

Walker Field Airport Authority

Minutes of the Regular Board Meeting

May 18, 1999

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

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

ALSO PRESENT: Park Douma of West Star Aviation and B. Jerry Hamilton of Home Loan and Investment.

I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:20pm.

II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. Manager Nystrom requested that **ACTION ITEM A: Contract Agreement with D&R Cleaning to Provide Terminal Building Janitorial Services** be moved to the **CONSENT AGENDA**.

Manager Nystrom also requested two additions to **OTHER ITEMS**: to provide changes to Amendment numbers 1 & 8 of the Isbill Associates contract.

Vice Chairman McCormick asked that the Airport Manager Evaluation be added to the **ACTION ITEMS** agenda.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. SPECIAL PRESENTATION TO COMMISSIONER MARTIN O'BOYLE

Chairman McCormack presented Commissioner O'Boyle with a plaque for his service and dedication on the Board since 1995. Commissioner O'Boyle's term officially ends on May 31, 1999.

V. CONSENT AGENDA

- A. Minutes: April 20, 1999 Regular Board Meeting
- B. Revised Airport Layout Plan for AIP-16 Project
- C. Bid Awards for Airport Insurance Coverage
- D. Contract Agreement with D&R Cleaning to Provide Terminal Janitorial Services

Commissioner Sutherland moved to approve the items on the Consent Agenda. Vice Chairman McCormick seconded. Commissioner Springer removed himself from the vote because of his affiliation with Home Loan & Investment. Voice vote: all ayes. Motion carried.

VI. ACTION ITEMS

- A. Contract Agreement with D&R Cleaning to Provide Terminal Building Janitorial Services

This item was moved to and approved on the Consent Agenda.

- B. Airport Manager Evaluation

Vice Chairman McCormick discussed that Board members met with Manager Nystrom concerning her evaluation on May 17. Vice Chairman McCormick stated that it is the unanimous decision of the Board that they have the right person in place for the position, that Manager Nystrom does a good job managing the airport and the Board is pleased with her performance. Vice Chairman McCormick recommended that the salary of Airport Manager be increased by \$5,000, effective June 1, 1999.

A motion was made by Vice Chairman McCormick and seconded by Commissioner O'Boyle to increase the salary of Airport Manager by \$5,000 per year, effective June 1, 1999.

Roll call: All ayes. Motion carried.

VII. FINANCIAL REPORTS

A. March, 1999 Financial Statements/Accounts Receivable Report

Staff provided the Board with the March, 1999 financial statements along with an accounts receivable report. Manager Nystrom reported that through March 31, the Authority's expenses were under budget by 18 1/2%. Revenue for that time period was approximately 5% over the projected level.

Commissioner O'Boyle made a motion to acknowledge receipt of the financial statements as presented. Vice Chairman McCormick seconded the motion. Voice vote: All ayes. Motion carried.

B. Request for Funding For Capital Improvement Equipment

Staff provided the Board with information regarding auctions as they pertain to purchasing equipment for airport use. It was noted that there is a total of \$12,000 listed for Board consideration in the second half of the 1999 fiscal year for such purchases. Staff recommended that money be budgeted now in order to take advantage of auctions throughout the year. It was pointed out that because of the limited time frame that the airport actually uses certain equipment (i.e. a backhoe), it would be beneficial from a financial sense to purchase dependable, used equipment at auction.

Chairman McCormack inquired as to what auction lists the Authority is on, and if inquiries have been made into the Colorado Surplus Auction Program. Staff responded that the Colorado Surplus Auction tends to have items that are usually worn out or require heavy maintenance.

Staff further pointed out the need to purchase a backhoe. Currently, when a backhoe is needed, staff rents one at the cost of approximately \$100 per hour. Staff believes that a backhoe which could provide the airport with 5-10 years of service could be purchased at auction for \$12,000 or less. Several recent auctions held in the area have had affordable backhoes offered.

Vice Chairman McCormick moved to make available immediately the \$12,000 budgeted for the second half of the fiscal year for the purchase of capital improvement equipment. Commissioner Sutherland seconded. Voice vote: All ayes. Motion carried.

VIII. DISCUSSION ITEMS

A. Terminal Building Restaurant Concession Analysis Bid Results

Staff updated the Board regarding bids received for a restaurant concession analysis. Three bids were received.

Staff also followed up on other alternatives including contacting the culinary school at UTEC. At this time, the culinary school has no intentions of moving out of the UTEC center, but felt that the airport could be a viable location if they ever expand the operation.

Staff also suggested looking into local franchises such as A&W and Taco Bell as potential restaurants in the terminal.

Coffee Time has also approached staff again about expanding operations to include hot dogs and pizza at their current location on the ground floor.

Commissioner Springer inquired as to what feedback Staff has received since Marge's closed. Staff reported that the Gift Shop indicated that one or two people inquired about why the restaurant shut down within the first few days of closing, but no further inquiries have been reported to the staff. People departing on gambling charters have asked why there is no lounge at the airport.

Vice Chairman McCormick asked about the possibility of a vending machine area, citing the arrangement at St. Mary's Hospital. Staff reported that the current vending machine concession agreement expires at the end of this year. Possible ideas for vending machines include two areas, one inside the secure area and the other outside of the boarding area. Staff will look into the possibilities of vending machines and will report back to the Board at the next meeting.

It was the opinion of the Board that since there wasn't a large public outcry when Marge's closed, it would be best for staff to pursue the option of vending machines and that there is no need to spend money on a restaurant concession analysis at this time. Staff will notify the bidders of the decision and will report back at the next Board meeting concerning the possibility of vending machines in the terminal.

B. Funding for Terminal Building Renovation

Manager Nystrom requested that Staff hold off on making recommendations for funding for terminal building renovations until after the runway litigation issue is discussed with the Board.

C. Leases and Concessions Negotiations Update

MCEDC: Staff met with Steve Ausmus of the MCEDC concerning their lease renewal. Based upon the outcome of the State Patrol lease, it appears that the MCEDC will have to pay fair market value for their non-aeronautical space in order to comply with FAA requirements.

The current rent for the MCEDC space is \$254 per month. According to a fair market value of \$10.71 per square foot, the new rent for MCEDC would be \$1,459.24 per month.

Commissioner Sublett inquired about the Airport Authority taking ownership of the MCEDC, 3rd floor board room. Staff reported that the MCEDC was not interested in that idea, but the suggestion was made that the Authority pay, in the form of a rent reduction, fair market hourly rental for the use of the board room. MCEDC currently charges \$25 per hour.

Staff further pointed out that according to FAA regulations, non-aeronautical leased space can only be leased on a year to year basis, and that if an aeronautical use can be applied to the space, the Airport Authority must terminate the non-aeronautical lease in favor of the aeronautical user.

Vice Chairman McCormick and Commissioner Springer addressed the possibility of moving the Authority offices to the third floor. This might dictate renewing the MCEDC contract only until plans for the third floor are completed.

Staff suggested that the COLA (1 1/2% increase for 1999) be added to the lease and that it be written on a month to month basis until third floor plans are finalized.

Colorado Skunkworks: Staff reported that they have received a letter from the City of Grand Junction noting that the City recommends that a crash gate and fire hydrant be installed on the property between Colorado Skunkworks and Civil Air Patrol. Staff reported that Colorado Skunkworks has already installed a crash gate at the designated area and that the staff is in the process of getting cost estimates for installing a fire hydrant.

Chairman McCormack and Commissioner Sublett voiced concern over what city or county entity has control or final say over what minimum requirements are for fire hydrants and who responds to structural fires at the airport. Staff will look into the matter and report back to the Board.

Colorado State Patrol: It was reported to Staff by the State Patrol that U.S. Representative Scott McInnis is going to try to intervene back in Washington, and look into the F.A.A.'s most recent revenue diversion policy which has made it difficult to finalize the agreement previously negotiated between the State Patrol and the Authority.

Feather/Daly: Staff met with Mr. Feather and Mr. Daly and both parties have verbally agreed to a deal. Mr. Feather has agreed to reduce the size of his leased area, and Mr. Daly has agreed to pick up the additional space on his lease. Furthermore, Mr. Feather has agreed to reduce the size of his proposed hanger construction to meet the new layout of the leased property. Mr. Feather will be requesting a variance to build his hangar on his lease line, rather than the 10 foot setback that is now required. Staff is working to finalize the agreements for Mr. Feather and Mr. Daly for Board consideration.

Sky Adventures, Inc.: Staff provided the Board with an update regarding the Sky Adventures/Hangar Deck Restaurant. Doug Thompson (Sky Adventures) informed Staff that the project is being held up due to an existing use agreement between West Star Aviation and Mesa Airlines. The existing agreement states that if for some reason West Star sells the paint hangar, Mesa can use the entire adjacent ramp area. West Star is reluctant to sell the property to Sky Adventures unless they can reach an agreement concerning the use of the adjacent ramp area (which is where military aircraft are now parked).

Commissioner O'Boyle pointed out that the conceptual idea of the restaurant is that having the military aircraft parked in front of the restaurant (in view of the customers) is the main draw for the customers.

Commissioner Sublett raised the question as to whether or not the health department has given the restaurant plan a clean bill of health given that food will be served in a former paint hangar. Staff stated that they have assurances from Sky Adventures that all proper approvals and permits will be obtained. Staff noted that the lease agreement will have language written into it that will require that all the necessary paperwork for operating a restaurant be in order.

Chairman McCormack inquired as to whether or not the FAA has given approval for the restaurant. Staff noted that the FAA is onboard and that they ask for updates from time to time.

Vice Chairman McCormick asked about the status of the F-14 for the restaurant. Staff reported that according to Doug Thompson, an aircraft has been located. No further details are available. Commissioner Sublett asked that Staff follow up by obtaining something in writing to assure the Authority that the aircraft has been committed to Walker Field. Staff was directed to report back at the June Board Meeting.

D. AIP Projects Update

Staff updated the Board on AIP projects. AIP-16 is finished with an amendment added to the contract for additional work. The cost of this work will still bring the project within budget.

AIP-17 is finished and staff is currently waiting to hear back from RW Jones regarding settlement of a billing dispute.

AIP-18 includes the rehabilitation of Taxiway 'A' and Taxiway 'C', as well as the reconstruction of Blue Angel Lane. The project is underway, and despite a few rain days, the project is still scheduled to be completed in the projected 45-60 day range. The work is being coordinated in such a way as to not interfere with Special Needs Kids Day on May 21, 1999.

Staff reported that AIP-19, the Runway 29 localizer project, is currently out to bid. Staff noted that the VOR has officially been decommissioned.

Staff also reported to the Board that Congress has approved an extension on AIP funding and that requests for funding can be made through August 6, 1999.

E. General Aviation Development Update

Staff reported that survey work for expanding sewer and waterlines is currently underway. Work for trenching and installation of sewer and waterlines will be put out to bid in the near future.

Staff also reported that the list of parties inquiring about land for hangar space continues to grow.

F. Air Service Issues Update

Manager Nystrom updated the Board on information that was provided to the Mesa County Commissioners regarding revenue guarantees for airlines. The information was also forwarded to the Grand Junction Chamber of Commerce. The information was provided at the request of Mesa County officials.

Staff and Chairman McCormack met with the County Commissioners on May 12, 1999 to discuss air service. The meeting was followed up the next day with an Air Service Task Force Meeting.

Staff also presented to the Mesa County Commissioners and the Air Service Task Force information outlining the key issues concerning air service in Grand Junction.

Chairman McCormack observed that the emphasis of the Air Service Task Force has changed from focusing on getting jets back into Grand Junction to an emphasis on improving reliability of air service between Grand Junction and Denver.

Staff recommended that air service issues be placed on the agenda for the June Workshop in order to define WFAA goals regarding air service.

Manager Nystrom updated the Board on current legislation that is pertinent to air service. Federal House Resolution HR-1000, known as the Air 21 Bill, focuses on Aviation Trust Funds (AIP & FAA money). The Bill recommends that the money be pulled off-budget and dispersed for aviation uses. The Bill also allows airports to raise the PFC from the current \$3 level to \$6. The third part of HR-1000 allows regional air carriers to receive loan guarantees to buy RJs for use on under-served regional markets.

Staff reported that in a recent meeting with U.S. Representative Scott McInnis, he noted that he would probably not support the HR-1000 because of having to pull the funds off-budget. On a state level, State Representative Matt Smith has proposed a Bill supporting HR-1000.

Staff also reported on HR-111 which is a truth in budgeting act which addresses the Aviation Trust Funds.

Staff voiced a concern over the proposed increase in PFCs and their effect on airfares.

Staff also voiced concern over regional carriers being able to borrow money from the federal government (a form of subsidy), to purchase regional jets. Staff will be monitoring how the criteria will be established to identify under-served markets for these RJs.

Vice Chairman McCormick asked who would make the decision concerning which airports are under-served. Staff stated that information they were provided indicates that the Secretary of Transportation will make the decision.

Commissioner Sublett stated that he had received faxes from two separate lobbying groups that are opposed to HR-1000.

Commissioner Sutherland inquired as to whether or not we might be at a disadvantage by not collecting PFCs in the future since other airports will continue to collect the fees. Staff responded that whether or not the Authority continues to collect PFCs depends on what position the Authority takes on continuing to do everything it can to keep airfares as low as possible in Grand Junction.

IX. OTHER ITEMS

A. Aircraft Emergency Exercise Update

Staff informed the Board that the Aircraft Emergency Exercise, rescheduled from April 22, 1999 because of the Columbine High School tragedy, is scheduled to take place on May 26, 1999. Board members were invited to attend.

B. Special Needs Kids Day

Staff reported that Special Needs Kids Day is scheduled for May 21, 1999. Board members were invited to attend.

C. AIP Project Amendments

Staff reported that Amendment #8 to the Isbill contract authorizes an additional \$1,900 to the total amount of the contract for AIP Project 16.

Amendment #1 concerns the AIP-19 Project. Staff recommended that \$5,500 be approved to hire Isbill to prepare bids and contract documents.

Vice Chairman McCormick placed a motion to approve Amendments #1 & #8 of the Isbill/Ratheon Engineering Services contract. The motion was seconded by Commissioner Sutherland.

Roll call: All ayes. Motion carried.

D. Runway Litigation (Executive Session)

Chairman McCormack requested that the Board enter into Executive Session to discuss the Runway Litigation. The Board went into Executive Session at 8:15 p.m.

The Board exited Executive Session at 8:35 p.m.

A motion was made by Vice Chairman McCormick and seconded by Commissioner O'Boyle that the Board approve additional money for the Runway Litigation process.

Roll call: All ayes. Motion carried.

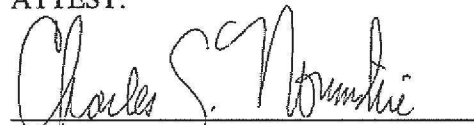
X. ADJOURNMENT

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 8:56 p.m.

APPROVED AND ADOPTED THIS 24 DAY OF June, 1999.


Miles C. McCormack, Chairman

ATTEST:


Charles S. Novinski, Deputy Clerk