



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
February 18, 2014

I. Call to Order

Mr. Steve Wood, Board Chairman, called the Special Meeting of the Grand Junction Regional Airport Authority Board to order at 5:14 PM on February 18, 2014 in Grand Junction, Colorado and in the County of Mesa.

Present:

Commissioners Present:

Steve Wood, Chairman
Sam Susuras
Tom Frishe
Rick Wagner
Paul Nelson
Rick Langley

Airport Staff:

Amy Jordan, Interim Director of Aviation
Gary Schroen
Kathie Lucas
Ben Peck
Ben Johnson

Other:

Austin Fay, GJRA
Jimmy Ruiz, GJRA
Manuel Meastas, GJRA
Brian Harrison, GJRA
Chance Ballegeer, GJRA
Shannon Kinslow, TOIL
Dennis Corsi, Armstrong
David Hartman, Armstrong
Justin Pietz, Armstrong
P.J. McGovern, P&L Properties
David Shepard, GJAUTA
John Steel, Citizen
Jason Hofman, BLM
Drew Armstrong, C1A COA
Ed Behen, CAP
Larry Kempton, Kempton Air
Larry Kempton Jr., Kempton Air
Bill Marvel, GJAUTA

II. Approval of Agenda

Commissioner Frishe made a motion to approve the agenda. Commissioner Nelson seconded. Voice vote: All Aye. The agenda was approved as distributed.

III. Conflict Disclosures

Chairman Wood - Hangar Owner

Commissioner Susuras - None

Commissioner Frishe - None

Commissioner Wagner - None

Commissioner Nelson - None

Commissioner Langley - None

IV. Commissioner Comments

Chairman Wood commented that the Board's Vice Chairman, Dave Hibberd tendered his resignation effective two weeks prior to the meeting. Chairman Wood stated that he would like to thank Mr. Hibberd for 2.5 years of service to the Board.

Commissioner Wagner stated that he really appreciated Mr. Hibberd's help on the special litigation committee.

Chairman Wood welcomed Mr. Rick Langley to the Board. Mr. Wood also welcomed Mr. Ben Johnson back to the staff.

V. Citizen Comments.

David Shephard, GJAUTA

Mr. Shephard gave background information on the Grand Junction Airport Users and Tenants Association. Mr. Shephard voiced concerns over lease policies. Ms. Shepard stated that in 2012 GJAUTA sent their attorney, John Steel, to Denver to meet with the Airport Authority's attorney, Mike Morgan, to exchange ideas about the lease policies. Mr. Shephard said that the result to them meeting was a lease policy which the Board approved in January of 2013. Mr. Shephard stated that the process for the document to be drafted was supposed to take place within approximately 90 days but it dragged out well into the summer. Mr. Shephard said that part of the process was deciding what tenants should be charged for lease hold improvements for the land lease component which required an appraisal and interaction with the Board. Mr. Shephard stated that in the fall of 2013 the airport consult submitted a lease to the Board for approval and the Board approved it. Mr. Shephard stated that this is the first point where as an organization representing tenants they are not happy. Mr. Shephard said that they think to get the best result for everyone is to do things in a collegial way and the opportunity for review is given to those who will be impacted prior to the lease itself but that didn't happen. Mr. Shephard said that in December of 2013 a 90 day extension was requested for the deadline for tenants to consider this lease which was granted. Mr. Shephard stated that on February 6, 2014 P.J. McGovern from

P&L Properties wrote a letter to the Airport Authority about his concerns regarding the lease. Mr. Shephard stated that they are disappointed that Mr. McGovern's concerns did not make it into the Board packets. Mr. Shephard stated that they would like to request the opportunity to present their views on the problems and defects that exist with the lease so they can reach a happy conclusion and request that at Chairman Wood's and the rest of the Board block off part of a meeting so they can have an unfiltered dialog directly between impacted tenants and the Board.

P.J. McGovern, P&L Properties

Mr. McGovern stated that he would like to respectfully request that number 8K ("P.J. McGovern Request") be moved up on the agenda to speak about it during his comment. Mr. McGovern also commented on concerns about the lease policies and continued with his request that the Tenants Association be given the opportunity to workshop with the Board directly to voice their concerns as a whole pertaining to the lease policies.

Commissioner Susuras asked Mr. Morgan how long ago this first was given to the general aviation attorney and people to review because it seemed to have been a long time ago for complaints to be surfacing now.

Airport attorney Mike Morgan stated that the Aeronautical use guidelines were adopted by the Board in February of 2013 after a lengthy process and a lot of public comment and with the association's attorney to come up with the guidelines. Mr. Morgan stated that they then drafted a lease with which they believe conforms to the guidelines. Mr. Morgan said that that lease was delayed and wasn't adopted until June of 2013. Mr. Morgan stated that the form has been out there since approximately June of 2013 and to his knowledge this is the first time they have received any comments/objections from anyone concerning the form of lease.

Commissioner Susuras stated that they certainly want to be business friendly but somewhere along the line they do need to make this deadline firm. Commissioner Susuras said that they went through this the last time and stated it was the final date because it has been extended many times

Commissioner Frishe commented that he sees no difficulties in having a firm date right now or a firm date in six months.

Commissioner Wagner stated that he doesn't have a problem meeting with anybody. Mr. Wagner said that he agrees with Commissioner Susuras in that they need to have some closure at least to let the other tenants know that there is a time frame to study it and get everything in. Mr. Wagner stated that he doesn't want to leave it open-ended and would like to suggest to not to wait on having a meeting.

Commissioner Susuras asked Mr. McGovern if he had a potential leasee and if he would lose that leasee if the Board doesn't extend it.

Mr. McGovern said that he is working everyday on it. Mr. McGovern stated that it goes back to his original question on if there has to be an “opt-in or not” date at which all the tenants need to sign up or not and that would help him with some of his negotiations.

Drew Armstrong, C1A COA

Mr. Armstrong echoed previous comments and stated concerns with the lease not addressing condominium owners but rather just addressing individual tenants.

Commissioner Wagner stated that these Board meetings aren't the fastest way to get something done and asked if it would be possible to have tenants meet with staff and a designated Board member, then put together a presentation and present it at a Board meeting.

Mr. Shephard stated that they were willing to do what the Board wanted to do and perhaps even just give a list of questions and concerns that they have.

Commissioner Susuras stated that they could maybe submit their concerns to Chairman Wood and he can decide who he wants to meet with and see how suggestions fit into the current lease.

Interim Director Amy Jordan stated that Mr. McGovern did submit his questions to staff and she apologized for not including them in the packet but stated that they are working with Mr. Morgan to get those questions answered.

VI. Consent Agenda

A. Minutes: January 14, 2014 Regular Board Meeting

Discussion: NONE

Commissioner Susuras moved to approve the consent agenda. Commissioner Nelson seconded. Voice Vote. All Ayes. The consent agenda was approved as distributed.

VII. Action Items

A. Election of Vice-Chairman

Chairman Wood briefed the Board on the by-laws that require the Board to elect a new Vice-Chairman.

Discussion:

Commissioner Nelson nominated Commissioner Tom Frishe.

Commissioner Susuras stated that Mr. Frishe is a fine man but he would personally like to see a city appointee in that position.

Commissioner Wagner nominated Commissioner Sam Susuras.

Voice Vote. Three (3) Ayes for Commissioner Frishe. Voice Vote. Two (2) Ayes for Commissioner Susuras. Commissioner Tom Frishe was elected Vice-Chairman by majority vote.

B. CDAG 2014-GJT-02 Grant

Interim Director of Aviation Amy Jordan briefed the Board. Ms. Jordan stated that on January 27, 2014 staff members, Amy Jordan, Ben Johnson, Kathie Lucas as well as Commissioner Tom Frishe and Chairman Steve Wood; attend the Colorado Division of Aeronautics grant hearing in Denver where they presented a grant application for a state grant which has two elements to it. Ms. Jordan said that the first part of it is a reimbursement for the air carrier apron design work. Ms. Jordan said that on January 10 2013 there was a contract agreement executed with the airports past engineers, Jviation, to do that work. Ms. Jordan stated that the second element is the pavement evaluation for the primary runway, 11/29, which would be conducted by their new engineers, Armstrong Consultants, if the grant is approved. Ms. Jordan spoke about the pavement integrity on the air carrier ramp and the runway. Ms. Jordan went on to talk about the fiscal impact. Ms. Jordan said that the air carrier apron design total funding is approximately \$639,296.00 and is 90% federally funded by the FAA, however, they have not yet submitted the application for the reimbursement to the FAA but Ben Johnson is working on drafting it but it has been submitted to the state. Ms. Jordan said that it is contingent upon the federal grant being approved, then 5% local funding and 5% state funding. Ms. Jordan stated that the approximate cost for the pavement evaluation for the primary runway would be \$80,000.00 and is 90% funded by the state and 10% locally.

Discussion:

Commissioner Susuras asked if it was being asked for this to be paid out of general funds.

Ms. Jordan stated that to her understanding, the Airport has already been paying for it.

Deputy Director of Operations Kathie Lucas stated that typically when design work is done under a FAA grant the FAA wants the Airport to do it ahead of time so, a design project would be done first then the airport would get reimbursed from the FAA.

Commissioner Susuras asked if it has ever been refused.

Ms. Lucas said no.

Ms. Jordan said that they are still working on the grant for the administration office building and has been rescinded with the state and that will be another state grant that will be submitted at a later date.

Commissioner Susuras made a motion for the Board to accept the Colorado Division of Aeronautic grant offer 2014-GJT-02 and authorize the Chairman to execute all pertinent documents. Commissioner Frishe seconded. Voice Vote. All Ayes

C. Armstrong Engineering Task Order

Ms. Jordan briefed the Board on the task order and associated scope of work for Armstrong to perform the pavement evaluation on the primary runway and do the borings.

Discussion:

Commissioner Nelson asked what was put back in the whole after a boring is done.

Dave Hartman from Armstrong Consultants stated that a grout is used. Mr. Hartman stated that they use a cold mix then they heat up the top six inches and compact it back in.

Commissioner Frishe asked what the timeframe was.

Mr. Hartman stated that they would like to get it done within 60 days from getting the signed scope.

Chairman Wood reminded the Board that they have a basic contract with Armstrong Consultants of no dollar value and each individual task is negotiated.

Commissioner Wagner stated that he was reading the contract extension signed by Mr. Tippetts in January 2013 for Jviation on the apron work and it doesn't have a terminus date on it. Mr. Wagner asked if it just goes on and on.

Chairman Wood stated that it was his understanding that there was a 5 year maximum.

Commissioner Wagner stated that the original agreement was in 2008 then there was an extension signed in 2013.

Ms. Jordan stated that that was just for the scope of work for the apron design.

Commissioner Wagner asked how long the agreement lasted.

Chairman Wood stated it was an item coming up later in the meeting.

Commissioner Frishe moved to approve the task order of Armstrong Consultants to do the geo-tech evaluation of runway 11/29. Commissioner Nelson Seconded. Voice Vote. All Ayes

D. FAA A.I.P. 2014 Grand Application (Administration Building)

Special Projects Coordinator Ben Johnson briefed the Board on the FAA A.I.P. Grant Application. Mr. Johnson said that last month the Board voted to rescind A.I.P. 51 and the state did rescind that. Mr. Johnson stated that staff has prepared the new application for the FAA and will now be known as A.I.P. 53. Mr. Johnson said that there were a couple of major changes to the application which included "Terminal phase I" was removed and the other major change was the change of the FAA participation from 69% to 43%. Mr. Johnson stated that they are waiting to hear from the FAA to know if they will participate in change orders that have been executed up to this date. Mr. Johnson said that the total amount of those work orders is about \$50,000.00.

Mr. Johnson said that the FAA made staff aware that A.I.P. 53 cannot be approved until A.I.P. 51 is closed but it will be closed when they receive that letter with a zero dollar value and then that money can be rolled over into A.I.P. 53. Mr. Johnson said that the major change was the federal entitlement dollars that went from approximately 3.7 million dollars to 2.8 million dollars.

Discussion:

Commissioner Susuras asked if the airport would have to come up with the additional 1 million dollars because of the change of the grant.

Mr. Johnson said that that was correct and the associated stated grant too which was reduced because they match on federal dollars as well.

Commissioner Wagner asked if it could be possible that the time frame would be stretched out into September or October before the Airport receives the grant.

Ms. Jordan stated that she doesn't feel it would stretch into September/October and that she feels it will come fairly quickly.

Commissioner Susuras asked what the time frame was because they are in an emergency situation and it would still have to go through many steps of review.

Ms. Jordan stated that once they submit the grant application and then receive a grant offer it will probably be about three weeks for it to go through the city and county process.

Chairman Wood assured Commissioner Susuras that no time is being wasted.

Commissioner Wagner said that staff has done a great job on this and is very happy with the cooperation from everyone involved.

Commissioner Susuras made a motion to approve grant application A.I.P-08-0027-53 the Administration and ARFF support building for federal assistance. Commissioner Wagner seconded. Voice Vote. All Ayes.

E. Whistleblower Policy

Airport Attorney Mike Morgan briefed the Board on a draft of a whistleblower policy. Mr. Morgan stated that the purpose of this policy is to discourage and prevent dishonest acts and fraudulent activity at the airport. Mr. Morgan stated that the draft advises employees, Board members and others of their responsibility to report such activities, gives methods on how to do so and protects those who report suspected fraud from retaliation. Mr. Morgan stated that the policy applies to employees, board members, consultants, vendors and contractors of the authority. Mr. Morgan stated that this policy does not supplant the Boards authority to any other internal control that it feels is necessary. Mr. Morgan stated that the policy provides a variety of reporting portals which include an anonymous web link and a telephone fraud hotline that would go directly to the authority's attorney, the Board chairman or supervisor.

Discussion:

Ms. Jordan stated that she had looked into an outside service out of Denver by the name of Conversant that offers this type of hotline service and their fee is \$3500.00 annually.

Commissioner Wagner stated that he would like to see a section be added that nothing in this policy changes the status of all employees being at-will employees and is not a contract and any expectations of contractual relationships do not exist.

Commissioner Frishe made a motion for the Board to adopt the Grand Junction Regional Airport Authority Whistleblower Protection policy with the instructions to staff and/or attorney to find a hotline number and with the addition of Commissioner Wagner's request and with possible amendments at a later date. Commissioner Frishe seconded. Voice Vote. All Ayes

F. Asset Disposal Policy

Mr. Morgan briefed the Board and stated that the purpose of the Asset Disposal policy is to establish standards and restrictions and ensure accountability of any assets that the authority has. Mr. Morgan said that it applies to all non-leased vehicles, furniture, equipment and electronics that are no longer needed by the authority. Mr. Morgan said that the policy would authorize several types of disposal methods and would include being sold at public auctions, sold to scrap at an authorized dealer, used as a trade in in replacement for a replacement item or reassigned for a different purpose, donated to charities, recycled or refurbished. Mr. Morgan stated that the policy would provide that staff will provide the Board a list of all assets that the staff is purposing to be disposed with a recommendation of how to dispose them. Mr. Morgan stated that the policy says that no Board member, employee, and no immediate family of a board member or employee be able to purchase or otherwise acquire any Grand Junction Regional Airport Authority asset including through-sale to the public.

Discussion:

Chairman Wood summarized the principle elements of no disposal of any assets without board approval and that the Board needs to be aware of the approximate fair market value and the purpose method of disposal.

Commissioner Wagner asked if all of this is the Director of Aviation's responsibility.

Mr. Morgan said that it would be the Director of Aviation's responsibility to be the list before the Board.

Commissioner Langley asked if there is already a complete list of all of the assets.

Ms. Jordan stated that Mr. Schroen maintains a list of assets.

Mr. Schroen stated that they capitalize anything over \$5,000.

Commissioner Langley asked when the last time was that a physical inventory was done.

Mr. Schroen said that Mr. Johnson did one about three years ago but there has obviously been some changes since then.

Commissioner Wagner asked to amend the value of less than \$50 dollars, under donations 6.6, and for it to read “assets which are not assigned for reuse, discard or public use” to allow the Authority to donate to other airports or public entities.

Commissioner Wagner made a motion for the Board to adopt The Asset Disposal Policy with the change to remove the language “with a net residual value of less than \$50” from section 6.6 and with the addition of, governmental entities, schools, charities, and other non-profit organization to section 6.6. Commissioner Susuras seconded. Voice Vote. All Ayes.

G. American Airlines Bankruptcy Request.

Deputy Director of Finance briefed the Board and stated that in November of 2011 AMR Corporation, which is the parent corporation for American Eagle and American Airlines, filed for chapter 11 bankruptcy. Mr. Schroen stated that at the time they filed for bankruptcy American Eagle owed for October and November totaling at about \$46,000. Mr. Schroen said that those invoices were paid in full in July of 2012 and now Deloitte Consulting Group, who is managing the bankruptcy between the bankruptcy court and American Eagle, is requesting that the Airport sign a release form stating that those claims have been paid in full.

Discussion:

Commissioner Susuras verified that Mr. Schroen received the check.

Mr. Schroen stated that the check was received in July of 2012.

Chairman Wood stated that he reviewed this with Mr. Schroen and he is satisfied with it but the amount exceeds \$10,000 so that is why it is before the Board.

Commissioner Susuras made a motion for the Board to approve the acceptance of the American Airlines bankruptcy settlement of \$46,239.84. Commissioner Wagner seconded. Voice Vote. All Ayes.

H. Water Tap/Meter Fee

Deputy Director of Facilities Ben Peck briefed the Board on the basic documents from Ute Water for the tap for the new administration building. Mr. Peck stated that he asked the engineer if the airport had any contracts to execute with Ute Water and was told to just simply pay the invoice and they will begin the water tap. Mr. Peck said that the water tap consists of tying into an existing 8inch supply line and carrying that 8inch supply line down towards the building and will tee off into a 6inch line for a fire hydrant. Mr. Peck said that this fee also includes the meter pit and a 1.5 inch meter. Mr. Peck stated that the total amount being asked to be spent for this water tap is \$17,350.

Discussion:

None.

Commissioner Wagner moved to approve the Water Tap/Meter fee of \$17,350 for the new administration building. Commissioner Frishe seconded. Voice Vote. All Ayes.

I. Aviation Pay Request - Apron Design Project.

Deputy Director of Operations Kathie Lucas briefed the Board on a \$20,872.60 invoice for the design of the air carrier apron. Ms. Lucas stated that Aviation had an amendment to their contract on January 10 2013. In regards to the question of whether or not there is an end to their contract, Ms. Lucas stated that typically, when the design is finished so is their contract. Ms. Lucas stated that the apron has been broken into three different portions and the first portion goes from the de-ice pad to approximately the middle of the terminal building. Ms. Lucas stated that the second portion goes from the middle of the terminal building to approximately the edge of the new ARFF bay of the new building and the third piece is from the new building to the edge of the tower. Ms. Lucas stated that schedules 1 & 2 have been completed and are ready for review. Ms. Lucas said that the remaining amount is \$41,745.20.

Discussion:

Commissioner Wagner stated that in the contract from January 2013, the subtotal is \$576,795 and there was a lump sum payment of \$159,343 for design and the invoice for design is \$417,452. Mr. Wagner asked if the extension to the contract is referencing an additional amount.

Ms. Lucas stated that she didn't know but typically there is a preliminary design before you get to the design that gets to the biddable set of plans.

Commissioner Wagner said that the total amounts are at such variance that the design for the apron would end up being \$417,000 and the bidding process at \$417,452 in the contract.

Ms. Lucas said that she talked to Aviation about that and they said that that was a typo in the document and there is no actual bidding in their contract just the design is \$417,452

Commissioner Wagner stated that he finds the execution of the contract unusual.

Chairman Wood stated that part of its unusualness is that it happened after the contract with Aviation was already expired.

Chairman Wood asked representatives from Armstrong consultants to talk about the timing issue as well as explain the preliminary design vs. the actual design.

Denis Corsi from Armstrong Consultants stated that it is not unusual for a project to be broken down into 3 or 4 phases. Mr. Corsi said that the preliminary design includes surveys, geo-technical investigation etc. and the final design include all the grants specifications and details, bidding services and the construction administration services. Mr. Corsi again stated that it is common for a contract to separate those out. Mr. Corsi stated he wasn't sure if they were in a position to speak about timing and in this specific extension they were not involved in. Mr. Corsi

stated that it is not uncommon with a change in consulting engineering for there to be some overlap.

Chairman Wood asked how uncommon it is for a contract extension or amendment to be made after a 5 year period is up.

Mr. Corsi stated that he can't say how uncommon it is but usually the FAA is involved and in most cases the FAA will not support the undergoing a new design for a new contract and new project on a contract that has been expired until the consultants selection process has been completed.

Chairman Wood stated that the question he is not clear on is if this is the end and if the Board approves this will they see another one of these.

Ms. Lucas stated that they would because they have finished phase I and II and with the last phase they will be providing some work so that it can move forward to the bidding process. Ms. Lucas stated that her understanding is that there are two possible outcomes with the last phase. Ms. Lucas said that one being, what to do with the ARFF building and what to do with FedEx and how that all goes together and the other being to leave everything where it is.

Chairman Wood asked if Jviation thinks they are going to continue working on this.

Ms. Lucas stated that Jviation will finish the balance of this and that probably by March all of the information should be provided. Ms. Lucas said that they would then hand it over to Armstrong to move on as soon as the funding becomes available.

Commissioner Susuras stated that according to the contract it looks like the airport owes Jviation \$41,745.20 when they complete the work.

Ms. Lucas stated that that is the amount owed in order to complete the work.

Commissioner Susuras asked if the work has been completed for the \$20,872.60 and if the airport owes them that.

Ms. Lucas stated that that was correct.

Commissioner Langley asked Commissioner Wagner if the contract he has specifies the total contract amount.

Commissioner Wagner stated it was \$636,795.00

Commissioner Susuras made a motion for the Board to approve payment to Jviation for the design of the air carrier apron for the amount of 20,872.60. Commissioner Frishe seconded. Voice Vote. All Ayes.

J. Jviation Contract Agreement and Pay Request – RTR Design.

Ms. Lucas briefed the Board on the final invoice for the RTR relocation contract. Ms. Lucas said that in July of 2013 the Board approved a reimbursable agreement between the FAA and the Grand Junction Regional Airport for the design of the relocation for the RTR. Ms. Lucas said that FAA (safety design standards) typically owns and maintains the nav aids however when the RTR or nav aids are moved then you enter into a reimbursable agreement with the FAA in order for them to be moved. Ms. Lucas said that after several meetings the safety standard representatives said that the process would be faster if the airport (the sponsor) would agree to take on certain elements. Ms. Lucas said that it was decided for the sponsor to contract to have a conceptual of the RTR design relocation based upon that FAA contract. Ms. Lucas stated that Jviation is involved through Mead and Hunt, who is doing the environmental part. Ms. Lucas stated that the conceptual design has been completed and submitted to the FAA for their review. Ms. Lucas said the agreement the Board approved was for the \$95,000 and then Jviation's portion was a little over \$92,000. Ms. Lucas stated that the preliminary design is done however there is no contract associated with this.

Discussion:

Commissioner Wagner asked why Mead and Hunt were not being paid.

Ms. Jordan stated that Mead and Hunt is not the contractor and when this was brought to their attention Ms. Jordan asked Mead and Hunt about it and the previous administrator had asked Mead and Hunt to carry Jviation as a sub to them because they still had a contract with the airport until the end of October of 2014. Ms. Jordan stated that when it was decided that phase III of the environmental was not going to be funded Mead and Hunt didn't really do any work toward this project.

Commissioner Wagner stated that legally they do not have a legal connection with Jviation on this project.

Ms. Jordan stated that the previous administrator wanted Jviation to be a sub-contractor but that is not what took place.

Commissioner Wagner's comment of what the Board would be doing is going back and signing a contract that changes all of the terms and is already expired.

Ms. Jordan stated she agreed and she too felt uncomfortable signing it.

Airport attorney Mike Morgan stated that there is no best option but, as he understands it, Jviation performed and completed work at the direction of the Authority but unfortunately no contract was signed either as a sub-contract or directly to Jviation. Mr. Morgan stated that Jviation is now making a pay request for \$92,000. Mr. Morgan said that the Authority owes Jviation the money and a contract is simply to provide a paper trail for what that money is being expended for and under what terms. Mr. Morgan stated that he would not advise to pay anything without a contract.

Commissioner Susuras asked Ms. Lucas if she reviewed the work and asked if it was done to her satisfaction.

Ms. Lucas stated that it is done to the standards they would expect. Ms. Lucas stated that there was some discretion in the FAA grant between a 30% and a 25% design and this is a 25%

Commissioner Wagner asked how they are supposed to know that 92,000 is a fair value for what they have done.

Commissioner Nelson asked if there was any kind of a letter or something that authorized them to do this work.

Ms. Lucas said that she hasn't had any documentation she just did the work in the field.

Ms. Jordan stated that she has a copy of the reimbursable agreement that the Board approved last year for the FAA's portion that delineates the 95,000 and the work to be done by both parties, the FAA and the sponsor, but there is no dollar amount so she is not sure where the 92,000 came from.

Commissioner Wagner stated that he remembers talking about it but he doesn't understand where the number comes from.

Chairman Wood asked if anyone has physically seen the work.

Ms. Lucas said she had a copy of a 16 page document with detail.

Chairman Wood stated that this is one of the "turd piles" this Board is faced with and disgusts him to death. Mr. Wood stated that there are a bunch of non-contractual agreements and is similar to the situation with Fentress on the admin building. Mr. Wood stated that if the Board approves to sign this contract and he as the Chairman has to sign it he will do so under duress.

Commissioner Langley asked if the Board can attempt to get their arms around any pending work and outstanding or non-existing contracts.

Ms. Lucas stated that she and Ms. Jordan have been trying to do that.

Commissioner Wagner stated that they need to send a letter to Jviation to stop all work on projects beyond of what they are aware of.

Commissioner Langley suggested holding this until they receive any outstanding commitments or non-contractual agreements

Commissioner Susuras asked Mr. Morgan if it would be improper to ask the previous director for a letter of explanation as to what he did in this issue.

Mr. Morgan stated that it wouldn't be improper but under the circumstances he doubts the airport would get a response.

Ms. Lucas asked if stopping all work includes work on the admin building and the apron design.

Chairman Wood stated that he would think not as long as they are a “sub” to someone else.

Ms. Jordan said that they are not a sub on the apron design.

Commissioner Susuras made a motion for the Board to execute the contract retroactively and approve payment for work completed by Jviation for the RTR relocation design. Commissioner Nelson seconded. Voice Vote. One Aye. Five Nay. Motion does not carry.

Commissioner Wagner made a motion for the Board to put the Jviation invoice on hold pending the receipt of the requested information that Ms. Jordan and Ms. Lucas have made along with a list of work that has been completed or is pending and for Jviation to stop all work until all documentation is received and reviewed. Commissioner Langley seconded. Voice Vote. All Ayes

K. Shaw Contactors Pay Application

Ms. Lucas briefed the Board on the Shaw contract pay application for the new administration building. Ms. Lucas stated that staff is requesting for the Board authorize payment for the invoice of \$542,957.38. Ms. Lucas said that this invoice is for the work that was performed in January.

Discussion:

Commissioner Susuras asked if there was a penalty if this isn't paid in a certain amount of time.

Airport Attorney Mike Morgan stated that he looked at the Shaw contract and it does not have a default interest provision and only states that Shaw will be paid monthly.

Commissioner Susuras stated that he noticed that the Airports money market account dropped to \$384,000 from last month and asked if this invoice is paid will the airport have enough money to operate on.

Director of Finance Gary Schroen stated that they do have enough money. Mr. Schroen said that they have two money market accounts and the other has about 2.5 million dollars in it.

Commissioner Wagner asked if it was possible to table the item until after discussion item **F. Shaw Construction Negotiation Update.**

Commissioner Susuras made a motion for the Board to authorize payment for the invoice from Shaw construction for the Airport Administration Building project for \$542,957.38. Commissioner Nelson seconded. Voice Vote. All Ayes.

L. Federal Mineral Land Grant Application and Resolution 2014-005.

Project Coordinator Ben Johnson briefed the Board on the resolution. Mr. Johnson stated that the Federal Mineral County Lease District was formed in 2011 and their mission is to take monies

that they receive from the leasing of federal lands in Mesa County and to distribute that money to political subdivisions of the state in Mesa County to offset the impacts to communities from energy development on those leases. Mr. Johnson stated that he and Ms. Jordan attended the semiannual Board meeting for this special district where they explained that grant process. Mr. Johnson stated that they also socialized ideas with the staff their and came up with an idea to apply for a grant to the special district. Mr. Johnson stated that under their terms it is called a "Mini Grant" and is capped at \$50,000. Mr. Johnson said that the mini grants to not have a matching requirement and are also competitive so they will be competing with others for these grants. Mr. Johnson stated that they decided to apply for a grant of \$50,000 and to make it more attractive they included a match of GJRAA funds of \$10,000 for scheduled replacements on the aging and outdated personal protective equipment used by the aircraft rescue and firefighters. Mr. Johnson discussed the break down in front of the Board on the purposed items to purchase. Mr. Johnson said that part of the application as a resolution from this Board, is to authorize to go forward and also authorizing to sign the grant agreement.

Discussion:

Commissioner Susuras asked Mr. Johnson to explain The Scout SCBA air packs at \$55,00 apiece and the turnouts for \$2,470.00 each.

Mr. Johnson stated that the turnouts are the coats and pants that the fire fighters wear and are about \$2,500 per set and the Scout SCBA is a self-contained breathing apparatus which is the air pack that the firefighters wear.

Chairman Wood asked if there was any sense of how much competition there is for these grants.

Ms. Johnson said that the staff at the district said that this time around there would be more competition and that last time they received four mini grants applications and funded three of them and the fourth one was not funded because it was funded for a traditional grant so they could have funded all four of them. Mr. Johnson said that the stronger case they can make on how energy development in Mesa County has affected the airport the stronger their application will be.

Ms. Jordan stated that looking historically at last year's grant awards a lot of special fire districts received monies for firefighting gear.

Ms. Jordan stated that the \$10,000 match they are purposing has been budgeted for replacement gear already.

Commissioner Frishe asked if the items had an expiration date on them.

Mr. Johnson said that they do and in some cases they are past the expiration date.

Ms. Jordan said that the SCBA packs were manufactured in 1996.

Mr. Johnson stated that they believe they were purchased in the year 2000-2001.

Commissioner Frishe asked what the usual time frame was.

Mr. Johnson said that the most recent of the NFPA says they should be replaced in no more than 10 years but he does not know if that applies to the SCBA's but does apply to the PPE the firefighters wear.

Commissioner Frishe made a motion to approve the Federal Mineral Land Grant Application and Resolution. Commissioner Susuras seconded. Roll call vote. Commissioner Langley, Aye; Commissioner Nelson, Aye; Chairman Wood, Aye; Commissioner Wagner, Aye; Commissioner Susuras, Aye; Commissioner Frishe, Aye.

M. Committee Appointments

Chairman Wood briefed the Board on appointing two committees. Chairman Wood said that the first would be finance and audit committee which would be a standing committee and needs to be included as an amendment to the Airport By-laws. Mr. Wood stated that as a standing committee those appoint to this committee should expect to serve on this committee for at least the balance of this year. Mr. Wood said that the end point of service on this committee could be the subject of the amendment to the by-laws and would be appropriate if it would happen at the beginning or end of the year. Mr. Wood stated that he would like to appoint Commissioner Rick Langley as Chairman of that committee. Mr. Wood said he would like to appoint Drew Armstrong and Amy Jordan to serve on the committee. Mr. Wood stated that the Board would like a recommendation from the committee on finding a firm to perform the annual audit at the March 4th special meeting.

Chairman Wood said that the second committee he would like to appoint is the Director Search committee. Mr. Wood stated that he would like to appoint Commissioner Tom Frishe to chair that committee and would like to appoint general manager of West Star, Dave Krogman as well as Collin Fay, and Ben Johnson to serve on the committee. Mr. Wood stated that they are in receipt of unsolicited resumes already and would like the committee to brief the Board on March 4th as well.

Discussion:
None.

VIII. Discussion Items

A. 2013 Audit

Interim Director of Aviation Amy Jordan briefed the board on the annual audit. Ms. Jordan stated that the Colorado revised statute requires that they complete and file an audit annually and is required to be completed 6 months after the close of the Airports fiscal year which is December. Ms. Jordan said that she has solicited proposals from 4 firms and to date have only received one proposal back from EKS&H out of Denver. Ms. Jordan said that she would pass what she received to Commissioner Langley.

Discussion:

None.

B. Subway Cafe

Airport staff member Chance Ballegeer briefed the Board on Subway Café. Mr. Ballegeer stated that it was brought to his attention the Board has some concerns on whether or not Grand Junction Regional Airport should be involved in concessions and it his job to guide and answer and questions the Board may have to help make a decision.

Discussion:

Commissioner Wagner stated that he doesn't think the Airport should be in a private business and should be contracted out. Mr. Wagner stated that his suggestion would be for the Chair to appoint someone for the Board to work with staff to see what they are getting out of it and if they were to bid this out what numbers would be involved. Mr. Wagner stated that he would suggest Commissioner Nelson if he was interested.

Commissioner Nelson said he was happy to help.

Commissioner Susuras stated that he has no objections to someone else taking over the franchise but they must keep it operational because it is used by a lot of people who fly out of Grand Junction, including himself.

Commissioner Wagner stated that he is still unsure if they can own a franchise or not but would like for it to be looked into.

Mr. Ballegeer stated the profit margin is solely based on departing flights so if someone were to take over, charging them by square footage is going to be difficult to persuade because they would not have the same sells as a normal Subway Café.

Ms. Jordan stated that the restaurant is currently set up to service both the unsecured and secured side and the unsecured is about 2% of the total revenue.

Mr. Ballegeer said that most of the 2% is coming from TSA but if that side shut down they wouldn't lose a lot of money because TSA does have the access to go to the secured side.

Mr. Schroen stated that he has not done any analysis but the Subway Café cost about \$360,000 so the airport has probably have recovered its investment but not much more beyond that.

C. Preliminary 2013 December Financials

Director of Finance briefed the Board and stated that the financial statements before the Board are preliminary and the revenue numbers are pretty much locked down but some expense numbers may change as they do some reconciliation between the projects and some of the expenditures. Mr. Schroen explained the airport operations revenue expenditures and underruns

to the Board. Mr. Schroen also explained the underruns in revenue and underruns in expenditures of fund 2 to the Board. Mr. Schroen stated that for 2013 they underran expenditures and revenue.

Discussion:

Commissioner Susuras commented on a balance showing of a half of a million dollars in accounts receivable and asked what it was.

Mr. Schroen stated that there were several checks that were taken by the FBI in November and those checks were returned in January so that artificially drove up their accounts receivable at year end.

Commissioner Langley asked made up receivables generally speaking.

Mr. Schroen stated tenants mostly with 30 leases and the airlines make up a good portion.

D. Airport Office Relocation

Interim Director of Aviation Amy Jordan briefed the Board and stated that currently airport administration staff is leasing office space on Horizon Ct. in an office building off airport. Ms. Jordan stated that the lease to the office will expire on July 14, 2014. Ms. Jordan stated that rent per month is \$4967.79 and it has been prepaid through the end of the lease term. Ms. Jordan stated that the new administration office building is scheduled to be completed July 24th providing there will be no further delays. Ms. Jordan stated that for efficiency staff has discussed moving to the open space available now in the terminal and are purposing to relocate in March. Ms. Jordan stated that they feel it will increase efficiency and communication.

Discussion:

Commissioner Susuras asked if they were going to use a moving company.

Ms. Jordan stated staff would do the move.

Commissioner Susuras asked how much TSA pays in rent on the third floor.

Mr. Schroen stated roughly \$252,000 a year.

Ms. Jordan stated that the move would be after the removal of the screening machine which is scheduled to be removed March 9th.

E. Administration Building Construction Update.

Director of Facilities Ben Peck briefed the Board and stated that to date it was day 121 of the original 275 days of construction and to date the contactor has had 6 weather days. Mr. Peck stated that the second floor decking is continuing to be placed and the last roof truss for the main administration component of the building was installed today. Mr. Peck stated that there was a frame for the mezzanine in the ARFF bay and they finished the trenching for the gas and

electrical utilities. Mr. Peck that Excel energy plans to bore this week under Walker Field Dr. for the gas line and structural fill should begin to be placed in the basement later on in the week. The following weeks schedule was the installation of the trusses on the ARFF bay roof, installation of roof sheeting over the administration component, and the concrete pour for the first level floor.

Discussion:

Commissioner Frishe asked if everything was on schedule.

Mr. Peck said that they are off schedule just a little due to weather.

Commissioner Wagner stated asked if the FAA comes out and inspects the building.

Mr. Peck stated that this was his first building with FAA involvement but in the past they have come out and inspect airside projects.

F. Shaw Construction Negotiation Update.

Chairman Wood briefed the Board and stated that at the January 14th meeting the Board unanimously directed the Chair and staff to proceed to discuss options with Shaw Construction and to report back. Mr. Wood stated that discussions took place on January 21st and there have been other phone discussions since then as well. Mr. Wood said that some discussion will be reserved for executive session.

Discussion:

None.

G. Colorado Airport Operator's Meeting Brief

Chairman Wood briefed the Board and stated that at the end of January he and Commissioner Frishe traveled to the Colorado Airport Operator Winter Conference in Westminster which was the day after the Colorado Aeronautics Board meeting. Mr. Wood said that it ended with a round table discussion with Armstrong, the FAA and the state. Mr. Wood stated that he was impressed by the Colorado Aeronautics Board and finds Colorado unique in their promotion of aeronautics in general and also the way Colorado grant funding works. Mr. Wood said that there were other Airport managers and directors there from different states and they said that where they were from it was not as aviation friendly as Colorado. Mr. Wood read the economic impact for The Grand Junction Regional Airport.

Discussion:

None.

H. IT Committee Update

Director of Facilities Ben Peck briefed the Board and stated that after the last Board meeting the committee had Mr. Schroen run some numbers and create a spread sheet and it became very apparent that the labor associated with IT on a yearly bases the airport is paying on their

contractor isn't coming close to being the salary of an IT analyst. Mr. Peck said that Commissioner Susuras had people from the City interacting with the committee as well as a handful of RFPs to look at as well as job descriptions. Mr. Peck stated that the committee met on February 12th with the current IT provider who gave an overview of the current IT system and billing. Mr. Peck said that the IT infrastructure at the Airport currently has a two week backup and there is not off sight back up, it's all done on sight and the risk of that is if the IT room is lost due to a fire then all IT is lost. Mr. Peck said that they asked that current IT provider what it would take to get off sight back up and they said due to the amount of data that the airport keeps it would be \$80-\$100 a month plus the cost of a \$50 tape. Mr. Peck stated that in reviewing things they discovered something that was missed in discussion of IT in the last meeting which is the 3 T1 lines that connect the east and west side of the airport. Mr. Peck said that this is a recent addition that was made and the reason was when they started the construction for the new administration building the fiber optic line that connects the server room at the ARFF facility and the terminal building had to be separate. Mr. Peck stated that these lines go above the \$4000 cap. Mr. Peck said that he is asking the Board to continue working people with the city to develop an RFP and to increase the cap of \$4000 per month for IT expenditures to incorporate the \$11,03.07 for the 3 T1 lines and potentially a little room for back up. Mr. Peck said that the total per month would come out to be \$5,300 per month

Discussion:

Commissioner Wagner asked if there are security sensitive items to the back up.

Mr. Peck said yes.

Commissioner Wagner stated he didn't think those could be stored off site by a third party.

Mr. Peck stated that would definitely be something they will have to look into.

Commissioner Frishe made a motion to raise the monthly cap from \$4000 to \$5,300 per month with the caveat mentioned by Commissioner Wagner on looking into how to back up files. Commissioner Wagner seconded. Voice Vote. All Ayes.

I. 2013 Year-End Statistics

Interim Director of Aviation Amy Jordan briefed the Board on the Airports statistics they compile every month and publish on the airport's website. Ms. Jordan stated that some of the things that are tracked are passenger enplanements, enplane/deplane airfreight, rental car revenues and aircraft operations.

Discussion:

Commissioner Frishe asked if diversions are counted as enplanements/deplanements.

Ms. Jordan stated that deplanements are but enplanements are not.

Commissioner Wagner asked how these compare to similar size airports.

Ms. Jordan stated that she has not compared them this year but the FAA does release statistics.

Chairman Wood asked if this, month to month, was fairly typical.

Ms. Jordan stated yes January and February tend to be slower months for enplanements.

J. March Workshop

Chairman Wood stated that the FAA, Armstrong Consultants as well as representatives from the State will be attending the Boards workshop and special meeting on March 4, 2014

K. P.J. McGovern Request

Was addressed at the beginning of the meeting in citizen comments

Commissioner Wagner stated that Interim Director Amy Jordan has been working on a draft reorganizational chart and he would like the Board to look at it. Mr. Wagner went through the different ideas of how it is being created and establishing the Comptroller position. Details will be discussed at a later meeting.

Ms. Jordan briefed that Board on the Comptroller position and duties.

IX. Adjourn into Executive Session

Commissioner Wagner made a motion to move to executive session to confer with the Authority's legal counsel for the purpose of receiving advice relating to a pending investigation and pending employment litigation, as authorized by CRS§ 24-6-402(4) (b) and ongoing contract negotiation as authorized by CRS§ 24-6-402(4) (e). Commissioner Frishe seconded. Voice Vote. All Ayes.

The Board Adjourned into Executive Session at 9:12pm

The Board reconvened into regular session at 10:53pm

X. Any other business which may come before the Board

None.

XI. Adjournment

Commissioner Nelson moved to adjourn the meeting. Commissioner Wagner seconded. Voice Vote. All Ayes.

Steve Wood, Board Chairman

ATTEST:

Victoria Villa, Clerk to the Board