

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
June 27, 2017

THOSE PRESENT: Chair Paul Stafford
Vice Chair Shane Stack
Commissioner Larry Anderson
Commissioner Matt Doucette
Alternate Commissioner Deb Poteet

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Business Development Manager, Dan Neuman
Ground Handling/IT Manager, Tim Damrow

OTHERS: James Grunke, MEP
Barb Neilan, Destination Missoula
Jim McGowan, Windfall
Tex Seaton & Todd Koster, PayneWest Insurance
Steve Powell, MCAA past commissioner, pilot

Chair Paul Stafford called the meeting to order and advised everyone that the meeting was being recorded. He stated that we desperately need to seat an Alternate Commissioner.

Motion: Commissioner Shane Stack moved to seat Deb Poteet

Second: Commissioner Larry Anderson

Vote: Motion passed unanimously

AGENDA

Chair Paul Stafford stated that the Audit Contract item under Unfinished Business would need to be tabled due to the fact that there were some questions about federal grant assurance language needing to be added to the contract.

Motion: Commissioner Shane Stack moved to approve the Agenda as amended.

Second: Commissioner Deb Poteet

Vote: Motion Passed unanimously

Public Comment Period: None

MINUTES

Motion: Commissioner Shane Stack moved to approve the minutes of the Regular Board meeting dated May 30, 2017.

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross discussed the large invoices for work on the QTA, the terminal schematic design and for design work on the Magnetic Variance project. Teri asked if there were any additional questions regarding the claims. There were none.

Motion: Commissioner Larry Anderson moved to approve the claims for payment as presented.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross explained to the Commissioners that the decrease in equity was due to the large depreciation expense that is usually offset by the receipt of federal grant funds. This year grant funds to date have been limited by weather affected projects and the availability of grant funds to the FAA. Teri also highlighted the airport coffee and gift concessions that have had a very successful year which translates to healthy revenues to the airport.

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

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Airport Director Cris Jensen updated the Commissioners on the results of the FAA inspection. Director Jensen credited Nate Cole, Manager of Airfield Operations and Bob Otte, Chief of Public Safety for an inspection with only 1 discrepancy considering that this was the first FAA inspection that they had been responsible for.

Director Jensen updated the Commissioners on the potential for the Aircraft Owners and Pilots Association (AOPA) fly-in to be held here at MSO during the summer of 2018. Director Jensen stated that right now the odds look very good that the event will be held here assuming that we can work out all of the logistics. AOPA should make their final decision in September of this year.

Director Jensen updated the Commissioners on the Magnetic Variation/Pavement Maintenance project. Director Jensen stated that the Mag Var/Pavement Maintenance project will happen at the end of April and early May 2018. The 11/29 Runway will need to be closed

from 1:00 p.m. to 8:00 p.m. each day for a period of 8 days to accomplish this work. Brian has been coordinating with the air carriers so that they can schedule accordingly. Commissioner Anderson asked Director Jensen if other airports in Montana need to also do these types of projects. Director Jensen stated that they did and gave a couple of recent examples of Montana airports shutting down to accomplish runway maintenance work.

Deputy Director Ellestad gave an air service update. Currently, MSO is up 3.7% in passengers for the year. Looking ahead we expect to be up slightly in passengers at year end on flat seat growth for the year.

COMMITTEE UPDATES

Contract and Lease Committee: Chair Stafford reported that the Contract and Lease Committee met on June 20th, 2017 to discuss the Public Safety Union Contract. This item will be discussed further under New Business.

Executive Committee: Chair Stafford reported that the Executive Committee had met on June 27th prior to the meeting of the full board. The agenda for the board meeting was discussed at that meeting.

Marketing Committee: The Marketing Committee met on June 27, 2017 at 1:00 p.m. just prior to the board meeting. Two topics were discussed at this meeting; Air Service Task Force and AOPA Fly-in event. No action was taken by this committee. Minutes of the meeting will be included in the July board meeting packet.

UNFINISHED BUSINESS

Audit Contract Item tabled

Air Service Task Force

Deputy Director Ellestad presented the next agenda item and introduced James Grunke from MEP to discuss the Air Service Task Force proposal. Mr. Grunke outlined MEP's prior efforts to determine options for and encouraging local business assistance with air service development. The next proposed step in the process is that MEP would employ WindFall to engage the local business community and to develop an air service revenue guarantee model. The contract with WindFall would be for \$78,000. The Tourism Business Improvement District (TBID) would split the costs of the contract with the airport. \$19,500 would be paid out of the fiscal year 2017 budget and another \$19,500 out of the fiscal year 2018 budget.

Motion: Commissioner Deb Poteet moved to accept the contract with MEP and Windfall Inc. for Air Service Revenue Guarantee model in an amount not to exceed \$39,000 as presented.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

NEW BUSINESS

FY 2018 Insurance Renewal

Director Jensen introduced Tex Seaton and Todd Koster of PayneWest Insurance who stated that the airport had been insured by PayneWest for 10 years. They indicated that the airport has had a rate lock for three years so there were no rate increases for property insurance but that premiums have increased due to increases in property/equipment. The general liability costs increased approximately 5%.

Motion: Commissioner Larry Anderson moved to accept the FY 2018 insurance renewal in the amount of \$123,508.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Morrison-Maierle Task Order No. 8 Loop Road Design

Director Jensen explained that this task order would authorize Morrison-Maierle to begin the design of the terminal access loop road and the west GA apron expansion. Director Jensen also mentioned that the Independent Fee Estimate (IFE) is currently being conducted for this project and that the motion to approve this item should be made contingent upon the IFE being completed and a successful record of negotiation.

Motion: Commissioner Larry Anderson moved to approve Task Order No. 8 with Morrison-Maierle in the amount of \$230,000 for the final design and bidding services to the Terminal Loop Road Extension and the expansion of the West GA Ramp contingent on the completion of an Independent Fee Estimate (IFE).

Second: Commissioner Matt Doucette.

Vote: Motion Passed Unanimously

Non-signatory Rate Resolution

Deputy Director Ellestad presented Resolution No. 2017-6 which sets use fees for non-signatory commercial air service providers. Annually the Board approves rates under the terms and conditions of Resolution No. 2015-01. The non-signatory rates are set at approximately 30% more than signatory air carrier rates. The rates for the upcoming fiscal year will increase by approximately 3% from \$360 to \$370 for terminal use. Landing fees for aircraft in excess of 12,500 lbs. will increase from \$2.41 per thousand pounds to \$2.48.

Motion: Commissioner: Matt Doucette moved to approve MCAA Resolution No. 2017-6 as presented.

Second: Commissioner Deb Poteet

Vote: Motion Passed Unanimously

Public Safety Officer Union Agreement

Deputy Director Jensen reviewed the items that will change with the new union contract between the Airport and the Public Safety Officers that will take effect July 1, 2017. These items include increased tool allowance from \$240 annually to \$500. The shift differential for shift worked from 5pm to 7am will increase from 50 cents per hour to \$1. Shift pay should not be used as long as public safety is working 24 hour shifts. Overtime will be paid after 212 hours in a four week period. Officers will be required to pass annual physical exams. The contract will be in effect for 3 years with a 3% increase in each of those years. The contract also includes an increase in the airport contribution to the 414(h) plan from 6% to 8%.

Chair Paul Stafford questioned the 3% increases as they exceed the current increases in the cost of living. Cris replied that the Authority does a market study of airport staff positions and historically a 3% increase annually coincides with the increases in wages for like positions in the market.

Deputy Director Ellestad mentioned that if we go away from the 24 hour shift but keep two officers on duty at all times that schedule would require three more officer hires which would cost the airport slightly less than \$300,000 in personnel costs. Director Jensen stated that the airport maintains full scheduling authority and if the 24 hour shift needs to be changed we reserve the right to go to 8, 10 or 12 hour shifts.

The contract was reviewed by the contract and lease committee and comes to the board as a seconded motion.

Vote: Motion Passed Unanimously

Ground Handling Equipment Procurement

Tim Damrow, Manager of Ground Services presented the final agenda item. Staff is requesting the Board approve a variance from the Authority procurement policy for the purchase of a de-icing truck and a bag tractor for ground handling operations. Typically large purchases would go through a process of creating specifications, requesting bids for the equipment and awarding to the low bid. However, because of the limited number of suppliers and the specialization of this equipment it was determined by staff that it would be more beneficial to directly contact vendors to request quotes. Multiple quotes were requested and received for the equipment and the lowest quote received was from Omega Aviation.

Motion: Commissioner Deb Poteet moved to approve deviation from large purchase procurement policy and accept quote from Omega Aviation in the amount of \$100,150 for a de-ice truck and baggage tractor.

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

There being no further business the meeting was adjourned.