

Walker Field Airport Authority

Minutes of the Regular Board Meeting

July 17, 2001

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

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

ALSO PRESENT: Authority Attorney Kirk Rider of Younge & Hockensmith, P.C.; Toni Edelen and Tom Saxton of Mesa Airlines; Bruce Balbier and Connie McClaskey of Skywest Airlines; and Phil Chavarria and Mike Hansen of Retriever Air Freight

I. CALL TO ORDER

Chairman Springer called the meeting to order at 5:16 p.m.

II. APPROVAL OF AGENDA

Commissioner Berryman requested the addition of Discussion Item B- "Special Board Meetings" and Manager Nystrom requested the addition of Action Item F- "Hall/Rouse Road."

Commissioner McCormack moved to approve the Agenda as amended. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Toni Edelen, Station Manager for Mesa Airlines, and Bruce Balbier, Station Manager for Skywest Airlines noted concern regarding the climate and temperature control in the terminal building, especially in the airline ticket office (ATO) and boarding areas. Staff commented that the terminal building evaporative cooling system does not work properly during humid weather. Additionally, during extreme heat conditions, it can only cool the area 15 to 20 degrees below the outside temperature. The evaporative coolers currently operate 24 hours a day. The Authority has provided fans for tenant use during the hot and humid times of the summer.

During the winter, the heating system cannot keep up with the heating needs of the terminal building. However, the Authority has a three year plan to replace the heating ventilation and air conditioning (HVAC) system, with the next planned upgrade for September 2001. Manager Nystrom commented that Action Item C- "Request for Approval and Appropriation of Funding for Additional FY 2001 Capital Improvement Projects and Equipment," to be discussed at this Board meeting, includes \$90,000 of proposed HVAC upgrades for the ATOs.

Chairman Springer commented that the Authority contracted with an HVAC engineering firm to conduct an analysis in 2000 to review the terminal building system. The Authority reviewed the costs of replacing the total system versus phased replacement. Because the bids for total replacement were approximately \$800,000, it was decided to replace the system in phases. Chairman Springer stated that the Board understands the system does not work efficiently and apologized to the tenants for any inconvenience and discomfort they have experienced.

IV. CONSENT AGENDA

A. Minutes: June 20, 2001 Regular Board Meeting

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

On the Statement of Operations, year to date operating revenues are 2.8% higher than budgeted and year to date operating expenses are 8.0% lower than budgeted. The net result of the favorable operating revenues and expenses was an income to retained earnings balance of \$122,774, which is \$73,420 higher than budgeted year to date.

Terminal building concessions, parking, 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 9.9% higher than year to date last year.

On the Balance Sheet, nonrestricted cash/investments decreased 6.1% for the month, with a \$30,288 decrease in accounts payable, reflecting the payment of several large vendor invoices during the month. PFC funds increased \$34,070, reflecting continued program collections. Capital expenditures during the month resulted in an increase to Land, Buildings, and Equipment of \$129,283 (primarily from the terminal building 3rd floor renovation project and Airport Layout Plan Update).

Overall, May was a solid financial month for the Authority.

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

V. ACTION ITEMS

A. Building Use and Lease Agreement with Retriever Air Freight, LLC

Staff presented the Board with a proposed lease agreement for Retriever Air Freight, LLC. Retriever currently leases 225 square feet of office space in the fourth airline ticket office (4th ATO) on the first floor of the terminal building, in addition to 1,875 square feet of ground south of the air traffic control tower for vehicle parking. Both of these leases will expire on July 31, 2001. The total current rent paid to the Airport Authority is \$253.09 per month. Retriever has operated a freight handling and forwarding business at Walker Field since May, 1986.

Retriever proposes to lease the Authority's rental car facility building consisting of approximately 3,175 square feet located on one acre of land at the northwest corner of Landing View Lane and Falcon Way. Under the proposed agreement, the total rent paid to the Airport Authority will be \$1,191.65 per month. The adjacent tenants and on-airport rental car providers have been notified of the lease proposal pursuant to the WFAA Airfield and Landside Property Leasing Guidelines. Authority Attorney Mike Grattan has reviewed Paragraph 1.15 Additional Provisions A and B of the agreement and made the necessary changes in order to protect the Authority. The standard form Building Use and Lease Agreement was used. Staff stated that the standard form agreement does not include a cost of living adjustment (COLA) provision. However, this provision will be added to this agreement.

Commissioner Berryman questioned the applicability of security deposit to cover rent and property damage. Manager Nystrom noted that although the security deposit provision uses the same terminology that has been used for many years, because this concern was raised, Staff will forward this issue to the Authority Attorney for review. Commissioner McCormick stated the Walker Field Master Plan depicts the building as a rental car maintenance facility and commented that the Master Plan may need to be modified to allow the facility's use by an air freight tenant. Staff noted that the FAA would not require a change to the Master Plan to reflect a short term lease to an air freight operator.

Mike Hansen of Retriever Air Freight expressed interest in becoming involved in any future discussions regarding a permanent air freight facility at Walker Field. Staff recommended that the Board approve the Building Use and Lease Agreement with Retriever Air Freight, LLC and that the Chairman be authorized to sign the agreement on behalf of the Airport Authority, contingent upon further review of the agreement by Authority legal counsel, inclusion of a standard COLA provision, and the Authority's receipt of proof of insurance and security deposit.

Commissioner McCormick moved to approve the Building Use and Lease Agreement with Retriever Air Freight, LLC and to authorize the Chairman to sign the agreement on behalf of the Authority, contingent upon further review of the agreement by Authority legal counsel, inclusion of a standard COLA provision, and the receipt of proof of insurance and the security deposit. Commissioner Sublett seconded. Voice vote: all ayes. Motion carried.

B. Public Telephone Agreement with Qwest Corporation for Terminal Building Pay Phone Concession

Staff presented the Board with a proposed telephone concession agreement with Qwest Corporation for the terminal building pay phone concession. The current agreement with US West Communications (now Qwest Corporation) for the terminal building and local phone service expired March 22, 2001. The proposed Qwest agreement presented to the Authority in January, 2001 contained hold harmless language that was not acceptable to Authority Attorney Mike Grattan. Consequently, the Authority requested that Qwest modify the hold harmless provision, which took Qwest approximately 6 months to accomplish.

The resulting agreement, including the modified hold harmless provision, is now acceptable to Authority Attorney Mike Grattan. Since March 22, 2001, the previous pay phone agreement has been in effect on a month-to-month basis. The proposed term is for four (4) years from the later of the two signature dates on the agreement. The proposed amounts payable to the Airport Authority are the same as the previous agreement:

<u>Total Monthly Gross Revenue:</u>	<u>% Commission:</u>
\$ 90.01 to 180.00	8%
180.01 to 270.00	10%
270.01 +	12%

Since pay phone use has declined in large part due to cellular phones, the monthly amount paid to the Airport Authority is in the \$3 to \$5 range.

Commissioner Ammentorp asked if there have been any problems with vandalism of the telephones. Staff responded that the only problem has been the disappearance of phone books from the telephone booths. Staff recommended approval of the Public Telephone Agreement with Qwest Communications and recommended that the Chairman be authorized to sign the agreement on behalf of the Authority.

Commissioner Kirtland moved to approve the Public Telephone Agreement with Qwest Corporation for Terminal Building Pay Phone Concession. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

C. Request for Approval and Appropriation of Funding for Additional FY 2001 Capital Improvement Projects and Equipment

Staff presented the Board with a request for the funding of additional FY 2001 capital improvement projects and equipment. FY 2001 year-to-date capital appropriations total \$730,427. If operating revenues and expenses for FY 2001 match exactly with what was budgeted for the year, the December 31, 2000 non-restricted cash/cash reserves balance is projected to be \$777,679, which is a targeted objective for the Authority.

Staff develops recommendations for the appropriation of funds for additional projects during the year based on the projected amount of favorable operating revenue and expense variances and their relationship to the targeted non-restricted cash/cash reserves balance. Based on these variances, Staff recommended the appropriation of funds for the following additional projects:

Upgrade Phone System during move to 3 rd Floor	\$7,900
Third Floor Administration Offices Furnishings.....	50,000
Airline Ticket Offices (ATOs) HVAC Upgrades.....	90,000
Aircraft Run-Up Area Design	10,000
Repair Vault Adjacent to West Star Aviation Ramp.....	8,750
Computer/Information Services Upgrades.....	5,000
AIP Grant Match (AIP-22) – Additional.....	36,000
Restaurant Area Upgrades – Windows.....	7,000
TOTAL.....	\$214,650

Manager Nystrom noted that the upgraded phone system would include 17 phones with room for seven additional phones in the future. The system would include in-house voice mail. Currently, the Authority is paying approximately \$217.00/month for voice mail through Qwest. By having in-house voice mail, the cost savings would pay for the entire phone system in approximately 3 years.

Commissioner McCormick noted that an appropriations request for terminal building 2nd floor renovations was not included because the bids received for the renovations were approximately \$85,000. Because of the higher than projected renovations cost, the Authority has decided to phase the renovations and perform some of the work in-house. However, there is a line item for the installation of windows in the restaurant area.

Commissioner Kirtland inquired if these requested capital projects are derived from a capital projects plan. Manager Nystrom noted that most of these projects were included in the FY 2001 Budget to be considered for appropriation during the year as funds become available.

Commissioner McCormick moved to approve and appropriate an amount not to exceed \$214,650 for these specified projects. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

D. Bid Award for Airport Authority Administration Office Furnishings

Staff presented the Board a request for approval of a bid award for the Authority administration office furnishings. Staff advertised a Request for Qualifications followed by interviews to pre-qualify office furniture providers to install new office furnishings for the third floor Authority administration offices. Staff then requested proposals from each qualifier including cost, quality, design, application, function, warranty, and installation.

The Authority received five proposals. However, one of the proposals was not submitted by the deadline and was not considered for supplying the furnishings. The four vendors who submitted proposals prior to the deadline were:

Valley Office and Supply
Office Furniture and Design Center
Boss Office Systems
Office Outfitters

Staff commented that the Mesa County Economic Development Council (MCEDC) offered to sell its former conference room chairs to the Authority for \$5/chair. The chairs match the carpet in the new multi-purpose room and are in excellent condition. If purchased, these chairs would be used as audience chairs within that room.

Staff recommended that the Board accept the bid proposal for the Authority administration office furnishings submitted by Office Furniture and Design Center with the express provision that nothing in this bid award precludes the Authority from procuring specific office furnishings from other vendors or from procuring furnishings from Office and Design Center other than those specified in its bid proposal.

Commissioner McCormack moved to accept the bid proposal and award the bid to Office Furniture and Design Center for the Authority administration office furnishings with the express provision that nothing in this bid award precludes the Authority from procuring specific office furnishings from other vendors or from procuring furnishings from Office and Design Center other than those specified in its bid proposal. Commissioner Sublett seconded the motion. Voice vote: all ayes. Motion carried.

E. Revision to Personnel Policy No. 6-7: Overtime – Non-Exempt

Staff presented the Board with a proposed revised Personnel Policy No 6-7 regarding the calculation of non-exempt employee overtime. 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.

In August, 1998, Colorado Minimum Wage Order #22 went into effect. This Wage Order mandates that in addition to the federal overtime requirements (i.e. any work in excess of 40 hours per workweek), non-exempt employees shall also be paid for any work in excess of 12 hours per workday or work in excess of 12 consecutive hours without regard to the starting and ending time of the workday.

The Authority has been complying with this Wage Order since the effective date, but the requirements have not been integrated into the Authority's Personnel Policy Manual. The Personnel Committee has reviewed and approved the proposed Policy revision.

Staff recommended that the Board approve revised "Personnel Policy No. 6-7: Overtime – Non Exempt" in order to reflect the federal and state overtime requirements.

Commissioner Kirtland moved approval of the Revision to Personnel Policy No. 6-7: Overtime – Non-Exempt. Commissioner McCormick seconded the motion. Voice vote: all ayes. Motion carried.

F. Hall/Rouse Road

Staff presented the Board with a request to authorize a written agreement between the Authority and Tom Hall and Ron Rouse for the extension of Navigators Way. Staff provided background information regarding this request. Mr. Hall and Mr. Rouse approached the Authority with a request for approval for them to extend Navigators Way, which would result in better access to their leasehold.

The initial Authority response to their request was that the extension would need to be engineered and constructed to Authority specifications, including compaction requirements. Mr. Hall and Mr. Rouse agreed to these initial requirements and provided the Authority with a drawing of the proposed road extension, including grading and elevations.

Last night, Staff noted that Mr. Hall and Mr. Rouse had commenced construction of the extension, but without approval of the Authority. Because the extension of Navigators Way would benefit the Authority if it is constructed to the Authority's specifications, Staff recommended that the Board authorize Mr. Hall and Mr. Rouse to proceed with the road extension contingent upon the drafting of an agreement by Authority Attorney Mike Grattan which provides protections to the Authority and outlines the specifications and requirements pertaining to the construction.

Commissioner Sublett asked Staff about the maintenance of the road extension. Staff stated that the Authority would be responsible for maintaining the extension once it is completed. Commissioner McCormick recommended that the grade of the extension be prepared for possible future paving without having to grade it at a later date. Chairman Springer recommended that the Board postpone action on the proposed agreement until a draft of the agreement is completed. The consensus of the Board was to hold a Special Board Meeting when the proposed agreement is completed. Commissioner McCormick cautioned Mr. Hall and Mr. Rouse from performing any additional roadwork until an agreement has been approved by the Board.

VIII. DISCUSSION ITEMS

A. WFAA Acquisition and Property Interest in Aircraft Rescue Firefighting Vehicles (Executive Session)

This Agenda item was discussed prior to Board Committee Reports.

Commissioner McCormick moved for the Board to enter into Executive Session to discuss the Authority's acquisition and property interest in two donated aircraft rescue firefighting vehicles. Commissioner McCormack seconded. Voice vote: all ayes. Motion carried.

The Board entered into Executive Session at 6:45 pm.

Commissioner McCormick moved to exit Executive Session. Commissioner Kirtland seconded. Voice vote: all ayes. Motion carried.

The Board exited Executive Session at 7:51 pm.

Commissioner McCormick moved for Authority Staff and Authority legal counsel to proceed with surrendering the two (2) firefighting vehicles that the Colorado EMS Foundation had been attempting to finance and donate to the Authority. Commissioner Kirtland seconded. Voice vote: all ayes. Motion carried.

VI. BOARD COMMITTEE REPORTS

This Agenda item was discussed after Discussion Item A- "WFAA Acquisition and Property Interest in Aircraft Rescue Firefighting Vehicles (Executive Session)."

A. PERSONNEL COMMITTEE

Commissioner Sublett noted that the Personnel Committee reviewed and approved the revised "Personnel Policy No. 6-7: Overtime Non-Exempt" which was presented to and just approved by the Board.

B. FACILITIES COMMITTEE

Commissioner McCormick reported that the Facilities Committee has been discussing the terminal building 3rd floor Authority administration office furnishings, the 2nd floor renovation project (including a business center/internet connections for business travelers), and the Hall/Rouse Road project.

VII. AIRPORT MANAGER'S REPORT

A. CITY OF GRAND JUNCTION DETENTION PONDS

Staff reported that it met with representatives of the City of Grand Junction to discuss the proposed construction of City storm water drainage detention ponds on airport property. Additionally, the Authority provided the City with a copy of the Authority's standard ground lease agreement. Staff is in the process of determining a rental rate for the parcels on which the detention ponds would be located. Commissioner McCormick asked if the agreement would be acceptable to the Federal Emergency Management Agency (FEMA). Manager Nystrom commented that Staff will work with the City regarding FEMA requirements.

B. AIRPORT LAYOUT PLAN UPDATE

Staff commented that the next draft of the Airport Layout Plan (ALP) Update has been provided to Staff for review. Staff has reviewed the proposed update and has identified areas in the narrative which need attention.

C. CITY OF GRAND JUNCTION/MESA COUNTY BREAKFAST MEETING

Staff noted that the City of Grand Junction/Mesa County breakfast meeting is scheduled for September 12, 2001. The purpose of the meeting is for the Authority to provide an update to City and County representatives regarding commercial air service.

D. COMMERCIAL AIR SERVICE BENCHMARK REPORT

Staff stated that the next draft of the Commercial Air Service Benchmark Report will be provided to the Board for discussion at the August, 2001 Board Workshop.

E. REGIONAL AVIATION PARTNERS

Staff commented that the Regional Aviation Partners presentation has been rescheduled for August 8, 2001 and will be held at the Chamber of Commerce at 12:30 pm. Notices of the meeting will be mailed in the near future.

F. PASSENGER FACILITY CHARGE APPLICATION #4

Staff reported that the Passenger Facility Charge Application #4 has been approved by the FAA as submitted by the Authority.

G. EAST AIR CARRIER RAMP RECONSTRUCTION

Staff noted that the east air carrier ramp reconstruction project is scheduled to resume on July 23, 2001.

H. COLORADO AERONAUTICAL BOARD (CAB)

Manager Nystrom stated that she will attend a Colorado Aeronautical Board Meeting and Board Retreat in Colorado Springs. Following the completion of the CAB meeting, she may be out of the office through August 3rd. Dan Reynolds will be Acting Airport Manager during her absence.

VIII. DISCUSSION ITEMS

B. Special Board Meetings

Commissioner Berryman expressed a concern regarding the legality of holding the Special Board Meeting on July 10, 2001 at the request of West Star Aviation regarding the defense fueling contract. She indicated that since West Star Aviation is a subtenant at Walker Field, the request for the Special Board meeting should have come from Buescher Family Limited Partnership (BFLP) since BFLP is the direct tenant of the Authority. Commissioner Berryman noted that her concern stemmed from the lack of BFLP representation at the meeting.

Commissioner Berryman asked if a motion had been passed, would the decision be legally enforceable. Commissioner McCormick stated that because the Authority is a public entity, anyone can request a Special Board Meeting and notice of a proposed meeting must be published.

Staff reported that notices of the Special Board Meeting were sent to all tenants and subtenants, as well as numerous other agencies in the area. Commissioner McCormick stated that the Board has the authority to make decisions regarding operations affecting the airport.

Commissioner Kirtland noted that new State of Colorado open meetings laws for governmental entity boards will go into effect on August 8, 2001.

IX. OTHER ITEMS

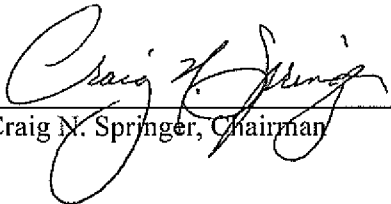
Commissioner McCormack expressed his concern that it is not realistic to wait two more years to complete the terminal building heating ventilation and air conditioning upgrades, and he suggested borrowing the money to complete the upgrades at one time. Commissioner Berryman asked if the existing system operates 24 hours a day. Staff replied that the system, both heating and cooling, runs 24 hours a day during peak times of the year. Commissioner McCormick suggested borrowing the money and having the new system in place before the end of 2001. Manager Nystrom commented that if the Authority proceeds with obtaining a loan for the HVAC upgrades, Staff may need to request a variance from the Authority's Cash Reserves Policy to make the loan payments. Commissioner McCormick suggested having a discussion on the financial ramifications and the public relations aspect of proceeding with the new HVAC system.

X. ADJOURNMENT

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


The meeting was adjourned at 8:45 p.m.

APPROVED AND ADOPTED THE 21st DAY OF August, 2001.



Craig N. Springer, Chairman

ATTEST:



David J. Anderson, Clerk