

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
April 26, 2016

THOSE PRESENT: Chair Jeffrey Roth
Commissioner Shane Stack
Commissioner Larry Anderson
Commissioner Paul Stafford
Commissioner Barbara Berens
Alternate Commissioner Winton Kemmis
Alternate Commissioner Deb Poteet

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Administrative Manager Cathy Tortorelli
Facilities Manager, Thad Williams
Chief of Public Safety, Jesse Johnson via phone
Ground Handling Manager, Tim Damrow
Business Development Manager, Dan Neuman
Advertising Manager, Amanda Jacobson

OTHERS: Lynn Fagan, Fagan Law Office
John Huble, Rocky Mountain ATM0
Don Snavely
Shaun Shea, Morrison Maierle
Chad Picard, CH2

Chair Jeffrey Roth called the meeting to order and advised everyone that the meeting was being recorded. Chris Lounsbury, Commissioner Matt Doucette and Honorary Commissioner Jack Meyer were not present.

Motion: Commissioner Larry Anderson moved to seat Alternate Winton Kemmis.

Second: Commissioner Paul Stafford

Vote: Motion passed

AGENDA

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

Second: Commissioner Larry Anderson

Vote: Motion Passed unanimously.

Public Comment Period: Don Snavely introduced himself to the Board. Don was upset over the lack of customer service he received from Frontier Airlines on a flight from Memphis to Denver that had been cancelled by bad weather in Denver. Don stated that Frontier could only refund the ticket price to the passengers because they do not have agreements with other airlines to

book alternate flights. Don stated that they were able to book tickets on American Airlines for a much higher price but he did make it to his meeting. Don feels that Frontier should have signage on their counters informing people that they do not have agreements with other airlines to book flights in case a Frontier flight gets canceled. Chair Jeffrey Roth stated that Southwest operates the same the only difference is they have a lot more flights that passengers can try and rebook on. Airport Director Cris Jensen stated that the low cost operators like Allegiant, Southwest and Frontier follow the same type model for air service. Cris stated that Congress is working on a Passenger Bill of Rights and passengers should send in their input over incidences such as this.

Don Snavely said that Frontier is running a bad business and they should have signs on their counters warning passengers that they do not have agreements with other airlines.

MINUTES

Review and approve the minutes of the Regular Board meeting dated March 29, 2016 as presented.

Motion: Commissioner Larry Anderson moved to approve the Minutes of the Regular Board meeting dated March 29, 2016

Second: Commissioner Barbara Berens.

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Teri asked if there were any questions regarding payments. Teri explained the reasoning for using the credit card more. Staff is able to acquire airline miles, which helps with the cost of travel.

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

Second: Alternate Commissioner Winton Kemmis.

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Teri discussed the financial report with the Board.

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

Second: Commissioner Shane Stack.

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Cris reviewed with the Board the upcoming busy summer schedule. A large General Aviation project is going out to bid and we are in the process of selecting new engineers and planners. Also air service from our current carriers increase.

Cris discussed with the Board the Small Community Air Service Development Grant that is due to be submitted by May 2, 2106. The airport is getting great support from the Missoula Community for air service to Dallas.

Summer construction will also consist of the building of a new Quick Turn Around (QTA) facility for the rental car companies. Due to current level of activity and the projected growth the current facility is too small. The new facility will approximately double in size. This will also involve removing and rebuilding an FAA Tech Operations building. The new building will be constructed at the new Air Traffic Control Tower Site. The current budget estimate is approximately \$4.0 million. This project will be funded by Contract Facility Charges that the rental car companies charge their customers. The Authority will need to acquire debt on this project but the debt should be paid off in time for the financing of the terminal remodel.

Chair Jeffrey Roth asked is the seat projections are up 15% higher than last year what does that mean in terms of passengers, Deputy Director Brian Ellestad said that with 86% load factors the enplanements could be over 400,000.

Commissioner Larry Anderson asked about funding the terminal project from reserves, will there be enough money put aside if an emergency occurs? Cris stated that the financing for the project will be in phases so there should be reserves available if needed.

REPORT FROM LEGAL COUNSEL

Lynn discussed with the Board the recent issues in the news with the Historic Preservation Board and its members discussing Board issues on social media sites and the non-disclosure of conflicts of interest. Lynn reminded the Board members that airport issues can be discussed at the committee level as at the monthly Board meetings. It is important for members to come to the meeting with an open mind and a willingness to discuss the issues brought to the Board. Lynn also discussed with the Board the disclosure of conflicts of interest. If a Board member has any questions on this issue please call her.

COMMITTEE UPDATES

Executive Committee: April 26, 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:

None

NEW BUSINESS:

FY 2017 Budget: Teri advised the Board that the budget was reviewed by the Finance Committee, the Signatory carriers and the Missoula County Commissioners. Also a public meeting was held on April 25th and there were no attendees. Teri thanked staff for all of their hard work in getting the budget done early. Chair Jeffrey Roth asked if there were any significant changes to the budget. Teri stated that many of the changes were to payroll because of the number of people retiring and others moving on to different jobs.

Motion: Commissioner Barbara Berens moved to approve the FY 2017 budget as presented.

Second: Commissioner Paul Stafford.

Vote: Motion passed unanimously.

ATM Bid award and ATM Concession Agreement approval: Cathy informed the Board that the ATM concession was put out to bid on March 28 and April 4th 2016. The only proposal that was received was opened on April 12, 2016.

Rocky Mountain ATM's proposed \$3.00 surcharge per transaction and will pay the Authority \$1.50 on each transaction with a minimum annual guarantee for the four machines of \$12,012.00 per year for each year of the contract.

Motion: Commissioner Paul Stafford moved to award the bid to Rocky Mountain ATM's Inc. for three years as presented and approve the contract as presented.

Second: Alternate Commissioner Winton Kemmis.

Vote: Motion passed unanimously.

Minuteman Hangar Removal and Relocation: Brian briefed the Board on the history of needing and using space at Minuteman West for overflow parking during different times during the year. There are three additional hangars that need to be removed or relocated as noted in the Airport Layout Plan. Minuteman has two hangars with 8+ years remaining on their lease. One of the hangars is in very bad shape and they are willing to remove it if the airport will pay for demolition and restoring the site (paving) for a total of \$28,918. The remaining hangar is being utilized and is in good condition and Minuteman is open to relocating this hangar if we pay for that move. That, cost is \$150,827 plus an additional \$16,000 paid to Northwest Energy to relocate power for the facility. The airport will have additional expense for perimeter fence relocation, paving, striping, etc. Funding for this will come out of reserves and will be paid back over time through future funding of the upcoming terminal project.

Commissioner Larry Anderson asked if the expanded credit card lot will bring in more revenue. Brian said yes possibly \$400.00 to \$500.00 per month.

Motion: Commissioner Paul Stafford Move to present Minuteman with Letter of Agreement for the demolition and relocation of two hangars for the sum of \$179,745 and authorize staff to work with Northwest Energy for relocation of power to serve relocated hangar as presented.

Second: Commissioner Shane Stack.

Vote: Motion passed unanimously.

Rental Car Amendment: Cris reviewed with the Board the need for a new Quick Turnaround Facility for the rental car companies. The current car wash bays and the car wash itself are just too small to handle the growth of number of cars being rented. After investigating many different options it was decided to leave the QTA where it is today, but to approximately double it in size and to make sure sufficient space is left to expand when needed.

The rental car companies currently charge their customers a Contract Facility Charge (CFC) of \$3.00 per contract day that will help fund this project. Staff met with the Rental Car Owners and asked to increase that fee to \$3.75 per contract day to help fund the construction for the estimated \$4.0 million project. The Rental Car owners are in agreement with this increase.

Motion: Commissioner Paul Stafford moved to approve the amendment to the rental car contract increasing the Contract Facility Charge to \$3.75 starting June 1, 2016 to fund a new Quick Turnaround Facility.

Second: Commissioner Shane Stack.

Vote: Motion passed unanimously.

Morrison Maierle Task Order NO. 13 Rental Car Quick Turn Around Facility: Cris reviewed the Task Order with the Board. This task order will be for the Schematic Design Services related to the QTA facility. This will include the relocation of the FAA Technical Operations Facility. This facility will be relocated out at the new Air Traffic Control Tower. It will also include relocating the fuel island for the rent car companies and a relocated parking lot for Washington Corporation.

Schematic Design will include survey and geotechnical recommendations for all phases of the project. Morrison-Maierle will also begin developing a plan to clean up three fuel spills in the area of the existing QTA Facility that may be remediated during construction of this project. Morrison-Maierle will work with Tetra Tech to produce an acceptable remediation plan for DEQ which would include estimated remediation costs. Final deliverable for Schematic Design will be refined conceptual drawings, updated construction costs and prioritized design/construction options that will allow the project to move forward within the established \$4-M budget. At this point, the project viability will be evaluated and a decision to move on with a Task Order for Final Design will be made by MCAA.

Commissioner Barbara Berens questioned which engineer will complete the project since we are in the process of interviewing new engineering firms. Cris stated that Morrison Maierle will finish project as they are currently under contract to the Authority.

Motion: Commissioner Larry Anderson moved to approve Task Order No. 13 with Morrison Maierle in the amount not to exceed \$125,00.00.

Second: Commissioner Paul Stafford

Vote: Motion passed unanimously.

Amendment, Assignment and Assumption Agreement between Northwest Med Star and Life Flight Network: Cathy discussed with the Board the request from Life Flight. In December of 2015 the Authority and Northwest Med Star entered into an Option to lease for approximately 47.916 sq. of property in the new GA area development. This option is to expire on November 30, 2016.

On March 30th the Authority received a letter from Life Flight Network informing us that Northwest Med Star had been merged in the Life Flight Network and they are now assuming all contracts. Staff is requesting the Board approve the Amendment, Assignment and Assumption Agreement between Northwest Med Star and Life Flight Network as presented.

Motion: Commissioner Paul Stafford moved to approve the Amendment, Assignment and Assumption Agreement between Northwest Med Star and Life Flight Network as presented.

Second: Alternate Commissioner Winton Kemmis.

Vote: Motion passed unanimously.

There being no further business the meeting was adjourned.