

Walker Field Airport Authority

Minutes of the Regular Board Meeting

April 15, 2003

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

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

ALSO PRESENT: Larry Rowan of Dalby, Wendland & Co., P.C.; Mike Skelton of Budget Rent A Car System, Inc.; Mike Foutz of FCI Constructors, Inc.; Chuck Pabst of Westrac, Inc. (dba Thrifty Car Rental); Don Bush; and Pauline Bynum.

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Manager Nystrom requested that Action Item D- "American Aviation Accounts Receivable Update" be added to the Agenda.

Commissioner McCormack moved to accept the Agenda, Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Don Bush and Pauline Bynum addressed the Board regarding a request to install a display at the airport regarding the history of aviation in the Grand Valley. Mr. Bush further commented that he would like to see a flag installed at Aviators' Memorial Park. Mrs. Bynum felt that passengers in the terminal building boarding area would enjoy viewing a display including model airplanes, flight logs, and historical data. Mrs. Bynum commented that both her family and the Lions Club were interested in helping finance the proposed project. Mrs. Bynum is related by marriage to Tom Clark, an aviation pioneer from the 1930s.

Chairman McCormick stated that he is in favor of locating displays at the airport, but accuracy of the displays must be ensured. Additionally, he requested that the Board review this issue and develop specific guidelines pertaining to displays at the airport.

IV. CONSENT AGENDA

A. Minutes: March 18, 2003, Regular Board Meeting

B. Acknowledgement of Receipt of January, 2003, Financial Statements

Several changes have been made to the structure of the Authority's financial statements to comply with recent revisions to Governmental Accounting Standards Board (GASB) Statement No. 33—"Accounting and Financial Reporting for Nonexchange Transactions." The changes primarily affect the classification of passenger facility charges (PFCs) and state and federal grant receipts.

On the Statement of Operations, year-to-date operating revenues are 2.1% lower than budgeted, and year-to-date operating expenses are 8.8% lower than budgeted. The net result is an income to retained earnings balance of \$226,612, which is 5.2% higher than budgeted. The income to retained earnings reflects a budgetary transfer of \$250,000 from retained earnings into the operating fund that was included as a part of the FY 2003 Budget as a non-cash entry to offset depreciation.

Airline landing fees and parking revenues exceeded budget projections (year to date). Because of reduced aircraft operations (takeoffs and landings), general aviation revenues are under budget. Close monitoring of expenses during the month resulted in year-to-date operating expenses that are less than the budgeted amount.

On the Balance Sheet, nonrestricted cash/investments decreased 24.7% as a result of the payment of several large capital project invoices. This also resulted in a \$644,838 decrease in accounts payable. PFC funds increased \$17,572 (net) with continued program collections and expenditures for the boarding area expansion project. Land, Buildings, and Equipment increased \$49,602 with expenditures towards:

- PFC boarding area expansion project
- Landscaping along Walker Field Drive and terminal building public parking lot
- General aviation area expansion
- Design work associated with the relocation of Landing View Lane, cargo facility, and security access system.

Overall, January yielded favorable financial performance for the Authority.

C. Acknowledgement of Receipt of February, 2003 Financial Statements

On the Statement of Operations, year-to-date operating revenues are 0.9% lower 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 \$130,621, which is 27.4% lower than budgeted. The income to retained earnings reflects a budgetary transfer of \$250,000 from retained earnings into the operating fund that was included as a part of the FY 2003 Budget as a non-cash entry to offset depreciation.

Parking revenues and fuel tax revenues exceeded budget projections (year to date). Because of reduced military aircraft operations (takeoffs and landings), military fuel flowage revenues are under budget. However, close monitoring of expenses during the month resulted in year-to-date operating expenses that are less than the budgeted amount.

On the Balance Sheet, nonrestricted cash/investments decreased 3.8% primarily as a result of the first (1st) of three (3) payments to the Colorado State Infrastructure Bank (SIB) loan program. The SIB loan proceeds have been utilized for several capital projects, including the aircraft runup apron, general aviation area expansion, and design work associated with the air cargo facility.

Accounts payable increased \$122,749 as a result of the receipt of several large vendor invoices. PFC funds decreased \$13,911 (net) with continued program collections and expenditures for the boarding area expansion project. Land, Buildings, and Equipment increased \$161,978 with expenditures towards:

- PFC boarding area expansion project
- Terminal building column/floor repairs, lighting and signage upgrades, and furniture acquisition for the meeters and greeters area
- General aviation area expansion
- Design work associated with the relocation of Landing View Lane, cargo facility, and security access system

Restricted Assets includes the addition of the terminal building revenue bond proceeds and PFC enterprise revenue notes proceeds. Long-term debt (and applicable current portions) reflect these financing transactions.

Overall, February yielded forecasted financial performance for the Authority.

D. Modification to Master Ground Lease No. DTFA 11-93-L-15461 with the United States of America

The United States of America (Government) leases nine separate parcels from the Authority for navigational and landing aids. Recently, the Government installed a localizing directional aid (LDA) serving Runway 29. The parcel on which the LDA is located consists of 4,590 square feet. The Master Ground Lease provides for the addition or deletion of parcels with both Government and Lessor approval.

Staff recommended that the Board approve the Modification to Exhibit No. 10 to Lease No. DTFA11-93-L-15461 with the United States of America to include the property on which the LDA is located and authorize the Chairman to sign the Modification on behalf of the Authority.

E. Standardized Off-Airport Rental Car Agreement

In order to eliminate any potential discrepancies with the new On-Airport Rental Car Agreement, Staff and Authority Attorney Grattan have made changes to the standardized Off-Airport Rental Car Agreement that include the Authority's ability to (1) designate the customer pickup location, requiring that the customer pickup be prearranged, (2) allow multiple branding, and (3) align revenue definitions with those included in the On-Airport Rental Car Concession Agreement.

Chuck Pabst of Westrac, Inc. dba Thrifty Car Rental commented that due to the uncertainty of the arrival time of certain passengers, Thrifty needs to be present at the airport during various times of the day to meet customers whose flight schedules may have been changed. Their purpose would be to pick up prearranged passengers, not to solicit new customers. However, there is some concern as to whether Section 1A(a) of the proposed Agreement will allow such operations by the rental car concessionaire.

Staff recommended that the Board approve the revised Off-Airport Rental Car Agreement for use with off-airport rental car providers effective May 1, 2003, contingent upon revising the wording of Section 1A(a) to address Thrifty's concerns without materially affecting the provisions of the Agreement.

F. Off-Airport Rental Car Agreement with Westrac, Inc. dba Thrifty Car Rental

The current On-Airport Rental Car Concession Agreement with Westrac, Inc. expires April 30, 2003. Westrac is requesting to enter into an Off-Airport Rental Car Agreement with the Authority for a period of five years, beginning May 1, 2003, and expiring April 30, 2008. The Agreement includes the provision that either party may terminate the Agreement upon 30 days' prior written notice to the other party of said termination.

Staff recommended that the Board approve the standard Off-Airport Rental Car Agreement with Westrac, Inc., and that the Chairman be authorized to sign the Agreement on behalf of the Authority, contingent upon:

- Receipt of a signed Agreement by Westrac, Inc.
- Receipt of the required security deposit from Westrac, Inc.
- Receipt of all money currently owed by Westrac, Inc., to the Authority being paid through April 30, 2003.

G. Off-Airport Rental Car Agreement with Farabee Adventures, Inc. dba Budget Rent-A-Car

The current Off-Airport Rental Car Agreement with Farabee Adventures, Inc. dba Budget Rent-A-Car (Farabee) expires April 30, 2003. Farabee requested to enter into a new Off-Airport Rental Car Agreement for a five-year term, beginning May 1, 2003, and expiring April 30, 2008. The Agreement includes the provision that either party may terminate the Agreement upon 30 days' written notice.

Staff recommended that the Board approve the Authority's standard Off-Airport Rental Car Agreement with Farabee and authorize the Chairman to sign the Agreement on behalf of the Board, contingent upon:

- Receipt of signed Agreement by Farabee.
- Receipt of the required security deposit from Farabee.
- Receipt of all money currently owed by Farabee to the Authority being paid through April 30, 2003.

H. Resolution No. 2003-007: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado

Part 7 of the Fees and Charges for the Airport includes fees for the use of Authority supplies and services, including identification (ID) cards, photographs, and fingerprints. For many years, the Authority has charged an initial ID card issuance fee of \$10 for airport employees and \$50 for contractors performing work at the airport. Last year, a fee of \$50 was added to the Fees and Charges to help offset the costs of collecting, transmitting, and filing fingerprint information for any individual needing such service (e.g., as a requirement for obtaining access to secure areas on the airport).

Per Transportation Security Administration (TSA) regulations, background investigations, including fingerprint checks, are required for many contractors prior to their obtaining an ID badge, which allows them to work on projects in secure areas at Walker Field. Under the current Fees and Charges, the combined costs total \$100 per contractor employee. Based on a recent review of Authority Staff time and resources necessary to provide these services (including photos), Staff recommends the following changes to these fees with a proposed effective date of April 16, 2003:

- ID Cards- Initial Issue- Airport Employees \$10
- ID Cards- Initial Issue- Contractors \$10
- Photos for Non-Airport Personnel IDs, Per Exposure \$5

These changes to the Fees and Charges for Walker Field are applicable to all Users (as defined within the Fees and Charges document) of WFAA supplies and services.

Because there are several construction projects scheduled to commence within the next couple of months that will require a number of contractor employees to obtain ID badges, Staff recommended that these proposed changes to the fees be approved.

I. Bid Award and Services Agreement for Aircraft Rescue Firefighting Air Packs

A Request for Proposals was advertised for eight (8) new self-contained breathing apparatus kits to be used for aircraft rescue and firefighting emergency response. Two (2) bids were received—Wheatland Fire (Scott's) and Front Range Fire (MSA). Both bids were within the budget amount of \$30,000. However, Front Range Fire's bid did not meet specifications.

Staff recommended that the Board accept the bid from Wheatland Fire in the amount of \$28,896 because its bid meets the required specifications for the self-contained breathing apparatus kits.

Staff also recommended that the Board approve a standardized Services Agreement with Wheatland Fire and authorize the Chairman to sign the Agreement on behalf of the Authority.

J. Appointment of Deputy Clerk to the Board

The current Deputy Clerk to the Board is Charlie Novinskie. Since his reappointment to this position in January, Debbie Peterson has joined the Authority Staff as an Administrative Assistant.

Because of this organizational change, Staff recommended that Debbie Peterson replace Charlie Novinskie as the new Deputy Clerk to the Board (with David Anderson continuing to serve as Clerk to the Board).

K. Community Exhibit and Display Agreement with Jim Hutton

Jim Hutton, a local artist, has approached the Airport Authority to temporarily display two (2) paintings in the terminal building, entitled "The Scout," portraying a cowboy on a horse, and "Windswept," depicting a red rock canyon wall.

The standard Community Exhibit and Display Agreement is used for this type of display. The insurance provision in Paragraph 9 of the Agreement is eliminated, however, since the Airport Authority's "Property of Others" insurance provides up to \$30,000, aggregate coverage, and

\$10,000, fine art coverage.

Staff recommended that the Board approve the Community Exhibit and Display Agreement with Jim Hutton and that the Airport Manager be authorized to sign the Agreement on behalf of the Airport Authority.

Commissioner Ammentorp moved to approve the items on the Consent Agenda as presented. Commissioner Berryman seconded the motion. Roll call: all ayes. Motion carried.

V. ACTION ITEMS

A. FY 2002 Audit Report of the Walker Field Airport Authority Financial Statements

Larry Rowan of Dalby, Wendland & Co., P.C. presented the Board with the FY 2002 Financial Statements and Report of Independent Auditors. In their opinion, the financial statements present fairly, in all material respects, the financial position of the Authority as of December 31, 2002, and 2001. He noted that working capital is approximately \$1 million, which is consistent with the Authority's fiscal philosophy, and operating expenses were under budget. There was an increase in cash of approximately \$380,000, attributable primarily to the proceeds from the Colorado State Infrastructure Bank (SIB) loan proceeds received during 2002.

The recent Governmental Accounting Standards Board (GASB) changes in 2002 and the upcoming changes in 2004 (requiring additional management discussion and analysis elements) will result in more uniform financial statements for governmental entities.

Chairman McCormick inquired about the overall financial health of the Authority. Mr. Rowan stated that the airport appears to be in good financial health.

Commissioner Kirtland moved to accept the FY 2002 Walker Field Airport Authority Financial Statements and Report of Independent Auditors. Commissioner Springer seconded. Voice vote: all ayes. Motion carried.

B. Request for Approval and Appropriation of Funds for Additional FY 2003 Capital Items

Current FY 2003 appropriated operating expenses total \$1,815,944 (excluding depreciation). If operating revenues and expenses for FY 2003 match exactly the budgeted amount, the December 31, 2003, non-restricted cash/cash reserves balance is projected to be \$952,942. 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.

Because of the favorable FY 2003 year-to-date operating variances and the availability of general revenue bond proceeds for terminal building improvements, Staff recommended the approval and appropriation of funds for the following expense and capital items:

Expense:

Heightened Security Implementation \$19,000

Capital:

Elevator Modifications. 126,500

Rental Car Counter Upgrades.....	15,000
Rental Car Carpet Replacement.....	5,000'
Trash Receptacles.....	3,600
Exterior Signage Upgrades.....	2,000
Workstation Furniture.....	1,500
Map File Unit.....	1,000
TOTAL	\$173,600

Chairman McCormick inquired if the rental car carpet replacement project is a part of the scope of work contained in the Authority’s proposed Supplementary Agreement with FCI Constructors (presented to the Board as a separate Agenda Item). Manager Nystrom responded that it was not. She noted that the carpet will be installed by another vendor. Commissioner Ammentorp requested that Staff provide updated target nonrestricted cash/cash reserves balances based on each request for appropriations.

Commissioner Ammentorp moved to approve the appropriation of funds in the amount of \$173,600 for the additional expense and capital items. Commissioner McCormack seconded the motion. Voice vote: all ayes. Motion carried.

C. Supplementary Agreement with FCI Constructors for Terminal Building Improvements and Renovations – Rental Car Counters and Elevator Renovations

The proposed Supplementary Agreement with FCI Constructors covers the following projects in the passenger terminal building:

Elevator Renovations:	\$115,176	Total
Rental Car Counter Modifications:	\$ 15,000	Total

The elevator renovation is one of the bond proceeds projects. It consists of installing a new ADA and building code-compliant elevator cab with doors facing north and south on the first floor, removing the short aggregate walls and planters leading into the south side of the elevator on the first floor, adding new tile near the south-facing door on the first floor, and adding window tinting for the elevator glass. The rental car counter modifications are in conjunction with the relocation of all four of the rental car agencies. FCI’s work includes constructing a new counter shelf at National's new site, which is Hertz's existing location. It also includes replacing the old laminate facing on all of the rental car counters with new facing to match the airline ticket counters.

Commissioner Springer inquired about the difference in the \$126,500 requested in the previous request for additional FY 2003 Capital Items and the \$115,176 listed within the proposed Supplementary Agreement for the elevator renovations. Staff responded that the additional appropriated amount is a contingency for the project.

Vice Chairman Gardner inquired about whether “best price” bids would be utilized for these projects. Mike Foutz of FCI Constructors responded that they will solicit best price bids for most of the large portions of the project. The elevator portion of the project was not put out for a best price bid because this type of work is highly-specialized. The Authority has an existing maintenance agreement with Otis Elevator that covers the current equipment. He recommended that Otis Elevator complete the elevator renovations so that the existing maintenance agreement would also cover this work.

Staff recommended that the Board approve and authorize the Chairman to sign the Supplementary Agreement with FCI Constructors for renovations to the terminal building elevator and modifications to the rental car counters in the amount of \$130,176. Staff further recommended that the Board authorize the Airport Manager to sign change orders within the scope and body of the project of less than \$10,000 in aggregate.

Vice Chairman Gardner moved to approve and authorize the Chairman to sign the Supplementary Agreement with FCI Constructors for renovations to the terminal building elevator and modifications to the rental car counters in the amount of \$130,176 and authorize the Airport Manager to sign change orders within the scope, body, and budget of the project of less than \$10,000 in aggregate. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

D. American Aviation Accounts Receivable Update

Manager Nystrom provided the Board with an update regarding American Aviation's account with the Authority. American Aviation's account is over 90 days past due. American Aviation is a nonsignatory commercial aircraft operator that transports film out of Walker Field to be processed in Salt Lake City. American Aviation is billed monthly for its landing fees.

Pursuant to the Authority's Accounts Receivable Policy, an account that is over 90 days past due and over \$1,000 must be brought before the Board. American Aviation is 90 days past due in the amount of \$1,988.78, with a total past due amount of \$3,268.58. Until recently, American Aviation has paid the Authority on a monthly basis to maintain 60 days past due status on its account.

In prior delinquencies of this type involving a nonsignatory commercial aircraft operator, the Authority has requested that all fixed base operators at Walker Field cease providing fueling and other ground services to the delinquent operator.

The owner of American Aviation has indicated in prior conversations with Authority Staff that American Aviation is locked into unfavorable air freight agreements that were entered into prior to September 11, 2001. He stated that American Aviation is expecting a large check from one of its clients within a week and is planning to pay the Authority when that payment is received. He requested an additional week to make payment.

To provide the Authority with additional protections, Staff spoke with American Aviation and suggested entering into a Use Agreement with the Authority. If approved, the Use Agreement would qualify American Aviation for signatory landing fees, thus decreasing future landing fee amounts. The owner of American Aviation is receptive to this idea.

Staff commented that they felt the target window of opportunity for American Aviation to bring its account current and convert American Aviation to a signatory commercial aircraft operator is small. Commissioner Ammentorp inquired how the Authority has monitored the cessation of fueling and other ground services in the past. Manager Nystrom responded that tenants at Walker Field are required to comply with such requests as a part of their lease agreements. Not only can such cessation of service be monitored visually, but a review can be made of State aviation fuel tax records.

Staff recommended that the Board approve the cessation of ground services to American Aviation effective April 25th if its account is not brought current. Chairman McCormick recommended that

Staff work with American Aviation on a proposed Use Agreement.

Commissioner Kirtland moved to approve the notification of Walker Field ground service providers to suspend service to American Aviation effective April 25 if their account is not brought current. He moved further that American Aviation be offered a Signatory Use Agreement contingent upon bringing their account current and making a four-month security deposit. Commissioner McCormack seconded the motion. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

There were no Discussion Items.

VII. BOARD COMMITTEE REPORTS

Commissioner Springer stated that the ad hoc Personnel Committee will meet with Manager Nystrom tomorrow to receive an update on the WFAA Customer Service and Customer Relations Improvement Program.

VIII. AIRPORT MANAGER'S REPORT

Vice Chairman Gardner inquired about the outcome of the meeting with Mesa Air Group. Manager Nystrom responded that Mesa Airlines expressed optimism about working with United Airlines. United Airlines is having discussions with regional airlines such, as Mesa Airlines, to take over some of United Airlines' regional routes that are currently being served by SkyWest Airlines or Air Wisconsin.

Commissioner Berryman inquired if Staff is planning to move the eagle statue (located in front of the terminal building) into the terminal building. Staff responded that because of the weight and anchoring of the statue, they have spoken with FCI Constructors about moving the statue, and several options are being reviewed.

Vice Chairman Gardner inquired about Staff's upcoming meeting with the City of Grand Junction's Community Development Department. Staff responded that the City Planning Staff would like to establish clear guidelines regarding how to address airport development projects. Manager Nystrom reported that Staff will work with the City on this issue.

Chairman McCormick inquired about the proposed City of Grand Junction detention ponds and whether the potential drainage issues have been addressed. Manager Nystrom responded that the City is reviewing several options on how to mitigate those concerns for the proposed detention pond to be located on the west end of the airport. The City of Grand Junction may still need to lease a small parcel of airport property west of 27 ¼ Road.

IX. OTHER ITEMS

A. May Board Workshop

Chairman McCormick commented that the Board has not had a meeting with the Grand Junction City

Council and County Commissioners in approximately two (2) years. He suggested that the Board schedule a joint City/County meeting. Staff will contact the City Council and County Commissioners to determine a mutually-convenient date.

Chairman McCormick suggested that the Board revisit the resolution granting the Airport Manager authority to sign standardized agreements with the possibility that it be amended to include all standardized agreements. Vice Chairman Gardner suggested discussing this at a Board Workshop.

Manager Nystrom suggested that the May Board Workshop include a discussion about public displays at the airport, a capital projects update, and, if time allows, reviewing the possibility of increasing the Airport Manager's authority to sign all standardized agreements.

FCI Constructors Updated Project Schedule

Manager Nystrom supplied the Board with an updated project schedule for projects for which FCI Constructors is providing general contractor services.

Directions for Inclusion on Board Meeting Agendas

Manager Nystrom also supplied the Board with an updated document that outlines directions for the public to request items be included on a Board Meeting Agenda. These directions have been in place for several years and are provided to tenants on an annual basis to inform them of the deadlines for submitting items to be included on the Board Agenda.

Transportation Security Administration (TSA) Survey

Manager Nystrom informed the Board that the TSA performed a customer service survey, asking people who have gone through screening to provide the TSA with comments of their experiences with the passenger security screening process. The Board was provided with copies of the survey results.

Landing Fee Survey

Manager Nystrom provided the Board with copies of a landing fee survey Staff conducted in response to recent community feedback. The survey shows that Walker Field Airport offers some of the lowest landing fees (fourth lowest from Denver and second lowest from Salt Lake City) for those communities served by SkyWest's regional jets. Commissioner Springer commented that this information would be of interest to the general public and should be published in the newspaper. Chairman McCormick suggested supplying the information to the Chamber for inclusion in their newsletter.

Walker Field Tenant Meetings

Manager Nystrom commented that tenant meetings will be held on April 22, 2003 at 10:00 a.m., 3:00 p.m., and 5:00 p.m. She invited any interested Board members to attend.

Vehicle Parked for Extended Duration East of Airport

Commissioner Springer inquired about the bus parked adjacent to I-70 between the airport and the Grand Junction Motor Speedway. Staff commented that the situation has been investigated, and it was determined that the bus is parked on land owned by the State of Colorado.

X. ADJOURNMENT

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

The meeting was adjourned at 7:10 p.m.

APPROVED AND ADOPTED THE 20TH DAY OF MAY, 2003.

(Signature on file)

Robert McCormick, Chairman

ATTEST:

(Signature on file)

David J. Anderson, Clerk