

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
October 25, 2016

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

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: Gary Matson, Pilot
Shaun Shea, Morrison-Maierle
Rohn Price, Price Studios
Paul Powers, The KPA Group
Chris Martison, A&E Architects
Denise Prince, Gifted Wings, Inc.
Kynan Spethman, Northstar/Neptune
Allison Standiford, SmartLam
Patrick Offer, Lolo Peak Brewery
David Erickson, Missoulian
Martin Kidston, Missoula Current

Chair Jeffrey Roth called the meeting to order and advised everyone that the meeting was being recorded. Commissioner Larry Anderson and Honorary Commissioner Jack Meyer were not in attendance.

Motion: Commissioner Barbara Berens moved to seat Alternate Deb Poteet

Second: Paul Stafford

Vote: Motion passed unanimously

AGENDA

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

Second: Commissioner Matt Doucette.

Vote: Motion Passed unanimously.

Public Comment Period: No public comment.

MINUTES

Finance Manager Teri Norcross requested changes to the minutes of the Regular Board meeting dated September 27, 2016 in the Claims to Payment section and Financial Report.

Motion: Vice Chair Paul Stafford moved to approve the Minutes of the Regular Board meeting dated September 27, 2016 as amended.

Second: Commissioner Barbara Berens.

Vote: Motion passed unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that the first two items on the Claims for Payment were approved last month. Also, the payment to QRS Signs was late so it has been prepaid. Teri also stated that the Visa card payment was made by ACH this month because her check signers were travelling. Vice Chair Paul Stafford asked what the payment to Stockman's Bank was; Teri stated that it was a money market investment. Stockmans offered to beat the interest rate offered by the STIP fund so some money was removed from another money market account and placed in Stockmans.

Motion: Commissioner Shane Stack moved to approve the claims for payment as presented.

Second: Commissioner Deb Poteet.

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross discussed the financial report with the Board. The second item on the balance sheet is the annual year end adjustment for the airport's proportionate share of the PERS shortfall. This will affect last fiscal year's financials but we just received the entry from the State. Teri stated that the draft audit should be ready next month. We have just been waiting for this PERS adjustment. Teri asked if the audit should be brought to the Finance Committee first or to the full Board. Commissioner Barbara Berens stated that so long as there was nothing noteworthy in the final audit, it should just be brought to the full Board.

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

Second: Commissioner Chris Lounsbury.

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen began his report by briefing the Board on an incident that occurred on airport on October 13, 2016 at approximately 4:30 p.m. A Shorts Sherpa used by the Forest Service for smoke jumpers was inbound for landing and reported a faulty gear indicator. Our ARFF crews responded. On rollout the nose wheel of the aircraft collapsed and the aircraft skidded to a halt. Two people were on board, neither were injured. ARFF crews provided assistance and maintenance staff also assisted. Chief Jesse Johnson ran the incident. All staff did an exceptional job. The NTSB released the aircraft after about 75 minutes and staff with the assistance of North Star was able to remove the aircraft and re-open the runway about 15 minutes later. Two commercial flights were affected. A Delta Connection flight diverted to Helena and returned at approximately 7:00 p.m. that evening. An Alaska/Horizon flight returned to Seattle where the flight was cancelled due to weather in Seattle.

Director Jensen also reported that the recent wet weather has delayed the east GA project and there would likely need to be a contract extension for Knife River in the future.

The hangars on the west end of the airport have been completely removed and staff is working on finishing the parking lot expansion. There will be close to 400 additional spaces.

REPORT FROM LEGAL COUNSEL

Administrative Manager Lynn Fagan updated the Board that the East GA projects that were being held up because of the impact fee dispute with the City of Missoula have been able to move forward. The City agreed to defer the fees so the projects could finish up before the cold weather. Lynn will be preparing a memo regarding the legal issues involved with the impact fees and provide the memo to all the Board members.

COMMITTEE UPDATES

Executive Committee: No Activity
Finance Committee: No Activity
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:

Terminal Area Master Plan Update Presentation. At the June 2016 Board meeting, the Board approved Task Order A with Morrison and Maierle in the amount of \$425,000 to update the Terminal Area Master Plan. There have been 4 work sessions involved in this effort which reevaluating our terminal plan given all that had changed in the short amount of time between 2013 and now. Numerous new concepts were put forward and evaluated and the budget for a

new terminal project was updated. Team members from Morrison Maierle, Shaun Shea, Chris Martison, Rohn Price and Paul Powers presented drawings and a summary of the preferred alternative. The preferred alternative would provide a completely new terminal building in several phases which would offer eight gates with significantly larger hold rooms. The phasing is designed to limit disruption to passengers and businesses on airport.

Vice Chair Stafford asked if there was any provision for Customs. Director Cris Jensen stated that there are no plans for customs at this time but that the building is big enough to accommodate customs in the ramp level or on level 1 in the future.

Vice Chair Stafford also asked how the schedule fit with the airport's funding plan. Cris stated that it is a work in progress and that this will be a project that is driven by the budget and not a budget driven by the project. The airport has FAA entitlement funds and discretionary funds committed to the project, Passenger Facility Charges (derived from airline tickets) and Customer Facility Charges (derived from car rentals) as sources of funding. All of the funding for the project is self-generated. The public only pays for the project if they use the airport. No tax dollars will support the project.

Motion: Commissioner Paul Stafford moved to accept the final presentation of the Terminal Area Master Plan as presented by Morrison and Maierle.

Second: Commissioner Chris Lounsbury

Vote: Motion passed unanimously

TSA Lease. TSA has rented office space, break room space and some storage space from the airport since 2002. The current lease expires on October 31, 2016. This Lease is for a 12 year term. However, because the terminal construction will occur during the term of the Lease, TSA has agreed to a provision in the lease that allows MCAA to adjust the rental rate and square footage of the lease. Staff reviewed the rent and operating costs and determined not to increase the rent until after construction. MCAA provides all utilities, services and maintenance for this Lease. The rent for the period prior to construction of the new terminal will be \$97,534.35 annually plus \$11,574.87 for operating costs, for a total of \$109,109.22 per year. The operating costs are subject to annual CPI adjustments.

Motion: Commissioner Barbara Berens moved to approve the lease with TSA as presented.

Second: Vice Chair Paul Stafford

Vote: Motion passed unanimously

NEW BUSINESS:

Amendment to Public Safety Officer Union Agreement. Director Cris Jensen explained to the Board that management staff has been working with the Public Safety Officers to be able to have two officers on shift at all times in order to increase safety and security. Cris noted that currently from 1 am until 5 am, there is only one officer on duty. There was an incident recently where a car was stolen on the secure side of the airport during that time period. Under the

current schedule, at least one, possibly two, additional staff would have to be added in order to have 2 officers on. After much discussion, it has been determined that a 24 hour shift with a 28 day work period is the most cost effective and workable schedule. This is similar to traditional fire/police schedules.

Commissioner Chris Lounsbury noted he has concerns regarding the plan in that in industry practice, 24 hour shifts are not recommended and are not law enforcement standard. Practice studies show that beyond 12 hours an officer's judgment decreases. Director Cris Jensen noted that staff had the same concern when the proposal was first brought to them. Cris did note that the Airport PSOs serve multiple roles, not only law enforcement. They also perform fire and operation duties.

Commissioner Chris Lounsbury noted that this was a policy decision for the Board to maintain a safe work environment and a safe public environment. Discussion ensued among the Board members regarding the policy issues involved. PSO Chief Jesse Johnson noted that 100% of the officers were on board with the 24 hour shifts and that this change was desperately needed at this time because there were not enough officers on staff to provide the needed coverage otherwise. Secretary/Treasurer Shane Stack stated that when you had a supervisor asking for what he needed, it was wise to listen. Vice Chair Paul Stafford suggested that staff run this for a trial period.

During the discussion, Vice Chair Paul Stafford had to leave. Chair Jeffrey Roth asked for a motion to seat Alternate Commissioner Winton Kemmis.

Motion: Secretary/Treasurer Shane Stack moved to seat Alternate Commissioner Winton Kemmis.

Second: Commissioner Chris Lounsbury

Vote: Motion passed unanimously

Commissioner Chris Lounsbury stated that there were 12 hour schedules that may work with eight staff people and suggested added 12 hour shifts to the amendment if it was passed. Director Cris Jensen stated that there was significant cost involved in adding staff and that those costs would affect the rate base that the airport passes on to its users. Further discussion took place.

Motion: Secretary/Treasurer Shane Stack moved to approve the Amendment to Public Safety Officers Agreement as presented with the addition of 12 hour shifts and also adding the direction of the Airport should be to go towards shorter shifts and hiring 1 to 2 people to fill those roles.

Second: Commissioner Deb Poteet

Vote: For: Commissioners Roth, Stack, Poteet, Kemmis, Berens, and Doucette
Against: Commissioner Lounsbury

Motion passed

Airport Director Performance Review. Board Chair Jeffrey Roth stated that Director Cris Jensen does a very good job, has exceptional knowledge and does a great job working with his staff. Commissioner Chris Lounsbury stated that he appreciates how much Cris works with the staff. Commissioner Barbara Berens noted that Cris takes decision making very seriously. Alternate Commissioner Winton Kemmis stated that he is very confident in Cris' leadership, especially in the terminal project.

Director Cris Jensen stated that he has the most talented staff and his success is because of them and the Board and that it is nice to have an engaged Board. He appreciates the Board's perspective and that they do not simply rubber stamp things brought before them.

Board Chair then brought up the issue of a salary increase. Director Jensen asked to be heard on that matter but was told no. Commissioner Lounsbury asked what increase the general staff received this year. The staff received a 3% increase.

Motion: Commissioner Chris Lounsbury moved to give the Director a 3% salary increase.

Second: Commissioner Barbara Berens.

Vote: Motion passed unanimously

Director Cris Jensen thanked the Board.

There being no further business the meeting was adjourned.