

Walker Field Airport Authority

Minutes of the Regular Board Meeting

August 15, 2000

BOARD COMMISSIONERS PRESENT: Miles McCormack Steve Ammentorp
Ken Sublett Gene Kinsey
Robert McCormick Craig Springer

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

ALSO PRESENT: Mike Grattan of Younge & Hockensmith, P.C.; Terry Van Sant of Van Sant Group; and Darrell Watson of Interspace Airport Advertising.

I. CALL TO ORDER

Chairman McCormick called the meeting to order at 5:22 p.m.

II. APPROVAL OF AGENDA

Manager Nystrom requested that Discussion Item A, Interspace Airport Advertising Concession Update be discussed in an Executive Session with the Authority Attorney. No other changes, deletions or additions were requested.

Commissioner Springer moved to amend the agenda as requested. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: July 18, 2000 Regular Board Meeting

B. Acknowledgement of Receipt of June, 2000 Financial Statements/ Accounts Receivable Report

Staff presented the Board with a summary of the June, 2000 Financial Statements. On the Statement of Operations, year to date operating revenues are 8.4% higher than budgeted and year to date operating expenses are 5.8% lower than budgeted. The net result of the operating revenues and expenses was an income to retained earnings balance of \$126,225, which is \$120,514 higher than budgeted year to date.

Rental cars, airline and slurry bomber landing fees, terminal building concessions, fuel flowage fees and aviation fuel tax revenues were over budget (year to date), and close monitoring of operating expenses by all departments has continued to result in year to date operating expenses that are under what was budgeted. Staff is working with the parking lot concessionaire to obtain additional information regarding the decrease in parking lot revenues compared to what was budgeted.

On the Balance Sheet, nonrestricted cash/investments decreased 5.1% for the month because of increased maintenance activity and capital project expenditures. PFC funds decreased 17.4%, reflecting the continued expenditures for the aircraft rescue firefighting/snow removal equipment (ARFF/SRE) facility project. Capital project expenditures led to an increase in Land, Buildings, and Equipment of \$205,782. Additionally, Accounts Payable increased by \$40,256, reflecting an increase in airport activity – repairs, maintenance, and capital projects.

Overall, June was a solid financial month for the Authority.

C. Resolution No. 2000-012: Resolution Concerning Execution of Documents Pertaining to Bank Accounts

Staff presented the Board with proposed Resolution No. 2000-012: Resolution Concerning Execution of Documents Pertaining to Bank Accounts. At the July 18, 2000 Regular Board Meeting, Commissioner Springer was elected as the new Vice Chairman for the Board of Commissioners. Because of this change, it is necessary to update the Authority's Banking Resolution. The Resolution is sent to all financial institutions with whom the Authority conducts business. The proposed Banking Resolution is the same as past Resolutions, except the Vice Chairman has been changed from Michael E. Sutherland to Craig N. Springer.

Staff recommended that the Board approve Resolution No. 2000-012 and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

D. Request by Samuel Hudson d.b.a. Sammy's Shoe Shine Service to Terminate Use & Lease Agreement for Passenger Terminal Building

Staff presented the Board with a request by Samuel Hudson dba Sammy's Shoe Shine Service to terminate his Use and Lease Agreement for Passenger Terminal Building. Samuel Hudson entered into a Use and Lease Agreement with the Airport Authority on November 17, 1999 to provide shoe shine service in the terminal building boarding area. The Agreement has an expiration date of November 30, 2000, and the monthly rent is \$25. Mr. Hudson is current on his rent and also has a \$100 security deposit on file with

the Airport Authority. Due to lack of business, Mr. Hudson is requesting the termination of his Use and Lease Agreement.

Staff recommended that the Board approve Samuel Hudson's request to terminate the Use and Lease Agreement for Passenger Terminal Building with the Airport Authority effective August 31, 2000. Additionally, Staff recommended that Mr. Hudson's security deposit be debited to cover any outstanding rent or fees with the balance of the security deposit returned to him.

E. Resolution No. 2000-013: Amendment to the Walker Field, Colorado, Public Airport Authority Money Purchase Pension Plan

Staff presented the Board with proposed Resolution No. 2000-13: Amendment to the Walker Field, Colorado, Public Airport Authority Money Purchase Pension Plan. Effective January 1, 2000, the Authority's retirement plan changed from a money purchase pension plan to the Public Employees' Retirement Program (PERA). PFPC, Inc. is providing services to the Authority as a part of the "winding-up" of the former plan.

PFPC, Inc. has completed its final review of the former pension plan documents and has provided the Authority with the proposed Amendment to bring the Plan documents into compliance with law changes affecting qualified plans. The changes include modifying the salary portion of the definition of highly-compensated employees to those employees receiving in excess of \$80,000 and increasing the "automatic cash-out" threshold from \$3,500 to \$5,000. These changes have very little effect on the Plan.

The next step in the process is for PFPC, Inc. to submit the Plan (as amended) to the IRS for review to determine if the Plan meets all applicable requirements upon termination. During that process, the IRS may request additional amendments or modifications to the Plan.

Copies of the proposed Resolution and Amendment have been reviewed and approved by Authority Attorney Kirk Rider as drafted.

Staff recommended that the Board approve Resolution 2000-013 and the Amendment to the Money Purchase Pension Plan. Additionally, Staff recommended that the Chairman be authorized to sign both documents on behalf of the Authority.

F. Contract to Purchase Merial Currier Vander Laan Property

Staff presented the Board with a proposed Contract to Buy and Sell Real Estate. At several previous Board workshops and meetings, the Board has discussed the purchase of the Currier property. During these discussions, it was the consensus of the Board to make an offer to purchase the property for \$51,000.

Ms. Currier has indicated that she is willing to sell the property for \$51,000 with the Airport Authority paying all closing costs. This would be contingent upon:

- ◆ A phase one environmental site assessment on the property at the expense of the Authority;
- ◆ Review of title documents by the Authority;
- ◆ Seller financing as detailed in paragraph 4-d of the Contract.

Authority Attorney Mike Grattan has reviewed and approved the Contract to Purchase. A copy of the contract was submitted to the Board for review. Also, at the June 20, 2000 Regular Board Meeting, the Board appropriated \$20,000 for land acquisition which can be applied towards the costs of purchasing the property.

Commissioner Ammentorp asked what time frame Staff is anticipating for the phase one environmental site assessment. Staff informed the Board that completion may take up to 60 days. Also, Commissioner Ammentorp inquired into whether a local company would be handling the assessment. Staff stated that a local company would most likely conduct the site assessment on the property.

Staff recommended approval of the Contract to Buy and Sell Real Estate for the Currier property and that the Chairman be authorized to sign the Contract on behalf of the Authority. Additionally, Staff recommended that the Chairman be authorized to sign counter-offers to the Contract if the counter-offers do not materially deviate from the original Contract, subject to Authority Attorney review. Finally, Staff recommends that the Chairman be authorized to sign all documents at closing, subject to Authority Attorney review.

G. Contractor's Agreement with Mays Construction Specialties, Inc. to Repair 4th ATO/Grid L Wall Floor

Staff presented the Board with a proposed Contractors Agreement with Mays Construction Specialties, Inc. to repair the 4th ATO/Grid L Wall Floor. As part of the overall structural repair of the 4th ATO/Grid L Wall, the hallway adjacent to the wall must be reconstructed to eliminate future movement and re-leveled for safety. Gaines Structural Engineers supplied design specifications, and Mays Construction Specialties gave the Authority a quote to perform the work of \$9,965.

This work is budgeted as part of the overall repair of the Grid L Wall. Mays has indicated it will take about two weeks to complete the project. A completion date of September 10th is anticipated.

Staff recommended that the Board approve and authorize the Airport Manager to sign the Standardized Contractors Agreement with May Construction Specialties, Inc. for repair work to the 4th ATO/Grid L wall floor in the amount of \$9,965.

H. Request for Re-Appropriation of Funds for Fruita VOR Lease Extension

Staff presented the Board with a request to re-authorize capital funding for the Fruita VOR lease extensions. In late 1998, the Board appropriated \$11,300 of WFAA funds for the purpose of paying for a portion of the costs to extend the FAA leases with the property owners on whose property the Fruita VOR was located. Lease extension agreements were necessary in order to keep the Fruita VOR operational during the winter (1998-1999). The lease extension agreements expired on May 30, 1999. The FAA agreed to provide matching funding for the same purpose.

The Authority entered into an agreement with the FAA on March 16, 1999, which put into writing the intent of the FAA and the Authority regarding the lease extensions. Although the funds for the lease extensions were approved in 1998, and reappropriated in

1999, the Authority did not receive an invoice from the FAA until last week. Thus a reappropriation of funds for the lease extensions is necessary for 2000.

Commissioner Springer requested additional background information regarding the Fruita VOR. Staff highlighted the history of the agreement between the FAA and the Airport Authority, explaining the FAA did not renegotiate the lease for the land on which the Fruita VOR sat and initiated plans to de-commission the VOR. Therefore, the Authority entered into an agreement with the FAA on March 16, 1999 to extend the use of the Fruita VOR until other landing aid alternatives could be explored. The FAA agreed to assist in the cost of the lease extensions with the Airport Authority.

Staff recommended that the Board re-authorize in 2000 the \$11,300 of capital funding for the lease extensions, which was approved in 1998, and again in 1999, but which the FAA has not requested until now.

I. Contractors Agreement with Dyer Construction to Repair West Wall of Terminal Building

Staff presented the Board with a proposed Contractors Agreement for repairs to the west wall of the terminal building which was damaged by high winds. A quote was received from Dyer Construction to perform the repairs. The Authority's insurance carrier has approved payment of all but \$1,000 (WFAA deductible) for the cost of the repair.

Staff recommended the Board approve and authorize the Airport Manager to sign the Standardized Contractors Agreement with Dyer Construction in an amount not to exceed \$9,900 for repairs to the west terminal building wall.

Commissioner McCormack moved to approve all items on the Consent Agenda. Commissioner Ammentorp seconded. Roll call: all ayes. Motion carried.

V. **ACTION ITEMS**

A. Request to Appropriate Additional Funding for ARFF/SRE Building and Approval of Change Orders 2, 3, and 4

Staff presented the Board with a request to appropriate additional funding and approve three (3) change orders for the aircraft rescue firefighting/snow removal equipment (ARFF/SRE) building. Dyer Construction has requested Authority approval of three change orders for work associated with the ARFF/SRE building construction. This project is funded entirely with Passenger Facility Charges (PFC's). Each change order would increase the cost of the Dyer Agreement and the project. A previous change order was signed by the Airport Manager that reduced the original cost of the project by \$2,475.60.

- ◆ Change Order No. 2: Dyer Construction assumes the cost and administration of the project's testing and surveying (this was not included in the basic engineering and architectural agreement with Raytheon or in the bid specifications). Cost = \$12,000
- ◆ Change Order No. 3: Modify drainage on west side of building. Cost = \$11,753
- ◆ Change Order No. 4: Add retaining wall for slope to FAA parking. Cost = \$19,656

Change Order No. 2 relieves the Authority of the direct administration and payment of testing and surveying along with the corresponding agreements with the testing and surveying companies.

Change Orders No. 3 and No. 4 have been recommended by the Engineer.

Dyer original Contract Amount:	\$ 841,995
Amount to Dyer with change orders:	\$ 882,928
Estimated project total cost at completion:	\$1,056,500
Authorized PFC collection amount:	\$1,280,000

Staff recommended the Board appropriate \$40,934 in passenger facility charges payable to Dyer Construction for Change Orders 2, 3, and 4 for the ARFF/SRE building and authorize the Airport Manager to sign the Change Orders for this project.

Commissioner Ammentorp moved to approve the request to appropriate additional funding for the ARFF/SRE building construction. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

B. Resolution No. 2000-014: Authority to Execute Leases for the Walker Field, Colorado, Public Airport Authority

Staff presented the Board with proposed Resolution No. 2000-014. At the January, 2000 Regular Board Meeting, the Board approved a standardized Ground Lease Agreement. The Board discussed having a resolution drafted which would authorize the Airport Manager to sign standardized Ground Lease Agreements without prior Board approval as long as the Agreements are unaltered from the standard form (other than information in subparagraphs 1.1 to 1.14 being inserted). The Airport Manager would then apprise the Board at each Regular Board Meeting of any such leases which were signed during the previous month.

Attorney Grattan drafted a resolution to present to the Board for review. The resolution specifically authorizes the Airport Manager to sign standardized Ground Lease Agreements and Addendum to Ground Lease Agreements as outlined by the Board. The resolution would expire, if not renewed, on January 31, 2001.

Commissioner Springer inquired how the current standardized Ground Lease Agreement is working. Manager Nystrom noted the standardized Agreement has been working as planned.

Chairman McCormick inquired whether this Resolution is restricted to ground leases only and asked why separate resolutions are needed for this issue and for the authorization for the Airport Manager to execute certain vendor agreements.

Attorney Grattan noted that this Resolution is perfunctory only and is narrow in scope. Additionally, the applicable By-laws may require the two separate Resolutions.

Attorney Grattan noted the following advantages:

- ◆ Since the Board has already approved the Standardized Ground Lease Agreement for use in all ground leases at the Airport, authorizing the Airport Manager to exercise signatory authorization would expedite the leasing process considerably.

- ◆ Allowing the Airport Manager to execute ground leases that conform exactly with the terms of the original standardized Ground Lease Agreement would eliminate the Board's review and reauthorization of unchanged leases previously considered and approved.
- ◆ Expediting the leasing process is beneficial both to the Authority and potential tenants of the Authority.

Limitations applicable to Resolution No. 2000-014:

- 1) The authority granted by this Resolution shall expire, if not renewed, by January 31, 2001.
- 2) The Airport Manager is granted only the authority to execute unaltered standardized Ground Lease Agreements except that the Airport Manager may provide certain information requested in subparagraphs 1.1 to 1.14 of the Ground Lease Agreement.

Staff did not make a recommendation on this resolution due to the drafting of this resolution being a direct request of the Board.

Commissioner Springer moved to approve Resolution 2000-014 giving the Airport Manager the authority to execute the Standardized Ground Lease Agreement. Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

C. Resolution No. 2000-015: Authority to Execute Contracts Under \$10,000 for the Walker Field, Colorado, Public Airport Authority

Staff presented the Board with proposed Resolution No. 2000-015. At the January, 2000 Regular Board Meeting, the Board discussed having a resolution drafted which would authorize the Airport Manager to sign certain contract agreements without prior Board approval. These contracts include those agreements with vendors & contractors which are either routine in nature or which are materially small in dollar amount.

The proposed resolution drafted by Attorney Grattan specifically authorizes the Airport Manager to sign certain contract agreements as outlined by the Board. The resolution would expire, if not renewed, on January 31, 2001.

Attorney Grattan noted the following advantages:

- ◆ Delegating responsibility to the Airport Manager to enter into any contract on behalf of the Airport Authority without Board approval, if the total value of that contract is equal to or less than \$10,000, expedites and facilitates operations at the airport and is beneficial both to the Airport Authority and users of the airport.

Limitations applicable to Resolution 2000-015:

- 1) The authority granted by this resolution shall expire, if not renewed, by January 31, 2001.
- 2) Should there be any reasonable doubt as to whether a contract has a total value equal to or less than \$10,000, the Airport Manager shall not have the authority to

enter into that contract on behalf of the Airport Authority and shall be required to submit that contract to the Board for approval.

Commissioner Springer inquired as to whether this resolution would affect the way projects are bid. Manager Nystom noted the bidding process would be unaffected and continue to be handled according to existing bidding procedures since a formal bid process is only required for contracts exceeding \$10,000.

Staff did not make recommendations on this resolution since the drafting of this resolution was a direct result of Board discussion.

Commissioner Sublett moved to approve Resolution 2000-015 giving signatory authority to the Airport Manager to execute contracts under \$10,000. Commissioner Ammentorp seconded. Roll call: all ayes. Motion carried.

VI. BOARD COMMITTEE REPORTS

A. PERSONNEL COMMITTEE

Commissioner Sublett stated that the Personnel Committee had nothing to report to the Board at this time.

B. FACILITIES COMMITTEE

Commissioner Sublett reported on the developments regarding the third floor renovation. Of primary concern was the accommodation of the Airport Authority administration offices with those of the Mesa County Economic Development Council. The design work is progressing, and the objective of commencing renovation around January 1st appears to be attainable.

Chairman McCormick mentioned the Airport Authority is providing the MCEDC the opportunity to participate in the design and layout of its future office space. The MCEDC has mentioned its need for increased office space, a conference room and additional storage. The goal of the Authority is to satisfy the MCEDC while at the same time adequately planning for the Authority's current and future needs. Also noted was the possibility of phased construction. Phased construction would provide accessibility to half of the third floor while at the same time allowing for the remodeling.

Discussion ensued regarding phased construction. Concerns cited were noise, dust, difficulty conducting business, and possible additional costs. Architect Terry Van Sant of Van Sant Group suggested sending out the bid packets with a request for two bids – phased construction v. all at once.

The consensus of the Board was to request separate bids to allow the Board to make a final decision at a later date.

VII. AIRPORT MANAGER'S REPORT

A. DRAINAGE UPDATE

Manager Nystrom noted that Staff visited recently with the City Engineering Department to discuss the City's drainage issues. The City has indicated it is pressed for time to complete a Drainage Plan which includes the construction of detention ponds on airport property. Staff is working with Washington Group International (the Authority's engineering firm), to meet the City's time frame for completing the Plan.

B. AIRSHOW UPDATE

Staff reported the Airshow Committee is in full swing and is working with the airlines to ensure adequate airspace and minimal disruption for the commercial carriers.

C. NOISE COMPATIBILITY

Staff reported that the noise compatibility procedures are being printed.

D. MEETING WITH FAA

Manager Nystrom reported on Staff's recent meeting with representatives of the FAA's Airports District Office in Denver. The primary purpose of the meeting was to provide an update to the FAA on Walker Field, as well as discuss future projects and issues affecting the Airport. Four FAA representatives, including the Supervisor for all Colorado airports, were present.

Discussions included:

- 1) Upcoming PFC and CIP Projects
- 2) The Airport Layout Plan (ALP)
- 3) Air Cargo

E. SEPTEMBER WORKSHOP

Manager Nystrom reported she will be unable to attend the September Workshop because she will be attending the Ken Blanchard Situational Leadership Workshop in San Diego as suggested by the Board. Staff will present the Board with historical revenue and cost allocation updates, along with further updates on the third floor renovation design work. Commissioner McCormack requested that the parking concession also be discussed.

VIII. DISCUSSION ITEMS

A. Interspace Airport Advertising Concession Update

Commissioner Sublett moved for the Board to enter into Executive Session to discuss the Interspace Airport Advertising Concession with the Authority Attorney. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

The Board entered into Executive Session at 6:27 p.m. to discuss the Interspace Airport Advertising Concession.

Commissioner McCormack moved to exit Executive Session. Commissioner Sublett seconded. Motion carried.

The Board exited Executive Session at 7:37 p.m.

B. Terminal Building Renovation Update by Van Sant Group

Architect Terry Van Sant presented the Board with an initial draft of proposed design plans for the third floor terminal building renovation.

Discussion items pertaining to the third floor renovation included:

- Adequately meeting the office space needs of the MCEDC
- Benefits of fourth quarter bidding (*possible cost savings to the Authority*)
- Inclusion of break room/kitchenette area within office space
- Installing a security system
- Stairway accessibility from the third floor offices
- Constructing adequate technological support
- Developing additional leaseable space
- Long-term office space flexibility and anticipated future growth

C. Air Carrier Service Improvements Report

Manager Nystrom provided the Board with an overview of commercial passenger and air cargo service at Walker Field. A chronological summary of air service was presented, in addition to observations encompassing a 14-year period from 1986 through 2000. Desired service level improvements were noted and the following recommendations were cited:

- Acquire additional resources to regularly monitor the fares offered out of GJT and neighboring airports.
- Notify the incumbent carriers when exceptionally high fares are being listed for GJT in relation to other area airports.
- Work with the airlines to advertise when reasonable fares are offered out of GJT.
- Ensure that Airport facilities provide safe, reliable, on-time service capabilities for the carriers (runways, taxiways, ramps, terminal building, nav aids).
- The regional airlines are gradually converting their fleets from turboprops to regional jets. Hold periodic meetings with them to keep GJT near the top of their lists for regional jet service.
- Airlines look for a 20% profit margin when considering a market. While each airline's costs vary depending upon type aircraft (and other factors), the estimated annual enplanements needed at GJT for a 4th carrier to consider entering this market is 187,000. This enplanement level would also increase the likelihood of more flights being offered by the incumbent carriers.

IX. OTHER ITEMS

There were no Other Items.

X. ADJOURNMENT

There being no further business to come before the Board, Commissioner Springer moved to adjourn the meeting. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.
The meeting was adjourned at 8:40 p.m.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2000.

Robert W. McCormick, Chairman

ATTEST:

David J. Anderson, Clerk