

# **Walker Field Airport Authority**

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## **Minutes of the Regular Board Meeting**

**February 21, 2006**

**BOARD COMMISSIONERS PRESENT:** Roger Little                      Doug Simons  
   Gregg Palmer                         John Stevens  
   Tom LaCroix

**AIRPORT STAFF PRESENT:** Rex Tippetts A.A.E.             Charlie Novinskie  
   Ed Storer                              Gary Mancuso  
   Kathie Laurin

**ALSO PRESENT:** Dan Holycross of Mesa Air; Paul Wisecup of WS Flyers, LLP; Steve and Lyn Bottom of TriStar Aviation; Gerald Boren and Drew Armstrong of Charlie 1 Alpha; Kurt Cornum; Bob Tofsrud; Denny Granum; Paul Northup and Spike Howard of Clear Blue Sky LLC; Leslie Henderson of Sky Adventure, Inc.; Betsy Kerschbon of Aero-GJT; Larry Kempton of Kempton Air Service, and Bob Kretschman of The Daily Sentinel.

### **I. CALL TO ORDER**

The meeting was called to order at 5:18 p.m.

### **II. APPROVAL OF AGENDA**

Manager Tippetts requested that "Second Amendment to Amendment Fourteen to Contract with Washington Group International to Rehabilitate Taxiway C1-A" be added as Item "C" under Action Items.

Commissioner LaCroix moved to approve the Agenda as amended. Commissioner Stevens seconded. Roll call: Commissioner Stevens, aye; Commissioner Palmer, aye; Chairman Little, aye; Commissioner LaCroix, aye; Commissioner Simons, aye. All ayes: motion carried.

### **III. PUBLIC COMMENTS AND COMMUNICATIONS**

Chairman Little announced that Robert McCormick recently resigned as Chairman and Board Member due to ill health.

Manager Tippetts distributed additional information to be incorporated with the Board packet, which included a letter received from the Airport Tenants Association pertaining to Discussion Item A on the Agenda.

#### **IV. CONSENT AGENDA**

- A. Minutes: January 17, 2006 Regular Board Meeting**
- B. 2006 Colorado Department of Transportation, Colorado Aeronautical Board, Grant Agreement and Attachment A Resolution**

In August of 2005, the Airport Authority applied for a grant from the Colorado Aeronautical Aeronautics Board for matching funds for the 2006 FAA-funded airport projects which include the Cargo Ramp Phase I; Rehabilitation of C1-A Taxiway; Acquire Snow Removal Equipment; and Purchase of a 22-foot Runway Snow Plow. The Aeronautics Board approved the requested \$54,157.00 in October, 2005, and the Aeronautics Division has sent three copies of the Grant Agreement (including Attachment A Resolution) for WFAA Board consideration and acceptance of the grant. This is standard procedure that must be followed each time the Airport Authority receives funding from the Aeronautics Division, and the documents themselves are the same as those used with all other Colorado airports that receive a grant.

Staff recommended that the Board approve the Grant Agreement and Attachment A Resolution and authorize the Chairman to sign the documents on behalf of the Airport Authority.

Commissioner LaCroix moved to approve the Consent Agenda. Commissioner Stevens seconded. Roll call: Commissioner Stevens, aye; Commissioner Palmer, aye; Chairman Little, aye; Commissioner LaCroix, aye; Commissioner Simons, aye. All ayes: motion carried.

#### **V. ACTION ITEMS**

- A. Staff Recommendation on Planner for ALP Update**

The Federal Aviation Administration (FAA) has agreed to fund an Airport Layout Plan (ALP) update using a portion of this year's entitlement funds. Step one of the ALP process is to select a planner to do the work. Walker Field advertised for thirty days soliciting Statements-of-Qualifications. During this time eleven ALP informational packets were sent out to various interested firms.

Seven firms provided Statements-of-Qualifications. The selection committee reduced the seven to three by grading the qualifications on: Experience, Demonstrated Capability, Ability to Meet Schedules, Responsiveness, and Familiarity.

The final three: Carter Burgess, Barnard Dunkelberg & Company, and Ricondo & Associates were then interviewed by the selection committee on January 31<sup>st</sup> and February 3<sup>rd</sup>. The finalists were asked questions about their approach to the work, and problems or issues they perceive.

Staff recommended that:

Based on the conducted interviews, Statements-of-Qualifications, approach to the work, experience in noise issues, financial plan support, Barnard Dunkelberg & Company be selected to be Walker Field's planning consultant, Board direct Staff to work with Barnard Dunkelberg to prepare a Scope-of-Work and to negotiate a contract price for the Scope-of-Work following FAA guidelines.

Commissioner Simons moved to approve Staff's recommendation that Barnard Dunkelberg & Company be selected as Walker Field's planning consultant. Commissioner Palmer seconded. Voice vote: all ayes. Motion carried.

**B. Staff Recommendation to Purchase New Financial Software**

Preparation of required reports and preparing for the annual audit has pressured Staff to move forward the timetable for this request as current Staff has become aware of the problems with the current software programs used for the airport's financial reporting; the need to replace the software has become warranted.

Problems include:

1. Not intended for this application (Funding Account).
2. Not user friendly.
3. Not supported (training or technical).
4. Will not interface with other programs being used.
5. Required hundreds of adjusting journal entries (hundreds of hours of staff time).
6. Budgeting is outside the accounting software.
7. Separate spreadsheets (outside accounting software) required for tracking budget items: grants, investments, projects, PFCs. Information must be entered and re-entered.
8. Won't produce reports. Report writer is separate, requiring re-entry of the data.
9. Lack of real-time reports.
10. Will not support payroll. Payroll is currently compiled by WFAA staff, and then sent to a payroll contractor, compiled by contractor and then reentered in our software. Cost \$4,000 per year plus WFAA Staff time.
11. Continued use will require the rehire of one of the accounting personnel we had in the past. Accounting staff was reduced from 3 to 1 in 2005.

Staff has researched different software to find the best software for our needs and size of organization. Support was number one on the list for items we were looking for. We found the Staff recommendation has the best available package for our application. We are still working on pricing and will have it available at the February 21<sup>st</sup> meeting. Staff will also be present to answer questions about the current and proposed programs.

Staff recommended that:

- The Board approve the purchase of new accounting software from Caselle. This is an unbudgeted item and will require an amendment to the 2006 budget.
- Purchase to include the core package of General Ledger, Budgeting, and Bank reconciliations.
- Add-in interfacing modules:
  1. Accounts Payable
  2. Accounts Receivable
  3. GL Investment Management
  4. Payroll/Human Resources with Direct Deposit
  5. Asset Management

Commissioner Simons moved to approve the purchase of new accounting software from Casselle, Inc. at an expenditure of \$30,000 to include the core package of General Ledger, Budgeting, and Bank reconciliations with add-in interfacing modules to include Accounts Payable, Accounts Receivable, GL Investment Management, Payroll/Human Resources with Direct Deposit, and Asset Management. Commissioner Palmer seconded. Voice vote: all ayes. Motion carried.

**C. Second Amendment to Amendment Fourteen to Contract with Washington Group International to Rehabilitate Taxiway "C1-A"**

The Airport Authority received a multi-year grant from the FAA in the form of Entitlement Grant AIP-29. When AIP-29 was originally bid last year, there wasn't enough money in the grant to accomplish all three schedules. So Schedule III – T/W C1-A Rehabilitation was not awarded. After the major construction of C1-A was completed, we discovered that due to under running of quantities there was enough money to construct Schedule III (C1-A). FAA agreed to include C1-A construction in the AIP-29 Grant. This Amendment is for Washington's construction management of both C1-A and the modifications to Landing View Lane. Total amount of this Amendment is \$87,156.00.

During the FY2006 Colorado Division of Aeronautics Grant cycle, WFAA applied to and received a State grant to cover another 2.5% of the project. WFAA's local match for the entire project is 2.5% or \$5,179.

Staff recommended that the Board approve the Second Amendment to Washington's contract under AIP Grant Agreement No. 3-08-0027-29 and authorize the Chairman to sign the Agreement on behalf of the Airport Authority.

Commissioner LaCroix moved to approve the Second Amendment to Washington's contract under AIP Grant Agreement No. 3-08-0027-29 and authorize the Chairman to sign the Agreement on behalf of the Airport Authority. Commissioner Stevens seconded. Voice vote: all ayes. Motion carried.

## VI. DISCUSSION ITEMS

### A. **Resolution No. 2006-004: Resolution to Set Leasing Policy for Existing Improvements**

At the Board work session February 7, 2006, the Board had a lengthy discussion concerning how current leases should be administered if the improvements on the leased property were sold by the current lessee. Discussions widened to include what happens when the lease expires. A *draft* resolution was presented to the Board in an attempt to capture Staff's understanding on how the Board wishes Staff to administer the assignment of current leases.

Expiration of the lease is not addressed, and Staff is not recommending any changes to existing leases or the current standardized ground lease.

Commissioner Palmer commented that if he were a tenant who had invested in leasehold improvements, had kept the property up and been a good tenant, he would want to know that he would have first right to re-lease at the end of the 30-year lease term. He suggested that perhaps a clause indicating first right to re-lease could be incorporated into the standardized ground lease agreement, although he did not recommend reopening the existing leases at the Airport.

Commissioner Palmer added also that he did not see anywhere in the lease agreement where a tenant who wanted to add new improvements to an existing lease could initiate a new 30-year lease.

Drew Armstrong suggested the Airport establish specific guidelines outlining codes and/or requirements that tenants must abide by in order for the Board to consider re-leasing to a tenant with a new 30-year lease. He added that the guidelines should be evenly enforced across the entire Airport.

Commissioner Palmer stated that as a policymaker he wanted to ensure the Airport has a lease that makes sense, everybody understands exactly what is expected of them, and a lease that is not arbitrary in that the Airport is enforcing requirements on one tenant and not the other.

Paul Wisecup commented that the Airport is charged with the responsibility of leasing property under FAA regulations. He added also that the Airport has a financial and fiduciary responsibility to do the right thing but one of the things the Airport has yet to do is develop the commercial side of Airport property. He stated that, from his experience, no one would develop or lease Airport property without a significant change in the lease terms. He added that it would be difficult to get a lender to step forward when a tenant wants a mortgage on leasehold improvements, only to learn that the tenant's term is not 30 years but 5 or 10 years. He continued that these factors are discouraging for economic development on the Airport.

Mr. Wisecup compared the Airport's economic health to that of the oil and gas industry in the state of Colorado: a boom and bust. He added that the Airport is in good times now and there is demand for certain commercial operations and commercial airline improvements and enplanements. He commented, however, that there could also be a time when the Airport needs general aviation support, which he believed the airport does not support at this time.

Mr. Wisecup commented that there is sufficient amount of land to develop at Walker Field but how the Airport acquires funds to develop it is a problem. He stated that it is discouraging to take a lease now and invest hundreds of thousands of dollars and be uncertain what the future will bring because the future for many is more than 30 years.

Commissioner Simons stated that Mr. Wisecup's comments made sense. He added, however, that he was curious to know what had changed now as opposed to the time when Mr. Wisecup first read his lease and signed it.

Mr. Wisecup responded that at the time he signed the lease it was his intent to build a building that would stand not just for 10, 20 or 30 years but for a much longer period of time. He continued that he thought he would have the ability to choose to sell to another valuable tenant, which would supply him with some equity. He added that under the current terms of his lease, if imposed directly as written, his equity would be zero at the end of the 29<sup>th</sup> year and that wasn't where he thought he would be when he signed the lease.

Similar comments were made by other Tenants expressing concern over the uncertainty of a 30-year re-lease, whether it be at the end of their lease term, at a future date when they decide to add another hangar or make leasehold improvements, or if and when they sell their property to a new tenant.

Commissioner Simons reflected that the Airport has a new Airport Manager and new Board Members and when a document [standardized lease form] indicates one thing and Staff is doing another, it raises a flag.

Commissioner Palmer stated he believes the Board has always tried to act fairly and that was the reason for public meetings. He added that the Board welcomes a variety of viewpoints to assist in formulating policies the Airport needs to establish in order to move forward.

Commissioner Simons suggested that a research of other airport lease models around the country take place in order to come up with a solution. He added the Board would appreciate receiving input from Tenants on information they might have with respect to other airport leases.

It was agreed to not take any action on the Resolution but to continue discussions and initiate research at other airports to assist in addressing this issue at a future date.

Mr. Wisecup thanked the Board for non-action on the Resolution because he believed it was the right thing to do under the circumstances. He added also that he detected a sense of relief amongst the tenants at the meeting, knowing the Airport Authority would continue to pursue this matter and take into consideration the issues presented during the discussion.

Chairman Little thanked everyone for their comments and reminded the Tenants of a Tenants' meeting to be held Wednesday, March 1<sup>st</sup>.

## **VII. OTHER ITEMS**

### **A. March Board Workshop**

Manager Tippetts announced that Review of New Budget Format and Review of Rates and Charges would take place at the March 7<sup>th</sup> Board Workshop.

Chairman Little reported that Regular Board Meetings would continue to begin at 5:15 PM.

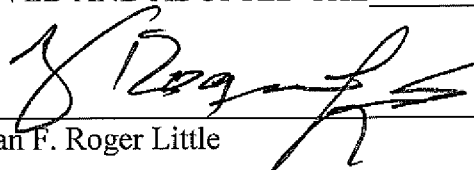
Chairman Little commented that Manager Tippetts would inform the County of Robert McCormick's resignation from the Board.

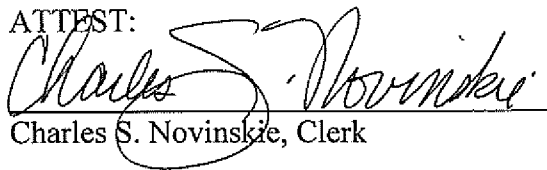
Commissioner Palmer questioned if and when the Board needed to elect a new Vice Chairman. It was agreed that election would take place at the Regular March Board Meeting.

## **VIII. ADJOURNMENT**

Commissioner Stevens moved to adjourn the meeting. Commissioner Palmer seconded. Voice vote: all ayes. Motion carried. The meeting adjourned at 6:43 p.m.

APPROVED AND ADOPTED THE 21<sup>st</sup> DAY OF March, 2006.

  
Chairman F. Roger Little

ATTEST:  
  
Charles S. Novinski, Clerk