

Walker Field Airport Authority

Minutes of the Regular Board Meeting

January 16, 2001

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

ALSO PRESENT: There were no additional attendees.

I. CALL TO ORDER

Chairman McCormick called the meeting to order at 5:15 pm.

II. APPROVAL OF AGENDA

Chairman McCormick requested that Action Item B – “Reappointment of At-Large Commissioner” be added to the agenda.

Vice Chairman Springer moved to approve the Agenda as modified. 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: December 19, 2000 Regular Board Meeting

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

Staff provided the Board with an update on the November, 2000 financial statements.

On the Statement of Operations, year to date operating revenues are 3.2% higher than budgeted (per the FY 2000 Supplemental Budget) and year to date operating expenses are 7.3% lower than budgeted. The net result of the operating revenues and expenses was an income to retained earnings balance of \$416,680, which is \$164,363 higher than budgeted year to date.

Rental cars, 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 higher than year to date last year (2.7%).

On the Balance Sheet, nonrestricted cash/investments increased slightly (.02%) for the month, with a \$11,712 decrease in Accounts Receivable, reflecting the receipt of increased customer payments during the month. Additionally, Accounts Payable decreased \$27,833 as a result of several large payments during the month.

PFC funds decreased 27.9%, reflecting the payment of several project-end invoices 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 \$65,112.

Overall, November mirrored the favorable financial trends for the Authority.

C. **Resolution No. 2001-001: Resolution of the Board of Commissioners Regarding Authority to Execute Contracts Under \$10,000 for the Walker Field, Colorado, Public Airport Authority**

Staff presented the Board with a proposed resolution that would authorize the Airport Manager to execute contracts under \$10,000 on behalf of the Authority.

At the August 15, 2000 Regular Board Meeting, the Board approved a resolution that authorized the Airport Manager to sign certain contract agreements without prior Board approval. These contracts include those agreements with vendors and contractors which are either routine in nature or which are materially small in dollar amount. The existing resolution expires, if not renewed, on January 31, 2001.

If approved by the Board, the proposed authority granted by the resolution would expire on January 31, 2002 unless renewed again by the Board. Because this resolution was the direct result of Board discussion, Staff did not make a recommendation on this agenda item.

D. Resolution No. 2001-002: Resolution of the Board of Commissioners Regarding Authority to Execute Leases for the Walker Field, Colorado, Public Airport Authority

Staff presented the Board with a proposed resolution that would authorize the Airport Manager to execute standardized ground lease agreements on behalf of the Authority.

At the August 15, 2000 Regular Board Meeting, the Board approved a resolution 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.

The wording of the proposed resolution is the same as the original resolution approved last year except that the term "Form Lease" has been expanded to include the Board-approved form Sublease Agreement in addition to the underlying form Ground Lease Agreement. Also, conforming changes were made in the wording to incorporate the amended form Ground Lease Agreement and Sublease Agreement changes as approved by the Board in October, 2000. The resolution would expire, if not renewed, on January 31, 2002.

Because this resolution was the direct result of Board discussion, Staff did not make a recommendation on this agenda item.

E. Hold Harmless License Agreement with Emery Worldwide Airlines

Staff presented the Board with a proposed renewal of Emery's agreement with the Authority for the location of a radio within the terminal building.

Emery's current license agreement for an 8 cubic foot area located on the second floor of the terminal building for an aeronautical-use radio expires on February 28, 2001. The new agreement would be a continuation of the existing one with an additional provision allowing Emery to terminate the agreement with 30 days prior written notice and the term is for one (1) year instead of two (2) years.

The Authority continues to have the right to cancel the agreement, in its sole discretion and without incurring any liability, if Emery's use of the premises conflicts with other uses. The rent paid to the Authority will be \$51.30 per month.

Commissioner McCormack moved to approve the Consent Agenda. Vice Chairman Springer seconded. Roll call: all ayes. Motion carried.

V. **ACTION ITEMS**

A. **Request for Reauthorization of FY2000 Capital Projects Appropriations**

Staff presented the Board with a request for reauthorization of FY2000 capital project appropriations for the unused appropriations for several projects. In 2000, the Board appropriated \$217,745 for the following projects: AIP-19 (LDA); AIP-21 (ALP Update); 3rd Floor Renovation Design; Terminal Building Roof Replacement; West Star Utilities; Runway 4/22 General Aviation Area Surveying; and Water Line Replacement. Of the unspent portions, Staff recommended the reauthorization of \$51,312 (total) for these projects.

Staff noted that the proposed reappropriations do not increase the project costs to the Authority. Instead, the reappropriations are necessary for fiscal year capital budget requirements. Thus, Staff recommended that the Board reappropriate \$51,312 for the above-listed projects.

Commissioner Sublett moved to approve the request for reauthorization of FY2000 capital projects appropriations as presented. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

B. **Reappointment of At-Large Commissioner**

Chairman McCormick noted that Commissioner McCormack will complete his first four (4)-year term as the At-Large Authority Commissioner in February, 2001, and has indicated he would like to serve another term. Chairman McCormick noted that the At-Large Commissioner is selected by the Authority Board and ratified by the Mesa County Commissioners and the Grand Junction City Council. Chairman McCormick recommended the reappointment of Commissioner McCormack as the At-Large Commissioner.

Vice Chairman Springer moved to reappoint Miles McCormack to the At-Large Authority Commissioner position for a four (4)-year term beginning March 1, 2001. Commissioner Ammentorp seconded. Voice vote: all ayes, except for Commissioner McCormack, who abstained from the vote. Motion carried.

The Board requested that Staff prepare a letter to submit to the Grand Junction City Council and the Mesa County Commissioners stating that Commissioner McCormack was reappointed to another four (4)-year term and requesting them to ratify the appointment.

C. **Election of 2001 Walker Field Airport Authority Officers**

The Walker Field Airport Authority By-Laws require that the election of officers for a new year be held at the first regular Board meeting in January. The positions include Chairman (a Board member), Vice Chairman (a Board member), Treasurer (historically the Airport Manager), Clerk (a Staff member), and Deputy Clerk (a Staff member). In 2000, the following Staff members served as officers: Treasurer—Corinne Nystrom; Clerk—David Anderson; and Deputy Clerk—Charlie Novinskie.

Commissioner Sublett reported that the Nominating Committee selected the following potential candidates: Chairman--Craig Springer; Vice Chairman--Commissioners Ammentorp and Sublett. Commissioner Sublett declined the nomination because his current Board term expires May, 2001, and Commissioner Ammentorp accepted the nomination.

Commissioner McCormack moved to approve the following officers for the year 2001: Chairman, Craig Springer; Vice Chairman, Steve Ammentorp; Treasurer, Corinne Nystrom; Clerk, David Anderson; and Deputy Clerk, Charlie Novinskie. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

D. Resolution No. 2001-003: Resolution Concerning Execution of Documents Pertaining to Bank Accounts

Staff presented the Board with a proposed banking resolution for 2001.

Because of changes in Authority Board officers, 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 that the names of the 2001 Chairman and Vice Chairman will replace those in 2000, and the second Staff signatory has been changed from Project and Development Manager to Operations and Facilities Manager (title change only).

Manager Nystrom explained that historically, the two Board member signatories are the Chairman and Vice Chairman, and the two Staff member signatories are the Airport Manager and the Operations and Facilities Manager.

Commissioner McCormick moved to approve Resolution No. 2001-003 with the insertion of the new Chairman and Vice Chairman names. Commissioner Sublett seconded. Roll call: all ayes. Motion carried.

VI. BOARD COMMITTEE REPORTS

A. FACILITIES COMMITTEE

Commissioner McCormack reported that a preliminary set of plans for the 3rd floor renovations was presented to the Board at the December, 2000 Board meeting. Staff noted that they would be meeting next week with Authority Architect Terry Van Sant to perform a walk-through and review of the plans.

Staff provided the Board with an engineer's estimate of the project which indicated that the total leasable space included 5,500-6,000 sq. ft. of the 3rd floor. The existing restroom facilities and the boiler room will not be renovated. The Mesa County Economic Development Council's (MCEDC's) square footage may be as much as 1,750 sq. ft. – approximately twice the size of its existing leasehold. The estimated cost of the renovations is \$65 - \$70/sq. ft., including contingency. The MCEDC has requested additional window upgrades. The cost for heating, ventilation, and air conditioning (HVAC) is estimated to be \$100,000 - \$125,000, or \$21/sq. ft. Staff reported that this is within the range of square

footage costs for new HVAC installation and indicated that the majority of this cost is due to mounting the unit on the 2nd floor roof outside the new offices.

Staff reported that without the contingency, the project cost is within the budget range of \$400,000. An in-house review of the estimated cost of furnishings was presented to the Facilities Committee and ranged from \$30,000 to \$118,000.

The Facilities Committee requested that Staff explore the option of phasing the renovations. Two separate contractors reported very little cost difference between the phasing of construction and not phasing the construction. Staff noted that the MCEDC leasehold space renovation will be a separate component of the bid.

Board discussion clarified that the MCEDC's planned utilization of the 3rd floor space includes a conference room, lobby and office area. Lease payments to the Authority will be based on fair market value and will incorporate the costs of any additional leasehold improvements.

Commissioner McCormack requested that the issue of excessive noise during construction be reviewed. He also inquired whether the MCEDC would relocate during the renovation project. Staff responded that if the Authority decides to phase construction, the MCEDC may be able to remain on the 3rd floor during the renovations. If construction is not phased, the Authority would offer to temporarily relocate the MCEDC.

Lastly, Staff reported that Western States Roofing conducted some work on the 3rd floor roof replacement project and plans to return to the site on January 17th or 18th, weather permitting.

Manager Nystrom reported on the relocation of the proposed JUCO display from the remodeled first floor baggage claim area to the aggregate wall on the west side of the 'down' escalator. The Board responded favorably to this suggestion since the JUCO display would be more noticeable at the new location and because the grizzly bear is a popular attraction at the original JUCO display location. Commissioner McCormick suggested creating a rotating display area highlighting a number of community organizations such as Mesa State College or the Art Center. Commissioner McCormick inquired about the Authority's procedures for loaned display items within the terminal building. Manager Nystrom commented that displays on loan are covered under a standard boiler plate Loan Agreement and the Authority maintains insurance for displayed items.

Vice Chairman Ammentorp inquired how long the JUCO display would remain on display. Manager Nystrom commented that in the standard boiler plate Loan Agreement, the Authority has unilateral discretion to relocate displays depending on the terminal building needs.

B. PERSONNEL COMMITTEE

Commissioner Morris reported on the Personnel Committee's meeting with Manager Nystrom to review the Airport Manager goals for 2000, and to begin the Airport Manager performance evaluation process. Also, the Personnel Committee has reviewed the Core Competencies for the Airport Manager's four direct reports. The consensus of the Board was that the Personnel Committee does not need to present the Core Competencies to the Board for positions below the Airport Manager level.

VII. AIRPORT MANAGER'S REPORT

A. PARKING LOT CONCESSION REQUEST FOR PROPOSALS (RFP)

Staff reported on the pre-bid meeting in which three prospective parking lot operators expressed interest in the parking lot concession. A recommendation regarding the successful bidder will be presented to the Board at the February, 2001 Board Meeting.

Under the new agreement, parking meters would be a direct source of revenue for the Authority, and are not a component of the bid package. Additionally, the agreement would be re-bid on a three (3) to four (4) year basis in keeping with the FAA's Disadvantaged Business Enterprise (DBE) Requirements.

Staff highlighted a proposed change to the concession agreement regarding a cost-of-living (COLA) adjustment to the parking rates. Parking rates have not been raised since 1995 and the COLA adjustment would compensate for increases in utilities and other parking lot operating expenses. An amendment will be distributed to the bidders to allow them to alter their bid packages according to the COLA provision. The consensus of the Board was for Staff to move forward with the noted changes.

B. GROUND SUBLEASE AGREEMENT BETWEEN LONE EAGLE AVIATION AND MONUMENT AIRCRAFT, LLC

Manager Nystrom apprised the Board that she will sign the Ground Sublease Agreement between Rodney and Gwen Armstrong of Lone Eagle Aviation and Dana Brewer of Monument Aircraft LLC to provide hangar space for repair services, as authorized in Resolution No. 2001-002.

C. DALY CONSTRUCTION, INC.

Manager Nystrom noted that Mr. Tom Daly of Daly Construction requested that the name on his Ground Lease Agreement be changed from Daly Construction, Inc. to Tom Daly, and unless instructed otherwise by the Board, Staff will proceed with the administrative approval of the name change.

VIII. DISCUSSION ITEMS

A. Proposed Denver International Airport Regional Airline Facility

Manager Nystrom provided the Board with an update on the proposed Denver International Airport (DIA) Regional Airline Facility. The next meeting of the DIA Regional Airline Facility Subcommittee is scheduled for January 29th. Recommendations made at the meeting will be submitted to DIA management, and Manager Nystrom requested feedback from the Board to incorporate into the recommendations.

At the December 11, 2000 subcommittee meeting, five key focal points were discussed:

- 1) Accommodate more than one aircraft type.
The plan provided to the subcommittee reflected only Dorniers and regional jets. Those communities with service from Great Lakes Aviation are concerned that the needs of Beech-1900s are not reflected in the plan.
- 2) Effect that the facility will have on air fares.
The \$100 million expenditure for this project will ultimately be passed on to the consumer.
- 3) Connect time and logistics to Concourse 'B.'
Commuter flights now operating off of Concourse 'B' will operate off of Concourse 'A' under the new development plan. This will increase connecting times and complicate logistics. The subcommittee opposed shuttle busses to transport commuters between concourses.
- 4) Ideally, one regional facility for all carriers – long term.
- 5) Preserve competition options – DIA retain control of some gates.
United Airlines would like to begin construction in 2002 or 2003 but will not need all 36 aircraft parking positions until 2005. The subcommittee is concerned with finding adequate parking for other regional air carriers after this time.

Commissioner Sublett commented that the increases in connecting times will result in higher ticket prices due to lost time in the air. Commissioner McCormick suggested that representatives from the regional airports put together a position or set of recommendations to present to DIA as a collective front.

Commissioner Sublett drew attention to the potential impact of concourse development on the volume and timing of the flow of travelers through DIA. Manager Nystrom responded that DIA has a long-range plan to expand the train system in response to increased people flows; however there is no immediate plan to construct such a system, and it would be very costly.

Manager Nystrom noted that the proposed DIA development may have an impact on passenger traffic at Walker Field Airport by prompting travelers to migrate to other airports or to drive to their destinations.

IX. OTHER ITEMS

Staff commented that they received a response from FAA Denver Terminal Radar Approach Control (TRACON) regarding TRACON procedures for instrument flight rules (IFR) departures. The FAA is in the process of investigating how to accommodate the Authority's procedures without violating its own regulations.

Commissioner McCormack inquired why FedEx deplaned air freight decreased in the past months. Manager Nystrom responded that an e-mail from FedEx responding to Staff concerns about this indicates that this is probably due to increased trucking of cargo into the area. The Board expressed concern as to the long-term implications of this decrease.

Commissioner McCormick returned to the issue of the JUCO display and suggested that a Community Service Agreement may be more appropriate for this situation, and would more accurately reflect the Authority's image and intent in allowing such displays.

Finally, Staff noted that renovations at the Two Rivers Convention Center are prompting many organizations to seek other large meeting facilities, including at Walker Field.

X. SPECIAL PRESENTATION TO BOARD COMMISSIONER GARY MORRIS

The Board presented a plaque to Commissioner Gary Morris and thanked him for his five and a half years of service to the Authority as a Board member.

XI. ADJOURNMENT

There being no further business to come before the Board, Commissioner McCormick moved to adjourn the meeting. Commissioner Morris seconded. Voice vote: all ayes. Motion carried. The meeting was adjourned at 7:06 pm.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2001.

Craig N. Springer, Chairman

ATTEST:

David J. Anderson, Clerk