

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

May 28, 2002

**BOARD COMMISSIONERS PRESENT:** Miles McCormack Steve Ammentorp  
Karen Berryman Dennis Kirtland  
Craig Springer

**AIRPORT STAFF PRESENT:** Corinne Nystrom Gary Mancuso  
David Anderson Dan Reynolds  
Ted Balbier Manuel Meastas

**ALSO PRESENT:** Jon Johnson and Roger Fischer of Timberline Aviation, LLC; Doug Briggs of Castor & Associates; Pat O'Brien; Herman Allmaras of Plane Storage, LLC; Barbara Krause and Ken Krause of Coffee Time, LLC; and Jerry Hamilton of Home Loan & Investment Co.

### I. CALL TO ORDER

The meeting was called to order at 5:16pm.

### II. APPROVAL OF AGENDA

Manager Nystrom requested that Consent Agenda Item D – “Resolution No. 2002-014: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws (First Reading)” be moved to Discussion Item A; Consent Agenda Item J – “Bid Award and Contract for Legal Services” be moved to Action Item E per a request by Commissioner Berryman; the removal of original Action Item E – “Resolution No. 2002-017: Revised Requirements and Minimum Standards for Commercial Aeronautical Services and Activities” and Action Item F – “Resolution No. 2002-018; Amendment to Fees and Charges for Walker Field Airport, Grand Junction, CO – Flight Instruction (Off Airport) Permit Fee” pending further meetings with interested parties; the addition of Action Item F – “Supplemental Agreement with Van Sant for Design Specifications for the Security Screening Area” and new Discussion Item B – “June Board Workshop.”

Chairman Ammentorp called for a voice vote to approve the agenda as amended. All ayes. Motion carried.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

Pat O'Brien, a flight instructor who utilizes Walker Field Airport, expressed his concerns to the Board regarding Airport Authority Staff and the Airport's Requirements and Minimum Standards for Commercial Aeronautical Services and Activities as they pertain to flight instruction activities. He stated that he has been in contact with his attorney and wanted the Board to be aware of his intentions.

Chairman Ammentorp noted Mr. O'Brien's comments and asked what Mr. O'Brien was requesting of the Authority. Mr. O'Brien requested that the Board instruct Staff to provide written confirmation of what they have discussed with him up to this point. Manager Nystrom stated that when Mr. O'Brien originally posed the question of whether or not the Authority's Minimum Standards apply to his operations, she informed him that Staff would need to research the matter further, since he does not lease any space at the airport and does not own or lease an aircraft, and she would provide an answer to him once it has been researched. Upon concluding that meeting, Mr. O'Brien indicated that he would continue his flight instruction activities until he received an answer from the Authority.

Manager Nystrom noted that the Minimum Standards do not distinguish between on-airport flight schools and off-airport flight instructors. Staff has discussed this issue with the FAA, and according to them, the Authority has the right to set standards for all entities or individuals who hold themselves out to be flight instructors at Walker Field. The possibility of distinguishing between on-airport flight schools and flight instructors who do not lease or sublease space at the airport and who do not own or lease aircraft is currently in the process of being addressed by Staff now that there is an instructor who has expressed an interest in providing this type of service. The Board will be asked to consider the matter at a future Board Meeting after tenants and airfield users have been given an opportunity to offer their input.

Chairman Ammentorp requested that Mr. O'Brien put his concerns in writing and submit copies to the Board of all written communication between himself and Authority Staff. The Board further requested that Manager Nystrom send a letter to Mr. O'Brien memorializing discussions that he has had with the Authority regarding this matter.

### IV. CONSENT AGENDA

- A. **Minutes: April, 2002 Regular Board Meeting**
- B. **Acknowledgement of Receipt of March, 2002 Financial Statements/Accounts Receivable Report**

Staff noted that on the Statement of Operations, year to date operating revenues are 15.6% higher than budgeted and year to date operating expenses are 8.0% lower than budgeted. The net result is an income to retained earning balance of \$7,147, which is \$96,165 higher than budgeted year to date

Rental cars, aviation fuel tax, and parking revenues are over budget (year to date). Close monitoring of expenses by all departments 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 decreased 2.6%, which corresponded with a decrease in accounts payable from the payment of vendor invoices. Additionally, restricted assets increased \$300,000 from the receipt of the Department of Transportation's State Infrastructure Bank (SIB) Loan proceeds. PFC funds decreased \$117,562 as a result of the final bond payment for the aircraft rescue fire fighting (ARFF) facility. Land, Buildings and Equipment increased \$38,594 with expenditures towards the Airport Layout Plan (ALP) Update, installation of fencing in the Runway 4/22 general aviation area, and airfield lighting and electrical building projects.

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

**C. Resolution No. 2002-013: Military Aircraft Operations at Walker Field Airport**

Staff presented the Board with a proposed resolution that sets forth the historical background and issues reviewed pertaining to military aircraft operations at Walker Field Airport. At the April, 2002 Regular Board Meeting, the Board reviewed the proposed resolution and provided recommended changes to the resolution. These changes were made and forwarded to all Board members for comment. The resolution incorporates the additional suggestions that were offered by Vice Chairman McCormick and Commissioner Gardner.

Staff recommended that the Board approve Resolution No. 2002-013 and authorize the Chairman to sign the resolution on behalf of the Authority.

**D. Hold Harmless License Agreement with American Eagle Airlines, Inc.**

Staff presented the Board with a proposed Hold Harmless License Agreement with American Eagle Airlines, Inc. Emery Worldwide Airlines previously leased an 8 cubic foot area located on the 2<sup>nd</sup> floor of the terminal building for an aeronautical-use radio. Its lease expired on February 28, 2002. Emery did not renew its lease and sold its equipment to American Eagle Airlines, Inc. (a feeder airline for American Airlines). American Eagle proposed to lease the same space and to utilize the radio for the same purposes as Emery (enroute radio communications).

Staff recommended that the Board approve the Hold Harmless License Agreement and authorize the Chairman to sign the agreement on behalf of the Authority

**E. Third Addendum to Use and Lease Agreement with SkyWest Airlines, Inc.**

Staff presented the Board with a proposed Third Addendum to Use and Lease Agreement with SkyWest Airlines, Inc. On October 31, 2001, SkyWest took over the operation of the United Express flights to Denver and leased the 3<sup>rd</sup> Airline Ticket Office (ATO) in addition to portions of the 2<sup>nd</sup> ATO that SkyWest already occupies. After further assessing its facility requirements, SkyWest requested to lease an additional 238 square feet of office space in the 4<sup>th</sup> ATO. Authority Attorney Mike Grattan reviewed the addendum to protect the Authority.

Staff recommended that the Board approve the Third Addendum to Use and Lease Agreement and authorize the Chairman to sign the Addendum on behalf of the

Authority. Staff also recommended that the \$200 fee for changes to agreements be waived since SkyWest is increasing its leased space and rent paid to the Authority.

**F. Third Addendum to Timberline Ground Services, L.L.C. Ground Lease Agreement**

Staff presented the Board with a proposed Third Addendum to Timberline Ground Services, L.L.C. Ground Lease Agreement. Timberline entered into a Ground Lease Agreement with the Authority on June 1, 1996 for the purpose of providing fixed base operator services. Subsequently, the lease has been amended to increase the size of Timberline's leasehold. Timberline requested a new comprehensive survey of its entire leased premises rather than using the separate surveys currently describing the property. Authority Attorney Grattan reviewed the Addendum to protect the Authority.

Staff recommended that the Board approve the Third Addendum to Ground Lease Agreement and authorize the Chairman to sign the Addendum on behalf of the Authority. Staff also recommended that the \$200 fee for changes to agreements be waived since Timberline is paying for the comprehensive survey, and it will benefit all parties.

**G. First Addendum to Plane Storage Partnership Ground Lease Agreement**

Staff presented the Board with a proposed First Addendum to the Plane Storage Partnership Ground Lease Agreement. The Authority and Plane Storage entered into a Ground Lease on September 15, 1992 for a parcel of ground in the Runway 4/22 general aviation area for the purpose of constructing a hangar. After the hangar was constructed, both parties entered into a new lease for the parcel on October 1, 1996 in order to take advantage of a new lease rate methodology.

The October 1, 1996 lease identified the Lessee as Plane Storage, L.L.P. This First Addendum to Ground Lease changes the name and transfers all rights and interest in the lease to Plane Storage, L.L.C. Authority Attorney Grattan reviewed the Addendum to protect the Authority.

Staff recommended that the Board approve the First Addendum and authorize the Chairman to sign the Addendum on behalf of the Authority. Since the purpose of the First Addendum is to correct the name of the Lessee, Staff recommended that the \$200 fee for changes to agreements be waived.

**H. Contract Agreement with Hawks HVAC, Inc. for Heating, Ventilation, and Air Conditioning (HVAC) Installation in Airline Ticket Offices**

Staff presented the Board with a proposed Contract Agreement with Hawks HVAC, Inc. for heating, ventilation, and air conditioning (HVAC) installation in the Airline Ticket Offices (ATOs). Following a solicitation for bids to install rooftop mounted HVAC units in two of the three ATOs, Staff received bids from two firms for the purchase and installation of two 5-ton heating and cooling units to be located in the 1<sup>st</sup> and 3<sup>rd</sup> ATOs. The successful bidder was Hawks HVAC, Inc.

The contract amount is approximately \$18,538. The Board authorized funds for a not to exceed project amount of \$20,000 at the April 16, 2002 Board meeting. The project will commence as soon as the Authority signs the Agreement. The Authority has consulted the airlines. To minimize interruptions, the project will be completed between flights and late in the evening. The boilerplate Contract Agreement that has been used with previous construction projects for the Authority will be used.

Staff recommended that the Board approve the contract and authorize the Chairman to sign the Contract Agreement with Hawks HVAC, Inc. for the installation of two (2) HVAC rooftop units in the ATOs for an amount not to exceed \$18,600.

Commissioner Springer moved to approve the Consent Agenda items as presented. Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

## V. ACTION ITEMS

### A. Renewal of WFAA General Liability and Commercial Package Insurance Coverage

Commissioner Springer recused himself from discussions pertaining to this item.

Staff presented the Board with a request to renew the Authority's general liability and commercial package insurance coverage. At the February, 2002 Regular Board Meeting, the Board selected Home Loan & Investment Company to provide insurance brokerage services for the Authority. Home Loan shopped the insurance market to obtain the most competitive quotes for the Authority.

Based on the quotes received, Staff recommended that the Board approve the general liability and commercial package insurance coverage in an amount not to exceed \$74,572 for the annual term commencing June 1, 2002. Staff also recommended that the Board authorize Staff to submit, and the Chairman sign on behalf of the Authority, an application for directors & officers coverage to an insurer that may be able to provide the coverage for approximately \$500 less than what was originally quoted.

Commissioner Kirtland moved to approve the general liability and commercial package insurance coverage for an amount not to exceed \$74,572 for the annual term commencing June 1, 2002 and authorize Staff to submit, and the Chairman sign on behalf of the Authority, an application for directors & officers coverage, which if the premium is lower than the existing quote, shall be the selected provider for the directors & officers coverage. Commissioner McCormack seconded. Voice vote: all ayes, except for Commissioner Springer who abstained from the vote. Motion carried.

### B. Request by Coffee Time, L.L.C. to Exercise Its Renewal Option

Staff presented the Board with a request by Coffee Time, L.L.C. to renew its concession term for a two-year period. Coffee Time entered into a Use and Lease

Agreement with the Authority for a term of November 1, 1999 through October 31, 2002 with two successive one-year renewal terms ending October 31, 2004. Coffee Time requested to renew both one-year terms at this time, with a revised term expiration date of October 31, 2004.

Staff recommended renewing the Coffee Time lease only for the first one-year successive term through October 31, 2003 due to complaints the Authority has received about Coffee Time's customer service. The service provided by the restaurant operator would be reviewed again at least 30 days prior to October 31, 2003 to determine whether the renewal of the second one-year term is justified.

Barbara and Ken Krause of Coffee Time, LLC addressed the Board and stated that they want to renew both one-year terms at one time in order to recoup the cost of restaurant equipment they would like to purchase. A one-year renewal would not allow them adequate time to recoup the cost of this equipment.

Commissioner Kirtland suggested approving the current request as drafted, then have Staff draft a new agreement for a two-year period. The new agreement will then be submitted for Board approval, at which time the existing agreement will be terminated.

Commissioner Kirtland moved to approve the request by Coffee Time, L.L.C. to extend its concession agreement for the successive one-year extensions, to be granted simultaneously, and that a new agreement be drafted and presented to the Board at a future Board Meeting. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

**C. Request for Funding for Engineering and Design Services for Repair of West Terminal Building Support Column**

Staff presented the Board with a request for funding associated with the repair of the west terminal building support column. During a recent inspection of the terminal building, Dr. Michael Gaines of MGA Structural Engineers, who the Authority has used previously on terminal building structural projects, noted some additional settling and movement of a support column in the terminal building adjacent to the west entryway. During the ensuing discussions, Dr. Gaines recommended that the Authority proceed with repairing and reinforcing this column to prevent further movement and future terminal building structural hazards.

In light of Dr. Gaines' analysis, Staff recommended contracting with MGA Structural Engineers to engineer and design a repair for this column. The estimated cost for MGA's services is a not to exceed amount of \$5,000. Staff also recommended that the Board appropriate \$5,000 for engineering and design services associated with this repair and authorize the Airport Manager to sign the Authority's standardized contract agreement with MGA Structural Engineers to allow the work to commence immediately.

Commissioner Kirtland moved to appropriate up to \$5,000 for engineering and design services associated with the repair of the west terminal building support column. Additionally, he moved to approve the standardized contract agreement with MGA for

these services and authorize the Airport Manager to sign the contract agreement on behalf of the Authority. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

**D. Resolution No. 2002-016: Revised Banking Resolution**

Staff provided the Board with a proposed revised Authority Banking Resolution. In an effort to enhance the efficiency of payments to vendors, Staff contacted the Authority's audit firm, Dalby, Wendland & Co., P.C., to Authority's internal financial checks and balances in place that could allow a third (3<sup>rd</sup>) Staff Signatory. Based on existing Authority accounts payable procedures, the auditors opined that the Authority's Administrative Services Manager could be added as a signatory to the Authority's bank accounts, while maintaining the required procedures for audit compliance purposes.

Empowering the Administrative Services Manager to perform this function will help to streamline the accounts payable process. Furthermore, as a signatory, the Administrative Services Manager may execute promissory notes or other evidence of indebtedness (with the co-signatures of the Chairman or Vice Chairman AND another board member other than the Chairman or Vice Chairman) and deposit Authority funds in any financial institution in Mesa County.

To effect the additional signatory, it would be necessary to update the Authority's Banking Resolution. The Resolution is sent to all financial institutions with which the Authority conducts business. The proposed Banking Resolution is the same as the existing Resolution, except for the addition of the Administrative Services Manager as a signatory.

Staff recommended that the Board approve Resolution No. 2002-016: Revised Banking Resolution and authorize the Chairman to sign the Resolution on behalf of the Authority.

Commissioner McCormack moved to approve Resolution No. 2002-016: Revised Banking Resolution and authorize the Chairman to sign the Resolution on behalf of the Authority. Commissioner Kirtland seconded the motion. Roll call: all ayes. Motion carried.

**E. Bid Award and Contract for Legal Services**

Staff presented the Board with a request for a bid award and contract for legal services. In April, 2002, the Authority advertised a request for proposals (RFP) to provide legal services for the Authority with a possible five (5) year engagement commencing July 15, 2002. Three (3) legal firms responded to the RFP.

Commissioner McCormack and Staff met with representatives from Younge & Hockensmith, P.C. and Castor & Associates, P.C. to discuss the proposals and scope of services in more detail. Younge & Hockensmith, P.C. has been the Authority's general legal services firm since 1997, and Staff has been pleased with the performance of this firm. Based on the proposals and interviews, Staff recommended the selection of Younge & Hockensmith, P.C. to continue providing legal services for the Authority for a term not to exceed five (5) years.

Commissioner Berryman expressed concern that Younge & Hockensmith, P.C.'s hourly rate is more than Castor & Associates, P.C.'s, and there is a high turnover of junior attorneys at Younge & Hockensmith, P.C. She also expressed concern that they tended to favor the use of addendums to leases rather than drafting new leases. She recommended redrafting the Authority's lease agreements when tenants wish to make a change to their lease agreements.

Staff commented that addendums are cost-effective for airport tenants and concessionaires. If a new agreement is required to be executed each time a tenant requests a change to its agreement, the new lease would subject the tenant to new and higher lease rates. Manager Nystrom commented that it would be unfair to require tenants to pay the new lease rates as a result of making minor changes to their lease. Even with an approved addendum, the underlying lease agreement remains in effect. She furthered that if the Authority required new agreements each time a tenant wants to effect a change, this would be a disincentive for tenants to expand their operations.

Commissioner Springer expressed concern that if the Authority selected Castor & Associates, P.C., there may be a learning curve that would result in additional costs. Commissioner Berryman noted that Doug Briggs, an attorney with Castor & Associates, P.C., used to be an attorney with Younge & Hockensmith, P.C. Manager Nystrom stated that the proposals are based on the law firm, not individual attorneys.

Commissioner Kirtland commented that the Authority has a good track record and relationship with Younge & Hockensmith, P.C. These intangible elements are equally important to hourly rates. He furthered that legal services should not be treated as a commodity, based solely on price. Manager Nystrom stated that this was a difficult selection process for Staff because both legal firms are excellent.

Staff recommended that the Board select Younge & Hockensmith, P.C. to continue providing legal services to the Authority and that the Chairman be authorized to sign an agreement, similar to the one currently in place with Younge & Hockensmith, P.C., commencing July 15, 2002 for a term not to exceed five (5) years.

Commissioner Kirtland moved to approve the selection of Younge & Hockensmith P.C. to continue providing legal services to the Authority and that the Chairman be authorized to sign an agreement, similar to the one currently in place with Younge & Hockensmith P.C., commencing July 15, 2002 for a term not to exceed five (5) years. Commissioner McCormack seconded the motion. Voice vote: all ayes, except for Commissioner Berryman, who voted against the motion. Motion carried.

**F. Supplemental Agreement No. Five to the Van Sant Group Agreement for Architectural Design and Engineering Services: Design, Engineering, and Project Administration for Terminal Building Security Screening Modifications**

Staff presented the Board with a proposed Supplemental Agreement with Van Sant Group for design specifications for the terminal building security screening area, as well as expanded meeters and greeters area. The Supplemental Agreement would

assist the terminal building boarding area expansion project with remaining on schedule and allow the Authority to use federal Airport Improvement Project (AIP) funds for the security screening portion of the project. The Supplemental Agreement would facilitate placing this portion of the project out to bid by this summer. Federal funds for this project must be under grant by September 30<sup>th</sup> or the funds will not become available again until at least Spring, 2003.

Staff recommended that the Board approve Supplemental Agreement No. Five to the Van Sant Group Agreement and authorize the Chairman to sign the Supplemental Agreement on behalf of the Authority.

Commissioner McCormack moved to approve Supplemental Agreement No. Five to Van Sant Group and authorize the Chairman to sign the Supplemental Agreement on behalf of the Authority. Commissioner Kirtland seconded the motion. Voice vote: all ayes. Motion carried.

## **VI. DISCUSSION ITEMS**

### **A. Resolution No. 2002-014: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws (First Reading)**

At the April 16, 2002 Regular Board Meeting, the Board approved revisions to the existing WFAA By-Laws. Since that time, there have been discussions regarding additional changes pertaining to the Airport Manager, Other Employees, and Compensation sections of the By-Laws. Manager Nystrom stated that the revised Airport Manager section clarifies the Airport Manager's position so that there is an underlying definition within the By-Laws of the position expectations. The Other Employees and Compensation sections are also in need of revisions. The Board suggested some minor wording changes to the proposed revisions.

Manager Nystrom stated that she would revise the proposed provisions and forward them to the Board via e-mail. Based on any additional feedback from the Board, Staff will advertise the proposed revisions and prepare a resolution for Board consideration at the June, 2002 Regular Board Meeting.

## **VII. BOARD COMMITTEE REPORTS**

Commissioner Springer reported that the ad hoc Personnel Committee met a couple weeks ago to discuss the Airport Manager evaluation follow-up procedures. Manager Nystrom stated that she will be requesting a meeting with the Committee to present them with a plan to improve customer service and customer relations, as requested by the Board.

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

Manager Nystrom reported that the FAA has strongly suggested the Authority close its crosswind runway, Runway 4/22, during times that the air traffic control tower is closed, which is from 10:00pm until 6:00am. This is the result of FAA concerns pertaining to "line of sight" issues between the main runway and crosswind runway. Several airport

tenants have stated that they rarely use this runway during those hours, and their operations would be impacted minimally by this change. The FAA has requested a specific date on which the Authority will begin closing the runway during the non-tower hours. Staff is in the process of preparing a press release regarding the closure. Staff has recommended that any tenants with concerns about this change contact the FAA directly.

Commissioner Springer inquired about the procedures for closing a runway during non-tower hours. Manager Nystrom responded that the information will be published via a Notice to Airmen (NOTAM), which is available to all pilots during preflight briefings from the FAA. It will also be published in the FAA Facilities Directory.

## **IX. OTHER ITEMS**

Commissioner McCormack inquired about the required airline passenger check-in times, and whether or not the published requirements are too much. Manager Nystrom answered that each airline makes its own decisions regarding check-in times but that airline staffing issues may be affecting some of the check-in time requirements.

Manager Nystrom suggested that a June Board Workshop not be held since there are no pressing matters that would require a Workshop. She also commented that she and David Anderson will be in Florida attending the International Airport Summit and would not be able to attend if a Workshop is scheduled. Chairman Ammentorp recommended canceling the Workshop and suggested having the next workshop in July.

## **X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Springer moved to adjourn the meeting. Commissioner Berryman seconded the motion. Voice vote: all ayes. Unanimously carried. The meeting was adjourned at 7:36pm.

APPROVED AND ADOPTED THE 18<sup>th</sup> DAY OF June, 2002.

### **Signature on File**

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Steve Ammentorp, Chairman

ATTEST:

### **Signature on File**

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David J. Anderson, Clerk