

Walker Field Airport Authority

Minutes of the Regular Board Meeting

April 20, 1999

BOARD COMMISSIONERS PRESENT: Martin O'Boyle Robert McCormick
 Miles McCormack Ken Sublett
 Craig Springer Mike Sutherland

AIRPORT STAFF PRESENT: Corinne Nystrom John Thomas
 Dan Reynolds Charlie Novinskie
 David Anderson

ALSO PRESENT: Curtis Carr of C & G Services; Dave Naski of West Star Aviation; Ruth Ann Chilton, Kent Pfeider, and Rick Wagner of Colorado Skunkworks; Jerry Feather; Mike Nelson of Chadwick, Steinkirchner, Davis & Co.; Tom Daly and Judy Daly of Daly Construction; Ron Lee and Craig Sanchez of RCK Janitorial; Joe Marie of Federal Express; and Authority Attorney Doug Briggs.

I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:21pm.

II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. There were no additions or changes to the published Agenda.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: March 16, 1999 Regular Board Meeting

Commissioner Sutherland moved to approve the item on the Consent Agenda. Vice Chairman McCormick seconded. Voice vote: all ayes. Motion carried.

V. ACTION ITEMS

A. Request by Colorado Skunkworks for Funding to Construct Utilities

Staff presented the Board with a request by Colorado Skunkworks, LLC for the Authority to fund a utility extension from the south side of Aviators Way to within 100 feet of the Skunkworks parcel (a distance of approximately 175 feet for gas, water, sewer, and phone, and 247 feet for electric). In a letter from Mr. Pfeider to the Authority, he stated that most tenants have not had to extend lateral utility lines more than 100 feet to reach the nearest utility corridor. Thus he believes that the Authority should provide the same distance for Skunkworks' proposed leasehold improvements.

Staff noted that the Civil Air Patrol, which is adjacent to the Skunkworks' parcel, had to extend its utilities a distance of 160 feet to the same utility corridor. Staff provided Public Service Company cost estimates to the Board for the installation of electric and gas lines. Electrical line installation would cost \$3,000 and the installation of a gas line would be approximately \$1,500. However, credits of approximately \$1,700 for electric and \$1,000 for gas would be refunded to the Authority approximately one year after the installation of the meters for those utilities. The installation of a fire hydrant near the facility would cost approximately \$3,000, and a domestic water line--\$1,750. Sewer installation would cost approximately \$1,800. Including taps, the installation of gas, water, and sewer lines to within 100 feet of the Skunkworks parcel would cost approximately \$13,400 (without taps--\$11,050).

Staff commented that the Authority has a history of not providing utilities to only one tenant. If Skunkworks subleases one of its hangars to a third party, then the utilities would benefit more than one tenant. Thus Staff recommended the Authority pay 1/3 of the installation of utilities if there was more than one tenant on the leasehold (approximately \$3,700). Manager Nystrom stated this amount is based upon 1/3 of the cost of the installation of utilities without taps because the Authority has not paid for any utility taps for tenants.

Commissioner O'Boyle inquired whether the issue of the proximity of utilities will arise again in the Runway 4/22 general aviation area south of Taxilane C1-A. Manager Nystrom commented that the Authority will install water and sewer trunk lines in the new development area. There will be approximately 8 tenants who will benefit from the trunk lines. The approximate distance from the trunk lines to the proposed hangars will be approximately 300 feet.

Commissioner O'Boyle asked if extending the Aviators Way utility trunk lines towards the Skunkworks hangar would benefit more than one tenant. Manager Nystrom responded that the land to the north of the Skunkworks parcel is not available for development because of FAA "line

of sight" requirements. Thus the Skunkworks parcel would most likely be the only parcel to benefit from such an extension.

Commissioner Springer inquired if there is any precedent of the Authority participating in the costs of installing utilities from a trunk line to a leasehold. Staff noted that it has participated in the costs of installing a fire hydrant, but not other utilities. Commissioner O'Boyle asked how the "1/3 of costs" was derived. Staff commented that if Colorado Skunkworks would sublease one of its hangars to another party, then there would be three parties sharing in the installation costs—each 1/3 of the costs. Based upon the amount of ground lease rent which Colorado Skunkworks is paying, it would take 5 1/2 years for the Authority to recoup its share of the installation costs if it paid for 1/3 of the costs.

Commissioner O'Boyle asked why the Authority should participate in the costs of installing utilities to the Skunkworks parcel. Staff commented that its goal is the equitable apportionment of the costs of installing utilities. Vice Chairman McCormick inquired if there are any other leaseholds in the Runway 4/22 general aviation area which may have the same issue of proximity to utilities. Staff responded that there is a vacant parcel to the south of the West Star Aviation T-hangars which may have a similar issue arise, but the distance to the trunk lines is less than with the Skunkworks parcel.

Rick Wagner, Attorney for Mr. Pfeider of Colorado Skunkworks, commented that the Skunkworks parcel was not his client's original choice of parcels. He stated that the Authority, as a landlord, could fund the installation of utilities to the Skunkworks parcel without setting a precedent. He claimed that the Authority has participated in funding tenant-related improvements in the past.

Commissioner Sutherland stated that the Civil Air Patrol, similarly situated as the Skunkworks parcel, paid for its own utilities installation from its building to the utilities trunk lines. Commissioner Sutherland continued that the Authority has a duty to obtain a return on its investment, and if the Authority pays for utilities for the Skunkworks parcel, it will take a long time for the Authority to recoup those costs. Mr. Wagner stated that if the Skunkworks parcel does not have utilities to the site, the Authority will receive little return on that parcel anyway. Staff responded that if the Authority were forced to install utilities to all of the parcels in that area, charging a higher lease rate may allow the Authority to recoup some of the costs of installing the utilities.

Kent Pfeider of Colorado Skunkworks stated that the Authority needs to look at future development. Commissioner Sutherland commented that the Authority has to consider what type of return it will receive from various infrastructure projects.

Commissioner O'Boyle moved to approve payment of 1/3 of the extension of utilities to within 100 feet of the Colorado Skunkworks leasehold and to appropriate the funds not to exceed \$3,683.34 for such extension of utilities, contingent upon there being two tenants occupying the Colorado Skunkworks parcel. Vice Chairman McCormick seconded.

Commissioner Sutherland recommended placing all prospective tenants in the Runway 4/22 General Aviation Area on notice that they will have to install approximately 300 feet of utilities to tie-in with the utilities trunk lines in that area. He recommended that the Authority participate in funding the fire hydrant only.

Roll call: Ayes- Chairman McCormack, Commissioner O'Boyle, and Vice Chairman McCormick. Nays- Commissioner Springer, Commissioner Sublett, and Commissioner Sutherland. Motion did not carry (3-3).

Commissioner Sutherland moved for the Authority to participate in the costs of installing a fire hydrant and the associated water line near the Skunkworks parcel and to appropriate an amount up to, but not including, \$2,000. Commissioner O'Boyle seconded.

Commissioner Springer asked if the Authority would be setting a precedent by participating in the costs of installing a fire hydrant. Commissioner Sutherland commented that the Authority will probably be setting a precedent in participating in the costs of the fire hydrants, but fire hydrants are a different issue than other utilities.

Roll call: Ayes- Commissioner Sublett, Chairman McCormack, Commissioner Sutherland, and Commissioner Springer. Nays- Commissioner O'Boyle and Vice Chairman McCormick. Motion carried (4-2).

B. Ground Lease Agreement with Gerald B. Feather, Esq.

Staff presented the Board with a proposed Ground Lease Agreement between Gerald B. Feather, Esq. and the Authority. Mr. Feather would like to construct a private hangar on land located east of the Daly Construction hangar in the Runway 4/22 general aviation area to store and maintain his aircraft as well as aircraft owned by American Navion Society members. The proposed Ground Lease Agreement is based upon a boiler plate agreement with additional language regarding the use of the facilities by members of an aircraft club. It is consistent with leases currently in place with other tenants utilizing land for private use hangars and contains a provision requiring Mr. Feather to obtain a Certificate of Occupancy within eighteen (18) months of the commencement date of this Agreement.

The amount of square footage for the initial Lease is based on approximations and will be adjusted accordingly upon receipt of a survey and legal description from a licensed surveyor. The proposed Agreement would be for a 20-year term with a renewal provision of 10 additional years.

Until the Lessee has obtained a Certificate of Occupancy, the Lessee shall pay the initial rate of \$.0454 per square foot per year, equal to \$88.92 per month from March 17, 1999, through March 31, 2000. The first CPI-U adjustment would occur in April, 2000. After completion of the improvements on the leasehold, Mr. Feather would commence paying per the rent schedule applicable at the time of completion of the improvements. The standard four (4) month security deposit would be required.

At the March, 1999 Regular Board Meeting, this Agenda item was presented to the Board. The consensus of the Board was for Staff to discuss with Mr. Feather and Tom Daly access concerns expressed by Mr. Daly from Taxilane C1-A to the northern portion of the Daly Construction parcel. Mr. Daly requested some type of access through the Feather parcel to the taxilane. After thorough discussion of possible solutions, the only remedies agreeable to Mr. Daly would have required Mr. Feather to redesign his future improvements on the proposed leasehold. Staff asked Mr. Feather to consider Mr. Daly's options and inform Staff of his decision on the proposed solutions prior to the April Regular Board Meeting. In a letter received by the Authority, Mr. Feather requested that his original proposal be submitted to the Board.

Staff recommended that the Board approve the Ground Lease Agreement between Gerald B. Feather, Esq. and the Authority and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Staff recommended that such approval be contingent upon receipt of the security deposit, certified survey and legal description, a letter of approval from City Planning, approved FAA Form 7460-1, approved building permit, and an insurance certificate as required per the Agreement.

Commissioner O'Boyle asked if there could have been a taxilane installed between the Daly hangar and the United Companies/Luxury Wheels' hangar had it not been for the Daly hangar being located too close to the west lot line. Staff noted that even if Daly Construction had complied with the setback requirements, there would not have been enough space for a taxilane from Taxilane C1-A to the northern portion of the Daly parcel. Commissioner Sutherland inquired whether Mr. Feather's hangar could be constructed closer to the east side of the leasehold. Staff responded that this option, along with several others, was considered but did not work with Mr. Feather's plans.

Mr. Daly noted that his hangar already exists, and Mr. Feather does not even have an executed lease. Mr. Daly stated he has paid rent on the northern portion of his leasehold which he does not utilize. Vice Chairman McCormick asked for what use the northern portion of the Daly parcel could be utilized if there is no access to the taxilane. Manager Nystrom noted the Authority does not have any existing inquiries for aeronautical land which does not have taxilane interest. However, she commented that because of the high demand of Airport land, Staff is not in a position to say that it would not eventually be leased.

Commissioner Sutherland inquired when another parcel would be available which Mr. Feather could lease. Manager Nystrom responded that a parcel having public access would not be available in the near future. Such a parcel will be available either if Taxilane C1-A is extended, or security fence is constructed in the southern portion of the Runway 4/22 general aviation area to allow for more public access, or the parcel south of the West Star Aviation T-hangars is developed.

Commissioner O'Boyle asked if access to the Daly parcel was addressed in the GM Hangars' First Right of Refusal for the Feather parcel. Manager Nystrom noted that Staff was not aware of any access requests or promises to the Daly parcel when the First Right of Refusal was approved. Vice Chairman McCormick inquired whether Daly Construction could be released from the northern portion of its leasehold. Manager Nystrom commented that this option has been offered to Mr. Daly. Vice Chairman McCormick asked if the Authority could impose additional restrictions regarding building footprints above and beyond City and County requirements. Manager Nystrom responded that the Authority can impose additional restrictions.

Commissioner Sutherland recommended the Authority build a hangar on the proposed Feather parcel which would allow Mr. Daly to have access to the taxilane. Commissioner Sublett asked if the Authority's existing planning process has led to this issue. Manager Nystrom commented that there was a failure to transfer information from a previous Airport administration to the current one. Staff noted that it was conveyed by Kempton Air Service to the Authority that Mr. Daly was actively discussing leasing the northern portion of his parcel to Mr. Kempton. Commissioner Sublett recommended the Authority's planning process include adjacent tenants from the first day an interested party specifies a parcel which it is interested in leasing.

Staff inquired whether adjacent tenant involvement should include comments and input, or whether the Authority should only notify those tenants. Commissioner Sublett recommended that notification and a request for comments would suffice. Commissioner Sutherland commented that for two years, GM Hangars had a First Right of Refusal for that parcel. Thus there was very little planning which took place regarding that parcel. Commissioner Sutherland recommended that specific "agreements" such as the one asserted by Mr. Daly should be in writing and "memorialized."

Commissioner O'Boyle commented that most of the development of the parcels near Taxilane C1-A has occurred in the past four years. Several years ago, the Authority decided that additional planning regarding aeronautical development should occur so that the same issues which have arisen in the Taxilane C1-A area will not happen when the southern portion of the Runway 4/22 general aviation area is developed. Commissioner O'Boyle noted that such planning has occurred and there should be some way of accommodating Mr. Daly.

Staff noted that in the recent development of several parcels in that area, affected parties were notified of the proposals. The only reason Staff did not notify Mr. Daly sooner was because it had received information that Mr. Daly was in the process of subleasing the northern portion of his parcel to Kempton Air Service. Commissioner Sublett commented that his intent was not to blame any particular person. Instead, the Authority should review its existing procedures to improve upon the process.

Vice Chairman McCormick moved to approve the Ground Lease Agreement between Gerald B. Feather, Esq. and the Authority with the following conditions: any structure constructed on that parcel make provisions for appropriate access from Taxilane C1-A to the northern portion of the Daly parcel, the Chairman be authorized to sign the Agreement on behalf of the Authority, and the Authority receive a security deposit, certified survey and legal description, a letter of approval from City Planning, approved FAA Form 7460-1, approved building permit, and an insurance certificate as required per the Agreement. Commissioner Sutherland seconded.

Commissioner O'Boyle recommended that there be some criteria for "reasonable access" to that parcel. Mr. Daly noted that 53 feet of clearance between the Daly hangar and the proposed Feather hangar would be sufficient. Additionally, he stated he would be willing to pay for one-half of the construction costs of the taxilane. Mr. Feather commented that he did not want to be burdened with an additional easement, and he should not have to pay for one-half of the costs of a taxilane which he would not use. Mr. Feather noted that he may be interested in leasing the northern portion of the Daly parcel. Vice Chairman McCormick commented it would be wrong to shut-off access to the northern portion of the Daly parcel.

Roll call: All ayes, except an abstention by Chairman McCormack. Motion carried.

C. Agreement with FAA to Establish Localizer Directional Aid (LDA)

Staff presented the Board with a proposed Reimbursable Agreement between the FAA and the Authority for the engineering and installation of a localizer directional aid (LDA) at the Airport. The FAA provided the Authority with the proposed Agreement for the installation of the LDA on Runway 29. The Agreement specifies: the FAA will provide all engineering, procedure development, power, construction coordination, localizer antennae array, and flight check—the

Authority will acquire the localizer transmitter and monitor, as well as parts and testing equipment as required by the FAA; and the Authority will reimburse the FAA up to, but not exceeding, \$100,263.

The proposed Agreement is required for the FAA to initiate the process of installing this navaid, including creating and publishing the associated procedures. The Authority plans to use AIP funds to pay for the costs of this project, including the acquisition of the equipment and Reimbursable Agreement costs. The anticipated date of completion with published procedures is November 1, 1999. Staff recommended the Board approve the Reimbursable Agreement and that the Chairman be authorized to sign the Agreement on behalf of the Authority.

Vice Chairman McCormick moved to approve the Reimbursable Agreement between the FAA and the Authority in an amount not to exceed \$100,263 and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner O'Boyle seconded. Roll call: all ayes. Motion carried.

D. Static Display Policy

Staff presented the Board with a proposed Static Display Policy which the Board had formulated as a result of several Board meetings and workshops. Staff recommended the Board approve the Policy and that copies of it be distributed to tenants and interested parties.

Commissioner O'Boyle moved to approve the Static Display Policy and that copies of it be distributed to tenants and interested parties. Commissioner Sutherland seconded. Roll call: all ayes. Motion carried.

VI. FINANCIAL REPORTS

A. 1998 Audit Report

Mike Nelson of Chadwick, Steinkirchner, Davis & Co. presented the 1998 Audit Report of the Authority financial statements to the Board. Mr. Nelson noted there are two sections of the report—Financial Statements and Independent Auditors' Report and Schedules of Expenditures of Federal Awards and Passenger Facility Charges Collected and Expended and Independent Auditors' Reports. Additionally, he commented that the auditors rely on financial statements prepared by the Authority to form the auditor opinions and certifications.

Mr. Nelson stated that under the Single Audit Act, there are now only three reports which the auditors must prepare. There were no "findings" or negative comments contained in the Report. Regarding passenger facility charges (PFCs), the Authority is following proper accounting procedures. Vice Chairman McCormick inquired whether PFC accounting requirements are set forth by laws or regulations. Manager Nystrom noted that participation in the PFC program is voluntary and that it is regulated by the FAA.

Mr. Nelson stated that the Authority received an unqualified opinion on its financial statements. This is the highest level of assurance that the financial information Staff presented to the Board last year was accurate. On the Balance Sheet, Mr. Nelson commented that the terminal building bonds were retired in 1998. The Contingent Liability line item reflects the amount of money from

the FAA and the State of Colorado to repair Runway 11/29. Money received from defendants in the runway litigation has been listed as Settlement Proceeds. Cash and Investments increased slightly in 1998.

Owned Property, Plant, and Equipment increased \$200,000 during the year. Of the \$17M of assets at the Airport, the Authority owns \$14M. Several years ago, the Board designated \$212,000 for a Capital Replacement Reserve. The Reserve can be undesignated at the Board's discretion. It is merely a bookkeeping entry, not a separate account. Vice Chairman McCormick asked when the Board should undesignate funds from the Capital Replacement Reserve. Mr. Nelson responded that any time the Authority has a need for those funds, the Board can undesignate the funds.

Regarding the Statement of Operations, Mr. Nelson noted that overall revenues increased 9% compared to 1997. Income to Retained Earnings increased to \$311,000 and Cash Flows showed an increase in \$70,000 of available cash. The Budget Comparison showed a slim margin between budgeted and actual amounts because of the Supplemental Budget approved by the Board.

Commissioner Sublett requested clarification regarding Note A—last 2 paragraphs on page 9. Mr. Nelson commented that Note A reflects that it is unclear whether the City and County entering into the Supplemental Co-Sponsorship Agreement creates a primary liability to both the City and County or if those two entities are providing merely ministerial approval of the Agreement.

Commissioner O'Boyle moved to acknowledge the receipt of the 1998 Audit Report. Chairman McCormack seconded. Voice vote: all ayes. Motion carried.

B. January, 1999 Financial Statements

Staff provided the Board with the January, 1999 Financial Statements and a summary thereof. Operating revenues were slightly over budget for the month, but tracking within 5.3% of budget year-to-date. Although the revenues are tracking closely to what was budgeted year-to-date, operating revenues are 22% higher this year than they were for the same period last year.

Year-to-date operating expenses were under budget by 21%, but are tracking closely to what the operating expenses were last year during the same period. Salaries and associated taxes and benefits were significantly under budget. The slightly higher than budgeted operating revenues coupled with the significantly under budget operating expenses resulted in Income to Retained Earnings of \$36,300 for January, which was \$26,000 higher than for the same month last year.

On the Balance Sheet, trade receivables increased by \$28,000 compared to December, 1998 and trade payables increased by \$55,000 during the same period. The increase in trade receivables is primarily attributed to late payments received from one of the FBOs which has subsequently brought its account current. The increase is also attributed to an increase in estimated rental car concession overage which will be invoiced at the end of April. Trade payables increased primarily because of a \$63,000 invoice received for AIP-17.

Finally, the Bond account at Mesa National Bank was closed-out and the account balance transferred to the general operating account, which is also at Mesa National Bank. Overall, a good start for 1999.

Commissioner Sutherland asked if Staff salary increases are based upon anniversary dates. Manager Nystrom noted that merit increases are based on anniversary dates. Additionally, several Staff positions which were budgeted for 1999 were not filled immediately. This is the primary reason the Salaries line item is under budget.

Commissioner O'Boyle moved to acknowledge receipt of the January, 1999 Financial Statements. Vice Chairman McCormick seconded. Voice vote: all ayes. Motion carried.

C. February, 1999 Financial Statements/Accounts Receivable Report

Staff provided the Board with the February, 1999 Financial Statements and a summary thereof. Year-to-date operating revenues were .3% under what was budgeted. Several line items generally come-in under budget for February because of the slightly shorter month, including airline landing fees, parking lot revenues, and concession revenues.

Although the operating revenues were slightly under budget year-to-date, Staff's continued close monitoring of operating expenses has helped to maintain these expenses at 19% below budget year-to-date. The net result was a year-to-date Income to Retained Earnings of \$61,400, which was \$41,000 higher than what was budgeted year-to-date this year, and was \$28,000 higher than for the same period last year. As the Authority heads into months which historically have more activity, Staff projects that monthly operating expenditures will increase proportionally with the activity.

The Balance Sheet reflected an increase for the month in both unrestricted cash/investments and PFC funds. Trade receivables increased during the month by \$18,000. As with January, rental car overage receivable was a substantial portion of that increase. Trade payables increased by \$87,500 because of additional capital project invoices. Overall, a solid financial month for the Authority.

Commissioner O'Boyle moved to acknowledge receipt of the February, 1999 Financial Statements. Commissioner Sutherland seconded. Voice vote: all ayes. Motion carried.

VII. DISCUSSION ITEMS

A. Leases and Concessions Negotiations Update

Staff updated the Board regarding several lease and concession negotiations. Staff noted that an RFP has been advertised for the completion of a terminal building restaurant concession analysis. Proposals are due on or before Friday, April 30th. Additionally, Staff has contacted the Unified Technical Education Center (UTECH) to see if its Culinary Arts Program would be interested in providing some type of food service in the terminal building.

Commissioner O'Boyle questioned whether the consensus of the Board was to proceed with the analysis. Staff responded that it has only requested proposals, and that the Authority is not obligated to move forward with the analysis at this time. However, Staff commented that it is in the process of obtaining as much information as possible regarding the Authority's options for

food service in the terminal building. Commissioner O'Boyle asked if Van Sant Group could perform the analysis. Staff noted that Van Sant Group's expertise is in facility design.

Commissioner O'Boyle inquired whether the Authority is still negotiating with Coffee Time for the operation of a food service concession on the second floor in the restaurant area. Staff commented that Coffee Time is no longer interested in relocating to the second floor because of concerns over exclusivity issues and possible competition from the proposed Hangar Deck Restaurant. However, Coffee Time has stated that its business has increased, and it is satisfied with its present location.

Regarding the proposed lease with the Colorado State Patrol, Manager Nystrom noted that in light of the recent Final Policy Statement pertaining to revenue diversion, even if the State of Colorado approves the proposed Ground Lease Agreement with only minor changes, the FAA is strongly encouraging the Authority to utilize fair market value for the lease rate. Because the Authority is required to charge fair market value for the proposed leasehold, the State Patrol has requested that the Authority consider selling the parcel to the State.

Commissioner Sutherland recommended that the Authority consider encouraging the State Patrol to obtain its own appraisal of the parcel. Manager Nystrom noted that the timing of the appraisal and the FAA Final Policy Statement have definitely affected this proposed lease. The consensus of the Board was to not sell the parcel at this time.

Commissioner O'Boyle inquired if the Authority owns any property which is not contiguous to the Airport could be sold to the State. Manager Nystrom noted that the Authority cannot sell any land listed on the Airport's Exhibit A, unless permission from the FAA is obtained. Commissioner Sutherland suggested the State look into purchasing the parcel of land owned by Mr. Daly on the southwest corner of Horizon Drive and H Road.

Finally, Staff commented it has been negotiating a renewal of the Lease Agreement between the Mesa County Economic Development Council (MCEDC) and the Authority. Although the existing Agreement provides that the Agreement automatically renews on an annual basis unless notice is given by either party prior to renewal, the Authority will seek a CPI-U annual adjustment provision, a provision regarding the use of the 3rd floor Conference Room, and a modification of the term from annual to monthly.

Vice Chairman McCormick asked if space utilization was discussed during the negotiations. Manager Nystrom commented that Staff discussed with the MCEDC that the Authority may relocate its administrative offices up to the 3rd floor. Commissioner Sutherland recommended that since the MCEDC is not paying for the lease of the 3rd floor Conference Room and because the lease rate for the MCEDC's leasehold is less than that for other locations within the terminal building, the Authority should control the use of the Conference Room. Commissioner Sutherland noted he would be willing to discuss these issues with the MCEDC. Vice Chairman McCormick recommended that the Authority place the MCEDC on notice that the Authority is considering other uses for space in the terminal building.

B. AIP Projects Update

Staff provided the Board with an update on AIP-17 and AIP-18. Next Wednesday, there will be a pre-construction meeting for AIP-18. This project includes the rehabilitation of Taxiway 'A' and

Taxiway 'C' and the reconstruction of Blue Angel Lane. It is scheduled to begin in early May and should be completed within 45-60 days.

Regarding AIP-17, RW Jones, the general contractor for the project, is requesting an additional \$27,000 because of the extra 14 days it took to complete the project. Staff and the engineers, Nichols Associates, believe those costs are not legitimate. The Authority allowed RW Jones the additional time to complete the project without RW Jones being liable to the Authority for liquidated damages for those 14 days. However, the Authority never stated it would provide additional funding to RW Jones because of the additional time needed to complete the project.

C. Staffing Update

Staff commented that a Request for Proposals (RFP) for terminal building custodial services has been published. The lowest bid received was from D & R Cleaning at \$70,000 per year. The Authority currently has three Airport Services Worker position vacancies. Staff calculated that the Authority currently spends \$60,000 - 65,000 per year for two Airport Services Workers. These expenditures include recruiting, training, and salaries. For three Airport Services Workers, the Authority currently spends \$90,000 annually, excluding cleaning supplies which would be provided by a custodial services company.

Manager Nystrom noted that an issue Staff has been reviewing is aircraft rescue firefighting (ARFF) coverage. Staff recommended the Authority negotiate an agreement with D & R Cleaning for the custodial services to be conducted for the remainder of 1999.

Commissioner Sublett inquired what the turnover rate is for the Airport Services Workers. Staff noted that there is generally at least one turnover per year. Commissioner Sutherland asked if the Airport Services Workers are supporting the possibility of contracting out the custodial services. Staff commented that several employees are concerned about what their new schedules may be. However, once the program is in place, the employees will hopefully realize many positive effects. Vice Chairman McCormick commented that it appears the employees are concerned about job security and they need to be made aware that the contract custodial workers will not be replacing them.

Commissioner Sublett asked how many employees the Authority will have for which it can schedule ARFF coverage. Staff noted there will be ten employees to cover ARFF requirements. Vice Chairman McCormick recommended that Staff make sure it is comfortable with the accountability of the contract custodial workers to the Authority.

VIII. OTHER ITEMS

Commissioner Springer asked if there was any update regarding the City Planning Code. Staff noted that Michael Drollinger of the City of Grand Junction is in the process of drafting proposed language into the Code which would address the Authority's concerns. Commissioner Sutherland commented that the revised Code will probably be completed this Fall.

Staff invited members of the Board to attend the triennial emergency exercise required by the FAA. Staff noted the exercise is scheduled to begin at 2:20pm on Thursday. However, in light

of the Columbine High School tragedy in Littleton, Staff will be meeting with all involved agencies and may delay the exercise until next month.

IX. ADJOURNMENT

There being no further business to come before the Board, Chairman McCormack moved to adjourn the meeting. Vice Chairman McCormick seconded. Unanimously carried. The meeting was adjourned at 8:56pm.

APPROVED AND ADOPTED THIS 18th DAY OF MAY, 1999.

Miles C. McCormack
Miles C. McCormack, Chairman

ATTEST:

John S. Thomas
~~David J. Anderson, Clerk~~ (9)
JOHN L THOMAS,
Deputy Clerk