

Walker Field Airport Authority

Minutes of the Regular Board Meeting

April 16, 2002

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

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

ALSO PRESENT: Larry Rowan of Dalby, Wendland & Co., P.C.; Gwen Armstrong of Lone Eagle Aviation; Jim Cox and George Preuss of Parkerson Brothers, LLC; Larry Kempton of Kempton Air Service; Adam Maynard of West Star Aviation; and Joe Marie of Federal Express.

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Vice Chairman McCormick requested that Action Item D- "Resolution No. 2002-013: Military Aircraft Operations" be moved to Discussion Item A.

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

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: March 19, 2002 Regular Board Meeting

B. Minutes: April 2, 2002 Special Board Meeting

C. **Acknowledgement of Receipt of February, 2002 Financial Statements**

Staff reported that on the Statement of Operations, year to date operating revenues are 14.9% higher than budgeted and year to date operating expenses are 15.0% lower than budgeted. The net result is an income to retained earnings balance of \$18,054, which is \$83,271 higher than budgeted year to date.

Rental cars, aviation fuel tax, and parking revenues are over budget (year to date). Seasonally slower activity during the month resulted in year to date maintenance expenses that are less than what was budgeted.

On the Balance Sheet, non-restricted cash/investments increased 9.4% for the month, which corresponded with the receipt of a State grant reimbursement for a portion of the Runways 11/29 and 4/22 Fog Seal project. PFC funds increased \$19,019 with continued program collections. Land, Buildings and Equipment increased \$21,963 with expenditures towards the Airport Layout Plan (ALP) Update.

Overall, February resulted in positive financial performance for the Authority.

D. **F.A.A Grant Agreement for Airport Improvement Program (AIP) Project No. 3-08-0027-25: Reimbursement for Airport Security Costs**

E. **Supplemental Co-Sponsorship Agreement With City of Grand Junction and Mesa County for F.A.A Grant Agreement: AIP Project No. 3-08-0027-25**

Staff presented the Board with a proposed AIP Grant Agreement and corresponding Supplemental Co-Sponsorship Agreement for the reimbursement of security costs to the Authority. The Authority submitted a Grant Application to the FAA for reimbursement of security costs incurred as the result of the events of September 11, 2001. The FAA reviewed the application and has agreed to write a Grant Agreement in the amount of \$277,949 for 100% reimbursement of the costs. This amount includes actual expenses incurred since September 11, 2001, as well as costs projected to be incurred through September 30, 2002.

As part of each Grant Agreement, the FAA requires that the Authority, the City of Grand Junction, and Mesa County enter into a Supplemental Co-Sponsorship Agreement that further outlines each entity's commitment to adhere to the requirements of the Grant Agreement and to utilize appropriate land use planning and zoning that is compatible with the Airport.

Staff recommended that the Board approve and authorize the Chairman to sign AIP Grant Agreement No. 3-08-0027-25 and the corresponding Supplemental Co-Sponsorship Agreement.

F. **Consent to Assignment of Engineering Services Contract from Raytheon Infrastructure, Inc. to Washington Infrastructure Services, Inc.**

Staff presented the Board with a proposed Consent to Assignment of Engineering Services Contract from Raytheon Infrastructure, Inc. to Washington Infrastructure Services, Inc. The Airport Authority's existing contract agreement for engineering

and design services for specific airport capital projects, including Federal Airport Improvement Program (AIP) projects, is with Raytheon Infrastructure, Inc. In July, 2000, Raytheon Infrastructure and its corresponding designated projects related to the Authority were acquired by the Morrison Knudsen Corp. and has been operating under the name Washington Group International, Inc. (WGI) since the acquisition.

WGI recently combined certain elements of its subsidiaries, including Raytheon Infrastructure, to create Washington Infrastructure Service, Inc. (WIS). By executing this Consent to Assign, the Authority is authorizing WIS to assume the remaining projects identified in the original agreement. There is no cost related to this action, and Staff is satisfied with the services rendered to date by WGI.

Staff recommended that the Board approve and authorize the Chairman to sign the Consent to Assignment of Engineering Services Contract From Raytheon Infrastructure, Inc. to Washington Infrastructure Services, Inc.

G. Amendment No. 8 to Contract with Washington Infrastructure Services, Inc. for Planning and Engineering Services: Design Specifications and Acquisition of Aircraft Rescue and Firefighting Vehicle

Staff presented the Board with a proposed contract amendment for design specifications and administrative oversight of the bidding and acquisition of a new, Index "B" aircraft rescue firefighting vehicle (ARFF Vehicle). Funding for the ARFF vehicle will be a combination of federal Airport Improvement Program (AIP) funds (\$375,000) and the Authority's local match from a Colorado Department of Transportation State Infrastructure Bank Loan (\$100,000). Estimated cost of acquiring the vehicle is \$475,000. The contract amount for this amendment is \$24,506. This project is part of the original list of projects included in the underlying agreement with Washington Infrastructure Services, Inc (WIS).

Vice Chairman McCormick inquired why an engineer is needed for this project. Staff noted that not only are the vehicle specifications highly detailed and unique, the amendment includes administrative oversight pertaining to the FAA approval process, manufacturing, and handling bid protests, if they occur. Staff provided examples of airports that utilized engineering firms for the recent acquisition of ARFF vehicles. Manager Nystrom commented that although the amendment amount is \$24,506, the actual cost to the Authority would only be \$2,451 since 90% of the engineering costs are eligible for federal AIP funding.

Staff recommended that the Board approve and authorize the Chairman to sign Amendment No. 8 to the Washington Infrastructure Services Inc. contract, pending FAA concurrence and receipt of federal funds through the AIP Grant program.

H. Ratification of Airport Manager Performance Evaluation and Authorization and Appropriation of Funds for Salary Adjustment

At the March, 2002 Regular Board meeting, the Board met in Executive Session to discuss the Airport Manager's Performance Evaluation for FY 2001. The evaluation had been prepared by the ad hoc Personnel Committee, consisting of Vice Chairman McCormick, Commissioner Kirtland, and Commissioner Springer.

Based upon Manager Nystrom's performance, it was the consensus of the Board to increase her annual salary by 2.1% retroactive to January 1, 2002.

This agenda item ratifies the Board's evaluation of the Airport Manager's performance and the decision to increase her annual salary by 2.1% retroactive to January 1st. Since a salary adjustment for the Airport Manager position is solely determined by the Board, it was not included in the FY 2002 Budget approved by the Board last year. Furthermore, an authorization and appropriation of funds in the amount of \$1,617 will allow Staff to add this to the budget line item total for "Administration-Salaries" now rather than waiting until the latter part of the year when it would be added as part of the FY 2002 Supplemental Budget.

- I. **Request by Rodney M. Armstrong and Gwendlyn M. Armstrong to Terminate Ground Lease Agreement**
- J. **Consent to Lease Assignment for Collateral Security from George R. Preuss to Gordon C. Gimple**

Staff presented the Board with a proposed request to terminate the Ground Lease Agreement between the Authority and Rodney M. Armstrong and Gwendlyn M. Armstrong. Additionally, Staff provided the Board with a proposed Consent to Lease Assignment for Collateral Security from George R. Preuss to Gordon C. Gimple.

Rodney M. Armstrong and Gwendlyn M. Armstrong purchased the hangar at 2865 Aviators Way from GM Hangars in 1999 and entered into a new lease with the Authority in September, 1999 for the purpose of storing and maintaining aircraft owned or leased by them or by other third parties and to provide, on a non-exclusive basis, flight instruction, aircraft charter operations, aircraft sales, and a pilot supply office. At that time, the Armstrongs assigned their lease interest to Gordon C. Gimple as collateral security for a promissory note executed by Armstrongs to Gimple.

The Armstrongs now propose to sell their interest in the hangar to George R. Preuss effective May 1, 2002 and terminate their lease with the Authority effective April 30, 2002. Preuss proposes to enter into a new lease with the Authority for the purpose of using the hangar for aeronautical-related purposes, including but not limited to parking, storing and maintaining aircraft owned or leased by him or other third parties, and other activities associated with aircraft ownership. Preuss also requests that the Authority assign the lease to Gordon C. Gimple as collateral security for payment of a promissory note executed by Preuss to Gimple.

Since the standard ground lease agreement will be used for the lease with Preuss without any additional provisions being added, the Airport Manager is authorized to sign the lease agreement on behalf of the Airport Authority upon Board approval of the termination of the Armstrong agreement.

Staff recommended that the Board approve the request by the Armstrongs to terminate their lease effective April 30, 2002 and to approve the Consent to Lease Assignment to Gordon Gimple and that the Chairman be authorized to sign the Consent to Lease Assignment on behalf of the Airport Authority contingent upon:

- Approval of any additional documents by Authority Attorney Grattan
- Final survey of the parcel and hangar acceptable to the Authority
- Transfer of ownership of the hangar from Armstrongs to Preuss
- Execution of a new lease agreement with Preuss, signed by the Airport Manager
- Payment of the \$200 fee by Armstrongs for changes to agreements
- Armstrongs' payment to the Authority of all amounts owed through April 30, 2002

Vice Chairman McCormick moved to approve the Items on the Consent Agenda. Commissioner Kirtland seconded. Voice vote: all ayes, except for Commissioner McCormack, who abstained from the vote. Motion carried.

V. ACTION ITEMS

A. FY 2001 Audit Report of the Walker Field Airport Authority Financial Statements

Larry Rowan with Dalby, Wendland & Co., P.C. presented the Board with the FY 2001 Audit Report of the Airport Authority Financial Statements. Mr. Rowan noted that the Authority received an unqualified opinion of its financial statements. This opinion is the highest level possible. He stated that the financial condition of the Authority is good, especially taking into account the increased operational expenses and slight reduction in revenues resulting from the events of September 11th. Mr. Rowan commented on several financial highlights from FY 2001. For FY 2001, the Authority ended the year with a favorable overall budget variance of approximately \$217,000.

Commissioner Kirtland moved to accept the FY 2001 Audit Report of the Walker Field Airport Authority Financial Statements as presented by Dalby, Wendland & Co., P.C. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

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

Staff presented the Board with a proposed second reading of a resolution to revise the Walker Field, Colorado Public Airport Authority By-Laws. At the February 19, 2002 Regular Board Meeting, the Board discussed proposed revisions to the existing WFAA By-Laws. These revisions 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 that 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 each of those meetings. Both publications were completed accordingly.

Following the approval of the first reading and approval of the proposed amendment to the Authority By-Laws at the March, 2002 Regular Board Meeting, several Board members proposed deleting the Board's philosophical statement pertaining to the Airport Manager's position. Because the Authority By-Laws require two (2) sequential publications and approvals of any proposed changes to the By-Laws, any modifications to these three (3) provisions of the By-Laws will require that this approval process be restarted.

To allow for the immediate increased efficiency provided by the changes to the committees and bid requirements, Staff recommended that the Board approve the second (2nd) reading of Resolution No. 2002-007: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws and authorize the Chairman to sign the resolution on behalf of the Authority. If it is then the pleasure of the Board to re-word the newly approved Airport Manager provision, Staff will commence a new process to amend the statement regarding the Airport Manager's position.

Manager Nystrom noted that if the Board approves the resolution, it will assist Staff in commencing heating, ventilation, and air conditioning (HVAC) improvements to the airline ticket office (ATO) areas more quickly since the amount required for a bid process would be raised from \$10,000 to \$20,000. Vice Chairman McCormick commented that regardless of the option approved by the Board, he recommended that Staff commence with changing the statement regarding the Airport Manager's position.

Commissioner Kirtland moved to approve Resolution No. 2002-007: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws and authorize the Chairman to sign the resolution on behalf of the Authority. Additionally, he moved for Staff to commence with the new process to amend the statement regarding the Airport Manager's position. Commissioner Gardner seconded the motion. Roll call: all eyes. Motion carried.

C. **Resolution No. 2002-012: Resolution to Secure Financing to Expand Terminal Building Boarding Area/Installation of Loading Bridges**

Staff presented the Board with a proposed resolution to secure financing for the terminal building boarding area expansion and installation of loading bridges. In March, 2002 the Authority advertised a request for proposals (RFP) for financing to cash flow the expansion of the terminal building boarding area and the installation of loading bridges. This project is a part of the Authority's passenger facility charges (PFC) program and will be paid entirely with PFC's.

In response to the RFP for financing, the Authority received eight (8) proposals from five (5) financial entities. Staff interviewed three (3) of the proposing firms, who, in Staff's opinion, offered the most competitive proposals.

Because of a fixed interest rate of approximately 3.85%, low financing costs, and minimal document requirements, Staff recommended that the Board select Wells Fargo to provide financing for the project as outlined in its proposal. Additionally, Staff recommended that the Board authorize Staff to facilitate the financing for the project and authorize the Chairman and Staff to execute any documents necessary to secure the financing on behalf of the Authority in accordance with the Authority's Banking Resolution and all applicable laws. Additionally, Staff recommended that a Corporate Resolution to Borrow, or similar document associated with this transaction, be labeled as Resolution No. 2002-012 and that the Chairman be authorized to sign the resolution on behalf of the Authority upon review and approval of the document by the Authority Attorney.

Commissioner McCormack moved to approve the selection of Wells Fargo to provide financing for the project as outlined in the proposal, to authorize Staff to facilitate the financing for the project, to authorize the Chairman and Staff to execute any documents necessary to secure the financing on behalf of the Authority in accordance with the Authority's Banking Resolution and all applicable laws, that a Corporate Resolution to Borrow or similar document be labeled as Resolution No. 2002-12, and that the Chairman be authorized to sign the Resolution on behalf of the Authority upon review and approval of the document by the Authority Attorney. Vice Chairman McCormick seconded. Roll call: all ayes. Motion carried.

Vice Chairman McCormick requested a timeline and scope of work for this project. He also recommended that Staff provide additional information to the community regarding this project.

D. Ground Lease Agreement with Parkerson Brothers, LLC

Staff presented the Board with a proposed Ground Lease Agreement with Parkerson Brothers, LLC. Parkerson Brothers, LLC proposes to lease a parcel of land south of the Commemorative Air Force Hangar and Kempton Air Service's tie down area at the northeast corner of Navigators Way and Heritage Way. It proposes to build 7 attached hangars and 3,000 square feet of commercial office space for aeronautical businesses.

In order to construct the hangars on the parcel, Parkerson requested a zero foot building set back on both the south and west portion of the parcel. The preliminary proposed site plan does not encroach on any easements located on the parcel. Staff noted that variances on the standard 10-foot building set back have been granted in the past when parcel dimensions limit the available amount of building area. Such a variance would not affect the potential development of adjacent parcels.

Staff commented that adjoining tenants have been notified of the proposed ground lease per the Authority's leasing policy. Aircraft access to Taxiway C-1A would be through a 60-foot ramp access easement previously provided for in the two adjoining tenants' lease agreements (30 feet on the eastern portion of Kempton's leasehold and 30 feet on the western portion of Charlie One Alpha's leasehold).

Commissioner Gardner inquired if vehicle parking for the proposed hangar would be located in the right-of-way along Navigators Way. Staff noted that the parking

would be in the right-of-way, as it is with many other tenants in the Runway 4/22 general aviation area.

Staff recommended that the Board approve the Ground Lease Agreement, including the zero (0) foot building set back on both the south and west portions of the parcel and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority, contingent on the Authority's receipt of.

- Proof of insurance, naming the Airport Authority as an additional insured
- Security deposit
- Authority Attorney approval of the lease agreement
- Acceptance and agreement of the survey, including the ramp access easement, by Parkerson, Kempton, and Charlie One Alpha
- A maintenance agreement between the parties regarding future repair and maintenance of the ramp access easement
- An agreement between the parties for a percentage reimbursement of the ramp improvements currently in place within the 60-foot ramp access easement.

Commissioner Kirtland moved to approve the Ground Lease Agreement, including the zero (0) foot building set back on both the south and west portions of the parcel, contingent upon the receipt of the above-mentioned items, and to authorize the Chairman to sign the Agreement on behalf of the Authority. Commissioner Berryman seconded the motion. Voice vote: all ayes, except for Commissioner McCormack, who abstained from the voting. Motion carried.

E. Law Enforcement Personnel Agreement on Behalf of the Transportation Security Administration

Staff presented the Board with a proposed Memorandum of Agreement (MOA) between the U.S. Government and the Authority for law enforcement personnel at the Walker Field Airport. According to Transportation Security Administration (TSA) Security Directives (SDs), law enforcement officer (LEO) presence is required at the terminal building security screening checkpoint at all times during screening operations. Currently, the City of Grand Junction Police Department provides law enforcement for the checkpoint. The City is now billing the Authority for costs associated with the LEO. In turn, the Authority has requested reimbursement for these costs as a part of the FAA Grant Agreement listed earlier on the Board Meeting Agenda.

According to the TSA, it will assume the responsibility of having a federal LEO at all airport screening checkpoints as soon as possible. However, this process could take several months to complete. In order to ensure LEO presence at the screening checkpoint and to provide financial relief to the airport for the costs associated with providing uniformed officers at the checkpoint, the TSA is requesting that the Authority, as the responsible party, enter into a MOA.

This MOA would be effective until the TSA is able to provide its own staff for the security checkpoint. By signing the MOA, the TSA will assume the responsibility of reimbursing the Authority for the LEO costs. Authority Attorney Grattan is currently reviewing the MOA. He will also be contacting the City of Grand

Junction’s attorney to discuss liability issues that may exist for the Authority by having the City provide these LEO services.

Staff recommended that the Board approve and authorize the Airport Manager to sign the MOA between the U.S. Government and the Authority contingent upon review and approval by the Authority’s Attorney.

Vice Chairman McCormick moved to approve and authorize the Airport Manger to sign the MOA between the U.S. Government and the Authority contingent upon review and approval by the Authority’s Attorney. Commissioner Gardner seconded the motion. Voice vote: all ayes. Motion carried.

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

Staff presented the Board with a request for approval and appropriation of funding for additional FY 2002 expenses and capital items. Because of the favorable revenue and expense variances and the availability of the AIP-25 grant funding for reimbursement of security expenses, Staff recommended the approval and appropriation of funds for the following additional expenses and capital items, contingent upon the approval and execution of the AIP-25 grant by the Board, City of Grand Junction, Mesa County, and FAA:

<u>Expenses:</u>	
Terminal Repairs-General	\$10,000
 <u>Capital:</u>	
Landscaping-Walker Field Drive.....	5,000
Exterior Service Entrance Wall Repairs.....	7,000
Landside Concrete/Sidewalk Upgrades	6,000
Computer Operating System Upgrades.....	1,800
HVAC Upgrades.....	20,000
 TOTAL.....	 \$49,800

Vice Chairman McCormick moved to approve and appropriate \$49,800 of funds for additional FY 2002 expenses and capital items, contingent upon the approval and execution of the AIP-25 grant by the Board, City of Grand Junction, Mesa County, and FAA. Commissioner McCormack seconded the motion. Voice vote: all ayes. Motion carried.

G. Request for New Position: Route Planning and Air Service Development Manager

Staff presented the Board with a request for a new position—Route Planning and Air Service Development Manager. Manager Nystrom provided background information pertaining to the request. She stated that this position would specifically focus on developing a comprehensive air service development program, which includes commercial passenger air carrier service, air cargo, and general aviation. This position would be a revenue-generating position. Despite recent industry changes and shifting travel patterns, there is still potential for

improved air service at Walker Field Airport. This type of position is becoming more of a necessity in today's competitive air service environment.

It is anticipated that the Route Planning and Air Service Development Manager would be able to analyze route planning and air service data and communicate with route planners at incumbent and prospective air carriers to discuss air service opportunities as they arise. A portion of this position's duties would be to study the patterns of airline travel at Walker Field Airport and other neighboring airports and develop programs to increase passenger travel at the airport.

Manager Nystrom noted that the Authority has developed working relationships with airline representatives that did not exist six (6) years ago. However, a void still exists in the ability to retrieve and analyze air service and demographics data. This information is critical for the Authority to identify potential air service opportunities and to share this information with the applicable airline representatives. She commented that the timing for the creation of this position is good. Many airports across the country are placing these types of positions within their organizations.

Commissioner Berryman questioned the timing pertaining to the creation of this position. Manager Nystrom highlighted the historical air service challenges encountered at Walker Field Airport, including the development of air service at Colorado resort area airports in the past fifteen (15) years. She continued that in each of the resort areas, a private association or resort company has partnered with the airlines to develop air service. Over the past six (6) years, the Authority has improved its relationships with the airlines. The next step is for the Authority to have a Staff position that can focus on the analysis of air service data and the development of specific air service programs at the airport.

Commissioner Kirtland commented that many times, community's comments regarding "bad air service" are the result of perception. Thus the Authority should work on addressing the community's perception. Vice Chairman McCormick asked if a consulting firm could assist with air service development. Manager Nystrom stated that there are firms that specialize in air service development, but such firms work for several airports. She continued that consulting firms have divided loyalties and would not always put Walker Field first, thus possibly missing vital marketing opportunities. Vice Chairman McCormick commented that if the Board approves the new position, the Authority would be heading in a new philosophical direction.

Commissioner Gardner commented that he supports the concept of creating the new position, but he recommended that the Board discuss this issue in more detail at a Board Workshop, including an assessment of position description and proposed salary. Commissioner McCormack inquired if funds are available for the proposed position. Manager Nystrom responded affirmatively.

Vice Chairman McCormick expressed concern that the new position would not relieve any of the daily workload of the current Staff. He felt that the day to day operations should have a higher priority. Manager Nystrom responded that there are currently Staff members who do a portion of the duties associated with this position. Vice Chairman McCormick recommended that a Staff Task Analysis for

existing positions be completed. This will assist in identifying staffing needs and reallocation of duties.

The consensus of the Board was to discuss the proposed position and staffing needs at the May, 2002 Workshop.

VI. DISCUSSION ITEMS

A. Resolution No. 2002-013: Military Aircraft Operations

Per a Board motion approved at the April 2, 2002 Special Board Meeting, Staff presented the Board with a proposed resolution that sets forth the issues reviewed and historical background pertaining to military aircraft operations at Walker Field Airport. Vice Chairman McCormick voiced concern that the resolution was too specific and suggested making it more general.

The consensus of the Board was to revise the resolution and present it to the Board at the May, 2002 Regular Board Meeting.

VII. BOARD COMMITTEE REPORTS

The ad hoc Personnel Committee noted that it will provide regular feedback to the Airport Manager as a part of that position's performance evaluation.

VIII. AIRPORT MANAGER'S REPORT

Manager Nystrom noted that the Authority recently received notification from the Transportation Security Administration (TSA) that the airport can now regain full use of the parking lots based upon information provided to them by the Authority. Commissioner Berryman inquired about the status of the construction of the aircraft run-up area. Manager Nystrom commented that this project will be placed out to bid soon and that construction will commence by the end of summer.

IX. OTHER ITEMS

There were no Other Items.

X. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 8:11pm.

APPROVED AND ADOPTED THE 28th DAY OF April, 2002.

Signature on File

Steve Ammentorp, Chairman

ATTEST:

Signature on File

David J. Anderson, Clerk