

# Walker Field Airport Authority

---

## Minutes of the Regular Board Meeting

March 19, 2002

**BOARD COMMISSIONERS PRESENT:** Miles McCormack Steve Ammentorp  
Robert McCormick Karen Berryman  
James Gardner Craig Springer  
Dennis Kirtland

**AIRPORT STAFF PRESENT:** Corinne Nystrom Gary Mancuso  
David Anderson John Thomas  
Charlie Novinskie Ted Balbier

**ALSO PRESENT:** Ryan Lohrer, Jon Johnson and Bill Moran of Timberline Aviation, LLC; Diane Schwenke and Chris Thomas of the Grand Junction Area Chamber of Commerce; Mary Vader of the Daily Sentinel; Ron Rouse of Colorado Airlines; Jack Carpenter; Shawn Brill of Burke Associates; and Ken Sublett

### I. CALL TO ORDER

The meeting was called to order at 5:15pm.

### II. APPROVAL OF AGENDA

Manager Nystrom requested that Action Item A- "Ground Lease Agreement with the City of Grand Junction for Stormwater Detention Basins" be removed from the agenda. Commissioner Springer requested that Consent Item G- "Supplementary Agreement No. Two with Burke Associates for Design of Terminal Building HVAC" be relocated to new Action Item C.

Vice Chairman McCormick moved to approve the Agenda as amended. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

#### A. Proposal by Grand Junction Area Chamber of Commerce to Change Airport Name

Diane Schwenke, President of the Grand Junction Area Chamber of Commerce addressed the Board regarding a proposal to change the airport name. She commented that the Chamber has been reviewing options for the Grand Junction area to maintain its position as a regional hub for western Colorado. The Chamber Board discussed the idea of changing the name of the airport from Walker Field Airport to Grand Junction Regional Airport, with the terminal building to be named the Walker Terminal Building. She furthered that changing the name of the Airport would help enhance the marketing efforts of the community.

Ken Sublett requested that if the Board plans to act upon the proposed name change, he would like to give a presentation of why the Authority should not change the name of the Airport. Bill Moran of Timberline Aviation noted that the marketing of the airport will not necessarily be enhanced by a name change. Instead, high airline ticket prices appear to be the main concern. Ron Rouse of Colorado Airlines commented that if the name change is considered, the name should reflect more than Grand Junction. It should include the entire western Colorado and eastern Utah region.

Chairman Ammentorp thanked Ms. Schwenke and the attendees for their comments. The Board took no action on this agenda item.

### IV. CONSENT AGENDA

#### A. Minutes: February 19, 2002 Regular Board Meeting Minutes

#### B. Acknowledgement of Receipt of January, 2002 Financial Statements/Accounts Receivable Report

Staff reported that on the Statement of Operations, year to date operating revenues are 13.3% higher than budgeted and year to date operating expenses are 20.5% lower than budgeted. The net result is an income to retained earnings balance of \$13,682, which is \$47,481 higher than budgeted year to date.

Aviation fuel tax revenues are over budget (year to date), reflecting several prior year adjustments. Additionally, rental cars and parking revenues are higher than budgeted. Seasonally slower activity during January resulted in year to date operating expenses that are less than was budgeted.

On the Balance Sheet, non-restricted cash/investments decreased 24.7% for the month, which corresponded with the payment of several large vendor invoices and the full payoff of the Authority's line of credit that was drawn upon at the end of FY 2001 for cash reserves and cash flow purposes. PFC funds increased \$7,082 with continued program collections. Land, Buildings, and Equipment increased \$29,248 with expenditures made for several projects, including payments

associated with the parking lot improvements and the acquisition of aircraft passenger boarding stairs.

Overall, January resulted in favorable financial performance for the Authority.

C. **Resolution No. 2002-007: Amendment of Walker Field, Colorado Public Airport Authority By-Laws (First Reading)**

Staff presented the Board with proposed revisions to the existing WFAA By-Laws. These revisions were discussed at the February 19, 2002 Regular Board Meeting and include:

- ◆ Providing greater flexibility to the Chairman in the creation and appointment of committees:
- ◆ Modifying the reference to the Airport Manager's position to more closely reflect the Board's philosophy that this position is the Chief Executive Officer of the organization; and
- ◆ Increasing the amount from \$10,000 to \$20,000 for those contracts which are required to be awarded through a formal bid process.

The proposed resolution incorporates these changes. The Authority's By-Laws require that the Board approve the proposed amendments at two (2) Board meetings approximately one (1) month from each other, with publication of the proposed resolution prior to those meetings. The first (1<sup>st</sup>) publication of the proposed changes was completed on March 15, 2002

Staff recommended that the Board adopt the first (1<sup>st</sup>) approval of Resolution No. 2002-007: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws.

D. **Resolution No. 2002-008: Principles of Ethical Conduct for Walker Field Airport Authority Board of Commissioners**

Staff presented the Board with a proposed Principles of Ethical Conduct for the Authority Board of Commissioners policy that was discussed by the Board at the February 2, 2002 Board Retreat and at the March 5, 2002 Board Workshop. The policy was drafted by the Board and has been reviewed by Authority Attorney Mike Grattan.

Because the policy was drafted by the Board for the benefit of the Board, Staff did not make a recommendation regarding this item.

E. **Resolution No. 2002-009: Use Application for Passenger Facility Charges Currently Being Collected Through Application No. 4 of the Passenger Facility Charges Program: Expansion of Terminal Building Area and Acquisition of Aircraft Loading Bridges**

Staff presented the Board with a proposed resolution to approve the submittal of an application to the FAA to allow the Authority to use passenger facility charges, currently being collected through Application No. 4 of the Passenger Facility

Charges Program, for the expansion of the terminal building boarding area and the acquisition of aircraft loading bridges.

Resolution No. 2002-009 is a part of the formal application process to allow the Authority to use (spend) PFCs for the expansion of the terminal building boarding area and the acquisition of aircraft loading bridges.

Notices of the proposed application were sent to all airlines that reported enplanements at Walker Field airport during 2000 and to all airlines that remitted PFCs to the Authority during 2001. As required by the FAA, these notices also provided an invitation to all of the airlines to attend a meeting (February 26, 2002) at which they could pose questions regarding the proposed application. No airline representatives attended the meeting.

Individual airlines now have 30 days from the date of the meeting to certify agreement or disagreement with the proposed application. If an airline does not submit such certification, the FAA automatically considers it to be a certification of agreement. SkyWest Airlines submitted a certification of agreement with the proposed application. Upon conclusion of the 30-day waiting period (March 29, 2002), the Authority can submit its PFC application to the FAA. Approval of the Resolution would provide authorization to the Airport Manager to submit the application to the FAA.

Staff recommended that the Board adopt Resolution No. 2002-009: Use Application for Passenger Facility Charges Currently Being Collected Through Application No. 4 of the Passenger Facility Charges Program: Expansion of Terminal Building Boarding Area and Acquisition of Aircraft Loading Bridges and authorize the Chairman to sign the Resolution on behalf of the Authority.

**F. Letter to Mesa County Assessor Regarding Fees and Revenue Collected by Airport Tenants/Concessionaires for the Benefit of the Walker Field Airport Authority**

The Mesa County Assessor was present at the March 5, 2002 Board Workshop to discuss the issue of possessory interest taxes being charged on airport leases and concessions. A question was posed as to whether or not fees and revenues which the tenants and concessionaires collect from users for the benefit of the Authority would be subject to the possessory interest tax. The Assessor indicated that he would review the statutes to see if the tax would be applicable to those revenues.

Following the discussion with the Assessor, it was the consensus of the Board that the Authority send a letter to the Assessor stating that the Authority would support the Assessor's position if he determined that the statute does not subject "pass through" fees to the possessory interest tax. It was also the consensus of the Board to place this topic on the agenda for the March, 2002 Regular Board Meeting.

Staff recommended that the Board direct them to draft and send a letter, signed by the Chairman, to the Mesa County Assessor's Office, indicating that the Authority would support the Assessor's position if he determines that the statute does not subject "pass through" fees to the possessory interest tax.

**G. Resolution No. 2002-010: Resolution to Renew Line of Credit for Cash Flow and Cash Reserves Requirements**

Staff presented the Board with a proposed resolution to renew the Authority's line of credit with Alpine Bank for cash flow and cash reserves requirements. At the February, 2001 Regular Board Meeting, the Authority approved a \$250,000 line of credit from Alpine Bank to be used for cash flow purposes and to ensure compliance with the Authority's Non-Restricted Cash Reserves Policy. The Authority utilized \$225,000 of the line of credit for cash reserves/cash flow and repaid the entire amount in January, 2002. As a part of the FY 2002 Budget, the usage of \$300,000 of a line of credit was authorized.

At this time, it is projected that the Authority will not need to utilize the entire \$300,000 line of credit authorization. Alpine Bank is providing the option of extending the term of the \$250,000 existing line of credit with the same provisions. Although the Authority is not required to advertise another request for proposals (RFP) for the line of credit, the Authority has the option to do so. The existing line of credit documents were reviewed and approved by Authority Attorney Grattan.

Staff recommended that the Board:

- ◆ Approve Resolution No. 2002-010: Resolution to Renew Line of Credit for Cash Flow and Cash Reserves Requirements in the amount of \$250,000, with a fixed rate of 6.5%APR, with Alpine Bank.
- ◆ Authorize the Chairman, a Commissioner other than the Chairman or Vice Chairman, and Staff to execute any documents necessary to renew the line of credit (in accordance with the Authority's Banking Resolution).

**H. Contract and Application Notice of Commitment with the State of Colorado for Grant Project No. 02-25-11/9: Participate in Local Match of Federal Funds for Airport Improvement Projects**

Staff presented the Board with a proposed contract with the Colorado Division of Aeronautics for a \$100,000 grant that provides assistance with matching funds for the following anticipated Airport Improvement Program (AIP) projects:

- ◆ Security Related Planning and Modifications
  - ◆ Terminal Building and Security Identification Display Area (SIDA) Access System Upgrade (FAR Part 107)
  - ◆ Terminal Blast Analysis
  - ◆ Explosion Detection System (EDS) Installation Study
  - ◆ Terminal Building and Landside Modifications (if necessary)
  - ◆ Terminal Building EDS Installation Modifications (if necessary)
- ◆ ARFF Vehicle Acquisition
- ◆ General Aviation Site Development
- ◆ Land Acquisition
- ◆ Cargo Site and Access Road Design

The contract documents include a commitment from the Authority that it will continue to operate Walker Field as a public use airport during the duration of this

particular grant. The Colorado Aeronautical Board approved this grant award in October, 2001.

Staff recommended that the Board approve and authorize the Chairman to sign the Contract with the State of Colorado and to further authorized the Airport Manager to sign the Notice of Commitment for Grant Project No. 02-25-11/9 for the amount of \$100,000.

**I. Resolution No. 2002-011: Request for Assistance from Colorado Aeronautical Board and the Division of Aeronautics for a Grant to Participate in Local Match of Federal Funds for Airport Improvement Projects**

Staff presented the Board with a proposed resolution to request assistance from the Colorado Aeronautical Board and the Division of Aeronautics for a \$100,000 grant to participate in the local match of federal funds for Airport Improvement Program (AIP) projects. A resolution outlining the Authority as the governing body for Walker Field, its request for State Grant funds, its ability to execute the grant, and its commitment to use the grant for aviation purposes is required as a part of the contract documents related to the State Division of Aeronautics Grant Program.

This resolution has been standard in all Division of Aeronautics grant contracts for several years. This grant to assist the Authority with matching funds for AIP projects was approved by the Colorado Aeronautical Board in October, 2001.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2002-011.

**J. Consent to Encumbrance and Amendment to Ground Lease Agreement with H.R. Aviation, LLC**

Staff presented the Board with a proposed Consent to Encumbrance and Amendment to Ground Lease Agreement with H. R. Aviation, LLC. H.R. Aviation, LLC, a FAR Part 135 air taxi operation, leases ground in the Runway 4/22 general aviation area. H.R. Aviation has completed the site preparation work for a hangar and has recently obtained a small business loan for the construction.

If H.R. Aviation, LLC defaults on its loan obligation, the Consent gives CIT Small Business Lending Corporation the right to acquire Lessee's interest in the leasehold and also to assign the lease to a third party, all of which must be reviewed and approved in advance by the Authority. At this time, H.R. Aviation, LLC is current on all of its lease obligations. Authority Attorney Grattan is reviewing the Consent Agreement to protect the Authority.

Commissioner Berryman inquired if this issue is addressed in the standardized ground lease agreements. Staff noted that this issue is not specifically addressed, but assignments are addressed in the agreements. Prior to any assignment, the assignor must obtain written permission from the Authority. Thus the Authority has existing control over assignments. Staff also noted that Authority Attorney Grattan is working with CIT on the language within the agreement to protect the Authority.

Staff recommended that the Board approve the Consent Agreement and that the Chairman be authorized to sign the Consent Agreement on the behalf of the Authority, contingent upon Authority Attorney approval of the Agreement and the Authority's receipt of the \$200 administrative fee for a change to an agreement with the Authority.

**K. Ground Lessor's Consent and Estoppel Certificate to the Northern Trust Company in Connection with the Timberline Ground Services, LLC Leasehold**

Staff presented the Board with a proposed Consent and Estoppel Certificate to the Northern Trust Company in connection with the Timberline Ground Services, LLC leasehold. Timberline is a fixed base operator and currently leases approximately 8.4 acres of ground from the Authority. The Consent is for a security interest for Timberline's line of credit with the Northern Trust Company, an Illinois banking corporation. If Timberline defaults on its loan, the Consent will give Northern Trust Company the right to acquire Timberline's interest in the leasehold and also to assign the lease to a third party, all of which must be reviewed and approved in advance by the Authority.

Staff recommended that the Board approve the Consent Agreement and that the Chairman be authorized to sign the Consent Agreement on behalf of the Authority, contingent upon Authority Attorney approval of the Agreement, that Timberline Ground Services, LLC pay all amounts currently due to the Authority, and the Authority's receipt of the \$200 administrative fee for a change to an agreement.

Commissioner Springer moved to approve the Items on the Consent Agenda.  
Commissioner Kirtland seconded. Roll call: all ayes. Motion carried.

**V. ACTION ITEMS**

**A. Amended Accounts Receivable Policy**

Staff presented the Board with a proposed amended Accounts Receivable Collection Policy for the Authority. The Authority's existing Accounts Receivable Collection Policy was approved by the Board in 1995. Based on several years of implementation and review, there are several items that Staff recommends revising or adding to the Policy:

- ◆ Improved specificity and clarity of provisions within the document.
- ◆ Addition of a notice of default procedure to provide an opportunity for seriously delinquent accounts to be reduced prior to bringing them to the Board for action.
- ◆ Increasing the amount which necessitates reporting a delinquent account to the Board (from \$500 to \$1,000).
- ◆ Increasing the write-off amount which necessitates submitting the request to the Board for its approval (from \$500 to \$1,000).

It is anticipated that these proposed revisions will assist with improving the effectiveness and efficiency of the Policy while ensuring consistency and fairness.

Vice Chairman McCormick asked why the policy should be amended. Manager Nystrom responded that the proposed revisions and additions are intended to increase and improve the processing of delinquent accounts on a Staff, rather than Board, level.

Staff recommended that the Board approve the revised Accounts Receivable Collection Policy. Staff also recommended that the monthly Accounts Receivable report that is included in the Board packet only be included when there is an amount to report other than \$0.

Vice Chairman McCormick moved to approve the revised Accounts Receivable Collection Policy and that the monthly Accounts Receivable report only be included in the Board packet when there is an amount to report other than \$0. Commissioner Kirtland seconded. Voice vote: all ayes. Motion carried.

**B. Request for Approval and Appropriation of Funding for Additional FY 2002 Expenses and Capital Items**

Staff presented the Board with a request for funding for additional FY 2002 expenses and capital items. Staff bases recommendations for the appropriation of additional funds during the year on the projected amounts of favorable operating revenue and expense variances and their relationship to the targeted non-restricted cash/cash reserves balance.

Because of the amounts of favorable operating revenue and expense variances, Staff recommended that the Board appropriate funds for the following additional expenses and capital items:

<u>Expenses:</u>	
Law Enforcement Personnel through 6/30/02	\$16,350
2002 Salt Lake Winter Olympics Gateway Program	9,900
Training – Administration	1,000
<u>Capital:</u>	
Replacement of Operations Handheld Radios (2)	1,000
<b>TOTAL</b>	<b>\$28,250</b>

Manager Nystrom noted that the Authority received notification that its request for reimbursement of security-related expenses from September 11, 2001 through September 30, 2002 has been approved by the FAA in the amount of \$277,949. This funding is part of the Department of Defense appropriations recently appropriated by Congress.

Commissioner Kirtland moved to appropriate \$28,250 for the additional FY 2002 expenses and capital items. Commissioner Gardner seconded the motion. Voice vote: all ayes. Motion carried.



C. **Supplementary Agreement No. Two with Burke Associates for Design of Terminal Building HVAC System**

Staff presented the Board with a proposed Supplementary Agreement No. 2 with Burke Associates for the design of heating, ventilation, and air conditioning (HVAC) improvements in the main terminal building, including the main lobby, rental car offices, as well as certain second floor areas. The proposed cost for these services is \$49,600. The FY 2002 budget included \$50,000 toward design and engineering services for the terminal building HVAC.

The proposed Agreement is part of an effort to proceed with the HVAC engineering despite the uncertainty related to possible terminal building modifications resulting from legislation created in the wake of the September 11, 2001 terrorist attacks. Staff has discussed these uncertainties with Burke Associates and Burke agrees that any design created at this time should be such that it can be modified, if necessary, without extensive added time and cost. Any added cost related to terminal building modifications due to federally mandated security installations would be 100% eligible for federal funding.

Commissioner Springer expressed concern that due to the possibility of modifications being required to accommodate explosive detection system (EDS) equipment, any HVAC engineering performed at this time might need to be reengineered in the future to accommodate those changes. As a result, the Authority may incur additional engineering expenses. He inquired if proceeding with the project now rather than waiting until after the Authority receives additional information from the FAA would substantially affect the completion date of the HVAC project.

Shawn Brill of Burke Associates responded that the engineering of the main portion of the HVAC will need to be completed regardless of any modifications to accommodate EDS. Any changes to the engineering could be completed with minimal additional expense to the Authority. The engineering for the HVAC includes new mechanical and electrical systems and heating and cooling systems.

Vice Chairman McCormick commented that it appears the question to be addressed is how quickly the Authority wants the HVAC to be completed. He recommended that the Authority slow down the process to allow time to receive additional information from the FAA regarding the installation of EDS equipment. Commissioner Gardner asked how much of the design work would need to be completed regardless of the possible EDS modifications. Mr. Brill responded that all of the proposed engineering would need to be completed. Commissioner Gardner recommended discussing this issue at a Board Workshop.

The consensus of the Board was to continue discussing this topic at a future Board meeting. No action was taken by the Board on this agenda item.

**VI. DISCUSSION ITEMS**

There were no Discussion Items.

## **VII. BOARD COMMITTEE REPORTS**

There were no Board Committee Reports.

## **VIII. AIRPORT MANAGER'S REPORT**

Vice Chairman McCormick inquired into the status of the Runway 4/22 general aviation area fence project. Manager Nystrom responded that most of the installation has been completed and that the remainder of the installation will be completed by the end of the week.

Chairman Ammentorp congratulated Manager Nystrom on her election to serve as President of the Colorado Airport Operators Association.

## **IX. OTHER ITEMS**

### **A. April Board Workshop Agenda**

In lieu of the April, 2002 Board Workshop, the Board will hold a Special Board Meeting to discuss Military Aircraft Operations and Procedures.

### **B. Annual Airport Manager Performance Evaluation (Executive Session)**

Commissioner Springer moved to enter into Executive Session to discuss the annual Airport Manager performance evaluation. Vice Chairman McCormick seconded. Voice vote: all ayes. Motion carried.

Chairman Ammentorp noted that the Board was going to enter into executive session to discuss personnel matters as outlined in Colorado Revised Statutes § 24-6-402(4)(f). Without compromising the purpose for which the executive session is authorized, he stated that the topic of discussion pertains to the annual Airport Manager performance evaluation. Additionally, he commented that the executive session would be recorded in the same manner as the recording of the open portion of this Board Meeting. No formal action was taken during the executive session.

The Board entered into executive session at 6:40pm.

Vice Chairman McCormick moved to exit executive session. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

The Board exited executive session at 8:27pm.

**X. ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 8:27pm.

APPROVED AND ADOPTED THE 16<sup>th</sup> DAY OF April, 2002.

**Signature on File**

\_\_\_\_\_  
Steve Ammentorp, Chairman

ATTEST:

**Signature on File**

\_\_\_\_\_  
David J. Anderson, Clerk