

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
August 29, 2017
1:30 pm, Airport Conference Room

THOSE PRESENT: Chair Paul Stafford
Vice Chair Shane Stack
Commissioner Dori Brownlow
Commissioner Larry Anderson
Alternate Commissioner Deb Poteet
Commissioner Jeff Roth
Commissioner Matt Doucette
Alternate Commissioner Winton Kemmis

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Administrative Manager Lynn Fagan
Accounting Clerk Rita Harris-Powers
Business Development Director Dan Neuman
Facilities Manager Thad Williams
Systems and Services Manager Tim Damrow

OTHERS: Shaun Shea, Morrison Maierle
Ryan Salisbury, WGM Group
Steve Conway, Martel
Chris Martinsen, A&E
Brandon, A&E
Beth Burman Frazze, Windfall

Chair Paul Stafford called the meeting to order and advised everyone that the meeting was being recorded.

Motion: Commissioner Jeff Roth moved to seat Alternate Commissioner Deb Poteet.

Second: Commissioner Matt Doucette

Vote: Motion passed unanimously

AGENDA

Motion: Commissioner Jeff Roth moved to approve the Agenda as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed unanimously

Public Comment Period: None

MINUTES

Motion: Commissioner Larry Anderson moved to approve the minutes of the Regular Board meeting dated July 25, 2017 as presented.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Commissioner Jeff Roth noted that the minutes for the special board meeting held on August 18, 2017 were dated July 25, 2017 in error.

Motion: Commissioner Larry Anderson moved to approve the minutes of the Special meeting as amended to reflect the correct date of August 18, 2017.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that the memo on the Claims for Payment included some larger capital expenditures for the QTA and terminal schematic design and welcomed any questions from the Board.

Commissioner Larry Anderson asked what the charges from Gifted Wings and Ferguson Enterprises were for and inquired about the charge paid to the Hunting Shack in regard to what would happen to those supplies if the scheduled training were to be cancelled. Deputy Director Brian Ellestad stated that the Gifted Wings charge was for teddy bears for the Make-A-Wish travelers that come through the airport. Teri explained that the Ferguson Enterprises charge was for regular building maintenance. She then mentioned that the public safety officers train frequently and Director Cris Jensen explained that the charge from the Hunting Shack was to purchase ammunition for training exercises that occur regularly. Chair Paul Stafford asked how MCAA's use of the computer program Veoci was going. Cris answered that Veoci has met our expectations in every way. He explained that the public safety department is able to use it for keeping their time cards, and the advertising department uses it to keep its accounts. He also stated that managing airport lease information, tracking airfield inspections and wildlife hazard management are all accomplished through Veoci now. Cris believes the utility of the product is well worth the investment. Commissioner Jeff Roth asked if it is an open platform and also inquired about whether MCAA shares applications it has developed with other airports. Cris confirmed that yes it is an open platform and that Systems and Services Manager Tim Damrow has been sharing and helping other airports use the applications he has designed.

Motion: Commissioner Matt Doucette moved to approve the claims for payment as presented.

Second: Alternate Commissioner Deb Poteet

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross explained that for the first month of the fiscal year, revenues were higher than the budget, and expenses were lower than the budget. She stated that the majority of the field work for the fiscal audit has been completed. She went on to explain that there were some grant receivable funds that had not been booked since the funds were not in place at the time, but following a discussion with the auditors, the funds have been booked as both grant receivable and as grant revenue. Teri also stated that the annual PERS retirement adjustment should not delay the report like it has in the past. She then stated that Director Cris Jensen spoke with her about the low interest rate on the account at First Security Bank, and Teri added that she is looking at options to get that money into a program with a higher percentage rate. Cris then mentioned that the interest income for July 2017 exceeded the prior year's interest income for the same period.

Finance Manager Teri Norcross explained that the income statement appears to show that some concession accounts had no revenue in July due to booking that revenue on a cash basis throughout the year and then accruing for June revenues in June. However, she noted that July's revenue will be shown when we collect payments in August. She added that the car rental concessions for July are equivalent to approximately 22% of MCAA's car rental concession for the year, adding that the car rental companies' gross revenues for July were over \$2 million. Teri then explained the last page of the financial report does not include funds from the federal contract, though we are hoping for reimbursement by September. Alternate Commissioner Deb Poteet asked if that reimbursement would equal 90% of the expense, and Teri confirmed that is correct.

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

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen discussed how the wildfire activity has affected the airport both positively and negatively this season. On the positive side, MCAA's landing fee revenue from air tankers will exceed the budgeted amount to date. Fuel flowage revenue for July of last year was approximately \$5,000 where this July has shown \$17,000 in fuel flowage revenue. On the negative side, some staff members had to be temporarily evacuated from their homes due to their proximity to the fires. Along with the fire activity being financially profitable for the airport, load factors with air carriers continue to do well as remaining seats on many flights are filled by traveling firefighters. Cris also discussed the upcoming September 30, 2017 expiration of the FAA authorization and the likelihood of it becoming a Continuing Resolution in the face of Congress' multiple approaching deadlines following their summer recess.

The Director's Report also included information about new hangar development in the West General Aviation (West GA) area of the airport, to be further discussed as new business on the agenda. The FedEx construction project is now underway and is estimated to be completed in the spring of 2018. The air service update included the 12-month rolling enplanements total currently at 390,000. MCAA's load factor is currently the highest in the state at 84.8%. At the moment, the City of Missoula has decided not to impose impact fees other than sewer fees for airport development projects. Talks with the Forest Service regarding hangar expansion to accommodate a helitack mission and 38 additional personnel have begun and will likely continue once fire season has begun to slow. Wild life activity continues to be an issue for the airport, though MCAA is aggressively using all available means to reduce the potential for bird strikes. The schematic design process for the new terminal is moving along following the August 10th and 11th work sessions. Further updates on the terminal design will be available at the October Board meeting.

Cris then introduced Beth Burman Frazze of Windfall, who is contracted with Missoula Economic Partnership (MEP). Beth then spoke briefly about the work she will be doing to help strategize with MEP, Destination Missoula, and MCAA. Cris then mentioned the joint Board meeting between the MEP Board, the Destination Missoula Board and the MCAA Board to be held on September 21, 2017 from 5pm to 7pm at Jedediah's at the Airport. The joint Board will be partnering on air service development in the community.

Commissioner Larry Anderson asked if the DC10 aircraft would not be able to land at MCAA, and Cris responded that it can land here, but the issue is currently finding room for it on the airport with the large number of aircraft already here. The DC10 is currently operating out of Helena. Commissioner Jeff Roth asked how the Air Traffic Control Tower personnel have been handling all of the activity, and Cris responded that they have been handling it very well, they have had beneficial meetings and that the increased activity has had very little negative impact on their operations. Chair Paul Stafford asked if the airport has had any Instrument Flight Rules (IFR) days due to the smoke, and Cris responded that we have come close, but we have not had any impacts. Financial Manager Teri Norcross then mentioned the retirement of Neptune's P2Vs, and Cris went on to detail that there will be a retirement party on September 30, 2017 with food, fun, and an expected crowd of about 5,000 people.

LEGAL REPORT

Administrative Manager Lynn Fagan explained that the FAA Building lease near the new car wash facility has been extended for two years, with an expiration of September 30, 2019. A bid on ranch land will be released to the public next month given Rollett Pryun's approaching lease expiration. A wildlife biologist will be coming in to assess the wildlife impacts of irrigating versus not irrigating the land. Lynn also discussed the completion of the Affirmative Action program for MCAA. Lynn went on to explain that MCAA currently employs 13 females and 3 minorities, adding that the airport has only two out of seven job classifications that have placement goals for females, and none of the job classifications have race placement goals. She added that there are no statistically significant adverse impacts indicated by gender or race hire or promotion rates. Alternate Commissioner Winton Kemmis asked how frequently MCAA will be required to report on these numbers, and Lynn responded that an annual report is necessary.

Business Development Director Dan Neuman then mentioned that Lynn worked very hard on completing the Uber and Lyft agreements which have both been executed and are now in place. He added that Uber has begun generating revenue for the airport.

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:

Irrigation Ditch Relocation Agreement

Administrative Manager Lynn Fagan explained that an agreement between Grass Valley Project, MCAA, the Flynns, and the City of Missoula had been approved in January 2017. This agreement came back to the board in May 2017 and included a provision that provided MCAA would jointly own a weir structure which is located outside of airport property. The Board objected to that provision and tabled the matter. The agreement has now been amended so that the Hellgate Ditch Company will take ownership of the weir structure. A discussion about who will maintain the weir followed, and it was clarified that Hellgate Ditch Company has taken maintenance responsibility, and that MCAA will not have any maintenance responsibilities for any of the irrigation structures.

Ryan Salisbury from WGM Group presented a brief explanation of the irrigation ditch plans with visual aids to the Board. He emphasized that no construction was conducted on airport property at any time. He explained that the agreement covers two things: maintenance after the pipe is completed and relocation of the formal ditch easement into a pipe a few feet from where the original open ditch meandered. Commissioner Larry Anderson asked if MCAA's water rights will be impacted with regard to not having any maintenance responsibilities. Administrative Manager Lynn Fagan answered that the airport's water rights will not be impacted. Chair Paul Stafford asked for confirmation that the agreement has been amended to remove our maintenance responsibility. Lynn Fagan confirmed that is correct.

Motion: Alternate Commissioner Deb Poteet moved to approve the amended Irrigation Ditch Relocation, Modification and Maintenance Agreement as presented.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

NEW BUSINESS:

Travis Booher Option to Lease

Business Development Manager Dan Neuman gave a brief history of the West GA area in regard to two parcels that currently have open lease options. This includes the area where Mike McCue previously had a hangar that was removed when the lease expired to make room for more parking. In seeking out new space for hangar construction, MCAA discovered that both Mike McCue and Travis Booher have expressed interest in 12-month lease options to get financing, construction, and building plans in place.

Commissioner Larry Anderson asked how many hangars Travis was looking to place, and Dan responded that Mike McCue and Travis Booher seem to have identical plans for placing five or six individual hangars in their buildings, though MCAA has only received a definite plan from Mike McCue. Chair Paul Stafford asked how people would access the new hangars, and Dan responded that people would access the new hangars the same way they had accessed the Metro Aviation hangar. Paul then asked if parking for the hangars would be located outside of the hangars, and Dan confirmed that would make the most sense in taking future plans for de-icing pad expansion into account. It was commented that the taxiway looked narrow, to which Dan responded that it is 25 feet wide, a width that was requested by Mike McCue. Commissioner Jeff Roth commented that these projects seem to be ideal for the space available. Alternate Commissioner Winton Kemmis asked if the hangars would have a concrete base, and Dan confirmed that is correct.

Motion: Commissioner Dori Brownlow moved to approve the option to lease bare ground for the construction of an aircraft hangar to Travis Booher as presented.

Second: Vice Chair Shane Stack

Vote: Motion Passed Unanimously

Mike McCue Option to Lease

Motion: Commissioner Larry Anderson moved to approve the option to lease bare ground for the construction of an aircraft hangar to Mike McCue as presented.

Second: Alternate Commissioner Deb Poteet

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Commissioner Larry Anderson inquired about where the Forest Service is interested in building a new hangar on the airport, and Director Cris Jensen pointed out the area adjacent to the existing hangar as the spot where they would expand the hangar to accommodate a helitack project. A second option would be an expansion of the building that they currently use to house the tanker crews and retardant mix masters. A third option would be to add an additional building altogether on the Forest Service's property, leaving MCAA out of the project for the most part.

Commissioner Larry Anderson commented that he noticed Hellgate is building more buildings and talking about building a school. He is curious about whether that will impact MCAA's landing and takeoff zone. Director Cris Jensen explained that Hellgate has been very good about communicating with MCAA and that there is enough space between Hellgate's school and the runway that the building will not be in the runway protection zone.

Shaun Shea of Morrison Maierle explained that they are about 75% of the way through the schematic design on the preferred option for the new terminal and that the floorplan layout is also coming along nicely. Finance Manager Teri Norcross mentioned that the Transportation Security Administration has indicated that they may give MCAA some funding for the new baggage prep area. A detailed description of the current terminal plan was given with visual aids, followed by a discussion of the design options as they were presented. Plans to share the presentation with the public are underway.

There being no further business the meeting was adjourned.