

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

January 18, 2005

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

**AIRPORT STAFF PRESENT:** Corinne Nystrom Gary Mancuso  
David Anderson

**ALSO PRESENT:** Bob Kretschman of The Daily Sentinel and Phil Smith (no affiliation listed).

### I. CALL TO ORDER

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

### II. APPROVAL OF AGENDA

Commissioner Berryman requested that Consent Agenda Item J- "Resolution No. 2005-003: Termination of Standardized Agreement;" Item K- "Resolution No. 2005-004: Standardized Landlord's Consent Agreement;" and Item L- "Resolution No. 2005-005: Resolution of the Board of Commissioners Regarding Authority to Execute Standardized Agreements for the Walker Field, Colorado, Public Airport Authority" be moved to Action Items.

Commissioner Little 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 and/or communications.

### IV. ELECTION OF 2005 WFAA OFFICERS

The Walker Field Airport Authority By-Laws require that the election of the officers for a new year be held at the first 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 2004, the following Staff members served as officers: Treasurer—Corinne Nystrom; Clerk—David Anderson; and Deputy Clerk—Charlie Novinskie. Staff recommended that these three (3) Staff members serve in the same positions for 2005.

Commissioner Palmer moved to nominate Craig Springer for Chairman, Bob McCormick for Vice Chairman, Corinne Nystrom for Treasurer, David Anderson for Clerk, and Charlie Novinskie for Deputy Clerk. Commissioner Berryman seconded.

Chairman McCormack moved to nominate Roger Little as Vice Chairman.

The Board conducted a ballot vote. Bob McCormick received the majority of the votes for the Vice Chairman position.

Commissioner Palmer moved to approve the nomination of officers, including Bob McCormick as Vice Chairman, for 2005. Commissioner Lacy seconded. Voice vote: all ayes. Motion carried.

Chairman Springer thanked Commissioner McCormack on behalf of the Board and presented him with a plaque in recognition of his service as Chairman during 2004.

## V. CONSENT AGENDA

### A. Minutes: December 7, 2004 Regular Board Meeting

### B. Minutes: December 21, 2004 Special Board Meeting

Chairman Springer requested that the motion for the Ground Lease Agreement with P & L Properties, LLC be modified to include more detailed contingencies that were in the original motion presented at the meeting. Specifically, he stated the motion should have stated that Staff would work with P & L Properties, LLC to adjust the boundaries of the leasehold to provide the Airport Authority with access ways through the existing T-hangar area; the rent for the leasehold be at the current applicable Airport Authority lease rates; and that the annual consumer price index (CPI-U) adjustment be waived for the first five (5) years. Chairman Springer noted that these elements of the motion were not included in the Minutes.

The consensus of the Board was for Staff to revise and resubmit the December 21, 2004 Special Board Meeting Minutes for consideration at the February 2005 Regular Board Meeting.

### C. Acknowledgement of Receipt of October, 2004 Financial Statements

On the Statement of Revenues, Expenses, and Changes in Net Assets, a positive budget variance between operating revenues and operating expenses is reflected. Year to date operating revenues are \$265,426 over budget (13.2%) while year to date operating expenses are slightly under budget (6.1%). This resulted in year to date Operating Income Before Depreciation (OIBD) of \$674,694, which is \$370,430 higher than budgeted year to date.

Rental car, general aviation land lease, parking, commercial aircraft fuel flowage and landing fees, and terminal building lease and concession revenues exceeded budget

projections (year to date). Additionally, as a result of the TSA Reimbursement Agreement, the Authority will be reimbursed for most of the 2003 and 2004 terminal building passenger screening checkpoint law enforcement officer (LEO)/security guard expenses. Because of the large amount of federal grant expenditures accrued at the end of 2003, the amount of capital contributions realized year to date continues to be minimal, resulting in year to date capital contributions being under budget.

On the Statement of Net Assets, nonrestricted cash/investments increased slightly (1.6%). Accounts payable increased \$291,045 with the receipt of several large vendor invoices. Accounts receivable increased \$20,904 with increased airport activity.

Land, Buildings, and Equipment fixed asset accounts increased \$270,232 with expenditures for:

- Landscaping along Walker Field Drive
- 30" water line relocation in preparation for air cargo facility
- Terminal building aesthetics improvements
- Terminal building heating, ventilation, and air conditioning (HVAC) upgrades
- Foreign object debris (FOD) removal equipment

PFC funds increased \$35,329 (net) as a result of continued program collections.

Overall, October yielded positive financial performance for the Authority.

**D. Acknowledgement of Receipt of November 2004 Financial Statements**

On the Statement of Revenues, Expenses, and Changes in Net Assets, a positive budget variance between operating revenues and operating expenses is reflected. Year to date operating revenues are \$284,751 over budget (12.9%) while year to date operating expenses are slightly under budget (6.3%). This resulted in year to date Operating Income Before Depreciation (OIBD) of \$729,476, which is \$403,325 higher than budgeted year to date.

Rental car, general aviation land lease, parking, commercial aircraft flowage and landing fees, and terminal building lease and concession revenues exceeded budget projections (year to date). Additionally, as a result of the TSA Reimbursement Agreement, the Authority will be reimbursed for most of the 2003 and 2004 terminal building passenger screening checkpoint law enforcement officer (LEO)/security guard expenses. Because of the large amount of federal grant expenditures accrued at the end of 2003, the amount of capital contributions realized year to date continues to be minimal, resulting in year to date capital contributions being under budget.

On the Statement of Net Assets, nonrestricted cash/investments decreased slightly (3.7%). Accounts payable increased \$234,687 with the receipt of several large vendor invoices. Because a large invoice was received for the Airport Improvement Program (AIP-29) project (30" water line relocation) at the end of the month, most of the invoice amount was reflected as federal and state grant receivables since 97.5% of that invoice will be paid by the FAA and the State of Colorado. As a part of that project, approximately \$56,000 of retainage payable is reflected in accrued liabilities. Accounts receivable increased \$34,303 with increased airport activity.

Land, Buildings, and Equipment fixed asset accounts increased \$571,857 with expenditures for:

- 30” water line relocation in preparation for air cargo facility
- Terminal building lighting and signage upgrades

PFC funds increased \$30,526 (net) as a result of continued program collections.

Overall, November yielded positive financial performance for the Authority.

Commissioner Palmer questioned the status of Delta Airlines’ delinquency. Staff responded that the full amount of the delinquency was received by the Airport Authority today. Commissioner Palmer asked if there were any other delinquencies. Staff answered that there were no other delinquencies to report to the Board.

**E. Request for Re-Appropriation of FY 2004 Capital Funds**

In 2004, the Board appropriated funding for the following projects. Because the final invoices for these projects will be dated after December 31, 2004, it is necessary to reauthorize a portion of the unused appropriations for these projects for FY2005.

<u>Project</u>	<u>Original Authorized</u>	<u>Carryover Request</u>	<u>Project Total</u>
AIP-23, 24, & 26 Local Match	\$150,000	\$11,970	\$150,000
AIP-27 & 28 Local Match	156,100	122,224	156,100
AIP-29 Local Match	111,111	92,443	111,111
Term. Bldg. Boarding Area Exp.	731,500	116,502	731,500
Term. Bldg. Lighting/Signage	25,000	1,489	25,000
Boiler System	5,100	3,660	5,100
Term. Bldg. Heating, Ventilation and Air Cond. (HVAC) Upgrades	140,900	86,704	140,900
Aesthetic Improvements-Term Bldg.	15,000	1,723	15,000
Frontside Curbs and Gutters	15,000	15,000	15,000
C1 Way Road Construction	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
<b>TOTAL .....</b>	<b>\$1,354,711</b>	<b><u>\$456,715</u></b>	<b>\$1,354,711</b>

The proposed reappropriations do not increase the project costs to the Authority. Instead, the reappropriations are necessary for FY2005 capital budget requirements. Thus, Staff recommended that the Board reappropriate \$456,715 for the above-listed projects.

**F. Ratification of Expenditures for Xcel Energy Invoices and Authorization of Such FY 2005 Expenditures to Xcel Energy**

Article VI, Section 2 of the WFAA By-Laws specifies that “[a]uthorizations of any expenditures equal to or in excess of \$10,000 shall require the affirmative vote of at least four (4) Directors.” Because of recent utility rate increases, at least one (1) monthly Xcel Energy invoice (terminal building gas and electric) periodically equals or exceeds the \$10,000 limit. Two (2) authorized signatures are always obtained on checks issued for

payment of these invoices when such check amounts are equal to or in excess of \$10,000 (in compliance with WFAA's previously approved Banking Resolution).

The Board approved the line item utilities expenses as a part of the initial and supplemental budgets for each fiscal year. However, in order to ensure technical compliance with the WFAA By-Laws, specific Board authorization for expenditures to Xcel Energy (the sole gas and electric utility provider for the airport) that are equal to or greater than \$10,000 is also prudent.

Staff recommended that the Board ratify the expenditures payable to Xcel Energy for prior year invoices in amounts equal to or in excess of \$10,000 and authorize such FY2005 expenditures to Xcel Energy, as needed.

**G. Designation of Public Places for Posting Notices of Meetings of the WFAA 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 designation shall take place at the Authority's first regular meeting of each calendar year. 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)
- 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)

**H. Resolution No. 2005-001: 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. To assist with the efficient payments to vendors for routine transactions, the proposed Resolution includes an increase in the dollar amount at which two (2) signatures are required on the checks (from \$10,000 to \$15,000). The current \$10,000 limit has been in-place for at least twenty (20) years. Based on a review of the Consumer Price Index during that timeframe, \$10,000 in 1984 is equivalent to approximately \$18,000 in 2004. In addition to this proposed increase, personnel title changes have been included. The remainder of the Resolution is materially the same as last year's Resolution.

Staff recommended the Board approve Resolution No. 2005-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts contingent upon the insertion of the Board 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.

**I. Resolution No. 2005-002: 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 (existing authority is for amounts under \$10,000). The existing resolution expires, if not renewed, on January 31, 2005.

Resolution No. 2005-002 renews the authority granted previously to the Airport Manager to execute contracts under \$10,000 on behalf of the Authority. If approved by the Board, this authority would expire on January 31, 2006 unless renewed again by the Board.

Although this resolution is the direct result of prior Board action, Staff recommended that the Board approve Resolution No. 2005-002 and authorize the Chairman to sign the Resolution on behalf of the Authority.

Commissioner Palmer moved to approve the items on the Consent Agenda, excluding Item B- "Minutes- December 21, 2004 Special Board Meeting," with the understanding that Item B would be revised by Staff and presented to the Board for consideration at the next Board Meeting. Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

**VI. ACTION ITEMS**

- A. Public Hearing Regarding Proposed 2004 Supplemental Budget and Appropriations**
- B. Resolution No. 2005-006: Resolution to Adopt 2004 Supplemental Budget and Appropriate Sums of Money**

Members of the public were provided with an opportunity to comment or ask questions regarding the proposed 2004 Supplemental Budget and Appropriations. Notice of the proposed budget was published in the Daily Sentinel in accordance with State law.

At the end of each fiscal year, it is necessary for the Authority to ensure that the budget for that year conforms with what has transpired during the year, especially with respect to expenditures. A resolution is necessary to finalize the budget and authority to appropriate for that fiscal year. Based on last year's auditor recommendation, the proposed Supplemental Budget is now prepared and presented to the Board for consideration in January to allow for more up-to-date information to be included within the Budget.

The amended budget is still a projection, but is based upon actual financial data that has been compiled throughout the year. It incorporates the additions and deletions made in

the capital budget, as previously authorized by the Board on a case-by-case basis, as well as the changes in revenue and expense categories experienced during the year.

Staff recommended that the Board approve Resolution No. 2005-006 and authorize the Chairman to sign the Resolution on behalf of the Authority.

Commissioner Palmer requested clarification of the difference between the projected actual calculations and the proposed amended budget calculations. Staff explained that the projected actual budget is the actual definitive amount that the Authority is looking at attaining for expenditures for the year. The proposed amended budget provides a slight variance in order to mitigate the possibility of any budget violations resulting from the actual results varying from the projections.

Chairman McCormack moved to approve Resolution No. 2005-006: Resolution to Adopt 2004 Supplemental Budget and Appropriate Sums of Money and authorize the Chairman to sign the Resolution on behalf of the Authority. Commissioner Little seconded. Roll call: all ayes. Motion carried.

**C. Appointment of At-Large Board Member**

Chairman McCormack's second term as the Authority at-large Board member expires February 28, 2005. In preparation for the ending of his term, the Board advertised for resumes and letters of interest from individuals who would be interested in serving on the Board as the at-large Board member. Nine (9) people formally indicated their interest in the position.

At the January 3<sup>rd</sup> Board Workshop, the Board reviewed the submittals from the interested people and narrowed the list of candidates to three (3) finalists. The three (3) finalists were interviewed at a Special Board Workshop on January 10<sup>th</sup>. No formal action was taken at that Workshop to select the candidate for the at-large Board member position. Instead, the Board decided to reflect on the information received from the candidates, including the responses to questions during their respective interviews.

Because this position serves on the Authority Board of Commissioners, Staff did not provide a recommendation to the Board.

The Board voted for the at-large Board member, and Doug Simons was selected. Manager Nystrom stated that she would proceed with the ratification process of the Board's selection of Mr. Simons by notifying the City of Grand Junction and Mesa County. Chairman Springer requested that Manager Nystrom notify Mr. Simons and the other two (2) finalists of the Board's decision.

Commissioner Palmer volunteered to contact the City on behalf of the Authority and noted that he would request the inclusion of the proposed ratification of Doug Simons on the agenda of the January 19, 2005 City Council meeting. Commissioner Palmer also commented that he was impressed with the quality of the three (3) finalists for the at-large Board member position. He added that the community is fortunate to have people willing to volunteer their time to serve the community, and he is very comfortable with the decision that was made.

**D. Resolution No. 2005-003: Termination of Standardized Agreement**

**E. Resolution No. 2005-004: Standardized Landlord's Consent Agreement**

As a separate agenda item (proposed Resolution No. 2005-005: Authority to Execute Standardized Agreements), the Board is presented with a proposed renewal of authorization for the Airport Manager to execute specified "standardized" agreements. These agreements currently include:

- 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

To improve efficiency and to reduce the amount of time needed to effect routine transactions that have occurred with increasing frequency, Staff recommended that the Termination of Standardized Agreement and Landlord's Consent Agreement be considered for classification as standardized agreements, and thus included within the list of documents which the Airport Manager would be authorized to execute. The Authority Attorney has reviewed and approved both Agreements.

As with other standardized agreements, the Board would be periodically apprised on the Airport Manager's execution of these agreements as a part of the routine transactions. Non-standardized or highly significant transactions will continue to be presented to the Board for consideration.

Staff recommended that the Board approve and authorize the Chairman to sign Resolution No. 2005-003: Termination of Standardized Lease Agreement and Resolution No. 2005-004: Standardized Landlord's Consent Agreement, which would approve and classify those documents as Standardized Agreements.

**F. Resolution No. 2005-005: Resolution of the Board of Commissioners Regarding Authority to Execute Standardized Agreements for the Walker Field, Colorado, Public Airport Authority**

In June, 2003 and subsequently, the Board approved resolutions granting authority to the Airport Manager to execute specific "Standardized Agreements," certain amendments thereto, and assignments thereof (unless such document contains additional provisions that have not been previously approved by the Board). The "Standardized Agreements" would include the following:

- 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
- Termination Agreement
- Landlord's Consent to Lease Assignment

Resolution No. 2005-005 renews the authority granted previously to the Airport Manager to execute Standardized Agreements on behalf of the Authority. The Airport Manager will continue to apprise the Board of any such Standardized Agreements, assignments, and amendments thereto which were signed during the previous month. This Resolution will expire on January 31, 2006 unless renewed by the Board.

Although this resolution is the direct result of prior Board action, Staff recommended that the Board approve Resolution No. 2005-005 and authorize the Chairman to sign the Resolution on behalf of the Authority.

Commissioner Berryman requested additional information regarding how classifying the Termination of Standardized Agreement and Landlord's Consent Agreement as standardized agreements would impact the Board's oversight of these types of transactions. Staff stated that these standardized agreements would be used primarily to facilitate a transfer of a standardized Ground Lease Agreement from one entity to another.

Commissioner Berryman moved that the Board approve and authorize the Chairman to sign the following resolutions on behalf of the Authority: Resolution No. 2005-003: Termination of Standardized Agreement, Resolution No. 2005-004: Standardized Landlord's Consent Agreement, and Resolution No. 2005-005: Resolution of the Board of Commissioners Regarding Authority to Execute Standardized Agreements for the Walker Field, Colorado, Public Airport Authority. Commissioner Palmer seconded. Roll call: all ayes. Motion carried.

## **VII. DISCUSSION ITEMS**

There were no Discussion Items.

## **VIII. AIRPORT MANAGER'S REPORT**

Manager Nystrom provided the Board with an update regarding the 2005 Air Show which will feature the Navy's Blue Angels. Commissioner Berryman asked if the Authority is in the process of coordinating parking options for air show attendees. Manager Nystrom responded that one or two individuals on the Air Show Committee have been specifically assigned to address the parking needs.

Commissioner Lacy asked how the number of passengers for charter flights are verified. Manager Nystrom responded that Thunder Mountain, the ground handling service provider for the passenger charter flights, reports the number of landings and passengers directly to the Authority. This information is then used to invoice the airlines for landing fees, shared space, and security fees. Additionally, this information is cross-referenced with official U.S. Department of Transportation (DOT) statistics on an annual basis.

Commissioner Palmer asked Manager Nystrom if the Authority has access to historical information regarding airport safety reports. Manager Nystrom commented that the Authority's historical data is limited since this report was initiated within the past year.

Commissioner Palmer inquired about Great Lakes Aviation. Manager Nystrom responded that Great Lakes Aviation, which operates non-stop service from Walker Field Airport to Denver International Airport and code-shares with Frontier Airlines, is monitoring the Grand Junction market very closely. She explained that Great Lakes Aviation is enjoying good passenger load factors, but because airfares are so low, Great Lakes and the other air carriers at Walker Field Airport are struggling financially throughout their systems. She added that in the case of Great Lakes Aviation, it serves a large number of Essential Air Service (EAS) communities. EAS routes are profitable for them because they are subsidized by the federal government. As Great Lakes Aviation obtains additional EAS routes, it must make decisions whether or not to continue flying unsubsidized routes, such as Grand Junction to Denver.

## **IX. OTHER ITEMS**

### **A. February Board Workshop**

Manager Nystrom recommended that the landside roadway configurations be discussed at the February Board Workshop. Commissioner Berryman suggested that the Authority invite a City of Grand Junction representative to attend the Board Workshop to provide input regarding the landside roadway configuration options. Manager Nystrom stated that Tim Moore of the City of Grand Junction has already volunteered to attend the Board Workshop. Additionally, she stated that the Authority's engineering consultant will be present at the Board Workshop.

Commissioner Palmer recommended that the new at-large Board member be provided with an opportunity to tour the airport and meet with Staff prior to the Board Workshop. Manager Nystrom noted that she would contact Mr. Simons.

### **B. Airport Manager Annual Performance Evaluation and Compensation (Executive Session)**

Commissioner Palmer moved to enter into Executive Session to discuss personnel matters as outlined in Colorado Revised Statutes (C.R.S.) § 24-6-402(4)(f). Without compromising the purpose for which the executive session is requested, he noted that the topic of discussion pertains to the "Airport Manager's performance evaluation and compensation." Commissioner Little seconded. Voice vote: all ayes. Motion carried. The Board entered into Executive Session at 6:05pm.

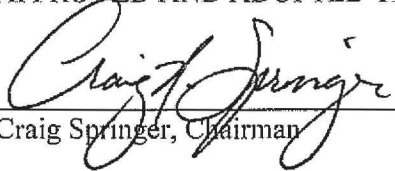
The Board exited Executive Session at 6:41pm.


Commissioner Palmer moved that the Airport Manager's annual salary remain at the current level of \$80,189 for 2005, but a monthly car allowance of \$250 retroactive to January 1, 2005 be added to her compensation. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

X. ADJOURNMENT

Commissioner Palmer moved to adjourn the meeting. Commissioner Berryman seconded. Voice vote: all ayes. The meeting was adjourned at 6:42pm.

APPROVED AND ADOPTED THE 15<sup>th</sup> DAY OF February, 2005.

  
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Craig Springer, Chairman

ATTEST:   
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David J. Anderson, Clerk