

MISSOULA COUNTY AIRPORT AUTHORITY
Regular Board Meeting
November 28, 2017
1:30 pm, East LZ Hangars Conference Room

THOSE PRESENT: Chair Paul Stafford
Vice Chair Shane Stack
Treasurer Jeff Roth
Commissioner Dori Brownlow
Commissioner Larry Anderson
Alternate Commissioner Deb Poteet
Alternate Commissioner Winton Kemmis
Honorary Commissioner Jack Meyer

STAFF: Director Cris Jensen
Deputy Director Brian Ellestad
Financial Manager Teri Norcross
Administrative Manager Lynn Fagan
Airfield Operations Manager Nate Cole
Manager of Projects Tim Damrow
Accounting Clerk Rita Harris-Powers
Facilities Manager Thad Williams
Operations Mechanic Jake Sol
Business Development Manager Dan Neuman

OTHERS: Shaun Shea, Morrison Maierle
Martin Kidston, Missoula Current
Kynan Spethman, Northstar Jet/Neptune Aviation
Todd Donahue, Homestead Helicopters
Al Mueller, Retired (NWA)
John Horner, First Interstate Bank
David Erickson, Missoulian

Chair Paul Stafford called the meeting to order, advised everyone that the meeting was being recorded, and thanked Homestead Helicopters for the use of their conference room space.

Motion: Vice Chair Shane Stack moved to seat Alternate Commissioners Winton Kemmis and Deb Poteet.

Second: Commissioner Larry Anderson

Vote: Motion passed unanimously

AGENDA

Motion: Treasurer Jeff Roth moved to approve the Agenda as presented.

Second: Vice Chair Shane Stack

Vote: Motion Passed unanimously

Public Comment Period: None

MINUTES

Motion: Alternate Commissioner Deb Poteet moved to approve the minutes of the Regular Board meeting dated October 31, 2017 as presented.

Second: Treasurer Jeff Roth

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross stated that there are several larger project payments for this month, such as the payments for the Quick Turn Around (QTA), terminal project schematic design, and terminal access road. She stated that other payments of note, such as the soil stabilization expense, were explained in the claims for payment summary, and she welcomed questions from the Board. Teri was asked what the payment to DBT Transportation Maintenance Services was for, and she responded that the payment was an annual software fee for maintaining the airfield pavement scanning system.

Commissioner Larry Anderson asked if the stabilizing agent used in the soil stabilization was lime, and Shaun Shea of Morrison-Maierle explained that the material used is similar to a spray-in insulation foam, and is made up of polyurethane.

Motion: Commissioner Dori Brownlow moved to approve the claims for payment as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross explained that the coffee and restaurant concessions on the income statement are slightly behind as the tenants have been slow with payments. The Forest Service landing fees are showing zero since the fire season ran long this year and MCAA is still waiting on the self-reported numbers from the Forest Service. Teri also explained that the expense for consultants is quite over budget. This is partially due to the contract expense that MCAA has with the Missoula Economic Partnership (MEP), and partially due to the expense MCAA has incurred in monitoring and mitigating petroleum spills on the airport. The oil spill monitoring and mitigation expense will be moved to prepaid expenses since the State Petrol Fund will refund those amounts.

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

Second: Treasurer Jeff Roth

Vote: Motion Passed Unanimously

DIRECTOR'S REPORT

Director Cris Jensen began by stating that airport operations over the Thanksgiving holiday had gone smoothly, although there were three flights that were ultimately diverted due to fog between Sunday night and Monday. He then went on to explain that a Take Flight Missoula kickoff event occurred on November 20, 2017 to generate funds for a Minimum Revenue Guarantee (MRG) program for service to Texas. The event was hosted by Neptune Aviation in the new Hangar #7. So far, Beth Burman Frazee of Windfall has raised approximately \$232,000 for the MRG.

Cris went on to discuss the terminal project, and he mentioned that he would like to have a joint meeting of the Finance Committee and Facility & Operations Committee before the next Board meeting. He explained that Congress has authorized the Federal Aviation Administration (FAA) through December 9, 2017, and appropriated funds through March 15, 2018, which will leave MCAA with incomplete grants for the start of the terminal project. While this presents complexities beyond the control of MCAA in keeping the terminal project's funding scenario on track, Cris stated that MCAA staff believes it is important to move forward with the first portion of Phase I, which would relocate the security checkpoint from its current location into the terminal, allowing for a third checkpoint lane to be opened. After the relocation of the security checkpoint, MCAA staff would suggest a pause in continuing with the rest of the project. Further complicating the forward progress of the terminal project is the current tax bill, proposing the elimination of private activity bonds (PABs) for airports, which would eliminate the tax exempt status of MCAA, raising costs and interest rates. This tax bill has not made it to the Senate yet, but Cris stated that it is something to consider when continuing with planning the terminal project. This one-year delay would push the completion of the total project back, but it would not affect the planned starting date of the project. Administrative Manager Lynn Fagan will work on scheduling the joint Committee meeting before the next Board meeting.

Cris also mentioned that the Transportation Security Administration (TSA) is currently in the Airport Board Conference Room conducting their TSA Pre-Check enrollment event. They will be enrolling new applicants through Friday, December 1, 2017.

Deputy Director Brian Ellestad then presented an update on air service, beginning by stating that this year will likely be another record year for MCAA enplanements, as the current year-to-date numbers are up 3.7%. Looking ahead to the 2018 summer season, though the airlines have not finalized their summer schedules, the outlook is positive. United has already announced its summer service to Los Angeles which will begin in June 2018.

Commissioner Larry Anderson asked if the previous issues with the QTA have been resolved, and Cris responded that there is a plan to walk through the deficiencies with Jackson Construction, and pinpoint what needs to happen to get those issues resolved. The QTA has been fully operable since it opened last month, though achieving errorless operation is still a work in progress. Cris went on to explain that Jackson Construction has a good plan in place to correct the issues, and MCAA will not be responsible for covering the costs of warranty and punch-list items. Larry then asked if the rental car agencies could use the old facility as a backup, and Facilities Manager Thad Williams answered that the utilities to the old facility have been disconnected. Cris added that there has not been a need for a backup facility at this point.

LEGAL REPORT

Administrative Manager Lynn Fagan stated that she and Projects Manager Tim Damrow have completed a request for proposals (RFP) for a public relations firm to work with MCAA on the terminal project. The RFP will be posted to the airport website, the Missoulian, and the American Association of Airport Executives (AAAE) website. There will be a pre-proposal meeting, and the proposals will likely be due in early January 2018. Lynn will then ask the Marketing Committee if they would like to be a part of the review process.

Lynn went on to explain that the Board of County Commissioners will be interviewing candidates to fill the open spot on MCAA's Board of Commissioners since Chair Paul Stafford's second term will be ending in December 2017. The candidates are IT professional Rob Ball, CPA Pat Boyle, and attorney Jen Ewing, and Lynn will be in attendance at all three interviews. Lynn then reminded everyone that the Christmas Party will be held at 6:00pm on Friday, December 8, 2017 at The Ranch Club, and RSVPs should be directed to her or Administrative Assistant Nancy Van Zant by Friday, December 1, 2017.

Commissioner Larry Anderson asked what the term of the PR contract will be, given the proposed extension of the terminal project. Lynn responded that the term of the contract will be five years as that is the standard that MCAA uses for professional services contracts, as well as the allowable maximum term in accordance with FAA guidelines. MCAA will enter into a main contract with a PR firm and will then issue separate task orders as necessary. Finance Manager Teri Norcross added that MCAA will only be billed when the PR firm is working on a specific task order.

COMMITTEE UPDATES

Executive Committee: Met November 28, 2017 to discuss Board agenda

Finance Committee: No Activity

Business Development: No Activity

Contract & Lease Committee: No Activity

Facility & Operations Committee: No Activity

Marketing Committee: Met November 28, 2017 to discuss air service and marketing items

General Aviation Committee: No Activity

Legislative Committee: No Activity

UNFINISHED BUSINESS:

Neptune Aviation Services, Inc. Option to Lease - Renewal

Business Development Manager Dan Neuman explained that the original option to lease was approved on November 29, 2016 for a term of one year. While Neptune did not begin construction on the parcel in the allotted year of the original option to lease, they have shown diligent efforts to move forward with the project in the coming year, as they have provided a set of plans they have designed for building on the optioned parcel.

Motion: Commissioner Larry Anderson moved to approve the renewal of the Option to Lease agreement with Neptune, Inc. as presented.

Second: Alternate Commissioner Winton Kemmis

Vote: Motion Passed Unanimously

NEW BUSINESS:

Election of 2018 Officers

Chair Paul Stafford explained that at the end of each year, the current Chair nominates a slate of officers to take over the following year. He then proposed that Secretary/Treasurer Jeff Roth be elevated to Vice Chair and that Vice Chair Shane Stack be elevated to Chair, along with nominating Commissioner Matt Doucette to be Secretary/Treasurer. Paul then called for any nominations from the floor, of which there were none.

Motion: Commissioner Dori Brownlow moved to approve the slate of officers as proposed.

Second: Alternate Commissioner Deb Poteet

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Chair Paul Stafford reminded everyone that the next Board meeting will be held on Tuesday, December 26, 2017 in the airport terminal Board Conference Room at 1:30pm. He then mentioned again that the Christmas party will be held at 6:00pm on Friday, December 8, 2017 at The Ranch Club, and RSVPs should be directed to Administrative Manager Lynn Fagan or Administrative Assistant Nancy Van Zant.

Alternate Commissioner Winton Kemmis stated that he will not be in attendance at the December Board meeting. Administrative Manager Lynn Fagan asked the group if any others would be absent from that meeting to avoid issues of not having a quorum, and no one responded that they would be absent.

There being no further business the meeting was adjourned.