

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
May 30, 2017

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

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Administrative Manager Lynn Fagan
Business Development Manager Dan Neuman
Facilities Manager Thad Williams

OTHERS: Shaun Shea, Morrison Maierle
Gary Matson, GA Pilot
Steve Conway, Martel Construction
Tony Martel, Martel Construction
Doug Hill, Montana Board of Investments
Mike Gierau, Jedediahs
James Scott, First Interstate Bank
Ryan Salisbury, WGM Group
Jessica Morriss, City of Missoula
Greg Robertson, Missoula County
Chris Martison, A&E Architects
Brandon Prinzing, A&E Architects

Chair Paul Stafford called the meeting to order and advised everyone that the meeting was being recorded. There is no need to seat an alternate as the full Board is in attendance.

AGENDA

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

Second: Commissioner Matt Doucette.

Vote: Motion Passed unanimously.

Public Comment Period: None

MINUTES

Motion: Commissioner Jeff Roth moved to approve the minutes of the Regular Board meeting dated April 25, 2017.

Second: Commissioner Larry Anderson.

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that she had categorized the credit card charges and that the airport earns points for travel for credit card use. Teri also stated she had included an explanation for all the large payments. They include a payment to Missoula Motors for vehicle repair and maintenance and a payment for paint.

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 moved money from the Passenger Facility Charge account to repay Airport reserves. She has placed that money in the STIP account. Commissioner Paul Stafford asked if the STIP account was liquid and Teri responded that it was fully liquid. Teri also explained that the FAA grant funding was somewhat uncertain. The grant has been approved but is not yet fully funded.

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

Second: Commissioner Chris Lounsbury.

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen discussed the congestion in the front of the terminal due to the growth in air service and enplanements. He explained to the Board that staff's plan included some changes to where the Board members would park. Board members were given passes to park in the short term parking lot. Cris stated that an email would be sent to tell them the start date of the new parking system.

Deputy Director Brian Ellestad reported that passenger numbers were up 3.25%. Our seat numbers for the rest of the year are flat. San Francisco and Chicago service start up on June

8th. Commissioner Paul Stafford asked if we would get service to Dallas this year. Brian responded that we would not but that it was looking positive for 2018.

PUBLIC COMMENT

Jessica Morriss from the City of Missoula Transportation Department appeared and discussed a plan to place way-finding signs near the airport entrance. This would require removal of the "Welcome to Missoula" sign placed several years ago by the Rotary. Commissioner Dori Brownlow stated that she has discussed this with Andrew George of the Rotary but that it had not yet been to the whole Rotary membership.

LEGAL REPORT

Administrative Manager Lynn Fagan reported to the Board that she and management staff had been negotiating with the Public Safety Officers' union and anticipated bringing a contract to the Contract and Lease committee for review in the next few weeks. Lynn also reported that tomorrow was Chief Jesse Johnson's last day at MCAA and staff was having a lunch for him that the Board members were welcome to attend.

COMMITTEE UPDATES

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

Finance Committee: Met April 25, 2017

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:

Resolution relating to Montana Board of Investment/Neptune Infrastructure loan

Administrative Manager Lynn Fagan explained that the Airport, Neptune and the Montana Board of Investments (MBOI) have been working on this Infrastructure loan for Neptune's new hangar for quite some time. Under this program, the Airport acts as a conduit for the loan and Neptune receives tax benefits in exchange for job creation. The Resolution authorizes the Chair and the Director to review and approve the loan documents and either one of them to sign the loan documents. The Loan and the Note both are clear that this is not a general obligation of the airport and is not payable from any general funds of the airport or from PFCs or CFCs. Neptune is placing the full amount of the loan in an escrow account as collateral for the loan. Bond Counsel Ben Johnson has reviewed all the documents and is on the telephone to answer any questions. Commissioner Larry Anderson asked whether the jobs created have to be new jobs and Doug Hill from the Board of Investments stated that they do.

Motion: Commissioner Larry Anderson moved to approve the MCAA Resolution No. 2017-4 as presented.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

Martel Contract for Construction Management of Terminal Schematic Design

Director Cris Jensen stated that the Board awarded the bid for General Contractor/Construction Manager Services for Pre-Construction Phase Services for the MSO Passenger Terminal Bldg Expansion to Martel Construction at the March 2017 Regular Board meeting. AIA Document A133-2009 and A201-2007 and the Required Federal Provisions set forth the contractual terms between Martel and MCAA for both the pre-construction and construction phases. At this point, the Board is approving a contract with Martel only through the strategic design phase. If MCAA is satisfied with Martel's performance, Martel will submit a price and an amendment for final design to be approved by the Board. Finally, Martel will submit a Guaranteed Maximum Price for the construction phase.

Motion: Commissioner Chris Lounsbury moved to approve the Contract Documents with Martel Construction as presented.

Second: Commissioner Shane Stack

Vote: Motion Passed Unanimously

NEW BUSINESS:

Amendment to Minuteman Lease

Administrative Manager Lynn Fagan reminded the Board that it approved a Letter of Agreement with Minuteman for the demolition and relocation of two hangars in order to expand long term parking In April 2016. The hangars have now been moved and the area re-surveyed. This Addendum sets out the updated square footage for the Leased Property.

Motion: Commissioner Larry Anderson moved to approve the First Addendum to Minuteman's Lease Agreement as presented.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Selection of Auditor for FY 2017 - 2019

Finance Manager Teri Norcross explained to the Board that the three year contract with Anderson Zurmuehlen to perform the audit for the airport has expired. A Request for Qualifications was published and we received 3 submissions and the selection committee interviewed the top 2 candidates. Both did a nice job and presented almost identical information. The selection committee recommends Anderson Zurmuehlen.

Motion: Commissioner Chris Lounsbury moved to approve the selection of Anderson Zurmuehlen as auditors for FY 2017-2019.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

Fiscal Year 2018 Budget

Finance Manager Teri Norcross presented the budget for FY 2018 and explained that it had been reviewed by the Finance Committee and comes to the Board as a seconded motion. Teri stated the budget was presented to the County Commissioners as required. Commissioner Jeff Roth asked if the County Commissioners had expressed any concerns. Teri stated they did not although they asked more questions this year since there were new Commissioners. Commissioner Roth then asked if there were significant changes from last year. Teri stated that we have increased rates and charges to the airlines by 3% and added three new positions - one in the Public Safety Department, one in the Field Department and one in Admin. Director Cris Jensen also mentioned that the budget did not include a reimbursement from TSA for law enforcement that we have previously received because the new federal budget presented by the President does not include this funding. Commissioner Larry Anderson asked if there were any other federal budget items that we are not sure of. Cris stated that he had included a synopsis from AAAE with his Director's Report which broke down changes in the federal budget. Commissioner Chris Lounsbury stated that he was not sure that the budget should come to the full Board as a seconded motion since it contains all the money to be spent by the airport in a year.

Seconded Motion from Finance Committee to approve the FY 2018 budget as presented.

Vote: Motion Passed Unanimously

Irrigation Ditch Relocation Agreement

Administrative Manager Lynn Fagan reminded the Board that they approved this agreement in January 2017. This agreement is between Grass Valley Project LLC (the developer of 44 Ranch), MCAA, the Flynns and the City of Missoula. When the agreement came to the Board in January, the City had not yet completed its review. That review is now complete and includes some changes that were significant enough to require review and approval by the Board. The first change is that the City required an overflow Weir Structure on the Flynn Family Property. Grass Valley is responsible for constructing the Weir Structure. After completion of the installation, the Weir Structure becomes the property of MCAA and the Flynns. The work done is warranted for two years. The second change is that an indemnification provision has been added to the agreement. Ryan Salisbury of WGM answered questions from the Commissioners regarding the Weir Structure and stated that the weir had already been constructed. The Commissioners expressed that they did not want the airport to be responsible for maintenance of the weir. Commissioner Paul Stafford stated that Lynn still had more work to do on this agreement. The item was tabled.

Passenger Facility Charge Application

Finance Manager Teri Norcross explained to the Board that staff plans on beginning the process of applying for authorization to collect Passenger Facility Charges to fund expenses and finance debt related to the terminal project. The process includes consultation with air service carriers, a public meeting and submission to the FAA. The PFC application process takes a minimum of 180 days.

Motion: Commissioner Shane Stack moved to allow staff to move forward with the PFC application #9 process.

Second: Commissioner Jeff Roth

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Greg Robertson from Missoula County Public Works Department presented to the Board a proposal regarding the County's submission of an application for a Tiger Grant. This project would connect airport property with Reserve Street and connect Mullan Road and Broadway. Greg stated that in talking with Cris and Brian, he had been told that all the airport's financial resources would be going toward the new terminal. Therefore, in working on this grant application, he would be looking to the airport to donate in-kind rights of way for road access. The Board members expressed their support of the Tiger Grant proposal.

Shaun Shea, Chris Martison and Brendan Prinzing then presented an update to the Board on the terminal schematic design.

There being no further business the meeting was adjourned.