

Those Present: Members Jack Madison, Ed Lamb, Lawrence Aubert, Richard Yungerman, Ray Donohue, Stan Anderson; City Councilmen Raymond Paruch, R. H. Evans, Theodore Haff; Others: City Manager Richard Gray, Airport Manager Gus Byron, Budget Officer-Secretary Ted Ford, Assistant City Manager Harry Rose, Dan Harrington and Jim Hill of Beattcher and Co.; Dale Hoffmangarth and Roger Scholbe representing The Chamber of Commerce, City Finance Director William Harshbarger, City-County Attorney Gerald Ashby, Howard Roland, Jim Finy, Dick Pond, O. R. Dandell.

Mr. Harrington said he has advised the F.A.A. the bond issue is in good shape, and that Beattcher could sell the bonds. However, Harrington said other steps are needed by Board to make this result occur. He recommended formation of what is termed an Airport Authority, which comes under Chapter 5, Article 5, of the Colorado Statutes. He said this would take 45 days to accomplish, take a Resolution from the County Commissioners, an Ordinance from City Council. He pointed out the new board could be made up of the same as the present Board, so the City and County would not lose control. Harrington said the advantage of the Airport Authority would be the gain of double tax exemption, which could save from 3/4 of one percent to one percent interest. He also said this would dovetail into a gross pledge, and enable the City and County to use funds from the General Fund if the two so desire.

In answer to a question as to why an Airport Authority is needed Harrington said the present Airport Board is actually an informal group, and also pointed out the County presently needed a vote to float revenue bonds, the City does not. Harrington said that although the Airport Authority could have up to nine members he would suggest the makeup of three City Councilmen and three Commissioners. He also pointed out that under the gross pledge idea, he mentioned earlier, the City and County may make up the difference if revenues are short one year, but are not obligated to do so.

In answer to another question, Airport Manager Byron said the airlines

stipulation that landing fees are to be negotiated when the runway is extended. Gwyn assured Board that they would be protected also in case the airlines decided later to drop flights.

But Hottingsworth said he felt the airlines do not need Hatter Field as much as we do. Hottingsworth said he feels Airport Board should have continued use of tax money for Airport, rather than let revenue take care of Airport these past three years.

Harrington said this was a good point, and he said the reason general obligation bonds were not being sought is because of the feeling that a bond issue election could not pass. In answer to a question, Harrington said the double tax exemption means the bond buyer would not have to pay federal or state tax on the bonds, which could result in overall savings of \$120,000,000 on a one million dollar bond issue. Harrington also said he felt the Airport could adequately support a one million dollar bond issue, and still have money to operate. Hatter hadton said he had been opposed to the Airport Authority concept, but he felt different about it since the Commissioners and Council can become the Authority.

Harrington reviewed a proposal which he handed to the Board members in written detail, appointing Bechtler and Company as fiscal agents. Harrington said expenses for the fiscal agent duties would amount to about \$14,000,000, and that if the Board chose to sell the bonds elsewhere, this expense could be paid in cash.

In answer to questions, Harrington said Bechtler should have exclusive contract because they would give Board assistance with F.A.A. and assist Board with what the board the many intricacies and complexities that would be involved. He said this would be an untried issue, that the bonds would only regional investors.

However Harrington said he has been well satisfied with Bechtler on other bond issues. City Manager Gwyn wanted to know what interest would be paid on

the airport bonds if the buyers index would be about 5.27. Harrington said this would be about 6.25 to 6.50 percent.

Anderson moved the Board instruct the Airport Manager to enter into fiscal agent agreement with Banker and Company, as soon as possible, and that the Board send a resolution to the City and County to investigate the formation of an Airport Authority.

Adbert seconded the motion, which passed unanimously.

The Board adjourned at 5:40 P. M.

T. H. Ford, Secretary