

Walker Field Airport Authority

Minutes of the Regular Board Meeting

July 21, 2003 (as rescheduled from July 15, 2003)

BOARD COMMISSIONERS PRESENT: Miles McCormack James Gardner
Robert McCormick Karen Berryman
Roger Little

AIRPORT STAFF PRESENT: Corinne Nystrom David Anderson
Charlie Novinskie

ALSO PRESENT: Former Authority Commissioner Steve Ammentorp

I. CALL TO ORDER

The meeting was called to order at 7:06 a.m.

II. APPROVAL OF AGENDA

Manger Nystrom requested that Action Item C- "Resolution 2003-010: Revised Walker Field, Colorado, Public Airport Authority Development and Architectural Covenants" and Discussion Item A- "WFAA Rates and Charges Update" be removed from the agenda. Additionally, she requested that "Hall Property Acquisition" be added as Action Item C.

Commissioner McCormack moved to approve the agenda as amended. Vice Chairman Gardner seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Chairman McCormick introduced Roger Little as the new Authority Commissioner appointed by the City of Grand Junction.

IV. SPECIAL PRESENTATION TO BOARD COMMISSIONER STEVE AMMENTORP

Chairman McCormick presented Steve Ammentorp with a plaque in appreciation for Mr. Ammentorp's service as a Commissioner on the Authority Board. Mr. Ammentorp thanked the Board and Staff.

IV. CONSENT AGENDA

A. **Minutes: June 17, 2003 Regular Board Meeting**

B. **Acknowledgement of Receipt of May, 2003 Financial Statements/Accounts Receivable Report**

On the Statement of Operations, continued progress is being made in increasing the positive budget variance between operating revenues and operating expenses. Year to date operating revenues are slightly under budget (2.5%), but close monitoring of expenses have resulted in year to date operating expenses that are 8.0% lower than budgeted. Including depreciation of \$657,549, the net result is an income to retained earnings balance of \$124,185. Year to date Operating Income Before Depreciation (OIBD) is \$325,335. This amount is 13.5% higher than budgeted year to date.

Parking revenues and air cargo aircraft landing fees exceeded budget projections (year to date). Because of reduced military aircraft operations, military fuel flowage revenues are still under budget.

On the Balance Sheet, nonrestricted cash/investments increased 3.7% primarily from the receipt of several large customer payments. Land, Buildings and Equipment increased \$198,442 with expenditures for:

- Runway 4/22 general aviation expansion area- final vendor payments.
- Design work associated with the terminal building stairwell improvements, entryway renovations, and roof replacement.
- Design work and engineering for air cargo facility.
- Design work for passenger terminal building security access control system.
- PFC terminal building boarding area expansion project.

Accounts receivable decreased \$84,996 primarily as a result of the receipt of several large customer payments. Accounts payable decreased \$46,393 as a result of the payment of several large vendor invoices. PFC funds decreased \$79,831 (net) with continued program collections and expenditures for the terminal building boarding area expansion project.

Overall, May yielded positive financial performance for the Authority.

Commissioner Berryman moved to approve the items on the Consent Agenda. Commissioner Little seconded. Voice vote: all ayes. Motion carried.

V. ACTION ITEMS

A. **Use and Lease Agreement with Great Lakes Aviation, Ltd.**

Great Lakes Aviation, Ltd. requested to lease a total of 901.50 square feet of shared and exclusive space in the First (1st) Airline Ticket Office to begin operations (with nonstop service to Denver) on August 1, 2003. Great Lakes will

provide three (3) flights per day and will operate code share flights with Frontier Airlines.

The rent payable to the Authority is \$24.16 per square foot for Great Lakes' shared, exclusive, and non-exclusive space, and the estimated monthly rent to the Airport Authority would be \$1,815.02 plus anticipated landing fees of approximately \$1,149.00 per month.

Staff recommended that the Board approve the Use and Lease Agreement and authorize the Chairman to sign the Agreement on behalf of the Authority contingent upon receipt of:

- Security deposit in the amount of \$11,856.08.
- Insurance certificate naming the Authority as an additional insured.

Manager Nystrom commented that Staff received a faxed copy of the Agreement signed by Great Lakes and is waiting for the original to arrive by mail. There were a few last minute adjustments to the square footage of the ticket counter space in order to accommodate the equipment used by the Transportation Security Administration (TSA).

Chairman McCormick inquired if Great Lakes would be utilizing thirty (30) seat Embraer EMB-120 Brasilia aircraft for the flights to Denver. Manager Nystrom responded that Great Lakes indicated that it may eventually utilize the Brasilias if the market allows for it.

Vice Chairman Gardner asked about the duration of the Agreement. Manager Nystrom stated that the ending date of the Agreement is September 30, 2007, which corresponds with the end of the other Airline Building Use and Lease Agreements in the terminal building.

Vice Chairman Gardner moved to approve the Use and Lease Agreement with Great Lakes Aviation, Ltd. and authorize the Chairman to sign the Agreement on behalf of the Authority with the noted contingencies. Commissioner McCormack seconded. Voice Vote: all ayes. Motion carried.

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

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 capital items:

<u>Capital:</u>	
ARFF Vehicle Tires (2).....	\$5,000
Ice Machine Replacement	1,000
Ticket Counter Renovations and TSA Office Space and ETD Unit Relocations	12,000
Aircraft Passenger Boarding Stairs Repairs.....	6,200
Landside Signage Replacement	3,600
TOTAL	\$27,800

Because of insurance reimbursements and an intra-fund transfer of appropriated funds, the estimated actual costs to the Authority will be \$9,250.

Manager Nystrom commented that the ice machine, as well as most of the restaurant equipment utilized by Coffee Time for its restaurant concession operations, is owned by the Authority and leased to Coffee Time. Most of the restaurant equipment was obtained by the Authority through transfers from prior restaurant operators in lieu of payments of amounts owed to the Authority. Per its Building Use and Lease Agreement with the Authority, Coffee Time is responsible for the repair and maintenance of all equipment leased from the Authority.

Because Coffee Time is not in a financial position to replace the ice machine, Staff recommended that the Authority compromise with Coffee Time by replacing it this one (1) time only and leasing the new ice machine back to Coffee Time.

Regarding the airline ticket counter renovations and TSA office space and explosives trace detection (ETD) units, Manager Nystrom commented that funds for airline ticket office (ATO) ticket counter renovations had been previously appropriated as a separate project. She requested that these funds be reappropriated so that the TSA's office in the 1st ATO can be relocated to the Authority's new break room until the TSA offices on the second (2nd) floor of the terminal building are completed. The relocation is necessary to provide office space for Great Lakes Airlines near its passenger check-in/ticket counter.

For the damaged aircraft passenger boarding stairs, Manager Nystrom stated that an initial estimate to repair the stairs is \$6,200 because it is anticipated that the repair work will have to be performed on-site. The Authority will receive \$3,700 of insurance proceeds for the repairs. Chairman McCormick recommended Staff obtain additional quotes from local welders.

Commissioner Berryman moved to approve and appropriate funds for additional FY 2003 capital items in the amount of \$27,800. Commissioner Little seconded. Voice vote: all ayes. Motion carried.

C. W.R. Hall, L.L.C. Property Acquisition

The W.R. Hall, L.L.C. property consists of approximately fifteen (15) acres to the south of Landing View Lane. If acquired by the Authority, this property would be used for the relocation of Landing View Lane and the construction of a multiple-user air cargo facility. Because the property would be used for this purpose, the Authority can utilize federal funds for the land acquisition. The Authority has

been communicating regularly with the owners of the W.R. Hall, L.L.C. property during this process.

The FAA provides stringent guidelines and procedures for the acquisition of real property with federal funds. As a part of this process, the Authority contracted for an independent appraisal and a review appraisal to determine the fair market value of the property. The appraised value is \$535,000. Staff submitted an Offer to Purchase to W.R. Hall, L.L.C. for that amount. Following the Offer to Purchase, Staff met with Tom Hall, a representative of W.R. Hall, L.L.C., who provided the Authority with a counteroffer of \$600,000.

If the Authority wishes to proceed with accepting the \$600,000 counteroffer price, the Authority would need to provide the FAA with written justifications as to why the FAA should approve the higher purchase price instead of the appraised value.

Manager Nystrom stated that if the Authority decides to forego seeking FAA approval of the counteroffer price, the next step would be for the Authority to enter into a condemnation process. A condemnation process would be expensive and time consuming for the Authority and could tie up the Hall property for several years.

Commissioner Berryman asked which party would be responsible for the closing costs. Manager Nystrom responded that the Authority (as the purchaser) would pay the closing costs.

Staff recommended that the Board move forward with the acquisition of the property at the \$600,000 counteroffer price.

Vice Chairman Gardner moved for the Authority to proceed with acquiring the W.R. Hall, L.L.C. property at the counteroffer price of \$600,000 net. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

There were no Discussion Items.

VII. BOARD COMMITTEE REPORTS

There were no Board Committee Reports.

VIII. AIRPORT MANAGER'S REPORT

A. Sidewalk Lights

The first set of sidewalk lights, located across Walker Field Drive from the terminal building west entrance, have been installed.

B. Recruitment- Administrative Assistant

A recruitment is in-progress for an Administrative Assistant to replace Debbie Peterson, who resigned from her position. To assist with several projects until a new Administrative Assistant is selected, Staff has hired an independent contractor with many years of airport experience to work for the Authority on a contract basis.

C. Terminal Building Central Stairwell Renovations

Chairman McCormick inquired how much longer the central stairwell would be closed for renovations. Manager Nystrom responded that the stairs will be opened as soon as problems with the tile work have been remedied.

IX. OTHER ITEMS

A. August Board Workshop

The consensus of the Board was to discuss the Authority's rates and charges at the August Board Workshop. Additionally, Manager Nystrom noted that she would provide information from SkyWest's meeting with the Authority and community representatives.

In preparation for action by the Board at the August Board Meeting, Staff will distribute proposed changes to the Authority's Development and Architectural Covenants to all airport tenants for review and comments.

Chairman McCormick asked if the Board could review the concept of allowing more than four (4) rental car concessionaires to operate on-airport. Manager Nystrom responded that Staff can be prepared to include this topic on the next Board Workshop agenda.

Commissioner McCormack inquired if the rental car concessionaires would have to share their counter and office space if additional on-airport rental car concessions are allowed. Manager Nystrom stated that Van Sant Group, the Authority's architectural firm, designed an option for dividing the existing concession space locations in half, thus doubling the available locations. This option was included as a part of the Terminal Building Improvements Feasibility Study completed in 1999. The consensus of the board was to include this topic at the next Board Workshop.

Commissioner Berryman inquired about the Authority's meetings with the tenants for the proposed revisions to the Development and Architectural Covenants. Manager Nystrom noted that the meetings were well attended, and the tenants provided excellent feedback. Staff is in the process of including several of the tenant recommendations into the proposed revisions to the Covenants.

X. ADJOURNMENT

Commissioner McCormack moved to adjourn. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

There being no further business to come before the Board, the meeting was adjourned at 8:01 a.m.

APPROVED AND ADOPTED THE 19th DAY OF AUGUST, 2003.

Signature On-File

Robert W. McCormick, Chairman

ATTEST:

Signature On-File

David J. Anderson, Clerk