

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
October 31, 2017
1:30 pm, Airport Conference Room

THOSE PRESENT: Chair Paul Stafford
Vice Chair Shane Stack
Commissioner Jeff Roth
Commissioner Dori Brownlow
Commissioner Larry Anderson
Commissioner Matt Doucette
Commissioner Adriane Beck
Alternate Commissioner Winton Kemmis

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Administrative Manager Lynn Fagan
Accounting Clerk Rita Harris-Powers
Business Development Manager Dan Neuman
Advertising Manager Amanda Jacobson

OTHERS: Martin Kidston, Missoula Current
Shaun Shea, Morrison-Maierle
Chris Martinson, A&E Architects
Tony Martel, Martel Construction
Steve Conway, Martel Construction, Inc.
Scott Bell, Morrison-Maierle, Inc.
Travis Frey, Martel Construction
Jan Schweitzer, Anderson Zurmuehlen
Paul Powers, KPA Architects
Tim Damrow, Projects Manager

Chair Paul Stafford called the meeting to order and advised everyone that the meeting was being recorded. He then announced the resignation of Commissioner Chris Lounsbury, and introduced Commissioner Adriane Beck as the newest member of the MCAA Board.

AGENDA

Chair Paul Stafford proposed that new business be moved ahead of unfinished business on the agenda due to his necessary early departure from the meeting and the need to seat a new Secretary/Treasurer since Chris Lounsbury's resignation.

Motion: Vice Chair Shane Stack moved to approve the Agenda as amended to address new business before unfinished business.

Second: Commissioner Matt Doucette

Vote: Motion Passed unanimously

PUBLIC COMMENT PERIOD: None.

MINUTES

Motion: Commissioner Larry Anderson moved to approve the minutes of the Regular Board meeting dated September 26, 2017 as presented.

Second: Commissioner Dori Brownlow

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that the payment to Jackson Construction for the Quick Turn Around (QTA) project was sizable due to it covering a pay request for two months of completed work. She then noted that the payment to Morrison-Maierle was large because it covered the schematic design cost of the new terminal. Teri then added that the payments funded with the AIP 60 are being held back until the grant has been closed out. The payments total approximately \$262,000 and will be sent out when the Federal Aviation Administration (FAA) authorizes MCAA to draw the final amount on the grant. Teri then offered to answer any questions about the claims for payment at that time.

Commissioner Jeff Roth asked about the nature of the \$1,500 charge from Missoula Exchange Club for meals and public relations. Teri responded that the charge was for support of the Officer of the Year event..

Motion: Commissioner Jeff Roth moved to approve the claims for payment as presented.

Second: Vice Chair Shane Stack

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross explained that the debt restriction title should have been dated September 30, 2017, and that the reported net revenue for September of \$947,000 should have been reported as \$532,972. She then went on to say that Jan Schweitzer of Anderson Zurmuehlen would be discussing the audit report later in the meeting. She offered to answer questions about the financial report at that time, of which there were none.

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

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen began by stating that the new QTA is operational and the car rental companies moved in last week. He then mentioned that construction of the new FedEx hangar is moving along very smoothly. The building will be approximately 48,000 square feet and FedEx plans to have it open by the spring of 2018. Cris then discussed MCAA's preparation for

winter operations, including staff equipment training. He then explained that a TSA Pre-check enrollment event will be held during the week of November 27th in the airport board conference room.

Cris also included in his report an article regarding a potential passenger facility charge (PFC) rate increase. The rate may increase from \$4.50 per ticket to \$8.50 per ticket, depending on what decision Congress makes while approving the government spending bill. A decision about whether the rate increase will take effect is expected by December 8, 2017.

Cris then reminded everyone that MCAA was awarded an Aircraft Owners and Pilots Association (AOPA) fly-in event to be held on June 15-16, 2018. MCAA's Business Development Manager Dan Neuman is organizing and overseeing this project, and there is a substantial committee of people from the airport, other organizations, and the community taking part in the planning. Cris then invited any interested parties to get involved in the event.

Deputy Director Brian Ellestad then gave a brief update on air service, along with a recap of air service conferences that he and Cris have either attended or still plan to attend. Progress with Windfall has been successful, as Beth Burman Frazze has met half of the funding goal for grants so far. She has been planning a Take Flight Missoula kick-off event to be held at Neptune Aviation on November 20, 2017 from 5:30pm to 8:30pm.

Commissioner Larry Anderson asked if FedEx is hiring local companies to build the new hangar, and Cris replied that they do hire local companies when possible, but due to limited availability of local companies, some companies from other areas have also been hired. There was then a brief discussion of MCAA's bid on one of the busses that the Billings airport is disposing of. MCAA bid \$2,401 on a bus last week, and if won, the next step will be deciding the best way to get it from one airport to the other.

LEGAL REPORT

Administrative Manager Lynn Fagan stated that she attended an airport business management conference earlier in the month, and she discussed some essential management documents that the airport should have. Those documents include minimum standards, rules and regulations, rates and charges policies, standard lease language, master plan, ALP, and building and design standards. MCAA currently uses all of the aforementioned documents, though many of them need to be updated. This is a project that Lynn plans to start on over the next few months.

Lynn then noted that the regular board meeting scheduled for November 28, 2017 will be held at the East LZ Hangars since TSA will be occupying the Board Conference Room for their Pre-check enrollment event. Lynn also mentioned that there will be an American Association of Airport Executives (AAAE) conference on planning and finance from December 3-5, 2017 in San Diego, CA. She will try to keep the Board apprised of other conferences that may be of interest to them.

COMMITTEE UPDATES

Executive Committee: Met October 31, 2017 to discuss the Board agenda.

Finance Committee: Met October 17, 2017 to review the draft audit report. A seconded motion was executed. Minutes from this meeting have been provided separate from the Board Meeting packet.

Business Development: No Activity
Contract & Lease Committee: No Activity
Facility & Operations Committee: Met October 25, 2017 for an early presentation of the terminal schematic design.
Marketing Committee: No Activity
General Aviation Committee: No Activity
Legislative Committee: No Activity

NEW BUSINESS:

Election of New Secretary Treasurer

Chair Paul Stafford stated that Chris Lounsbury resigned from the Board and his position as Secretary Treasurer a month ago, subsequently leaving his place on the Executive Committee open as well.

Nomination: Chair Paul Stafford nominated Commissioner Jeff Roth to fill the open position left by Chris Lounsbury, and welcomed any nominations from other members of the Board, of which there were none.

Vote: Nomination Passed Unanimously

UNFINISHED BUSINESS:

Anderson Zurmuehlen Fiscal Year 2017 Audit

Finance Manager Teri Norcross introduced Jan Schweitzer of Anderson Zurmuehlen to do a short presentation of the audit report and answer any questions from the Board. Jan began by stating that MCAA received an unmodified audit opinion which is the highest level audit opinion that can be achieved. She then explained some of the major changes in the financial statements from the previous year, which had been discussed at length at the Finance Committee meeting earlier in the month.

Chair Paul Stafford stated that this comes to the Board as a seconded motion from the Finance Committee

Vote: Motion Passed Unanimously

Minuteman Aviation Consent to Sub-lease to Life Flight

Administrative Manager Lynn Fagan explained that the agreement involves the hangar that was originally leased to Metro Aviation in 1999. Minuteman Aviation purchased the hangar from Metro this spring and the Board approved the lease assignment from Metro to Minuteman at the March 2017 regular board meeting. The lease runs through June 2020 and requires MCAA's consent to a sublease. This consent agreement also provides that Life Flight can cure any default by Minuteman and that if MCAA terminates the lease with Minuteman, Life Flight has the option of stepping in as the tenant for the remainder of the lease term.

Commissioner Larry Anderson asked if the non-disturbance agreement refers to building obligations, and Lynn confirmed that is correct.

Motion: Commissioner Dori Brownlow moved to approve the primary landlord's consent to sublease, non-disturbance agreement, and lease agreement between MCAA, Minuteman Aviation, Inc. and Life Flight Network, LLC.

Second: Secretary/Treasurer Jeff Roth

Vote: Motion Passed Unanimously

Acceptance/Approval of Terminal Project Schematic Design

In December 2016, the Board approved Task Order #4, Terminal Schematic Design for Morrison-Maierle in the amount of \$1,275,000. In May 2017, the Board approved a contract for Martel Construction to work with Morrison-Maierle as a General Contractor/Construction Manager (GC/CM) for Pre-Construction Services for the terminal building through the schematic design phase. Deputy Director Brian Ellestad explained that at this stage, the schematic design acts as a terminal master plan to ensure that as the airport grows, the terminal will be ready for expansion over the next five to twenty years. The Final Presentation was to be completed by June 27, 2017 per Task Order #4, but MCAA staff asked Morrison-Maierle to delay the presentation so a more thorough schematic design could be presented.

Shaun Shea of Morrison-Maierle then began by introducing staff members from Martel Construction, A&E Architects, and KPA Architects before summarizing what the presentation would entail. Commissioner Larry Anderson asked to what extent adhering to Leadership in Energy and Environmental Design (LEED) standards would impact the terminal design. Shaun answered that meeting building codes would more or less meet the LEED standards, though there has not been a plan to pursue actual certification from LEED. Attaining LEED certification is still an option if the Board decides to pursue it. Chair Paul Stafford asked if the two project phases are broken down to a few starting and stopping points. Chris Martinsen from A&E Architects confirmed that is correct, explaining that there are stopgap measures in both phases of the project to ensure that it can be halted at certain points if necessary.

A presentation of the schematic design then followed, covering an updated conceptual layout and floorplan for the terminal, preliminary code review, energy efficiency modeling results, construction phasing plan, ultimate development phasing plan, preliminary construction cost estimate, and project recommendations moving into the final design. Commissioner Larry Anderson asked if Martel Construction has their own security measures and Airport Director Cris Jensen answered that airport badging responsibilities for all contractors and their employees lies with MCAA. He added that this is routine for airport-run construction projects, and that badging costs will be partially federally funded for the terminal project.

Tony Martel from Martel Construction presented the cost breakdown and long-term scheduling goals for the project phases, followed by a discussion of various points introduced during the presentation. Treasurer Jeff Roth asked if similar airport projects have been studied to gain potential insight into lessons learned by others. Tony explained that the scheduling layout was largely copied from Bozeman's airport project, utilizing the method of planning in sections, and bidding off those sections individually. He added that Bozeman's project went very well by following this organized path. Alternate Commissioner Winton Kemmis asked if the potential \$9 – 10 million in funds from TSA had been included in the cost estimate and it was confirmed that those potential funds had not been included in the cost estimate.

It was then recommended by Vice Chair Shane Stack that an alternate Commissioner be seated in Chair Paul Stafford's absence since a vote was necessary for this agenda item.

Motion: Secretary/Treasurer Jeff Roth moved to seat Alternate Commissioner Winton Kemmis.

Second: Commissioner Matt Doucette

Vote: Motion Passed Unanimously

Shane then announced that the Board could move ahead with an action for this agenda item.

Motion: Secretary/Treasurer Jeff Roth moved to accept the Schematic Design final report as presented by Morrison-Maierle and approve staff to work with Morrison-Maierle and Martel Construction on contracts for final design of the terminal project.

Second: Commissioner Matt Doucette

Commissioner Larry Anderson then asked if approving this motion would complete Task Order #4, and Director Cris Jensen confirmed that is correct.

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

The November Board Meeting will be held at the East LZ Hangars on Tuesday, November 28, 2017 at 1:30pm.

There being no further business the meeting was adjourned.