

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

November 19, 2002

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

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

**ALSO PRESENT:** Heather Dugan Copp of Stifel, Nicolaus & Co./Hanifen Imhoff; Bob Kretschman of the Grand Junction Daily Sentinel; Rene Dhenin and Steve Gilmore of the Transportation Security Administration (TSA); and Kirk Rider of Younge & Hockensmith, P.C.

### I. CALL TO ORDER

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

### II. APPROVAL OF AGENDA

Manager Nystrom requested that Consent Agenda Item E- "Amendment to Standard Contractor Agreement: Mays Concrete," be removed from the agenda and modify the title of Action Item A to "Bond/Disclosure Counsel Letter of Engagement for Financing Associated with Terminal Building Improvements."

Commissioner McCormack moved to approve the Agenda. 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: October 15, 2002 Regular Board Meeting

**B. Minutes: October 29, 2002 Special Board Meeting**

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

On the Statement of Operations, year to date operating revenues are 15.2% higher than budgeted and year to date operating expenses are 5.3% lower than budgeted. The net result is an income to retained earnings balance of \$325,174. 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 increased slightly (less than 1 %). Accounts payable increased \$7,623, reflecting the receipt of several vendor invoices at the end of the month, and PFC funds increased \$14,203 with continued program collections. Land, Buildings, and Equipment increased \$64,031 with expenditures towards the run-up area design, Airport Layout Plan (ALP) Update, fingerprint processing system, passenger security screening checkpoint modifications, and air cargo area projects.

Overall, September yielded favorable financial performance for the Authority.

**D. Resolution No. 2002-024: Resolution to Renew Line of Credit for Cash Flow and Cash Reserves Requirements**

As a part of the FY 2002 Budget, the Authority authorized the usage of \$300,000 of a line of credit for cash flow purposes and to ensure compliance with the Authority's Non-Restricted Cash Reserves Policy. Alpine Bank has approved a \$300,000 line of credit with materially the same provisions as the existing \$250,000 line of credit. Although the Authority is not required to advertise another request for proposals (RFP) for the line of credit, the Authority has the option to do so. The existing line of credit documents were reviewed and approved by Authority Attorney Grattan.

Staff recommended that:

- the Board approve Resolution No. 2002-024: Resolution to Renew Line of Credit for Cash Flow and Cash Reserves Requirements in the amount of \$300,000, with a fixed rate of 4.75% APR, with Alpine Bank; and
- the associated Corporate Resolution to Borrow (standard form to be provided by Alpine Bank), or similar document associated with this transaction to be labeled as Resolution No.2002-024; and
- the Chairman, a Commissioner other than the Chairman or Vice Chairman, and Staff be authorized to sign the resolution and any documents necessary to renew the line of credit (in accordance with the Authority's Banking Resolution).

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. **Bond/Disclosure Counsel Letter of Engagement for Financing Associated with Terminal Building Improvements**

At the October 15, 2002 Regular Board Meeting, the Board approved the selection of Stifel, Nicolaus & Co. to serve as the underwriter for the issuance of serial maturity bonds on behalf of the Authority in the amount of approximately \$1,500,000, with the Authority Attorney (Younge & Hockensmith, P.C.) serving as bond counsel for financing associated with passenger terminal building improvements.

The proposed fee is an amount not to exceed \$25,000 plus expenses, which will be reimbursed from the bond proceeds. These fees are not payable unless and until the bonds are sold and were anticipated and factored into the comparisons of the various financing options. If the issue does not close for any reason, the Authority will need to reimburse Younge & Hockensmith, P.C. for its expenses up to \$1,000.

Heather Dugan Copp of Stifel, Nicolaus & Co. and Authority Attorney Kirk Rider provided the Board with an overview of the proposed transaction. Vice Chairman McCormick inquired as to how much discretion the Authority has regarding the types of projects for which the bond proceeds would be used. Attorney Rider responded that the Authority has broad latitude in its designation of the use of the bond proceeds at this time. The POS does not specify exact projects. The bond resolution, which will need to be adopted at a later date, will more clearly define the projects.

Chairman Ammentorp inquired if most buyers would be institutional buyers. Ms. Dugan responded that, with this small of a bond issuance, institutional buyers are the typical purchasers. Commissioner Springer inquired what interest rate range can be expected from this issuance. Ms. Dugan stated that the rates are expected to be competitive, and the anticipated rates will be more apparent as the bonds get closer to the issuance date. Currently, typical interest rates for this type of issuance are between 2.3% and 3.5%.

Commissioner Kirtland asked about the preferred timing of the issuance. Ms. Dugan responded that Stifel, Nicolaus & Co. is interested in completing the documents as soon as possible. Once the documents are completed, they will wait for an optimum time to issue the bonds.

Vice Chairman McCormick inquired if investing some of the proceeds from the bonds would be allowed. Attorney Rider noted that not only is it allowed, it is encouraged. Investing unused proceeds helps to offset the interest expense. Vice Chairman McCormick inquired if the \$25,000 bond/disclosure counsel fee was included in Stifel, Nicolaus & Co.'s proposal. Mr. Anderson responded that fees

associated with this type of financing were factored into the analysis of the different financing proposals.

Staff recommended that the Board approve the Letter of Engagement with Younge & Hockensmith, P.C. to perform bond/disclosure counsel services associated with the financing for the passenger terminal building improvements and upgrades and authorize the Chairman to sign the Letter of Engagement on behalf of the Authority.

Vice Chairman McCormick moved to approve the Letter of Engagement with Younge & Hockensmith, P.C. to perform bond/disclosure counsel services associated with the financing for the passenger terminal building improvements and upgrades and authorize the Chairman to sign the Letter of Engagement on behalf of the Authority. Commissioner Kirtland seconded the motion. Voice vote: all ayes. Motion carried.

**B. Request for Approval and Appropriation of Funding for Additional FY 2002 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 \$608,709. This is a targeted objective for the Authority.

Because of the favorable revenue and expense variances in 2002, Staff recommended the appropriation of funds for the following capital items:

<u>Capital:</u>	
Security Screening Modifications.....	\$12,000
Terminal Building Tile Replacement.....	18,000
Airline Ticket Counter Renovations .....	<u>3,000</u>
<b>TOTAL.....</b>	<b>\$33,000</b>

Staff provided the Board with an updated layout of the proposed security screening modifications and improvements to the 2<sup>nd</sup> floor of the passenger terminal building. Vice Chairman McCormick inquired if the plans allow for additional expansion to the meeters/greeters area at a later date. Staff responded that the plans call for initial expansion of the meeters/greeters area by approximately 3-4 times the existing space. This space can be expanded even more at a later date. To allow for future expansion of the meeters/greeters area, Vice Chairman McCormick recommended that the space which will initially be utilized for a business center be reserved for future meeters/greeters area.

Commissioner Berryman inquired about the locations for the proposed tile replacement. Staff responded that the terminal building tile replacement was prompted by the amount of tile that will need to be replaced as a part of structural repair projects that necessitate the excavation of large floor areas, plus tile for the new exit from the secured passenger boarding area (former gift shop area). Given the amount of tile to be replaced, Van Sant recommended that any old tile removed as a part of a renovation project be replaced with new colors and styles that have

been selected as a part of the existing Terminal Building Improvements Study. The requested appropriation will cover the cost difference for removing tile as part of existing projects, restocking, and extra tile for use at a later date. Approximately 4,000 sq. feet of tile will be replaced with the new tile.

Commissioner Kirtland moved to approve the appropriation of funds for the additional FY 2002 capital items. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

**C. Bid Award and Contract Agreement for Terminal Building Renovations: Passenger Screening Area**

Dyer Construction was selected by the Transportation Security Administration (TSA) to construct the modifications to the passenger screening area. Additionally, the Authority requested that the entire screening area be relocated approximately 18 feet north of the existing location, and the layout be modified to create the passenger exit lane (from the secured boarding area) into the area currently occupied by Open Range Gift Shop. As a result of TSA agreeing to this relocation, the following work would have to be completed, independent of the scope of modifications contracted to Dyer by the TSA:

- Relocate gift shop to new location in boarding area. This project has been approved by the Authority and is under way.
- Relocate existing non-secured (south facing) “store front” metal roll up gate; install additional 8 linear feet of glass wall to assist TSA in moving the screening area 18 feet north; Est. Cost = \$9,771
- Install additional 20 linear feet of glass wall separator between screening area and new exit (current gift shop location); Est. Cost = \$3,125
- Relocate existing secured (north side) metal roll up gate; Est. Cost = \$3,572. If installed, it will provide TSA with the same amount of after-hours security for the screening equipment that they currently have in the existing location, thus reducing the possibility of someone tampering with this equipment after-hours.

Staff worked with Dyer Construction on cost estimates and schedules for these additional modifications because Dyer is already performing the TSA related work on the passenger security checkpoint modifications. Additionally, several of Dyer’s employees have security clearance to perform necessary work in the boarding area.

Commissioner Gardner inquired how the airport will be affected by the construction during Thanksgiving. Staff responded that Dyer Construction would not work on the modifications until after Thanksgiving. Commissioner Berryman asked if Dyer Construction may be overloaded with projects. Staff stated that they are confident Dyer can meet the project timeframe requirements.

Staff recommended that the Board approve and authorize the Chairman to sign a standard contract agreement with Dyer Construction for the terminal building passenger screening area improvements for a not to exceed amount of \$17,000.

Commissioner Springer moved to approve and authorize the Chairman to sign a standard contract agreement with Dyer Construction for the terminal building passenger screening area improvements for a not to exceed amount of \$17,000. Commissioner Kirtland seconded. Voice vote: all ayes. Motion carried.

**D. Bid Award and Contract Agreement for Passenger Terminal Building Renovations: Passenger Boarding Bridges**

The Authority advertised a Request for Proposals to provide the manufacture, delivery, and installation of new, regional aircraft passenger boarding bridges. The acquisition of these boarding bridges is part of the approved Walker Field Airport Passenger Facility Charge program.

Two manufacturers responded with submittals:

- FMC Jetway, Ogden, Utah
- DewBridge, Ottawa, Ontario, Canada

After Staff and the Authority's Architect, the Van Sant Group, reviewed the submittals, interviews were held November 7<sup>th</sup> with both bidders. Based on the interviews and additional related information received from the manufacturers, Staff and the Van Sant Group recommended DewBridge as the preferred manufacturer with a final cost proposal of \$283,755 per boarding bridge, which includes installation. FMC Jetway's final cost proposal was \$310,359.

Commissioner Springer inquired if there are any aircraft currently serving, or projected to serve, Walker Field Airport that would not be able to utilize these boarding bridges. Manager Nystrom responded that these boarding bridges are compatible with all scheduled commercial passenger aircraft currently serving, or projected to serve, Walker Field Airport in the near future. Whether an air carrier chooses to utilize the boarding bridges for specific aircraft is up to the airline.

Commissioner Springer asked whether DewBridge has installed boarding bridges at airports in close proximity to Grand Junction. Staff responded that the nearest airport with a DewBridge boarding bridge is Elko, Nevada. Staff noted that most of the DewBridge boarding bridges are located at airports in the upper midwest and other locations with more extreme weather conditions than in the west. DewBridge has an office in Las Vegas, and its sales representative for Walker Field is based in Canon City, Colorado.

Vice Chairman McCormick inquired about the warranty for the DewBridge boarding bridges. Manager Nystrom responded that the boarding bridges come with a one (1)-year warranty once installed. At the end of the warranty period, a maintenance hotline is available to assist Authority Staff with troubleshooting any repair issues. DewBridge will supply the Authority with recommended spare parts and a preventive maintenance plan. DewBridge indicated that it will train Authority staff to handle the majority of the issues that might arise. Staff will not need to obtain additional maintenance certifications in order to maintain the boarding bridges.

Vice Chairman McCormick expressed concern that, based on a recent newspaper article, the boarding bridges may not be utilized often. Manager Nystrom responded that the idea to purchase the boarding bridges was initiated by the airline corporate offices. Manager Nystrom commented that in addition to airline approval for the acquisition of the boarding bridges, positive comments were received from the customer service surveys regarding the plans to install the boarding bridges.

Commissioner Springer inquired about the projected useful life of the boarding bridges. Staff responded that twenty (20) years is the projected useful life, although there are some airports that have boarding bridges which are approximately forty (40) years old.

Staff recommended that the Board approve the bid award to DewBridge of Ottawa, Ontario, Canada, and authorize the Chairman to sign a contract agreement with DewBridge in the amount not to exceed \$567,600, pending Authority Attorney review and approval of the agreement. Additionally, Staff recommended that the Board authorize the Airport Manager to sign change orders up to \$10,000.

Vice Chairman McCormick moved to approve the bid award to DewBridge and authorize the Chairman to sign a contract agreement with DewBridge in the amount not to exceed \$567,600, pending Authority Attorney review and approval of the agreement, and that the Airport Manger be authorized to sign change orders up to \$10,000. Commissioner Springer seconded. Voice vote: all ayes. Motion carried.

**E. Recommendation of Award and Contract Agreement for General Contractor/Construction Management Services**

The Authority advertised a Request for Qualifications and Proposals to provide general contractor and construction management services related to anticipated additions and improvements in the terminal building. Three (3) submittals were received within the specified timeframe, and one (1) was submitted too late for consideration. The four (4) submittals were:

- J. Dyer Construction, Inc.
- Phipps Newell Construction, Inc.
- FCI Constructors, Inc
- K&G Enterprises (submitted late, not considered)

Staff and Commissioners Berryman and Gardner, working as the selection committee, met and reviewed the individual submittals and interviewed representatives from Dyer, Phipps Newell, and FCI. Based upon the submittals and interviews, the committee recommended that the bid be awarded to FCI Constructors, Inc.

Commissioner Springer inquired if accepting FCI as the general contractor for the Authority would eliminate a measure of competitive pricing on projects, and what controls would be implemented to ensure that the Authority would not overpay for projects. Staff answered that each applicable project would come before the Board for review and approval. Commissioner Gardner stated that each project would

have a maximum price that the Authority would set. He added that this type of service is an industry-accepted practice.

Staff recommended the Board select FCI Constructors, Inc. to provide general contractor and construction management services to the Airport Authority and authorize the Chairman to sign a services agreement with FCI as drafted and approved by Authority Attorney Grattan.

Commissioner McCormack moved to approve the selection of FCI Constructors, Inc. to provide general contractor and construction management services to the Authority and authorize the Chairman to sign a services agreement with FCI as drafted and approved by Authority Attorney Grattan. Commissioner Berryman seconded. Voice vote: all ayes, except for Commissioner Springer, who voted against the motion. Motion carried.

**F. Right of Entry Agreement with the United States Government for the Transportation Security Administration**

Security screening functions at Walker Field are now conducted by the Transportation Security Administration (TSA). The TSA has requested to lease 1,641 square feet of office space in the terminal building on a temporary basis until permanent office space can be acquired. The proposed Right of Entry Agreement is for a term beginning November 1, 2002 and terminating on May 31, 2003. The rent paid to the Authority will be \$1,755.99 per month. Authority Attorney Grattan has reviewed the agreement to protect the Authority, and TSA's Contracting Officer has already signed the Agreement.

Vice Chairman McCormick inquired about the status of the contract agreement for long-term TSA office space. Manager Nystrom stated that the TSA has indicated it may be interested in long-term office space to be constructed by the Authority above the airline ticket offices (ATOs). If the Authority moves forward with the office construction, the TSA properties contractors have given verbal confirmation that they may be willing to sign a lease agreement for the new space prior to construction.

Staff recommended that the Board approve the Right of Entry Agreement with the U.S. Government for the TSA and authorize the Chairman to sign the agreement on behalf of the Authority.

Commissioner Springer moved to approve the Right of Entry Agreement with the U.S. Government for the TSA and authorize the Chairman to sign the agreement on behalf of the Authority. Vice Chairman McCormick seconded. Voice vote: all ayes. Motion carried.

**G. Airport Manager Salary Adjustment**

Vice Chairman McCormick stated that the ad hoc Personnel Committee met and discussed the Airport Manager's performance evaluation. Based on an annual evaluation completed in April, 2002, the Airport Manager's salary was increased 2.1%, which was based on the Consumer Price Index (CPI-U) adjustment. At the time of that evaluation, the Committee identified three (3) benchmark times during the year for the Committee to consider additional salary adjustments based on the



Airport Manager's performance. The first evaluation date was September 30, 2002.

Based on the September 30, 2002 evaluation, the Committee recommended that the Board approve an increase of 2.0% to the Airport Manager's salary, with an effective date of October 1, 2002.

Vice Chairman McCormick moved to approve a 2.0% increase to the Airport Manager's salary, with an effective date of October 1, 2002. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

## **VI. DISCUSSION ITEMS**

### **A. Proposed FY 2003 Budget**

Manager Nystrom commented that the notice for the public hearing of the proposed FY 2003 Budget will be published in the Daily Sentinel. The notice will indicate that the budget will be considered at the December, 2002 Regular Board Meeting. The consensus of the Board was to review the proposed FY 2003 Budget again at the December Board Workshop. It was initially reviewed at the November Board Workshop.

## **VII. BOARD COMMITTEE REPORTS**

There were no Board Committee reports.

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

Commissioner Berryman inquired when the first floor bathrooms would be completed. Manager Nystrom responded that as soon as some lighting and extra tile work is finished, the restrooms will be opened.

Commissioner Kirtland asked when the new additional terminal building food/beverage concession will commence operations. Manager Nystrom stated that she has requested additional information from the proposed concessionaire. Once this information is provided to her satisfaction, she will sign the Building Use and Lease Agreement authorizing them to provide their service.

Commissioner Berryman inquired about the status of Coffee Time's hours of operation. Staff commented that Coffee Time has been opening at approximately 6:00am and remaining open until approximately 6:30pm. However, Coffee Time is closed from approximately 1:00pm until 3:30pm. Vice Chairman McCormick stated that the Authority needs to address the afternoon closure.

**IX. OTHER ITEMS**

*A. December Board Workshop*

Staff is in the process of updating the proposed FY 2003 Budget for the December Board Workshop and is drafting documents for the upcoming rental car concessions bid process to be discussed at the January Board Workshop.

**X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner McCormack moved to adjourn the meeting. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

The meeting was adjourned at 7:27 p.m.

APPROVED AND ADOPTED THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 2002.

**Signature on-File**

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

ATTEST:

**Signature on-File**

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