

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
November 29, 2016

THOSE PRESENT: Chair Jeffrey Roth  
Vice Chair Paul Stafford  
Secretary/Treasurer Shane Stack  
Commissioner Barbara Berens  
Commissioner Matt Doucette  
Commissioner Chris Lounsbury  
Commissioner Larry Anderson  
Alternate Commissioner Winton Kemmis  
Alternate Commissioner Deb Poteet  
Honorary Commissioner Jack Meyer

STAFF: Director Cris Jensen  
Deputy Director Brian Ellestad  
Financial Manager Teri Norcross  
Administrative Manager Lynn Fagan  
Chief of Public Safety Jesse Johnson  
Ground Handling Manager Tim Damrow  
Business Development Manager Dan Neuman  
Advertising Manager Amanda Jacobson

OTHERS: Shaun Shea, Morrison-Maierle  
Kynan Spethman, Northstar/Neptune  
Greg Lee, Museum of Mountain Flying  
Mark Kobos, Jackson Contractor Group  
Jason Watkins, Jackson Contractor Group  
Jan Schweitzer, Anderson Zurmuehlen and Company  
James Scott, First Interstate Bank

Chair Jeffrey Roth called the meeting to order and advised everyone that the meeting was being recorded. There was a full panel of Commissioners so no Alternates needed to be seated.

AGENDA

Motion: Commissioner Paul Stafford moved to approve the Agenda as presented.

Second: Commissioner Larry Anderson.

Vote: Motion Passed unanimously.

Public Comment Period:

Greg Lee from the Museum of Mountain Flying talked about the problem individuals have had finding the Museum on airport because all the businesses on airport have the same street

address. He wanted to know if this could be addressed in some way so that people could google a business and find it on airport. Director Cris Jensen stated that the reason the address was the same was because the airport owned all the land and leased it to the businesses. Director Jensen made plans to discuss the issue further with Mr. Lee.

## MINUTES

Motion: Commissioner Chris Lounsbury moved to approve the Minutes of the Regular Board meeting dated October 25, 2016 as amended.

Second: Commissioner Barbara Berens.

Vote: Motion passed unanimously

## CLAIMS FOR PAYMENT

Finance Manager Teri Norcross explained that there was a lot of travel last month and that the credit card detail was included in the Finance Report. There were no questions from the Board.

Motion: Commissioner Paul Stafford moved to approve the claims for payment as presented.

Second: Commissioner Matt Doucette.

Vote: Motion Passed Unanimously

## FINANCIAL REPORT

Finance Manager Teri Norcross discussed the financial report with the Board. Teri noted that an additional \$200,000.00 was paid on debt in November. Commissioner Paul Stafford asked about the cost of deicer. Director Cris Jensen explained that this was a new deicer that was a different product for the airfield because of new FAA regulations. The regulations require no snow or ice at all on the airfield so chemical use is required. Teri reminded everyone about all the entertainment scheduled to take place in the terminal the week before Christmas.

Motion: Commissioner Larry Anderson moved to approve the financial report as presented.

Second: Commissioner Barbara Berens.

Vote: Motion Passed Unanimously

## DIRECTOR'S REPORT

Director Cris Jensen informed the Board that the airport received the Jay Award from Destination Missoula for its contributions to Missoula tourism. Cris also told the Board about an initiative he has been working on with other airports in the State to bring to the Legislature this session which would create a state revenue guarantee program similar to the federal Small

Community Air Service Grant program. The program would make one million dollars available each year for air service incentives and be funded by a tax on rental cars.

Deputy Director Brian Ellestad informed the Board that the Allegiant Oakland service would be starting three weeks early this year and that Frontier is projecting an April 21<sup>st</sup> start date, which is a week or two earlier than last year. We should hear something about American service in the next month or so.

#### REPORT FROM LEGAL COUNSEL

Administrative Manager Lynn Fagan stated she has been working on updating HR files and procedures and has been working with Public Safety Chief Jesse Johnson on the Airport Certification Manual. Lynn has also been working on expanding opportunities for public notice of meetings.

#### COMMITTEE UPDATES

Executive Committee: Met November 29, 2016

Finance Committee: Met November 28, 2016

Business Development: No Activity

Contract & Lease Committee: No Activity

Facility & Operations Committee: No Activity

Marketing Committee: No Activity

General Aviation Committee: No Activity

Legislative Committee: No Activity

#### UNFINISHED BUSINESS:

##### Change Order No. 3 to Knife River contract for 2016 Improvements

This change order is being issued to implement a winter shutdown for the 2016 Improvements projects, effective October 28, 2016. The work will be finished in the Spring of 2017. Commissioner Larry Anderson asked if there will be days added for bad weather and Director Cris Jensen stated that the contract extension included a 13 calendar day extension.

Motion: Commissioner Paul Stafford moved to approve Change Order No. 3 to the MSO 2016 Improvements program Knife River Corporation construction contract.

Second: Commissioner Chris Lounsbury

Vote: Motion passed unanimously

##### Rental Car Quick Turn Around Facility Guaranteed Maximum Price

The method being used to procure the contract to construct the new QTA facility is the General Contractor Construction Manager (GC/CM) model of procurement. Jackson Contractor Group (JCG) was selected through a competitive Request For Proposals (RFP) process and a contract with JCG for pre-construction services was approved by the Authority Board at the July Board

meeting. The pre-construction services contract required JCG to provide to the Board for your consideration a Guaranteed Maximum Price (GMP) to construct the QTA project. JCG completed the pre-construction services process with a bid opening on Tuesday, November 22<sup>nd</sup>, and are presenting to the Board a GMP of \$4,163,014.00 for the completion of the project.

The funds for this project will come from the Consolidated Facility Charge (CFC) funds. However, because we will not collect the CFC funds at a rate fast enough to pay for the project (we collect approximately \$750,000 per year) we will need some short term financing from a local lending institution to cash flow the project. Staff is working on the loan process and will have an action item for the Board at the February Board meeting.

Commissioner Paul Stafford asked if the bridge loan will impact the airport's ability to borrow for the terminal project. Director Cris Jensen stated that we are thinking very short term for this loan and that it should be paid for by the time the bulk of the construction on the terminal is started.

Motion: Vice Chair Paul Stafford moved to accept the Guaranteed Maximum Price of \$4,163,014.00 from Jackson Contractor Group for the construction of the new Quick Turn Around Facility.

Second: Commissioner Chris Lounsbury

Vote: Motion passed unanimously

Morrison Maierle Task Order No. 3 for Construction Management Services for Rental Car Quick Turn Around Facility.

Construction Management Services will provide on-site observation and management of the Rental Car Quick Turn Around Facility project. Morrison-Maierle will also provide assistance in closing out the project with the Airport, compile testing results, lien releases, provide record drawings of the completed project and provide a final report to the Airport. Services will also include minor updates to the ALP.

Honorary Commissioner Jack Meyer asked if the cost of this contract was included in the approximately \$4 million GMP that the Board just approved. Director Jensen stated that it was not; this cost is in addition to the GMP.

Motion: Commissioner Larry Anderson moved to approve Task Order No. 3 with Morrison-Maierle for the construction management in the amount of \$140,000.00.

Second: Commissioner Matt Doucette

Vote: Motion passed unanimously

NEW BUSINESS:

Authorization for RFP Process to choose lender for Rental Car Quick Turn Around Facility

Finance Manager Teri Norcross explained that staff is asking the Board to authorize staff to begin a Request for Proposals process to find the bridge financing for the QTA. An RPF is a competitive process where the interested lenders propose a debt structure. A committee of staff and Board Commissioners will consider the responses and propose award of the financing that will be in the best interest of the Authority.

Motion: Commissioner Barbara Berens moved to authorize staff to begin the RFP process to secure financing for the QTA project which will be secured by CFC collections, in an amount not to exceed \$4,000,000.00.

Second: Commissioner Chris Lounsbury

Vote: Motion passed unanimously

### Fiscal Year 2016 Audit

The Finance Committee met on November 28, 2016 for review of the draft audit report and to discuss changes in the required notes related to audit rules that took effect for Fiscal Year 2015. Jan Schweitzer from Anderson Zurmuehlen and Company presented an overview of the audit to the Board. Jan stated that this is an unmodified audit opinion, the highest level of opinion you can get. Jan discussed the new rule which requires reporting of PERS pension liability. Jan stated that the operating revenues increased in all categories by 8.4%. Operating expenses also increased but by a lesser amount, 4.3%, showing that cost containment was good.

The audit came to the Board as a seconded motion from the Finance Committee.

Seconded Motion from Finance Committee: Accept the audit with additional language for STIP and authorize Director Cris Jensen and Finance Manager Teri Norcross to sign the management representation letter, but allow discussion at the Board meeting.

Vote: Motion passed unanimously

### Neptune Lease Option

Neptune Aviation is interested in optioning the parcel of land that Northwest Medstar/Life Flight previously had an option to lease. That option expires on November 30, 2016 and they have informed us that they are no longer interested in building or leasing that location. Commissioner Larry Anderson asked what the rate was for leasing bare ground. Business Development Manager Dan Neuman stated that it is 0.10 per acre per year. Commissioner Paul Stafford asked if the airport was spending any money on this parcel. Director Cris Jensen stated that the airport has spent money putting in the infrastructure to this property but that would have been spent regardless of the Option as part of the East GA expansion.

Motion: Commissioner Paul Stafford moved to approve the option to Lease Agreement with Neptune, Inc. as presented.

Second: Commissioner Matt Doucette.

Vote: Motion passed unanimously

### Jackson Lease Option

JME Services, LLC is interested in optioning a parcel of land in the East GA development in order to respond to an RFQ by the Forest Service. Jackson Contractor Group will be submitting a bid and if they are awarded the bid, they will be building hangars and office space and two helipads.

Motion: Commissioner Paul Stafford moved to approve the option to Lease Agreement with JME Services, LLC as presented.

Second: Commissioner Barbara Berens.

Vote: Motion passed unanimously

### Forest Service Hangar Carpet Purchase

Facility Manager Thad Williams informed the Board that as part of the lease for the Forest Service Hanger, we hold approximately \$50,000 in maintenance funds. These funds are used for the purpose of purchasing needed supplies and or labor for repairs that the hanger might need. These funds are paid through the lease from the Forest Service. It is time to replace the carpet in the building. The new carpet will be carpet squares. Commissioner Larry Anderson asked how much is in the maintenance fund. Teri stated that there is currently more than \$50,000.00 in the fund. Commissioner Paul Stafford asked if the carpet squares can be pulled up and replaced. Thad stated that yes, they can, and he is ordering 2 extra boxes for that purpose.

Motion: Commissioner Chris Lounsbury moved to approve the replacement of the carpet in the Forest Service hangar using the quote from Pierce Flooring for the amount of \$25,743.00.

Second: Commissioner Barbara Berens.

Vote: Motion passed unanimously

### Election of Officers

Pursuant to the Airport Authority Board of Commissioners Bylaws, the November Board meeting is the time for election of officers for the following calendar year. Article II, Section 3 allows for the Chair to nominate a slate of officers using a Succession Order. Chair Jeffrey Roth indicated that he would like to do that. He nominated current Vice Chair Paul Stafford to move up to Chair, current Secretary/Treasurer Shane Stack to move up to Vice Chair and nominated Chris Lounsbury to serve as Secretary/Treasurer. Chair Jeffrey Roth then asked for nominations from the floor three separate times. There were no nominations.

Motion: Commissioner Paul Stafford moved to accept the Slate of Officers as proposed by Chair Jeffrey Roth.

Second: Commissioner Barbara Berens.

Vote: Motion passed unanimously

There being no further business the meeting was adjourned.