

AIRPORT BOARD MINUTES - DECEMBER 14, 1970

Those present: Members Ray Meachem, Lawrence Aubert, Richard Youngerman, Jack Wadlow. Others, Dan Harrington of Boettcher & Co.; Chamber Manager Dale Hollingsworth; Jim Hill, Boettcher & Co.; John Fredericks and John Charlesworth of Local Army Reserve Unit; Airport Manager Gus Byrom; City Manager Richard Gray; Budget Officer - Secretary Ted Ford; Dick Pond of Aeroplane Restaurant; Greg Isbell, Walker Field Consultant,

Chairman Aubert opened meeting at 7:30 P.M. Greg Isbell spoke first of his financial study, which showed past and probable future revenues and expenditures. Isbell projected that in 1975 Airport expenditures will be \$145,000.00, with revenues at \$280,000.00. In 1980 he projected expenditures at \$205,000.00, and revenues at \$400,000.00. He called his projections conservative, and pointed out the Board could, therefore, afford revenue bond payments for the runway extension of about \$120,000.00 per year, and still have some money left over for a cushion after expenditures are met.

Gray said he felt charters should pay landing fees. Both Isbell and Byrom pointed out purchase of fuel by charters brings in more money. Isbell said he felt both charges, fuel and landing fees will be made one day, although its an either, or, situation presently.

Dan Harrington of Boettcher & Co. outlined his proposal to the Board. He said the Board should fully review the financial study of Isbells, then if the Board feels comfortable with it, then the Board must make the decision to go ahead with the sale of revenue bonds for the planned runway extension. Harrington proposed the Board tell investors that they will have first call on all revenue from the airport, and that this would make the bonds sell better. He said under this arrangement if revenue funds fall short one year, then the City and County would have to make up the difference to operate the airport, presumably from tax money. Harrington recommended 15 year bonds, which, he said, would cost \$120,000.00 per year, at an assumed 8% interest. He said a 20 year issue would cost about \$110,000.00 per year at an assumed rate of 9% interest. Harrington said, therefore, the 15 year issue could save several hundred thousand dollars. Harrington also recommended the Board put away \$60,000.00 of the original bond issue as a reserve,

then build up the reserve in six years to \$120,000.00.

Meachem wanted to know if the Airport might need special control systems, or secondary runways in the future. Isbell said the Federal Government probably would become financially involved if special control systems are needed, and he admitted secondary runways and other needs may force the airport into additional expenditures within 5 to 10 years, including a new terminal. Isbell said the Four Corners money of \$200,000.00 is badly needed, to cut down the amount of a needed revenue bond, with 1.1 million dollars pegged as the local share of the 2 1/2 million dollar runway extension project.

Anderson asked if FAA approval has been made, and Byrom said not yet, that approval was expected either shortly after the first of the year, or in March. Harrington answered a question from Anderson that not too much lead time would be needed to sell the bonds.

The Board discussed the possibility of the FourCorners grant being expired in 90 days before FAA approval arrives. Isbell said he felt an extension on this grant could be had. Byrom suggested that Senators Dominick and Allott and other Congressional Representatives be contacted. Byrom said he would draft a letter to the Representatives.

The Board agreed to have a study session Monday, December 28, 1970, at 4:00 P.M., to decide what to do about revenue bond situation. Copies of Isbell's report will be made for all members of the Board. Byrom also said a meeting with H-D-R will be held at 4:00 P.M. on January 11, 1971.

Dale Hollingsworth, Chamber Manager, expressed fear that the Board will overcommit itself by the selling of revenue bonds, and won't have another way to finance other needed projects. He said he hoped all possible means to finance the project had been explored.

John Frederick and John Charlesworth told Board they needed four acres of land, preferably at Airport, back of Nelson, Haley, Patterson & Quirk, for a new Army Reserve Center. He said the land should either be given to the Army, or a 50 year lease

arranged. Several members of the Board objected to the long term lease, since other leases presently are much shorter.

It was suggested the two men recommend a 20 year lease to their superior officers, or look for other land, such as the south side sewer plant. The Board was sympathetic to having the new center built in Grand Junction, and pledged to help in finding suitable land.

Board adjourned 10:12 P.M.

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T. M. Ford, Secretary