THOSE PRESENT: Chair Shane Stack  
Vice Chair Jeff Roth  
Secretary/Treasurer Matt Doucette  
Commissioner Dori Brownlow  
Commissioner Larry Anderson  
Commissioner Pat Boyle  
Commissioner Adriane Beck  
Commissioner Deb Poteet  
Alternate Commissioner Winton Kemmis  

STAFF: Director Cris Jensen  
Deputy Director Brian Ellestad  
Finance Manager Teri Norcross  
Administrative Manager Lynn Fagan  
Accounting Clerk Rita Harris-Powers  
Manager of Projects Tim Damrow  
Chief of Public Safety Bob Otte  
Facility Operations Manager Thad Williams  
Business Development Manager Dan Neuman  

OTHERS: Shaun Shea, Morrison-Maierle  
Andy Anderson, First Interstate Bank  
Kynan Spethman, Neptune/NSJ  
Bob Linehart, Republic Parking  
Graham Leach, Republic Parking  
Martin Kidston, Missoula Current  
Steve Conway, Martel Construction  
Colton Mall, Martel Construction  

Chair Shane Stack called the meeting to order and advised everyone that the meeting was being recorded.

AGENDA

Motion: Commissioner Dori Brownlow moved to approve the Agenda as amended.

Second: Commissioner Adriane Beck

Vote: Motion Passed unanimously

PUBLIC COMMENT PERIOD: None.

MINUTES
Motion: Commissioner Adriane Beck moved to approve the minutes of the Regular Board meeting dated June 26, 2018 as presented.

Second: Secretary/Treasurer Matt Doucette

Vote: Motion Passed Unanimously

CLAIMS FOR PAYMENT

Finance Manager Teri Norcross explained that the largest checks this month were to pay off and pay down the long-term debts that the Board approved last month, and that the debt pay-off checks total approximately $2 million. She added that MCAA is expecting to get reimbursed for capital projects and will pay the rest of the long-term debts off at that time. Teri then went on to explain that MCAA issued a larger check to Maxwell Asphalt for the Magnetic Variation runway project, as well as checks to pay for the airport’s new ADA loading bridge and its shipping costs. She then offered to answer any questions from the Board.

Commissioner Larry Anderson asked about the nature of the $15,000 payment to Missoula Tourism Business District, and Deputy Director Brian Ellestad answered that payment was for marketing the American Airlines service to Dallas.

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

Second: Commissioner Larry Anderson

Vote: Motion Passed Unanimously

FINANCIAL REPORT

Finance Manager Teri Norcross began by stating that the largest portion of accounts receivable for June was for parking lot concessions, adding that payment for that item has already been received by Republic Parking. Teri went on to state that Passenger Facility Charge (PFC) receivable amounts for May and June should be received in July and August, respectively. She then stated that the airport’s cash balance decreased due to the checks for approximately $2 million to pay off long-term debt.

Teri then explained that revenues for the year are approximately $900,000 over budget, adding that, as expected, operating expenses were also over budget. She then stated that staff is looking into why wages and employee benefits were higher than planned for the year.

Teri then stated that the PFC application has been acknowledged by the Federal Aviation Administration (FAA). Vice Chair Jeff Roth asked if the FAA’s acknowledgement finalizes the PFC application, and Teri confirmed that is correct. The FAA does not approve the PFC application, just acknowledges it, adding that MCAA must wait sixty days before collecting the PFCs. Commissioner Larry Anderson noted that revenues from non-signatory airlines came in under budget. Airport Director Cris Jensen explained that difference is likely due to Frontier discontinuing their seasonal service earlier in the fall than was originally planned for, adding that Allegiant also discontinued their year-round service to Los Angeles.
Motion: Commissioner Deb Poteet moved to approve the financial report as presented.

Second: Commissioner Adriane Beck

Teri then added that adjustments for grants receivable and the Public Employees’ Retirement System (PERS) will be included with the audited financial report for June. Chair Shane Stack asked if the adjustments would be anything drastic, and Teri explained that the pension adjustment will depend on pension earnings for the prior year.

Vote: Motion Passed Unanimously

DIRECTOR’S REPORT

Director Cris Jensen began by explaining that the peak season is in full swing, confirming with Facility Operations Manager Thad Williams that passenger numbers have increased significantly over last year. Cris then stated that staff will ask for approval of Airport Improvement Project (AIP) 62 for $1.124 million prior to receiving the grant offer. He added that MCAA will go through a separate process to apply for funds from the $1 billion recently made available to small-hub and non-hub airports. Cris then stated he, Manager of Projects Tim Damrow, and Shaun Shea of Morrison Maierle will meet with the FAA next week regarding the application process.

Ahead of the air service update, Deputy Director Brian Ellestad stated that MCAA went through its annual FAA inspection, adding that the new FAA inspector gave rave reviews to Airfield Operations Manager Nate Cole, Chief of Public Safety Bob Otte, and all employees from the Field and Public Safety departments. Brian then stated that the summer peak season has brought record months for the airport’s enplanements, adding that passenger numbers have been pushing the limits of the current building. He then added that MCAA has a call scheduled with American Airlines next week to go over the financials for the small community air service grant, and a monthly update will be given to Board moving forward. Brian then mentioned that the rest of the year is projected to show double-digit growth in seats.

Manager of Projects Tim Damrow then updated the Board on public relations (PR) progress. He began by explaining that the Quotient Group, MCAA’s new PR firm, has begun to narrow down a timeline of executable calendar items that the airport can implement moving forward with regard to the terminal project. He added that the airport’s terminal ambassadors have been helping to address some issues and struggles that passengers may have while travelling through the airport. Tim then stated that a new construction updates website will be launched ahead of the terminal project’s groundbreaking, along with social media campaigns, and a marketing video that will potentially be created in partnership with the University of Montana. Alternate Commissioner Winton Kemmis asked if the terminal ambassadors will remain on staff throughout the terminal project, and Tim responded that keeping them on staff would be his recommendation.

LEGAL REPORT

Administrative Manager Lynn Fagan began by stating that she, Director Cris Jensen, and Business Development Manager Dan Neuman will meet with representatives from the City of
Missoula on Friday, August 3, 2018, adding that she drafted an agreement about impact fees and zoning to be a starting point for their discussion of the city's annexation of airport land.

Lynn then explained that she is currently updating personnel policies and making changes to employee classifications. She stated that three ground handling agents have been promoted to supervisors to assist Ground Handling Manager Andrew Bailey. She then went on to say that Jim Harris of the Building department recently moved back to Iowa, and two full time staff have been added to the same department: Ryce Hegwood and Yuriy Chinikaylo.

Commissioner Larry Anderson asked which City of Missoula representatives MCAA staff will be meeting with regarding annexation, and Lynn answered that they will be meeting with Dale Bickel and Mike Haynes. Lynn then stated that the city does not seem to be pushing too hard for implementing impact fees, and Cris added that he foresees the process going smoothly. Martin Kidston of the Missoula Current asked when and where the meeting will be taking place, and Lynn answered the meeting will take place on Friday August 3, 2018, at 10:00 am. Commissioner Deb Poteet asked about the difference in regulations for the county versus the city, and Lynn responded that regulations will be one of the topics to be discussed at the meeting. Steve Conway of Martel Construction added that the county’s building permit fees are higher than the city’s, and that development fees were never included in the schematic design budget. Lynn then mentioned that if there is a variance, MCAA can go to the Board of Adjustment to request a public hearing.

COMMITTEE UPDATES

Executive Committee: Met July 31, 2018 to discuss the Board agenda.
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:

Acceptance of the Guaranteed Maximum Price (GMP) for the construction of the Terminal Access Road from Martel Construction

Deputy Director Brian Ellestad explained that the amounts that were left blank on the Agenda Action sheet should say $3,186,552. Administrative Manager Lynn Fagan distributed a breakdown of the amount to the Board, and Brian pointed out the area where the project will take place on the aerial map of the airport property. He added that of the amount required for the project, MCAA currently has $1.5 million in federal entitlements.

Motion: Commissioner Adriane Beck moved to accept the Guaranteed Maximum Price from Martel Construction in the amount of $3,186,552.00 for the construction of the Terminal Access Road and accept Contract Amendment No. 08.

Second: Vice Chair Jeff Roth
Chair Shane Roth noted that Commissioner Deb Poteet would likely need to abstain from this vote.

Vote: Motion Passed Unanimously

Abstentions: Commissioner Deb Poteet abstained due to potential conflict.

**Task Order No. 14 to the Master Agreement for Professional Engineering Services with Morrison-Maierle**

Deputy Director Brian Ellestad explained that this Task Order will allow Morrison-Maierle to provide construction management services for the terminal access road construction project. Shaun Shea of Morrison-Maierle added that services will include a survey, as well as an Airport Layout Plan update. Brian then stated that this Task Order will be contingent upon the results of the Independent Fee Estimate (IFE) which has not been conducted yet.

Motion: Commissioner Larry Anderson moved to approve Task Order No. 14 with Morrison-Maierle in the amount of $212,950.00 contingent upon the completion of an Independent Fee Estimate (IFE).

Second: Secretary/Treasurer Matt Doucette

Martin Kidston of the Missoula Current asked when the terminal access road construction project would begin. Steve Conway of Martel Construction stated that some preparation work will begin as early as next week, but that the construction project will officially kick off in mid-September.

Vote: Motion Passed Unanimously

**Contract Amendment No. 02 to Task Order No. 07 to the Master Agreement for Professional Engineering Services with Morrison-Maierle**

Director Cris Jensen began by explaining that there were two fuel spills in the 1990s near the site of the Rental Car Quick Turn Around (QTA) building, adding that various steps have been taken to remediate the spills. After a series of tests had been conducted, the Montana Department of Environmental Quality (DEQ) decided that MCAA should remove the remaining contaminated soil from one of the spill sites. He went on to state that Morrison-Maierle has been working with TetraTech to begin the process. Cris added that the DEQ’s Petroleum Tank Release Compensation Board will reimburse 100% of MCAA’s remediation costs.

Alternate Commissioner Winton Kemmis asked how many cubic yards of soil will be removed, and Administrative Manager Lynn Fagan responded that approximately 400 cubic yards will be removed. Shaun Shea of Morrison-Maierle added that this project will likely begin in the late summer or early fall of 2018. Winton then asked if MCAA will then be done dealing with the spill sites, and Shaun responded by explaining that the spill being remediated with this project will be closed, but that MCAA staff hopes to combine both spills into one site and have them both closed out at the same time.

Motion: Vice Chair Jeff Roth moved to approve Amendment No. 02 to Task Order No. 07 with Morrison-Maierle in the amount of $50,829.21.
NEW BUSINESS

AIP 3-30-0056-062-2018 Grant Acceptance

Director Cris Jensen explained that MCAA is working with the FAA’s timeline to get authorization to accept the grant. As of today, the grant has not been offered, though staff is expecting it will be offered this week. He added that this AIP 62 grant will fund the MagVar project, the Transportation Security Administration checkpoint relocation, and the contract with Martel Construction for preconstruction services. Commissioner Larry Anderson asked what rate these projects will be reimbursed at, and Cris responded that the breakdown of costs will be 90% funded by the FAA and 10% paid by MCAA.

Motion: Commissioner Dori Brownlow moved to authorize the Airport Director to accept and sign for a grant (AIP 3-30-0056-62-2018) from the FAA for approximately $1,124,896.00.

Second: Secretary/Treasurer Matt Doucette

Vote: Motion Passed Unanimously

AIP 3-30-0056-063-2018 Grant Acceptance

Director Cris Jensen stated that this grant will be for the remainder of MCAA’s entitlement funds for this federal fiscal year, and that staff is requesting pre-authorization from the Board to accept the grant funds. He added that this grant will fund 90% of the remainder of the terminal access road construction project, which will total approximately $1,476,109.00, which is based on the amount MCAA expects to receive from the AIP 62. Cris added that MCAA will need to match 10% of the project cost at approximately $150,000.00.

Motion: Vice Chair Jeff Roth moved to authorize the Airport Director to accept and sign for a grant (AIP 3-30-0056-63-2018) from the FAA for approximately $1,476,109.00.

Second: Commissioner Larry Anderson

Vote: Motion Passed unanimously

Purchase of PSO Vehicle

Chief of Public Safety Bob Otte stated that it is staff’s desire to purchase a Ford Explorer to replace the 2012 vehicle currently in use, adding that he is working on implementing a vehicle replacement plan. Bob went on to explain that quotes for the same model with a police package ranged from $45,080 up to $49,500. Commissioner Larry Anderson asked if vehicles are usually rotated through their useful life, and Bob responded that the Field department may be interested in utilizing the old PSO vehicle. Chair Shane Stack noted that he recalled a history of exhaust issues in Ford Explorers, and Bob responded that Ford has remedied those issues.
Motion: Secretary/Treasurer Matt Doucette moved to approve the purchase of a new 2019 Ford Explorer with police package for $45,080 through NJPA.

Second: Commissioner Adriane Beck

Vote: Motion Passed Unanimously

MCAA Resolution No. 2019-01 Terminal Finance Resolution

Finance Manager Teri Norcross explained that this resolution is in anticipation of financing the terminal project, and that it will guarantee MCAA’s ability to be reimbursed for expenses that MCAA has previously paid for with tax exempt financing for the new terminal project.

Motion: Commissioner Deb Poteet moved to adopt Resolution 2019-01.

Second: Secretary/Treasurer Matt Doucette

Vote: Motion Passed Unanimously

INFORMATION/DISCUSSION ITEMS

Parking Revenue Presentation

Bob Linehart of Republic Parking gave a short presentation to update the Board on parking operations on the airport. Director Cris Jensen noted that Republic Parking was a large sponsor of the Airline Rendezvous, and that they provide the single largest revenue stream for the airport to date, adding that their staff does great work and MCAA consistently gets positive feedback regarding their parking operations.

Commissioner Larry Anderson asked if Republic Parking is working with staff regarding improvements to parking lots with the new terminal project, and they will be providing input. Mr. Linehart confirmed that is correct, adding that Republic Parking has been involved throughout the airport expansion process.

Alternate Commissioner Winton Kemmis asked if Republic Parking anticipates any changes to operations given the new terminal project, and Mr. Linehart responded that there will likely be no changes for the next decade, with the potential exception of accepting customer payments by phone. He added that future revenue control systems will be upgraded for Bluetooth and payments by phone.

Distribution of Board Member Parking Permits

Administrative Manager Lynn Fagan then stated that the terminal ambassadors made upgraded parking permits for Board members, adding that they should be acquired from her.

The August Board Meeting will be held in the Airport Conference Room on Tuesday, August 28, 2018 at 1:30pm.

There being no further business the meeting was adjourned.