

Walker Field Airport Authority

Minutes of the Regular Board Meeting

June 18, 2002

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

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

ALSO PRESENT: Peg Wallace of Thunder Mountain Ground Services, Inc.; Tom Hall of H.R. Aviation, LLC; Joe Marie of Federal Express; Ron Rouse of Colorado Airlines; and Kirk Rider of Younge & Hockensmith, P.C.

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Manager Nystrom requested that "Terminal Building Boarding Area Expansion Update" be added to the agenda as a Discussion item.

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

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: May 28, 2002 Regular Board Meeting

B. Acknowledgement of Receipt of April, 2002 Financial Statements

On the Statement of Operations, year to date operating revenues are 14.6% higher than budgeted and year to date operating expenses are 5.6% lower than budgeted.

The net result this year is an income to retained earnings balance of \$158, which is \$104,724 higher than budgeted year to date.

Rental cars, aviation fuel tax, and parking revenues are over budget (year to date). Close monitoring of expenses during the month resulted in year to date operating expenses that are less than budgeted.

On the Balance Sheet, nonrestricted cash/investments increased 9.2%, which corresponded with the receipt of rental car concession period overage and federal Airport Improvement Program (AIP) payments. PFC funds increased \$29,604 with continued program collections. Land, Buildings, and Equipment increased \$9,725 with expenditures towards fencing in the Runway 4/22 general aviation area, terminal building boarding area expansion, and operations radios.

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

Commissioner McCormack inquired about the rental car concessionaire revenues and how they compare to enplanements. Staff stated that although year-to-date enplanements are similar to last year, rental car revenues have increased approximately 6%.

C. Resolution No. 2002-019: Amendment of Walker Field, Colorado Public Airport Authority By-Laws (First Reading)

Staff presented the Board with proposed revisions to the existing Authority By-Laws. At the May 28, 2002 Regular Board Meeting, the Board discussed proposed revisions to the existing Authority By-Laws. These proposed revisions modify references pertaining to the:

- Airport Manager
- Other Employees
- Compensation of Employees

This proposed resolution incorporates the 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 (1st) publication of the proposed changes was completed on June 14, 2002.

Staff recommended that the Board adopt the first (1st) reading of Resolution No. 2002-019: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws.

D. Third Addendum to Ground Lease Agreement with H.R. Aviation, LLC for Extension of Time to Complete Development

Staff presented the Board with a proposed addendum to the Ground Lease Agreement with H.R. Aviation, LLC for an extension of time to complete construction of improvements on the parcel. H.R. Aviation, LLC leases ground in the Runway 4/22 general aviation area. Its lease agreement requires that the

improvements be completed on the parcel by July 1, 2002. H.R. Aviation has completed the site preparation work for its hangar and constructed an extension of Navigators Way with the material excavated from its leased premises.

Since building the extension of Navigators Way delayed H. R. Aviation's site development, it is requesting an extension of the development period at the reduced rental rate it is currently paying. The reduced rental rate during the development period was the Authority's policy at the time this lease was executed. At this time, H.R. Aviation, LLC is current on all of its other lease obligations.

Since H.R. Aviation has made some improvements to its leased premises and extended Navigators Way at no cost to the Authority, Staff recommended that the Board approve the Third Addendum to Ground Lease Agreement with H.R. Aviation, LLC which grants an extension of the 18-month development period to June 1, 2003 at the current reduced rental rate, as adjusted, contingent upon the Authority's receipt of the \$200 administrative fee for a change to an Agreement with the Authority.

Vice Chairman McCormick moved to approve the Items on the Consent Agenda. Commissioner Gardner seconded. Roll call: all ayes. Motion carried.

V. ACTION ITEMS

A. **Resolution No. 2002-020: Amended Requirements and Minimum Standards for Commercial Aeronautical Services and Activities**

Staff presented the Board with a proposed resolution to amend the Requirements and Minimum Standards for Commercial Aeronautical Services and Activities. A flight instructor recently contacted the Authority regarding the applicability of the Authority's Minimum Standards to non-Airport tenant/sublessee flight instruction operations. He wishes to conduct flight instruction in aircraft owned by private aircraft operators without having to provide the facilities or services required in the Minimum Standards of an on-airport flight school. Based on conversations with the flight instructor, on-airport flight school operators, the FAA, and other tenants, Staff recommended amending the Minimum Standards to allow for non-Airport tenant/sublessee flight instruction with the following requirements:

- The flight instructor must obtain an annual permit from the Authority.
- The flight instructor must provide the Authority with documentation of required FAA licenses and certifications to the Authority, as requested from time to time.
- The flight instructor must provide the Authority a Certificate of Insurance evidencing aircraft flight instruction general liability insurance coverage equal in amounts to the Authority's requirements for on airport flight school operators—currently \$1M general liability minimum.

The proposed Amended Minimum Standards include these requirements as well as other revisions recommended by Authority legal counsel, which clarify other aspects of the document.

A meeting with the tenants and airfield users was held on Monday, June 17th to discuss and gather input on the proposed changes. Manager Nystrom commented that the main concern expressed by the attendees at that meeting was how to meet the insurance requirements, including listing the Authority as an additional insured on the required insurance policies. Staff responded that they are open to ideas and would review any input with the Authority Attorney.

Commissioner Springer inquired if the Authority had the jurisdiction to impose minimum standards on flight instructors. Staff responded that the FAA has granted the right, but does not require airports to develop and enforce minimum standards. However, the FAA strongly encourages airport operators to set such standards.

Commissioner Springer asked about the mechanisms in place for the Authority to enforce the minimum standards. Manager Nystrom answered that existing airport ground leases and ground subleases require the tenant/subtenant to comply with all Authority directives and regulations. Thus enforcement of items pertaining to flight instruction activities would be through the applicable tenant from whose leasehold the flight instruction is conducted.

Vice Chairman McCormick inquired if the Authority's existing minimum standards address non-airport tenant/sublessee airframe and powerplant maintenance. Manager Nystrom noted that the minimum standards do not currently address this activity. However, Staff is considering adding this activity to the minimum standards after reviewing additional issues associated with maintenance operations and activities.

Commissioner McCormack asked if there are currently restrictions in place regarding maintenance operations in private hangars. Manager Nystrom stated that the restrictions are incorporated into the "Permitted Uses" provisions within existing airport ground lease and sublease agreements. Commissioner Gardner inquired if the \$1M general liability insurance requirement for the flight instruction activities is consistent with other operations. Manager Nystrom responded that this requirement is the same as with all other commercial airfield users.

Vice Chairman McCormick asked if the proposed flight instruction permit fee contained in the following agenda item applies to all flight instruction operators. Manager Nystrom noted that the proposed fee would only be applicable to operators who do not occupy or lease space at the airport.

Vice Chairman McCormick moved to adopt Resolution No. 2002-020: Amended Requirements and Minimum Standards for Commercial Aeronautical Service and Activities and authorize the Chairman to sign the resolution on behalf of the Authority. Commissioner Springer seconded. Roll call: all ayes. Motion carried.

B. Resolution No. 2002-021: Amendment to Fees and Charges for Walker Field Airport, Grand Junction – Permit Fee

Staff presented the board with a proposed Amendment to the Fees and Charges for Walker Field Airport. The proposed permit fee is intended to assist the Authority with defraying its costs in registering and monitoring non-tenant/subtenant commercial aircraft operators and to protect the Authority's interests as a result of this type of activity. The proposed permit fee is ten dollars (\$10.00) annually.

Commissioner Springer inquired if the \$10.00 annual fee was sufficient to cover the Authority's cost to process the permits and monitor this activity. Manager Nystrom responded that it is projected that this would assist with defraying the Authority's costs. She commented that the proposed fee is low, in part, because of feedback received from the applicable operators. By having a lower permit fee, it would encourage operators to register.

Commissioner Gardner suggested adopting the \$10.00 permit fee now and reviewing the fee for an increase in the future once a realistic idea of what the Staff's actual processing time costs. Vice Chairman McCormick requested that Staff let the flight instructors know that the permit fee will be reviewed periodically.

Staff recommended that the Board approve Resolution No. 2002-021: Amendment to Fees and Charges for Walker Field Airport, Grand Junction, CO—Permit Fee and authorize the Chairman to sign the Resolution on behalf of the Authority.

Commissioner Kirtland moved to approve Resolution No. 2002-021: Amendment to Fees and Charges for Walker Field Airport, Grand Junction, CO—Permit Fee and authorize the Chairman to sign the Resolution on behalf of the Authority. Commissioner Gardner seconded. Roll call: Ayes-Vice Chairman McCormick, Commissioner Gardner, Commissioner Kirtland, and Chairman Ammentorp; Nay- Commissioner Springer; Abstain- Commissioner McCormack. Motion carried.

VI. DISCUSSION ITEMS

A. Terminal Building Boarding Area Expansion Update

Manager Nystrom reported that Staff is working with the FAA to seek approval of plans for the terminal building boarding area expansion project. Staff has met with the FAA, Transportation Security Administration (TSA), and the Authority's engineering firm, Washington Infrastructure Services, to discuss project details, with an emphasis on the security screening checkpoint modifications. The Authority's architectural firm, Van Sant Group, submitted the design and specifications for the first phase of the project to the FAA: the relocation of the boarding area restrooms, structural repairs and the installation of windows along the west boarding area wall.

Staff is proceeding with Phase One of the project so that Airport Improvement Program (AIP) funds can be used. Because of the approaching end of the FAA's

fiscal year, the Authority is required to have this portion of the project under grant by September to qualify for funding this year.

Vice Chairman McCormick inquired as to the rationale for the proposed location of the new restrooms. Staff responded that the proposed location is set away from the security screening checkpoint and away from the existing concession/retail operations. Commissioner McCormack inquired if the security screening area could be moved to the south to leave more room for the restrooms. Staff responded that if the non-secured space is reduced, there may be a backup of passengers onto the escalators while they wait to be processed through the checkpoint.

Chairman Ammentorp inquired how flexible the design is pertaining to the security screening area (Phase Two). Staff responded that the design depends on input from the TSA. Commissioner Kirtland inquired what kind of construction traffic might be encountered during Phase One. Staff stated that most of the construction will take place in the evenings when the security screening checkpoint is closed.

VII. BOARD COMMITTEE REPORTS

Vice Chairman McCormick reported that the ad hoc Personnel Committee has set up benchmark meetings with the Airport Manager. They met with Manager Nystrom this month and will meet again in July.

VIII. AIRPORT MANAGER'S REPORT

Aircraft Run-Up Area: The design and specifications for the aircraft run-up area have been completed, and the project has been put out to bid. The engineer's estimate for the project is \$138,000. The estimated cost for this project has increased as a result of FAA requirements since the run-up area will be adjacent to Runway 11/29. The intersection will require a lighted sign, fillets, and an extended taxi lane.

Airline Ticket Office Air Conditioning: Hawks HVAC, Inc. is in the final stages of completing the installation of the cooling units for the 1st and 3rd ATOs. The units are now operational.

IX. OTHER ITEMS

A. July, 2002 Board Workshop Agenda

Manager Nystrom proposed that Staff present revenue/expense cost center allocations and a ten (10)-year financial forecast at the July, 2002 Board Workshop.

B. BLM Slurry Bomber Aircraft Operations

Vice Chairman McCormick inquired about the BLM slurry bomber activity over the past week. Staff responded that the BLM Air Center has had increased activity this week.

X. ADJOURNMENT

There being no further business to come before the Board, Commissioner Kirtland moved to adjourn the meeting. Commissioner Springer seconded. Unanimously carried. The meeting was adjourned at 6:35 pm.

APPROVED AND ADOPTED THE 16th DAY OF JULY, 2002.

Signature on File

Steve Ammentorp, Chairman

ATTEST:

Signature on File

David J. Anderson, Clerk