

AIRPORT AUTHORITY MINUTES MAY 27, 1975

Those Present: Chairman Harry Colescott, Members Maxine Albers, Larry Brown, Larry Kozisek, Howard Roland, Lawrence Aubert, Airport Manager Jim Spelman, Mary Ann Goodnight acting for T.M. Ford, Clerk.

Chairman Colescott called the meeting to order at 3:05 P.M. Discussion of the Minutes of the May 12, 1975, as to the vote of Commissioner Aubert on the issue of the establishment of a 10% gross for all rental car businesses. The Minutes were approved as sent.

The Commissioners asked what the condition of the accounts receivable are and Mr. Spelman said currently slow. Commissioner Brown commented that the tenants were using the Authority's money to operate on. Mr. Spelman said the Commissioner would have to decide how they wanted the terminal building handled as it is the only place on the airport that can make money. In order to do so must overcome an attitude that the airport should because it is a public works, make contributions to airport businesses. To break out of this way of thinking could be rough. The revenue base does need to be broadened. Commissioner Colescott said the revenues have historically run 45 days behind. Mr. Spelman said June 7, 1975, is the pre-trial date on National Rent-a-Car and with a judgement they could be evicted. Mr. Spelman recommended the Commission write off the \$2,000 Budget debt that goes back to Wilcoxson noting the situation is not clear, No assignment of the lease had been approved. National's debt will not be written off and there is enough equity and personal worth to make it at least partially good. Mr. Spelman said eviction is not quite as simple as it sounds. It is

based on statutes and also provided by the lease. Prefer to have a judgement so we do not loose the chance to get the money. West-air has no business to compete against them but all the rent a car income is replacable and we loose money when they do not pay us. The current amounts due by the Restaurant are not currently known but we do know the back revenues for 1973 and 1974 and it grossed over \$250,000 last year, and we paid approximately \$17,000 for capital values, etc. Commissioner Aubert asked if the terms of the new lease with the restaurant was putting Mr. Pond in a bind. Mr. Spelman said there does not appear to be any real problem as they are doing better than they had done before. Commissioner Aubert instructed the Airport Manager to make a consciencious attempt to bring the tenants in the terminal current or report why not by the next meeting. Commissioner Brown seconded the motion which passed unanimously. Commissioner Aubert said the Authority can not afford to get behind and the sooner we know the exact financial standing the better.

Mr. Spelman said the money had been paid to Hall for the land acquisition as approved by the Commission at the last meeting and that the land cost was \$43,825 of which \$15,500 had been previously paid leaving a balance of \$28,325 plus \$6,816.88 for interest and \$2,562 for litigation expense. The "Reserve for Construction Fund" money resulted from the original bond issue. Our currently calculated liabilities are the above \$37,704.38 for land acquisition, \$103,000.18 to the FAA for relocation of the localizer and probably about another \$5,000 to clean up the public service relocation. Of that amount we should get approximately 52.7% from the old ADAP Funds though we may possibly have some previous over payment. In regard to cleaning

up the ADAP 01 project Mr. Spelman would like to engage Dalby-Wendland-Jensen to set up the account and they have estimated the accounting to run approximately \$600. It is necessary to expedite this matter so we can get our money back which would enable us to apply for more ADAP projects. On Commissioner Colescott's motion to hire Dalby-Wendland-Jensen for the audit and to clear up the ADAP 01 project. Commissioner Kozisek made a motion to accept the project for \$600.00 and Commissioner Aubert seconded the motion as amended which passed unanimously.

Mr. Spelman asked that the first meeting in June be cancelled so he can attend the AAAE meeting in Portland so the next meeting would be June 23. Chairman Colescott said he would like to have the option to call a meeting if needed on June 9th.

Mr. Spelman said he would like to make a check payable to the City for the \$37,704.38. Chairman Colescott made a motion to approve the check and Commissioner Albers seconded the motion which passed. The payment to the First National Bank for the bonds was passed on a motion by Commissioner Kozisek and seconded by Commissioner Roland.

Mr. Spelman presented to the Board the draft of a new Gift Shop lease and explained that in drafting this lease he was looking for ways to broaden the revenue base and develop other types of concessions. He is tentatively renegotiating with Smith and copy of the items for negotiation would be the exact amount of all square foot rental rates and the amount of the percentage. An additional servicable area to sell books and magazines would be set up on a percentage basis. Commissioner Aubert asked if there had been any response from Smith and Mr. Spelman said not so far but that there

had been inquiries about other concessions. He asked if the Board wished to make a new contract with Smith or should the concession be bid. The bids would have the concession set up as two separate concessions. Commissioner Brown asked if the newstand would be across from or adjoining the existing gift shop. He also asked if the gift shop would be open for twelve hours. Mr. Spelman said the new area would be adjacent to the existing gift shop and that in the proposed agreement the shop would open 30 minutes before the first aircarrier flight and that would therefore be a 12 hour day. Commissioner Brown asked about the revenue from the gift shop. Mr. Spelman said the gift shop had a credit from building on the addition and that the rental was \$150 per month taking into account that credit. Mr. Spelman said he was concerned about this type of system. He wants by the fall of 1977 to be able to recapitalize any notes we need to build the revenue flow to justify about \$1,000,000. Commissioner Aubert said he would prefer to renegotiate with Smith rather than bid the concession as someone else might overbid the shop which would result in an annual changeover of management and that Smith would be in a better position to know the capabilities of the concession. Commissioner Colescott also voiced an opinion to work it out with Smith.

Mr. Spelman presented the points from Barbara McIntire in answer to Commissioner Anderson's questions on the Master Plan . . . that there was an increase in the based aircraft . . . he also said that the runway lengthening projects were in the speculative 10 to 20 year period in the Master Plan and that the Master Plan can be developed and changed as the need arises. Mr. Spelman said that the controversy over the various aspects of the Master Plan such as Mr. Fritz Waterman's against the extension helped to increase the

input into the plan and that this type of input should be encouraged.

Mr. Spelman said the new fire truck had been picked up. He showed slides of the training session at Nellis. The delivery of the 1,000 gallon truck is set for fall. Commissioner Brown asked if the three minute response time was to anywhere on the airport. Mr. Spelman said the three minutes were technically to center of the farthest runway. Commissioner Albers asked if the response time was under a no warning situation and Spelman said yes.

Commissioner Brown asked if the tenants are allowed to sell cars at the airport. Commissioner Aubert said they are not allowed to sell anything but the rent-a-cars.

Mr. Spelman asked that the Board approve the easement from Public Service to move the gas line around the Monarch area. Commissioner Aubert moved that if it meets with the approval of the Airport Manager and Attorney Ashby that the easement be granted. Commissioner Brown seconded the motion which passed unanimously.

There was a brief discussion about the area where people can park free to watch the aircraft and Larry Kozisek said the area that appeared to be the most plausible was between the terminal and Hall's Hangar.

Mr. Spelman said that Mary Ann Goodnight had become a Notary Public.

The meeting adjourned at 4:15 P.M.