MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
June 30, 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 Deb Poteet
	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
	HR Manager Nikki Munro
	Federal Compliance Manager Jesse Johnson
	IT Manager Dylan O'Leary
	Staff Accountant Brianna Brewer
OTHERS:	Shaun Shea, Morrison & Maierle
	Sarah Michaelson, Morrison & Maierle
	Cole Jensen, Martel Construction
	Winton Kemmis, Public
	Griffin Smith, Missoulian
	Kendon Campbell, Four Sons LLC

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

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

Second: Secretary/Treasurer Shane Stack

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 May 26, 2026. There were no comments or questions.

Motion: Commissioner Jack Meyer moved to approve the minutes of the Regular Board Meeting dated May 26, 2026.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Director of Finance and Administration Will Parnell reported that during the reporting period, the Airport incurred approximately $65,000 in project expenses. Of that amount, approximately $62,000 is eligible for reimbursement through the Federal Aviation Administration.

Several notable non-recurring expenditures were incurred during the reporting period. These included the purchase of a fire trainer used for the Airport's triennial disaster training exercise, payment of a portion of the Minimum Revenue Guarantee provided to American Airlines under the Small Community Air Service Development grant agreement supporting Chicago O'Hare service, prepaid expenses for the airport's accounts payable/accounts receivable software platform, and annual fire alarm inspection services. Additionally, the airport completed payment for a new Aircraft Rescue and Firefighting (ARFF) vehicle previously approved by the Board, which has since been placed into service and recorded as a capital asset.

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 Andrew Hagemeier moved to approve the Claims for Payment.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Director of Finance and Administration Will Parnell provided the Board with the monthly financial report narrative, which includes detailed information on accounts receivable, aging schedules, balance sheet activity, budget performance, and long-term debt obligations. Staff also introduced a new debt service coverage ratio chart that tracks net operating income, including Passenger Facility Charges (PFCs) and Customer Facility Charges (CFCs), compared to debt service requirements by fiscal-year quarter. Will noted that additional debt service metrics will be incorporated into future reports and, upon finalization of the airport's 2022 note financing, annual debt service reporting will also be presented.

Chair Pat Boyle asked if there were any Board questions or public comments regarding the Financial Report. Will clarified that the debt service coverage is 1.25.

Motion: Commissioner Jack Meyer moved to approve the Financial Report.

Second: Secretary/Treasurer Shane Stack

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Brian Ellestad highlighted continued strong passenger activity at Missoula Montana Airport, noting that enplanements increased compared to the same period in the prior year and continued to outperform national trends. He also provided an update on airline service and industry outreach efforts, reporting positive discussions with airline partners regarding future demand and service opportunities.

Brian reported that the Airport Master Plan has received final approval from the Federal Aviation Administration, marking the completion of a significant long-term planning effort involving both staff and community participation. He also updated the Board on several ongoing strategic initiatives, including the planned redesign of the airport's website to improve accessibility and compliance, and progress toward the transfer and sale of the Milwaukee Trail property.

LEGAL UPDATE

Legal Counsel Juniper Davis reported that the Airport continues to experience a high volume of business activity, with numerous agreements and contracts currently under development. She also noted that, following completion of the planning and engineering consultant procurement process, attention will shift toward future hangar development opportunities on the east side of the airport.

Juniper provided an update on the Milwaukee Trail property transaction, noting that the Missoula City Council recently approved the use of open space bond funds and authorized the Mayor to enter into a purchase and sale agreement with the Airport. She explained that the approved funding amount includes both the purchase price and potential due diligence costs associated with the transaction. Airport staff continue to coordinate with the Federal Aviation Administration regarding the necessary property release approvals and remain optimistic that the process will move forward smoothly. The purchase and sale agreement is expected to return to the Board for consideration at a future meeting.

Finally, Juniper advised the Board that several policy updates remain under development, including revisions to the human resources, travel, and procurement policies.

COMMITTEE UPDATES

Chair Pat Boyle notified the Board that there was an Executive Committee meeting on June 30, 2026, to discuss the Board agenda and packet.

UNFINISHED BUSINESS

Agreement with Missoula County for Terminal Concourse Play Structure

Business Development Manager Dan Neuman presented an agreement with Missoula County and the Historic Museum at Fort Missoula to install and maintain a children's play area within Concourse B of the terminal. The play structure, designed to resemble a historic fire watchtower, will occupy space that was set aside during the Concourse B expansion for a dedicated children's play area. The Historic Museum will be responsible for the design, procurement, installation, and ongoing maintenance of the structure, while the airport will provide the space at no cost. The proposed agreement has a ten-year term and includes a planned refresh of the exhibit after five years. Staff recommended approval of the agreement.

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

> Motion: Commissioner Deb Poteet moved to approve the agreement with Missoula County to install and maintain a play structure at the Missoula Airport terminal concourse.
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> Second: Commissioner Matt Doucette
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> Vote: Motion Passed Unanimously

NEW BUSINESS

Audit Contract and Engagement Letter

Director of Finance and Administration Will Parnell presented the engagement letter and audit services agreement for the Airport's annual single audit. The single audit includes both a comprehensive review of the Authority's financial statements and internal controls, as well as an examination of the Airport's use of federal grant funds to ensure compliance with federal requirements. Will explained that the Airport Improvement Program (AIP) remains the airport's primary federal program and will serve as the major program subject to audit testing. Interim audit testing is scheduled for August, with on-site fieldwork to occur in September. Will further noted that the audit partner will provide the Board with a presentation on the audit approach at a future meeting. The proposed audit fee for Fiscal Year 2026 is approximately $86,850, with additional travel expenses not to exceed $8,250.

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 annual audit engagement letter and standard audit contract with Baker Tilley.
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> Second: Commissioner Matt Doucette
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> Vote: Motion Passed Unanimously

Fiscal Year 2027 Insurance Coverage

Director of Finance and Administration Will Parnell presented the Fiscal Year 2027 insurance renewal package, describing the renewal as a favorable outcome for the Airport Authority. The proposed insurance premium is approximately $370,000, representing a decrease of roughly 6% from the current year and significantly below the amount budgeted for Fiscal Year 2027. Staff explained that the reduction was primarily the result of competitive market bids, which enabled the airport's broker, Gallagher Risk Management Services, to negotiate lower premium costs. Staff also noted that the renewal includes a new $75,000 wind and hail deductible per occurrence, reflecting changes in the insurance market for the region.

Chair Pat Boyle asked if there were any Board questions or public comments. Will clarified that the Airport does not budget for the possibility of needing to meet a deductible but rather relies on cash reserves.

> Motion: Commissioner Andrew Hagemeier moved to approve the Gallagher insurance renewal package for Fiscal Year 2027 for the amount of $370,926.
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> Second: Vice Chair Adriane Beck
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> Vote: Motion Passed Unanimously

<u>Taxiway H Conversion Project Bid Award</u>

Airport Director Brian Ellestad presented the Taxiway H Conversion Project for bid award, describing it as a long-planned project stemming from the Airport Master Plan and the FAA-approved decommissioning of the airport's former crosswind runway. Following closure of the runway, the airport was required to reconfigure the facility for taxiway use. An initial solicitation resulted in bids that were significantly higher than engineer estimates, leading the airport to reject the bids and rebid the project. After revising portions of the project scope and providing greater flexibility in project delivery, the airport received substantially more competitive pricing. The apparent low bidder reduced its proposal by nearly $1.5 million from the prior bid, bringing the project cost within an acceptable range.

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

> Motion: Commissioner Deb Poteet moved to accept the Taxiway H conversion project bid proposal and award construction to TJ Gardner in the amount of $2,414,777 dollars.

Second: Secretary/Treasurer Shane Stack

Vote: Motion Passed Unanimously

Final Design of ATCT Upgrades Project

Deputy Director Tim Damrow provided an update on the second phase of improvements to the Airport's air traffic control tower. Following the Airport's acceptance of grant funding for an initial round of upgrades which included replacement of the tower elevator and improvements to HVAC systems, this current task order focuses on final design and implementation of additional tower modernization projects. Planned improvements include conversion to LED lighting, upgrades to communications and voice-switching equipment, and replacement of the airport's existing Automated Surface Observing System (ASOS) with a newer Automated Weather Observing System (AWOS) that offers enhanced capabilities and long-term reliability. The task order authorizes engineering services for project design, bidding support, and construction administration.

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

Motion: Commissioner Jack Meyer moved to approve Task Order #75 with Morrison-Maierle for air traffic control tower upgrades in the amount of $38,500.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Transfer of Federal AIP Entitlement Funding

Airport Director Brian Ellestad reported that the FAA identified unused entitlement funding from another Montana airport. As such, the FAA asked our Airport for potential projects that could use the available funds. In response, the Airport proposed accelerating the design phase of the Taxiway G project, which was already included in the Airport Capital Improvement Plan. Advancing the design work will position the project to be "shovel ready" should future discretionary funding opportunities arise. Brian noted that the this benefits both the FAA and the Airport by keeping federal funds in Montana, maintaining project momentum, and improving the airport's cash flow.

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

Motion: Commissioner Jack Meyer moved 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.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Planning Services Award and Contract

Airport Director Brian Ellestad presented the results of the Airport's procurement process for planning and engineering services. Following issuance of the request for proposals, Morrison-Maierle was the sole respondent for both the planning and engineering contracts. Bian noted that the firm has a strong reputation throughout Montana and has provided quality service to the Airport over the current contract term. Brian also noted that the Airport's current capital program consists primarily of ongoing airfield and pavement projects, which may have generated less interest than the major terminal development projects included in prior procurements. Based on Morrison-Maierle's experience, performance, and familiarity with the airport's needs, staff recommended retaining the firm for an additional five-year term to provide both planning and engineering services.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the change order. Board member noted that it is not uncommon for only one proposal to be submitted when the incumbent firm is performing well and there are no major new projects anticipated that would attract significant competition. Brian further advised that staff consulted with the FAA regarding the single submission and received confirmation that the agency had no concerns with proceeding under those circumstances..

Motion: Secretary/Treasurer Shane Stack moved to award and approve the planning services contract to Morrison-Maierle for a five-year term beginning on July 1st, 2026.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

Engineering Services Award and Contract

Motion: Commissioner Andrew Hagemeier moved to approve the engineering service contract with Morrison-Maierle for a five-year term beginning July 1st, 2026.

Second: Vice Chair Adriane Beck

Vote: Motion Passed Unanimously

UKG Contract

HR Manager Nikki Munro presented a proposed three-year renewal agreement for the airport's UKG human resources information system. Since its implementation in January 2024, the system has streamlined a variety of human resources and payroll functions, including recruitment, timekeeping, personnel record management, reporting, and payroll processing, while supporting compliance through automated workflows and internal controls. The proposed contract includes a 7% increase in the first year, with no price increases in years two and three, for a minimum three-year cost of $51,714.

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

Motion: Commissioner Jack Meyer moved to approve the three-year UKG contract as presented

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Baggage System Spare Parts Purchase

Building Maintenance Supervisor AJ Bemrose requested approval to purchase spare parts for the airport's inbound baggage handling system. Because the original project did not include an allowance for spare parts and replacement components can require lead times of four to six weeks, staff determined that maintaining an on-site inventory is important to ensure reliable system operation. After reviewing the manufacturer's recommended spare parts list and removing items already in stock or common to existing systems, staff obtained multiple quotes for the remaining components. The lowest quote, submitted by BHS Airport Conveyor, was $62,969.18, with estimated freight costs of approximately $1,000, for a total recommended purchase amount of $63,969.18.

Chair Pat Boyle asked if there were any additional Board questions or public comments regarding the agreement. AJ clarified that Airport staff perform the repairs with these parts.

> Motion: Commissioner Deb Poteet moved to approve the purchase of GNS spare parts in the amount of $63,969.18 from BHS Airport Conveyor.
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> Second: Secretary/Treasurer Shane Stack
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> Vote: Motion Passed Unanimously

Kembel/Stevens and Four Sons LLC Lease Assignment – Juniper Davis

Legal Counsel Juniper Davis Staff presented a proposed assignment of an existing hangar ground lease from the current leaseholders, Bob Kembel and Tom Stevens, to Four Sons LLC. The Board recently approved a ten-year extension of the lease, extending the term through 2036, and the current owners have since entered into a private purchase and sale agreement for the six-unit hangar facility located west of the terminal. Because Airport approval is required for any transfer of leasehold interests, Four Sons LLC submitted an application to the airport outlining its intended use and operation of the facility. After reviewing the application and transaction documents, staff determined that the transfer complies with airport requirements and recommended approval of the lease assignment.

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

> Motion: Secretary/Treasurer Shane Stack moved to request the board approve the ground lease assignment from Bob Kembel and Tom Stevens to Four Sons LLC.
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> Second: Commissioner Deb Poteet
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> Vote: Motion Passed Unanimously

CLOSED SESSION: Airport Director Annual Evaluation

Chair Pat Boyle stated that the meeting is being closed to the public because it relates to a matter of individual privacy, specifically the Airport Director's performance. Discussion ensued.

> Motion: Commissioner Deb Poteet made a motion to return to open session.

Second: Shane Stack

<u>Airport Director Contract and Compensation</u>

Following its closed session, the Board returned to open session and discussed the Airport Director's proposed employment agreement and compensation. Board members reviewed the terms of a proposed five-year employment agreement and discussed the recommended salary and vehicle allowance adjustments, including how the proposed compensation aligned with budget considerations, the Airport Director's performance, staff retention, and the complexity of airport operations.

Motion: Commissioner Andrew Hagemeier moved to increase the Airport Director's base wage by 9.05%, increases car allowance by 25% and approve a new five-year employment agreement all effective July 1st, 2026.

Second: Commissioner Jack Meyer

Vote: Motion Passed Unanimously

Chair Pat Boyle noted that the next Board meeting will be held on July 28, 2026, at 1:30 p.m.

Meeting Adjourned.