

Walker Field Airport Authority

Minutes of the Regular Board Meeting

November 16, 1999

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

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

ALSO PRESENT: Jim Fuoco of J. Fuoco, L.L.C. II; Sammy Hudson of Sammy's Shoe Shine Service; and Larry Kempton of Kempton Air Service.

I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:16pm.

II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. Manager Nystrom requested the following additions and deletions: Item D of the Consent Agenda be deleted; Consent Agenda Items E and F be moved to Action Items; and Discussion Items include the Nominating Committee for Board Officers. Vice Chairman McCormick requested that Consent Agenda Items I-M become Action Item E. The Agenda was amended as requested.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: October 19, 1999 Regular Board Meeting

B. Acknowledgement of Receipt of September 30, 1999 Financial Statements & Accounts Receivable Report

Staff provided the Board with an update on the September, 1999 Financial Statements. On the Statement of Operations, year to date operating revenues are 12.7% higher than budgeted and year to date operating expenses are 12.7% lower than budgeted. The net result of the continued favorable operating revenues and expenses was an income to retained earnings balance of \$315,627, which is \$285,639 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, military, and general aviation revenues account for most of the higher than budgeted operating revenues. Although higher levels of activity during the summer months resulted in slightly higher operating expenses compared to other times of the year, 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 increased \$38,338 (a 4.8% increase). PFC funds had a net increase of \$24,805 for the month, even with PFC expenditures of \$12,599 for the month. These expenditures, combined with federal grants received and owned capital expenditures, resulted in an increase in Land, Buildings, and Equipment of \$42,460.

Overall, September was a good financial month for the Authority.

C. Addendums to Ground Lease Agreements with Kempton Air Service and United Companies of Mesa County, Inc./Luxury Wheels, O.E. Plating, Inc

Kempton Air Service and Luxury Wheels/United Companies requested that the south lease line of the Kempton parcel be increased by 6.83 feet and the north lease line of the Luxury Wheels/United Companies parcel be reduced by the same 6.83 feet. Setback variances are being requested by both parties since Luxury Wheels/United Companies' north building line is less than 10 feet from the north lease line and Kempton's north and east building line is less than 10 feet from the north and east line. Staff recommended approval of the Addendums and requested that the Chairman be authorized to sign the Addendums on behalf of the Authority.

D. Ground Lease Agreement Between Clive J. Grewell and Walker Field Airport Authority

Manager Nystrom asked that this item be removed from the Agenda.

E. Ground Lease Agreement Between J. Fuoco, L.L.C. II and Walker Field Airport Authority

Manager Nystrom asked that this Item be moved to Action Item C.

F. Ground Lease Agreement Between Kempton Air Service and Walker Field Airport Authority

Manager Nystrom requested that this Item be moved to Action Item D.

G. Easement for Sewer Service Line for the Benefit of Colorado Skunkworks, L.L.C.

Staff reported that an additional 10-foot non-exclusive easement is needed west of the existing Ute Water and Public Service Company easement near the Colorado Skunkworks parcel. The location of the easements are west of the service road that connects with Aviators Way just east of the Civil Air Patrol. The easement will provide for the installation and maintenance of a sewer service line for the benefit of Colorado Skunkworks, L.L.C. hangar. KS Professional Surveying, Inc. has provided a preliminary survey of the proposed easement. The Airport Authority will pay for the survey and legal description. The cost will be approximately \$300. Colorado Skunkworks, L.L.C. will pay for the installation of the sewer line and there will be no rental payments for the easement. The easement will be for the installation and maintenance of the sewer line only and will not affect surface parking.

Staff recommended approval of the non-exclusive easement by the Board contingent on the Authority's receipt of a final survey and legal description of the easement being provided by KS Professional Surveying and the Authority Attorney drafting the final easement document.

H. Terminal Building Use and Lease Agreement with Samuel Hudson d.b.a. Sammy's Shoe Shine Service

Samuel Hudson proposed to place a one-chair shoeshine stand in the terminal building second floor departure area next to the restrooms. The term of the proposed lease would be from November 17, 1999 to November 30, 2000. The rent would be \$25 per month with a security deposit of \$100.

Staff recommended approval of the Lease Agreement with Samuel Hudson and that the Chairman be authorized to sign it on behalf of the Authority contingent upon receipt of a Certificate of Insurance and security deposit from Samuel Hudson.

- I. Request for Funds to Renovate Terminal Building Boarding Area Window Seat
- J. Request for Funds for Terminal Building Interior Painting
- K. Bid Award for Terminal Building Interior Painting
- L. Request for Funds for Terminal Building Boarding Area Gate Door Addition
- M. Request for Funds to Provide Access to Terminal Building Gift Shop from Secured Boarding Area

Vice Chairman McCormick requested that Items I through M be moved to Action Item E.

- N. Resolution 1999-005: Affiliation with Public Employees' Retirement Association (PERA) of Colorado

At the October 19, 1999 Regular Board Meeting, the Authority Board of Commissioners moved to terminate the Authority's existing retirement plan and affiliate with the Public Employees' Retirement Association (PERA) of Colorado. The effective date of the affiliation would be January 1, 2000. Resolution 1999-005 states that "any political subdivision within the state of Colorado or any public agency created by the state or any of its political subdivisions may make application to the Board to affiliate with the Public Employees' Retirement Association (PERA)."

Staff recommended the Board approve Resolution 1999-005 and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner Sutherland moved to approve the Consent Agenda with Consent Item D being deleted, and Consent Items E and F and I through M being moved to Action Items. Vice Chairman McCormick seconded. Roll was taken with all ayes. Motion carried.

V. ACTION ITEMS

- A. Public Hearing to Discuss Amending 1999 Budget and Appropriations

There were no public comments concerning the proposed 1999 Amended Budget.

- B. Resolution 1999-006: Resolution Amending 1999 Budget and Appropriations

Prior to 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.

The amended budget is still a projection, but is based upon actual financial data that has been compiled throughout the year.

There was no discussion concerning Resolution 1999-006

Commissioner Sutherland moved to approve Resolution 1999-006: Resolution Amending 1999 Budget & Appropriations. Vice Chairman McCormick seconded. Roll call: All ayes. Motion carried.

C. Ground Lease Agreement Between J. Fuoco, L.L.C. II and Walker Field Airport Authority

The Board addressed Action Items C and D prior to Action Item A.

Staff presented the Board with a proposed lease agreement between J. Fuoco, L.L.C. II and the Authority to rent a parcel of land in the Runway 4/22 general aviation area for the construction of a hangar. The proposed lease agreement has several modifications to it and includes a water line easement previously approved by the Board. Commissioner Sutherland inquired as to whether or not this parcel would abut the Kempton parcel. Staff stated that it would.

Mr. Fuoco stated that his goal in building the hangar is to cater to smaller corporate aircraft. Mr. Fuoco also stated that the additional parcel to the south of the existing hangar would provide parking.

In addition, an addendum to the J. Fuoco LLC Condominium Owners Association, Inc. Agreement would allow for an easement of 30 feet to the west side of its parcel. The easement would be adjacent to the 30-foot easement on the east side of the Kempton Air Service parcel providing a 60-foot right-of-way.

Staff recommended the Board approve the Ground Lease Agreement with J. Fuoco, L.L.C. II and an addendum to the J. Fuoco LLC Condominium Owners Association, Inc. Agreement allowing for a 30-foot ramp access easement. Staff also requested that the Chairman be authorized to sign the Agreement and the Addendum on behalf of the Authority contingent upon receipt of a security deposit and proof of insurance.

Vice Chairman McCormick moved to approve the Ground Lease Agreement with the modified provisions and the Addendum, and to authorize the Chairman to sign the documents on behalf of the Authority. Commissioner Sublett seconded. Voice roll: All ayes. Motion carried.

D. Ground Lease Agreement Between Kempton Air Service and Walker Field Airport Authority

Staff presented the Board with a proposed lease agreement between Kempton Air Service and the Authority to lease a parcel of land west of the J. Fuoco Condominium Owners Association parcel for the storage of aircraft. The parcel would be leveled and road base applied for tie downs.

Mr. Kempton stated that the parcel is going to require a lot of fill. Mr. Fuoco also brought up the issue of drainage problems on that parcel. Commissioner Sublett asked about the elevation difference between the Fuoco parcel and the Kempton parcel. Mr. Fuoco responded that the difference in elevation is approximately 5 feet.

An easement of 30 feet would be included on the east side of the Kempton Air Service parcel. The easement would adjoin the 30-foot easement on the west side of the J. Fuoco parcel, providing a 60 foot right-of-way.

Chairman McCormack inquired into the distance of the OFA from the C1-A centerline. Staff reported that the distance is 65.5 feet. Staff noted that by the time the area is fully developed, the taxiway gradient may be very small. Mr. Kempton noted that he would more than likely match the elevation of the Fuoco parcel.

Staff recommended the approval of the Ground Lease Agreement with Kempton Air Service and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority contingent upon receipt of a security deposit and the completion of a survey showing a storm drain easement.

Commissioner Sutherland moved to approve the Ground Lease Agreement with modified provisions and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner Ammentorp seconded. Voice roll: All Ayes. Motion carries.

E. Request for Funds to Renovate Terminal Building Boarding Area Window Seat

Request for Funds for Terminal Building Interior Painting

Bid Award for Terminal Building Interior Painting

Request for Funds for Terminal Building Boarding Area Gate Door Addition

Request for Funds to Provide Access to Terminal Building Gift Shop from Secured Boarding Area

Items I through M of the Consent Agenda were moved to Action Item E and combined as one topic for discussion. Vice Chairman McCormick asked Staff to provide an overall review of the projects. With the completion of new carpeting in the boarding area, Staff recognized the need to re-carpet the bench seating area located along the north end of the boarding area. Staff recommended the supplemental appropriation of \$2,000 to re-carpet the boarding area bench seat area as part of the overall terminal building renovation project.

As part of the terminal building renovation study, it was recommended that the interior of the terminal building be re-painted. The proposed interior painting project is fairly extensive and entails painting of walls over the rental car counters, painting of the beams, trusses, and roof framing members, painting of metal ductwork, and painting all walls in the baggage claim area.

Bids for the painting project ranged from \$15,000-29,000. The Van Sant Group will be meeting with Staff on November 18 to discuss color schemes. Scaffolding could be in place by the first part of December. Chairman McCormack asked if plywood would be placed over the tiles to protect the floor from the scaffolding. Staff stated that protective floor covering would be used. Staff also noted that all work would be done in the evening hours.

Staff recommended that the Board approve a supplemental appropriation for the terminal painting project based on the bid amounts received. Staff further recommended that Morris and Son be awarded the painting contract with the cost of the project not to exceed \$20,000. Commissioner Sutherland asked if Staff had checked the references of Morris & Son. Staff replied that they had

and that Morris & Son has been in business for 20 years. Morris & Son also met the requirements for bond and insurance levels required by the Authority.

Staff reported that during discussions with the airlines over the past two years, the airlines have requested a door addition to Gates 1 & 2 to facilitate boarding two flights simultaneously. Since the door addition will benefit more than one user, Staff recommended that the Board approve a supplemental appropriation not to exceed \$3,000 to install an additional door to Boarding Area Gates 1 & 2.

Staff outlined a recommendation, based on the terminal building renovation study, to move the entrance of the gift shop to the secured boarding area. Studies show that a secured area entrance could potentially increase revenue.

Commissioner Sutherland asked if the non-secured entrance could still be available (but not used) in the case that airport security is ever raised to a higher level. Chairman McCormack asked about the status of moving the Coffee Time entrance to the secured area. Staff informed the Board that the door relocation is going fine and will be completed in early December. Commissioner Springer asked for the reaction from the airlines concerning the move of the Coffee Time entrance to the secured area. Staff noted that the airlines seem to be okay with the idea now that some of their earlier concerns have been addressed.

Vice Chairman McCormick moved to approve funds for re-carpeting of the boarding area window seats, as well as funds for terminal building interior painting, gift shop door replacement to the secured area of the boarding area, and the addition of another door in the area of Boarding Gates 1 & 2. In addition, Vice Chairman McCormick moved to award the terminal interior painting contract to Morris and Son. Commissioner Sublett seconded. Voice vote: All ayes. Motion carried.

VI. DISCUSSION ITEMS

A. Nominating Committee

Commissioners Sutherland, Springer, and Ammentorp agreed to serve on the 2000 WFAA officers nominating committee.

B. Terminal Renovation Plans

Staff reported that they are meeting with tenant groups to discuss the effects of the Terminal Building Renovation Plan. Staff met with the MCEDC to apprise them of the Authority's possible future relocation to the third floor. Staff informed the MCEDC that at this time there is no specific timeframe in regard to the move.

Staff also pointed out that the FAA requires non-aeronautical tenants to pay fair market value for leased space and that aeronautical users must be given priority for leased space anywhere on the airport.

C. Noise Compatibility Committee

Staff reported that the first Noise Compatibility Committee meeting was held on November 12th. The meeting was designed to set parameters and to review current airport policy and procedures as they relate to noise abatement.

Fifteen people were in attendance. Vice Chairman McCormick asked what the general perception of those in attendance was. Staff reported that there were several schools of thought--one, that there is no problem, and two, that the military is the problem. There also seemed to be a consensus that a lot of the noise complaints could be handled through a combination of public relations and keeping the public informed.

Commissioner Ammentorp and Vice Chairman McCormick asked about committee members and frequency of meetings. Staff pointed out that there are three members of the community on the committee along with several tenants, and that right now, plans call for the committee to meet once a month.

Vice Chairman McCormick inquired into the status of the transition of the contract air traffic control tower employees (CERCO). Staff pointed out that they had no official comments about the transition, but that there has been a noticeable shift in flight patterns.

D. Air Show

Staff informed the Board that the Blue Angels are interested in performing at Walker Field September 16 & 17, 2000 or Labor Day weekend. If held on the 16th and 17th it would be at the same time as WineFest 2000.

E. Restaurant Update

The Board inquired and Staff noted that plans are still in the works for a restaurant to be constructed in West Star Aviation's former paint hangar.

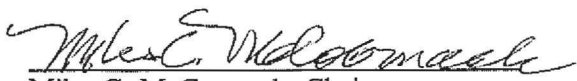
VII. OTHER ITEMS

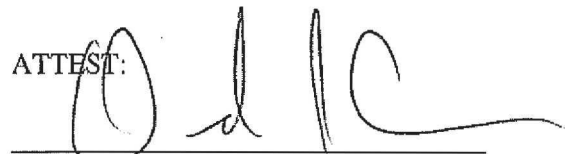
There were no other items for discussion.

VIII. ADJOURNMENT

There being no further business to come before the Board, Vice Chairman McCormick moved to adjourn the meeting. Commissioner Springer seconded. Unanimously carried. The meeting was adjourned at 6:37 p.m.

APPROVED AND ADOPTED THIS 21st DAY OF December, 1999.


Miles C. McCormack, Chairman

ATTEST:

David J. Anderson, Clerk