

MISSOULA COUNTY AIRPORT AUTHORITY  
Regular Board Meeting  
July 25, 2017  
1:30 pm, Airport Conference Room

THOSE PRESENT: Vice Chair Shane Stack  
Treasurer Chris Lounsbury  
Commissioner Dori Brownlow  
Commissioner Larry Anderson  
Commissioner Jeff Roth via telephone  
Commissioner Matt Doucette  
Alternate Commissioner Winton Kemmis  
Honorary Commissioner Jack Meyer

STAFF: Director Cris Jensen  
Deputy Director Brian Ellestad  
Financial Manager Teri Norcross  
Administrative Manager Lynn Fagan  
Airfield Operations Manager Nate Cole  
Advertising Manager Amanda Jacobson  
Accounting Clerk Rita Harris-Powers  
Intern Sam Giese

OTHERS: Shaun Shea, Morrison Maierle  
Gary Matson, GA Pilot  
Martin Kidston, Missoula Current  
Dave Strohmaier, County Commissioner

Vice Chair Shane Stack called the meeting to order and advised everyone that the meeting was being recorded.

Motion: Commissioner Chris Lounsbury moved to seat Alternate Commissioner Winton Kemmis.

Second: Commissioner Larry Anderson

Vote: Motion passed unanimously

AGENDA

Vice Chair Shane Stack stated that the Irrigation Ditch Relocation Agreement under Unfinished Business would need to be tabled for now. The engineers are still working with the ditch company on the ownership of the weir.

Motion: Commissioner Larry Anderson moved to approve the Agenda as amended to table the Irrigation Ditch Relocation Agreement.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed unanimously

Public Comment Period

None

MINUTES

It was noted that on page 1 of the Minutes, under Agenda, Commissioner Shane Stack was referred to as "Commissioner Shane." Administrative Manager Lynn Fagan stated she would amend the Minutes to include Commissioner Stack's full name.

Motion: Commissioner Matt Doucette moved to approve the minutes of the Regular Board meeting dated June 27, 2017 as amended.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that in preparation for the winter season, some larger checks were written to cover winter operations expenses. Commissioner Larry Anderson asked if the purchases were made from a co-op. Director Cris Jensen stated that supplies for winter operations are purchased directly from the manufacturer as there are no other dealers for the specific system we have, although quotes are sought.

Commissioner Chris Lounsbury asked why Check #47879 was made out to "Misc. Tax Division." Finance Manager Teri Norcross stated that the amount was withheld from a payment to the QTA contractor and paid to the state as required by state law. She added that the contractor will then follow-up with the state to reconcile their balance of tax due.

Vice Chair Shane Stack asked if there was a benefit to purchasing de-icer this early in the year. Airfield Operations Manager Nate Cole stated that the process is much quicker when de-icer is purchased in advance.

Motion: Commissioner Chris Lounsbury moved to approve the claims for payment as presented.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross explained that she had finalized the fiscal year-end financial report, and that they are as complete as is necessary for the audit to be completed, though a

PERS adjustment will be made later in the year. Teri stated that operating revenues were over budget, and while the winter operations put expenses over as well, the airport still had a good year and netted over budget. Teri then explained that she omitted in her notes that the bottom line equity has increased by almost \$1.2 million. She also stated that interest income has doubled since last year, and was three times as much as budgeted. Honorary Commissioner Jack Meyer commented on the Authority's good financial health that when excluding certain non-essential categories of assets and liabilities, current liquid assets are probably double what is shown on the balance sheet.

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

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

## DIRECTOR'S REPORT

Deputy Director Brian Ellestad prepared some portions of the Director's Report in Director Cris Jensen's absence. Brian explained that Frontier Airlines will be discontinuing their seasonal service to and from MSO in October, which is ahead of schedule for the year. He has reached out to United Airlines to fill the gap. Brian explained that the new terminal project is currently ahead of schedule and design plans are close to being finalized. He also explained that the Rental Car Quick Turn Around facility completion date has been pushed back from July to October since wet weather earlier in the year set back construction progress significantly. Brian also stated that the Magnetic Variance and Runway Maintenance Project will require the airport to be closed from 1:00 pm to 8:00 pm from April 24<sup>th</sup> through May 1<sup>st</sup> of 2018, and that the FedEx project has broken ground. Brian also introduced the names of two new Public Safety hires and one Administrative hire. There will also be one new hire starting with Airfield Operations this month. Brian then stated that the joint Board and Staff Christmas party has been penciled in for December 8<sup>th</sup> at the Ranch Club, though he invited alternative suggestions be given to Administration Manager Lynn Fagan.

Director Cris Jensen introduced the airport's summer intern. Cris also discussed legislative efforts in the U.S. Senate regarding the potential increase of passenger facility charges (PFCs) which have been capped at \$4.50 per passenger for the past seventeen years. He stated that while airports have been continuously lobbying to have that cap increased, some larger airports have been lobbying to remove the cap altogether, which will allow them to increase the PFC to any level they want. Smaller airports like Missoula are uncomfortable with that idea since it may significantly increase passenger costs in the event of connecting flights in those larger cities. He will have a letter to congressional representatives drafted for the board's approval in support of the proposed PFC cap increase. While Senator Tester is still evaluating the proposed increase, Senator Daines is strongly supportive of the legislation, and has presented some language to suggest that only the originating airport should realize the increase in PFCs. He also explained that an increase in PFCs could be good news for the airport to support financing of the new terminal, though there is some pushback from airlines even given their record profits.

## COMMITTEE UPDATES

Executive Committee: Met July 25, 2017 to discuss Board agenda

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:

### Audit Engagement Letter & Audit Contract

Financial Manager Teri Norcross explained that while the audit contract is for a term of 3 years, a new audit engagement letter must be signed every year since it outlines what the Authority's responsibilities are and what the auditor's responsibilities are. Commissioner Matt Doucette asked if the recommended motion should show June 30, 2017, 2018, and 2019, respectively. Teri confirmed that since the contract is for three years, the recommended motion should show the three years covered under the contract.

Motion: Commissioner Matt Doucette moved to accept the engagement letter and contract amendment for work that Anderson Zurmuehlen (AZ) will perform during their audit of the Authority's fiscal year ending June 30, 2017, 2018 and 2019, respectively.

Second: Treasurer Commissioner Chris Lounsbury

Vote: Motion Passed Unanimously

### Resolution No. 2018-1 Setting Forth Regulations and Fees for Use of the Commercial Lane

Administrative Manager Lynn Fagan discussed that the traffic congestion in front of the terminal during peak hours has been an ongoing issue. She stated that this resolution will allow the Authority to charge a fee based on two classes of passenger vehicles: shuttles and limousines which will be charged a flat fee for use of the commercial lane, and taxis and ride sharing vehicles which will be charged a per-trip fee for use of the commercial lane. She added that this resolution will give the Authority the ability to issue violation tickets if necessary, which will help to clear the traffic congestion. Commissioner Larry Anderson asked if the method of enforcing this resolution will be issuing tickets, and Lynn confirmed that is correct. Director Cris Jensen added that Chief of Public Safety, Bob Otte, has put out a memo to the PSOs to increase their patrols of the commercial lane during peak hours to help enforce this change.

Administrative Manager Lynn Fagan stated that she has met with taxi companies and hotels to give ample notice and review these changes. Commissioner Larry Anderson asked if Uber and Lyft will inform their drivers of this change, and Lynn responded that there will be a ride share agreement in place with both Uber and Lyft, and that Uber and Lyft will inform their drivers of

this change. She added that as per the agreement, the current cell phone use parking lot will be used as a staging area for vehicles in waiting, so they will no longer be staging in front of the terminal.

Motion: Commissioner Larry Anderson moved to approve MCAA Resolution No. 2018-1 as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

### Ride Share Agreement

Administrative Manager Lynn Fagan stated that this agreement will apply to Uber and Lyft and any other ride sharing companies that may come into Montana. Uber and Lyft do have the geofencing technology in their app so it will automatically charge the Per Trip fee when a passenger is picked up or dropped off at the airport. She explained that the ride sharing agreement designates the cell phone lot as the staging area, it requires drivers to carry insurance, and it requires that the companies buy in to the agreement as opposed to dealing with each individual driver. Commissioner Dori Brownlow asked if the responses have been favorable. Lynn responded that overall, the changes have been well received.

Motion: Commissioner Matt Doucette moved to approve the Ride Share Agreement form as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

### Irrigation Ditch Relocation Agreement

This agenda item has been tabled.

### Change Order No. 4 to Knife River Contract for the East GA Project

Deputy Director Brian Ellestad explained that this will be a cost-savings change order. He stated that temporary fencing has been installed around the East GA near where the contractor for the new FedEx building has already broken ground. He stated that using a temporary fence will prevent the need to go through a badging process for every worker during construction of the FedEx building, and it will prevent staff from having to tear down a permanent fence and then rebuild it. This passes some cost-savings on to the contractor, as well. Brian also explained that hydrant protection bollards have been purchased, and although that was a net cost to the Authority, the overall change order is a savings of \$8,595.

Motion: Alternate Commissioner Winton Kemmis moved to approve Change Order No. 4 to the MSO "2016 Improvements " project Knife River Corporation construction contract in the amount of \$8,445.00 with net project Schedule III Non-Federal cost impact of (\$8,595.00) as presented.

Second: Commissioner Chris Lounsbury

Vote: Motion Passed Unanimously

NEW BUSINESS:

Entitlements Transfer to/from Butte Bert Mooney Airport Authority

Deputy Director Brian Ellestad explained that since the Magnetic Variance project has been put off until next spring, we will not be using \$1,257,540.00 of our Airport Improvement Program ("AIP") entitlements this fiscal year. These federal dollars will go back into the national pool of funds unless they are used this year. Because of this, the FAA Montana District office asked if we would be willing to transfer those entitlements to the Butte airport. The District office likes to keep the funds in Montana if possible. Butte has simultaneously executed a transfer of the same amount of entitlement funds back to MCAA over a series of years which will align with our terminal project. The FAA needed the approval executed immediately, of course, in order to begin disbursing grant funds so we are asking the Board to ratify the Director's action in approving the transfer. Commissioner Matt Doucette asked if the return of funds would be transferred back dollar for dollar with no interest, and Brian confirmed that is correct.

Motion: Commissioner Larry Anderson moved to ratify the Airport Director's approval of an Agreement for Transfer of Entitlements to Bert Mooney Airport Authority.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Resolution 2018-2 regarding Short Term Investment Pool (STIP) participation and establishment of a new STIP account to set aside funds for the terminal project

Finance Manager Teri Norcross stated that while the Board has already approved a STIP account in 2016, Authority staff would like to establish an additional STIP account to isolate funds for the new terminal project. She explained that by doing this, it will provide a clearer idea of what monies the Authority is putting aside for its share of the terminal project. Commissioner Larry Anderson asked if the new STIP account would be interest-bearing. Teri confirmed that is correct, and the interest rate is currently 1.0%.

Motion: Commissioner Matt Doucette moved to approve Resolution 2018-2 as presented.

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

Ground Handling Contract with Allegiant Air

Deputy Director Brian Ellestad explained that we have been ground handling Allegiant Air since 2005. We routinely review all contracts and have agreed to some minor changes to our existing

contract with Allegiant. After comparing our prices to other airports, we have reduced the per-turn price from \$600 to \$590 and raised the hourly rate on late operations that occur on holidays. This should be a revenue neutral change.

Motion: Alternate Commissioner Winton Kemmis moved to approve the contract with Allegiant Air as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

#### Purchase of 2018 Skid Steer

Deputy Director Brian Ellestad explained that the purchase of a new 2018 CAT skid steer with snow blower and bucket was approved by the Board with this fiscal year's budget and subsequently purchased through the National Joint Powers Alliance (NJPA) for \$64,153 to replace the 2001 model. Commissioner Matt Doucette asked what became of the 2001 model. Brian responded that the 2001 model was traded in while purchasing the 2018 model. Airfield Operations Manager Nate Cole added that there was a cost-savings of \$8,000 by making this purchase through NJPA.

Motion: Treasurer Commissioner Chris Lounsbury moved to approve the purchase of a CAT 272 skid steer with bucket and snow blower in the amount of \$64,153.00.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

#### INFORMATION/DISCUSSION ITEMS

Deputy Director Brian Ellestad stated that Christmas this year is on Monday, and that the regular Board meeting is the following day, December 26, 2017. He asked whether the Board would like to move the regular meeting to an earlier date. The Board discussion indicated that the day after Christmas would be fine for the regular meeting.

Administrative Manager Lynn Fagan explained that she will be attending a Board Training put on by the County on Thursday, July 27 during the 10:00 am – 12:00 pm session for which there were still openings, and added that there would be an evening session from 6:00 pm – 8:00 pm. She welcomed interested parties to let her know if they wanted to attend.

Commissioner Larry Anderson introduced Missoula County Commissioner Dave Strohmaier. All the Missoula County Commissioners would be going on an airport tour after the meeting.

There being no further business the meeting was adjourned.