

B. Minutes: February 17, 2004 Regular Board Meeting

C. Acknowledgement of Receipt of Accounts Receivable Report

Commissioner Palmer requested that the Board discuss bringing past due amounts current rather than allowing them to remaining perpetually past due. Westrac, which operates the Thrifty Car Rental concession, is the only tenant over 90-days past due. Staff noted that Westrac made payments of approximately \$15,000 within the last month, but Westrac remains 5 to 6 months past due. Commissioner Palmer suggested that collection efforts be more strict and utilize a set due date.

Chairman McCormack inquired how current other airport tenants are. Manager Nystrom responded that most tenants are current or within the 31-60 days time frame.

Commissioner McCormick suggested that Staff set a June 1st deadline for Westrac and work out a payment plan comparable to how the other tenants pay.

D. Request by Young & Hockensmith, P.C. for Hourly Billing Rate Adjustment to Provide Legal Services

In July 2002, the Authority entered into the most recent agreement with Young & Hockensmith, P.C. (Y&H) for legal services for a five (5)-year term. The Authority is currently 2 years into that 5-year term. Per the agreement, Y&H's hourly rate for attorney time is \$140.00. The agreement contemplates possible increases in the hourly rate over the term of the agreement, with prior approval of the Authority. Y&H is proposing to increase its hourly rate to \$150.00 commencing April 1, 2004.

Because the requested increase equates to an annual increase of approximately 3.5% of the initial hourly rate under the existing agreement, Staff recommended that the Board approve and authorize the Airport Manager to sign the confirmation letter from Y&H which signifies acceptance of the increase.

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

V. ACTION ITEMS

A. Bid Award and Services Agreement to Provide Risk Management Services

Home Loan Investment Company is the current “broker of record” for the Authority’s property and casualty insurance and directors & officers (D&O) liability insurance. Home Loan is currently in its third (3rd) year of a three (3)-year insurance broker term, with a term expiration of May 31, 2004.

The existing core “insurance broker” services included shopping the market for the Authority’s insurance coverage amounts and basic consulting services, including risk analysis, loss prevention assessments, and reviewing insurance provisions within the Authority’s standardized agreements.

As growth continues in the number of operations and customers at Walker Field, risk management issues will increase in complexity. It is necessary for the Authority to develop a more comprehensive airport risk management program, including additional exposure evaluation, access to benchmarking data for comparisons of coverage types and amounts, and historical and future executive progress reports.

To address this challenge, Staff published a request for qualifications (RFQ) for risk management services. Five (5) firms submitted statements of qualifications in response to the RFQ:

- Home Loan Investment Company, in partnership with Gallagher Aviation
- Flood & Peterson Insurance, Inc.
- Marsh USA Risk & Insurance Services
- NationAir Insurance Agencies, Inc.
- Professional Insurance Management, Inc.

Of these entities, Staff interviewed three (3) finalists:

- Home Loan Investment Company
- Flood & Peterson Insurance, Inc.
- Marsh USA Risk & Insurance Services

Based on the submittals, references, and interviews, Staff recommended that the Board select Home Loan Investment Company as the Authority’s risk management service provider for a three (3)-year term commencing June 1, 2004. Additionally, Staff recommended that the Board approve and authorize the Airport Manager to sign a Services Agreement with Home Loan contingent upon Authority Attorney review and approval of the Agreement.

Vice Chairman Springer recused himself from the discussion and the vote due to a possible conflict of interest.

Commissioner Palmer inquired how the coverage had changed. Jamie Hamilton of Home Loan responded that, as an agency broker, they are licensed to contract with other specialty markets to obtain aviation insurance. With risk management services a more proactive program can be implemented.

Chairman McCormack asked if Colorado Security Professionals has obtained the required insurance coverage for its security personnel. Staff responded that they are continuing to work with Colorado Security Professionals and Home Loan on this issue.

Commissioner Palmer moved to select Home Loan Investment Company as the Authority's risk management service provider for a three (3) year term commencing June 1, 2004, and to authorize the Airport Manager to sign a Services Agreement with Home Loan contingent upon Authority Attorney review and approval of the Agreement. Commissioner McCormick seconded the motion. Voice vote: all ayes. Motion carried. Vice Chairman Springer abstained.

B. Resolution No. 2004-008: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado – Air Operations Area (AOA) Safety Procedures (Policy), Development and Architectural Covenants, and/or Fuel Storage and Handling Procedures Violations

As the number of customers utilizing the airfield increases, there has been a corresponding increase in safety and operational concerns, including:

- Objects, equipment, and aircraft parked in the Object Free Area (OFA);
- Unauthorized use of vehicles and equipment on the taxiways/taxi lanes; and
- Storage and use of non-aeronautical or decommissioned equipment on the airport.

Other than default provisions within ground lease agreements, there are few enforcement mechanisms in place to help Staff in their efforts to enforce the Authority's Air Operations Area (AOA) Safety Procedures (Policy), Development and Architectural Covenants, and Fuel Storage and Handling Procedures.

Staff met with airfield tenants to discuss options for addressing the safety and operational concerns, and methods for enforcing violations. Based on the input, Staff recommended a progressive penalty system, similar to what was approved by the Board in November 2001 for airfield access gate violations. The progressive enforcement system in place for these types of violations has worked well to assist the Authority in minimizing unauthorized access to the AOA.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2004-008: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado – Air Operations Area (AOA) Safety Procedures (Policy), Development and Architectural Covenants, and /or Fuel Storage and Handling Procedures.

Commissioner Palmer inquired how safety violations are addressed in the tenant leases and what the airport can do if a tenant does not comply. Manager Nystrom responded that by signing the lease, the tenant agrees to comply with all of the Authority policies and procedures. If a tenant does not comply, the airport can issue a notice of default and eventually terminate the lease if the tenant does not comply.

Commissioner Palmer asked how many violations occur. Manager Nystrom stated that it varies from day to day. There can be 3-4 one day and none the next. It is a serious enough issue that the tenants are willing to back the Airport Authority in enforcing safety violations.

Commissioner Palmer inquired how Staff would go about policing the area in question. Manager Nystrom responded that a schedule has been initiated wherein various employees, including Administrative Staff, patrol the airport 6-7 times a day. They have a sheet to fill out to report any violations. The tenants/users are then notified of violations and appropriate action taken as necessary.

Commissioner McCormick moved to approve and authorize the Chairman to sign Resolution No. 2004-008: Fees and Charges for the Walker Field Airport, Grand Junction, Colorado – Air Operations Area (AOA) Safety Procedures (Policy), Development and Architectural Covenants, and /or Fuel Storage and Handling Procedures. Commissioner Palmer seconded. Roll call: all ayes. Motion carried.

C. **Request for Approval and Appropriation of Funds for Additional FY 2004 Capital Item**

Current FY 2004 appropriated operating expenses totaled \$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.

As airport improvements continue to be made, some equipment has reached maximum usage, including the 1984 John Deere tractor that has been used for landside improvements and maintenance. A replacement tractor (Skidster - 700-800 series) with attachments will assist Staff with

completing projects in a more timely manner. The proposed attachments include a heavy-duty bucket and forks.

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

<u>Capital:</u>	
Tractor with Attachments.....	<u>\$25,000</u>
 TOTAL.....	 \$25,000

Ed Storer, Projects Manager, addressed the Board regarding the proposed acquisition of a tractor. Primary use of the proposed tractor would be on the landside of the airport. The Airport owns a New Holland tractor, which is also a mower. It was not built for the kind of jobs that need to be completed on the landside areas. Manager Nystrom noted that the New Holland tractor is primarily used on the airfield, which takes priority. This does not leave it available for landside use on a regular basis.

Staff noted that they have determined the specifications of the tractor and are currently soliciting bids.

Commissioner McCormick moved to approve and appropriate funds for a replacement tractor (Skidster - 700-800 series) with attachments in an amount not to exceed \$25,000.00. Commissioner Little seconded. Voice vote: all ayes. Motion carried.

VI. DISCUSSION ITEMS

Commissioner Palmer inquired if there has been any recent action pertaining to House Bill 04-1019 (increased amount requiring a bid process for the acquisition of goods or services), which was discussed at the March Board Workshop. Manager Nystrom responded the bill is moving forward and that this issue will be addressed during future Board discussions on Authority By-Laws.

VII. BOARD COMMITTEE REPORTS

There were no Board Committee reports.

VIII. AIRPORT MANAGER'S REPORT

Manager Nystrom reminded the Board that the Grand Junction Area Chamber of Commerce Business After Hours will be March 30th in the new terminal building boarding area.

IX. OTHER ITEMS

A. Boarding Area Expansion Project Update

Manager Nystrom reported that the boarding area expansion project is currently \$50,000 – \$60,000 under budget. Staff has been consulting with FCI and the Authority's architectural firm. They have recommended that the new heating, ventilation, and air conditioning (HVAC) system underneath the terminal building be enclosed to protect the equipment.

Commissioner McCormick inquired if the cost savings could be spent on an observation area rather than the enclosure. Manager Nystrom responded that the HVAC equipment needs to be enclosed regardless of whether or not the Board decides to appropriate funds for an observation area.

Commissioner Berryman inquired if this would help the airflow and reduce jet fuel fumes from entering the HVAC system. Staff responded affirmatively.

Commissioner Palmer inquired about what Commissioner McCormick had in mind for the observation area. Commissioner McCormick replied that the Board has discussed several different possibilities. The most recent and least expensive would be to expand the meeters/greeters area by moving the glass walls farther out into the boarding area.

Commissioner Berryman inquired if the loading bridges have been installed. Staff reported the loading bridges have been delivered and are currently being installed. Commissioner McCormick inquired about the training for employees on the new loading bridges. Staff responded that training will start when the loading bridges are installed and operational. A training crew from DEW Bridge will provide the training. The airlines will be the primary operators of the loading bridges.

B. Airport Manager Performance Evaluation Goals

Manager Nystrom requested a time to meet with the Board in early April to review her performance evaluation goals. Commissioner McCormick suggested that a Special Board Meeting be held on April 6th.

C. April Board Workshop

Staff requested that the Board place a discussion of the Authority By-Laws on the agenda. Staff would also like to discuss the Airport Operations Area (AOA) Safety Procedures. The Safety Procedures were most recently revised in 1998.

X. ADJOURNMENT

Commissioner McCormick 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 6:38 p.m.

APPROVED AND ADOPTED THE _____ DAY OF _____, 2004.

Signature on File

Miles C. McCormack, Chairman

ATTEST:

Signature on File

David J. Anderson, Clerk