

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
February 23, 2016

THOSE PRESENT: Chair Jeffrey Roth
Commissioner Larry Anderson
Commissioner Paul Stafford
Commissioner Shane Stack
Commissioner Chris Lounsbury
Commissioner Matt Doucette
Alternate Commissioner Deb Poteet
Alternate Commissioner Winton Kemmis
Honorary Commissioner Jack Meyer

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

OTHERS: Lynn Fagan, Fagan Law Office
Shaun Shea, Morrison Maierle
Gary Matson, Pilot
Kenyan Spethman
Jann Ewan, MEP
Paige Pavalone, MEP

Chair Jeffrey Roth called the meeting to order and advised everyone that the meeting was being recorded. Commissioner Barbara Berens was absent.

Motion: Commissioner Paul Stafford moved to seat Alternate Commissioner Winton Kemmis.

Second: Commissioner Larry Anderson.

Vote: Motion passed unanimously.

AGENDA

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

Second: Commissioner Shane Stack.

Vote: Motion Passed unanimously.

Public Comment Period: None

MINUTES

Review and approve the minutes of the Regular Board meeting dated January 26, 2016 as presented with corrections of Commissioner Matt Doucette name and changing Chair Larry Anderson to Commissioner Larry Anderson.

Motion: Commissioner Larry Anderson moved to approve the Minutes of the Regular Board meeting dated January 26, 2016 as corrected.

Second: Commissioner Paul Stafford.

Vote: Motion Passed Unanimously

Motion: Commissioner Chris Lounsbury moved to approve the Minutes of the Special Board meeting dated February 12, 2016 as corrected.

Second: Commissioner Paul Stafford.

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Teri asked if there were any questions regarding payments. Teri asked for approval for two additional checks that are not on the list. One is to the MDEQ for a rewrite of the Storm Water Protection plan in the amount of \$2,000.00 and the other check is to Pavlik Electric for the purchase and installation of the gate that was destroyed by the man who was on the airport illegally. That check is for \$49,000.00. Alternate Commissioner Winton Kemmis asked is the insurance paid the whole claim or if there was a deductible. Teri advised the Board that there was a \$5,000.00 deductible for the gate. Commissioner Matt Doucette questioned the IFE payment. Cris explained the Independent Fee Estimate process to the Board.

Motion: Commissioner Paul Stafford moved to approve the claims for payment as presented.

Second: Commissioner Shane Stack.

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Teri discussed the financial report with the Board. Teri asked if there were any questions. She explained that the cost centers are where they would be expected to be this time of year at about 50% of budget for the year. Teri discussed with the board the need for a Finance committee meeting to discuss the budget, she will be sending out emails setting up a date and time. Chair Jeffrey Roth asked if there will be many changes to the budget. Teri explained that there will be more expenses for the Public 'Safety budget due to the hiring of new officers.

Commissioner Paul Stafford asked about the money spent on de-icing this year. Cris stated that staff spent money early on the street deicing because of the freezing rain. Cris also explained that because fuel prices were so low this year money has been saved on that line item.

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

Second: Commissioner Paul Stafford.

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Cris advised the Board that pictures for Jerry McConnell and Steve Powell were on the tables for everyone to sign. Staff hopes to get the pictures out to them soon. Cris thanked Matt, Deb and Winton for coming out and spending time with staff to discuss funding, budget issues and learning more about how the airport works. Cris stated he would like to take them on an actual tour of the airport sometime in the near future. Cathy will contact you to set up a date.

Cris informed the Board that the State Aviation conference in Helena on March 3 thru the 5th and the FAA conference in Seattle March 28th thru the 31st. If any of the Board members are interested in attending please let Cris know.

Cris informed the Board of an upcoming TSA Precheck program that will be held at the airport April 4th – 8th. Interested individuals from the community can come in and enroll in the program the cost is \$85.00 and two pieces of acceptable ID will be required. Enrolling in this program will make getting through screening lines much easier.

Brian discussed with the Board the record month again for MSO, enplanements were up approximately 4% with current seat projections showing an increase of approximately 8% over the prior year. Alaska and Delta are doing well with the dual service to Seattle. Alaska will be adding a daily flight to Portland. United will be adding a 4th flight to Denver and Frontier will be bringing in an Air Bus 320 in May and will have 4 weekly flights to Denver.

Commissioner Larry Anderson asked if this increase in enplanements will hurt our funding for the new terminal. Cris said that if we started the project before the airport was reclassified the funding should not be affected. Cris discussed the east GA development area, Fed Ex is considering enlarging their building to 53,500 square feet. Commissioner Larry Anderson asked if the east GA area could be used for something other than GA activities. Cris stated it could be used for other business's if there was an interest. .

Commissioner Paul Stafford commented that this additional GA area will bring in new revenue which will be good for the airport.

REPORT FROM LEGAL COUNSEL

Lynn informed the Board that the new Board members were given some information on the Code of ethics and the open meeting laws. Lynn also stated she has been working with staff on

the Engineering RFQ and the re-write of the previous one because of new regulations that the FAA has implemented. She has also been working on the Intent to Lease for the new solar farms proposed to be placed on the airport. Lynn also advised the Board that no Federal Charges were being pressed against the man who was on the airport and drove through the fence. Chair Jeffrey Roth asked if a restitution order was in place, Lynn said she would look and see if there is one.

COMMITTEE UPDATES

Executive Committee: February 23, 2016. Met to discuss the February Board Agenda.

Finance Committee: No Activity.

Business Development: No Activity

Contract & Lease Committee: Met February 12, 2016

Facility & Operations Committee: Met February 12, 2016

Marketing Committee: Met February 12, 2016

General Aviation Committee: No Activity

Legislative Committee: No Activity

UNFINISHED BUSINESS:

Missoula Economic Partnership Task Order No. Three: Brian reviewed with the Board that airports are prohibited from contributing to general economic development and the one way for MCAA to be able to contribute to MEP is to have a contract for a service. MEP has been put under contract to do a study on Air Service Revenue Guarantee's Phase I. Phase II Scope of Services was to research and understand the community's perspective and preferences with regard to supporting an air service revenue guarantee by surveying community members to ultimately develop a dedicated fund to support growing air service at Missoula International Airport.

Task Order No. Three is Phase III of the project. Brian introduced Paige Pavalone to explain Phase III. Page explained that MEP will be meeting with business's in Missoula to develop an incentive packages and to seek initial pledges toward revenue guarantee and ticket bank options. This phase is expected to take about 10 weeks and 400 hours.

Commissioner Larry Anderson asked who will be buying the incentive packages, Page are usually purchased by service related companies. Commissioner Larry Anderson questioned the amount of the financial goal in mind. Page stated that \$500,000.00 to one million dollars would be the goal. Chair Jeffrey Roth asked Page who will be asking for the contributions. Page state that is what MEP is to do. Commissioner Larry Anderson asked if there will be monthly invoices for the work performed. Brian said there will be and that this money was not budgeted for so it will come out of reserves.

Motion: Commissioner Paul Stafford moved to accept the contract with MEP for Air Service Revenue Guarantee Model Phase III in an amount not to exceed \$20,000 as presented.

Second: Commissioner Shane Stack.

Vote: Motion passed unanimously,

NEW BUSINESS:

Restaurant Flooring Replacement: Thad reviewed with the Board the need to replace the flooring in the restaurant space. Three quotes were received to replace the current carpet with Luxury Vinyl Tile flooring. Jedediah will pay 50% of the cost for the flooring.

Bids were received from Carpet Garage in the amount of \$18,134.12, Brosious Carpet in the amount of \$19,746.50 and Pierce Flooring in the amount of \$16,156.00. Staff is recommending the award to Pierce flooring. The Facility and Operations Committee met on February 12, 2016 and bring this award to the Board as a seconded motion.

Vote: Motion passed unanimously.

Resolution 2016-03 regarding Short Term Investment Pool (STIP) participation: Teri informed the Board that as of January 1, 2016, the Montana Board of Investments requires participating local governments to adopt a resolution clarifying the terms of STIP participation.

Specifically - Section 3.04 title no Warranty, which state the Governing Body and Participant acknowledge and agree that the Board makes no warranty that funds will be immediately available in the event of any failure of a third part or that Governing Body will not suffer losses due to acts of God, or other calamities, or other market dislocations or interruptions

Also 3.06 STIP is not insured against loss. The Governing Body and Participant understand and acknowledge that the Board's STIP Program is NOT FDIC insured or otherwise insured or guaranteed by the federal government, the State of Montana, the Board or any other entity against investment losses. The Governing Body and the Participant further understand and acknowledge that the Board's STIP policy requires maintenance of a reserve fund to offset possible losses and that STIP interest earnings may be used to fund this reserve before the net earnings are distributed to the STIP participants, but that such reserves may not be adequate to cover investment losses.

There being no further business the meeting was adjourned.