

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

November 21, 2000

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

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

**ALSO PRESENT:** Amber Uhlman of Mesa State College and Shawn Hawkins of West Star Aviation.

### I. CALL TO ORDER

Chairman McCormick called the meeting to order at 5:18 p.m.

### II. APPROVAL OF AGENDA

There were no requested changes, deletions or additions to the Agenda.

Commissioner McCormack moved to accept the Agenda as presented. Commissioner Sublett seconded. Voice vote: all ayes, motion carried.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

Manager Nystrom noted that the Authority received a box of chocolates from Terry Van Sant of Van Sant Group for the dedication of the new ARFF/SRE facility. She also mentioned that Ruth Pfleider sent a thank you note to the Authority for the flower arrangement she received in memory of her husband, Kent Pfleider.

#### IV. CONSENT AGENDA

- A. **Minutes: October 17, 2000 Regular Board Meeting**
- B. **Acknowledgement of Receipt of September, 2000 Financial Statements/Accounts Receivable Report**

Staff presented the Board with a summary of the September, 2000 Financial Statements. On the Statement of Operations, year to date operating revenues are 11.7% higher than budgeted and year to date operating expenses are 6.6% lower than budgeted. The net result of the operating revenues and expenses was an income to retained earnings balance of \$330,439, which is \$245,437 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. Parking lot revenues are lower than what was budgeted year to date (4.7%). However, year to date parking lot revenues are slightly higher per enplanement this year (\$2.57) versus last year (\$2.55).

On the Balance Sheet, nonrestricted cash/investments decreased 4.5% for the month, with a related \$17,783 decrease in Accounts Payable reflecting the payment of several capital project invoices during the month. PFC funds decreased 63.5%, reflecting the continued expenditures for the aircraft rescue firefighting/snow removal equipment (ARFF/SRE) facility project and first bond payment associated with the project.

Capital project expenditures coupled with the receipt of two (2) new donated ARFF vehicles led to an increase in Land, Buildings, and Equipment of \$1,177,253. Additionally, the FAA approved the reconciliation of the project and litigation costs associated with the Runway 11/29 rehabilitation project. The FAA's share of the settlement proceeds was remitted to the FAA during the month.

Overall, September reflected a high level of favorable financial activity for the Authority.

- C. **Engagement Letter with Chadwick, Steinkirchner, Davis & Co., P.C. to Conduct Audit of 2000 Financial Statements**

Staff presented the Board with a proposed letter of engagement from Chadwick, Steinkirchner, Davis & Co., P.C. to conduct the annual audit of the Walker Field Airport Authority's 2000 financial statements. This is the third year of a three-year contract with Chadwick, Steinkirchner, Davis & Co. to conduct the annual audit. The letter of engagement is similar to the previous letter of engagements for the FY 1998 and FY 1999 audits.

Chadwick, Steinkirchner, Davis & Co. proposes to conduct the audit for a fee not to exceed \$7,250. The fee is the same as the amount charged to audit the 1998 and 1999 financial records. The commencement date of the Audit will be approximately February 5, 2000, with the issuance of reports on or before April 17, 2000.

Since the auditors report directly to the Board, Staff did not make a recommendation to the Board regarding this item.

**D. Request by Rocky Mountain Hangar, Inc. for a Non-Exclusive Easement to Public Service Company of Colorado (PSCO) for Installation of Gas and Electric Utility Service Lines**

Staff presented the Board with a request by Rocky Mountain Hangar, Inc. (RMH) for a non-exclusive easement to Public Service Company (PSCO) for the installation of gas and electric service utility lines. RMH recently leased an additional parcel of land east of its existing hangar that is approximately 41 feet wide by 262 feet long. RMH is proposing to build a 200-foot by 40-foot hangar on the parcel. In order to provide gas and electric service to the hangar, an easement is required. The proposed easement will begin at the existing PSCO easement north of Navigators Way, continue north across a parcel of land currently not leased, and terminate at the south boundary of the RMH building. Since the proposed easement is parallel and adjacent to the existing storm drain easement, it will not hamper construction on the unleased south parcel. Water and sewer connections are not planned for the hangar.

Staff recommended approval of the gas and electric line easement location per the preliminary survey and approval of the PSCO standard non-exclusive easement. Additionally, staff recommended that the Chairman be authorized to sign the easement on behalf of the Airport Authority contingent on the following items:

- All work to be done to PSCO specifications.
- A final survey and legal description of the new easement be provided to the Airport Authority.
- The non-exclusive easement be recorded by PSCO at the Mesa County Clerk and Recorder's Office.

**E. Non-Exclusive Easement to Public Service Company of Colorado (PSCO) for ARFF/SRE Facility Gas and Electric Utility Service Lines**

Staff presented the Board with a proposed non-exclusive easement to Public Service Company of Colorado (PSCO) for the aircraft rescue firefighting (ARFF/SRE) facility gas and electric utility service lines. The PSCO non-exclusive easement for gas and electric service to the ARFF/SRE facility originates at the existing transformer in the southwest corner of the FAA Tower parking lot and continues north through the parking lot to the ARFF/SRE transformer on the building property line. Utility easements were located after construction began in what appears to be the most cost-effective location. The form used is the standard PSCO easement form.

Staff recommended the Board approve the easement and that the Chairman be authorized to sign the non-exclusive easement on behalf of the Airport Authority. Additionally, Staff recommended that the non-exclusive easement be recorded by PSCO at the Mesa County Clerk and Recorder's Office.

**F. Sublease Agreement Between Buescher Family Limited Partnership and West Star Aviation, Inc.**

Staff presented the Board with a sublease agreement between Buescher Family Limited Partnership (BFLP) and West Star Aviation, Inc. This sublease terminates three existing subleases between the parties dated 1/01/99 for 342 square feet, 10/01/99 for 840 square feet, and 10/01/99 for 795 square feet. In addition to consolidating the three separate

agreements, it also includes two spaces vacated by Davis Aircraft Sales and Kempton Air Service. The resulting sublease to West Star Aviation is approximately 3,600 square feet located on the entire first floor of 800 Heritage Way. Although this sublease is not the WFAA Standardized Sublease Agreement, it incorporates previous changes requested by the Authority Attorney.

Commissioner Springer inquired whether there was anything noted in the body of the current sublease agreement that is contrary to the agreement set forth in the Authority's Standard Sublease Agreement. Staff explained that Authority Attorney Mike Grattan updated the sublease agreement and several changes were incorporated into the agreement.

Staff recommended that the Board approve the sublease agreement between BFLP and West Star Aviation, Inc. and that the Chairman be authorized to sign the agreement on behalf of the Authority.

**G. Sublease Agreement Between Buescher Family Limited Partnership and Bell Aviation, Inc.**

Staff presented the Board with a sublease agreement between Buescher Family Limited Partnership (BFLP) and Bell Aviation, Inc. This is a renewal of the current sublease between the parties, which grants Bell Aviation the right to negotiate and contract aircraft sales on a non-exclusive basis at 800 Heritage Way. The term of the agreement begins November 1, 2000 and terminates October 31, 2001 at 12:00 a.m. Although this sublease is not the Standardized Sublease Agreement, it incorporates previous changes requested by the Authority Attorney Mike Grattan.

Staff recommended that the Board approve the sublease agreement between BFLP and Bell Aviation, Inc. and that the Chairman be authorized to sign the agreement on behalf of the Authority.

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

**V. ACTION ITEMS**

**A. Request for Appropriation of Funds for Reimbursement to Federal Aviation Administration for Portion of Airport Improvement Project No. 3-08-0027-17**

Staff presented the Board with a request for appropriation of funds for reimbursement to the Federal Aviation Administration (FAA) for a portion of AIP Project No. 3-08-0027-17. At the September 19, 2000 Regular Board Meeting, Staff updated the Board regarding the reconciliation of the Airport Improvement Program (AIP)-17 project. Part of the project included replacing the beams in the terminal building, with R.W. Jones as the general contractor. In reconciling the expenditures for this project, Staff's calculations for payments to R.W. Jones differed from the engineering firm's calculations.

Upon reconstructing each request for reimbursement, it appeared that requests for reimbursements 3 and 4 were incorrect due to formula errors on the spreadsheets prepared by the Authority's engineering firm for the project, Nichols Associates. R.W. Jones has not disputed the overpayment in the estimated amount of \$9,164.20. The consensus of the Board was to proceed with collecting the amount of the overpayment from Nichols Associates.

A letter of demand was sent to Nichols Associates on September 29, 2000, and Staff is working with Attorney Grattan in the collection efforts. This was an AIP project, with 90% of the project funded by the FAA. To closeout its reconciliation of AIP-17, the FAA has requested reimbursement from the Authority for its portion of the overpayment — \$8,247.78.

Commissioner Ammentorp inquired into the possibility of recovering the overpayment to R.W. Jones. Staff noted that Authority Attorney Mike Grattan has discussed this issue with Nichols Associates' attorney and Nichols Associates did not verbally disagree with the assertions put forth by the Airport Authority. Nichols Associates has begun collection procedures against R.W. Jones.

Staff recommended that the Board appropriate \$8,247.78 to reimburse the FAA for its portion of the overpayment to R.W. Jones as part of the AIP-17 project as the Authority continues its efforts to be reimbursed by Nichols Associates for the overpayment to R.W. Jones.

Commissioner McCormack moved to appropriate \$8,247.78 to reimburse the FAA for its portion of the overpayment to R.W. Jones as a part of AIP-17. Commissioner Ammentorp seconded. Voice vote: all ayes. Motion carried.

**B. Request for Funds to Replace the Automated Ramp Gate at West Star Aviation**

Staff presented the Board with a request for funds to replace the automated ramp gate at West Star Aviation. In July of this year, the Authority notified West Star Aviation and the Bureau of Land Management (BLM) that those entities would now be responsible for the maintenance and upkeep of the automated gates providing access to their ramp areas. After some delay, West Star indicated it was not provided with a properly working gate and would not accept the responsibility of its operation without the Authority bringing the gate up to an acceptable level of repair. Discussions with Authority maintenance staff indicate that while the gate did have significant maintenance problems and is a continuing maintenance concern and expense, it is operational.

Staff met with West Star and discussed the possibility of the Authority and West Star sharing the cost of a new gate installation with the corresponding access system being funded separately by West Star. The estimated cost for a new stand alone automated gate is \$17,000. West Star has requested that the Authority fund \$5,000 toward a new gate with West Star funding the balance.

Discussion ensued regarding the following:

- FAA specifications regarding gate hardware.
- Accessibility by airport Staff.
- Card reader system replacement and maintenance.

- Future anticipated gate and reader card replacements.

Staff recommended that the Board appropriate \$5,000 toward the installation of a new automated gate at the airport operations area entrance at West Star Aviation.

Commissioner Ammentorp moved to appropriate \$5,000 in funds to replace the automated gate located at West Star Aviation. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

**C. Public Hearing Regarding Proposed 2000 Supplemental Budget and Appropriations**

Members of the public were provided the opportunity to comment or ask questions regarding the Proposed 2000 Supplemental Budget and Appropriations. The notice of the proposed Supplemental Budget was published in accordance with State law. There were no public comments.

**D. Resolution No. 2000-019: Resolution to Adopt 2000 Supplemental Budget and Appropriate Sums of Money**

Staff presented the Board with proposed Resolution No. 2000-019: Resolution to Adopt 2000 Supplemental Budget and Appropriate Sums of Money. Prior to the end of each fiscal year, it is necessary for the Authority to ensure that the budget for that year conforms to what has transpired during the year, especially with respect to expenditures. A resolution is necessary to finalize the budget and authorize and appropriate before year-end.

The amended budget is still a projection, but is based upon actual financial data that has been compiled throughout the year. It incorporates the additions and deletions made in the capital budget, as previously authorized by the Board on a case-by-case basis, as well as the changes in the contributed capital, revenue, and expense categories during the year.

Staff noted that the capital expenditures for the Supplemental Budget reflect the two capital appropriations that were approved at tonight's Board meeting, including the West Star gate and the AIP-17 reimbursement to the FAA.

Commissioner Ammentorp inquired into the decrease of federal grant expenditures for FY 2000. Staff explained that the majority of the decrease of federal grant expenditures is attributed to the postponement of the east air carrier ramp reconstruction project, which is now scheduled to occur in FY 2001. The 2001 Budget reflects these adjustments.

Commissioner Springer moved to approve Resolution 2000-019: Resolution to Adopt 2000 Supplemental Budget and Appropriate Sums of Money. Commissioner Sublett seconded. Roll call: all ayes. Motion carried.

**E. Public Hearing Regarding Proposed 2001 Budget and Appropriations**

Members of the public were provided the opportunity to comment or ask questions regarding the Proposed 2001 Budget and Appropriations. Notice of the proposed 2001 Budget was published in accordance with State law. There were no public comments.

**F. Resolution No. 2000-020: Resolution to Adopt 2001 Budget and Appropriate Sums of Money**

Staff presented the Board with Resolution No. 2000-020: Resolution to Adopt 2001 Budget and Appropriate Sums of Money. The proposed Budget is the same as what was discussed at the November, 2000 Board Workshop.

Staff recommended that the Board approve Resolution No. 2000-020 and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner Springer moved to adopt Resolution No. 2000-020: Resolution to Adopt 2001 Budget and Appropriate Sums of Money. Commissioner Sublett seconded. Roll call: all ayes. Motion carried.

**VI. BOARD COMMITTEE REPORTS**

*A. PERSONNEL COMMITTEE*

Commissioner Morris noted that the Personnel Committee is in receipt of draft Core Competencies for two Airport Manager direct reports. The remaining Core Competencies for the Airport Manager's direct reports are scheduled to be completed in the near future. Chairman McCormick reminded the Committee that an evaluation of the Airport Manager's performance is scheduled to occur at the end of this year.

*B. FACILITIES COMMITTEE*

Commissioner McCormack mentioned that Authority Architect Terry Van Sant of the Van Sant Group and Burke Associates met recently and are in the process of reaching a consensus on a new heating/cooling system to effectively and efficiently meet the needs of the Authority and its terminal building lessees.

The following aspects of the HVAC renovation were discussed:

- HVAC budget projections.
- Phase construction of the HVAC System.
- Separate unit for the 3<sup>rd</sup> floor.
- Rooftop cooling system.
- Structural load-bearing capacity of the roof.
- Separate units for heating/cooling systems.
- Architectural design and inspection fees.

*C. MCEDC RENOVATION*

Chairman McCormick inquired into whether the Mesa County Economic Development Council (MCEDC) has responded to the recent confirming letter sent to them regarding the 3<sup>rd</sup> floor renovation project. Staff noted that additional plans from the Van Sant Group have been received based on what MCEDC has requested. A rental rate has yet to be determined for the new MCEDC offices.

*D. TERMINAL BUILDING STAIRWELL*

Commissioner Sublett inquired into the delay of the terminal building stairwell renovation. Staff explained that the contractor has been waiting on the shop drawings and final approval by the engineer of changes proposed by the contractor.

*E. TERMINAL BUILDING LIGHTING*

Chairman McCormick asked when the terminal building lighting is scheduled to be replaced. Manager Nystrom noted that Van Sant Group recommends lighting modifications take place when the structural renovations are completed.

**VII. AIRPORT MANAGER'S REPORT**

*A. KITTY HAWK AIRLINES BANKRUPTCY*

Staff updated the Board on the recent bankruptcy by Kitty Hawk Airlines. Staff explained that Kitty Hawk is an air cargo carrier and has occasionally diverted aircraft to Walker Field. As a result of its filing for bankruptcy protection under Chapter 11, an unpaid invoice in the amount of \$178 is still outstanding. Staff commented that unless instructed otherwise, it would proceed with selling the \$178 claim for \$62 to Debt Acquisition Company of America V, LLC, which is approximately a 35% payout.

*B. WESTERN COLORADO TESTING OUTSTANDING INVOICE*

During the Runway 11/29 litigation proceedings, all parties involved agreed to share the cost of the expenses for the testimony of an expert witness from Chicago Testing Laboratory, Inc. of Chicago. The Authority has paid the original invoice, and all of the parties have reimbursed the Authority for their respective portions except Western Colorado Testing (WCT), leaving a balance owing to the Authority of \$1,072.

WCT is currently subcontracting to May's Concrete for the east air carrier ramp reconstruction project. Staff has consulted with Authority Attorney Mike Grattan to determine a course of action to be taken to recover the portion of expenses for which WCT had accepted responsibility. The following options were discussed:

- Disqualifying WCT from participating in current/future projects until the debt has been paid.
- Initiating collection procedures, including a Letter of Demand.

The consensus of the Board was for Staff to proceed in sending a Letter of Demand to WCT. Staff will apprise the Board of any response received to the Letter of Demand.

*C. FARABEE ADVENTURES, INC.*

Staff recently met with Farabee Adventures, Inc. to discuss the results of the Authority's rental car agreement compliance certification review. As a result of the meeting, Farabee Adventures, which owns the off-airport Budget rental car franchise, agreed to pay \$1,000 for its portion of the compliance review and cooperate with another review. It has also



brought its account with the Authority to a manageable level. Additionally, an updated performance bond was provided to the Authority. Staff was satisfied with the outcome of the meeting and the willingness on the part of Farabee to comply with its agreement.

*D. WEST STAR AVIATION FILL DIRT DEPOSITS*

West Star Aviation recently began depositing dirt onto a parcel adjacent to the south of their main leasehold with excess fill dirt from a Mesa State College project. Staff became aware of the fill dirt activity just prior to its completion. The following areas of concern were mentioned:

- Environmental hazards.
- Lack of Airport Authority authorization.

The consensus of the Board was for Staff to establish whether West Star possesses written authorization from the Authority to place dirt in that area. If West Star does not have written authorization, Staff was instructed to demand that the dirt be removed or have West Star certify in writing that the dirt is free from environmentally hazardous material.

*E. AIRPORT MANAGER APPOINTMENT TO THE MESABILITY TRANSIT BOARD*

Manager Nystrom informed the Board that she has been appointed to the Board of Mesability Transit.

*F. AIRPORT MANAGER APPOINTMENT TO THE COLORADO AERONAUTICAL BOARD*

Manager Nystrom informed the Board that she received notification from the State of Colorado Office of Boards and Commissions that Governor Bill Owens has appointed her to the Colorado Aeronautical Board.

*G. 2001 BUDGET PROJECTIONS*

Manager Nystrom extended her thanks to Staff for their hard work in putting together the 2001 Budget.

## VIII. DISCUSSION ITEMS

**A. Appointment of Nominating Committee for 2001 Officers**

The Board Nominating Committee for 2001 Officers was created, and the following Commissioners will serve on that committee:

- (1) Commissioner Springer
- (2) Commissioner Sublett
- (3) Chairman McCormick

**B. Commissioner Morris Board Term Expiration**

Commissioner Morris informed the Board that his term expires January 1, 2001, and that he will not be seeking a reappointment.

**IX. OTHER ITEMS**

There were no Other Items.

**X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Morris moved to adjourn the meeting. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried. The meeting was adjourned at 6:45 p.m.

APPROVED AND ADOPTED THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2000.

\_\_\_\_\_  
Robert W. McCormick, Chairman

ATTEST:

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David J. Anderson, Clerk