

Walker Field Airport Authority

Minutes of the Regular Board Meeting

May 15, 2001

BOARD COMMISSIONERS PRESENT: Miles McCormack Steve Ammentorp
Robert McCormick Karen Berryman
Craig Springer

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

ALSO PRESENT: Gary and Marty Dana of Dana Motors, Inc.;
Brian Horn and Jack Oakley of BBD Enterprises, LLC;
and Dennis Kirtland of the Grand Junction City Council

I. CALL TO ORDER

Chairman Springer called the meeting to order at 5:18 pm.

II. APPROVAL OF AGENDA

Chairman Springer announced that on May 14, 2001, the Mesa County Commissioners met with the County appointees to the Authority Board of Commissioners. He requested that the report of that meeting be given during the Discussion Items.

Commissioner McCormick moved to approve the Agenda as modified. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. SPECIAL PRESENTATION TO COMMISSIONER MCCORMICK IN APPRECIATION FOR SERVING AS WALKER FIELD AIRPORT AUTHORITY BOARD CHAIRMAN IN FY 2000

Chairman Springer presented Commissioner McCormick with a plaque and thanked him for his service as Chairman during 2000.

V. **CONSENT AGENDA**

A. **Minutes: April 17, 2001 Regular Board Meeting**

B. **Acknowledgement of Receipt of March, 2001 Financial Statements/Accounts Receivable Report**

On the Statement of Operations, year to date operating revenues are 4.5% higher than budgeted and year to date operating expenses are 7.8% lower than budgeted. The net result of the favorable operating revenues and expenses was an income to retained earnings balance of \$69,517, which is \$49,312 higher than budgeted year to date.

Air freight, terminal building concessions, and aviation fuel tax revenues are over budget (year to date), and close monitoring of expenses by all departments resulted in year to date operating expenses that are less than what was budgeted. Parking lot revenues are higher than year to date last year (3.7%).

On the Balance Sheet, nonrestricted cash/investments increased 5.0% for the month, with a \$21,000 decrease in Accounts Receivable, reflecting the receipt of several large customer payments during the month. PFC funds decreased \$111,000, reflecting the second of four bond payments for the ARFF/SRE Facility. Capital expenditures during the month resulted in an increase to Land, Buildings, and Equipment of \$19,374.

Overall, favorable financial trends continued for the Authority in March.

C. **Easement Deed and Agreement for Sanitary Sewer Service for the Benefit of the City of Grand Junction Located Between the J. Fuoco, LLC Condominium Owners Association, Inc. and J. Fuoco, LLC II Leaseholds**

Staff presented the Board with a proposed easement deed and agreement for sanitary sewer service for the benefit of the City of Grand Junction located between the J. Fuoco, LLC Condominium Owners Association, Inc. and J. Fuoco, LLC II leaseholds.

Since there are several individual condominium hangars in both Fuoco hangars in the Runway 4/22 general aviation area and to avoid several individual sewer lines, the City of Grand Junction constructed a sewer line between the two Fuoco hangars in order to provide sewer service to all of the hangar users. The sewer line has been installed at Mr. Fuoco's expense. Mr. Fuoco's representative has requested that the Airport Authority grant a sanitary sewer easement to the City of Grand Junction.

The Board-approved standard WFAA Easement Deed and Agreement form has been used. Chairman Springer asked if this type of easement is standard for this area. Staff commented that this type of easement is pursued when the utilities are located in multiple-tenant areas.

Staff recommended approval of the Easement Deed and Agreement and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority.

D. Resolution No. 2001-007: Request for Assistance from Colorado Aeronautical Board and the Division of Aeronautics for a Grant to Maintain and Re-Mark Runways 11/29 and 4/22

Staff presented the Board with proposed Resolution No. 2001-007: Request for Assistance from Colorado Aeronautical Board and the Division of Aeronautics for a Grant to Maintain and Re-Mark Runways 11/29 and 4/22.

The proposed Resolution outlines the Authority as the governing body for Walker Field, the request for State Grant funds, the ability of the Authority to execute the grant, and the commitment to use the grant for aviation purposes. This Resolution is required as part of the contract documents related to the State Division of Aeronautics Grant Program, and has been standard in all Division of Aeronautics grant contracts for several years. This grant was approved by the Colorado Aeronautical Board on October 31, 2000.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2001-007.

E. Contract and Applicant Notice of Commitment with the State of Colorado for Grant Project No. 01-14-10/8: Airport Runway Fog Seal and Painting

Staff presented the Board with proposed Contract and Applicant Notice of Commitment with the State of Colorado for Grant Project No. 01-14-10/8: Airport Runway Fog Seal and Painting.

This is the Contract with the Colorado Division of Aeronautics for the FY 2001 State grant which includes pavement maintenance (fog seal) and painting/markings on Runways 11/29 and 4/22. The contract documents include a commitment from the Authority that Walker Field will continue to be operated as a public use airport during the duration of this particular grant. The amount of this State grant is \$66,000. The Authority's portion of the project is \$49,000. The Colorado Aeronautical Board approved this grant award on October 31, 2000.

Staff recommended that the Board approve and authorize the Chairman to sign the Contract with the State of Colorado and to further authorize the Airport Manager to sign the Notice of Commitment for Grant Project No. 01-14-10/8.

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

VI. ACTION ITEMS

A. Assignment Rental Car Concession Agreement from Dana Motors, Inc., dba National Car Rental, to BBD Enterprises, LLC

Staff introduced Gary and Marty Dana of Dana Motors, Inc., and Brian Horn and Jack Oakley of BBD Enterprises, LLC, and provided background information regarding the proposed assignment.

Dana Motors, Inc. currently operates the National Car Rental franchise at Walker Field and is selling its franchise to BBD Enterprises, LLC. Brian Horn of BBD owns National Car Rental franchises that operate at the following airports: Telluride, Montrose, Durango/La Plata, Boulder, Eagle/Vail, and Farmington, New Mexico. Staff inquiries to these airports regarding BBD's franchise operations resulted in favorable recommendations. This assignment is within the parameters of the existing concession agreement, but Board approval is required for the assignment. The parties involved are scheduled to close the sale on June 1, 2001.

Commissioner Ammentorp asked if the Authority has received the approval letter from National Car Rental corporate headquarters. Mr. Oakley noted that final approval has not been received from corporate headquarters.

Staff recommended that the Board approve the assignment, that the Chairman be authorized to sign the assignment on behalf of the Authority subject to Airport Authority Attorney Grattan's review and approval of all documents, and subject to the following:

- Receipt of \$28,250 security deposit or performance bond, in favor of the Airport Authority from BBD Enterprises, LLC as required per Paragraph VIII A. and B. of the underlying Rental Car Concession Agreement
- Receipt of proof of insurance, naming the Airport Authority as an additional insured, as specified in the underlying Rental Car Concession Agreement
- Receipt of a copy of the letter from National Car Rental accepting the transfer of the franchise to BBD Enterprises, LLC
- All amounts owed by Dana Motors, Inc., dba National Car Rental paid in full to the Airport Authority and prorated to the day of closing, per the underlying Rental Car Concession Agreement
- Receipt of the Operating Agreement of BBD Enterprises, LLC

Commissioner McCormick moved to approve the Assignment of Rental Car Concession Agreement from Dana Motors, Inc., dba National Car Rental, to BBD Enterprises, LLC, subject to all conditions outlined by Staff and receipt of all required documents. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

Chairman Springer thanked Mr. Dana for all the years of quality operations and welcomed BBD Enterprises to Walker Field.

B. Resolution No. 2001-008: Amended Provisions to the Fees & Charges for the Walker Field Airport, Grand Junction, Colorado

Staff presented the Board with a proposed revised Fees & Charges document for Walker Field Airport. At the March, 2000 Regular Board Meeting, the Board approved a revised Fees & Charges document to make it easier for all airport operators, users, and tenants to use as a reference. Although the unified structure of the document has remained virtually the same since that time, some of the fees and charges contained therein have been amended since the original approval date. The Authority's Fees & Charges document is comprehensive in its coverage, but it is not intended to replace provisions within ground lease, concession, and use agreements.

During the rental car concession compliance reviews conducted in September, 2000, it was determined by the reviewing accounting firm that Farabee Adventures, Inc. (Budget Rent-A-Car franchise) had underreported off-airport rental car concession gross revenues to the Authority by \$3,999.30. This underreporting consisted primarily of revenues derived from car seats, ski racks, intercity (drop) fees, additional drivers, and underage drivers fees. Staff met with Farabee Adventures to discuss the results of the compliance reviews.

During those meetings, Farabee Adventures contended that the definition of "gross revenues," as contained within its off-airport rental car concession agreement (with references to the Fees & Charges document), was vague and ambiguous as a result of the Authority's reformatting of the Fees & Charges document. Authority Attorney Mike Grattan has reviewed Farabee's assertions, and believes the language of Farabee's agreement, coupled with the existing Fees & Charges document, sufficiently indicates the amounts owing the Authority pursuant to the agreement. However, Authority Attorney Grattan recommends amending the Authority's Fees & Charges document to clarify the definition of "gross revenues" as it pertains to all rental car concessions.

Additionally, there are two other proposed modifications. First, to allow all Airport tenants and concessionaires to utilize Authority Conference Room facilities at no charge when discussing tenant business-related items (instead of only "Airport-related" items), it is recommended that wording for this applicable fee be changed. Second, to recoup the direct costs of providing Authority documents produced by third parties (e.g. Master Plan, Airport Layout Plan, architectural drawings), a proposed fee has been added to reimburse the Authority for the actual cost of reproducing those documents.

Manager Nystrom noted that the Off-Airport Rental Car Agreement is an older agreement which will be expiring in the future. At that time, Staff will revise the Agreement to expand the language and clarify references to the Fees & Charges document.

Staff recommended that the Board approve Resolution No. 2001-008: Amended Provisions to the Fees & Charges for the Walker Field Airport, Grand Junction, Colorado. Staff also recommended that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner McCormack suggested deleting the “Special Events Area, Third Floor Charges” from the fee schedule because it is no longer be applicable due to the renovations on the third floor. Commissioner McCormick suggested eliminating the phrase “Second Floor” from the language concerning the Conference Room.

Commissioner McCormack moved to approve Resolution No. 2001-008: Amended Provisions to the Fees & Charges for the Walker Field Airport, Grand Junction, Colorado, including the following three modifications: eliminating “Second Floor” from the Conference Room heading, eliminating the “Special Events Area, Third Floor,” and modifying “Special Events, All Other Locations” to “Special Events.” Vice Chairman Ammentorp seconded. Roll call: all ayes. Motion carried.

C. **Request for Supplemental Appropriations and Supplemental Agreement No. Three of the Van Sant Group Agreement for Architectural, Design and Engineering Services: Specifications and Bid Documents for Third Floor Terminal Building Office Furnishings and Second Floor Terminal Building Renovation**

Staff presented the Board with a request for supplemental appropriations and a Supplemental Agreement with Van Sant Group pertaining to the bid specifications and bid documents for the terminal building 3rd floor office furnishings and design work for the terminal building 2nd floor renovations.

This supplemental appropriation request and Supplemental Agreement with the Van Sant Group includes services related to (1) specifications and bid administration for the acquisition of office furnishings for the Authority’s offices and conference room on the third floor of the terminal building, and (2) architectural, design and bid administration for proposed renovations on the second floor of the terminal building. Van Sant Group provided a proposal to provide these services for a total not-to-exceed amount of \$10,000.

Staff noted that the specifications for furniture would go out for bid around the end of May, 2001, and the bid for second floor renovations near the end of June, 2001. Those bid award recommendations would be presented to the Board at the July, 2001 Regular Board meeting. Staff also noted that the Van Sant Group will assist with quality control and uniformity of design.

Staff recommended that the Board appropriate funds for and approve and authorize the Chairman to sign Supplemental Agreement No. Three with Van Sant Group for specification, design and bid administration services for the terminal building 3rd floor Authority Administration Office furnishings and terminal building 2nd floor renovations for a not to exceed amount of \$10,000.

Commissioner McCormick inquired whether Staff believes this expense is justified, or whether another professional could provide the same services for less. Staff stated that the cost of working with the Van Sant Group is reasonable and includes all engineering costs related to the 2nd floor renovation. Commissioner Ammentorp recommended the possibility of obtaining some of the furnishings from a discount furniture supplier.

Chairman Springer inquired how the \$10,000 expense will be divided between the two projects. Staff responded that approximately \$4,000 is for specifications and bid administration for the furnishings and the remaining \$6,000 is for the second floor renovation.

Commissioner McCormick moved to appropriate funds for and approve the request for supplemental appropriations and Supplemental Agreement No. Three with Van Sant Group for specification, design and bid administration services for the terminal building 3rd floor Authority Administration Office furnishings and terminal building 2nd floor renovations for a not to exceed amount of \$10,000. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

VII. BOARD COMMITTEE REPORTS

A. PERSONNEL COMMITTEE

Commissioner McCormick inquired about the salary adjustment for the Airport Manager as a result of her recent performance evaluation. Chairman Springer noted that the adjustment was implemented following the Board's review of Mrs. Nystrom's performance and the Board's consensus to increase her salary. Commissioner McCormick recommended that the salary adjustment be ratified for the public record on the Consent Agenda for the June, 2001 Regular Board Meeting.

B. FACILITIES COMMITTEE

Commissioner McCormick reported on the detention ponds which have been proposed by the City of Grand Junction to be placed on Airport property. Staff presented a map of the 2, 10, 50 and 100-year flood plans. Staff will accompany City personnel to meet with the FAA for review of the plans. Staff clarified that the detention ponds will not be designed to hold water on a long-term basis, and that FAA regulations require that flood water not unduly remain in them, acting as wildlife attractants.

VIII. AIRPORT MANAGER'S REPORT

A. WASHINGTON GROUP INTERNATIONAL, INC.

Manager Nystrom updated the Board on a press release issued May 14, 2001 regarding the Chapter 11 bankruptcy filing by Washington Group International, Inc. (WGI), the Airport Authority's engineering firm. Staff was assured by WGI personnel that this action will not impact the services WGI offers to the Authority. The bankruptcy is related to WGI's recent acquisition of Raytheon Infrastructure Services and complications which have arisen as a result of the acquisition.

B. FEDERAL CONTRACT TOWER PROGRAM

The Authority received correspondence from Larry Andreisen, the Regional Administrator for the Northwest Mountain Region of the FAA, regarding the FAA contract air traffic control tower located at Walker Field. The letter stated that the

FAA periodically evaluates the benefit-cost ratio of each airport involved in the Federal Contract Tower Program and funds air traffic control service only for those airports with a benefit-cost ratio of 1.0 or higher. Manager Nystrom noted that the ratio for Walker Field is 3.96.

C. *COLORADO STATE LEGISLATURE APPROVAL OF FUNDS FOR STATE INFRASTRUCTURE BANK FOR AIRPORT CONSTRUCTION PROJECTS*

The Colorado State Legislature recently authorized a loan program to be administered through the Colorado Department of Transportation- Division of Aeronautics. Statewide, a total of \$3 million will be available for aviation construction projects. Manager Nystrom commented that the Authority will be eligible to apply for loans under the program.

D. *COLORADO DEPARTMENT OF TRANSPORTATION (CDOT) TOUR OF WESTERN COLORADO*

CDOT representatives will be touring Western Colorado and will stop in Grand Junction on May 24, 2001. Staff has been asked to provide the representatives with a tour of Walker Field Airport's facilities. Some members of the Colorado House of Representatives and Senate may also be in attendance.

E. *DENVER INTERNATIONAL AIRPORT (DIA) REGIONAL AIRLINE FACILITY SUBCOMMITTEE*

The DIA Regional Airline Facility Subcommittee met on April 26, 2001 and reached a consensus on a set of recommendations regarding United Airlines' proposal to construct a Regional Airline Facility on Concourse A. The recommendations were presented to Bruce Baumgartner, Manager of Aviation at DIA. A copy of the Subcommittee Report listing the recommendations will be forwarded to the Board members.

The set of recommendations included the following:

- 1) The Regional Airline Facility should be constructed on Concourse B, and Concourse C should be reserved for future expansion of regional airline facilities.
- 2) The existing commuter facility on Concourse A should be used by regional airlines who operate turboprop aircraft.

These recommendations differ from United Airlines' proposal for the use of Concourse A. The Board of Directors for United Airlines is scheduled to meet on May 16, 2001 to discuss their final proposal to DIA.

F. *WEST STAR AVIATION FILL MATERIAL*

Manager Nystrom provided the Board with copies of a letter sent to West Star Aviation on December 14, 2000 regarding West Star Aviation's unauthorized placement of fill materials on Authority property not currently under lease with West Star. Discussions were held with West Star earlier this year in which West

Star agreed to lease a portion of the property. Based on these discussions, a written lease agreement was drafted. West Star was required to sign the agreement by April 1, 2001 if it wished to lease a portion of the property under the terms and conditions outlined in the agreement. If West Star did not sign the agreement by April 1st, some of the terms and conditions would become invalid due to the Board's prior approval to amend the airport's fees and charges effective April 1st. West Star did not sign the lease agreement by the deadline. As a result, the Authority is proceeding with the Airport Layout Plan update that includes the potential development of this property for uses other than what West Star had intended to use the land for if they had leased it.

Chairman Springer requested clarification on whether the fill materials would still need to be removed from the site if West Star leases the parcel of land in question. Manager Nystrom replied that the Authority presented West Star with the options of either removing the materials or leasing the parcel. Commissioner McCormick asked if there are environmental concerns with the fill materials since some of the materials came from off Airport. Staff replied that the materials were tested by an environmental consulting group and certification was provided to the Authority indicating that no radioactive materials exist in the fill.

Commissioner McCormick requested that Staff compile a chronology of events relating to the Authority's discussions with West Star regarding the fill material and the property being designated for development in the Airport Layout Plan Update.

IX. DISCUSSION ITEMS

A. Meeting with Mesa County Commissioners on May 14, 2001

Chairman Springer reported on the May 14th meeting between the Mesa County Commissioners and the County-appointed Authority Board members. Chairman Springer, Commissioner Berryman and Commissioner McCormick are the County appointees and were prepared to provide an update on recent airport activities and projects. However, the County Administrator expressed an interest in discussing commercial air service improvement options since this is part of the County Commissioners' Strategic Plan to improve air service at Walker Field. He requested that the Airport Authority Board issue a policy statement in support of airline incentive programs similar to programs that have been implemented in the Colorado mountain resort communities during the ski season, as well as at Montrose. He also requested that the Board direct Authority Staff to prepare and provide information on how subsidy or revenue guarantee programs work.

Chairman Springer recommended that the Authority Board, County Commissioners, and the Grand Junction City Council hold a joint meeting to discuss what role the Authority should have in this issue since the Authority's primary responsibility is to provide the infrastructure needed for commercial airlines to serve Walker Field and since federal grant assurances and the Authority lease agreements with the airlines currently serving Walker Field prohibit the Authority from subsidizing one airline unless all of the other airlines are

subsidized. Commissioner McCormick concurred. It was the consensus of the Board to discuss the matter further at the next Board Workshop.

X. OTHER ITEMS

A. Schedule Personnel Committee Meeting

The Authority's Personnel Committee members who were present agreed to schedule a meeting to finalize the Airport Manager's Goals for 2001.

XI. ADJOURNMENT

There being no further business to come before the Board, Commissioner McCormick moved to adjourn the meeting. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

The meeting was adjourned at 8:13 pm.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2001.

Craig N. Springer, Chairman

ATTEST:

David J. Anderson, Clerk