

Walker Field Airport Authority

Minutes of the Regular Board Meeting

September 16, 2003

BOARD COMMISSIONERS PRESENT: Miles McCormack James Gardner
Robert McCormick Karen Berryman
Roger Little Gregg Palmer
Craig Springer

AIRPORT STAFF PRESENT: Corinne Nystrom David Anderson
Ted Balbier Charlie Novinskie

ALSO PRESENT: Tom Hall of H.R. Aviation, L.L.C.; John Elmer of Build Tomorrow Now Committee; Mike Sutherland of Sky Adventures, L.L.C.; Mike Foutz of FCI Constructors, Inc.; Bob Kretschman of the Daily Sentinel; and Authority Attorney Mike Grattan of Younge & Hockensmith, P.C.

I. CALL TO ORDER

The meeting was called to order at 5:15 p.m.

II. APPROVAL OF AGENDA

Chairman McCormick requested that Action Item C- "Law Enforcement Personnel Reimbursement Agreement Between the Transportation Security Administration (TSA) and the Walker Field, Colorado, Public Airport Authority" be deleted from the agenda and discussed at a Special Board Meeting.

Commissioner Little moved to approve the agenda as amended. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

Commissioner Springer requested that Consent Item G- "Request for Approval and Appropriation of Funds for Additional FY 2003 Expense and Capital Items" be amended to exclude funding for Heightened Security Implementation until the Board has the opportunity to discuss the proposed Law Enforcement Personnel Reimbursement Agreement between the TSA and the Authority.

Additionally, Commissioner Springer requested that Consent Item H- "Supplementary Agreement with FCI Constructors, Inc. to Expand Terminal Building Boarding Area" be moved to Action Item C.

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

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: August 19, 2003 Regular Board Meeting

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

On the Statement of Operations, continued progress is being made to maintain a positive budget variance between operating revenues and operating expenses. Year to date operating revenues are slightly under budget (2.2%), but close monitoring of expenses have resulted in year to date operating expenses that are 7.5% lower than budgeted. Year to date Operating Income Before Depreciation (OIBD) is \$438,779. This amount is 13.0% higher than budgeted year to date.

Parking revenues and BLM Fire Center aircraft landing fees exceeded budget projections (year to date). Because of reduced general aviation and military aircraft operations, fuel flowage revenues are still under budget. Rental car revenues also continue to be less than budgeted.

On the Balance Sheet, nonrestricted cash/investments increased 2.3% primarily from the receipt of customer payments. Land, Buildings, and Equipment increased \$464,530 with expenditures for:

- Landscaping along Walker Field Drive and between the terminal building and the parking lot
- New Taxiway C1A general aviation expansion area
- Security access system
- PFC terminal building boarding area expansion project
- Design work associated with the air cargo facility
- Design work associated with the east air carrier reconstruction
- Terminal building stairwell improvements, entryway renovations, and roof replacement
- Aircraft rescue firefighter air pack replacement

Accounts receivable decreased \$12,487 primarily as a result of the receipt of several customer payments. Accounts payable increased as a result of the receipt of several large vendor invoices. PFC funds increased \$26,746 (net) with continued program collections and expenditures for the terminal building boarding area expansion project.

Overall, July yielded positive financial performance for the Authority.

C. **Resolution No. 2003-013: Authorization for Chairman to Execute Closing Documents Associated with Purchase of W.R. Hall, L.L.C., W.W. Hall, W.T. Hall, and Jack Hall Property**

At the August, 2003 Regular Board Meeting, the Board approved the Contract to Buy and Sell Real Estate for the purchase of the W.R. Hall, L.L.C., W.W. Hall, W.T. Hall, and Jack Hall property. The property consists of approximately 15.31 acres, adjacent to and south of Landing View Lane. This property will allow the multiple user air cargo facility to be developed in accordance with the FAA height restrictions for distance from Runway 11/29. The purchase price is \$600,000 net to the Seller.

In preparation for closing, Meridian Land Title, L.L.C. has requested that the Authority provide a copy of a Resolution which specifically authorizes the Chairman to sign all closing documents on behalf of the Authority.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2003-013: Authorization for Chairman to Execute Closing Documents Associated with Purchase of W.R. Hall, L.L.C., W.W. Hall, W.T. Hall, and Jack Hall Property.

D. **Letter of Engagement to Conduct Audit of FY 2003 Financial Statements**

This is the third (3rd) year of a three (3)-year term with Dalby, Wendland & Co., P.C. to conduct the annual audit of the Authority's financial statements. The proposed fee is an amount not to exceed \$7,250. Last year (FY 2002 financial statements), the firm conducted the audit for a fee not to exceed \$6,750. The proposed increase is due to additional audit requirements.

The Letter of Engagement is similar to the previous Letter of Engagement for the FY 2002 audit. The commencement date of the Audit will be approximately February 2, 2003, with the issuance of reports on or before April 20, 2003.

Staff recommended that the Board approve the Letter of Engagement with Dalby, Wendland & Co., P.C. to conduct the audit of the Authority's FY 2003 financial statements in an amount not to exceed \$7,250 and authorize the Chairman to sign the Letter of Engagement on behalf of the Authority.

E. **Resolution No. 2003-011: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws (Second Reading)**

At the August 19, 2003 Regular Board Meeting, the Board approved the first reading of a proposed amendment to the Authority's By-Laws. The proposed resolution would amend the Authority's By-Laws to reflect the current statutory bid requirement amount at which contracts are required to be placed out to bid.

To amend any sections of the Authority's By-Laws, the Board must approve a proposed amendment at two (2) Board meetings approximately one (1) month from each other, with publication of the proposed resolution prior to each of those meetings.

The first (1st) publication of the proposed amendment occurred in the Daily Sentinel on August 15th. The second (2nd) publication of the proposed amendment was on September 12th.

Staff recommended that the Board approve Resolution No. 2003-011: Amendment of Walker Field, Colorado, Public Airport Authority By-Laws (Second Reading) and authorize the Chairman to sign the Resolution on behalf of the Authority.

F. Consent to Assignment of Engineering Services Contract from Washington Infrastructures Services, Inc. to Washington Group International, Inc.

The Authority's existing contract agreement for engineering and design services for specific airport capital projects, including Federal Airport Improvement Program (AIP) projects, is with Washington Infrastructure Services, Inc. Washington Infrastructure Services, Inc. is a wholly owned subsidiary of Washington Group International, Inc. In its efforts to restructure, the business of Washington Infrastructure Services, Inc. is being merged into its parent organization, necessitating the assignment of the referenced contract.

By executing this proposed Consent to Assign, the Authority is authorizing Washington Group International, Inc. to assume the remaining obligations identified in the original agreement and supplementary agreements. There is no cost related to this action, and Staff is satisfied with the services rendered to date by Washington Group International, Inc.

Staff recommended that the Board approve and authorize the Chairman to sign the Consent to Assignment of Engineering Services Contract from Washington Infrastructure Services, Inc. to Washington Group International, Inc.

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

Current FY 2003 appropriated operating expenses total \$1,844,944 (excluding depreciation). If operating revenues and expenses for FY 2003 match exactly with the projected revenue and expense variations, the December 31, 2003 non-restricted cash/cash reserves balance is projected to be \$755,771, with a targeted balance of \$734,147 (including the following requested expense and capital items).

a) The Boarding Area Expansion/Passenger Loading Bridges project costs are estimated to be \$2,102,891. The project scope includes:

- Additional passenger boarding area
- Restrooms for new boarding area
- Concession space for new boarding area
- Two (2) passenger loading bridges
- Heating, ventilation, and air conditioning (HVAC) for new and existing gate areas

At the present time, \$1,374,391 of passenger facility charge revenues and enterprise revenue notes are authorized and appropriated for construction costs for this project. An additional \$728,500 is available from cost savings from existing

FY 2003 appropriated capital projects and terminal building general revenue bond proceeds. The sum of these two (2) amounts equals \$2,102,891.

b) At the May, 2003 Regular Board Meeting, the Board appropriated \$28,000 for the utility (sewer) line installation project in the Taxiway C1A general aviation area. Subsequent to the appropriation, the Authority's engineering firm recommended that additional manhole access points be added and the sewer line gradient be increased to allow for better flow. Additionally, scraps of concrete (possibly from the early 1980's) and shale (which is unusable for backfill) have been encountered during the boring. Because of the additional manhole access points, increased gradient, and the poor soil conditions discovered during the boring, the revised project cost estimate is \$39,553. The difference between these two amounts equals \$11,553.

c) At the September, 2003 Board Workshop, the Board discussed the terminal building boarding area expansion project, including options for the existing and new heating, ventilation, and air conditioning (HVAC) systems. One component of the existing terminal building HVAC system that can be readily renovated, regardless of which option the Authority selects for the cooling system, is the boiler system for heating. The estimated cost for the design and engineering of the boiler system renovation is \$4,500.

Because of favorable FY 2003 year-to-date operating variances and availability of existing funds, Staff recommended the approval and appropriation of funds for the following capital items:

<u>Capital:</u>	
Boarding Area Expansion Project	\$728,500
Utility Line- General Aviation Area (Add'l).....	11,553
Mechanical and Engineering Services for	
Terminal Building Boiler System Renovation	4,500
TOTAL.....	\$744,553

H. Supplementary Agreement with Burke Associates, Inc. to Provide Mechanical and Electrical Engineering Services for Terminal Building Boiler System Renovation

This Supplementary Agreement with Burke Associates is for the following project:

Boiler System Renovation to include the addition of one boiler to heat the air being delivered to the large Common Area of the terminal building, via the existing air handling system. New coils, pumps, a piping loop from the old boiler room to the existing air handler room, controls, gas piping, flue, combustion air, and electrical will be included in the design.

The total amount to be paid to Burke Associates for the completion of this project shall be an amount not to exceed \$4,500.00.

Staff recommended that the Board approve and authorize the Chairman to sign this Supplementary Agreement with Burke Associates, Inc. for an amount not to exceed \$4,500.00.

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

V. ACTION ITEMS

A. **Presentation by Build Tomorrow Now Committee and Resolution No. 2003-014: Walker Field, Colorado, Public Airport Authority Position Statement of Support for City of Grand Junction and Mesa County Development of the Grand Junction Loop and Riverside Parkway**

The Grand Junction Area Chamber of Commerce (Chamber) has recently offered its support to the City of Grand Junction and Mesa County for the development of the proposed Grand Junction Loop and Riverside Parkway. Plans include a loop that would include construction of an interchange at Interstate 70 and 29 Road.

It is anticipated that the proposed project will enhance surface transportation access to and from the north side of Walker Field Airport. This will open up future development opportunities for the Airport. John Elmer from the Build Tomorrow Now Committee requested support from the Authority for this project.

Mr. Elmer stated that the Build Tomorrow Now Committee is comprised of citizens wishing to facilitate the Grand Junction Loop and Riverside Parkway project, and was formed specifically to support Referendum 2A. Referendum 2A will allow the city to purchase \$80,000,000 in bonds to pay for the construction of the Grand Junction Loop and Riverside Bypass, including the interchange at Interstate 70 and 29 Road. Though the city will not be raising taxes to pay off the bonds, the State of Colorado's Tabor Act requires that the Referendum be approved by the applicable voters.

The sale of bonds will help offset the cost of construction and will allow the City and County to construct the loop within 6-8 years, rather than 20 years. The Build Tomorrow Now Committee asked that the Board approve a Statement in Support of Referendum 2A. The Committee also asked that the Board consider a financial contribution the project.

Chairman McCormick inquired about the status of the interchange at 29 Road and Interstate 70. Commissioner Palmer, responding on behalf of the City of Grand Junction, stated that the Interstate 70 and 29 Road interchange is definitely a part of the project. However, due to the fact that this portion of the project will take the longest to receive approval from the State, it will probably be the last portion of the project.

Authority Attorney Mike Grattan commented that if the Board is interested in the possibility of providing a financial contribution to the Committee, he would research the issue of whether or not the Authority could do so.

Vice Chairman Gardner inquired how the Interstate 70 and 29 Road interchange fits in with the Airport's Master Plan. Manager Nystrom responded that it is included in the existing Airport Layout Plan. The new interchange will provide

additional access to the north side of the runway and will open up that area for future development.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2003-014: Walker Field, Colorado, Public Airport Authority Position Statement of Support for City of Grand Junction and Mesa County Development of the Grand Junction Loop and Riverside Parkway.

Vice Chairman Gardner moved to approve Resolution No. 2003-014: Walker Field, Colorado, Public Airport Authority Position Statement of Support for City of Grand Junction and Mesa County Development of the Grand Junction Loop and Riverside Parkway, also known as Referendum 2A. Commissioner Little seconded. Roll call: all ayes, except for Commissioner Palmer, who abstained from the vote. Motion carried.

Chairman McCormick expressed some reservations about the Authority providing financial support for Referendum 2A. Vice Chairman Gardner asked if the Authority has provided financial support for other ballot initiatives. Manager Nystrom stated that the Authority has not done so in the past.

Commissioner Springer noted that he does not feel it is right to use money from the travelers and customers of Walker Field to support this ballot initiative. Vice Chairman Gardner stated that although the Authority supports Referendum 2A, he also questioned whether or not providing financial support would be proper. Chairman McCormick asked if any other governmental entities have provided monetary support for Referendum 2A. Mr. Elmer commented that no other governmental entities have provided funding.

The consensus of the Board was to discuss the issue of whether or not the Authority should (or can) provide funding in support of Referendum 2A at the next Board Workshop.

B. Request by H.R. Aviation, L.L.C. for Extension of Ground Lease Agreement

H.R. Aviation, LLC leases ground in the Runway 4/22 general aviation area for the purpose of constructing a hangar. Its ground lease agreement originally required that a hangar must be constructed on the leasehold by July 1, 2002. At the June 2002 Regular Board Meeting, the Board granted H.R. Aviation, LLC an extension of time to June 1, 2003 in order to complete the hangar. At the May 2003 Regular Board Meeting, the Board granted H.R. Aviation a six (6)-month extension of time to complete the hangar by November 20, 2003. Included in that extension was a requirement that if the foundation for the hangar was not completed by August 20, 2003, the ground rental rate will be increased from the development rental rate (approximately 1/2 of regular rental rate) to the full rental rate. Because the foundation was not completed, the ground rental rate was increased to the full rental rate effective August 21, 2003.

The foundation for the hangar is not completed, but installation of the framing and placement of the rebar is scheduled to commence the week of September 15th, with an anticipated foundation completion date of October 15th. A planning clearance was granted by the City of Grand Junction in June 2001, but expired in December 2001. Consequently, the City of Grand Junction Community

Development Department is currently reviewing the project again, and a building permit is expected to be issued in the near future, pending final review by the Community Development Department. H. R. Aviation is now requesting that the development rental rate be extended from August 21, 2003 with an expiration date of November 20, 2003.

Because progress is being made for the completion of the foundation, Staff recommended that the development rate be extended from August 21, 2003, with an expiration date of November 20, 2003. Additionally, Staff recommended that the Chairman be authorized to sign a Fifth Addendum to Ground Lease Agreement (which incorporates the extension of the development rate) on behalf of the Authority, contingent upon receipt of payment from H.R. Aviation, LLC of the \$200 administrative fee for changes to agreements.

Commissioner Berryman inquired what the net difference in rent would be between the existing development rate and the full rate. Staff responded that the difference is approximately \$50 per month. Vice Chairman Gardner expressed concern that H.R. Aviation, LLC may come back to the Board with another request for an extension at the November Board Meeting. Commissioner Palmer noted that H.R. Aviation has had several prior extensions. Commissioner Berryman commented that H.R. Aviation stated it would make progress the last time it requested an extension, but no progress was made.

Commissioner Palmer moved to decline the H.R. Aviation, LLC's request for an extension of the development rate as a part of its ground lease agreement. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

C. Supplementary Agreement with FCI Constructors, Inc. to Expand Terminal Building Boarding Area

This Supplementary Agreement with FCI Constructors, Inc. is for the passenger terminal building boarding area expansion project. The project scope includes:

- Schedule I: Main Passenger Seating Area
- Schedule II: New Public Restrooms
- Schedule III: Expanded Concessionaire Area

The total amount to be paid to FCI for the completion of all 3 schedules is \$1,302,387. The estimated project completion date for all 3 schedules is 185 calendar days from the date of the issuance of the Notice to Proceed.

Commissioner Springer asked Mike Foutz, Project Manager for FCI Constructors, Inc., to explain the relationship between the Authority and FCI. Mr. Foutz responded that FCI's contractor/construction management fee for typical projects is approximately 7% of the total project cost. He stated that the Authority receives a lot of value for this amount. First, there are very few extra costs. This leads to better cost management and estimates. Second, most major trades (subcontractor work) is competitively bid. FCI Constructors, Inc.'s relationship with its subcontractors is very good. This results in more competitive subcontractor bids.

Commissioner Springer inquired if FCI's interaction with Authority Staff has been good. Mr. Foutz responded that interaction with Staff has been positive. He added that FCI communicates with Staff on the progress and also makes recommendations on bids received from subcontractors.

Commissioner Springer inquired if FCI felt that the oversight of the central stairway project was good. Mr. Foutz responded that in hindsight, the project could have been handled differently. FCI had had success with the subcontractor in the past and expected them to provide the same quality of work on the stairway. Unfortunately, the quality of the subcontractor's work was not acceptable. Thus, FCI has changed subcontractors for future tile work.

Chairman McCormick inquired about the work that is not performed by subcontractors. Mr. Foutz commented that this includes self performed demolition, rough carpentry, setting up barricades, doors, hardware and layout. Chairman McCormick inquired if delaying the completion date of the boarding area expansion project will cause any problems with the delivery of the loading bridges. Manager Nystrom responded that it would not. She stated that the loading bridges will be built, delivered when requested by the Authority, and installed by the manufacturer's representatives.

Vice Chairman Gardner inquired if FCI could quantify the value engineering process. Mr. Foutz stated that he would have to research the results. Vice Chairman Gardner suggested keeping a list in order to review at the end of the project.

Chairman McCormick commented that it is imperative projects which impact airport users be completed in a timely manner. Mr. Foutz noted that FCI is working to avoid any unforeseen delays on the upcoming elevator project and other future projects.

Staff recommended that the Board approve and authorize the Chairman to sign this Supplementary Agreement with FCI Constructors to expand the terminal building boarding area for an amount not to exceed \$1,302,387. Staff also recommended that the Airport Manager be authorized to sign change orders not to exceed \$10,000 in aggregate as long as the total project cost does not exceed \$1,302,387.

Commissioner Springer moved to approve and authorize the Chairman to sign the Supplementary Agreement with FCI Constructors to expand the terminal building boarding area for an amount not to exceed 1,302,387 and that the Airport Manager be authorized to sign change orders not to exceed \$10,000 in aggregate as long as the total project cost does not exceed \$1,302,387. Additionally, he moved that FCI Constructors complete the 3 project schedules within 185 calendar days from the date of the issuance of the Notice to Proceed. Vice Chairman Gardener seconded. Voice vote: all ayes. Motion carried.

D. Criteria for Variance Requests from WFAA Development and Architectural Covenants for Vehicle and Pedestrian Access Gates

At the August, 2003 Regular Board Meeting, the Board approved revised WFAA Development and Architectural Covenants (Covenants). Within the document is a

provision allowing for the approval of variances to all or any portion(s) of the Covenants.

To provide an efficient mechanism for the review of variance requests pertaining to Vehicle and Pedestrian Access Gates, the proposed matrix outlines specific criteria for Staff to use when reviewing these requests for access control systems with automatic self-closing mechanisms. The matrix will be periodically reviewed and revised as appropriate.

Chairman McCormick inquired how long it would be before every gate would be in compliance. Manager Nystrom responded that it would be three (3) years. Commissioner Berryman inquired what types of gates would be included as "Other." Staff responded that there are no existing gates that fall within this category at this time. However, this category was included to cover any new types of gates in the future which do not meet the other specific categories. Commissioner Palmer inquired how many gates were not in compliance. Staff answered that approximately 50% of the current gates are not in compliance.

Staff recommended that the Board approve the matrix for use in Staff reviews of variance requests for access control systems with automatic self-closing mechanisms for vehicle and pedestrian access gates. Staff also recommended that the Board authorize the Airport Manager to approve variance requests that are consistent with the matrix without having to present them to the Board for consideration.

Commissioner Palmer moved to approve the matrix for use in Staff reviews of variance requests for access control systems with automatic self closing mechanisms for vehicle and pedestrian access gates and that the Airport Manager be authorized to approve variance requests that are consistent with the matrix without having to present them to the Board for consideration. Commissioner Little seconded. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

There were no Discussion Items.

VII. BOARD COMMITTEE REPORTS

Commissioner Berryman reported that the ad hoc Personnel Committee will be meeting next week.

VIII. AIRPORT MANAGER'S REPORT

IX. OTHER ITEMS

A. Meeting with Grand Junction Visitor and Convention Bureau Board—September 25, 2003

The meeting between the Authority Board and the Grand Junction Visitor and Convention Bureau Board will be held on September 25, 2003 at 7:30 a.m. in the terminal building 3rd floor conference room. The agenda will be published in the same manner as with other public Board meetings.

B. October Board Workshop

The Board will discuss the proposed Transportation Security Administration (TSA) Law Enforcement Personnel Reimbursement Agreement. Manager Nystrom will contact the TSA's local Federal Security Director and the City of Grand Junction Police Chief to invite them to the meeting. Manager Nystrom inquired if the Board wished to retain law enforcement personnel at the checkpoint until the issue is resolved. The consensus of the Board was to continue having law enforcement personnel at the terminal building security screening checkpoint.

Chairman McCormick inquired if Staff has information pertaining to the TSA's operating budget at Walker Field. Manager Nystrom responded that Staff does not have that information, but it could attempt to obtain that information from the TSA.

The question of whether or not the Authority can or wishes to provide a financial contribution in support of Referendum 2A will also be discussed at the October Board Workshop.

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 6:46 p.m.

APPROVED AND ADOPTED THE 21st DAY OF October, 2003.

Signature On-File

Robert McCormick, Chairman

ATTEST:

Signature On-File

David J. Anderson, Clerk