

Walker Field Airport Authority

Minutes of the Regular Board Meeting

December 21, 1999

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

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

Also Present: There were no members of the public in attendance.

I. CALL TO ORDER

Chairman McCormack called the meeting to order at 5:18pm.

II. APPROVAL OF AGENDA

Chairman McCormack asked for additions or changes to the published Agenda. Manager Nystrom requested the following additions and deletions: Action Item A be deleted and Consent Agenda Item I be moved to Action Items. The Agenda was amended as requested.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. CONSENT AGENDA

A. Minutes: November 16, 1999 Regular Board Meeting

B. Acknowledgement of Receipt of October 31, 1999 Financial Statements & Accounts Receivable Report

Staff provided the Board with an update on the October, 1999 Financial Statements. On the Statement of Operations, year to date operating revenues are 13.6% higher than budgeted and year to date operating expenses are 12.6% lower than budgeted. Additionally, per the Runway 11/29 litigation settlement, the Authority received (net) \$253,400. The net result of the continued favorable operating revenues and expenses, combined with the runway litigation settlement proceeds, was an income to retained earnings balance of \$626,412, which is \$578,966 higher than budgeted year to date. However, \$49,448 of this amount (reimbursement to Authority for Runway 11/29 capital repair costs) will subsequently be reallocated to contributed capital.

Rental car, parking lot, ground transportation, military, and general aviation revenues account for most of the higher than budgeted operating revenues. In addition to the close monitoring of operating expenses by all departments, slower activity in the fall is expected to continue to yield year to date operating expenses that are under what was budgeted.

On the Balance Sheet, cash/investments increased \$273,100 for the month (a 32.5% increase). This was a result of the receipt of federal grant proceeds at the end of the month and Runway 11/29 settlement proceeds. Continued owned and contributed capital expenditures resulted in an increase in Land, Buildings, and Equipment of \$229,335.

Overall, October continued the trend of solid financial stability for the Authority.

C. Resolution No. 1999-007: Suspension of Contributions and Discontinuance of Walker Field, Colorado, Public Airport Authority Money Purchase Pension Plan and Amendment to the Money Purchase Pension Plan

At the October 19, 1999 Regular Board Meeting, the Board approved a motion to change the Authority's retirement plan from the existing money purchase pension plan to the Public Employees' Retirement Program (PERA), with a commencement date of January 1, 2000.

To terminate the existing plan, a formal resolution is required by the IRS. The proposed Resolution notes that the Authority wishes to discontinue the Plan as of January 1, 2000. The proposed Resolution is provided by First Data Services as part of its plan termination services.

The proposed Amendment to the Walker Field, Colorado, Public Airport Authority Money Purchase Pension Plan was also presented for Board consideration and is required as part of the termination process of the existing plan. The proposed Amendment modifies the existing plan to indicate that no further contributions will be made to the plan after December 31, 1999.

Staff recommended that the Board approve Resolution 1997-007 and the Amendment to the Money Purchase Pension Plan. Additionally, Staff recommended that the Chairman be authorized to sign both documents on behalf of the Authority.

D. First Addendum to Ground Lease Agreement with Rocky Mountain Hangar, Inc

On July 27, 1999 Rocky Mountain Hangar, Inc. requested to exercise the option to add to their existing leasehold approximately 41 feet adjacent to their eastern lease line. On November 20, 1999 Rocky Mountain Hangar, Inc. informed Walker Field Airport Authority of its intent to proceed with the leasing of the subject 41 feet. The First Addendum to Ground Lease Agreement adds 41 feet by 262.5 feet to their existing leasehold. The initial ground rent will be \$33.27 per month and will be increased accordingly when a certificate of occupancy is obtained for a proposed hangar.

Staff recommended approval of the First Addendum to Ground Lease Agreement between Rocky Mountain Hangar, Inc. and Walker Field Airport Authority and requested that the Chairman be authorized to sign the Addendum on behalf of the Authority.

E. Ground Lease Agreement Between Alan Baier and Walker Field Airport Authority

Alan Baier proposes to lease approximately 56 acres of vacant land east of the Airport previously known as the Marchun property for agricultural purposes. The term of the lease is from January 1, 2000 through December 31, 2000 with automatic one-year renewal options unless either party gives the other party 90 days written notice prior to the expiration of the lease period.

The ground rent is \$149.06 per month based on the Bureau of Land Management current formula for Animal Unit Month (AUM) and contains a yearly cost of living adjustment for the AUM.

Alan Baier has been leasing the Marchun property to the east of this parcel for several years and because access to our parcel is via this property, Mr. Baier is the logical tenant. Mr. Baier will continue to use the property for agricultural purposes, which is compatible with the Airport Master Plan and City Planning codes.

Staff recommended approval of the Lease Agreement with Alan Baier and requested that the Chairman be authorized to sign the Agreement on behalf of the Authority.

F. Resolution 1999-0008: Request for Grant From the Colorado Aeronautics Board and the Colorado Division of Aeronautics

In October, Staff requested a grant from the Colorado Aeronautics Board to assist the Authority in the Air Carrier Ramp Reconstruction project. The Aeronautics Board authorized \$75,000 (\$7,225 grant + \$67,775 which was projected to be the State's portion of Runway 11/29 litigation proceeds). A final calculation of the State's portion of the proceeds (subsequent to the drafting of the grant documents) resulted in the State's portion of the proceeds of \$71,081. Thus the total amount of CDAG grant draws will not exceed \$3,919 (\$75,000 authorized- \$71,081 State proceeds currently held by the Authority).

For the Authority's portion of the project, \$75,000 has been included in the proposed 2000 Budget. The State has provided contract documents for the Authority's approval and signature, including a resolution, Applicant Notice and Commitment form, and contract pertaining to the use of grant funding.

Vice Chairman McCormick had a question concerning the scope of the project and a clarification of the funding. Staff reported that the project would involve the rehabilitation of the air carrier ramp (eastern portion) and that the funds for the project will consist of FAA, State, and Authority funding.

Staff recommended that the Board approve Resolution No. 1999-008, the Applicant Notice and Commitment form, and the Contract. Staff recommended that the Chairman be authorized to sign these documents on behalf of the Authority contingent upon Board approval of Resolution 1999-009: Resolution to Adopt 2000 Budget and Appropriate Sums of Money.

G. Applicant Notice and Commitment and Contract with the State of Colorado for 2000 Colorado Division of Aeronautics Grant Project

(See Consent Agenda Item F for details.)

H. Bid Award to and Concession Agreement with Double R Amusements for Terminal Building Game Machines Concession

A request for proposals for a game machine concession was published in the Daily Sentinel on December 5th and December 12, 1999. The bid request required separate proposals for the first and second floors. Double R Amusements submitted the only proposal.

Double R proposed to place four game machines and one change machine on the first floor with 60% of gross revenue going to the Authority with no minimum guarantee. This is a 5% increase over their existing agreement.

Double R also proposed to place five video game machines on the second floor and one change machine with 60% of the gross revenue going to the Authority with no minimum guarantee. This is a 5% increase over their existing agreement.

Double R also proposed to remodel the current location of the video equipment on the second floor to include the removal of the wall for the Operations storage room, insulation of the room, building up the front area, drywalling, and painting at the expense of Double R.

Staff recommended that the first floor video game concession bid be awarded to Double R. In addition, Staff recommended that the second floor bid be awarded to Double R subject to the Authority approving their remodel proposal, and contingent on all work being performed to Authority standards and applicable codes. Staff also recommended that the Chairman be authorized to sign the Agreement for a term not to exceed five years on behalf of the Authority.

Commissioner Sutherland moved to approve the Consent Agenda with Consent Item I being moved to Action Items. Commissioner Sublett seconded. Roll was taken with all ayes. Motion carried.

V. ACTION ITEMS

A. Agreement with EMS Foundation for Donation of Two Aircraft Rescue and Firefighting Vehicles

This Action Item was deleted from the agenda.

B. Public Hearing Regarding Proposed 2000 Budget and Appropriations

Notice of the proposed 2000 Budget was published in the Daily Sentinel in accordance with State law. Chairman McCormack opened the floor to public comments regarding the proposed 2000 Budget and Appropriations. There was no public input concerning the Proposed 2000 Budget and Appropriations.

C. Resolution No. 1999-009: Resolution to Adopt 2000 Budget and Appropriate Sums of Money

Staff presented the Budget with proposed Resolution No. 1999-009: Resolution to Adopt 2000 Budget and Appropriate Sums of Money. The proposed Budget incorporated changes requested by the Board at the November and December workshops.

Staff recommended that the Board approve Resolution No. 1999-009 and that the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner Sutherland moved to approve Resolution 1999-009: Resolution to Adopt 2000 Budget and Appropriate Sums of Money, and that the Chairman be authorized to sign the Resolution on behalf of the Authority. Commissioner Sublett seconded. Roll roll: All ayes. Motion carried.

D. Bid Award and Concession Agreement for Terminal Building Vending Machine Concession

Staff reported that two proposals for the vending concession were received following a published RFP process. Both proposals included placing one coffee machine, one soda machine, and one snack machine equipped with dollar bill acceptors in the second floor boarding area and one soda machine and one snack machine with dollar bill acceptors on the first floor. Both proposals would offer 20% of gross revenues to the Authority.

Staff recommended that M & M Connections be awarded the vending machine concession subject to the execution of a Concession Agreement approved by the Authority Attorney. Staff also requested that the Chairman be authorized to sign a Concession Agreement for the vending machine concession for a term not to exceed five years on behalf of the Authority.

Commissioner Sutherland made a motion to award the Vending Machine Concession to M & M Connections, and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Vice Chairman McCormick seconded. Voice vote: All Ayes. Motion carried.

VI. DISCUSSION ITEMS

A. Request for Qualifications for Financial Consulting Services

Staff presented the Board with a proposed Request for Qualifications (RFQ) to assist with the administration of securing financing for capital projects and to provide other financial consulting services. Services would include an analysis of the Authority's cash reserve and capital replacement requirements, assistance in establishing a debt structure to cover the initial

costs of constructing the new aircraft rescue firefighting/snow removal equipment facility, and possibly proceeding with additional projects contained in the terminal building renovation plan.

Staff also noted that the consulting service could look into securing funds to possibly construct a future multi-user air cargo facility.

Commissioner Morris asked if Staff knew how much money would be needed to pay for consulting services. Vice Chairman McCormick inquired into whether or not any local firms would be qualified to do the work. Staff reported that part of the reason for doing the RFQ was to try to determine how much funding would be required for financial consulting services. Staff also noted that it would be able to determine local firm qualifications upon receipt of responses from the RFQ.

Commissioner Springer inquired as to other possible ways to secure funding, such as publishing an RFP to secure financing specifically for the ARFF/SRE Building.

Vice Chairman McCormick felt that it would be better to put an RFP out to the banks and see if there are any favorable rates available, rather than putting out an RFQ to consultants. Vice Chairman McCormick also requested that the Board revisit the issue of RFQ's for financial services at a later date.

Staff noted it would publish an RFP for ARFF/SRE building financing.

B. Request for Qualifications to Provide Payroll Services

Staff reported that they are in the process of preparing an RFQ to provide Payroll services. Staff pointed out that Costello, Allyn, & Co. currently provides payroll services to the Authority. The RFQ would allow the Authority to determine if other qualified firms may be available since Costello, Allyn, & Co. has been providing payroll services since 1989 without it ever being re-bid.

C. Nominating Committee

Commissioner Ammentorp reported that the committee, consisting of Commissioners Ammentorp, Springer, and Sutherland, will nominate Vice Chairman McCormick for the position of Chairman, and Commissioner Sutherland for Vice Chairman for 2000. There were no other nominations.

VII. OTHER ITEMS

A. Noise Committee

Chairman McCormack commented that he was happy with the progress being made with the Noise Compatibility Committee. Chairman McCormack stated that he hadn't heard any complaints about noise for quite some time and felt that the committee was having a positive impact.

B. Presentation to Board Members

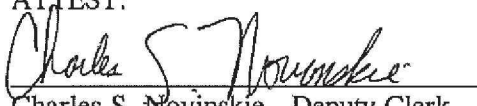
Manager Nystrom thanked the Board for all of their hard work during 1999 and presented Board members with copies of the recently published Grand Junction Chamber of Commerce book.

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 6:38 p.m.

APPROVED AND ADOPTED THIS 18th DAY OF January, 2000.


Miles C. McCormack, Chairman

ATTEST:

Charles S. Novinskie, Deputy Clerk