

Walker Field Airport Authority

Minutes of the Regular Board Meeting

February 17, 2004

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

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

ALSO PRESENT: Timothy Fennie and Rick Close of New Timberline
Aviation, L.L.C.; Ron Smith of Colorado Security
Professionals Inc.; Mike Sutherland of Sky
Adventures LLC; and Bob Kretschman of the Daily
Sentinel.

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Manager Nystrom requested that Action Item C, "Services Agreement with Western Colorado Security Professionals, Inc. to Provide Security Services," be renamed to "Services Agreement with Colorado Security Professionals, Inc. to Provide Security Services."

Vice Chairman Springer requested that Consent Item D, "Bid Award and Contract Agreement to Purchase Additional Public Seating for Terminal Building" be moved to Action Item D.

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

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: January 20, 2004 Regular Board Meeting

B. Acknowledgement of Receipt of Accounts Receivable Report

Commissioner Palmer inquired what Westrac's plans were to pay off the amounts owing the Airport Authority. Staff responded that Westrac hoped to be current in a couple of months due to the sale of some of its assets.

Commissioner Palmer inquired what the policy is regarding the length of time a tenant can be delinquent and the amount of delinquency allowed. Staff responded that they follow the Authority's Accounts Receivable Policy. When an entity is delinquent for 30 days, a letter is sent. Letters are also sent at 60 and 90 days. After 90 days there are several options. Staff tries to work with the customer to formulate a payment plan. Any amounts over \$1,000 and 90 days past due are reported to the Board.

Commissioner Palmer inquired how many months delinquent Westrac is on its account. Staff noted that Westrac is currently 3-5 months delinquent.

C. Amendment No. 1 to Ground Sublease Agreement Between Alpine Ground Service, LLC and New Timberline Aviation, L.L.C.

At the October 2003 Regular Board Meeting, the Board approved Timberline Ground Services, L.L.C.'s (Lessor's) request to enter into a Sublease Agreement for a period of three (3) years with New Timberline Aviation, L.L.C. (Sublessee). Board approval was required because the Sublease Agreement contained Additional Provisions.

On November 11, 2003 Timberline Ground Services, L.L.C. amended its Articles of Organization and changed its name to Alpine Ground Services, LLC, which does not require Airport Authority approval. Now, Alpine Ground Services, LLC requests an Amendment to Ground Sublease between the parties which changes the improvement rent referenced in "Additional Provisions" paid by New Timberline Aviation, L.L.C. from \$6,550 for the first twelve months and \$4,500 for the remainder of the sublease to \$4,500 per month for the term of the sublease. Since this is an amendment to the "Additional Provisions" portion of the Sublease and not a prompted area for which the Airport Manager is authorized to proceed with signing the Sublease, Board approval is required.

Staff recommended that the Board Approve and authorize the Chairman to sign Amendment No. 1 to Ground Sublease Agreement between Alpine Ground Services, LLC and New Timberline Aviation, L.L.C. contingent upon:

- Alpine Ground Services, LLC (Lessor) being current on all amounts owed to the Airport Authority.

Chairman McCormack inquired what the relationship was between Alpine and New Timberline. Tim Fennie from New Timberline responded that Alpine is owned by the old entity, which is a part of CRL, Inc. New Timberline subleases from Alpine. The Authority's ground lease is with Alpine.

Chairman McCormack inquired if the Authority was covered as an additional insured under both policies (Alpine and Timberline) in a liability situation. Tim Fennie of New Timberline responded that the Authority is covered as an additional insured.

D. Bid Award and Contract Agreement to Purchase New Airline Ticket Office Garage Doors

Staff advertised a Request for Proposals for the purchase and installation of new commercial garage doors for the Airline Ticket Offices.

Four (4) garage door installers submitted bids for the replacement of the garage doors. The four (4) vendors are:

- E & E Door & Window, Inc.
- Ace Insulation
- K & G Enterprises, Inc.
- Overhead Door Company of Grand Junction

The Airport Authority has appropriated \$14,000 for this project as a part of the 2004 budget.

The lowest bid for all (8) garage doors was submitted by K & G Enterprises, Inc. for a total proposed amount of \$12,568.80.

Staff recommended that K & G Enterprises be awarded the contract for the replacement of all eight (8) garage doors, contingent upon final review of its proposal to ensure that it has meet all the specifications of the RFP.

Chairman McCormack inquired if the doors would be insulated. Staff responded that they would have a minimum R-value of 10.

Vice Chairman Springer moved to approve the items on the Consent Agenda. Commissioner Little seconded the motion. Voice vote: all ayes. Motion carried.

V. ACTION ITEMS

A. **Resolution No. 2004-007: 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.

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 for the Airfield-Public Use cost center, 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. Additionally, Staff discussed this issue with the Board at the January Board Workshop and Regular Board Meeting.

Based on the input, Staff analyzed jet fuel spot prices and adjustments to the CPI-U for the past ten (10) years. Based on information obtained from other airport operators, (including their existing military fuel flowage fees), coupled with feedback received at the January Regular Board meeting, Staff recommended that the military fuel flowage fee be increased from \$.06 per gallon to \$.07 per gallon effective October 1, 2004. This recommended adjustment incorporates the CPI-U adjustments for the past ten (10) years.

Staff also reviewed the option of implementing a “percentage of price” military fuel flowage fee. However, other than at one (1) airport surveyed where this type of fee is in place, the difficulty of administering this fee was noted because of fluctuating and differential fuel prices. Locally, the FBOs review and potentially adjust their fuel prices weekly. Therefore, administering a “percentage of price” would place additional administrative burdens on both the FBOs and the Airport Authority with potentially little revenue gain. Thus the FBOs have requested that the Airport Authority maintain a fixed rate per gallon for the military fuel flowage fee.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2004-007: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado – Military Fuel Flowage fee, which will

increase the military fuel flowage fee from \$.06 per gallon to \$.07 per gallon effective October 1, 2004.

Vice Chairman Springer inquired if the FBOs had reviewed the change and agreed that it would not impede their ability to secure the DOD fuels contract. Staff responded that they had received feedback from representatives from both of the FBOs that the \$.07 per gallon fee would not be significant enough to impede their ability to secure the DOD fuels contract at Walker Field.

Chairman McCormack inquired what other airports were charging for military fuel flowage fees. Staff responded that fees ranged from \$.00 to \$.07 per gallon. However, airports that charged a reduced fuel flowage fee typically had joint use agreements with the military in which the military provided contributions or in-kind services that approximated up to \$100,000 per year. The Airport Authority only receives fuel flowage fees from the military operations.

Commissioner Palmer moved to approve Resolution No. 2004-007: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado – Military Fuel Flowage Fees to increase the military fuel flowage fee from \$.06 per gallon to \$.07 per gallon effective October 1, 2004. Commissioner Berryman seconded the motion. Roll call: all ayes. Motion carried.

B. Request for Approval and Appropriation of Funds for Additional FY 2004 Capital Items

Current FY 2004 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.

To provide a location for local law enforcement personnel to perform administrative functions in close proximity to the airport, Staff recommended the construction of a workstation near the terminal building passenger screening checkpoint.

This workstation will be made available to the City of Grand Junction Police Department, the Mesa County Sheriff's Office, and the Colorado State Patrol, thereby enhancing their flexible response time to requests for law enforcement assistance to the screening checkpoint.

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:

Capital:

Workstation-Security/Law Enforcement Personnel \$15,000

Total.....\$15,000

Manager Nystrom commented that Staff received estimates from FCI on the cost of constructing the workstation. The initial plans are to move several tables and the play area to open up space for the workstation. Sprinklers need to be installed, as well as additional lighting, flooring, receptacles, and glazing for the windows.

Commissioner Palmer inquired about telephone and electrical upgrades. Staff responded that the phone line cabling would be performed by the Authority. Approximately three (3) new floor receptacles will be added.

Manager Nystrom commented that the Grand Junction Police Department expressed a need for a T-1 data line in order to network with its main office. Due to the fact that the T-1 data line must be used solely by the Police Department, Staff has asked them to fund its installation.

Commissioner Palmer commented that the City of Grand Junction is in negotiations with a cable operator regarding the installation of fiber optics in various locations. He recommended that Staff contact the City of Grand Junction about having the Walker Field terminal building considered as one of the possible sites for the installation.

Vice Chairman Springer inquired what services the City of Grand Junction would provide to the Authority in exchange for the workstation. Manager Nystrom responded that there would be a law enforcement officer at the airport more often. The workstation would encourage them to stay in the area by giving them a location to work on reports and other administrative tasks.

Commissioner Little moved to approve and appropriate \$15,000 for the security/law enforcement personnel workstation. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

C. **Services Agreement with Colorado Security Professionals, Inc. to Provide Security Services**

The Board previously approved the award of security services to Colorado Security Professionals, Inc. for security services at the terminal building screening checkpoint and other security services as deemed necessary at Walker Field Airport, contingent upon the contract including:

- Liability insurance in the amount of \$5,000,000.00.
- Coverage for assault and battery, false arrest, or any civil rights violations.
- Provide thirty (30) days' advance notice of cancellation of insurance.
- Provide that WFAA and all its employees (including the Airport Manager), board members, officers, volunteers and servants are included as additional insured, including any renewals of such insurance.

Additional provisions include:

- Reserving the right of WFAA to adjust the hours worked.
- Reserving the right to pass along any penalties incurred from TSA due to non-compliance with TSA security requirements on the part of the Contractor.
- Colorado Security Professionals, Inc. being an active corporation in good standing with the State of Colorado Secretary of State.

The Services Agreement has been revised to include all of these items.

Staff recommended that the Board approve the Services Agreement for security between Colorado Security Professionals, Inc. and Walker Field Airport Authority contingent upon the above-listed items being included.

Ron Smith from Colorado Security Professionals, Inc. addressed the Board and commented that the request for additional insurance with Home Loan is currently out to bid. There has been a delay with the underwriters as they define exactly what is needed and the scope of responsibility.

Commissioner Palmer inquired if Staff would have the right to review security incidents and if Colorado Security Professionals, Inc. would report incidents to Staff. Manager Nystrom responded that Staff would have the right to review Colorado Security Professional's, Inc.'s reports, and that in the past, incidents have been reported to the staff.

Mr. Smith commented that their policy is to provide the Authority with a report of any incidents. Also, a file of all incidents would be available on location at Colorado Security Professionals, Inc.'s office.

Commissioner Berryman moved to approve the Services Agreement with Colorado Security Professionals to provide security services contingent upon the items listed. Commissioner Palmer seconded the motion. Voice vote: all ayes. Motion carried.

D. Bid Award and Contract Agreement to Purchase Additional Public Seating for Terminal Building

Staff advertised a Request for Proposals for the purchase of additional seating to be located in the new second floor passenger hold room.

Two (2) companies submitted bids for the additional public seating. The two (2) companies are:

- Office Furniture & Design Centers, Inc.
- Facilitek

The Airport Authority appropriated \$38,000 for this acquisition at the January 2004 Regular Board Meeting.

Office Furniture & Design Centers, Inc. submitted a base bid of \$28,760.00, with the option to buy additional Beam Seating for \$1,045.00 each. Facilitek submitted a base bid of \$28,281.44, with the option to buy additional Beam Seating for \$955.39 each.

Staff worked with Van Sant Group to review both of the submittals to ensure that they met all of the specifications of the RFP. Vice Chairman Springer inquired if the Board was required to accept the lowest bid. Manager Nystrom responded that the Authority's By-laws do not require that the Board must take the lowest bid. Rather, they state that the bid must be awarded to the lowest responsible bidder.

Vice Chairman Springer inquired if the Authority had previously purchased from Facilitek. Staff responded that they had purchased the existing furniture in the hold room as well as the additional furniture for the first floor of the terminal building from Facilitek.

Commissioner Berryman inquired how large the area is where the new furniture would be installed. Staff responded that it is approximately 6,000 square feet.

Chairman McCormack inquired if the new furniture would all be going in one location. Staff responded that some of the existing furniture would be relocated to the new hold room on an interim basis. Once the new furniture arrives, it will all be installed in the new hold room except for the eight (8) additional beam seats, which will be used to replace seating in other areas.

Vice Chairman Springer commented that as a local business, Office Furniture & Design would be able to fix problems that might arise with the furniture more quickly than Facilitek. He suggested that the Board revisit the By-laws in order to give them more options in selecting bids. Commissioner Palmer commented that when bids are very close it would

be good to have the discretion to choose a local vendor over a non-local vendor.

Vice Chairman Springer moved to approve the Bid Award from Office Furniture and Design Center, and approve and authorize the Chairman to sign the Contract Agreement to purchase additional public seating for the terminal building. Commissioner Little seconded the motion. Voice vote: all ayes. Motion carried.

IV. DISCUSSION ITEMS

There were no Discussion items.

V. BOARD COMMITTEE REPORTS

There were no Board Committee reports.

VI. AIRPORT MANAGER'S REPORT

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

IX. OTHER ITEMS

A. March Board Workshop

Manager Nystrom suggested including a discussion of the Airport By-laws.

Commissioner Palmer inquired about House Bill 04-1019. Manager Nystrom responded that currently a Colorado public airport authority must formally advertise for bids for the purchase of goods or services of \$10,000 or more. House Bill 04-1019 would raise this amount to \$50,000.

Commissioner Palmer inquired if the Board could take a tour of the new terminal building hold room area. Manager Nystrom responded that a tour of the area will be arranged for the next workshop.

Commissioner Berryman inquired when the new hold room area would be open. Manager Nystrom responded that the goal is to have it open by the end of March, and in time for the Chamber After Hours on March 30, 2004.

X. ADJOURNMENT

Commissioner Palmer 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 6:06 p.m.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2004.

____ signature on file _____
Miles C. McCormack, Chairman

ATTEST:

____ signature on file _____
David J. Anderson, Clerk