 59801
Address

sshea@m-m.net
E-Mail Address

(406) 542.4846
Phone

OWNER

Signature *Date*

Brian Ellestad, A.A.E.
Name

Airport Director, MCAA
Title

5225 Highway 10 W. – Missoula, MT 59808
Address

bellestad@flymissoula.com
E-Mail Address

(406) 728.4381
Phone

Task Order Airport Master, June, 2026
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Missoula County Airport Authority
Agenda Action Sheet

Meeting Date: June 30, 2026

1. **TITLE:** Transfer of Entitlements

   Review, discussion and possible approval of the transfer of entitlement funds from/to Jordan Airport. **ACTION ITEM**

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 10 Minutes

4. **BACKGROUND INFORMATION:** It is common practice in the Northwest Mountain Region for airport sponsors within a State to help each other balance their surplus or shortfall of entitlement funds. In the past, the Missoula Montana Airport has partnered with the Billings Airport, Butte Airport, West Yellowstone Airport, and Deer Lodge Airport to help balance entitlement funding to cover project expenses when needed.

   A key project on MSO's current ACIP is the Reconstruction of Taxiway 'G', which has a multi-year phased approach. Design for this project was originally scheduled for FY-27, but the FAA has requested MSO accelerate design to begin this summer. Advancing the schedule from FY-27 into this summer requires additional funding in FY-26.

   The Jordan Airport has excess FY-26 entitlement funds and is willing to transfer those to MSO to fund the design ofTaxiway 'G'. The FAA has asked MSO to accept these funds in FY-26 and return the same amount back to Jordan Airport in FY-27.

   We are requesting approval to accept $732,263 in entitlements from the Jordan Airport. This will fund the federal grant for the design of Taxiway 'G' later this summer. In turn, we are requesting approval to return the same amount of entitlements in FY-27 to Jordan Airport.

   By doing this, we are simply advancing federal funds already programmed for Taxiway 'G' in FY-27 into this fiscal year. There is no detrimental impact on our finances, in fact, moving these federal funds forward will improve cash flow for the project.

5. **BUDGET INFORMATION:**
   - Federal $732,263 / Local $81,363

6. **SUPPLEMENTAL AGENDA INFORMATION:** See entitlement transfer documents

7. **RECOMMENDED MOTION:** Move to pre-authorize the Airport Director to accept the fiscal year 2026 entitlement transfer from Jordan Airport in the amount of $732,263 with the reciprocal agreement to return the same funds in fiscal year 2027.

8. **PREPARED BY:** Brian Ellestad

9. **COMMITTEE REVIEW:** None.

U.S. Department
of Transportation

Federal Aviation Administration

FAA Form 5100-110, Request for FAA Approval of Agreement for Transfer of Entitlements

Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid 0MB Control Number. The 0MB Control Number for this information collection is 2120-0569. Public reporting for this collection of information is estimated to be approximately 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are required under 49 U.S.C. Section 47105 to retain a benefit and to meet the reporting requirements of 2 CFR 200. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.

Request for FAA Approval of Agreement for Transfer of Entitlements

In accordance with 49 USC§ 47117(c)(2),

Name of Transferring Sponsor: Missoula County Airport Authority

hereby waives receipt of the following amount of funds apportioned to it under 49 USC§ 47114(c) for

the: Name of Transferring Airport (and LOCID): Missoula Montana Airport (MSO)

for each fiscal year listed below:

Entitlement Type (Passenger, Cargo or Nonprimary)	Fiscal Year	Amount
Passenger	2027	$ 732,263.00
Total		$ 732,263.00

The Federal Aviation Administration has determined that the waived amount will be made available to:

Name of Airport (and LOCID) Receiving Transferred Entitlements:
Jordan Airport JON

Name of Receiving Airport's Sponsor: Garfield County

a public use airport in the same state or geographical areas as the transferring airport for eligible projects under 49 USC§ 47104(a).

The waiver expires on the earlier of 09/30/2027 (date) or when the availability of apportioned funds lapses under 49 USC§ 47117(b).

For the United States of America, Federal Aviation Administration:

Signature: ______________________________

Name:

Title:

Date:

Certification of Transferring Sponsor

I declare under penalty of perjury that the foregoing is true and correct. I understand that knowingly and willfully providing false information to the federal government is a violation of 18 USC§ 1001 (False Statements) and could subject me to fines, imprisonment, or both.

Executed on this day of

Name of Sponsor: Missoula County Airport Authority

Name of Sponsor's Authorized Official: Brian Ellestad

Title of Sponsor's Authorized Official: Airport Director

Signature of Sponsor's Authorized Official: ______________________________

Certificate of Transferring Sponsor's Attorney

I, Juniper Davis , acting as Attorney for the Sponsor do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Agreement under the laws of the state of Montana . Further, I have examined the foregoing Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said state and 49 USC§ 47101, et seq.

Dated at Missoula, Montana (City, State),

this day of

Signature of Sponsor's Attorney: ______________________________

U.S. Department
of Transportation

**Federal Aviation
Administration**

FAA Form 5100-110, Request for FAA Approval of Agreement for Transfer of Entitlements

Paperwork Reduction Act Burden Statement

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a currently valid 0MB Control Number. The 0MB Control Number for this information collection is 2120-0569. Public reporting for this collection of information is estimated to be approximately 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, completing and reviewing the collection of information. All responses to this collection of information are required under 49 U.S.C. Section 47105 to retain a benefit and to meet the reporting requirements of 2 CFR 200. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, Federal Aviation Administration, 10101 Hillwood Parkway, Fort Worth, TX 76177-1524.

Request for FAA Approval of Agreement for Transfer of Entitlements

In accordance with 49 USC§ 47117(c)(2),

Name of Transferring Sponsor: Missoula County Airport Authority

hereby waives receipt of the following amount of funds apportioned to it under 49 USC§ 47114(c) for

the: Name of Transferring Airport (and LOCID): Missoula Montana Airport MSO

for each fiscal year listed below:

Entitlement Type (Passenger, Cargo or Nonprimary)	Fiscal Year	Amount
Passenger	2027	$ 732,263.00
Total		$ 732,263.00

The Federal Aviation Administration has determined that the waived amount will be made available to:

Name of Airport (and LOCID) Receiving Transferred Entitlements:
Jordan Airport JON

Name of Receiving Airport's Sponsor: Garfield County

a public use airport in the same state or geographical areas as the transferring airport for eligible projects under 49 USC§ 47104(a).

The waiver expires on the earlier of 09/30/2027 (date) or when the availability of apportioned funds lapses under 49 USC§ 47117(b).

For the United States of America, Federal Aviation Administration:

Signature: Jason Garwood

Name:

Title:

Date:

Certification of **Transfemng** Sponsor

I **declare** under penalty of perjury that the foregoing is true and COfTect. I understand that knowingly and wfltfully **provkflng false** InfoonaUon to the federal government Is a vlolaUOn of 18 USC§ 1001 (False Statements) and could subject me to fines, Imprisonment, or both.

Executed on this 2 lf1" day of 3 (,1.n e2 L12 (e

Name of Sponsor: Garfield County

Name of Sponsor's Authorized Official: K. e.\.1 "'I tu, - t--+-

Trtle of Sponsor's Authorized Official: LcJ i'V\ ('{\' S 5 \0 nc' „.- ()'\.c\., – VY\. c.e. v-')

SlgnatW"e of Sponsor's Authorized Official: U >,0

Certlflcate of **Tranafening Sponsor's Attorney**

I, r,clctvY'. 'yc,;,S,t \A.-'r--..Cl • acting as Attorney for the Sponsor do hereby certify that In my opinion the Sponsor Is empowered to enter into the foregoing Agreement under the laws of the state of (y\ 0 no...,'_ . Further, I have examined the foregoing Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof Is in all respects due and proper and in accordance with the laws of the said state and 49 USC§ 47101, et seq.

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Signature of Sponsor's Attorney: .,._,a.._

Missoula County Airport Authority
Agenda Action Sheet

Meeting Date: June 30th, 2026

1. **TITLE:** Award of Planning Services Contract to Morrison Maierle

   Review, discussion and possible award and approval of a Planning Services Contract with Morrison Maierle **ACTION ITEM**

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 5 Minutes

4. **BACKGROUND INFORMATION:** FAA regulations require that professional service contracts for both Planning and Engineering be put out for bid every five (5) years. The Missoula County Airport Authority received one submission for the Planning Services RFQ from Morrison Maierle despite expanded advertising and posting efforts. Unlike previous RFQ cycles that featured large planning projects such as the updated Master Plan, the current RFQ contained limited "ad-hoc" projects that may have resulted in diminished interest. A review committee made up of Shane Stack, Brian Ellestad, Tim Damrow and Nate Cole was established to review and score the proposal and perform interviews if necessary. After deliberation by the committee and consultation with the local ADO regarding the limited response, the committee is recommending to the Board that Morrison Maierle be awarded the contract.

5. **BUDGET INFORMATION:** N/A

6. **SUPPLEMENTAL AGENDA INFORMATION:**
   Planning Services Contract with Morrison Maierle
   Morrison Maierle Planning Services RFQ Submission

7. **RECOMMENDED MOTION:** Move to award and approve the Planning Services contract to Morrison-Maierle, Inc. for a five-year term beginning on July 1, 2026.

8. **PREPARED BY:** Tim Damrow, Deputy Director

9. **COMMITTEE REVIEW:** None

MASTER AGREEMENT FOR PROFESSIONAL AVIATION PLANNING SERVICES

THIS AGREEMENT is made as of July 1, 2026, between *Missoula County Airport Authority,* 5225 Highway 10 West, Missoula, MT 59808*,* a municipal airport authority created pursuant to Montana law ("MCAA"), and Morrison-Maierle, Inc. ("the PLANNER").

RECITALS

A. The Missoula County Airport Authority owns and operates the Missoula Montana Airport in Missoula County, Montana ("Airport");
B. MCAA published notice of a Request for Qualifications for aviation planning services due on May 22, 2026.
C. PLANNER submitted a responsive bid and has been determined to be a responsible bidder and is qualified to perform the requested services.
D. MCAA has determined that PLANNER's proposal is the most advantageous to the Airport;

NOW, THEREFORE, the parties mutually agree as follows:

1. This is a Master Form of Agreement which provides for the performance of aviation planning and related services for multiple projects over a specified period of time. Services shall be performed only as authorized by Task Orders issued under this Agreement.

2. The effective date of this Agreement is *July 1, 2026*. This Agreement shall be effective and applicable to Task Orders issued hereunder for *five (5)* years from the effective date of the Agreement.

3. This Agreement provides for the general terms and conditions which shall govern the relationships and performance of the PLANNER and MCAA for the various projects involved in this Agreement. Each Task Order will further describe the particular project, specific services, work schedule and cost or estimated cost of the work to be performed. Each Task Order will specifically refer to and incorporate this Agreement by reference and will be signed by both parties.

4. PLANNER shall not be obligated to perform any prospective Task Order unless and until MCAA and PLANNER agree as to the particulars of the specific Project, PLANNER's services, compensation and all other appropriate matters.

5. Expiration of this Agreement shall not affect Task Orders issued hereunder during its' term, or the validity of any actions taken under or with respect to such Task Orders, including modifications, whether taken before or after the expiration of the term of this Agreement.

6. The services specified in a Task Order issued to the PLANNER shall be commenced by the PLANNER promptly and in any event not later then the beginning date specified in the Task Order.

Section 1 – PLANNER'S RESPONSIBILITY

1.01 The PLANNER shall serve as MCAA's professional planning representative for those phases of the project to which the Task Order and this Agreement applies, and will give consultation and advice to MCAA during the performance of the services. PLANNER shall serve as MCAA's "principal consultant" as defined in the current publication of FAA Advisory Circular 150/5100-14E and shall represent MCAA in coordinating the work of other engineering/consulting firms hired by MCAA and has the overall responsibility to coordinate the work and review the work products of other planning/consulting firms for general conformance to MCAA's requirements.

1.02 The PLANNER shall perform the work in compliance with FAA requirements where applicable and in compliance with the standard of performance required in Section 1.07.

1.03 PLANNER shall be responsible for the technical accuracy of its services and documents resulting therefrom, and MCAA shall not be responsible for discovering deficiencies therein. PLANNER shall correct such deficiencies without additional compensation except to the extent such deficiencies are attributable to deficiencies in MCAA-furnished information.

1.04 PLANNER represents that it is an independent contractor and will perform services pursuant to each Task Order as an independent contractor and not as an agent or employee of MCAA.

1.05 PLANNER may retain such other sub-consultants or subcontractors as it may deem desirable for proper and timely performance of Services. PLANNER shall be responsible for the management of the subcontractors and sub-consultants in the performance of their work.

1.06 The standard of care for all professional planning and related services performed or furnished by PLANNER under this Agreement will be the care and skill ordinarily used by members of PLANNER's profession practicing under similar circumstances at the same time and in the same or similar area. PLANNER makes no warranties, express or implied, under this Agreement or otherwise, in connection with PLANNER's services. PLANNER will re-perform any planning or related services not meeting this standard without additional compensation. PLANNER's re-performance of any planning or related work shall not act as a release or satisfaction as to any other remedy or damages to which MCAA may be entitled and as permitted by the agreement.

1.07 The PLANNER shall not be required to sign any documents, no matter by whom requested, that would result in the PLANNER having to certify, guarantee or warrant the existence of conditions whose existence the PLANNER cannot ascertain. MCAA also agrees not to make resolution of any dispute with the PLANNER or payment of any amount due to the PLANNER in any way contingent upon the PLANNER signing any such certification.

<u>Section 2</u> – MCAA'S RESPONSIBILITIES

MCAA shall:

2.01 Provide PLANNER full information as to the requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

2.02 Place at the PLANNER's disposal all available information pertinent to the Project including previous reports and any other data relative to the Project.

2.03 Guarantee access to and make all provisions for the PLANNER to enter upon public and private property as required.

2.04 Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the PLANNER, obtain advice of an attorney, insurance counselor and other consultants as MCAA deems appropriate for such examination, and render in writing decisions pertaining thereto within ten calendar days so as not to delay the services of the PLANNER.

2.05 Designate in writing a person to act as MCAA's representative with respect to the PLANNER’s services. Such person shall have complete authority to transmit instructions, receive information, and interpret and define MCAA's policies and decisions with respect to materials, equipment, elements and systems pertinent to the PLANNER's services.

2.06 No information or instructions from MCAA pertaining to the project shall be transmitted to the PLANNER or to other concerned persons or agencies except by MCAA's designated representative through the PLANNER or its Resident Project Representative.

2.07 Advise PLANNER of the identity and scope of services of any independent consultants employed by MCAA to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructibility review.

2.08 Furnish to PLANNER data as to MCAA’s anticipated costs for services to be provided by others for MCAA, so that PLANNER may make the necessary calculations to develop and periodically adjust PLANNER’s opinion of total project costs.

2.09 Give prompt written notice to the PLANNER whenever MCAA observes or otherwise becomes aware of any development that affects the scope or time of performance of PLANNER’s services, any defect or nonconformance in PLANNER’s services, or any defect in the Project or changed circumstances.

2.10 Furnish or direct the PLANNER to provide additional services as required.

2.11 Advertise for Proposals from Bidders.

2.12 Bear all costs incident to compliance with the requirements of this Section.

<u>Section 3</u> – TIME OF PERFORMANCE

3.01 The times for performing services or providing deliverables will be stated in each Task Order for a specific project.

3.02 The time for a party’s performance will be extended to the extent performance was delayed by causes beyond the control and without the fault of the party seeking the extension. The party shall promptly notify the other party in writing when it is being delayed.

<u>Section 4</u> - PAYMENT TO PLANNER

4.01 Based on the scope of the Project as described in Task Orders for individual projects, MCAA shall pay to the PLANNER the established fees as set forth in each Task Order.

4.02 PLANNER shall submit invoices for each Task Order to MCAA each month covering services completed to date as applicable. Each invoice will be prepared in a standard format and supported by documentation. Within ten days of receipt of the invoice, MCAA shall give detailed, written notice of any sums which it reasonably disputes or contests. If the parties are unable to resolve the matter within 15 days, only that portion so reasonably contested may be withheld from payment.

4.03 Invoices are due and payable within 45 days after receipt.

<u>Section 5</u> - GENERAL PROVISIONS

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5.01 Compliance with ADA

The Americans with Disabilities Act (ADA) provides that it is a violation of the ADA to design and construct a facility for first occupancy later than January 26, 1993, that does not meet the accessibility and usability requirements of the ADA except where an entity can demonstrate that it is structurally impractical to meet such requirements. MCAA acknowledges that the requirements of the ADA will be subject to various and possibly contradictory interpretations. The PLANNER, therefore, will use reasonable professional efforts to interpret applicable ADA requirements and other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the Project.

5.02 Changes

MCAA may, at any time and by written order, make changes within the general scope of the Agreement in the services to be provided. If such changes cause an increase or decrease in PLANNER's costs of, or time required for, performance of any services, an equitable adjustment shall be made and the Agreement shall be modified in writing accordingly. Any claim of PLANNER for an adjustment must be asserted in writing within 30 days from the date of receipt by PLANNER of the notification of change unless MCAA grants a further period of time.

5.03 Dispute Resolution

MCAA and PLANNER agree that they shall first submit any and all unsettled claims, counterclaims, disputes and other matters in question between them arising out of or relating to this Agreement or the breach thereof ("disputes"), to mediation by a mutually agreed upon mediator. After a written demand for non-binding mediation, which shall specify the nature of the dispute, and within thirty (30) days from the date of selection of the mediator, the matter shall be submitted to the mediator for consideration. The mediator shall provide an informal opinion and advice, none of which shall be binding upon the parties. The mediator's fee shall be shared equally by the parties. If the dispute has not been resolved, the matter may then be considered by other methods of dispute resolution.

MCAA and the PLANNER further agree to include a similar mediation provision in all agreements with independent PLANNERs and consultants retained for all projects entered into hereunder and to require all independent PLANNERs and consultants also to include a similar mediation provision in all agreements with sub-consultants, sub-contractors, suppliers, or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

5.04 Access to Records and Reports

The PLANNER shall maintain an acceptable cost accounting system. The PLANNER agrees to provide MCAA, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the PLANNER which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The PLANNER agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

5.06 Successors and Assigns and Beneficiaries

MCAA and PLANNER each is hereby bound and the partners, successors, executors, administrators and legal representatives of MCAA and PLANNER (and to the extent permitted by subsection B below, the assigns of MCAA and PLANNER) are hereby bound to the other party to this Agreement and to the

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partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

Neither MCAA nor PLANNER may assign, sublet or transfer any rights under or interest (including but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

Unless expressly provided otherwise in this Agreement:

A. Nothing in this Agreement shall be construed to create, impose or give rise to any duty owed by PLANNER to any PLANNER's sub-consultant, supplier, other individual or entity, or to any surety for or employee of any of them.

B. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of MCAA and PLANNER and not for the benefit of any other party. MCAA agrees that the substance of the provisions of this paragraph shall appear in the construction Contract documents.

5.07 <u>Compliance with Laws</u>

The PLANNER shall comply with laws, ordinances and regulations in effect as of the date of the Agreement and applicable to the PLANNER's performance of this Agreement, and shall specifically comply with the following federal provisions:

A. <u>General Civil Rights Provisions</u>

In all its activities within the scope of its airport program, the PLANNER agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds the PLANNER and subcontractors from the bid solicitation period through the completion of the contract.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

B. <u>Compliance with Nondiscrimination Requirements</u>

During the performance of this contract, the PLANNER, for itself, its assignees and successors in interest agrees as follows:

Compliance with Regulations The PLANNER (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

Non-discrimination: The PLANNER, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin), creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The PLANNER will not participate directly or indirectly in the discrimination prohibited by the

Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

Solicitations for Subcontracts, Including Procurements of Materials and Equipment**:** In all solicitations, either by competitive bidding or negotiation made by the PLANNER for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the PLANNR of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

Information and Reports: The PLANNER will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the PLANNER will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

Sanctions for Noncompliance: In the event of a PLANNER'S noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the PLANNER under the contract until the PLANNER complies; and/or
b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The PLANNER will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The PLANNER will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the PLANNER becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the PLANNER may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the PLANNER may request the United States to enter into the litigation to protect the interests of the United States.

C. Title VI List of Pertinent Non-Discrimination Acts and Authorities

During the performance of this contract, the PLANNER, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964) including amendments thereto;
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);

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- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (P.L. 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

D. Clean Air and Water Pollution Control

PLANNER agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). The PLANNER agrees to report any violation to MCAA immediately upon discovery. MCAA assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

PLANNER must include this requirement in all subcontracts that exceeds $150,000.

E. Contract Work Hours and Safety Standards Act Requirements

a. Overtime Requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

b. Violation; Liability for Unpaid Wages; Liquidated Damages. In the event of any violation of the clause set forth in paragraph (1) of this clause, the PLANNER and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of $33 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

c. Withholding for Unpaid Wages and Liquidated Damages. The Federal Aviation Administration (FAA) or MCAA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety

Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this clause.

d. Subcontractors. The PLANNER or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (a) through (d) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a) through (d) of this clause.

F. Disadvantaged Business Enterprise

a. Contract Assurance (§26.13) - The PLANNER, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The PLANNER shall carry out applicable requirements of 49 CFR Part 26, including any amendments thereto, in the award and administration of DOT-assisted contracts. Failure by the PLANNER to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: 1) withholding monthly progress payments; 2) assessing sanctions; 3) liquidated damages; and/or 4) disqualifying the PLANNER from future bidding as non-responsible.

b. Prompt Payment (§26.29) **-** The PLANNER agrees to pay each sub-consultant under this prime contract for satisfactory performance of its contract no later than 14 days from the receipt of each payment the prime PLANNER receives from MCAA**.** The PLANNER agrees further to return retainage payments to each sub-consultant within 14 days after the sub-consultants work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the sub-consultant. This clause applies to both DBE and non-DBE sub-consultants.

G. Debarment, Suspension, Ineligibility and Voluntary Exclusion

The PLANNER and/or sub-consultants, by execution of this contract, certifies that it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

The PLANNER, by administering any lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The PLANNER will accomplish this by:

a. Checking the System for Award Management at website: http://www.sam.gov
b. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension, above.
c. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the FAA later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

H. Distracted Driving.

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In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, MCAA encourages the PLANNER to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The PLANNER must include the substance of this clause in all sub-tier contracts exceeding $15,000 that involve driving a motor vehicle in performance of work activities associated with the project.

I. <u>Trade Restriction Clause</u>

The PLANNER and/or sub-consultant, by submission of an offer and/or execution of a contract, certifies that it:

(1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

(2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

(3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The PLANNER must provide immediate written notice to MCAA if the PLANNER learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The PLANNER must require subcontractors provide immediate written notice to the PLANNER if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to an Offeror or subcontractor:

(1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
(2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
(3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The PLANNER agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The PLANNER may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the PLANNER has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the PLANNER or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through MCAA cancellation of the contract or subcontract for default at no cost to MCAA or the FAA.

J. Lobbying and Influencing Federal Employees

The PLANNER certifies by signing and submitting this contract, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the PLANNER, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

K. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR Part 201, et seq, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The PLANNER has full responsibility to monitor compliance to the referenced statute or regulation. The PLANNER must address any claims or disputes that arise from this requirement

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directly with the U.S. Department of Labor – Wage and Hour Division.

L. Occupational Safety and Health Act

This contract incorporates by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. All contracts and subcontracts that result from this contract shall incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. PLANNER must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The PLANNER retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). PLANNER must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

M. Recovered Materials

PLANNER and sub-consultants agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the PLANNER and sub-consultants are to use of products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

a. The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or,
b. The PLANNER has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the PLANNER can demonstrate the item is:

a. Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b. Fails to meet reasonable contract performance requirements; or
c. Is only available at an unreasonable price.

N. Seismic Safety

In the performance of design services, the PLANNER agrees to furnish a building design and associated construction specification that conform to a building code standard that provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the PLANNER agrees to furnish MCAA a "certification of compliance" that attests conformance of the building design and the construction specifications with the seismic standards of NEHRP or an equivalent building code.

O. Veteran's Preference

In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within 49 U.S.C. § 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. § 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment

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relates.

P. Prohibition of Covered Unmanned Aircraft Systems (UAS)
The PLANNER certifies that they are aware of and comply with relevant Federal statutes and regulations, including those from the Federal Aviation Administration (FAA), for operating unmanned aircraft systems (UAS) in accordance, and in compliance with all related requirements in the FAA Reauthorization Act of 2024 (Public Law 118-63), section 936 (49 U.S.C. § 44801 note).

PLANNER warrants that all UAS operations will be conducted in full compliance with all applicable Federal Aviation Administration (FAA) regulations, including but not limited to 14 CFR Part 107, and any other applicable local, state, or Federal laws and regulations.

Sponsors and subgrant recipients cannot use AIP grant funds to enter into, extend, or renew a contract related to covered unmanned aircraft systems (UAS). This includes both procurement and operational contracts, as well as contracts with entities that operate such systems.

Q. Domestic Preferences for Procurements
The PLANNER certifies by signing and submitting this bid or proposal that, to the greatest extent practicable, the PLANNER has provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products) in compliance with 2 CFR § 200.322.

R. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment
PLANNER and any subcontractor must agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act P.L. 115-232, § 889(f)(1).

S. Certification of PLANNER Regarding Tax Delinquency and Felony Convictions
By entering into this Agreement, PLANNER represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. The PLANNER also represents that it is nota corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months. The PLANNER agrees that it will incorporate this provision for certification in all lower tier subcontracts.

5.08. Breach of Contract Terms.

Any violation or breach of terms of this contract on the part of the PLANNER or their sub-consultants may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

5.09. Termination of Contract

The obligation to provide further services under this Agreement may be terminated:

a. *For cause*

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

i. **Termination by MCAA for cause**: MCAA may terminate this Agreement in whole or in part, for the failure of the PLANNER to:

   a. Perform the services within the time specified in this contract or by MCAA approved extension;
   b. Make adequate progress so as to endanger satisfactory performance of the Project;
   c. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the PLANNER must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the PLANNER must deliver to MCAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the PLANNER under this contract, whether complete or partially complete.

MCAA agrees to make just and equitable compensation to the PLANNER for satisfactory work completed up through the date the PLANNER receives the termination notice. Compensation will not include anticipated profit on non-performed services.
MCAA further agrees to hold PLANNER harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, MCAA determines the PLANNER was not in default of the Agreement, the rights and obligations of the parties shall be the same as if MCAA issued the termination for the convenience of MCAA.

ii. **Termination by PLANNER for cause**: The PLANNER may terminate this Agreement in whole or in part, if MCAA:

   a. Defaults on its obligations under this Agreement;
   b. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
   c. Suspends the Project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the PLANNER, MCAA agrees to cooperate with PLANNER for the purpose of terminating the agreement or portion thereof, by mutual consent. If MCAA and PLANNER cannot reach mutual agreement on the termination settlement, the PLANNER may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon MCAA's breach of the contract.

In the event of termination due to MCAA breach, the PLANNER is entitled to invoice MCAA and to receive full payment for all services performed or furnished in accordance with this Agreement

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and all justified reimbursable expenses incurred by the PLANNER through the effective date of termination action. MCAA agrees to hold PLANNER harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

b. *For convenience or without cause,*

i. MCAA may, by written notice to the PLANNER, terminate this Agreement for its convenience and without cause or default on the part of PLANNER. Upon receipt of the notice of termination, except as explicitly directed by MCAA, the PLANNER must immediately discontinue all services affected.

ii. Upon termination of the Agreement, the PLANNER must deliver to MCAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the PLANNER under this contract, whether complete or partially complete.

iii. MCAA agrees to make just and equitable compensation to the PLANNER for satisfactory work completed up through the date the PLANNER receives the termination notice. Compensation will not include anticipated profit on non-performed services.

iv. MCAA further agrees to hold PLANNER harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

v. The rights and remedies of MCAA provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

5.10 <u>Allocation of Risks - Indemnification</u>

A. To the fullest extent permitted by law, PLANNER shall indemnify and hold harmless MCAA and MCAA's officers, directors, partners, employees and agents from and against any and all claims, costs, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) to the proportionate extent caused by the negligent acts or omissions of PLANNER or PLANNER's officers, directors, partners, employees, and agents in the performance and furnishing of PLANNER's services under this Agreement. The indemnification provisions of the preceding sentence are subject to and limited by subsection D which is set forth below.

B. To the fullest extent permitted by law, MCAA shall indemnify and hold harmless PLANNER and PLANNER's officers, directors, partners, employees, agents and consultants from and against any and all claims, costs, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) to the proportionate extent caused by the negligent acts or omissions of MCAA or MCAA's officers, directors, partners, employees, and agents with respect to this Agreement.

C. In addition to the indemnity provided under paragraph 5.13B of this Agreement, and to the fullest extent permitted by law, MCAA shall indemnify and hold harmless PLANNER and its officers, directors, partners, employees, agents and consultants from and against all claims, costs, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from any hazardous environmental condition, provided that (i) any such claim, cost, loss, damage or expense is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this shall obligate MCAA to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence or misconduct.

The following definitions apply to this Agreement.

(1) *Asbestos*--Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

(2) *Hazardous Environmental Condition*--The presence at the Project site of Asbestos, PCB's, Petroleum, Hazardous Waste, or Radioactive Materials in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto in connection with the Work.

(3) *Hazardous Waste*--The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

(4) *PCB's*--Polychlorinated biphenyls.

(5) *Petroleum*--Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.

(6) *Radioactive Materials*--Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.

D. Conditions Beyond the Control of the PLANNER

MCAA recognizes that in the course of completing the services under this Agreement, the PLANNER may encounter conditions which are beyond the control of the PLANNER and which create potential for claims against and additional costs to the PLANNER which are not covered in fees earned for services provided. This category includes, but is not limited to the following:

(1) Unknown underground utilities or other man-made objects not properly located underground.

(2) Unavoidable contamination of subsurface areas, aquifers, etc., or the disturbance of natural underground resources during the design and construction of the project.

(3) Changed codes or standards during the course of the work.

(4) Information provided by others which is not accurate or complete.

(5) Conditions that may arise and differ significantly from those existing at the beginning of the project.

Should any such condition occur during the performance of this Agreement, judged to be beyond the control of the PLANNER, the PLANNER will promptly notify MCAA, and the parties will renegotiate the Agreement. If terms cannot be agreed to, the parties agree that either party has the right to terminate the Agreement. MCAA agrees to compensate the PLANNER for any time spent and expenses incurred by the PLANNER in defense of any such claim with such compensation to be based upon the PLANNER's prevailing fee schedule and expense reimbursement policy.

5.11 Limitations of Liability

In no event shall either Party to this Agreement, or their affiliated corporations, officers, employees, or any of their subcontractors, be liable to the other for any incidental, indirect, special, punitive, economic or consequential damages, including but not limited to loss of revenue or profits, suffered or incurred by a Party or any of its agents, including other contractors engaged at the project site, as a result of this Agreement or a Party's performance or non-performance of services pursuant to this Agreement. Limitations of liability provided in this paragraph apply whether the liability is claimed to arise in contract, tort (including negligence), strict liability, or otherwise.

5.12 Insurance

A. PLANNER shall procure and maintain insurance with limits of liability as follows

(1) Workers' Compensation:	Statutory
(2) General Liability:	
General Aggregate:	\$2,000,000
Each Occurrence (Bodily Injury and Property Damage):	\$2,000,000
(3) Excess Umbrella Liability:	
Each Occurrence:	\$1,000,000
(4) Automobile Liability	
Combined Single Limit	\$1,000,000
(5) Professional Liability (Aggregate)	\$3,000,000

B. Additional Insured. MCAA will be listed on PLANNER's policies of insurance as an additional insured for policies under 2, 3 and 4 above.

C. PLANNER shall deliver certificates of insurance to MCAA evidencing the coverage indicated.

D. MCAA agrees to include in construction contracts resulting from design services under this Agreement, provisions for satisfactory protection to MCAA and PLANNER during the construction phase of the project. This shall be accomplished by requiring the following in the construction Contract documents:

(1) Contractor's insurance company shall provide a letter to each insured and additional insured that the Contractor has provided the insurance coverage required by the contract documents.

(2) Contractor's liability insurance shall include as additional insureds MCAA, PLANNER and PLANNER's consultants, including coverage for the respective directors, officers, employees and agents of all such additional insureds.

(3) Contractor shall purchase a separate MCAA's and PLANNER's Protective Policy insuring MCAA and naming the PLANNER and the PLANNER's consultants as additional insureds. The minimum amount of this coverage shall be $1,500,000 each occurrence and $1,500,000 aggregate.

(4) If appropriate, Property (Builders Risk) Insurance shall be purchased by the Contractor, with the Contractor's Subcontractors, MCAA, PLANNER and PLANNER's consultants named as insureds or additional insureds.

The Contractor furnished policies shall be primary and not contributing to any other insurance of MCAA or PLANNER.

E. At any time, MCAA may request that PLANNER, at MCAA's sole expense, provide additional insurance coverage, increased limits, or revised deductibles that are more protective than those specified herein. If so requested by MCAA, with the concurrence of PLANNER, and if commercially available, PLANNER shall obtain and shall require PLANNER's subconsultants to obtain such additional insurance coverage, different limits, or revised deductibles for such periods of time as requested by MCAA.

5.13 Controlling Law

This Agreement shall be construed and interpreted pursuant to the laws of the State of Montana. Venue for any dispute or suit concerning this Agreement shall be in Missoula County, Montana.

5.14 Notices

Any notice required under this Agreement shall be in writing, addressed to the appropriate party at its address on the signature page and given personally, or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

5.15 Survival

All express representations, indemnifications, or limitations of liability included in this Agreement will survive its completion or termination for any reason.

5.16 Severability

Any provision or part of the Agreement held to be void or unenforceable shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon MCAA and PLANNER.

5.17 Waiver

Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

5.18 Attorney Fees and Costs

In any action brought by either party to enforce any of the terms of this Agreement, the prevailing party in such action shall be entitled to costs, out of pocket expenses, expert and lay witness fees and expenses, and such reasonable attorney and paralegal fees as the court shall determine just including any such costs, out of pocket expenses and fees incurred on any appeals or in any bankruptcy proceeding.

5.19 Counterparts

This agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

This AGREEMENT, together with any specifically noted attachments, if any, constitute the entire Agreement between MCAA and PLANNER and supersede all prior written or oral understandings. This Agreement may only be amended, supplemented or modified by a written instrument signed by both MCAA and PLANNER.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year
first above written.

MCAA:

____

Brian Ellestad
Airport Director

PLANNER:

____

Name:
Title:

ADDRESS FOR GIVING NOTICES:

5225 Highway 10 West Box 25
Missoula, MT 59808

ADDRESS FOR GIVING NOTICES:

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Missoula County Airport Authority
Agenda Action Sheet

Meeting Date: June 30th, 2026

1. **TITLE:** Award of Engineering Contract to Morrison Maierle

   Review, discussion and possible award and approval of an Engineering Services Contract with Morrison Maierle **ACTION ITEM**

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 5 Minutes

4. **BACKGROUND INFORMATION:** FAA regulations require that professional service contracts for both Planning and Engineering be put out for bid every five (5) years. The Missoula County Airport Authority received one submission for the Engineering Services RFQ from Morrison Maierle despite expanded advertising and posting efforts. Unlike previous RFQ cycles that featured large Terminal Construction projects, the current RFQ and CIP contain smaller pavement rehabilitation and maintenance projects that may have resulted in diminished interest. A review committee made up of Shane Stack, Brian Ellestad, Tim Damrow and Nate Cole was established to review and score the proposal and perform interviews if necessary. After deliberation by the committee and consultation with the local ADO regarding the limited response, the committee is recommending to the Board that Morrison Maierle be awarded the contract.

5. **BUDGET INFORMATION:** N/A

6. **SUPPLEMENTAL AGENDA INFORMATION:**
   Engineering Services Contract with Morrison Maierle
   Morrison Maierle Engineering Services RFQ Submission

7. **RECOMMENDED MOTION:** Move to award and approve the Engineering Services Contract with Morrison-Maierle, Inc. for a five-year term beginning on July 1, 2026.

8. **PREPARED BY:** Tim Damrow, Deputy Director

9. **COMMITTEE REVIEW:** None

MASTER AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES

THIS AGREEMENT is made as of July 1, 2026 between *Missoula County Airport Authority,* 5225 Highway 10 West, Missoula, MT 59808, a municipal airport authority created pursuant to Montana law ("MCAA"), and Morrison-Maierle, Inc. ("the ENGINEER").

RECITALS

1. The Missoula County Airport Authority owns and operates the Missoula Montana Airport in Missoula County, Montana ("Airport");
2. MCAA published notice of a Request for Qualifications for various engineering services due on May 22, 2026.
3. ENGINEER submitted a responsive bid and has been determined to be a responsible bidder and is qualified to perform the requested services.
4. MCAA has determined that ENGINEER's proposal is the most advantageous to the Airport;

NOW, THEREFORE, the parties mutually agree as follows:

1. This is a Master Form of Agreement which provides for the performance of engineering and related services for multiple projects over a specified period of time. Services shall be performed only as authorized by Task Orders issued under this Agreement.

2. The effective date of this Agreement is *July 1, 2026*. This Agreement shall be effective and applicable to Task Orders issued hereunder for *five (5)* years from the effective date of the Agreement.

3. This Agreement provides for the general terms and conditions which shall govern the relationships and performance of the ENGINEER and MCAA for the various projects involved in this Agreement. Each Task Order will further describe the particular project, specific services, work schedule and cost or estimated cost of the work to be performed. Each Task Order will specifically refer to and incorporate this Agreement by reference and will be signed by both parties.

4. ENGINEER shall not be obligated to perform any prospective Task Order unless and until MCAA and ENGINEER agree as to the particulars of the specific Project, ENGINEER's services, compensation and all other appropriate matters.

5. Expiration of this Agreement shall not affect Task Orders issued hereunder during its' term, or the validity of any actions taken under or with respect to such Task Orders, including modifications, whether taken before or after the expiration of the term of this Agreement.

6. The services specified in a Task Order issued to the ENGINEER shall be commenced by the ENGINEER promptly and in any event not later then the beginning date specified in the Task Order.

Section 1 – ENGINEER'S RESPONSIBILITY

1.01 The ENGINEER shall serve as MCAA's professional engineering representative for those phases of the project to which the Task Order and this Agreement applies, and will give consultation and advice to MCAA during the performance of the services. ENGINEER shall serve as MCAA's "principal consultant" as defined in the current publication of FAA Advisory Circular 150/5100-14 and shall represent

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MCAA in coordinating the work of other engineering/consulting firms hired by MCAA and has the overall responsibility to coordinate the work and review the work products of other engineering/consulting firms for general conformance to MCAA's requirements.

1.02 The ENGINEER shall perform the work in compliance with FAA requirements where applicable and in compliance with the standard of performance required in Section 1.07.

1.03 ENGINEER shall be responsible for the technical accuracy of its services and documents resulting therefrom, and MCAA shall not be responsible for discovering deficiencies therein. ENGINEER shall correct such deficiencies without additional compensation except to the extent such deficiencies are attributable to deficiencies in MCAA-furnished information.

1.04 ENGINEER represents that it is an independent contractor and will perform services pursuant to each Task Order as an independent contractor and not as an agent or employee of MCAA.

1.05 ENGINEER may retain such other sub-consultants or subcontractors as it may deem desirable for proper and timely performance of Services. ENGINEER shall be responsible for the management of the subcontractors and sub-consultants in the performance of their work.

1.06 Recommendations by ENGINEER to MCAA for periodic construction progress payments to the construction contractor will be based on ENGINEER's knowledge, information, and belief from selective sampling that the work has progressed to the point indicated. Such recommendations do not represent that the final work will be acceptable in all respects, that ENGINEER has made an examination to ascertain how or for what purpose the construction contractor has used the moneys paid, that title to any of the work, materials, or equipment has passed to MCAA free and clear of liens, claims, security interests, or encumbrances, or that there are no other matters at issue between MCAA and the construction contractor that affect the amount that should be paid.

1.07 The standard of care for all professional engineering and related services performed or furnished by ENGINEER under this Agreement will be the care and skill ordinarily used by members of ENGINEER's profession practicing under similar circumstances at the same time and in the same or similar area. ENGINEER makes no warranties, express or implied, under this Agreement or otherwise, in connection with ENGINEER's services. ENGINEER will re-perform any engineering or related services not meeting this standard without additional compensation. ENGINEER's re-performance of any engineering or related work shall not act as a release or satisfaction as to any other remedy or damages to which MCAA may be entitled and as permitted by the agreement.

1.08 The ENGINEER shall not be required to sign any documents, no matter by whom requested, that would result in the ENGINEER having to certify, guarantee or warrant the existence of conditions whose existence the ENGINEER cannot ascertain. MCAA also agrees not to make resolution of any dispute with the ENGINEER or payment of any amount due to the ENGINEER in any way contingent upon the ENGINEER signing any such certification.

1.09 In soils, foundation, groundwater and other subsurface investigations, the actual characteristics may vary significantly between successive test points and sample intervals and at locations other than where observations, exploration, and investigations have been made. Because of the inherent uncertainties in subsurface evaluations, changed or unanticipated underground conditions may occur that affect total Task Order cost and/or execution. These conditions and cost/execution effects are not the responsibility of the ENGINEER.

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<u>Section 2</u> – MCAA'S RESPONSIBILITIES

MCAA shall:

2.01 Provide ENGINEER full information as to the requirements for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations.

2.02 Place at the ENGINEER's disposal all available information pertinent to the Project including previous reports and any other data relative to the Project.

2.03 Guarantee access to and make all provisions for the ENGINEER to enter upon public and private property as required.

2.04 Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by the ENGINEER, obtain advice of an attorney, insurance counselor and other consultants as MCAA deems appropriate for such examination, and render in writing decisions pertaining thereto within ten calendar days so as not to delay the services of the ENGINEER.

2.05 Designate in writing a person to act as MCAA's representative with respect to the ENGINEER's services. Such person shall have complete authority to transmit instructions, receive information, and interpret and define MCAA's policies and decisions with respect to materials, equipment, elements and systems pertinent to the ENGINEER's services.

2.06 No information or instructions from MCAA pertaining to the project shall be transmitted to the ENGINEER or to other concerned persons or agencies except by MCAA's designated representative through the ENGINEER or its Resident Project Representative.

2.07 Advise ENGINEER of the identity and scope of services of any independent consultants employed by MCAA to perform or furnish services in regard to the Project, including, but not limited to, cost estimating, project peer review, value engineering, and constructibility review.

2.08 Furnish to ENGINEER data as to MCAA's anticipated costs for services to be provided by others for MCAA, so that ENGINEER may make the necessary calculations to develop and periodically adjust ENGINEER's opinion of total project costs.

2.09 Give prompt written notice to the ENGINEER whenever MCAA observes or otherwise becomes aware of any development that affects the scope or time of performance of ENGINEER's services, any defect or nonconformance in ENGINEER's services, or any defect in the Project or changed circumstances.

2.10 Furnish or direct the ENGINEER to provide additional services as required.

2.11 Advertise for Proposals from Bidders.

2.12 Bear all costs incident to compliance with the requirements of this Section.

<u>Section 3</u> – TIME OF PERFORMANCE

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3.01 The times for performing services or providing deliverables will be stated in each Task Order for a specific project.

3.02 The time for a party's performance will be extended to the extent performance was delayed by causes beyond the control and without the fault of the party seeking the extension. The party shall promptly notify the other party in writing when it is being delayed.

3.03 The construction time for completion by the Contractor shall be established in the construction documents. Delays by the Contractor requiring additional time shall allow additional payment to be made to the ENGINEER under Section 4 - Payment to Engineer. If the Project is not constructed during the anticipated construction period, the Engineering fees shall be subject to renegotiation.

Section 4 - PAYMENT TO ENGINEER

4.01 Based on the scope of the Project as described in Task Orders for individual projects, MCAA shall pay to the ENGINEER the established fees as set forth in each Task Order.

4.02 ENGINEER shall submit invoices for each Task Order to MCAA each month covering services completed to date as applicable. Each invoice will be prepared in a standard format and supported by documentation. Within ten days of receipt of the invoice, MCAA shall give detailed, written notice of any sums which it reasonably disputes or contests. If the parties are unable to resolve the matter within 15 days, only that portion so reasonably contested may be withheld from payment.

4.03 Invoices are due and payable within 45 days after receipt.

Section 5 - GENERAL PROVISIONS

5.01 Compliance with ADA

The Americans with Disabilities Act (ADA) provides that it is a violation of the ADA to design and construct a facility for first occupancy later than January 26, 1993, that does not meet the accessibility and usability requirements of the ADA except where an entity can demonstrate that it is structurally impractical to meet such requirements. MCAA acknowledges that the requirements of the ADA will be subject to various and possibly contradictory interpretations. The ENGINEER, therefore, will use reasonable professional efforts to interpret applicable ADA requirements and other federal, state and local laws, rules, codes, ordinances and regulations as they apply to the Project.

5.02 Changes

MCAA may, at any time and by written order, make changes within the general scope of the Agreement in the services to be provided. If such changes cause an increase or decrease in ENGINEER's costs of, or time required for, performance of any services, an equitable adjustment shall be made and the Agreement shall be modified in writing accordingly. Any claim of ENGINEER for an adjustment must be asserted in writing within 30 days from the date of receipt by ENGINEER of the notification of change unless MCAA grants a further period of time.

5.03 Construction Documents

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All documents furnished by ENGINEER pursuant to this Agreement, including Plans, Specifications, and reports, are instruments of its services in respect of the Project. Reproducible copies of drawings and copies of other pertinent data shall be made available to MCAA upon request. Electronic copies containing all drawings shall be furnished to MCAA. They are not intended or represented to be suitable for reuse by MCAA or others on extensions of the Project or on any other project. Any reuse by MCAA without specific written verification or adaptation by ENGINEER shall be at MCAA's sole risk and without liability or legal exposure to ENGINEER, and MCAA shall indemnify, defend and hold harmless ENGINEER for all claims, damages, losses and expenses, including attorneys' fees arising out of or resulting therefrom. Any such verification or adaptation shall entitle ENGINEER to further compensation at rates to be agreed upon by MCAA and ENGINEER.

5.04 Estimate of Construction Costs

Since ENGINEER has no control over the cost of labor, materials or equipment, or over the construction Contractors' methods of determining prices, or over competitive bidding or market conditions, the ENGINEER's opinions of probable Project cost or construction cost provided for herein represent the ENGINEER's judgment as a design professional familiar with the construction industry, but the ENGINEER cannot and does not guarantee that proposals, bids or the construction cost shall not vary from the ENGINEER's opinions of probable cost. If MCAA wishes greater assurance as to the construction cost it shall employ an independent cost estimator.

5.05 Dispute Resolution

MCAA and ENGINEER agree that they shall first submit any and all unsettled claims, counterclaims, disputes and other matters in question between them arising out of or relating to this Agreement or the breach thereof ("disputes"), to mediation by a mutually agreed upon mediator. After a written demand for non-binding mediation, which shall specify the nature of the dispute, and within thirty (30) days from the date of selection of the mediator, the matter shall be submitted to the mediator for consideration. The mediator shall provide an informal opinion and advice, none of which shall be binding upon the parties. The mediator's fee shall be shared equally by the parties. If the dispute has not been resolved, the matter may then be considered by other methods of dispute resolution.

MCAA and the ENGINEER further agree to include a similar mediation provision in all agreements with independent ENGINEERs and consultants retained for all projects entered into hereunder and to require all independent ENGINEERs and consultants also to include a similar mediation provision in all agreements with sub-consultants, sub-contractors, suppliers, or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

5.06 Access to Records and Reports

The ENGINEER shall maintain an acceptable cost accounting system. The ENGINEER agrees to provide MCAA, the Federal Aviation Administration and the Comptroller General of the United States or any of their duly authorized representatives access to any books, documents, papers, and records of the ENGINEER which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The ENGINEER agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

5.08 Successors and Assigns and Beneficiaries

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MCAA and ENGINEER each is hereby bound and the partners, successors, executors, administrators and legal representatives of MCAA and ENGINEER (and to the extent permitted by subsection B below, the assigns of MCAA and ENGINEER) are hereby bound to the other party to this Agreement and to the partners, successors, executors, administrators and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements and obligations of this Agreement.

Neither MCAA nor ENGINEER may assign, sublet or transfer any rights under or interest (including but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

Unless expressly provided otherwise in this Agreement:

A. Nothing in this Agreement shall be construed to create, impose or give rise to any duty owed by ENGINEER to any ENGINEER's sub-consultant, supplier, other individual or entity, or to any surety for or employee of any of them.

B. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of MCAA and ENGINEER and not for the benefit of any other party. MCAA agrees that the substance of the provisions of this paragraph shall appear in the construction Contract documents.

5.09 Compliance with Laws

The ENGINEER shall comply with laws, ordinances and regulations in effect as of the date of the Agreement and applicable to the ENGINEER's performance of this Agreement, and shall specifically comply with the following federal provisions:

A. General Civil Rights Provisions

In all its activities within the scope of its airport program, the ENGINEER agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision binds the ENGINEER and subcontractors from the bid solicitation period through the completion of the contract.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

B. Compliance with Nondiscrimination Requirements

During the performance of this contract, the ENGINEER, for itself, its assignees and successors in interest agrees as follows:

Compliance with Regulations The ENGINEER (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.

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Non-discrimination: The ENGINEER, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin), creed, sex, age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The ENGINEER will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21 including amendments thereto.

Solicitations for Subcontracts, Including Procurements of Materials and Equipment**:** In all solicitations, either by competitive bidding or negotiation made by the ENGINEER for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the ENGINEER of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.

Information and Reports: The ENGINEER will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the ENGINEER will so certify to the Sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

Sanctions for Noncompliance: In the event of a ENGINEER'S noncompliance with the non-discrimination provisions of this contract, the Sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:

a. Withholding payments to the ENGINEER under the contract until the ENGINEER complies; and/or
b. Cancelling, terminating, or suspending a contract, in whole or in part.

Incorporation of Provisions: The ENGINEER will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The ENGINEER will take action with respect to any subcontract or procurement as the Sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the ENGINEER becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the ENGINEER may request the Sponsor to enter into any litigation to protect the interests of the Sponsor. In addition, the ENGINEER may request the United States to enter into the litigation to protect the interests of the United States.

C. Title VI List of Pertinent Non-Discrimination Acts and Authorities

During the performance of this contract, the ENGINEER, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq*., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964) including amendments thereto;

- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq*.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq*.), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (P.L. 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and Contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

D. <u>Clean Air and Water Pollution Control</u>

ENGINEER agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. §§ 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. §§ 1251-1387). The ENGINEER agrees to report any violation to MCAA immediately upon discovery. MCAA assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

ENGINEER must include this requirement in all subcontracts that exceeds $150,000.

E. <u>Contract Work Hours and Safety Standards Act Requirements</u>

a. <u>Overtime Requirements.</u> No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic, including watchmen and guards, in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

b. <u>Violation; Liability for Unpaid Wages; Liquidated Damages.</u> In the event of any violation of the clause set forth in paragraph (1) of this clause, the ENGINEER and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this clause, in the sum of $33 for each calendar day

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on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this clause.

c. Withholding for Unpaid Wages and Liquidated Damages. The Federal Aviation Administration (FAA) or MCAA shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this clause.

d. Subcontractors. The ENGINEER or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs (a) through (d) and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (a) through (d) of this clause.

F. Disadvantaged Business Enterprise

a. Contract Assurance (§26.13) - The ENGINEER, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The ENGINEER shall carry out applicable requirements of 49 CFR Part 26, including any amendments thereto, in the award and administration of DOT-assisted contracts. Failure by the ENGINEER to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to: 1) withholding monthly progress payments; 2) assessing sanctions; 3) liquidated damages; and/or 4) disqualifying the ENGINEER from future bidding as non-responsible.

b. Prompt Payment (§26.29) The ENGINEER agrees to pay each sub-consultant under this prime contract for satisfactory performance of its contract no later than 14 days from the receipt of each payment the prime ENGINEER receives from MCAA**.** The ENGINEER agrees further to return retainage payments to each sub-consultant within 14 days after the sub-consultants work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the sub-consultant. This clause applies to both DBE and non-DBE sub-consultants.

G. Debarment, Suspension, Ineligibility and Voluntary Exclusion

The ENGINEER and/or sub-consultants, by execution of this contract, certifies that it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

The ENGINEER, by administering any lower tier subcontract that exceeds $25,000 as a "covered transaction", must verify each lower tier participant of a "covered transaction" under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The ENGINEER will accomplish this by:

a. Checking the System for Award Management at website: http://www.sam.gov

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b. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension, above.
c. Inserting a clause or condition in the covered transaction with the lower tier contract.

If the FAA later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

H. <u>Distracted Driving.</u>
In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving", (10/1/2009) and DOT Order 3902.10, "Text Messaging While Driving", (12/30/2009), the Federal Aviation Administration encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or subgrant.

In support of this initiative, MCAA encourages the ENGINEER to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The ENGINEER must include the substance of this clause in all sub-tier contracts exceeding $15,000 that involve driving a motor vehicle in performance of work activities associated with the project.

I. <u>Trade Restriction Clause</u>
The ENGINEER and/or sub-consultant, by submission of an offer and/or execution of a contract, certifies that it:

(1) is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (USTR);

(2) has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the USTR; and

(3) has not entered into any subcontract for any product to be used on the Federal project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18 USC § 1001.

The ENGINEER must provide immediate written notice to MCAA if the ENGINEER learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The ENGINEER must require subcontractors provide immediate written notice to the ENGINEER if at any time it learns that its certification was erroneous by reason of changed circumstances.

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Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR § 30.17, no contract shall be awarded to a contractor or subcontractor:

(1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the USTR; or
(2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such USTR list; or
(3) who incorporates in the public works project any product of a foreign country on such USTR list.

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The ENGINEER agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The ENGINEER may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by USTR, unless the ENGINEER has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the ENGINEER or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration (FAA) may direct through MCAA cancellation of the contract or subcontract for default at no cost to MCAA or the FAA.

J. Lobbying and Influencing Federal Employees

The ENGINEER certifies by signing and submitting this contract, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the ENGINEER, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

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This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. § 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

K. Federal Fair Labor Standards Act

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR Part 201, et seq, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part-time workers.

The ENGINEER has full responsibility to monitor compliance to the referenced statute or regulation. The ENGINEER must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division.

L. Occupational Safety and Health Act

This contract incorporates by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. All contracts and subcontracts that result from this contract shall incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. ENGINEER must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The ENGINEER retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). ENGINEER must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

M. Recovered Materials

ENGINEER and sub-consultants agree to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, and the regulatory provisions of 40 CFR Part 247. In the performance of this contract and to the extent practicable, the ENGINEER and sub-consultants are to use of products containing the highest percentage of recovered materials for items designated by the Environmental Protection Agency (EPA) under 40 CFR Part 247 whenever:

a. The contract requires procurement of $10,000 or more of a designated item during the fiscal year; or,
b. The ENGINEER has procured $10,000 or more of a designated item using Federal funding during the previous fiscal year.

a) The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the ENGINEER can demonstrate the item is:

a. Not reasonably available within a timeframe providing for compliance with the contract performance schedule;
b. Fails to meet reasonable contract performance requirements; or
c. Is only available at an unreasonable price.

N. Seismic Safety

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In the performance of design services, the ENGINEER agrees to furnish a building design and associated construction specification that conform to a building code standard that provides a level of seismic safety substantially equivalent to standards as established by the National Earthquake Hazards Reduction Program (NEHRP). Local building codes that model their building code after the current version of the International Building Code (IBC) meet the NEHRP equivalency level for seismic safety. At the conclusion of the design services, the ENGINEER agrees to furnish MCAA a "certification of compliance" that attests conformance of the building design and the construction specifications with the seismic standards of NEHRP or an equivalent building code.

O. Veteran's Preference
In the employment of labor (excluding executive, administrative, and supervisory positions), the Contractor and all sub-tier contractors must give preference to covered veterans as defined within 49 U.S.C. § 47112. Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. § 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

P. Prohibition of Covered Unmanned Aircraft Systems (UAS)
The ENGINEER certifies that they are aware of and comply with relevant Federal statutes and regulations, including those from the Federal Aviation Administration (FAA), for operating unmanned aircraft systems (UAS) in accordance, and in compliance with all related requirements in the FAA Reauthorization Act of 2024 (Public Law 118-63), section 936 (49 U.S.C. § 44801 note).

ENGINEER warrants that all UAS operations will be conducted in full compliance with all applicable Federal Aviation Administration (FAA) regulations, including but not limited to 14 CFR Part 107, and any other applicable local, state, or Federal laws and regulations.

Sponsors and subgrant recipients cannot use AIP grant funds to enter into, extend, or renew a contract related to covered unmanned aircraft systems (UAS). This includes both procurement and operational contracts, as well as contracts with entities that operate such systems.

Q. Domestic Preferences for Procurements
The ENGINEER certifies by signing and submitting this bid or proposal that, to the greatest extent practicable, the ENGINEER has provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products) in compliance with 2 CFR § 200.322.

R. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment
ENGINEER and any subcontractor must agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act P.L. 115-232, § 889(f)(1).

S. Certification of ENGINEER Regarding Tax Delinquency and Felony Convictions
By entering into this Agreement, ENGINEER represents that it is not a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. The ENGINEER also

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represents that it is nota corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months. The ENGINEER agrees that it will incorporate this provision for certification in all lower tier subcontracts.

5.10. Breach of Contract Terms.

Any violation or breach of terms of this contract on the part of the ENGINEER or their sub-consultants may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement. The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law.

5.11. Termination of Contract

The obligation to provide further services under this Agreement may be terminated:

a. *For cause*

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

i. **Termination by MCAA for cause**: MCAA may terminate this Agreement in whole or in part, for the failure of the ENGINEER to:

a. Perform the services within the time specified in this contract or by MCAA approved extension;
b. Make adequate progress so as to endanger satisfactory performance of the Project;
c. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the ENGINEER must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the ENGINEER must deliver to MCAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

MCAA agrees to make just and equitable compensation to the ENGINEER for satisfactory work completed up through the date the ENGINEER receives the termination notice. Compensation will not include anticipated profit on non-performed services.
MCAA further agrees to hold ENGINEER harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, MCAA determines the ENGINEER was not in default of the Agreement, the rights and obligations of the parties shall be the same as if MCAA issued the termination for the convenience of MCAA.

ii. **Termination by ENGINEER for cause**: The ENGINEER may terminate this Agreement in whole or in part, if MCAA:

a. Defaults on its obligations under this Agreement;
b. Fails to make payment to the Consultant in accordance with the terms of this Agreement;
c. Suspends the Project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the ENGINEER, MCAA agrees to cooperate with ENGINEER for the purpose of terminating the agreement or portion thereof, by mutual consent. If MCAA and ENGINEER cannot reach mutual agreement on the termination settlement, the ENGINEER may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon MCAA's breach of the contract.

In the event of termination due to MCAA breach, the Engineer is entitled to invoice MCAA and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the ENGINEER through the effective date of termination action. MCAA agrees to hold ENGINEER harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

b. *For convenience or without cause,*

i. MCAA may, by written notice to the ENGINEER, terminate this Agreement for its convenience and without cause or default on the part of ENGINEER. Upon receipt of the notice of termination, except as explicitly directed by MCAA, the ENGINEER must immediately discontinue all services affected.
ii. Upon termination of the Agreement, the ENGINEER must deliver to MCAA all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.
iii. MCAA agrees to make just and equitable compensation to the ENGINEER for satisfactory work completed up through the date the ENGINEER receives the termination notice. Compensation will not include anticipated profit on non-performed services.
iv. MCAA further agrees to hold ENGINEER harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.
v. The rights and remedies of MCAA provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

5.12 <u>Construction Operations Plan</u>

Neither the professional activities of the ENGINEER, nor the presence of the ENGINEER or the ENGINEER'S employees and subconsultants at any MCAA construction site, shall relieve the Contractor and any other entity of their obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending or coordinating all portions of the work of construction in accordance with the contract documents and any health or safety precautions required by any regulatory agencies. ENGINEER'S personnel have no authority to exercise any control over any construction Contractor or other entity or their employees in connection with their work or any health or safety precautions. MCAA agrees that the Contractor is solely responsible for jobsite safety, and warrants that this intent shall be made evident in MCAA'S agreement with the Contractor. MCAA also agrees that MCAA'S agreement with the Contractor shall require the Contractor to indemnify MCAA, the ENGINEER and the ENGINEER'S sub-consultants from and against all claims arising out of or resulting from the performance of the work and shall also require the Contractor to provide a separate policy containing MCAA's Protective Liability coverage, which, in addition to the Contractors' general liability insurance policy, shall name MCAA, the ENGINEER and the ENGINEER'S sub-consultants as insureds and which shall indemnify MCAA, ENGINEER and the ENGINEER'S sub-consultants against claims, demands or liability by any person or entity which may arise from the performance of the Contractor and his or her subcontractors on the project.

5.13 Allocation of Risks - Indemnification

A. To the fullest extent permitted by law, ENGINEER shall indemnify and hold harmless MCAA and MCAA's officers, directors, partners, employees and agents from and against any and all claims, costs, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) to the proportionate extent caused by the negligent acts or omissions of ENGINEER or ENGINEER's officers, directors, partners, employees, and agents in the performance and furnishing of ENGINEER's services under this Agreement. The indemnification provisions of the preceding sentence are subject to and limited by subsection D which is set forth below.

B. To the fullest extent permitted by law, MCAA shall indemnify and hold harmless ENGINEER and ENGINEER's officers, directors, partners, employees, agents and consultants from and against any and all claims, costs, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) to the proportionate extent caused by the negligent acts or omissions of MCAA or MCAA's officers, directors, partners, employees, and agents with respect to this Agreement.

C. In addition to the indemnity provided under paragraph 5.13B of this Agreement, and to the fullest extent permitted by law, MCAA shall indemnify and hold harmless ENGINEER and its officers, directors, partners, employees, agents and consultants from and against all claims, costs, losses, damages and expenses (including but not limited to all fees and charges of engineers, architects, attorneys and other professionals and all court or arbitration or other dispute resolution costs) caused by, arising out of or resulting from any hazardous environmental condition, provided that (i) any such claim, cost, loss, damage or expense is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than completed Work), including the loss of use resulting therefrom, and (ii) nothing in this shall obligate MCAA to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence or misconduct.

The following definitions apply to this Agreement.

(1) *Asbestos*--Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.

(2) *Hazardous Environmental Condition*--The presence at the Project site of Asbestos, PCB's, Petroleum, Hazardous Waste, or Radioactive Materials in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto in connection with the Work.

(3) *Hazardous Waste*--The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

(4) *PCB's*--Polychlorinated biphenyls.

(5) *Petroleum*--Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.

(6) *Radioactive Materials*--Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.

D. Conditions Beyond the Control of the Engineer

MCAA recognizes that in the course of completing the services under this Agreement, the ENGINEER may encounter conditions which are beyond the control of the ENGINEER and which create potential for claims against and additional costs to the ENGINEER which are not covered in fees earned for services provided. This category includes, but is not limited to the following:

(1) Unknown underground utilities or other man-made objects not properly located underground.

(2) Unavoidable contamination of subsurface areas, aquifers, etc., or the disturbance of natural underground resources during the design and construction of the project.

(3) Changed codes or standards during the course of the work.

(4) Information provided by others which is not accurate or complete.

(5) Conditions that may arise and differ significantly from those existing at the beginning of the project.

Should any such condition occur during the performance of this Agreement, judged to be beyond the control of the ENGINEER, the ENGINEER will promptly notify MCAA, and the parties will renegotiate the Agreement. If terms cannot be agreed to, the parties agree that either party has the right to terminate the Agreement. MCAA agrees to compensate the ENGINEER for any time spent and expenses incurred by the ENGINEER in defense of any such claim with such compensation to be based upon the ENGINEER's prevailing fee schedule and expense reimbursement policy.

5.14 Limitations of Liability

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In no event shall either Party to this Agreement, or their affiliated corporations, officers, employees, or any of their subcontractors, be liable to the other for any incidental, indirect, special, punitive, economic or consequential damages, including but not limited to loss of revenue or profits, suffered or incurred by a Party or any of its agents, including other contractors engaged at the project site, as a result of this Agreement or a Party's performance or non-performance of services pursuant to this Agreement. Limitations of liability provided in this paragraph apply whether the liability is claimed to arise in contract, tort (including negligence), strict liability, or otherwise.

5.15 Asbestos or Hazardous Substances

If asbestos or hazardous substances in any form are encountered or suspected, ENGINEER shall stop its own work in the affected portions of the project to permit testing and evaluation. ENGINEER shall also take reasonable steps to stop any others from working in the affected area and shall immediately inform MCAA. If asbestos is suspected, ENGINEER will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated.

If hazardous substances other than asbestos are suspected, ENGINEER will, if requested, conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated. MCAA recognizes that ENGINEER assumes no risk and/or liability for a waste or hazardous waste site originated by other than ENGINEER.

5.16 Insurance

A. ENGINEER shall procure and maintain insurance with limits of liability as follows

(1)	Workers' Compensation:	Statutory
(2)	General Liability:	
	General Aggregate:	$2,000,000
	Each Occurrence (Bodily Injury and Property Damage):	$2,000,000
(3)	Excess Umbrella Liability:	
	Each Occurrence:	$1,000,000
(4)	Automobile Liability	
	Combined Single Limit	$1,000,000
(5)	Professional Liability (Aggregate)	$3,000,000

B. Additional Insured. MCAA will be listed on ENGINEER's policies of insurance as an additional insured for policies under 2, 3 and 4 above.

C. ENGINEER shall deliver certificates of insurance to MCAA evidencing the coverage indicated.

D. MCAA agrees to include in construction contracts resulting from design services under this Agreement, provisions for satisfactory protection to MCAA and ENGINEER during the construction phase of the project. This shall be accomplished by requiring the following in the construction Contract documents:

(1) Contractor's insurance company shall provide a letter to each insured and additional insured that the Contractor has provided the insurance coverage required by the contract documents.

(2) Contractor's liability insurance shall include as additional insureds MCAA, ENGINEER and ENGINEER's consultants, including coverage for the respective directors, officers, employees and agents of all such additional insureds.

(3) Contractor shall purchase a separate MCAA's and ENGINEER's Protective Policy insuring MCAA and naming the ENGINEER and the ENGINEER's consultants as additional insureds. The minimum amount of this coverage shall be $1,500,000 each occurrence and $1,500,000 aggregate.

(4) If appropriate, Property (Builders Risk) Insurance shall be purchased by the Contractor, with the Contractor's Subcontractors, MCAA, ENGINEER and ENGINEER's consultants named as insureds or additional insureds.

The Contractor furnished policies shall be primary and not contributing to any other insurance of MCAA or ENGINEER.

E. At any time, MCAA may request that ENGINEER, at MCAA's sole expense, provide additional insurance coverage, increased limits, or revised deductibles that are more protective than those specified herein. If so requested by MCAA, with the concurrence of ENGINEER, and if commercially available, ENGINEER shall obtain and shall require ENGINEER's subconsultants to obtain such additional insurance coverage, different limits, or revised deductibles for such periods of time as requested by MCAA.

5.17 Controlling Law

This Agreement shall be construed and interpreted pursuant to the laws of the State of Montana. Venue for any dispute or suit concerning this Agreement shall be in Missoula County, Montana.

5.18 Notices

Any notice required under this Agreement shall be in writing, addressed to the appropriate party at its address on the signature page and given personally, or by registered or certified mail postage prepaid, or by a commercial courier service. All notices shall be effective upon the date of receipt.

5.19 Survival

All express representations, indemnifications, or limitations of liability included in this Agreement will survive its completion or termination for any reason.

5.20 Severability

Any provision or part of the Agreement held to be void or unenforceable shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon MCAA and ENGINEER.

5.21 Waiver

Non-enforcement of any provision by either party shall not constitute a waiver of that provision, nor shall it affect the enforceability of that provision or of the remainder of this Agreement.

5.22 Attorney Fees and Costs

In any action brought by either party to enforce any of the terms of this Agreement, the prevailing party in such action shall be entitled to costs, out of pocket expenses, expert and lay witness fees and expenses, and such reasonable attorney and paralegal fees as the court shall determine just including any such costs, out of pocket expenses and fees incurred on any appeals or in any bankruptcy proceeding.

5.19 Counterparts

This agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

This AGREEMENT, together with any specifically noted attachments, if any, constitute the entire Agreement between MCAA and ENGINEER and supersede all prior written or oral understandings. This Agreement may only be amended, supplemented or modified by a written instrument signed by both MCAA and ENGINEER.

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IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

MCAA:

____

Brian Ellestad, A.A.E.
Airport Director

ADDRESS FOR GIVING NOTICES:

5225 Highway 10 West Box 25
Missoula, MT 59808

ENGINEER:

____

Name
Title

ADDRESS FOR GIVING NOTICES:

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Missoula County Airport Authority

Agenda Action Sheet

Meeting Date: May 26, 2026

1. **TITLE:** UKG Conrtact for Human Resources Information System Software and Support

   ACTION ITEM Review, discussion and possible approval of UKG Contract.

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 5 Minutes

4. **BACKGROUND INFORMATION:** MCAA implemented UKG as our Human Resources Information System (HRIS) in January 2024. UKG has significantly improved internal processes including recruitment. payroll, personnel records management. timekeeping, and reporting. The system supports compliance through established internal controls, segregation of duties, and automated workflows.

   Maintaining UKG ensures continuity of operations, avoids disruption to payroll and HR processes, and preserves prior implementation investment. Transitioning to a new HRIS would require significant cost. time, and operational disruption. Our current system is fully implemented and embedded in operations.

   Under this 3-year agreement:

   Annual minimum cost: $17,238
   Pricing includes up to 50 employees; additional employees are billed incrementally.
   Average monthly employee count (last 12 months): 98.
   Per employee monthly fee for employees over 50: $28.73
   Year 1 includes a 7% increase
   Years 2 and 3 have no increase (0%)

5. **BUDGET INFORMATION:** Amount required: $51,714 (3-year total). For FY27, we budgeted $35,000, but were able to negotiate a lower price after preparation of the line item.

6. **SUPPLEMENTAL AGENDA INFORMATION:** UKG Contact

7. **RECOMMENDED MOTION:** Move to approve the 3-year UKG contract as presented.

8. **PREPARED BY:** Nikki Munro

9. **COMMITTEE REVIEW:** None

HR, Pay, & Workforce Management

RENEWAL ORDER FORM

Quote#: Q-420364

Date:26 May, 2026

Customer Legal Name:
Missoula County Airport Authority

Customer Legal Address:
5225 US HIGHWAY 10 W, Missoula, MT 59808-9585 USA

Ship To: Missoula County Airport Authority
5225 US HIGHWAY 10 W
Missoula, MT 59808-9585 USA

Bill To: Missoula County Airport Authority
5225 US HIGHWAY 10 W
Missoula, MT 59808-9585 USA

Bill To Contact:

Payment Terms: Net 30 Days
Customer PO Number:
Renewal Term: 36 months
Billing Frequency: Quarterly
Billing Type: Advance

Currency:USD
Solution ID: 6195145

Order Notes:

This is a 36-month term. Year one is 7% increase. Year two and three are 0% increase. Following the expiration of the Renewal Term, the Subscription Services shall automatically renew for successive renewal terms of one (1) year each (each, a “Subsequent Renewal Term”), unless terminated in accordance with this Agreement. Any pricing increases applicable to a Subsequent Renewal Term shall not exceed five percent (5%) per year.

Customer desires to terminate using UKG Ready Compensation only and such termination shall be effective as of the renewal start date.

Customer may not terminate the Subscription Services for convenience during the Renewal Term. Customer may terminate the Subscription Services effective at the end of the Renewal Term by providing at least sixty (60) days’ prior written notice. During any Subsequent Renewal Term, Customer may terminate the Subscription Services for convenience upon at least sixty (60) days’ prior written notice, with termination effective as of the end of such notice period.

Contract Summary

Contract Period Start Date: 10/1/2026 12:00:00 AM
Contract Period End Date: 9/30/2029 12:00:00 AM

Total Minimum Price: USD 51,714.01

The Total Minimum Price is the total billable amount (pre-tax) for the contract period listed above.

Subscription Services

Subscription Services	Monthly Minimum Quantity	Employee Type	Subscription Fee Per Employee Per Month	Start Date
UKG READY TIME AND SCHEDULING UKG READY TIME UKG READY ATTESTATION UKG READY INTEGRATION HUB UKG READY ACCRUALS MANAGER **UKG READY PAYROLL** UKG READY PAYROLL SERVICES WITH SMARTCHECK **UKG READY RECRUITING** **UKG READY WORKFORCE INSIGHTS** **UKG READY HR** **UKG READY LEAVE** **UKG READY SCHEDULER** **GREAT PLACE TO WORK CERTIFICATION - ASSESS TIER** **UKG READY BENEFITS**	50	Payroll Employees	USD 28.73	October 1, 2026

Missoula County Airport Authority		**UKG Inc.**	
Signature:	______________________	Signature:	______________________
Name:	______________________	Name:	______________________
Title:	______________________	Title:	______________________
Date:	______________________	Date:	______________________

The monthly price on this Order has been rounded to two decimal places for display purposes. As many as eight decimal places may be present in the actual price. Due to the rounding calculations, the actual price may not display as expected when displayed on your Order. Nonetheless, the actual price on your invoice is the true and binding total for this Order for purposes of amounts owed for the term. If you are tax exempt, please email a copy of your “Tax Exempt Certificate” to TaxExemption@ukg.com along with the quote number otherwise this order is subject to applicable taxes. The actual tax amount to be paid by Customer will be shown on Customer’s invoice.

Missoula County Airport Authority
Agenda Action Sheet

Meeting Date: June 30, 2026

1. **TITLE:** Baggage Handling System (BHS) Spare Parts

   ACTION ITEM: Review, discussion, and possible approval of the purchase of spare parts for the BHS inbound (baggage claim).

2. **AGENDA CATEGORY:**
   UNFINISHED BUSINESS NEW BUS NESS COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 5 Minutes

4. **BACKGROUND INFORMATION:** The East Concourse terminal expansion project did not include an allowance for BHS spare parts. Airport staff received a recommended BHS spare parts list from the installer and obtained multiple quotes, the lowest of which came from G&S Airport Conveyor in the amount of $62,969.18. Freight cost is estimated at $1,000 for a total estimated cost of $63,969.18

5. **BUDGET INFORMATION:**
   Amount Required: Unbudgeted $63,969.18

6. **SUPPLEMENTAL AGENDA INFORMATION:** MSO Inbound Spares

7. **RECOMMENDED MOTION:** Move to approve the purchase of BHS spare parts in the amount of $63,969.18 from G&S Airport Conveyor.

8. **PREPARED BY:** AJ Bemrose, Building Maintenance Supervisor

9. **COMMITTEE REVIEW:** N/A

January 14, 2026

Subject: Baggage Handling System Spare Parts Pricing for Missoula International Airport

Part Name	Description	Mfg	Part Number	Rec. Qty.	Supplier	Unit Cost	Total Cost
1 7/16" Shaft Roller Bearing	Ø1 7/16 Bore, 2 Bolt Flanged, Eccentric Lock Bearing	Dodge	F2B SXR 107 ABHS	4	G&S	$ 173.94	$ 695.76
Drive / Idler Bearing	Ø1 1/2 Bore, 2 Bolt Flanged, Eccentric Lock Bearing	Dodge	F2B SXR 108 ABHS	2	G&S	$ 173.94	$ 347.88
1 11/16" Shaft Roller Bearing	Ø1 11/16 Bore, 4 Bolt Flanged, Eccentric Lock Bearing	Dodge	F4B SXR 111 ABHS	2	G&S	$ 188.30	$ 376.60
General Transport Belt, Cover One Side	36" Wide x 50ft -9.5in Long, Laced Both EndsE 8/2 U0/V5H MT-FR	Forbo	906433	1	G&S	$ 1,304.82	$ 1,304.82
General Transport Belt, Cover One Side	36" Wide x 52ft -10.5in Long, Laced Both EndsE 8/2 U0/V5H MT-FR	Forbo	906433	1	G&S	$ 1,353.03	$ 1,353.03
General Transport Belt, Cover One Side	36" Wide x 62ft -2.5in Long, Laced Both EndsE 8/2 U0/V5H MT-FR	Forbo	906433	1	G&S	$ 1,569.07	$ 1,569.07
General Transport Belt, Cover One Side	36" Wide x 45ft -9.5in Long, Laced Both EndsE 8/2 U0/V5H MT-FR	Forbo	906433	1	G&S	$ 1,189.09	$ 1,189.09
General Transport Belt, Cover One Side	36" Wide x 46ft -9.5in Long, Laced Both EndsE 8/2 U0/V5H MT-FR	Forbo	906433	1	G&S	$ 1,212.23	$ 1,212.23
General Transport Belt, Longitudinal Groove	36" Wide x 68ft -3.81in Long, Laced Both EndsE 8/2 U0/V15 LG-FR	Forbo	906434	1	G&S	$ 1,725.85	$ 1,725.85
General Transport Belt, Longitudinal Groove	36" Wide x 53ft -8.67in Long, Laced Both EndsE 8/2 U0/V15 LG-FR	Forbo	906434	1	G&S	$ 1,384.74	$ 1,384.74
General Transport Belt, Longitudinal Groove	36" Wide x 41ft -7.75in Long, Laced One End, E 8/2 U0/V15 LG-FR	Forbo	906434	1	G&S	$ 1,102.50	$ 1,102.50
General Transport Belt, Longitudinal Groove	36" Wide x 53ft -3.92in Long, Laced Both EndsE 8/2 U0/V15 LG-FR	Forbo	906434	1	G&S	$ 1,375.51	$ 1,375.51
M12 Nylock Nut	Nut Nylok M12X1.75 8.8 ZN	G&S	2071	10	G&S	$ 0.65	$ 6.50

Upper / Lower Wheel Bolt	Bolt Hex M12X1.75 50 8.8 ZN	G&S	1050-50	10	G&S	$ 1.52	$ 15.20
Guide Wheel Bolt	Bolt Hex M12X1.75 90 8.8 ZN	G&S	1050-90	10	G&S	$ 2.03	$ 20.30
Buffer Screws	Capsc Soc Hd 1/4 - 20 X 5/8 SS	G&S	1078-5	10	G&S	$ 3.77	$ 37.70
Idler Sprocket	12B-2 27 Tooth Sprocket, 1 1/2" Bore	G&S	GS1000078	1	G&S	$ 426.55	$ 426.55
Drive Sprocket	12B-2 27 Tooth Sprocket, 1 1/2" Bore, FKNN6208	G&S	GS1001704	1	G&S	$ 1,603.00	$ 1,603.00
Support Wheel Assembly	3" Dia. Black Urethane Molded Wheel, 6301 Precision Bearing	G&S	GS1002443	10	G&S	$ 62.42	$ 624.20
Support Wheel Bushing	0.750" Dia x 0.480" Bore x 0.472" Height	G&S	GS1002444	10	G&S	$ 3.96	$ 39.60
Spline Assembly	Spline Assembly Includes Support Wheels, Caterpillar Drive Dog	G&S	GS1002450	10	G&S	$ 664.55	$ 6,645.50
CCW Flight	14 Ga. Formed Stainless Steel With Uhmwpe Wear Strip, Counter Clockwise	G&S	GS1002488	10	G&S	$ 365.30	$ 3,653.00
UHMWPE Drive Ramp	Black UHMWPE Chain Guide	G&S	GS1002628	1	G&S	$ 343.22	$ 343.22
Caterpillar Drive Chain Assembly	Roller Chain, Includes Extended Drive Links	G&S	GS1002699	1	G&S	$ 1,097.55	$ 1,097.55
Spline Tie Strap	Nylon Strap, Pre-Punched (Price is per Foot, Sold in 50 foot Rolls)	G&S	GS1002792	50	G&S	$ 5.89	$ 294.50
Drive Shaft	Ø1.500" x 26", cw 3/8" x 2" Key	G&S	GS1006717	1	G&S	$ 288.97	$ 288.97
Idler Shaft	Ø1.500" x 11.250", cw 3/8" x 2" Key	G&S	GS1006718	1	G&S	$ 208.40	$ 208.40
Buffer	Molded Polyurethane	G&S	GS1007698	10	G&S	$ 119.75	$ 1,197.50
2.5" Idler Roller - 36" BW	Ø2.5" Idler Roller + 0.688 Hex Shaft - 36" Belt	G&S	RL36-2511-I	1	G&S	$ 140.85	$ 140.85
4" Idler Roller - 36" BW	Ø4" Idler Roller + 1.438 Shaft - 36" Belt	G&S	RL36-4023-I	1	G&S	$ 544.30	$ 544.30

6" Idler Roller - 36" BW	Ø6" Idler Roller + 1.438 Shaft - 36" Belt	G&S	RL36-6023-I	1	G&S	$ 648.35	$ 648.35
7.75" Drive Roller KT57 - SYM - 36" BW	Ø7.75" Drive Roller + 1.5" KT57 Shaft - Symmetrical - 36" Belt	G&S	RL36-7024-KT57-SYM	1	G&S	$ 1,298.60	$ 1,298.60
8.75" Drive Roller KT57 - SYM - 36" BW	Ø8.75" Drive Roller + 1.688" KT57 Step Shaft - Symmetrical - 36" Belt	G&S	RL36-8027-KT57 Step-SYM	1	G&S	$ 1,402.30	$ 1,402.30
Gear Motor	3 HP, 480V - 3 Ø - 60 HZ,1.500 Bore, M1AB, (Carousels BC1 & BC2)	SEW	KT57 DRN100LM4	1	G&S	$2,620.09	$ 2,620.09
Gear Motor	5 HP, 480V - 3 Ø - 60 HZ ,1.688 Bore, M4AB (Conveyor IB1-03)	SEW	KT67 DRN100L4/BE5HR	1	G&S	$ 3,660.72	$ 3,660.72
Gear Motor	1 HP, 480V - 3 Ø - 60 HZ ,1.438 Bore, M4AB (Conveyor IB1-04)	SEW	KT47 DRN80M4	1	G&S	$ 2,115.86	$ 2,115.86
Gear Motor	2 HP, 480V - 3 Ø - 60 HZ ,1.500 Bore, M4AB (Conveyor IB1-05, IB2-01 & IB2-02)	SEW	KT57 DRN90L4	1	G&S	$ 2,546.39	$ 2,546.39
Gear Motor	3 HP, 480V - 3 Ø - 60 HZ ,1.500 Bore, M4AB (Conveyor IB2-03)	SEW	KT57 DRN100LM4/BE5HR	1	G&S	$3,298.88	$ 3,298.88
Gear Motor	1.5 HP, 480V - 3 Ø - 60 HZ ,1.438 Bore, M4AB (Conveyor IB2-04)	SEW	KT47 DRN90S4/BE2HR	1	G&S	$ 2,709.20	$ 2,709.20
Split Ring Locking Collar	Double Split , Ø1.500" Bore 2SC108	TB Woods	GS1000198	2	G&S	$ 4.42	$ 8.84
215 MM Motorized Drive Pulley	2 HP, 480V - 3 Ø - 60 HZ , 97 FPM, 37.4 (L) Face Width, 1/4" Urethane Lagging, Conveyors (IB1-01 & IB1-02)	Vander Graaf	TM215B40620-C0004277	1	G&S	$ 5,016.48	$ 5,016.48
215 MM Motorized Drive Pulley	2 HP, 480V - 3 Ø - 60 HZ , 97 FPM, 37.4 (L) Face Width, 1/4" Urethane Lagging, (Conveyors IB1-06 & IB2-05)	Vander Graaf	RTM215B40620-C0005716	1	G&S	$ 6,819.55	$ 6,819.55
						Total Recommended Spares Price	**$ 62,969.18**

Notes:

- Pricing valid for 30 days from quotation date
- Freight is not included and will be quoted separately
- Sales Tax & Bonding is not included
- Installation is not included

Missoula County Airport Authority
Agenda Action Sheet
Meeting Date: June 30, 2026

1. **TITLE:** Kembel/Stevens and Four Sons, LLC, Lease Assignment

   ACTION ITEM Review, discussion and possible approval of the ground lease assignment from Bob Kembel and Tom Stevens to Four Sons, LLC

2. **AGENDA CATEGORY:** (Please highlight)
   UNFINISHED BUSINESS **NEW BUSINESS** COMMITTEE REPORTS
   INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 10 minutes

4. **BACKGROUND INFORMATION:** The Airport entered into a ground lease agreement with Robert D. Kembel and Thomas G. Stevens in February of 2007. The purpose of the ground lease was for the construction of private GA aircraft hangars. At the Board's May 26, 2026, meeting it approved the first of two ten-year extensions allowed under the lease agreement for a new termination date in 2036. If the second ten-year extension is later grated, the final lease termination will occur in 2046.

   Kembel and Stevens desire to assign their ground lease to the Washington State LLC named Four Sons. In order to be considered for a ground lease of Airport property, Four Sons submitted a Aviation Operator and Lease Application to the Airport, as required by the Airport's Primary Guiding Documents. Staff reviewed the application and had a number of conversations with one of the LLC members, Kendon Campbell. Staff provided Four Sons with copies of the lease documents, references to the Airport's Primary Guiding Documents, and highlighted important compliance issues for the potential new lessee.

   Of particular note, the Airport has informed Four Sons, LLC, that they need to provide the appropriate documentation to the Airport on behalf of any of its existing or future renters or lessees of individual hangars. Staff have communicated that this should be complete in the months immediately preceding the lease assignment.

5. **BUDGET INFORMATION:**

6. **SUPPLEMENTAL AGENDA INFORMATION:** Ground Lease Assignment and Aviation Operator and Lease Application

7. **RECOMMENDED MOTION:** Request Board approve the Ground Lease Assignment from Bob Campbell and Tom Stevens to Four Sons, LLC.

8. **PREPARED BY:** Juniper Davis, Legal Counsel

9. **COMMITTEE REVIEW:** N/A

ASSIGNMENT OF GROUND LEASE AGREEMENT

The parties to this Agreement are **ROBERT D. KEMBEL and THOMAS G. STEVENS,** ("Tenant") and **FOUR SONS, LLC** a Washington limited liability corporation (the "New Tenant").

RECITALS

A. The Missoula County Airport Authority ("MCAA") and Tenant are parties to a Ground Lease Agreement entered into on the 9th of February, 2007, First Addendum entered into on January 31, 2017, and Second Addendum entered into on June 3, 2026, for certain real property located at the Missoula Montana Airport, Missoula County, Montana ("the Lease Agreement");

B. The Lease Agreement purpose is for the maintenance and operation of a T-hangar to provide rental space for the storage of aircraft;

C. For the duration of the Lease Agreement, Tenant has been maintaining and operating the T-hangar for personal and rental storage of aircraft;

D. Tenant desires to sell their interests in the existing T-hangar to New Tenant and assign the Lease Agreement to New Tenant;

E. New Tenant desires to continue the maintenance and operation of the T-hangar to provide rental space and storage of aircraft;

F. New Tenant has satisfactorily competed the MCAA Aviation Operator and Lessee Application;

G. The MCAA Board of Commissioners agreed to approve the Assignment of the Lease Agreement at their meeting on June 30, 2026;

H. New Tenant has agreed to accept the assignment and assume all of the duties, obligations, terms, rights and liabilities of Tenant associated with Lease Agreement, all on the terms and conditions set forth herein.

AGREEMENT

In consideration of the mutual agreements herein contained, and for other good and valuable consideration, the parties hereby agree as follows:

I. Tenant hereby grants, assigns, and transfers to New Tenant all of Tenant's right, title and interest in and to the Lease Agreement, which assignment shall be effective as of June 30, 2026 (the "Effective Date").

2. Tenant hereby delegates and assigns to New Tenant all of the duties, liabilities and obligations of performance of and by Tenant under the Lease Agreement.

3. New Tenant accepts this assignment of the Lease Agreement and hereby assumes and agrees to be bound by and perform all of the conditions, promises, terms, obligations, liabilities and duties to be observed, kept, performed or complied with by Tenant as lessee/tenant under the Lease Agreement from and after the Effective Date.

4. Tenant agrees to indemnify and hold New Tenant harmless from any and all claims, demands, costs, damages and liabilities (including, without limitation, reasonable attorneys' fees, expenses and costs of court) arising because of a breach of the Lease Agreement by Tenant which originated or is alleged to have originated <u>prior</u> to the Effective Date.

5. New Tenant agrees to indemnify and hold Tenant harmless from any and all claims, demands, costs, damages and liabilities (including, without limitation, reasonable attorneys' fees, expenses and costs of court) arising because of a breach of the Lease Agreement (as amended) by New Tenant which originated or is alleged to have originated <u>on or after</u> the Effective Date.

6. The provisions of this Assignment shall bind and inure to the benefit of the successors and assigns of the parties hereto.

Signatures on Following Page

This Agreement has been entered into as of the Effective Date.

TENANT:

Robert Kembel
An individual

By________________________________
Robert Kembel

TENANT:

Tom Stevens
An individual

By________________________________
Tom Stevens

NEW TENANT:

Four Sons, LLC
a Washington limited liability corporation

By________________________________
Craig Campbell, member, Four Sons, LLC

STATE OF MONTANA)
:ss
County of Missoula)

The foregoing instrument was acknowledged before me on ________________, 2026, by Craig Campbell.

WITNESS my hand and official seal.

____
Printed Name __________________________
NOTARY PUBLIC FOR THE STATE OF MT

STATE OF MONTANA)
:ss
County of Missoula)

The foregoing instrument was acknowledged before me on __________________2026, by Craig Campbell as member of Four Sons, LLC

WITNESS my hand and official seal.

____
Printed Name __________________________
NOTARY PUBLIC FOR THE STATE OF MT

CONSENT

The Missoula County Airport Authority hereby consents to the terms of the Assignment to which this Consent is attached, and agrees that the Tenant is hereby released from his duties and obligations under the Lease Agreement.

MISSOULA COUNTY AIRPORT AUTHORITY

By___________________________
Brian Ellestad Airport Director

STATE OF MONTANA)
:ss
County of Missoula)

The foregoing instrument was acknowledged before me on ________________, 2026, by BRIAN ELLESTAD as the Airport Director of Missoula County Airport Authority.

WITNESS my hand and official seal.

____
Printed Name ____________________________
NOTARY PUBLIC FOR THE STATE OF MT

AIRPORT REVIEW

For Airport Administration Use Only

Application Name: Four Sons LLC Received: 05/28/2026

Description: Assignment of Kembell Stevens hangar lease for June board agenda.

Business Development: Date: 6/22/26 By: D. Neuman

Comments:

This is a lease assignment for the property associated with the Kembel/Stevens Hangars. Kendon Campbell revised the application to reflect Four Sons LLC as the entity assuming the lease. The hangar rentals will be handled by Blackfoot Aviation LLC, a SASO owned by Kendon, that also provides light maintenance to small aircraft on Airport property. Kendon has been advised that our Primary Guiding Documents are available online. The proposed use of property is to remain the same as the current leaseholder, namely, hangar rental to GA aircraft owners.

Legal Department: Date: 6/23/2026 By: Juniper Davis

Comments:

Tom Stevens requested the lease assignment and provided an executed "Agreement to Sell and Purchase" between Kembel/Stevens and Four Sons LLC. Their goal is to close on the sale on June 30, 2026, which is the day our Board will consider the lease assignment. We drafted the lease assignment in-house and provided it to Tom and Kendon with instructions for them to obtain their own legal counsel and review. Dan has provided Kendon with links to our Primary Guiding Documents and also the master/prime lease for which he is requesting assignment. Dan has informed Kendon regarding the lease expiration responsibilities to remove improvements. Dan has also informed Kendon that he needs to formalize agreements with each entity/individual that is renting a hangar, and the agreements need our approval re. the inclusion of language related to PGDs, the master/prime lease, etc.

Other: Intended Use Date: 6/24/2026 By: T.Damrow

Comments:

Intended use is continuation of aircraft storage. Expansion of maintenance services provided by Blackfoot Aviation should require additional approval/consideration from the airport.

AIRPORT REVIEW

Link to documents provided to the Permittee:

■ Minimum Standards ■ Rules and Regulations

■ Other: 03.Lease Rates and Charges Policy

Documents provided by Permittee if applicable (attached):

■ Lease/Sublease/Use Agreement

☐ Certificates of Insurance

☐ Business License

☐ FAA Certificates

☐ Other: ____________________

Recommend Approval (Airport):

____

Signature-Airport

____

Name

____

Title

____

Date

Missoula County Airport Authority
5225 W Broadway Street
Missoula, MT 59808
(406) 728-4381

Aviation Operator and Lessee Application

Missoula County Airport Authority

Missoula Montana Airport (MSO)

Revision Date: 4/28/2026

OVERVIEW

To help the Missoula County Airport Authority (Authority) make an infonned decision, Applicant shall complete all relevant and applicable sections of this Operator Application and/or Aviation Lessee -(ApplfoatTorifand s11bmit this Application ?along with any additional information, clata, and/or documentation pertinent to the Applicant and/or the Aviation Commercial or Non-commercial Aeronautical Activity) to the Authority.

Please note the following:

- Applicant shall complete all relevant and applicable sections of this Application to the best of the Applicant's ability and include all pertinent information, data, and/or documentation in or with the Application.
- Commercial Applicants are expected to complete all sections of this Application.
- --Non CommerciaLApplicants--are-NO'f.-€xpect€d-to-Gomplete---the-seotions--of--this-Application which are identified as "Commercial Applicant Only".
- If any section or question is not applicable, the Applicant shall indicate **N/A** in the appropriate field.
- Upon completion, the Application must be signed in ink by the Applicant or an authorized representative of the Applicant.
- In case of a conflict between words and numerals, the words, unless obviously incorrect, shall govern.
- Supplemental tables, chaits, diagrams, graphics, photographs, and other exhibits may be attached to the Application as necessary.

Following review of the completed and submitted Application by the Authority, the Authority may request that the Applicant complete the Supplemental Information Request Fo11n.

SECTION I - GE ERAL INFORMATION

J. Applicnnl's Information

A. Applicant's legal name: VeV\. JDV\ {. _ ..... /,Jf
/11(/irn/e ,,/pplirn111's 11'1£lll no11le e.rnclly c1s ii 11'011/d appeor ill u,·1_1•le al(r bi11di11g dorn111£'11/.

B. Business or trade name: Fou·r ◊V" - <-c
t/dif.T£'re111_/i-011A1p11lirn111·1· le!;al na11le.

C. Primary office (and contact information):

Name: j("!...,.. dc,"'- C kt(f

Title: ....r

Address: 2. '1 TYl.Jvt..1.(?lk.r C.+-

City: IJ\,':o,'>o..,l-... State: f--.A.T Zip: 59808

Telepho11e: (lo)7.:rq- ¼:S<;"/ facsimile:( ) -

Email Address: kcl,'\..!o.r\ '- e C.e-..W:fUl r. vf.cai.-t)..Jt1. COM

D. Proposed or exisli ng on-airport address (i r di fferenl):

Address: '--fl 4 Avt"'-f•o"' w... y

City: Missoula State: M---'-cr_, Zip: 59808

E. Applicant's authorized representative (if different from primary)
Ide111if.i' Applii:w11's aw/wri:erl n11rcse111C1lil't' (for 110lh·es C111LI ,r.:o11lm1111imlio11s1,

Name:

Title:

Address:

City: Slate: Zip:

Telephone: ( ) - Facsimile:( ) -

Email Address::

f. Type of Applicant:

(I Lessee O Sublessee O Non-Based Operator OTemporary

G. Type or entity (check one):

OSol.e Proprietor (complete and s 1b111it **Attachment 1-1-G-I)**
0 Pannership (complele and submit **Attachment 1-1-G-2**)
0 Corporalion (complele and submit **Attachment l-l-G-3)**
• Limited Liability Company (complete mid submit **Attachment l-'J-C-4**)
0 Other (please identify)

1-1. Type of request ,check 011e):

i:e I ew Applicatiof @Assignment O Tempo aryO Change in Majority Ownership
(,u,v,f•c./ , \l".;:,_h

I. Type o[aclivities lo be coiiducted (check itll that a)ply):

D fiKed Base Operator
☐ Aircraft Maintenance and Repair
☐ Avionics/1.nstrumenr.s Maimenance ru1ct Repair
☐ Aircraft Management
☐ Aircraft Charter
☐ Aircrafr Rental
☐ Flight Training
☐ Aircraft Sales
Aircraft Storage
☐ Other Commercial Aeronautical Activity
(please describe) ______
☐ Non-Commercial Aeronautical Activity
(please describe) ______
D Non-Aeronautical Activity
(please describe) ______

Time Period Authorized (cbeck one/complete):

D Permit Valid From ___ /___ /____ (sta1t date) to ___ /__ /__ _ end date).

D Pern1jt Valid for ___ months from the date of approval.

00 Permit Valid until revoked.

2. Applicant's Legal Statements

Pl ase answer tbe following questLOn as applicable to the Applicant (the entity) and the Applicant's partners (if partnership), members (if limited liability company), or directors, officers and major shareholders (if corporation . A major shareholder is an individual or entity O\.Vning more than 33¹½ of the outstanding common or prefened stock.

A. Has the Applicant ever beeu convicted of a felony? *Ifyes, please give date, place, and nature of con\lictio11(s) 011 a separate sheet and icle11lijj1ii as* **Attachment T-2-A**.
DYES NO

8. Has l'be Applicant ever been convicted of a crime involving fraud, theft, or dishonesty? *I/yes, please give date, place, and nature of co11victio11(s) on a separate sheet and ident(fy it as* **Attachment J-2-B.** ☐ YES 181'NO

C. Over the last 10 years (or longer, if significailt) has the Applicant <u>(or any entity the Applicant has held an ownership interest in)</u> been convicted of violating any Legal Requirement related to associated with, or that involved the proposed activjties, or any other activities nommlly ocCUJTing al or associated with an airport? *If yes, please give dare, place, and nature of violation(s) on a separate sheet und identij_i• it as* **Attachment l-2-C.** 0 YES NO

D. Have any restrictions ever been placed on the Applica11t <u>(or any entity the Applicant has held an ownership interest in)</u> by a1ly governmental agency related to, associated with, or that involved the proposed activities or any other activities nonnally occmTing at or associated with .an aitµort? *ff yes. please gi1le date, place, a1ld nature of the restriction(s) on a separate sheet and identify* it *as* **Attachment I-2-D.** D YES **l&1** NO

E. Over the last 1O years (or longer, if significant) has the Applicant ilad any pas1 or pending judicial, regulatory, or administrative proceedings i11vestigations arbitrations mediations, claims, judgments, liens or litigation against the Applicant <u>(or any entity the A plicant has IJeld or currently holds an ownership interest in)?</u> *ff yes, please give date, place, and nature of the action(s) on a separate sheet and ideniif.y ii as* **Attachment I-2-E.** D YES NO

F. Has the Applicant (or any entity Lhe Applicant has held or currently holds an ownership interest in) been involved with, been declared bankmpl, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, or had involuntary proceedings filed in bankruptcy court? *lfyes, please give date, place, a.nd 11at11re of proceeding(s) on a separate sheet and identify it as* **Attachment l-2-F.** ☐ YES NO

G. Has any leas , use or ope:-aling agreement for airport land and/or Jrnprovements or General Aviation Commercial Aviation Activities held by Applicant (or any entity the Agplicant has held or cunently holds an mvnersbip interest in) ever been placed i.n default, cancelled, or terminated (prior to scheduled xpiration)? *If yes, ple.ase give date, place, and nature of the default, cancellation, or termination 011 a separate sheet and ident{fy it as* **Attachment l-2-G.** ☐ YES [RNO

H. Has the Applicant (or any entity the Applicant bas held or cunently holds an o\vnership interest in) ever had a bond or surety canceled or forfeited? *If yes, please give name of the bo11di11glsure1y co111pa11y, 1ut111e and addre s ofprincip I on bond/surely and reason(s).for such cancellation or.f01feit11re on a separate sheet and idemify it as* **Attachment 1-2-H.** ☐YES [igNO

f. Does any member of the A tho1ity (i s governing body employees, or outside advisors) or any federal, state or local elected or public official or staff member have any direct or indirect financial interest in the Applicant or the Applicant's proposed operations? *If yes, please pro, ide the name(s) qf'such i11divid11a!(s) and describe the relationship(s) 011 a separate sheet and identify* ii *as* **Attachment 1-21.** ☐ YES NO

J. If the Applicant i owned, contrnllcd, or licensed (in whole or part) by another entity (person, pa.rt11ership, limited liability company, or corporation), provide the name of the entity on a separate sheet and identify it as **Attachment 1-2-J.** 0°N/A

K. Jdentify any agreements or contracts (existing, proposed or currently being negotiated) with related parties (entities) pertaining to tbe proposed activity on a separate sheet and identify it as **Attachment 1-2-K.** 81 N/A

L. Identify any joint venh1res, partnerships, or affiliale agreements or contracts (ex.isting, proposed, or cu11·e11tly being negotiated) with other parties (entities) pe1iaining to the proposed activity on a separate sheet and identify it as **Attachment 1-2-L.** N/A

M. If the Applicant has used oT cuuently uses trade narn.es or bas done or cun:ently does business under other names (fictiti011 or otherwise), provide the nan1es of those entities on a eparate sheet ai1d identify it as **Attachment I-2-1** **GR** *NIA*

N. Provide a lit of past (over the last l0 years) or pending insured or uninsured claims against the Applicant (or anv entity the Applicant has held or cwTeutly holds an ownership interest in) 011 a separate sheet and identify iL as **Attachment 1-2-** . *Please. give date, place, and nature of the claim(f) and whether or not (and to what extent) insurance and/01· reserves have been mai111ained by the* Applicant *lo cover the cfaim{s).* **ii** *NIA*

3. Applicant's Qualifications and ExJJerience (Commercial Applicant Only)

Please answer the following questions as applicable to the Applicant (the entity) and the Applicant's partne::s (if partnership) members (if limited liability company) and director officers, and major harebolders (if corporation).

A. ldenLify the number of year of experience Applicant ms in the activities to be conducted (as identified by the Applicant in Section I-1-1}

___ fixed Dase Operator
_I_ Aircraft Maintenance and Repair
___ Avionics/[nstrumcnts Maintenance and Repair
___ Aircraft Management
Aircraft Charter
___ Other C0tnmet·ciaJ Aeronautical Activhy

Aircraft Rental
___ Flight TrainiJ1g
Aircraft Sales
Aircraft Storage

8. Identify all aviation businesses owned and/or operated by the Applicant (past and present):

I. Identify the name and location of the aviation business (a irp01t, city, and state), the type of aviation business owned and/or operated by the Applicant and provide contact info1111ation for the airport manager on a eparate sheet and identify it as **Attachment 1-3-B-l.**

4. Applicant s Statement

The uudersigued Applicant understands and states, under penalty of µe1jury. that:

Applicant is ti.Illy qualified, experienced, capable, and competent to lease land and/or Improvements at the Missoula Montana Airporl (Airport) and engage in the activities to be conducted at the Ai1-port and is fully aware and understands all the requirements associated with doi11g so.

Applicant is fully aware of and understand tbe conditions or circumstances which exist in tbe aviation industry, the community the marketplace, and at the Airport.

Applicantuuderstands that any entity desiring to engage inActivities at the Airport must fully comply with the Airport Primary Ma11ageme11t and Compliance Docrnnents.

Applicant has provided all the info1111ation, data, and documentation requesLed by the Au.thority and it *is* h·ue, accurate, and complet . Applicant acknowledges and fully understands tha(all of the infonnation, data and documentation submitted by the Applicant and all of the wananties and representations made by the Applicant including, but not limited to those pertaining to the Applicant's qualifications, experience, capabil ties, and competencies will be relied on by the Authority.

Applicant acknowledges and understand that the Authority has the rigl1t to request additional or supplemental infonuatiot data doctunentati.on or clarification, in auy area, from Applicat1t.

Applicant acknowledges and fully ttnderstands that the Authority has the right to conduct any inquiries or investigations the Authority considers appropriate with respect *to,* but not limited to, the qualifications, experience capabilities, compete11ce, or the reputation of Applicant and/or any or all the infonnation data, or documentation submitted by Applicant. Applicant authorizes t e release of all information, data, or documentation sought by the Authodty in such inquiry or investig.ation.

Applicant or any party directly related to or associated with the Applicant (e.g., Applicant's fiiend , families, outside advisors, vendors, uppliers, agents, or other representatives) have not and vvill not contact, either on an individual or collective basis the Authority (its employees or outside advisors) or any federal, state, or local elected or public officials or staff members regarding tbis application unless prior written approval hns been obtained from the Authority.

Missoula
MONTANA AIRPORT

SECTION I- GENERAL INFORMATION

Applicant is responsible for all costs and expenses incurred by the Applicant in connection with the Application. Applicant fully understands that all infom1ation, data, and any other documentation submitted or provided by lhe Applicant shall become the property of the Autholity and shall not be returned to the Applicant,

By affixing my authorized signature, l, hereby certify that J an the Ow (title) and the duly authorized representative of / o .r <£°o,,,f"' ll(..{Applicant's name). 1 possess the legal authority to make this statement on behalf of Applicant and 1 do solenmly declare and affinn under penalty of pe1jury tbat l fully understand, accept, agree to, and will comply fully with the terms, conditions, and provisions of this Application and this statement.

Applicant: j&.k..---. C.v,fLJ./

Signature

Name: C?"")/()v'\r Cu

Title: Ow

Applicant Name: J t..d§f{

Witnessed:

Monika Fernandez

Signature

Narne:/410/J Jk{l {emOl}dCZ

Title: ____________________________ __

Entity Name: ____________________ __

5. Applicant's Affidavit

Aff-iant, Kendon Campbell of the municipality of Missoula 'in the County of_M_is_s_ou_la ;inrl the State of_M_o_nt_an_a ,of full age, being first duly sworn according to law on my oath, deposes and says that:

1. Affiant states that this Application is genuine· that it is not a sham or collusive in any way; that it (and all the information, data, and documentation provided in conjunction with it) is tru ac,curate, and complete; and that it is not made in the interest of or on the behalf of any entity not named or disclosed herein.
2. Affiant does hereby state that neither the Applicant nor any of Applicant's officers, pa1tners. owners shareholders agents representatives, employees, or parties in iJ1tetest, bas, ill any manner conspired colluded, connived, or agreed, directly or indirectly, with any person, finn, corporation or other applicant or potential applicant to unfairly compete or compromise., i.n any way the application process and the Applicant has not paid or agreed to pay directly or indirectly, any person partnership company association organization, corporation, or any other applicant or any potential applicant and has not paid any money or provided any other valuable cohsideration to any party for providing assistance in seeking acceptance of the Application or attempting to seek acceptance of the Application or fix the proposed terms conditions or provisions of this Appl ication or any other application of any other Applicant, and hereby states that no such money or od1er reward will be hereinafter paid.
3. Affiant further states that the Applicant (or any prutner, member, director, officer shareholder agent representative, or employee of the Applicant) or any partie holding an ownership interest in the Applicant has not recommended or suggested to the Authority or any of its officers, agents representatives employees, or parties in interest, any of the terms, conditions, or provisions not set fo1th in this Application, except at a meeting open to all interested Applicants, of which proper notice was given.
4. Af.fiant further states that the Applicant (or any partner, member, director, officer, shareholder, agent, representative, or employee of the Applicant) or any parties holding an ownership interest in the Applicant is not a member ofthe Authority (its employees or outside advisors) nor a federal, state or local elected or public official or staff member or is a related party e, cept as noted herein below:

Affiant:

Signature

Name: Kendon Campbell

Title: Owner

Entity Name: Four Sons LLC

Subscribed and sworn to before me
This 71"') day of 'S.N , 20_·"21.:,

a

Dan F. Neuman
NOTARY PUBLIC for the
STATE OF MONTANA
F(ru.td rig BI MISi'loulo, Mo,,tena
My Commission Expires
May 18, 2028

SEAL

5 / 13 / 2023
Commission Expires

SECTION ll - LAND A DIOR IMPROVEME TS

1. Proposed Property

A. Jdentify tbe proposed property 011 the Airport Layout Plan/Aerial Photograph - attach and identify as **AttachmentH-1-A.**

B. Provide a preliminary drawing identifying the land and existing lmprovemcnt(s) Applicant desires to Lease - attach and identify as **Attachment 11-1-B.**

C. Describe the existing Improvernent(s) Applicant desires to lease.

1. Include terminal building; hangar, office, shop, storage space: apron (including tiedown) and/or vehicle parking space; and any other improvements.

2, Proposed Improvements

If Applicant intends to make Improvements to the proposed property (including i.111provit1g, enhancing, or renovating existing l111provet11et1ts and/or developing new Improvements), provide a description of (and preliminary specifications for) the proposed Improvements (by major component). If necessary attach a separate sheet and identify it as **Attachment 11-2-A.** Provide an estimate of the cost of the proposed improvements or other capital investment.

SECTIO HI - BUSINESS PLAN (COMM RCIAL APPLICATIONS ONLY)

Applicants must addt·ess each element completely and accurately and furnish any required information data, and/or documentation. The Executive Summary sball be typewritten and if bound, it sha[J be bound on the long side of the paper.

1. Executive Summary

The Executive Summary shall, at a minimum outline the following elements of the business plan:

A. Name of the Applicant.

B. A summary of the range level, and quality of products, services and facilities propo ed to be provided by the Applicant.

C:. The 91rnli 'ic:stions, experie11ce, capabiLities, and competencies of the Applicanl as it relates specifically to tbe proposed activities.

1. A ummary of the products, services, and facilities currently being provided by Applicant.

D. A summary of tJ1e compensation rents, fees, and other charges) proposed to be paid to the Ai1thority.

E. A summary of the capital investment io aircraft, vehicles, and equipment proposed to be made (and why needed).

F. for Applicant's desi1ing to lease and/or developing Airport land, must provide a summa1y of:

I. The land and [mprovements proposed to be leased from the Authority.

2. The lease term (proposed commencement date, base term aod renewal options).

3. The capital investment proposed to be made in leasehold and/or Airport Lmprovements (and why needed), the cost of the proposed Improvements, the amortization period for the proposed Improvements, the source of ftmding for the proposed Improvements and the schedule for the development and completion of the propo ed Improvements.

G. A tatement explaining why the Autb01ity shottld allow the Applicant to conduct the activity at the Airport.

H. Sig11ature (in ink) by a representative authorized to make commitments and/or enter into agreements on behalf of the Applicant.

2. Additional Information

The Applicant may include any supplemental information, data, and/or documentation which may be useful in helping the Authority evaluate the qualificahons and experience of the Applicant, The Applicant wanants the following:

If a SOLE PROPRIETOR, please complete the following:

A. The undersigned is an individual doing business under the name of ________________ ill the municipality of ________________. inthe County of ________________ in tbe State of ________________

B. Date operations began: __________________

C. Is the Sole Prop1ietorship qualified to do business in the State of Montana?

☐ YES ☐NO

I. Please provide fmancial statements for the last complete year of the business. If Applicant is proposing a non-commercial use, please provide ta.x return for the last year. Personal identifiers may be reclacted (social security number etc.)

N/A

ATTACHME T 1-1-G-2 PARTNERSffiP

The Applicant warrants the followi1 1g:

If a PARTNERSHIP, please complete the following:

A. The undersigned is an individual doing business under tbe name of ________________ in the municipality of ________________. in the Counly of ________________ 111 the State of ________________

B. Describe type of pa1tnership (check one)

☐ General Partnership ☐ Joint Venture

☐ Limited PartL1ersbip D Other (identify): ______________________________

C. Date Paitnership was fonned: ____

D. Is the Partnership qualified to do business in the State of Montana?

☐ 'YES ☐ NO

I. Please provide evidence that business is registered in the State of Montana or registered to do business in the State of Montana.

2. Please provide financial statements for the last complete year of business for the partnership.

E. Has the partnership been recorded? (If yes, please indicate where and when?)

☐Yes ________________________________ ☐No

f'. The following is a complete and accurate list of names of U1e partners - if necessary, attach a separate sheet and identify il as **Attachment 1-1-G-2-F.**

amc/Title	Business Address	City	tate	Zip

N/A

The Applicant warrants the following:

If a ORPORATION, please complete the following:

A. The undersigned is a duly authorized officer acting as ________________ (title of ________________(Appljcant Company name) a corporation organized on ____________________ (date) and existing under I.he law of the State of _ _ _ _ _ _ _ _

8Vls the corporation in good standing? (If yes attach a cu1Tent copy of the ce1tificate of good standing and identify it as **ttachment 1-1-G-3-B)**

☐ YES ☐ NO

C, l the corporation qualified to do business in the State of Montana?

☐ YES ☐NO

1. Please provide evidence tht1t business is registered in the State of Montana or registered to do business in the State of Montana.

D. Please provide financial statement for the last complete year of business.

E. The corporation is: (che k one)

☐Public ☐ Private

l. If a publicly traded corporation, how and where is the stock traded?

____

F, The following is a complete and accurate list of officers, directors, and major shareholders (having an ownership interest of 33¾ or more) or the coqJoration - if necessary; attach a separate sheet and identify il a" **Attachment l-l-G-3-E.**

(**OTE:** If the corporation is listed on the New York or American Stock Exchange and its last annual statement and report is submitted herewllh, the names of shareholders need not be listed on tbis form)

amefiitle	Bu iness Address	City	tllle	ZiJ>

G. The following officer is duly authorized to sign the Application submitted on behalf of the corporation- attacJ1 a copy of the bylaws or corporation re elution authorizing this officer and identify it as **Attachment 1-1-G-3-F.**

NA

The Applicant warrants the following:

If a LIMITED LIABILITY COMPANY, please complete the following:

A. The undersigned is a duly authorized officer acting as Owner (title) of Four Sons LLC (Applicant Company name), a limited liability company organized on 08/24/2021 (date) and existing under the laws of the State of Montana.

B. Is the limited liability company in good standing? (If yes, attach a current copy of the certificate of good standing and identify it as **Attachment 1-1-G-4-B)**

lii YES ☐ NO

C. Is the limited liability company qualified to do business in the State of Montana?

lii YES ☐ NO

1. Please provide evidence that business is registered in the State of Montana or registered to do business in the State of Montana.

D. Please provide financial statements for the last complete year of business.

E. The following is a complete and accurate list of members of the limited liability company - attach separate sheet identified as **Attachment 1-1-G-4-D** if preferred or necessary.

Name/Title	Business Address	City	State	Zip
Kendon Campbell	5243 Trumpeter CT	Missoula	MT	59808
Craig Campbell				
Weston Campbell				

F. The following members are duly authorized to execute agreements on behalf of the limited liability company - attach a copy of articles of organization and operating agreement authorizing these members and identify it as **Attachment 1-1-G-4-E.**

Name/Title	Business Address	City	State	Zip

For Airport Adrninjstration Use Only

Documents provided to the Pe1111itlee:

☐ Minimum Standards ☐ Rules and Regulations

☐ Other:

Documents provided by Permirtee (attached):

☐ Lease/Sublease Agreement

☐ Certificates oflnsurance

☐ Business License

☐ FAA Certificates

D Other:

Application Approved (Airport):

Signature-Airport

Name

Title

Date

Executive Summary

Overview:

I<endon Campbell is seeking to purchase 5 T Hangars from Robert I<embel and Tom Stevens to take over current use. Currently, these hangars are utilized for noncommercial GA airplane storage and have current tenants. I<endon plans to formalize the agreements in place between Robert, Tom, and existing tenants with lease contracts that abide by and complement I<MSO's primary guiding documents.

Structure:

I<endon Campbell will acquire the 5 hangars through Four Sons LLC, and will operate has landlord through Blackfoot Aviation of MT LLC, a current GA repair facility on the field. I<endon, through Blackfoot Aviation of MT LLC, will make sure to establish a lease agreement with all tenants and collect rent, handle invoicing, oversee maintenance needs and be available to airport needs. The ground that the airport leases for the building of these hangars will be re-assinged to I<endon through Four Sons LLC. There are 6 total hangars in the structure so I<endon will be responsible to collect ground lease dues, taxes, and insurance pro rated from the 1/6th owner Devin Bucher, as I<endon is getting re-assigned the full land lease for the ground that hangar sits on.

Sample lease agreements have been sent to Dan Neuman and can be revised to best accommodate business, structure and security needs.

I am not sure what additional info is needed in the executive summary but I am happy to add to the above.

Missoula County Airport Authority

Agenda Action Sheet

Meeting Date: June 30, 2026

1. **TITLE:** Airport Director Performance Evaluation, Employment Contract and Compensation

Review and discussion of Airport Director Performance Evaluation, Employment Contract and Compensation.

ACTION ITEM

2. **AGENDA CATEGORY:** (Please highlight)
UNFINISHED BUSINESS NEW BUSINESS COMMITTEE REPORTS
INFORMATION/DISCUSSION ITEM

3. **TIME REQUIRED:** 20 Minutes

4. **BACKGROUND INFORMATION:** Brian Ellesatdwas appointed as Acting Airport Director effective March 15, 2021, and hired as Airport Director on September 6, 2021. His current five-year employment agreement is set to expire in September of this year. If the Board elects to continue Brian's employment as the Airport Director, staff recommend entering into a new employment agreement effective June 30, 2026, to better coincide with the fiscal year budgeting process.

Staff programmed a placeholder 9.05% salary increase for the Airport Director in the Fiscal Year 2027 budget. Staff are prepared to discuss the market trends of airport director salaries as requested by the Board.

5. **BUDGET INFORMATION:** Amount required: TBD

6. **SUPPLEMENTAL AGENDA INFORMATION:** Draft employment agreement.

7. **RECOMMENDED MOTION:** Move to increase Brian's base wage by _______%, increase his car allowance by ___ %, and approve a new 5-year employment agreement, all effective July 1, 2026.

8. **PREPARED BY:** Nikki Munro

9. **COMMITTEE REVIEW:** None

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into by and between the Missoula County Airport Authority, 5225 Highway 10 West, Missoula, Montana ("the Authority") and Brian Ellestad, 10236 Pale Morning Court, Missoula, MT 59808 ("Ellestad" or "Airport Director") in consideration of the mutual promises set forth below.

RECITALS

A. The Authority is a public body organized and existing under the laws of the State of Montana for the purpose of operating, developing and regulating the Missoula Montana Airport ("the Airport"). The powers of the Authority are vested in a Board of Commissioners, consisting of seven Commissioners and two alternate Commissioners ("the Board");

B. Ellestad has specialized training, education and skills in airport management;

C. Ellestad and the Authority are parties to an existing Employment Agreement dated August 31, 2021, with a term commencing on September 6, 2021, and terminating on August 31, 2026, under which Ellestad is employed in the capacity of Airport Director ("2021 Employment Agreement");

D. The Authority desires to continue the employment of Ellestad as Airport Director, and Ellestad desires to accept such employment on the terms and conditions set forth in this Agreement;

E. The Authority and Ellestad intend that the 2021 Employment Agreement be terminated effective June 30, 2026, and replaced by this Agreement, with no interruption in Ellestad's employment.

NOW THEREFORE, in consideration of the promises and the covenants contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Authority and Ellestad agree as follows:

1. Employment. The Authority hereby employs Ellestad in the capacity of Airport Director. Ellestad hereby accepts such employment on the terms and provisions set forth in this Agreement.

2. Term. The Term of employment will commence on July 1, 2026, and shall terminate on June 30, 2031, unless sooner terminated pursuant to the terms of this Agreement. The parties may by mutual written agreement extend or renew the

term of this Agreement.

3. Termination of 2021 Employment Agreement; Continuity of Employment. Effective as of 11:59 p.m. on June 30, 2026, the 2021 Employment Agreement between the Authority and Ellestad dated August 31, 2021 is hereby terminated by mutual agreement of the parties and shall be of no further force or effect, except for any provisions that expressly survive termination. The termination of the 2021 Employment Agreement is not intended to, and shall not, affect any rights or obligations of the parties that accrued prior to the effective time of termination.

   Effective as of 12:00 a.m. on July 1, 2026, Ellestad's employment shall continue without interruption under this Agreement. The parties acknowledge that this Agreement supersedes and replaces the 2021 Employment Agreement in its entirety from and after such time.

4. Airport Director Duties. During the term of this Agreement, the Airport Director shall actively perform, render and contribute their best professional skills, services and attention at all times for the business and benefit of the Authority, and shall satisfactorily perform for the Authority all services, duties, responsibilities and work assigned to the Airport Director by the Authority.

   The Airport Director shall report directly to the Board. The Airport Director shall satisfactorily perform (a) the duties of the Airport Director as described in the job description attached hereto as "Exhibit A"; (b) as assigned by the Board; and (c) as further described herein. The job description for the Airport Director may be modified at the discretion of the Board of Directors in consultation with the Airport Director, without the need to make a corresponding change to this Agreement.

   Airport Director shall devote all of his business time, attention, and energy to the Airport and shall not, during the term of his employment, be actively engaged in any managerial or employment capacity in any other business activity for gain, profit, or other pecuniary advantage; provided that the foregoing does not prohibit the Airport Director from making investments that do not unreasonably interfere with the performance of his duties for the Authority.

   Airport Director recognizes that his position with the Authority is a public office and covenants that he will carry out his duties for the benefit of the public and will comply with the Standards of Conduct for public employees enumerated in Title 2, Chapter 2 of Montana Code Annotated, attached as "Exhibit B".

5. Direction. Subject to any professional standards, rules of ethics or any federal,

state or municipal statutes, laws, rules, regulations or ordinances regulating the practice of the Airport Director's profession:

a. all work performed by the Airport Director shall be subject to review by the Board; and

b. the power to direct, control and supervise the duties to be performed by the Airport Director, the manner of performing said duties by the Airport Director, and the time for performing said duties by the Airport Director shall be exercised and determined by the Board.

6. Compensation and Benefits. The Authority agrees to provide Airport Director with the following compensation and benefits as compensation for his services hereunder:

a. Salary. The Authority agrees to pay Airport Director an initial annual base salary of $____,000. The annual salary shall be payable in installments according to the Authority's standard payroll practices beginning with the first pay period of the Term.

b. Merit/Performance Adjustments. The Authority may pay Airport Director merit and/or performance adjustments. Airport Director shall be reviewed annually by the Board and shall be entitled to such increases in his Base Compensation as the Board may determine.

c. Benefits. The Authority agrees to provide Airport Director with benefits as provided to other employees on the same terms and conditions as applicable to other employees and as enumerated in the Missoula County Airport Authority Employee Policy ("Employee Policy"). These benefits include health insurance, pension, vacation, holiday and sick leave. The Authority reserves the right to modify or alter its benefits from time to time.

d. Expense Reimbursement. The Authority shall reimburse Airport Director for all reasonable and necessary business expenses that he may incur relative to his services as Airport Director pursuant to the Employee Policy.

e. Vehicle Allowance. The Authority will provide Airport Director with a vehicle allowance in the amount of $____.00 per month. This allowance is subject to the provisions of the Employee Policy.

7. Authority. Airport Director's authority to obligate the Authority on any contract or

agreement of any kind, character or nature is limited to the provisions of the Authority's Procurement Policy. Airport Director shall have no authority to borrow funds for the Authority or to pledge any of its assets for any purpose whatsoever without concurrence of a majority of the Authority Board of Commissioners.

7. Employee Policy Manual. The Authority's Employee Policy Manual is incorporated into this Agreement. The Employee Policy Manual may be revised from time to time and all revisions and amendments shall be incorporated herein. In the event of a conflict between the terms of the Employee Policy Manual and this Agreement, the terms of this Agreement will govern.

8. Termination of Employment. This Agreement is for a five-year term. However, this Agreement may be terminated prior to the end of the term, as follows:

   a. Death. The Airport Director's employment shall terminate upon his death, in which event the Authority shall not thereafter be obligated to make any further payments of any type or amount other than (1) accrued leave payments; (2) any death payments due under Authority benefit programs (if any); (3) any benefits required by Federal and State law.

   b. Disability. The Airport Director's employment may be terminated by the Board, upon ten (10) days' prior written notice if the Airport Director is absent from employment due to illness, disability, or incapacity for more than sixty-five (65) normal working days (i.e., equivalent to approximately thirteen (13) weeks if scheduled for five (5) workdays per week) in the aggregate within any consecutive one hundred eighty (180) calendar days (approximately six (6) months). The Authority shall pay the Airport Director's salary through the separation date in accordance with state law and other applicable regulations.

   c. Cause. The Authority may terminate the employment relationship with Airport Director for Cause, and the power to terminate the Employee shall be in the Authority's sole discretion. For purposes of this Agreement, "cause" shall consist of the following, to be determined by the Authority in its discretion:

      i. Repeated or continual failure to satisfactorily perform job duties, or disruption of Authority's operation, or for other legitimate business reason(s);
      ii. Material breach by the Airport Director of any of the policies contained in this Agreement or the Authority's Employee Policy Manual, as they currently exist or may be amended;
      iii. Airport Director's fraud, misappropriation, embezzlement, or willful misconduct;

iv. Willful or prolonged absence from work by the Airport Director (other than by reason of Disability due to physical or mental illness), or failure, neglect or refusal by the Airport Director to perform the Airport Director's duties and responsibilities without the same being corrected upon receipt of written notice by the Board.

v. Airport Director's gross negligence, willful and continued failure to substantially perform assigned duties; or willful engaging in conduct materially injurious to the Authority, monetarily or otherwise;

vi. Airport Director's conviction of a felony involving moral turpitude or any crime or activity that would impair Airport Director's ability to perform his duties or impair the business reputation of the Authority;

vii. Other like acts or omissions, with the proviso that the Airport Director shall have 30 days in which to attempt to correct such acts or omissions.

For purposes of this Paragraph, no act, or failure to act, on the Airport Director's part shall be considered "willful" unless done, or omitted to be done, by him not in good faith and without reasonable belief that his action or omission was in the best interest of the Authority.

d. Without Cause. If the Authority terminates the Airport Director without cause (for purposes of this Agreement, termination "without cause" shall mean a termination for any reason other than for cause as defined in § 8c above), the Airport Director shall receive a lump sum severance payment equivalent to his then applicable base salary rate for a period of one hundred and eighty (180) days contingent upon Airport Director's execution of a release of claims form satisfactory to the Board.

e. Termination by Mutual Agreement of the Parties. The Authority and Airport Director may mutually agree in writing to terminate this Agreement at any time. Mutual agreement means through a writing signed by both parties acknowledging the mutual desire to terminate the Agreement.

f. Termination by Airport Director. Airport Director may terminate this Agreement by submitting in writing, not less than 45 days prior to Airport Director's last day of employment, their resignation and providing notice to the Authority.

g. Transfer of the Authority. In the event the Authority is dissolved or its structure is altered by an act of a court, the Missoula County Commissioners, the Montana Legislature or any other governmental agency, the Authority agrees to use its best efforts to ensure that the succeeding entity agrees to assume and be bound by the provisions of this Agreement. If an offer is presented to Airport Director by the succeeding entity, Airport Director shall have the sole discretion to accept or reject such offer. If Airport Director is either not offered a position with the succeeding entity or chooses not to accept such an offer, the Authority agrees to pay Airport Director his then applicable base salary rate for a period of one hundred and eighty (180) days.

9. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and contains all of the agreements between them with respect to the subject matter hereof. This Agreement supersedes any and all other agreements or contracts either oral or written as discussed or negotiated between the parties.

10. Modification of Terms. The terms and provisions of this Agreement shall not be modified or amended except by a written agreement signed by both parties.

11. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect any other provision and this agreement shall be construed as if such invalid or unenforceable provision had been omitted.

12. Binding Effect. This Agreement shall be binding upon the parties hereto and in the case of the Authority, any successor in interest.

13. Nonwaiver. The failure of the Authority to insist upon and enforce strict performance with any term or condition of this Agreement or to exercise any right or remedy under this Agreement shall not be construed as a waiver or relinquishment to any extent of its right to assert or enforce such term, condition, right or remedy in that or any other instance, and such term, condition, right or remedy shall be and remain in full force and effect.

14. Survival. All provisions of this Agreement which may reasonably be interpreted or construed as surviving the completion, expiration, termination, or cancellation of this Agreement, including without limitation this Section, shall survive the completion, expiration, termination, or cancellation of this Agreement.

15. Relations Between Parties. The relationship between the parties is that of an employer and an employee. Nothing in this Agreement shall be construed to give the Airport Director any right, title or interest in the tangible or intangible assets of the Authority.

16. No Assignments or Delegations. This Agreement is personal to each party hereto

and no party may assign or transfer any of its rights or delegate any duties under this Agreement in whole or in part without first obtaining the written consent of the other party, which consent shall specifically reference this Agreement and the rights or duties that are the subject of such assignment, transfer, or delegation.

17. Amendments and Modifications. No amendment, modification, or supplement, including those by custom, usage of trade, or course of dealing, of any provisions of this Agreement shall be binding on either party unless it is in a subsequent writing and signed by both parties at the time of the amendment, modification, or supplement and which specifically references this Agreement and the provisions that are amended, modified, or supplemented. No oral order, objection, claim, or notice by either party to the other shall affect or modify any of the terms or obligations contained in this Agreement

18. Venue and Applicable Law. This Agreement is being entered into in the County of Missoula, State of Montana, and the terms and provisions hereof shall be construed and enforced in accordance with the laws of the State of Montana.

19. Attorney Fees. In any action brought by either party to enforce, modify or interpret the terms and provisions of the agreement and their rights and obligations hereunder, the prevailing party in such action shall be entitled to costs, out-of-pocket expenses, expert and lay witness fees and expenses, and their attorney and paralegal fees, including any such costs, out-of-pocket expenses and fees incurred on any appeals or in any bankruptcy proceeding.

DATED this ______day of ______________, 2026.

MISSOULA COUNTY AIRPORT AUTHORITY	AIRPORT DIRECTOR
By: ___________________________	___________________________
Patrick Boyle	Brian Ellestad
Chair, Board of Commissioners	

2026 Missoula Airport Operations and Route Performance

Summary

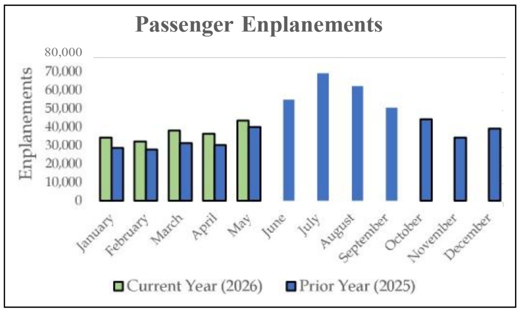
May seals were up 8.Ho Y/Y
March/ April '26 enplanemenls were a record high
-Spring Break Shift from March lo April Y/Y

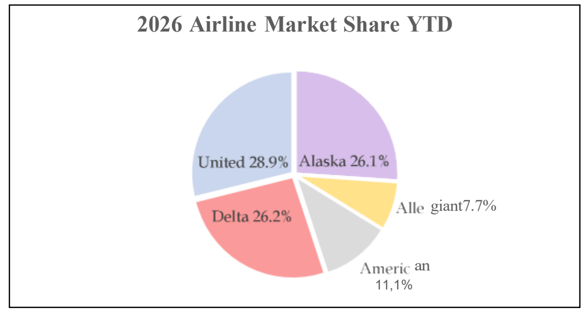
Air Service Highlights

MSO-ORD helping to boost Jan-Apr Pax Enplanements

Sun Cowitry Suspends Service Start from June lo July 2026

Please reach out with any comments or changes lo improve our report going forward!





Tower Operations

		January	February	March	Al!!!!	Mil		MI'.	August	September	October	November	December	Total	
Air Carrier		741	656	737	740	864	0	0	0	0	0	0	0	3,73	10%
Air Taxi		350	340	329	405	409	0	0	0	0	0	0	0	1,83	-13%
GA		1023	1035	1097	1621	1860	0	0	0	0	0	0	0	6,63	5%
Military		42	27	12	43	53	0	0	0	0	0	0	0	17	-17%
Ovil		921	977	922	1294	929	0	0	0	0	0	0	0	5,04	22%
Total	**2026**	3,077	3,035	3,097	4,103	4,115	0	0	0	0	0	0	0	17,42	8%
	2025	2,412	2,426	3,209	3,884	4,217	4,617	5,620	5,654	3,827	4,128	2,809	2,507	45,31	

Enplaned Passengers

Airlines		January	February	March	Al!!!!	Mil		MI'.	August	September	October	November	December	Total	m
Alaska		10,262	8,571	9,747	8,881	10,663	0	0	0	0	0	0	0	-18,124	5%
Allegiant		2,830	2,-154	3,454	2,547	2,877	0	0	0	0	0	0	0	14,162	-12%
AmeriG:lll		3,429	3,465	4,009	-1,148	5,503	0	0	0	0	0	0	0	20,554	65%
Delta		8,349	8,305	9,545	9,968	12,185	0	0	0	0	0	0	0	48,352	**-1%**
Frontier		0	0	0	0	0	0	0	0	0	0	0	0	0	
Sun Country		0	0	0	0	0	0	0	0	0	0	0	0	0	
United		9,314	9,390	11,477	10,718	12,315	0	0	0	0	0	0	0	53,214	6%
Charters		0	0	0	0	0	0	0	0	0	0	0	0	0	**-100%**
Total	2026	34,184	32,185	38,232	36,262	43,543	0	0	0	0	0	0	0	184,406	6%
	2025	32,979	29,778	36,07:i	33,381	41,706	54,799	70,797	63,677	42,180	43,671	3-!,947	39,867	523,857	

LF														
LF	2026	71.5%	76.2%	81.9%	78.9%	75.3%								76.7%
	2025	79.1%	81.0%	84.1%	78.8%	79.3%	74.1%	83.5%	81.7%	82.8%	82.7%	75.3%	78.1%	80.1%

Deplaned Passengers

Airlines		January	February	March	Al!!!!	Mil		MI'.	August	September	October	November	December	Total	m
Alaska		9,284	8,318	9,425	9,433	11,769	0	0	0	0	0	0	0	48,229	3%
Allegiant		2,605	2,-108	3,311	2,903	3,105	0	0	0	0	0	0	0	14,332	-13%
Amerirn11		3,120	3,225	3,711	3,727	5,986	0	0	0	0	0	0	0	19,769	62%
Delta		7,669	8,538	9,625	10,191	13,080	0	0	0	0	0	0	0	49,103	3%
Frontier		0	0	0	0	0	0	0	0	0	0	0	0	0	
Sun Country		0	0	0	0	0	0	0	0	0	0	0	0	0	
United		9,503	9,675	11,374	11,316	13,643	0	0	0	0	0	0	0	55,511	8%
Charters		0	0	0	0	0	0		0	0	0	0	0	0	**-100%**
Total	2026	32,181	32,164	37,446	37,570	47,583	0	0	0	0	0	0	0	186,944	7%
	2025	31,227	29,611	35,779	3-1,355	43,820	59,824	69,807	59,6-15	40,243	41,607	35,123	39,882	520,923	

'.fotalP	2026	66,365	64,3-!9	75,678	73,832	91,126								371,350	6%
	2025	64,206	59,389	71,854	67,736	85,526	114,623	140,604	123,322	82,423	85,278	70,070	79,749	1,044,780	
T12M			877,393												

Legend:
LF - Load Factor
T12M - Previous 12 Months
Y/Y - Year Over Yem
P.ix - P,1ssengers