

Walker Field Airport Authority

Minutes of the Regular Board Meeting

January 20, 2004

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

AIRPORT STAFF PRESENT: Corinne Nystrom Charlie Novinskie
David Anderson Ted Balbier
Donna VanLandingham Ed Storer
Ben Peck

ALSO PRESENT: Joe Marie, FEDEX; Mitchell Rothman, Rothman Law Firm; Bob Kretschman of The Daily Sentinel, and Timothy Fennie, Rick Close, and Richard Schoenrad of Timberline Aviation.

I. CALL TO ORDER

The meeting was called to order at 5:18 p.m.

II. APPROVAL OF AGENDA

Commissioner Berryman moved to approve the Agenda as published. Commissioner McCormack seconded the motion. Voice vote: all ayes. Motion carried

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments.

IV. CONSENT AGENDA

A. Minutes: December 16, 2003 Regular Board Meeting

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

On the Statement of Operations, a positive budget variance between operating revenues and operating expenses continues to be reflected. Year to date operating revenues are slightly under budget by \$5,645 (-.3%), but close monitoring of expenses has resulted in year to date operating expenses that are 7.1% lower than budgeted. Year to date Operating Income Before Depreciation (OIBD) is \$673,913. This amount is 20.9% higher than budgeted year to date.

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

On the Balance Sheet, non-restricted cash/investments increased 10.5% primarily from the receipt of federal grant proceeds and customer payments. Accounts payable increased by \$208,582 because of the receipt of several large vendor invoices at the end of the month. Land, Buildings, and Equipment increased \$995,044 with expenditures for:

- Airfield Lighting Equipment Building (ALEB)
- Aircraft Rescue Firefighting (ARFF) Vehicle
- Security access system installation
- East air carrier ramp expansion project
- Terminal building boarding area expansion project
- Design- terminal building boiler system

Accounts receivable decreased \$9,427 with customer payments received. PFC funds decreased \$238,691 (net) with continued program collections and expenditures for the terminal building boarding area expansion project. Additionally, the first payment towards the retirement of the terminal building general revenue bonds resulted in a \$140,464 net decrease in Current Liabilities.

Overall, November yielded positive financial performance for the Authority.

C. Designation of Public Places for Posting Notices of Meetings of the Airport Authority Board of Commissioners

Colorado State law requires that the Authority designate the public place or places for posting notices of meetings of the Authority Board of Commissioners. The Authority By-Laws require that notices of such

meetings be posted in at least three (3) places within the City of Grand Junction, three (3) places within Mesa County, and in the Mesa County Courthouse.

Staff recommended that the Board approve the designation of the following locations for posting notices of meetings of the Authority Board of Commissioners:

- Grand Junction City Hall (within City)
- Mesa County Administration Building (within City)
- Mesa County Public Library (within City)
- Two Rivers Convention Center (within City)
- Debeque City Hall (within County)
- Fruita City Hall (within County)
- Palisade City Hall (within County)
- Collbran City Hall (within County)
- Walker Field Airport Terminal Building (within City)
- Mesa County Courthouse (within City)

D. Resolution No. 2004-001: Resolution of the Board of Commissioners Regarding Authority to Execute Contracts Under \$10,000 for the Walker Field, Colorado, Public Airport Authority

At the August 15, 2000 Regular Board Meeting, the Board approved a resolution which would authorize the Airport Manager to sign certain contract agreements without prior Board approval. These contracts include those agreements with vendors and contractors which are either routine in nature or which are materially small in dollar amount. The existing resolution expires, if not renewed, on January 31, 2004.

Resolution No. 2004-001 renews the authority granted previously to the Airport Manager to execute contracts under \$10,000 on behalf of the Authority. Since this resolution was the direct result of prior Board action, Staff made no recommendation on this agenda item.

E. Resolution No. 2004-002: Resolution of the Board of Commissioners Regarding Authority to Execute Standardized Agreements for the Walker Field, Colorado, Public Airport Authority

In June, 2003, the Board approved a resolution granting authority to the Airport Manager to execute the following "Standardized Agreements" and certain amendments thereto (unless such document contains additional provisions):

- Ground Lease Agreement

- Building Use and Lease Agreement
- Sublease Agreement
- Easement Deed and Agreement
- Independent Contractor Agreement
- Loan of Property Agreement
- Community Exhibit and Display Agreement
- Off-Airport Rental Car Agreement
- Licensing Agreement

Upon signing the Standardized Agreements, the Airport Manager apprises the Board at each Regular Board Meeting of any such agreements which were signed during the previous month.

Resolution No. 2004-002 renews the authority granted previously to the Airport Manager to execute Standardized Agreements on behalf of the Authority. Additionally, this Resolution provides authority to the Airport Manager to execute assignments involving Standardized Agreements. The Airport Manager will continue to apprise the Board at each Regular Board Meeting of any such Standardized Agreements, assignments, and amendments thereto which were signed during the previous month. This Resolution will expire on January 31, 2005 unless renewed by the Board.

Since this resolution was the direct result of prior Board action, Staff made no recommendation on this agenda item.

F. Resolution No. 2004-003: Resolution Concerning Execution of Documents Pertaining to Bank Accounts

Because of changes in Authority Board officers, it is necessary to update the Authority's Banking Resolution. The Resolution is sent to all financial institutions with which the Authority conducts business. Except for some formatting changes, the enclosed proposed Banking Resolution is the same as last year's Resolution.

Staff recommended that the Board approve Resolution No. 2004-003: Resolution Concerning Execution of Documents Pertaining to Bank Accounts contingent upon the insertion of the Authority officers' and members' names resulting from the election of officers. Additionally, Staff recommended that the Board authorize the Chairman to sign the Resolution on behalf of the Authority.

G. Resolution No. 2004-004: Revised Requirements and Minimum Standards for Commercial Aeronautical Services and Activities for Walker Field Airport, Grand Junction, Colorado

At the December 2000 Regular Board Meeting and at the June 2002 Regular Board Meeting, the Board adopted revised Requirements and Minimum Standards for Commercial Aeronautical Services and Activities at Walker Field. Services and activities addressed in the document include, among others, fixed base operators (FBOs). FBOs provide services to aircraft operators, including fueling, maintenance, and ground handling.

There are currently two (2) FBOs at the airport. Because of the infrastructure available and the convenience of Walker Field's location, the Department of Defense (DOD) utilizes the airport and has a fueling contract with one (1) of the FBOs. The fueling contract is placed out to bid periodically—the most recent contract term is for three (3) years.

In preparation for the next bid process, Staff obtained input from military aircraft operators, the Grand Junction Air Show Committee, and the fixed base operators regarding customer service and minimum standards issues arising from the DOD fueling contract operations. The next DOD bid process is scheduled to begin within the next couple of months.

Based on the input, Staff met with representatives from both FBOs to discuss possible revisions to the Minimum Standards that would improve customer service to aircraft operators, including the military, and enhance fuel flowage revenues to the Authority. Additionally, these proposed changes were discussed at the January 2004 Board Workshop.

The proposed Revised Minimum Standards incorporates enhanced requirements pertaining to FBO operations, the elimination of the "grandfather" provision, and the addition of a requirement that all commercial operators at the airport advise their customers of the Walker Field Airport Noise Compatibility Procedures.

Staff recommended that the Board adopt Resolution No. 2004-004: Revised Requirements and Minimum Standards for Commercial Aeronautical Services and Activities for Walker Field Airport, Grand Junction, Colorado and authorize the Chairman to sign the resolution on behalf of the Authority. The Minimum Standards document itself constitutes the resolution in its entirety.

H. Request for Reauthorization of FY 2003 Capital Project Appropriations

In 2003, the Board appropriated funding for the following projects. Because the final invoices for these projects will be dated after December 31, 2003, it is necessary to reauthorize a portion of the unused appropriations for these projects for FY 2004.

<u>Project</u>	<u>Original Authorized</u>	<u>Carryover Request</u>	<u>Project Total</u>
AIP-23, 24, & 26	\$150,000	\$1,653	\$150,000
AIP-27 & 28	156,100	88,655	156,100
Aircraft Run-Up Area	125,000	9,055	125,000
Terminal Building Lighting/Signage	25,000.....	7,477	25,000
Term. Bldg. Stairways, Entryways and Roof	330,000	38,176	330,000
Rental Car Counter Upgrades	13,000.....	873	13,000
Term. Bldg.- New 2nd Floor Concession Space	5,000	1,797	5,000
Utility Line Installation- GA Area	39,553	7,107	39,553
Counters- Ground Trans. And Ambassador Program	7,000	1,700	7,000
Aircraft Passenger Boarding Stairs	6,200	6,200	6,200
TOTAL	\$856,853	\$162,693.....	\$856,853

The proposed reappropriations do not increase the project costs to the Authority. Instead, the re-appropriations are necessary for FY 2004 capital budget requirements. Staff recommended that the Board reappropriate \$162,693 for the above-listed projects.

I. Request for Approval and Appropriation of Funding for Additional FY 2004 Capital Projects

Current FY 2003 appropriated operating expenses total \$2,003,360 (excluding depreciation). If operating revenues and expenses for FY 2004 match exactly with the projected revenues and expenses, the December 31, 2004 non-restricted cash/cash reserves balance is projected to be at least \$741,952, which is also the targeted balance. Staff based 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.

The boarding area expansion project is anticipated to be completed in late March 2004. To ensure that adequate customer seating is available upon completion of the new hold room, Staff requests that additional seating for the hold room be purchased at this time.

Because of favorable FY 2003 end of year operating variances and availability of existing funds, Staff recommended the approval and appropriation of funds for the following capital item:

Terminal Building Public Seating	\$38,000
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J. Bid Award and Contract Agreement to Purchase Administrative Vehicle

The Airport Authority advertised for bids for the acquisition of a new Administrative Vehicle.

Three local vehicle dealers responded with bids for the vehicle. The three (3) dealers are:

- Ed Bozarth Chevrolet
Chevy Suburban - \$36,900 less rebates at time of delivery - 10 day delivery - No contract returned
- Jim Fuoco Motor Company
Yukon XL - \$31,692 - Approximately 90 day delivery - Contract returned
- Western Slope Auto Company
Ford Expedition - \$32,125 - 120 day delivery - Contract returned

The Airport Authority has already budgeted \$35,000 for this acquisition in the 2004 budget.

Staff recommended that the bid of Jim Fuoco Motors be accepted as the successful bidder and the Board approve the execution of the contract.

K. Sublease Agreement Between Thomas J. Daly and West Star Aviation, Inc.

Thomas J. Daly leases ground in the Runway 4/22 general aviation area at 2857 Aviators Way, upon which he has constructed a hangar for the purpose of storing and maintaining owned or leased aircraft. Daly proposes to sublease his hangar to West Star Aviation, Inc. for aircraft maintenance. The term of the sublease is from December 15, 2003 until December 14, 2004, and continues on a monthly basis thereafter, unless otherwise terminated by either party under the terms of the Sublease Agreement.

Since a portion of the Daly lease is calculated at the previously used half rate for the non-revenue generating portion of the lease area, and West Star will be utilizing the area for revenue generation, the lease rate for the Daly parcel will be calculated at the full revenue-generating rate for the duration of the Sublease Agreement. The additional amount paid to the Authority will initially be \$49.35 per month, subject to adjustments specified in the Ground Lease Agreement.

Since this is a non-standard Sublease Agreement, Board approval is required. Additionally, the Authority Attorney has reviewed the Sublease Agreement and made necessary changes to protect the Authority.

Staff recommended that the Board approve and authorize the Chairman to sign the Sublease Agreement on behalf of the Authority.

Commissioner Little moved to approve the items on the Consent Agenda. Commissioner Palmer seconded the motion. Roll call: all ayes. Motion carried.

V. ACTION ITEMS

A. **Resolution No. 2004-005: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado – Military Fuel Flowage Fee**

Part 4 of the Authority's Fees and Charges includes fees for fuel providers. The \$.06 per gallon military fuel flowage fee commenced in August 1994. Although the average price of jet fuel has increased 102% and the consumer price index (CPI-U) has increased 23% since that time, the military fuel flowage fee has remained unchanged. Additionally, the Walker Field Airport "Airfield-Public Use" cost center has been operating at a deficit.

The next Department of Defense (DOD) fuels contract bid process is scheduled to begin within the next couple of months, with an effective date of October 1, 2004. To assist the Authority in enhancing revenues to assist in reducing the Airfield-Public Use cost center deficit, Staff discussed several options with the Board and the two (2) fixed base operators (FBOs) that have expressed interest in bidding on the next DOD fuels contract.

Based on the input, Staff analyzed jet fuel spot prices and adjustments to the CPI-U for the past ten (10) years to derive a recommended fixed adjustment to the military fuel flowage fee from \$.06 per gallon to \$.08 per gallon effective October 1, 2004. This recommended adjustment incorporates the CPI-U adjustments for the past ten (10) years and the projected CPI-U increases for the next five (5) years (potential defense fuels contract term) at 1.8% per year.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2004-005: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado—Military Fuel Flowage Fee.

Commissioner Springer inquired if a fuel flowage fee based on a percentage of the price per gallon would be better than a fixed rate. Manager Nystrom responded that, based on feedback received from the FBO's, they preferred a set fee that would be established for the duration of the contract term so

that a fixed rate can be included in the upcoming military fuel contract bid proposals.

Chairman McCormick inquired why there had been no changes made to the military fuel flowage fee over the past ten years. Manager Nystrom responded that during the bid process a few years ago, the military fuel flowage fee was reviewed and was determined to be appropriate.

Manager Nystrom commented that charging a fee based on a percentage of the price per gallon would be subject to the FBO providing documentation on the price per gallon charged. Staff will look at the contracts with the FBOs to determine whether the FBOs are required to provide the necessary documentation and if that authorizes Staff to audit the charges for military fueling.

Staff commented that typically, military fuel fees are a set fee and that caution should be taken not to discourage military traffic by setting fees too high in order to improve cost centers. Chairman McCormick inquired how Walker Field compared to nearby airports on fuel flowage fees. Staff responded that Walker Field fees are comparable to other airports in the region.

Board consensus was to table discussion of this item until Staff has an opportunity to research military fuel flowage fees based on a percentage of gross revenues.

B. Election of 2004 WFAA Officers

The Walker Field Airport Authority By-Laws require that the election of officers for a new year be held at the Regular Board meeting in January. The positions include Chairman (a Board member), Vice Chairman (a Board member), Treasurer (historically the Airport Manager), Clerk (a Staff member), and Deputy Clerk (a Staff member). In 2003, the following Staff members served as officers: Treasurer—Corinne Nystrom; Clerk—David Anderson; and Deputy Clerk—Charles S. Novinskie.

Commissioner Berryman nominated Commissioner McCormack for the position of Board Chairman.

There being no other nominations, Commissioner Berryman moved to appoint Miles McCormack to the position of Board Chairman. Commissioner Springer seconded the motion. Voice vote: all ayes. Commissioner McCormack abstained. Motion carried.

Commissioner Berryman nominated Commissioner Springer for the position of Vice Chairman.

There being no other nominations, Commissioner Little moved to elect Craig Springer to the position of Vice Chairman. Commissioner Berryman seconded the motion. Voice vote: all ayes, Commissioner Springer abstained. Motion carried.

Staff recommended the following individuals to serve in the Officer positions:

- Treasurer - Corinne Nystrom
- Clerk- David Anderson
- Deputy Clerk- Charles S. Novinskie

Vice Chairman Springer moved to appoint Corinne Nystrom to the position of Treasurer, David Anderson to the position of Clerk and Charles S. Novinskie to the position of Deputy Clerk. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

There were no discussion items.

VII. BOARD COMMITTEE REPORTS

Commissioner McCormick noted that the Personnel Committee would provide its report during the Executive Session.

VIII. AIRPORT MANAGER'S REPORT

There were no additions to the Airport Manager's Report.

IX. OTHER ITEMS

A. February Board Workshop

Manager Nystrom commented that Staff would like to update the Board on the Capital Improvement Program that the Authority is working on with the FAA.

Vice Chairman Springer suggested discussing the ramifications of sublease agreements between non-commercial tenants and commercial subtenants.

Commissioner McCormick suggested the Board consider scheduling a Board Retreat in the near future.

B. Personnel Committee Report (Executive Session)

Commissioner McCormick moved to enter into Executive Session in order to discuss personnel matters as outlined in the Colorado Revised Statutes CRS 24-6-402 (4)(f). Without compromising the purpose for which the Executive Session is requested, the topic of discussion pertained to the Annual Airport Manager's Performance Evaluation. Commissioner Palmer seconded the motion. Voice vote: all ayes. Motion carried.

Board entered into Executive Session at 5:49 p.m.

Commissioner Berryman moved to exit Executive Session. Commissioner Palmer seconded. Voice vote: all ayes. Board exited Executive Session at 6:50 p.m.

X. ADJOURNMENT

Commissioner Palmer moved to adjourn. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried

There being no further business to come before the Board, the meeting was adjourned at 6:50 p.m.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2004.

Signature on file
Miles McCormack, Chairman

ATTEST:

Signature on file _____
David J. Anderson, Clerk