

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
September 27, 2016

THOSE PRESENT: Commissioner Larry Anderson
Commissioner Barbara Berens
Commissioner Jeff Roth, via phone
Commissioner Paul Stafford
Alternate Commissioner Winton Kemmis
Alternate Commissioner Deb Poteet

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Chief of Public Safety, Jesse Johnson
Building Maintenance Manager, Thad Williams
Ground Handling Manager, Tim Damrow
Business Development Manager, Dan Neuman
Administrative Manager, Lynn Fagan
Administrative Assistant, Nancy Van Zant
Advertising Manager, Amanda Jacobson

OTHERS:
Paige Pavalone, MEP
Gary Matson, Pilot
Kynan Spethman, Neptune Aviation

Vice Chair Paul Stafford called the meeting to order and advised everyone that the meeting was being recorded. Commissioners Chris Lounsbury, Matt Doucette, Shane Stack and Honorary Commissioner Jack Meyer were not in attendance.

Motion: Commissioner Barbara Berens moved to seat Alternate Deb Poteet & Winton Kemmis

Second: Larry Anderson

Vote: Motion passed unanimously

AGENDA

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

Second: Alternate Commissioner Barbara Berens.

Vote: Motion Passed unanimously.

Public Comment Period: Gary Matson thanked the staff for a great Bar-Que event. It brings the GA Community and Airport together to enjoy company and good food. Cris Jensen mentioned the bear that had “breached security” and gotten over the fence onto the airfield. When he was

run out he went to the front of the terminal and went inside the first set of doors to the terminal. He did not get completely inside the main terminal and finally moved on.

Paige Pavalone of MEP gave an update on the Airline Incentive packages and the progress with the program. The website is up and running, the financial part will be working by the afternoon. It is not completely finished, and will eventually have live links to sites. The incentive packages will be on a first come basis for investors. Kynan Spethman asked where the funds are held; Paige informed that it is in a MEP account.

MINUTES

Review and approve the minutes of the Regular Board meeting dated August 30, 2016 as presented with the clarification of meeting Director left the Board meeting early for, was Annual NW AAAE conference in Big Sky.

Motion: Commissioner Larry Anderson moved to approve the Minutes of the Regular Board meeting dated August 30, 2016.

Second: Commissioner Winton Kemmis.

Vote: Motion passed unanimously

Special Board Meeting Minutes

Review and approve the minutes of the Special Board meeting dated September 27, 2016 as presented.

Motion: Commissioner Barbara Berens moved to approve the Minutes of the Special Board meeting September 9, 2016.

Second: Commissioner Larry Anderson

Vote: Motion passed unanimously

CLAIMS FOR PAYMENT

Teri asked if there were any questions regarding payments. Teri explained some large checks for snow removal equipment, the GA project, Master Plan update, will all be reimbursed by PFC, and CFC funds. There is a check to artist Harry Koyoma for \$14,400.00 for a painting that was sold in the airport. The airport receives \$9600 in advertising compensation. Larry Anderson asked about credit card purchases creating points. The card point system has worked out well; Cris & Brian have been able to use points to offset travel expenses.

Motion: Commissioner Barbara Berens moved to approve the claims for payment as presented.

Second: Commissioner Larry Anderson.

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Teri discussed the financial report with the Board. The revenues are over budget, operational expenses are under. The budget looks in good shape at this time. Deb Poteet asked what the time line was for TIF money to come on projects. The money turnaround is fairly quick, usually a couple of weeks after requested. Currently we fund the costs and then get reimbursed from the different programs.

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

Second: Commissioner Winton Kemmis.

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

The new snow removal equipment has arrived and is outside the Boardroom for viewing after the meeting. The TSA Pre-check enrollment was here but not without challenges. The first day of appointments, only two people got processed. The length of time was changed, so the second scheduled week didn't occur and many had planned to use that week to enroll. A total of 447 were processed, but should have been many more. I have written a letter and TSA was copied.. Winton Kemmis asked if we know how many didn't get processed, we know at least 97.

Master Plan is transitioning to the financing phase, by the October 6th meeting numbers should be available. The Air Service State report shows we are up 8%, and the parking lot has been full, to the point of using the overflow lot. Larry Anderson asked if the parking area expansion will be completed by the holidays for travelers. One the hangars are removed is should move quickly. The new entrance may not be completed in time, but the space will be available. Winton Kemmis wanted to know if it will all be covered in asphalt. It will be, and also will be painted. The paint can be changed as needed. Paul Stafford asked about the plane tie downs, if they will remain. That is yet to be decided.

REPORT FROM LEGAL COUNSEL

This is the third week on staff. There has been payroll, an insurance claim, and things keep moving along quickly. The second week with a temporary receptionist, there was an alert 4. As it turns out this is an exercise for emergency personnel. The have been Union negotiations with Public Safety regarding 24 hour shifts. I am drafting an agreement for this.

COMMITTEE UPDATES

Executive Committee: September 27, 2016.

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:

Board of Investment loan: Acceptance of the terms and conditions of \$2,000,000.00 loan guaranteed by Neptune Aviation Services, Inc. & Marta A. Timmons to build a storage hangar. Loans going to Neptune/Northstar we can receive as conduit between them, sort of middleman on the loans. Default will go to Neptune, not the Airport. This is an infrastructure type loan and can be used against taxes. Kynan Spethman stated that Neptune was able to use last year's taxes as well on funding. Winton Kemmis stated this all comes back to the Board as finalized, Neptune has already signed. Should Board not want to proceed, Airport has not yet signed, so no obligation.

Motion: Alternate Commissioner Deb Poteet moved to accept the Board of Investment Letter of Approval setting forth the terms and conditions for a \$2,000,000.00 loan guaranteed by Neptune Aviation Services, Inc. and Marta A. Timmons including amendment from Bond Counsel.

Second: Commissioner Larry Anderson

Vote: Motion passed unanimously

Board of Investment Loan #2: Acceptance of terms and conditions for \$1,147,500.00 Board of Investment Loan guaranteed by Neptune Aviation Services, Inc. and Marta A. Timmons and matters related hereto. This is an infrastructure loan for construction on a new hangar. It is a twenty year loan, Neptune has 22 years left on their lease term. It will be guaranteed by Neptune Aviation Services, and Marta A. Timmons.

Motion: Commissioner Larry Anderson moved to accept the Board of Investment Loan #2 in the amount of \$1,147,500.00 as presented.

Second: Commissioner Barbara Berens

Vote: Motion passed unanimously

CH2 M Change Order #2, Knife River East GA Project: This change order is being issued to complete the various work items that remain unfinished on current projects. This will result in a decrease of \$45, 416 (Federal \$884, Non-Federal \$46,300) Approval is subject to FAA concurrence on Federal Schedule I & Schedule II.

Motion: Commissioner Larry Anderson moved to accept the CH2M Change Order #2 resulting in a contract decrease of \$45,416.00 as presented contingent on FAA concurrence.

Second: Winton Kemmis

Vote: Motion passed unanimously

NEW BUSINESS:

None

Discussion regarding the City impact fees. In the prior issue regarding impact fees, the City waived the fee with a right to charge impact fees in the future on airport construction. Lynn stated the Airport is outside the city limit. There is a 1985 Agreement, which does not provide them the rights to charge fees. The City is violating the Agreement. This is also in violation of Federal Grants. The sewer is not connected with these fees. Homestead is being asked for \$17K, and Northstar is \$15K. How is this going to impact the Fed Ex and terminal projects, or any future growth? The issue is delaying projects. Lynn wrote a letter to the City, funds could be put in escrow while this is debated. There has been no response at this time. One option is for a law suit. Tenants are being charged but the Airport is the responsible party. Commissioner Deb Poteet asked how the City stopping the County, and how can the City make choices for the County. Paul Stafford stated this is racketeering. What does counsel suggest, and the timing is a top priority. Winton Kemmis asked the amount the City tried to charge on the last project. It was \$19K, when questioned, amount dropped to \$11K and the reduced to nothing. Lynn has been unable to determine how they calculate the amounts. Winton Kemmis stated the City set a precedent when they did not charge the fees last time. The City has threatened annexation. Cris stated he was trying to communicate with Dale Bickel and to work with him. This will be a no win situation if it has to go to court. Larry Anderson said the City is trying to use powers, they don't have. Where does the Airport benefit from any of these fees, this is a violation of City powers. Jeff Roth state this seems to be an issue that could continue to be a problem, financially and effect any future growth and development on or near the airport. Federal Court would be better than State court, and suggested Lynn look into it. Litigation will be expensive, and not a good idea. Costs are based on square footage; if this goes forward the Airport should look at how to do appropriate fees to tenants. Paul Stafford asked if legal fees would balance out against the cost of the potential fees. Teri Norcross stated this would still be an issue with the FAA, there are guidelines on the use of funds. Paul Stafford stated there should be an Executive committee meeting as soon as possible. This is an extremely important issue.

There being no further business the meeting was adjourned.