

Walker Field Airport Authority

Minutes of the Regular Board Meeting

June 19, 2001

BOARD COMMISSIONERS PRESENT: Miles McCormack Ken Sublett
Robert McCormick Karen Berryman
Craig Springer Dennis Kirtland

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

ALSO PRESENT: Peg Wallace of Thunder Mountain Ground Services, Inc.; Charles Pearson of Crossland Jet, LLC; Joe Marie of Federal Express; Gene Kinsey; and Mrs. Gene Kinsey.

I. CALL TO ORDER

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

II. APPROVAL OF AGENDA

Manager Nystrom requested the addition of Other Items A- "Scheduling a Personnel Committee Meeting." Commissioner Sublett requested the addition of Discussion Item E- "Noise Compatibility Procedures."

Commissioner Sublett moved to approve the Agenda as modified. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

There were no public comments or communications.

IV. SPECIAL PRESENTATION TO GENE KINSEY FOR SERVICE ON THE AIRPORT AUTHORITY BOARD OF COMMISSIONERS

Chairman Springer presented former Airport Authority Commissioner Gene Kinsey with a plaque in appreciation for Mr. Kinsey's service on the Authority Board of Commissioners and thanked him for his comments, suggestions and problem-solving abilities that he brought to the Board of Commissioners.

V. CONSENT AGENDA

A. Minutes: May 15, 2001 Regular Board Meeting

B. Acknowledgement of Receipt of April, 2001 Financial Statements/Accounts Receivable Report

On the Statement of Operations, year to date operating revenues are 3.7% higher than budgeted and year to date operating expenses are 9.6% lower than budgeted. The net result of the favorable operating revenues and expenses was an income to retained earnings balance of \$103,477, which is \$72,868 higher than budgeted year to date.

Terminal building concessions and aviation fuel tax revenues are over budget (year to date), and close monitoring of expenses by all departments resulted in year to date operating expenses that are less than what was budgeted. Parking lot revenues are higher than year to date last year (6.2%).

On the Balance Sheet, nonrestricted cash/investments increased 6.2% for the month, with a \$51,786 decrease in trade receivables, reflecting the receipt of several large customer payments during the month. PFC funds increased \$21,492, reflecting continued program collections. Capital expenditures during the month resulted in an increase to Land, Buildings, and Equipment of \$66,712 (primarily from the terminal building 3rd floor renovation project).

Overall, April yielded a favorable financial performance for the Authority.

C. Ratification of Airport Manager Performance Evaluation and Authorization and Appropriation of Funds for Salary Adjustment

At the March 20, 2001 Regular Board Meeting, the Board met in executive session to discuss the Airport Manager's performance evaluation for FY2000. The evaluation had been prepared by the Personnel Committee consisting of Commissioners Sublett, Ammentorp and Morris. Based upon Manager Nystrom's performance, it was the consensus of the Board to increase her annual salary by \$5,000.

Since a salary adjustment for the Airport Manager position is solely determined by the Board, it was not included in the FY2001 Budget approved by the Board last year. An authorization and additional appropriation of funds in the amount of \$5,000 would allow Staff to add this to the budget line item total for Administration-Salaries now rather than waiting until the latter part of the year when it would be added as part of the FY2001 Supplemental Budget. Staff made no recommendation on this agenda item since the Airport Manager's level of performance and salary are solely determined by the Board. If approved, this agenda item would serve as a ratification of the Airport Manager's

performance evaluation and authorization and appropriation of funds for the Airport Manager's salary adjustment retroactive to January 1, 2001.

D. Walker Field Airport Authority Vision Statement

The Board and Staff discussed a proposed Vision Statement for the Airport Authority at the March 6, 2001, April 3, 2001 and June 5, 2001 Board Workshops. The Vision would reflect the Board's image of what the Airport should be in the future. It would also assist Staff in preparing Annual Action Plans that move the airport in the direction intended by the Board.

Upon approval by the Board, Staff would begin to revise the Mission Directives as the third part of the triad consisting of the Mission Statement, the Vision, and the Mission Directives.

Staff recommended that the Board approve the Vision as presented in the Board packet and that the Vision accompany the Mission Statement in reflecting to the airport users, the community and the general public the views of the Board regarding Walker Field Airport.

Commissioner McCormack moved to approve the Consent Agenda. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

VI. ACTION ITEMS

A. Non-Exclusive Utilities Easement to Public Service Company of Colorado (PSCO) for Mesa Maintenance Hangar Building

During the process of upgrading the electric service to the Sky Adventures, LLC building (formerly the West Star Paint Hangar), PSCO discovered that an easement was never granted by WFAA to PSCO for a gas line installed in the early 1970s and an electric line installed in 1991. Currently, the utility lines primarily service the Mesa Maintenance Hangar. Consequently, PSCO requested an easement.

The standard PSCO easement form is being used for the proposed easement. Commissioner Berryman asked whether destination charges are assessed to the Authority by PSCO. Staff responded that they would investigate that issue.

Staff recommended approval of the non-exclusive easement for the gas and electric utility lines servicing the Mesa Maintenance Hangar and recommended that the Chairman be authorized to sign the easement form on behalf of the Authority, with the approval contingent on the non-exclusive easement being recorded by PSCO at the Mesa County Clerk and Recorder's Office.

Commissioner Kirtland moved to approve the Non-Exclusive Utilities Easement to the Public Service Company of Colorado (PSCO) for the Mesa Maintenance Hangar Building and that the Chairman be authorized to sign the easement form on behalf of the Authority, with the approval contingent on the easement being recorded by PSCO at the Mesa County Clerk and Recorder's Office. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

B. Non-Exclusive Utilities Easement to Public Service Company of Colorado (PSCO) for the Sky Adventures, LLC Building

During the process of upgrading the electric service to the Sky Adventures, LLC building (formerly the West Star Paint Hangar), PSCO discovered that an easement was never granted by WFAA to PSCO for a gas line installed in the early 1970s and an electric line installed in 1991.

Currently, the utility lines primarily service the Sky Adventures, LLC building. Consequently, PSCO requested an easement. The standard PSCO easement form is being used for the proposed easement.

Staff recommended approval of the non-exclusive easement for the gas and electric utility lines servicing the Sky Adventures, LLC Building and recommended that the Chairman be authorized to sign the easement form on behalf of the Authority, with the approval contingent on the non-exclusive easement being recorded by PSCO at the Mesa County Clerk and Recorder's Office.

Commissioner McCormick moved to approve the Non-Exclusive Utilities Easement to the Public Service Company of Colorado (PSCO) for the Sky Adventures, LLC Building and that the Chairman be authorized to sign the easement form on behalf of the Authority, with the approval contingent on the easement being recorded by PSCO at the Mesa County Clerk and Recorder's Office. Commissioner Kirtland seconded. Voice vote: all ayes. Motion carried.

C. Fourth Addendum to Lease Agreement with Thunder Mountain Ground Services, Inc.

Staff presented the Board with a proposed addendum to Thunder Mountain Ground Services, Inc.'s lease agreement to extend the term of the agreement. Thunder Mountain Ground Services, Inc. leases a portion of the First Airline Ticket Office (1st ATO) on the first floor of the terminal building consisting of 1,162 square feet in order to provide ground-handling services for scheduled charter flights and for non-scheduled airline diversions. The existing lease term is from July 1, 1996 through June 30, 2001, and the current rent paid to the Airport Authority is \$636.23 per month. Thunder Mountain has operated at Walker Field since 1985.

The Fourth Addendum to Lease Agreement extends the underlying lease agreement term to September 30, 2002, which coincides with the expiration of the three scheduled commercial airline leases, with the remaining terms and conditions of the underlying lease agreement and addendums remaining in full force and effect. Authority Attorney Mike Grattan reviewed the Fourth Addendum to Lease Agreement and made changes in order to assure legal protection of the Airport Authority.

Staff recommended approval of the Fourth Addendum to Lease Agreement with Thunder Mountain Ground Services, Inc. and requested that the Chairman be authorized to sign the Fourth Addendum on behalf of the Authority.

Commissioner Sublett moved to approve the Fourth Addendum to Lease Agreement with Thunder Mountain Ground Services, Inc. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

D. Revision to Personnel Policy No. 6-3: Rates of Pay

In February, 1998, the Board adopted a revised Airport Authority Personnel Policy Manual. Periodically, the individual policies within the Manual are reviewed by Staff for currency and applicability.

Historically, the Authority has provided a 5% salary increase for employees who serve as aircraft rescue firefighter (ARFF) trainers. However, the ARFF trainer designation salary adjustment is not addressed in the existing Personnel Policy Manual. The proposed revised "Personnel Policy No. 6-3: Rates of Pay" incorporates ARFF Trainer Designation into the policy.

Staff recommended that the Board approve revised "Personnel Policy No. 6-3: Rates of Pay" in order to reflect a practice which has been in existence for many years. Manager Nystrom stated that the Personnel Committee reviewed this policy change and recommended approval.

Commissioner Sublett moved to approve revised Personnel Policy No. 6-3: Rates of Pay. Commissioner Kirtland seconded. Voice vote: all ayes. Motion carried.

VII. BOARD COMMITTEE REPORTS

A. *PERSONNEL COMMITTEE*

There was no report.

B. *FACILITIES COMMITTEE*

The Facilities Committee has discussed the bid process for office furniture for the new administration offices, as well as the expansion of second floor terminal building concessions. The Committee has also discussed the possibility of leasing some of the second floor office space currently used by Authority Staff to an additional retail concessionaire.

The Committee is gathering information on how best to proceed with design and development of a business center. Commissioner Kirtland suggested that Two Rivers Convention Center might have information to share regarding its own business center project.

Commissioner McCormick reported that the renovation of the third floor of the terminal building is progressing well. Commissioner Sublett requested information pertaining to the statewide fiber optics installation project and how this may be beneficial to airport users. Staff noted that this issue was discussed at the most recent Club 20 Telecommunications Subcommittee Meeting, and Staff will forward a summary of that meeting to Commissioner Sublett.

VIII. AIRPORT MANAGER'S REPORT

A. *FUOCO LEASE*

Jim Fuoco of Fuoco Motors, LLC requested clarification regarding the name of the lessee on the second lease which he entered into with the Authority in December, 1999. Manager Nystrom will respond to Mr. Fuoco's request on behalf of the Authority.

B. *JUNIOR COLLEGE (JUCO) BASEBALL DISPLAY*

Staff commented that the JUCO display cases have been installed on the first floor of the terminal building. Several individuals have noted that the displays are a nice addition to the airport and the community. The JUCO Committee has stated that it will maintain responsibility for rotating the items in the displays.

VIP JUCO parking was set aside near the west entrance to the terminal building during the JUCO World Series. It appeared to have worked well during the tournament.

Also during the tournament, Staff and Sam Suplizio of the JUCO Committee created and distributed an air service evaluation survey for JUCO teams and members of their families to complete. Between 30 and 35 surveys were returned, and Staff noted that the surveys will provide some useful information for the airlines, JUCO staff, and the Airport Authority.

C. *DISCOVERY CHANNEL*

The Discovery Channel Kids' Network will be in Grand Junction for two days (June 19th and 20th) to shoot some footage for an Outward Bound television series. Featured will be the arrival at Walker Field of the seven children involved in the series, as well as footage of the airport and other local sights. The program is scheduled to be televised in the fall.

D. *RUNWAYS 11/29 AND 4/22 FOG SEAL AND PAINTING PROJECT*

The Runways 11/29 and 4/22 fog seal and painting project will be put out to bid at the same time as the bid for the federal AIP-22 project to replace the electrical vault and install runway end identifier lights (REILs) for Runway 4/22. Portions of this project will be funded by a grant from the State of Colorado. At the earliest, this project could be initiated by mid-August, 2001.

E. *CITY OF GRAND JUNCTION DETENTION PONDS*

Staff reported that it has been in communication with the City of Grand Junction and the FAA regarding the City of Grand Junction's proposed detention ponds on airport property. The recent discussions have focused on the length of time for complete drainage of the ponds during 25, 50 and 100-year events. The City of Grand Junction has proposed the execution of an Intergovernmental Agreement (IGA) between the City and the Authority. A notation in the Airport Layout Plan (ALP) Update narrative will state that the ponds will be managed and maintained by the City to drain in a timely fashion (24-36 hours) and to mitigate wildlife concerns.

Commissioner McCormick inquired about specific measures the City might take to prevent drainage and wildlife problems. Staff said that the City has indicated it would dredge the detention ponds twice a year to remove sediment and vegetation, and that similar actions would be taken after a significant flooding event to maintain the basins.

Commissioner Sublett asked whether these promises would be in writing to clearly define who is responsible for action after a major event. Staff replied affirmatively. Commissioner Sublett also asked for clarification as to whether these ponds would be located on potentially usable property and noted that if so, there should be financial compensation to the Authority.

Staff stated that the Authority is ready to incorporate pond construction into the ALP Update, but is waiting for final approval from the FAA for the proposed detention ponds.

Chairman Springer suggested contacting the FAA regarding whether there have been recorded incidents of wildlife causing problems as a result of detention ponds located in close proximity to an airport. Commissioner Sublett suggested obtaining baseline data on bird strikes at Walker Field so that it can be determined if the detention ponds will have a measurable effect on this type of occurrence.

IX. DISCUSSION ITEMS

A. Terminal Building Office Space Leasing Procedures

Staff reported that commercial real estate brokers have inquired about whether or not the Authority would be willing to pay commissions to brokers for securing tenants of retail or office space in the terminal building or on other airport properties. Commissioner Berryman inquired what percentages the brokers have suggested. Staff responded that the suggestions range from 3-4%. The Authority would not require a listing agent since it would be representing itself.

Commissioner McCormick asked how this would be addressed in the Authority's Fees & Charges. Manager Nystrom commented that an Addendum to the Fees & Charges could be drafted if the Board preferred to make the payment of commissions an official policy. Commissioner Berryman suggested incorporating a finder's fee into the Authority's proposed leasing procedures, which would be a one-time, up-front cost to the Authority (instead of an on-going fee based on continuing rental payments to the Authority).

Commissioner McCormick asked whether this would be in conflict with the FAA's rules and regulations. Manager Nystrom responded that this type of agreement with a commercial real estate broker to provide a service would be a vendor-type relationship with the Authority and would thus be treated the same as with other vendor transactions.

Staff noted that the advantages of granting a commission include added visibility and advertising of airport properties and a stronger incentive for real estate brokers to work with the Authority in finding prospective lessees. The primary disadvantage is the additional cost to the Authority.

Because of the different variables attached to each type of airport property, Commissioner Kirtland suggested that Staff develop specific policies for each type of

airport property. The consensus of the Board was for Staff to develop a specific policy pertaining to leasing terminal building office space and present the proposed policy to the Board for review.

B. Regional Aviation Partners (RAP)

Manager Nystrom and Dan Reynolds recently met with Jonathan Ornstein, President & CEO of Mesa Airlines, and Maurice Parker, Board member of Mesa Air Group and the Executive Director of the Regional Aviation Partners (RAP) to discuss Grand Junction air service and the RAP, a new partnership with a goal to unite representatives from regional airlines, airports, aircraft manufacturers, labor unions, passenger groups, and smaller communities in addressing regional air service issues.

During the meeting, Mesa Air Group expressed concern with the direction regional air service is progressing. Decreased funding from the Essential Air Service (EAS) Program may result in the termination of air service to some smaller communities. Current legislation under consideration will narrow the criteria under which small communities can qualify for EAS service.

Manager Nystrom commented that participation in RAP would not require a large time commitment and that there is no cost to the Authority at this time. She recommended that the Authority join RAP, which would also serve to support the positive working relationship between Mesa Air Group and the Airport Authority.

Commissioner McCormick asked whether there might be some concern in joining RAP without the involvement of the Authority's other two incumbent air carriers. Manager Nystrom responded that she did not see this as a problem.

Commissioner Kirtland suggested inviting the City of Grand Junction and Mesa County to be involved in this effort, to increase the local support for this partnership.

Commissioner McCormick recommended the Authority join RAP. The consensus of the Board was for the Authority to join RAP. Manager Nystrom noted that she will draft a letter to the RAP, informing them of the Authority's decision to join the partnership.

C. Air Service Development

Manager Nystrom provided the Board with a draft of "Commercial Air Service Benchmark Report." The initial draft of the report contains comprehensive Walker Field Airport commercial air service data. The consensus of the Board was to review the document and provide input for revisions at the July, 2001 Board Workshop.

D. July, 2001 Board Workshop

It was the consensus of the Board to reschedule the July Board Workshop from July 3rd to July 10th.

E. Noise Compatibility Procedures

Commissioner Sublett commented on standardized aircraft arrival altitudes as a way to reduce military aircraft noise. He noted that the Airport is one of the few airports in the

country that military aircraft can approach the airport at almost any altitude. Commissioner Sublett recommended Staff and the Board look into establishing standardized, reasonable altitude requirements based on aircraft characteristics. Commissioner Sublett requested that this item be discussed at the July, 2001 Board Workshop.

X. OTHER ITEMS

A. Advertising in Delta's "Skywest" Magazine

Staff presented the Board with copies of the summer edition of the "Skywest" magazine. An article in this issue features the Grand Junction area. The Airport Authority has an advertisement and some editorial comments on page 39 of the issue. This issue will be in Skywest's aircraft seat pockets for the next three months (July through September).

B. Personnel Committee Meeting

Manager Nystrom requested that the members of the Personnel Committee hold a brief meeting prior to the July, 2001 Board Workshop to discuss a proposed Personnel Policy update.

C. West Star Aviation Update

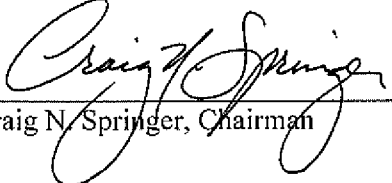
Chairman Springer inquired about any follow-up actions resulting from the May 24, 2001 letter to West Star Aviation regarding the fill material being placed on the unleased parcel to the south of West Star's existing leasehold. Staff replied that a tentative agreement has been reached regarding access through West Star's parcel for future general aviation users, and that West Star may lease a portion of the parcel for parking, thereby incorporating the fill material into the development of the site.

XI. ADJOURNMENT

There being no further business to come before the Board, Commissioner McCormick moved to adjourn the meeting. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

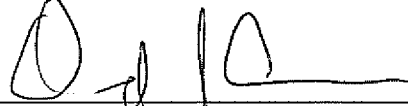
The meeting was adjourned at 7:20 pm.

APPROVED AND ADOPTED THE 17th DAY OF July, 2001.



Craig N. Springer, Chairman

ATTEST:



David J. Anderson, Clerk