

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

October 15, 2002

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

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

**ALSO PRESENT:** Authority Attorney Mike Grattan of Younge & Hockensmith, P.C.; Chuck Mitisek of Grand Valley Power; Marty Dana of Dana Motors, Inc.; and Jack Oakley and Damian Lucero of MGM Rental, LLC.

### I. CALL TO ORDER

The meeting was called to order at 5:19pm.

### II. APPROVAL OF AGENDA

Manager Nystrom requested that Consent Agenda Item D- "Assignment of Rental Car Concession Agreement from Dana Motors, Inc., dba National Car Rental, to MGM Rental, LLC" be moved to Action Item A to allow Authority Attorney Mike Grattan to provide additional information to the Board.

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

### III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

### IV. CONSENT AGENDA

#### A. Minutes: September 17, 2002 Regular Board Meeting

**B. Acknowledgement of Receipt of August, 2002 Financial Statements**

On the Statement of Operations, year-to-date operating revenues are 17.8% higher than budgeted and year to date operating expenses are 5.9% lower than budgeted. The net result is an income to retained earnings balance of \$313,617. The income to retained earnings reflects revenues of approximately \$179,000 for security/law enforcement cost reimbursements from Airport Improvement Program (AIP-25) and the Transportation Security Administration (TSA).

Rental cars, aviation fuel tax, non-military governmental operations (leases and landing fees), airline, and parking revenues exceeded budget projections (year to date). Close monitoring of expenses during the month resulted in year to date operating expenses that are less than what was budgeted.

On the Balance Sheet, non-restricted cash/investments decreased slightly (less than 1%). Accounts receivable decreased \$15,090, reflecting the receipt of several large customer payments. Accounts payable increased \$10,923, reflecting the receipt of several large vendor invoices, and PFC funds increased \$25,310 with continued program collections. Land, Buildings, and Equipment increased \$44,354 with expenditures towards the Runway 4/22 general aviation area expansion, fingerprint processing system, passenger security screening checkpoint modifications, and air cargo area projects.

Overall, August yielded favorable financial performance for the Authority.

**C. Resolution No. 2002-022: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado**

At the August, 2002 Board Workshop, August, 2002 Regular Board Meeting, and the September, 2002 Regular Board Meeting, information was provided regarding the "Airfield-Public Use" cost center and how to accelerate the timeframe in which that cost center would breakeven. In addition to the existing Consumer Price Index (CPI-U) adjustments, to breakeven in 2007 would require increasing landing fees and general aviation fuel flowage fees approximately 1.5% annually.

Airfield operators and tenants were notified of the proposed changes and were invited to provide written comments and/or attend the September, 2002 Regular Board Meeting for additional discussions. No comments were received.

A fingerprint processing fee of \$50 is also included within the proposed changes in an effort to offset Staff time and equipment costs associated with the Transportation Security Administration (TSA)—mandated processing of fingerprints for FBI criminal background investigations. The background investigations are necessary for all airport employees seeking unescorted access to the Security Identification Display Area (SIDA) as a part of their job requirements. The proposed effective date of the amended Fees and Charges is October 16, 2002.

Staff recommended that the Board approve Resolution No. 2002-022: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado and authorize the Chairman to sign the Resolution on behalf of the Authority.

Vice Chairman McCormick asked if the Airport Authority tenants had been informed that the proposed amendments to fees and charges would be on the agenda and if Staff had received any input from the tenants. Staff stated that the tenants had been notified of the meeting and no written or verbal comments were received from any of the tenants.

**D. Request by Grand Valley Power for Non Exclusive Utility Easement**

Grand Valley Power (GVP) requested a 20-foot by 150-foot easement south of Interstate 70 and north of the Highline canal near 28 Road for a 12,400 volt distribution overhead pole line. The purpose for the easement is to provide electric service to School District 51, City of Grand Junction, and privately held property. Additionally, the proposed electric line completes a loop for subdivisions west of 29 Road. If approved, the standard Walker Field Airport Authority easement form will be used for this easement.

He stated that there would be no structures built on the new easement. Instead, the plans are to install distribution lines with all of the poles to be located on the existing easement.

Staff recommended that the Board approve the request by GVP for the non-exclusive utility easement and authorize the Chairman to sign the non-exclusive easement on behalf of the Authority, contingent upon:

- Receipt and approval of the final easement survey and plat by Authority Staff;
- Submittal by GVP and approval by the FAA of Form 7460-1 for construction within the easement; and
- The non-exclusive easement be recorded by GVP at the Mesa County Clerk and Recorder's Office.

**E. Bid Award and Contract Agreement for West End Terminal Building Repairs and Air Carrier Ramp**

Following an advertisement for bids to repair a column in the west end of the terminal building, as well as boiler heat water lines and concrete repair on areas of the air carrier ramp, Staff received bids from two firms for all schedules of the repair work as described in the bid documents. The successful bidder was Mays Concrete Specialties, Inc. The contract amount will be \$138,590.

The Board previously authorized the expenditure of \$145,000 for these projects separately, of which \$139,340 remains after engineering and design work. As a part of this Board Meeting, Staff presented (as a separate agenda item) a request for an additional \$13,500 contingency for the project, for a total budgeted amount of \$158,500. These projects will commence as soon as possible to meet a deadline of December 15, 2002. The terminal building tenants and air carriers will be consulted to minimize interruptions, and foot bridges will be installed to minimize traffic flow issues. The scope of these projects will consist of the following:

- Schedule I- Specified repair work to the column, sub grade beam and adjacent slabs on column L6 located in the terminal building. Drilled piers will be installed to raise and stabilize the column and adjacent areas;
- Schedule II- Specified work to repair the heat line piping located under the slab flooring adjacent to the L6 column extending to the J7 column located in front of the Thrifty Car Rental counter. This will include excavation of the existing flooring slab, repairing the boiler line and reinstalling the affected slab areas;
- Schedule IIIA- Removal and reinstallation of damaged concrete slabs, slab jacking uneven slabs, overlay and repair of specified slabs, and removal and replacement of sealant between each slab within the area specified on the bid documents;
- Schedule IIIB- Installation of Helical Piers for stabilization of the retaining wall adjacent to Gates 1 and 2 of the ramp area.

Staff recommended that the Board award the bid to Mays Concrete Specialties, Inc. for Schedules I, II, IIIA and IIIB and approve the contract with Mays Concrete Specialties, Inc. for the amount of \$138,590. Staff also requested that the Airport Manager be authorized to sign change orders up to \$10,000 as needed and that the Chairman be authorized to sign the Contract Agreement on behalf of the Authority.

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

## V. ACTION ITEMS

### A. Assignment of Rental Car Concession Agreement From Dana Motors, Inc., dba National Car Rental, to MGM Rental, LLC

At the May 15, 2001 Regular Board Meeting, the Board approved an assignment of a Rental Car Concession Agreement from Dana Motors to BBD Enterprise, LLC. The parties involved at that time were scheduled to close the sale on June 1, 2001. However, National Car Rental (franchisor) filed a voluntary petition for Chapter 11 bankruptcy protection, which delayed the sale. In the interim, BBD Enterprise, LLC ceased to exist, but William S. McDonald, the primary partner in BBD Enterprises, LLC, is the sole owner of MGM Rental, LLC. Both parties now wish to assign the concession agreement to MGM Rental, LLC.

Authority Attorney Grattan presented the Board with information regarding legal issues that could arise from the assignment in part because in the near future, the Grand Junction National Car Rental franchisee will be required by the parent company to become a National/Alamo concessionaire.

Staff recommended that the Board approve the assignment from Dana Motors, Inc. to MGM Rental, LLC and authorize the Chairman to sign the assignment on behalf of the Authority, subject to Authority Attorney Grattan's review and approval of all legal documents and subject to the following:

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

Commissioner Springer moved to approve the assignment from Dana Motors, Inc. to MGM Rental, LLC subject to the contingencies recommended by Staff. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

**B. Bid Award and Contract Agreement for Terminal Building Restaurant Renovations**

Staff received quotes for: (1) removal/demolition of the existing west wall of the restaurant, (2) relocation and installation of necessary plumbing and electrical for reconfigured Coffee Time operations, and (3) installation of additional tile flooring in the new food prep area.

Two (2) price quotes were received for this work—K&G Enterprises (\$14,440) and J. Dyer Construction, Inc. (\$17,092). The Board has previously authorized up to \$19,500 for this work. Commissioner Springer inquired how Coffee Time could provide food and beverage products in the secured portion of the passenger boarding area. Manager Nystrom responded that Coffee Time has expressed interest in possibly locating a food cart inside the secured passenger boarding area.

Staff recommended that the Board approve K&G Enterprises' quote of \$14,440 and authorize the Chairman to sign the contract agreement with K&G for terminal building restaurant renovations. Staff also recommended that the Board authorize the Airport Manager to sign change orders for up to \$2,000.

Vice Chairman McCormick moved to award the bid and approve the contract agreement with K&G Enterprises for terminal building restaurant renovations, authorize the Chairman to sign the contract agreement on behalf of the Authority, and authorize the Airport Manager to sign change orders for the project up to \$2,000. Commissioner Kirtland seconded. Voice Vote: all ayes. Motion carried.

**C. Bid Award and Contract Agreement for Terminal Building Renovations: New Gift Shop Construction**

Staff received pricing quotes for the construction of a new gift shop to be located inside the terminal building passenger boarding area. The scope of work consists of the installation of free-standing glass partitions, an 8' wide sliding glass door, new electric outlets, and new lighting tracks for merchandise. The overall dimension of this new gift shop will be approximately 28' by 18'.

Two price quotes were received for this work—K&G Enterprises (\$21,613, not including additional electrical outlets and track lighting) and J. Dyer Construction (\$19,140). The Board has previously authorized up to \$23,000 for this work.

Vice Chairman McCormick inquired if the unused office space between the relocated passenger security screening checkpoint and the west passenger boarding area wall could be utilized as storage space for the gift shop. Staff commented that the space could be utilized for storage, but it would obstruct the newly-installed windows along that wall.

Staff recommended the Board approve J. Dyer Construction's quote of \$19,140, and authorize the Chairman to sign the contract agreement with Dyer for the new terminal building gift shop construction.

Commissioner Springer moved to award the bid and approve the contract agreement with J. Dyer Construction, Inc. for the new gift shop construction and authorize the Chairman to sign the contract agreement on behalf of the Authority. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

**D. Resolution No. 2002-023: Resolution to Secure Financing for Passenger Terminal Building Improvements and Upgrades**

In September, 2002 the Authority advertised a request for proposals (RFP) for up to \$1,500,000 financing to cash flow terminal building improvements and upgrades. The specific list of projects is in the process of being finalized, but preliminarily includes:

- Transportation Security Administration (TSA) Offices/Modifications
- Mezzanine Construction (2nd Floor)
- Relocate West (Down) Escalator
- Elevator Modifications
- Public Area Seating
- Building Roof Repairs
- Lighting Upgrades
- Observation Area
- Logo- Wall in Terminal Building
- Gift Shop/Concession Space Creation
- Contingency (10%)
- Fees/Permits (10%)

The recommended projects are derived from Board discussions, the Walker Field Airport Terminal Building Improvements Plan (approved by the Board in 1999), and the Authority Customer Service and Customer Relations Improvement Program. Eight (8) proposals were received from five (5) financial entities. Staff interviewed all five (5) entities to discuss the written proposals.

Because of the lowest overall financing costs to the Authority, including fixed interest rates with serial maturity dates, Staff recommended that the Board:

- select Stifel, Nicolaus & Co. (Denver) to serve as the underwriter for the issuance of serial maturity bonds (either insured or non-insured) on behalf

- of the Authority, with the Authority Attorney (Younge & Hockensmith, P.C.) to serve as bond counsel for the transaction;
- authorize Staff and Board members to facilitate the financing for the project and 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 and upon Authority Attorney review); and
- approve a Corporate Resolution to Borrow, or similar document associated with this transaction, to be labeled as Resolution No. 2002-023 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.

Staff commented that Stifel, Nicholas & Co. handled the refinancing of the Airport Authority bonds in 1993, and has worked on previous bond issuances for Denver International Airport.

Vice Chairman McCormick asked if the TSA has provided any commitment to lease the proposed newly created office space above the airline ticket office (ATO) areas. Manager Nystrom responded that the TSA has expressed interest in leasing the space and will consider signing a lease agreement for that space prior to the construction, with lease payments to commence upon receipt of a certificate of occupancy.

Vice Chairman McCormick moved to adopt Resolution No. 2002-023 and approve the financing and selection of Stifel, Nicolaus & Co. as recommended by Staff. Commissioner Berryman seconded. Roll call: all ayes. Motion carried.

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

Current FY 2002 appropriated operating expenses total \$1,732,582 (excluding depreciation). If operating revenues and expenses for FY 2002 match exactly what was budgeted for the year, the December 31, 2002 non-restricted cash/cash reserves balance is projected to be \$600,409. This is a targeted objective for the Authority. 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.

Based on the results from the customer service survey and because of the favorable revenue and expense variances, Staff recommended the appropriation of funds for the following additional expenses and capital items:

Expenses:

Background Music for Terminal Building.....	\$300
Customer Service Training .....	3,000
Security Guard Service-Terminal Building .....	5,000

Capital:

Designated Outside Smoking Area Furniture .....	\$500
Playland (Non-Secured Area) Equipment .....	500

Clocks- Terminal Building .....	500
Storage Units for Airfield Tools.....	1,100
Office Space Modifications .....	3,785
Operations Radios (3).....	1,500
Term Bldg/Air Carrier Ramp Repairs (Add'l) .....	13,500
Terminal Building Lighting Control System .....	4,000
Luggage Carts (10).....	4,500
Carpet- Terminal Building Restaurant Renovations .....	5,000
Sidewalk Repairs.....	5,000
Former Lounge Area Upgrades.....	5,000
Gift Shop Glass Wall Removal/Repair.....	5,000
Floor Scrubber- Terminal Building .....	8,000
P.A. System Upgrades .....	4,000
<b>TOTAL .....</b>	<b>\$70,185</b>

Commissioner Berryman asked if the security guard service would require a separate agreement. Manager Nystrom commented that the additional hours would be included in the existing agreement. This item is a direct result of feedback received from the Authority’s customer service survey. Customers have expressed concern about security at night in the terminal building and parking lots. The added security guard patrol would be daily from 8pm until the arrival of the last flight for the evening (generally midnight), patrolling the terminal building and the parking lots.

Commissioner McCormack moved to approve the appropriation of funding for additional FY 2002 expenses and capital items. Vice Chairman McCormick seconded. Voice vote: all ayes. Motion carried.

**VI. DISCUSSION ITEMS**

Commissioner Springer commended Staff on their job of moving the construction projects forward and keeping the public well informed of the changes that are occurring at the Airport. He encouraged Staff to keep up the good work.

**VII. BOARD COMMITTEE REPORTS**

Vice Chairman McCormick reported that the ad hoc Personnel Committee will be meeting tomorrow with Manager Nystrom to discuss the results of the Customer Service Program survey results and how the information should be disseminated.

**VIII. AIRPORT MANAGER’S REPORT**

*A. Aircraft Runup Area*

Manager Nystrom stated that the construction of the aircraft run-up area is awaiting final approval from the FAA’s Flight Operations Division. Upon



approval of the height restrictions review (FAA Form 7460-1), construction can commence.

*B. Runway End Identifier Lights (REILs) for Runway 4/22*

Staff commented that the REILs should be operational soon. There were some items noted during the Authority Engineer's final inspection of the REILs, for which additional parts are required.

*C. Explosive Trace Detection (ETD) Units*

Staff has had additional discussions with Boeing regarding the placement of ETDs within the terminal building for the screening of airline passenger check-in luggage. Initial Boeing plans were for the placement of ETDs in the middle of the public lobby area on the first (1<sup>st</sup>) floor of the terminal building. Staff, the TSA, and incumbent air carriers are working with Boeing to find an optimum location for the ETDs.

**IX. OTHER ITEMS**

*Thank You for Air Show Committee*

Commissioner McCormack recommended that the Authority officially thank the Air Show Committee for all of its hard work in holding the recent air show at Walker Field. Manager Nystrom responded that the Authority will send a thank you letter to the Committee.

**A. Proposed FY 2003 Budget**

Staff provided the Board with an initial draft of the proposed FY 2003 Budget.

**B. November Board Workshop**

Manager Nystrom recommended discussing the proposed FY 2003 Budget and the results from the Authority's Customer Service and Customer Relations Improvement Program survey at the November Board Workshop. Because of scheduling conflicts, the consensus of the Board was to reschedule the Board Workshop to November 12<sup>th</sup>.

**X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Kirtland moved to adjourn the meeting. Commissioner Springer seconded. Voice vote: unanimously carried. The meeting was adjourned at 7:10 p.m.

APPROVED AND ADOPTED THE 29<sup>th</sup> DAY OF November, 2002.

**Signature On-File**

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

ATTEST:

**Signature On-File**

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David J. Anderson, Clerk