

Walker Field Airport Authority

Minutes of the Regular Board Meeting

March 18, 2003

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

AIRPORT STAFF PRESENT: Corinne Nystrom Charlie Novinskie
Gary Mancuso Dan Reynolds
Donna VanLandingham

ALSO PRESENT: Phillip Smith and Harold Callahan of Avis Rent A Car System, Inc.; Christine Campbell of Enterprise Leasing Company of Denver (dba Enterprise Rent-A-Car); Authority Attorney Ron Gibbs of Younge & Hockensmith, P.C.; Chuck Pabst of Westrac, Inc. (dba Thrifty Car Rental); Shannon T. Morgan, C.P.A.; Danian Lucero of MGM Rental, LLC (dba Alamo/National); Mike Foutz of FCI; Jeff Hoff of Republic Parking System, Inc.; Ned Wilson of Big Family Automotive Group, LLC (dba Hertz Car Rental); and Bob Kretschman of the Grand Junction Daily Sentinel.

I. CALL TO ORDER

The meeting was called to order at 5:15 p.m.

II. APPROVAL OF AGENDA

Commissioner McCormack moved to accept the Agenda. Commissioner Berryman seconded. Voice vote: all ayes. Motion carried.

III. PUBLIC COMMENTS AND COMMUNICATIONS

No public comments.

IV. CONSENT AGENDA

A. Minutes: February 18, 2003 Regular Board Meeting

B. Minutes: March 4, 2003 Special Board Meeting

C. Application to State of Colorado Division of Banking for Revised Official Custodians of Walker Field Airport Authority Public Unit Funds

The Colorado Public Deposit Protection Act (PDPA) ensures that public funds held on deposit in banks are protected in the event that a bank holding public deposits becomes insolvent. The Federal Deposit Insurance Corporation (FDIC) provides insurance protection for public deposits up to \$100,000 per deposit account. The PDPA provides protection for public funds in excess of the FDIC insured limits by requiring PDPA eligible depositories to secure these public funds with pledged collateral.

The PDPA requires that each public entity designate an Official Custodian of the public funds. The Official Custodian is responsible for ensuring that the public funds are maintained in PDPA eligible depositories and to provide PDPA identification numbers to those depositories for the various types of funds on-deposit.

The Authority has valid PDPA identification numbers on-file with the State of Colorado Division of Banking and all depositories with which the Authority has deposits. However, some of the information pertaining to the Official Custodian needs to be updated. Currently, the Authority Official Custodian consists of specific individuals, instead of specific positions within the organization. For PDPA purposes, two or more representatives of the organization (collectively) can be designated as one Official Custodian.

Staff recommended that the Board approve the designation of the following positions as the Official Custodian of the Authority:

- Chairman
- Vice Chairman
- Airport Manager
- Operations & Facilities Manager
- Administrative Services Manager

Additionally, Staff recommended that the Board approve the submittal of an application to the State of Colorado Division of Banking to effect the designation and updating of information pertaining to the Authority and authorize applicable Board members and Staff to sign the application on behalf of the Authority.

D. First Amendment to Community Exhibit and Display Agreement with Grand Junction Baseball Committee, Inc.

Grand Junction Baseball Committee, Inc. (JUCO) entered into a Community Exhibit and Display Agreement (Agreement) with the Airport Authority on April 17, 2001 for the purpose of displaying Junior College World Series Exhibits in three 4' by 8' cases on the first floor of the terminal building.

Staff recommended that the Board approve a First Amendment to the Community Exhibit and Display Agreement with Grand Junction Baseball Committee, Inc. to

allow other community exhibitors the temporary right to display items in the display cases with prior written approval of the Airport Manager and that the Chairman be authorized to sign the First Amendment on behalf of the Airport Authority contingent upon:

- Final draft of the First Amendment approved by the Airport Authority Attorney
- Execution of the First Amendment by the Grand Junction Baseball Committee, Inc. Chairman

E. Revised Airport Layout Plan Update

The Airport Layout Plan/Development Plan Update (ALP Update) was completed by the Authority's engineering firm, Washington Infrastructure Services last year and was approved by the Board and the FAA. Because of recent changes by the Authority in the terminal building area layout section of the ALP, the FAA requested that a revised ALP Update be completed to reflect those changes.

These changes have been incorporated and approved by the FAA. Once the Board approves the layout plans, they will be sent to the FAA for signature.

Staff recommended that the Board approve and authorize the Chairman to sign the revised Airport Layout Plan Update as presented.

F. Request for Approval and Appropriation of Funding for Additional FY 2003 Capital Items

Current FY 2003 appropriated operating expenses total \$1,815,944 (excluding depreciation). If operating revenues and expenses for FY 2003 match exactly what was budgeted for the year, the December 31, 2003 non-restricted cash/cash reserves balance is projected to be \$952,942.

Because of the favorable year-end FY 2002 revenue and expense variances and the availability of general revenue bond proceeds for terminal building improvements, Staff recommended the appropriation of funds for the following additional capital items:

<u>Capital:</u>	
Terminal Building Public Seating – 3 rd Floor	\$5,000
Handheld Radios (4) – Operations	2,000
Snow Removal Utility Equipment	7,500
Design/Construction – Staff Break Area.....	25,000
Landscaping- Walker Field Drive and Terminal Bldg.....	10,000
Term. Bldg. Entryways, Roof Replacement, and Stairway Renovations.....	330,000
Signage- East General Aviation Area (Add'l).....	3,500
Map File, Refrigerator, and Microwave.....	1,200
Permanent Glass Wall.....	<u>1,500</u>
TOTAL.....	\$385,700

G. Supplementary Agreement with FCI Constructors for Terminal Building Improvements and Renovations

This Supplementary Agreement with FCI covers the following projects in the passenger terminal building:

- Stairway Renovations: Replace handrails and dividers to meet current building codes, and replace tile on center stairway.
 - Project cost = \$49,967
- Entryway Renovations: Replace existing doors, new tile, new glass, replace damaged floor areas and sections of damaged air vents.
 - Project cost = \$92,844
- Roof Replacement: Project is separated into two parts for accurate cost estimates and bidding: (1) the main pitched clearstory sections, and (2) the multiple lower areas over the rental car counters/offices, and entryways. The section covering the airline ticket offices (ATOs) is not part of this project.
 - Project cost = \$135,331
- 4th ATO Modifications: Construct employee break room and eating area.
 - Project cost = \$20,786
- FCI General Conditions for the above projects (contractor services).
 - Project cost = \$23,799

All of these projects, except the 4th ATO modifications, are part of the projects identified in the general revenue bond issuance approved at the January, 2003 Regular Board Meeting.

Staff recommended that the Board approve and authorize the Chairman to sign the Supplementary Agreement with FCI Constructors for renovations to the terminal building entryways, stairways, roof, and 4th ATO in the amount of \$322,727. Staff further recommended that the Board authorize the Airport Manager to sign change orders of less than \$10,000 for each project as long as the total budgeted amount of \$355,000 is not exceeded.

Commissioner Kirtland moved to approve the items on the Consent Agenda. Vice Chairman Gardner seconded. Voice vote: all ayes. Motion carried.

V. ACTION ITEMS

A. On-Airport Rental Car Concession Bid Awards and Concession Agreements

Effective May 1, 1998, the Authority entered into on-airport Rental Car Concession Agreements with four (4) rental car concessionaires following a formal bid process. The term of these agreements is for five (5) years, and they are scheduled to expire on April 30, 2003.

At the September 3, 2002 Board Workshop, the Board discussed the upcoming bid process that would be held for the next five (5)-year concession term commencing on May 1, 2003. After lengthy discussion, it was the consensus of the Board that

the bid process should once again allow for only four (4) on-airport rental car concessions and that discussions regarding increasing the number of on-airport rental car concessionaires be re-visited again in three (3)-five (5) years.

On or about January 13, 2003, the Authority issued Instructions to Bidders for the operation of four (4) on-airport rental car concessions and the form Rental Car Concession Agreement. A pre-bid meeting was held on January 30, 2003 to provide prospective bidders the opportunity to review and comment on the Instructions and Concession Agreement. The Authority considered the comments made at the January 30th pre-bid meeting and issued a First Addendum to Instruction to Bidders on February 18, 2003 in an effort to address some of the items raised by those comments. On February 28, 2003, sealed bids were opened from seven (7) interested parties.

Authority Attorney Ron Gibbs presented information regarding what transpired since the bids were opened on February 28th. All bids were ranked in descending order of net value to the Authority to determine not only the top four (4) bidders, but also an order of priority for the selection of preferred office space locations in the terminal building.

An independent certified public accountant (CPA) was retained to determine the net value to the Authority for each of the bids. Based on the highest net value to the Authority, the bids were ranked as follows: Enterprise Leasing Company of Denver (dba Enterprise Rent-A-Car); MGM Rental, LLC (dba Alamo/National); Big Family Automotive Group, LLC (dba Hertz Car Rental); Avis Rent A Car System, Inc.; Westrac, Inc. (dba Thrifty Car Rental); JFC Automotive Rental Group, LLC (Dollar Car Rental); and ECFE Limited Partnership.

Commissioner McCormack thanked the rental car companies who submitted bids for their support of Walker Field Airport.

Vice Chairman Gardner moved to accept the seven (7) bids in a descending order of highest net value to the Authority and select the top four (4) bid proposals for on-airport rental car concessions—Enterprise, Alamo/National, Hertz, and Avis. Additionally, he moved to waive any inconsistencies or irregularities in the bid documents as recommended by Authority Attorney Gibbs. Commissioner Berryman seconded the motion. Voice vote; all ayes. Motion carried.

B. Proposal by Republic Parking Systems to Adjust Terminal Building Parking Lot Fees

It has been seven (7) years since the parking rates in the public parking lot have been reviewed. This subject was a discussion item in a previous Board Meeting, and a letter from Republic Parking System, Inc., the public parking lot concessionaire, details the current and proposed rates resulting from prior Board input.

The proposed rate adjustment provides for a decrease in the zero (0) to thirty (30)-minute range from \$0.50 to \$0.25, which will benefit individuals picking up or dropping off passengers, or who are making a brief visit to the terminal building. The adjustments to the daily, weekly, and monthly rates will help cover the

additional costs incurred by Republic Parking to operate the parking lot. Previous Board discussions also contemplated using the additional revenue earned by WFAA for parking lot renovations.

Commissioner Kirtland inquired if the proposed rates for the first thirty (30) minutes and sixty (60) minutes are similar at other airports. Mr. Jeff Hoff, Sr. Vice President-Airport Division for Republic Parking System, Inc., responded that a few airports have reduced their parking fees, but not many. Commissioner Berryman inquired about the average time customers park in the parking lot. Mr. Hoff responded that approximately eighty percent (80%) of the customers remain for more than thirty (30) minutes.

Chairman McCormick inquired how Staff would set up a specific fund for the additional revenue from parking designated for parking lot renovations. Manager Nystrom responded that the funds can be itemized separately on the financial statements to ensure that they are dedicated to parking lot improvements.

Staff recommended that the Board adopt the proposed public parking lot rates and dedicate any increased Authority revenues to future parking lot renovations.

Commissioner Kirtland moved to accept the proposed changes in parking lot rates and that any increase in Authority revenues be dedicated to parking lot improvements with the understanding that improvements may cost more than those revenues gained. Commissioner Berryman seconded the motion. Voice vote: all ayes. Motion carried.

C. **Resolution No. 2003-006: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado**

Per the existing Use and Lease Agreements with the terminal building airline tenants, annual rates applicable to their operations are negotiated commencing January 1st and concluding prior to March 31st of each year. During this year's negotiations, feedback was received from a signatory airline that the financial condition of the airline industry is weakened, resulting in company-wide budget reductions. As a result, airport operators are being asked to contain or reduce their budgets so that fees charged to the airlines can also be contained or reduced.

Based on the feedback from the airline tenants and discussions at the March Board Workshop, Staff recommended implementing the following modifications to the Authority's Fees and Charges, effective April 1, 2003:

- Delay the inclusion of the 1st floor explosive trace detection (ETD) equipment space into Baggage Processing Area Shared Space for at least one (1) year.
- Implement a CPI-U adjustment of 2.0% only for the rental component of leased and shared space, with a 0.0% increase to the janitorial/maintenance/upkeep component for those areas. This results in a net increase of .96% versus 2.0% as originally proposed. The net effect this would have on the Airport Authority would be approximately \$3,500 in income that was originally budgeted but will not be collected.

In addition to these changes, the proposed Fees and Charges document includes updated amounts for existing fees and charges (e.g. landing fees).

Staff recommended that the Board approve Resolution No. 2003-006: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado and authorize the Chairman to sign the Resolution on behalf of the Authority.

Vice Chairman Gardner commended Staff on their efforts to control costs where possible and only pass on items of inflation that are not within their control. He further commented that their efforts were consistent with what the airlines had requested.

Commissioner Springer inquired if there had been any increase in rates during Manager Nystrom's tenure. Manager Nystrom responded that there were no increases during her first years as Manager. Then, a couple of years ago, the Board chose to implement Consumer Price Index (CPI-U) adjustments to the lease rates on an annual basis because the terminal building aeronautical user cost center is one of the cost centers that is not self-sustaining. Staff has been making efforts to gradually reach a breakeven level for that cost center subject to airline approval.

Chairman McCormick inquired how they determined adjustments to landing fees. Manager Nystrom responded that annual adjustments to landing fees are based on the CPI-U. Additionally, the Board approved an additional 1.5% annual increase to landing fees until the "Airfield-Public Use" cost center becomes self-sustaining.

Chairman McCormick inquired how the Authority's fees and charges compare to other Western Slope airports. Manager Nystrom responded that they are historically lower than other Western Slope airports and in the mid-range of other comparable airports in the region.

Commissioner Berryman moved to approve Resolution No. 2003-006: Amendment to Fees and Charges for the Walker Field Airport, Grand Junction, Colorado and authorize the Chairman to sign the Resolution on behalf of the Authority. Commissioner Kirtland seconded. Roll call: all ayes. Motion carried.

VI. DISCUSSION ITEMS

There were no Discussion items.

VII. BOARD COMMITTEE REPORTS

There were no Board Committee reports.

VIII. AIRPORT MANAGER'S REPORT

Chairman McCormick inquired if the Transportation Security Administration (TSA) had signed the lease agreement yet with the Authority. Manager Nystrom responded that the

Authority has not received a signed lease agreement from the TSA, but the TSA has verbally confirmed that it is comfortable with the language within the proposed agreement.

Chairman McCormick inquired if Staff was able to reach an agreement with the TSA pertaining to custodial services as a part of the proposed lease agreement. Staff responded that the TSA has verbally agreed to pay "pass-through" costs plus administrative costs for the janitorial services for its new leasehold. The TSA will review the bids for custodial services and select a company to provide the services. Staff is working with the bidders to determine the TSA's needs, frequency of cleaning, and estimated costs.

Manager Nystrom commented that based on the information from TSA, the annual cost of the custodial services will be less than \$20,000. Thus the services will not be subject to the Authority's formal bid process.

Manager Nystrom introduced Donna VanLandingham, Public Safety Assistant, who is the newest Authority Staff member. Donna was formerly the Airport Manager at Harriet Alexander Field in Salida, Colorado.

IX. OTHER ITEMS

Staff reported that they met with the Incident Management Group, which is a City of Grand Junction/Mesa County organization responsible for coordinating responses to emergencies and disasters. If the U.S. and Iraq enter into a war, the Authority will work with the Group to provide pertinent information to the community.

Manager Nystrom presented the Board with a copy of the previous summary of the State of Colorado's Statewide Airports Economic Survey. The consultant who will be conducting the new statewide survey is scheduled to meet with Staff on April 15th.

Chairman McCormick inquired about the status of re-striping portions of the airfield per a request by Ron Rouse of Colorado Airlines during a previous Board Meeting. Staff responded that they have been unable to replicate the reflectivity problem Mr. Rouse reported. However, Staff will follow-up with Mr. Rouse regarding his concerns. The painting on the airfield is subject to meeting Federal Aviation Regulations (FAR) Part 139 requirements. The next scheduled FAA inspection of Walker Field for compliance with these regulations is in May or June.

Commissioner Springer recommended that in the future, if the Authority chooses to use net present value as the criteria for selecting concessionaires, this method be clearly defined in the bid document.

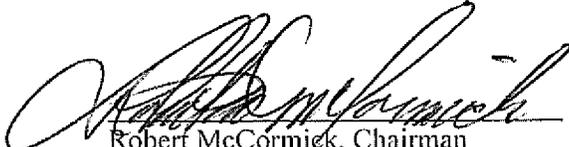
Vice Chairman Gardner suggested reconfiguring the rental car concession counter/office space areas to allow for more vendors and not limit the number to just four (4) concessions. Manager Nystrom suggested that further discussion regarding the next rental car concession bid process be placed on a Board Workshop agenda in the future so that this issue can be re-visited.

X. ADJOURNMENT

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

The meeting was adjourned at 6:36 p.m.

APPROVED AND ADOPTED THE 15th DAY OF April, 2003.


Robert McCormick, Chairman

ATTEST:


David L. Anderson, Clerk