

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

October 19, 1999

**BOARD COMMISSIONERS PRESENT:** Miles McCormack                      Craig Springer  
Steve Ammentorp                      Ken Sublett  
Gary Morris                      Bob McCormick  
Mike Sutherland

**AIRPORT STAFF PRESENT:** Corinne Nystrom                      Gary Mancuso  
Dan Reynolds                      David Anderson  
Ted Balbier                      Charlie Novinskie

**ALSO PRESENT:** Park Douma of West Star Aviation.

### I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:15pm.

### II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. Manager Nystrom requested the addition of the following Discussion Items: Real Estate Parcel update and Restaurant update. The Agenda was amended as requested.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

Manager Nystrom presented Commissioner Sublett with a First Edition copy of *Aerodynamics* in appreciation for his hard work in installing the new office computer systems.

There were no public comments or communications.

#### IV. CONSENT AGENDA

- A. Minutes: September 21, 1999 Regular Board Meeting
- B. Minutes: October 5, 1999 Special Board Meeting
- C. Acknowledgement of Receipt of August, 1999 Financial Statements & Accounts Receivable Report

Staff provided the Board with an update on the August, 1999 Financial Statements. On the Statement of Operations, year to date operating revenues are 11.7% higher than budgeted and year to date operating expenses are 13.7% lower than budgeted. The net result of the continued favorable operating revenues and expenses was an income to retained earnings balance of \$268,291, which is \$255,688 higher than budgeted year to date. Of this budget variance, part of this amount is attributed to the additional funds authorized at the May 18, 1999 Regular Board Meeting for Runway 11/29 litigation expenses.

Rental car, parking lot, ground transportation, and general aviation revenues account for most of the higher than budgeted operating revenues. Because of the higher levels of activity during the summer months (and resulting invoices received during early Fall), operating expenses are projected to increase compared to other times of the year. However, close monitoring of the operating expenses by all departments has continued to yield year to date operating expenses that are under what was budgeted.

On the Balance Sheet, unrestricted cash/investments remained relatively unchanged for the month (less than 1% increase). PFC funds decreased \$288,296 for the month, reflecting capital project expenditures. These expenditures, combined with federal grants received, resulted in an increase in Property and Equipment of \$525,927.

Accrued liabilities increased \$63,472, primarily because of an additional \$57,000 of capitalized retainage payable for AIP-18. Trade Receivables increased 16.7%. Overall, August was an active capital project and good financial month for the Authority.

- D. Engagement Letter with Chadwick, Steinkirchner, Davis & Co., P.C. to Conduct Audit of 1999 Financial Statements.

Staff presented the Board with a letter of engagement from Chadwick, Steinkirchner, Davis & Co., P.C. to conduct the annual audit of the Walker Field Airport Authority's 1999 financial statements. This is the second of a three-year contract with the firm.

Chadwick, Steinkirchner, Davis & Co., P.C. proposes to conduct the audit for a fee not to exceed \$7,250. The fee is the same as the amount charged to audit the 1998 financial records. The commencement date of the Audit will be February 1, 2000, with the issuance of reports on or before April 21, 2000.

**E. Sublease Agreement Between Buescher Family Limited Partnership and Bell Aviation, Inc.**

Staff presented the Board with a renewal of the current Sublease between the parties, which grants Bell Aviation the right to negotiate and contract aircraft sales on a non-exclusive basis. The term of the Agreement begins November 1, 1999 and terminates October 31, 2000. Attorney Kirk Rider reviewed the Agreement and made changes to protect the Authority. Staff recommended approval of the Sublease contingent upon receipt of the signed Sublease with no changes.

**F. Reallocation of Capital Funding and Request for Supplemental Funding Appropriation to Fogseal, Crack Seal & Rejuvenate Walker Field Drive and Terminal Building Parking Lot**

As part of the on-going pavement maintenance program, the Airport Authority budgeted \$12,500 for patch and repair work to Eagle Drive in the 1999 capital expenditures. Staff concluded that it is in the Authority's best interest to re-appropriate funds for rehabilitation work on Walker Field Drive and the terminal building parking lot. The reallocation, in conjunction with previously approved \$20,000 for the Walker Field Drive and parking lot improvements, brings the total for the contract to \$38,068.50 (excluding engineering). The engineering costs are estimated to be \$2,500. In order to complete the entire project, additional funds will need to be allocated. Staff recommended the reallocation of the \$12,500.00 of capital funds for patch and repair to Eagle Drive to the rehabilitation of Walker Field Drive and the terminal building parking lot and requested a supplemental funding appropriation of \$10,000 in order to complete all phases of the project.

**G. Bid Award to Asphalt Specialists & Supply for Walker Field Drive & Terminal Building Parking Lot Pavement Project**

Staff recommended awarding the bid to Asphalt Specialists & Supply for the Walker Field Drive and Terminal Building Parking Lot Pavement Project and that the Chairman be authorized to sign the agreement on behalf of the Authority. The bid was \$38,068.50 for the entire project and was lower than the engineer's estimate for the work.

**H. Supplemental Budget Appropriation for Terminal Building Boarding Area Roof Replacement**

The original budget appropriation for the terminal building boarding area roof replacement in FY 1999 was \$50,000. Based on recommendations by the Van Sant Group, staff recommended using different roofing replacement materials than those originally outlined. Staff recommended to the Board that a supplemental budget appropriation not to exceed \$16,000 be added to monies already set aside for terminal boarding area roofing replacement. Total cost of the project would not exceed \$66,000.

**I. Bid Award to Western States Roofing, Inc., for Terminal Building Boarding Area Roof Replacement**

An advertisement for sealed bids resulted in Western States Roofing, Inc. submitting the lowest bid at \$50,592. Staff recommended the Board award the bid to Western States Roofing, Inc. for the terminal building boarding area roof replacement project and that the Chairman be authorized to sign the corresponding agreement subject to attorney review. The project is expected to be completed prior to the end of this year.

**J. Establishment of WFAA Retirement Plan Through Public Employees Retirement Association of Colorado (PERA)**

Vice Chairman McCormick requested that this item be moved to an Action Item.

**K. Utilities Easements to Public Service Co. for the Benefit of Larry Kempton d.b.a. Kempton Air Service and United Companies of Mesa County, Inc. and Luxury Wheels, O.E. Plating, Inc.**

KHL Surveying has completed a survey of the described location at Public Service Company of Colorado's (PSCO) expense. The current PSCO easement east of the taxiway and west of the Kempton Hangar between Aviators Way and Taxiway C1A is 5 feet wide, and not the required easement of 10 feet. An easement is also required from a PSCO connect box to the Luxury Wheels/United Companies Hangar because the current easement is 5 feet, not the required 10 feet. An easement is also required from the Public Service pedestal on Aviators Way to the Kempton Hangar. Staff recommended approval of the easements as described in the new legal description and that the Chairman be authorized to sign the easement document on behalf of the Authority.

**L. Relocation of Utilities and Easements on West Star Aviation Leasehold for the Benefit of the John E. and Susan K. Herr Family Trust (HFT) Hangar**

Construction of the John E. and Susan K. Herr Family Trust (HFT) Hangar necessitates relocation of utilities as follows: a utility and drainage corridor east of the proposed HFT Hangar that would run approximately 220 feet south of the Engine Corp. building then proceed west to connect with existing utilities as depicted on the Site and Drainage Plan. Staff recommended approval of the proposal with the following contingencies: all work to be done to utility company specifications, survey and legal descriptions of the new easement to be provided by HFT/West Star, an addendum be made to West Star lease and HFT sublease acknowledging the easement, and final review and approval of the easement documents and lease/sublease Addendums be made by the Airport Authority Attorney.

Commissioner Sutherland moved to approve the Consent Agenda with Item J being moved to Action Items. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

**V. ACTION ITEMS**

**A. Establishment of WFAA Retirement Plan Through Public Employees' Retirement Association of Colorado (PERA)**

On September 8, 1999, the Authority Pension Board met and approved two motions. The first motion was a recommendation that the Authority change from the existing retirement program (a money purchase pension plan) to a new retirement program with an effective date of January 1, 2000. The second motion was a recommendation that the Authority change from the existing retirement program to the Public Employees' Retirement Association of Colorado (PERA).

To terminate and close out the Authority's existing retirement plan would cost an estimated \$2,725. Each participating employee would receive a disbursement of contributions or a separate rollover amount to be transferred to a qualified retirement account.

The PERA program is a Social Security replacement. Employees who have not worked a total of 40 quarters while paying into Social Security do not qualify for Social Security Disability coverage. PERA requires a minimum of 5 years of service to be covered under their program. To cover the "gap" in disability coverage, the Pension Board recommended that the Authority obtain "gap" long-term disability coverage.

Vice Chairman McCormick inquired into the cost of providing "gap" disability coverage. Staff stated that the premium would be lowest if there is a 100% participation rate by the employees. That rate would be \$00.61 per \$100.00 of the employee's pay.

Under the current retirement plan, Authority employees can contribute a minimum of 1% and a maximum of 10% of their gross salaries into the retirement fund with the Authority matching up to 3%. Participation in this plan is optional. Participation in the PERA plan will be mandatory.

Chairman McCormack asked how many employees now contribute funds under the current plan. Staff stated that out of 20 employees, approximately 14 participate in the program. Out of the 6 non-participants, three are not eligible because of the one-year waiting period. Under PERA, participation eligibility starts from the first day of employment.

Vice Chairman McCormick asked what the waiting period was for collecting disability payments under the proposed disability program. Staff responded that the waiting period would be 60 days. Vice Chairman McCormick then inquired into the amount of average sick leave accrued by a WFAA employee. Staff stated that sick leave ranged from very little for some employees to over 1,000 hours for one or two employees.

Chairman McCormack asked how the funds from the current retirement plan would be distributed. Staff explained that the funds would be calculated--and with IRS approval-- be dispersed as two separate checks to employees. One check would be a rollover check and the other a separate check consisting of employee-contributed, post-tax dollars.

Staff explained that under the existing plan, the Authority pays 7.65% into FICA and Medicare, plus up to 3% of matching retirement funds for employees. Under the new PERA plan, the Authority would pay no FICA, but rather 11.45% into PERA and Medicare.

Vice Chairman McCormick recommended that Staff further research the disability insurance options with a waiting period of 90 days, 100 days, or longer.

Vice Chairman McCormick moved to change the existing WFAA retirement plan to PERA with an effective target date of January 1, 2000. Commissioner Morris seconded. Voice vote: all ayes. Motion carried.

## VI. DISCUSSION ITEMS

### A. November Workshop Schedule

Manager Nystrom noted that Budget Workshops, historically, have been separate from regularly scheduled Workshops. Manager Nystrom requested input regarding the Year 2000 Budget Workshop with respect to the November Workshop. It was the consensus of the Board that the Budget Workshop be combined with the regularly scheduled November, 1999 Workshop.

### B. Restaurant Update

Staff reported that the move of Coffee Time to the second floor restaurant area is scheduled for a completion date of November 1<sup>st</sup>. Staff met with the airlines to discuss issues concerning Coffee Time being located in the secured area of the terminal. Staff noted that studies have shown that restaurants located in the secured areas of a terminal building experience more business than those located outside of the secured area.

Coffee Time has agreed to operate the restaurant in the non-secure area for the time being. Commissioner Springer voiced concern that if the Authority doesn't act now to move the restaurant into the secured area, the Authority might still be talking about moving the restaurant to the secured area two years from now.

Commissioner Sublett suggested that the Authority notify the airlines that the restaurant will be open to the secured area no later than the first of the year. If within the first six months the airlines can document a reason that the restaurant should not be in the secure area, the Board will review the issue.

It was the consensus of the Board that the restaurant open as planned on November 1, while proceeding with work that would enclose the restaurant into the secured area.

### C. Currier Property

Staff presented information pertaining to a 63 1/2-acre parcel of land known as the Currier property. The property is located northeast of Runway 11/29 and north of I-70. Staff pointed out that the property has value to the Authority because it lies off the end of the main runway. The property currently is heavily accessed by motorcycle and recreational users. However, Staff pointed out that the land has limited access to utilities.

The owners of the property were initially asking \$3,500 per acre. After further discussions, they have come down to \$2,000 per acre. A somewhat comparable piece of property sold in 1996 for \$443 per acre.

It was the consensus of the Board that Staff further investigate the viability of the parcel. The Board stated that they would only be interested in the parcel if the current owner paid for a Level 1 Assessment of the property and that the price be at or below \$500 per acre, but in no case more than \$1,000/acre.

**VII. OTHER ITEMS**

**A. Younge & Hockensmith Update**

Staff reported that Attorney Doug Briggs has left the firm and that the Authority's new contacts at Younge & Hockensmith are Attorneys Kirk Rider, Dan Griffin, and Ronald Gibbs.

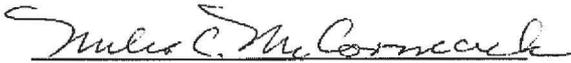
**B. Airline Completion Report**

Staff pointed out that in addition to the regular monthly statistics, a 1999 year-to-date completion report for each airline was included in the Board packet.

**VIII. ADJOURNMENT**

There being no further business to come before the Board, Vice Chairman McCormick moved to adjourn the meeting. Commissioner Sublett seconded. Unanimously carried. The meeting was adjourned at 7:32pm.

APPROVED AND ADOPTED THIS 16<sup>th</sup> DAY OF November, 1999.

  
Miles C. McCormack, Chairman

ATTEST:

  
~~Charles S. Novinskie, Deputy Clerk~~  
David J. Anderson