

Walker Field Airport Authority

Minutes of the Regular Board Meeting

September 21, 1999

BOARD COMMISSIONERS PRESENT: Miles McCormack Craig Springer
Steve Ammentorp Ken Sublett
Gary Morris

AIRPORT STAFF PRESENT: Corinne Nystrom Gary Mancuso
Dan Reynolds David Anderson
Charlie Novinskie

ALSO PRESENT: Barbara Krause of Coffee Time, L.L.C.; Louis Buescher and Park Douma of West Star Aviation; and Harry Griff, Special Counsel for the Authority.

I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:19pm.

II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. Manager Nystrom requested the addition of Other Item A- "Addendum to Real Estate Lease Between Robert N. Bush and Tri Star Aviation." The Agenda was amended as requested.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: August 17, 1999 Regular Board Meeting

B. Acknowledgement of Receipt of July 31, 1999 Financial Statements and Accounts Receivable Report

Staff provided the Board with a summary of the July 31, 1999 Financial Statements and Accounts Receivable Report. On the Statement of Operations, year to date operating revenues are 9.6% higher than budgeted and year to date operating expenses are 14.8% lower than budgeted. The net result of the continued favorable operating revenues and expenses was an income to retained earnings balance of \$210,606, which is \$215,894 higher than budgeted year to date. Of this budget variance, part of this amount is attributed to the additional amount authorized at the May 18, 1999 Regular Board Meeting for the Runway 11/29 litigation expenses.

Rental car, parking lot, ground transportation, and general aviation revenues account for most of the higher than budgeted operating revenues. Because of the higher levels of activity during the summer months, operating expenses are projected to increase compared to other times of the year. However, close monitoring of the operating expenses by all departments has continued to yield year to date operating expenses that are under what was budgeted.

On the Balance Sheet, unrestricted cash/investments remained relatively unchanged for the month. PFC funds decreased \$345,800 for the month, reflecting capital project expenditures. These expenditures resulted in a decrease in trade payables of \$545,100. Receivables increased 5.4%. Overall, July was an active capital project and good financial month for the Authority.

C. Amendment No. 2 to the Localizing Directional Aid Agreement (Other Transactions Agreement NMR64699L)

Staff provided the Board with a proposed Amendment No. 2 to the Localizing Directional Aid Agreement (Other Transactions Agreement NMR64699L) between the FAA and the Authority for the engineering and installation of the Localizing Directional Aid (LDA) to Runway 29. The Amendment would extend the timeframe for the completion and closeout of the project.

Because additional time is needed for the completion and closeout of the project, Staff recommended the Board approve the Amendment No. 2 to the Localizing Directional Aid Agreement and that the Chairman be authorized to sign the Amendment on behalf of the Authority.

D. Assignment of Lease for Collateral Security from Rodney M. & Gwendlyn M. Armstrong to Gordon C. Gimple

Staff presented the Board with a proposed Assignment of Lease for Collateral Security from Rodney M. and Gwendlyn M. Armstrong to Gordon C. Gimple. Rodney and Gwendlyn Armstrong recently purchased the hangar formerly owned by GM Hangars located in the Runway 4/22 general aviation area. They will be using the hangar to store and maintain their aircraft and to conduct flight instruction, aircraft charter operations, aircraft sales, and to operate a pilot's supplies office.

The Assignment of Lease for Collateral Security instrument is specifically made as collateral security for payment of a promissory note executed by Armstrong to Gimple in the principal sum of \$180,000.00. The Assignment has been reviewed and approved by Authority Attorney Doug Briggs.

Staff recommended approval of the Assignment of Lease for Collateral Security and requested that the Chairman be authorized to sign the Assignment on behalf of the Authority.

E. Sublease Agreement Between West Star Aviation, Inc. & John E. & Susan K. Herr Family Trust

Staff presented the Board with a proposed Sublease Agreement between West Star Aviation, Inc. and John E. and Susan K. Herr Family Trust (HFT). HFT is currently subleasing a parcel of vacant land leased by West Star Aviation located southwest of West Star's engine shop. Per the Agreement, HFT has agreed to construct a hangar on the premises, at its sole expense, suitable for temporary and long-term storage and maintenance of aircraft. Authority Attorney Briggs has reviewed and made changes to the Agreement in order to protect the Authority.

Staff recommended approval of the Sublease Agreement and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority, subject to FAA and City Planning Department approval.

F. Hold Harmless License Agreement with Southwest Airlines Co.

Staff presented the Board with a proposed Hold Harmless License Agreement with Southwest Airlines Co. Southwest currently has a license agreement with the Authority that allows it to use an eight (8) cubic foot area for an aeronautical-use radio. The existing agreement expires September 30, 1999. The proposed Agreement includes a provision for an annual rent adjustment based on the Consumer Price Index. Since the new Agreement is a continuation of the existing agreement, Staff recommended approval of the Hold Harmless License Agreement and that the Airport Manager be authorized to sign the Agreement on behalf of the Authority.

G. Hold Harmless License Agreement with Emery Worldwide Airlines

Staff presented the Board with a proposed Hold Harmless License Agreement with Emery Worldwide Airlines. Emery currently has a license agreement with the Authority that allows it to use an eight (8) cubic foot area for an aeronautical-use radio. The proposed Agreement includes a provision for an annual rent adjustment based on the Consumer Price Index. Since the new Agreement is a continuation of the existing agreement, Staff recommended approval of the Hold Harmless License Agreement and that the Airport Manager be authorized to sign the Agreement on behalf of the Authority.

H. Use & Lease Agreement with Barbara & Ken Krause d.b.a. Coffee Time L.L.C.

Staff presented the Board with a proposed Use and Lease Agreement between Coffee Time, L.L.C. and the Authority. Coffee Time proposes to operate a non-exclusive limited service food and beverage restaurant including espresso, cappuccino, beer, wine and limited retail items such as cups, shirts, and related items. The restaurant will be located in the second floor restaurant space, and will be accessed from the secured area.

Staff recommended approval of the Use and Lease Agreement with Coffee Time, L.L.C. and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority. Additionally, Staff recommended that the approval be contingent upon: 1) approval of Consent Item J- "Supplemental Budget Appropriation for Restaurant Area Renovations;" and 2) FAA approval of relocating the secured area doors.

I. Supplemental Budget Appropriation for Airline Boarding Area Podiums Relocation

Staff presented the Board with a request for a supplemental appropriation of funds for the relocation of airline boarding area podiums. As part of the Terminal Building Renovation Study, Van Sant Group recommended relocating the boarding area gate podiums. The relocation would allow a clear and free path for deplaning and enplaning passengers at both gate areas, enhance the aesthetics of the boarding

area, and provide additional security for the airline boarding process. In addition to the relocation of the podiums, United Express and America West Express will be exchanging their boarding gate and ramp parking locations in order to reallocate the percentage of passengers utilizing the gate areas to a more even amount per gate.

Since this relocation is a part of the overall terminal building renovation project, it is proposed that the Authority fund the relocation costs. The costs have been estimated as a not to exceed amount of \$6,000 for the relocation of the podiums and the relocation of the affected computer and telephone lines and equipment.

Staff recommended the approval of the supplemental appropriation of funds for the relocation of airline boarding area podiums in an amount not to exceed \$6,000.

J. Supplemental Budget Appropriation for Restaurant Area Renovations

Staff presented the Board with a request for a supplemental appropriation of funds for the renovation of the restaurant area. As part of the Terminal Building Renovation Study, Van Sant Group recommended renovating the restaurant area to allow for access from the secure side of the boarding area and to enhance the aesthetics, usability, and revenue potential for a restaurant operator.

Since the proposed restaurant area renovations are a part of the overall terminal building renovation project, it is proposed that the Authority fund the renovations. The costs have been estimated as a not to exceed amount of \$7,500 for the: 1) removal of the existing glass panels to open the restaurant area to the secured boarding area; 2) installation of panels or doors in the old entryway to the restaurant area; 3) relocation of the boarding area exit doors; 4) replacement of the carpet; and 5) replacement of the ceiling panels.

Staff recommended the approval of the supplemental appropriation of funds for the renovation of the restaurant area in an amount not to exceed \$7,500.

Commissioner Morris moved to approve the Consent Agenda. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

V. ACTION ITEMS

A. Addendum to Real Estate Lease Between Robert N. Bush and Tri Star Aviation

(Although this item was added to the Agenda as an Other Item, it was acted upon as an Action Item.)

Staff presented the Board with a proposed Addendum to Real Estate Lease Between Robert N. Bush and Steve Bottom. Mr. Bush leases space at Hangar One and is in the process of purchasing the space. Additionally, Mr. Bush is subleasing a portion of his leasehold to Tri Star Aviation. Authority Attorney Briggs has reviewed the Lease between the two parties and has drafted an Addendum to protect the Authority. Mr. Bush and Mr. Bottom have agreed to the changes.

Staff recommended approval of the Addendum to the Real Estate Lease Between Robert N. Bush and Tri Star Aviation and requested that the Chairman be authorized to sign the Addendum on behalf of the Authority.

Commissioner Sutherland moved to approve the Addendum to the Real Estate Lease Between Robert N. Bush and Tri Star Aviation and that the Chairman be authorized to sign the Addendum on behalf of the Authority. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

A. Acquisition of New Aircraft Rescue Firefighting Equipment

Staff provided the Board with information regarding the possible donation of two new aircraft rescue firefighting vehicles to the Authority. In December, 1998, Robert Dixon of the Colorado EMS Foundation approached Staff with an offer to acquire two new aircraft rescue firefighting vehicles at no cost to the Authority.

The firefighting vehicles would include a 3,000 gallon capacity 6 x 6 and a 1,500 gallon capacity 4 x 4. These vehicles would be provided to the Authority in exchange for the existing Oshkosh T-1500. The FAA has provided preliminary approval for the exchange. Staff has requested that the Foundation provide the Authority with a copy of any proposed agreement for the acquisition. Staff commented that the City of Grand Junction and other entities have received equipment and vehicles from the Foundation.

Although the FAA has provided preliminary approval for the exchange, Staff is working with Authority Attorney Briggs to review the applicable issues involved with the exchange

Chairman McCormack asked if Mr. Dixon understands that if the exchange occurs, the new vehicles have to remain in the control of the Authority. Staff noted that the equipment provided to the City of Grand Junction was in the form of a gift. Thus the Foundation cannot take the equipment back from the City at a later date. Chairman McCormack recommended that Staff let Mr. Dixon know that the Authority cannot exchange the vehicles unless title to the new vehicles is provided to the Authority.

Commissioner Springer inquired if the Authority will need additional infrastructure to accommodate the new vehicles. Staff commented that initial supplies will need to be ordered for each vehicle, but no new infrastructure will be required because the new aircraft rescue firefighting facility will be able to accommodate the vehicles. Commissioner Sublett asked how the Foundation is funded. Staff noted that the Foundation was set-up by Mr. Dixon's family with the goal of assisting fire and rescue agencies with the acquisition of rescue equipment.

B. Runway 11/29 Litigation Update (Executive Session)

Commissioner Sublett moved for the Board to enter into Executive Session to discuss the Runway 11/29 litigation. Commissioner Springer seconded. Voice vote: all ayes. Motion carried.

The Board entered into Executive Session at 5:29pm to discuss the Runway 11/29 litigation.

Commissioner Springer moved to exit Executive Session. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

The Board exited Executive Session at 6:29pm.

Commissioner Springer inquired whether the proposed Resolution 1999-004: Resolution of the Board of Directors Approving Settlement of Case No. 96CV545 should be modified to reflect the Chairman as the authorized person to sign the document. Attorney Harry Griff, Special Counsel for the Authority, recommended that the Board vote on the Resolution as drafted. Manager Nystrom recommended that all references to "Secretary" in the Resolution be changed to "Clerk."

Commissioner Sublett moved to adopt Resolution 1999-004: Resolution of the Board of Directors Approving Settlement of Case No. 96CV545, which authorizes the Airport Manager to execute and deliver the Mutual Release and Settlement Agreement on behalf of the Authority, and that the Clerk to the Board of Commissioners be authorized to sign the Resolution on behalf of the Authority. Commissioner Morris seconded. Roll call: all ayes. Motion carried.

VII. OTHER ITEMS

There were no Other Items.

VIII. ADJOURNMENT

There being no further business to come before the Board, Commissioner Morris moved to adjourn the meeting. Commissioner Sublett seconded. Unanimously carried. The meeting was adjourned at 6:32pm.

APPROVED AND ADOPTED THIS _____ DAY OF _____, 1999.

Miles C. McCormack, Chairman

ATTEST:

David J. Anderson, Clerk