

MINUTES OF REGULAR MEETING
May 27, 1982

Members Present: Chairman Rick Enstrom, Commissioners Maxine Albers, Barney Barnett and Frank Dunn. Airport Manager Paul Bowers and Deputy Clerk Mary Mathis

Guests Present: Steve Collins with Dalby, Wendland & Co., Airport Auditors; Daren Cyphers and Counsel Gary Cowan from Hertz; and Joe Bestgen of Avis

Meeting was called to order at 7:05 A.M. Minutes of the April 28 meeting were unanimously approved on a motion by Commissioner Dunn and second by Commissioner Albers.

Mr. Steve Collins representing Dalby, Wendland & Co., airport auditors, briefly reviewed the Financial Statements and Auditors Report for year ending December 31, 1981. He pointed out that the increase in accounts payable were in direct relationship to the increase in property and equipment and that the most important capital contributions came from ADAP and Oil Shal Trust Fund monies. He also noted that revenues tend to be stagnating, however in comparison with actual budgeted amounts, the only increase in accounts payable was in professional fees and the only decrease was in security police. Since security police charges were a flow through to the airlines, this was offset by a reduction in revenues in the same amount.

Following completion of his report, Commissioner Dunn asked Mr. Bowers if it looked like we would have to make some adjustments due to the economy. It was agreed we would and there are some areas where we can cut down. Mr. Barnett inquired if any of the comments made in the audit letter required action since it seems some response should be made to recommendations. Mr. Bowers was instructed to respond in writing. Commissioner Albers made a motion to accept the audit, second by Commissioner Dunn with unanimous passage. At this point Mr. Barnett asked if the books were in better shape for auditing this year and when Mr. Collins replied in the affirmative, Mr. Barnett said Mr. Bowers was to be commended.

Mr. Daren Cyphers of Hertz Rent-a-Car was the next scheduled guest, however he requested that his attorney, Mr. Gary Cowan, speak on his behalf. Mr. Cowan stated that; the bid document specifications required any interpretation or changes to be made by addendum; that the immediate submission requirement for performance bond had been postponed by letter from Mr. Bowers; that only two operators had "answered property"; that Budget had not met said requirements; the Airport Authority was not abiding by its own rules; and that it was unfair to award concession contracts to those who had not properly complied with bid documents. During questioning/discussion, it was determined that postponement was effected as a result of a conversation between Mr. Cyphers and Airport Administrative Aide Mary Ann Harms and after Bowers had consulted with Board Members H. R. Barnett and Rick Enstrom and Airport Attorney Randy Pearce. Also that only Hertz had submitted a performance bond with its concession agreement, not National Rental Cars as Cowan stated (all other operators followed direction of postponement letter). It was also noted intent of letter was to accommodate all rent-a-car operators. After lengthy discussion, it was decided that Mr. Pearce would contact Mr. Bill Nelson, the attorney who drew up the bid documents, and give a clarification of this matter.

The first item under Management Report on the Agenda was the rent-a-car concession agreement. American International, who had successfully bid and was eligible for the fifth space in the new terminal building, did not submit an executed concession agreement as required and requested. It was the Board's (and counsel's) concensus opinion that since there were only four operators who sucessfully bid and submitted concession agreements that there would only be four rent-a-car operators in the new terminal building. By failing to submit an agreement, American International had forfeited all rights to space in the new terminal building and for the duration of this rent-a-car concession agreement (next five years) there can only be four operators in the terminal.

Aerodrome, Inc. submitted a letter stating they had entered negotiations with Mr. John Pabst for possible purchase of the Monarch T-hangars with plans to convert to condominium hangars. This would remove the T-hangars from the open market and also remove this land area from the Monarch lease. Mr. Bowers stated he saw no problem with this other than the removal of these rental hangars from the open rental/lease market (where there is already a shortage), but that several points should be addressed before the Board considers such T-hangar removal from Monarch's lease: Monarch delinquency in payments, Monarch responsibility for Air Operations Area access, priority negotiating right, and possible updating of lease rates.

There was some discussion as to the advisability of taking these T-hangars off the open market as there is a shortage of hangars. Mr. Bowers stated there are two other operators interested in building hangar packages, however the high cost of site preparation would probably delay these projects until ADAP or other funding would be available to help offset costs. Possible changes in the Monarch contract have not been discussed with Monarch and Attorney Pearce was instructed to pursue these changes with them. Commissioner Albers made a motion that the Board accept the concept of condominiumization of existing T-hangars so that address of the questions raised could be made; second by Commissioner with unanimous approval.

Commissioner Albers, who had requested that the Singh Property Trade be placed on the Agenda, stated that she and Commissioner Brach had talked with City Manager Jim Wysocki regarding a trade involving a trade of City/County property for the Singh property which is directly south of Runway 22. There will be some difference in price in the Singh property and this would have to be negotiated with the city who would probably use the land for a park, which would insure some open space off the south end of Runway 22. Mr. Barnett commented that Runway 22 was important and that the City and County are to be commended for their efforts. Commissioner Albers said that with the Board approval they would endeavor to accomplish a trade.

Commissioner Barnett addressed the Board on behalf of the Airport Arts Committee. The Committee has filed with the State for incorporation as a non-profit organization. There are several money raising projects being pursued: Frontier and Continental have been contacted regarding donation of a trip to Hawaii and a trip to Mexico. A gala event for the new terminal grand opening is also being considered. The present problem facing the Arts Committee is up front money to pay for such things as postage, printing, etc. and they were requesting the Board to advance \$1,000, which they would pay back from the fund raising projects. Commissioner Albers made a motion that the money be advanced, Commissioner Barnett seconded and unanimously passed.

An item not on the Agenda which Mr. Bowers requested be considered was the Horizon Drive and H Road intersection construction. The city is relocating Horizon Drive to the H Road intersection and they would like to tie this into the new terminal access road. There is approximately 800' between the intersection and the terminal access road which would cost the City an estimated \$400,000. The airport would be expected to join a street improvement district and to pay back a portion of this over a ten year period

(the cost of a 34' wide asphalt mat to the intersection, but not the entire cost of the improvement). Isbill and Associates have already prepared the plans for this portion of Horizon Drive and would turn over their plans to the City; this portion removed by addendum from the bid package ready to bid June 1. Mr. Bowers stated that we would be saving money if we pursued this course of action and it was the concensus of the Board that we should proceed in this manner.

Items paid to the utility companies were questioned on the Accounts Payable. Mr. Bowers explained these additional expenses were in connection with construction of the new terminal building and that the utility companies demand payment in advance. There will probably be about \$2,500 more to be paid to Public Service for line construction. Accounts were approved for payment.

Several of the over 90 days past due on the Accounts Receivable are for interest charged. Upon specific question of the Hertz Accounts Receivable, Mr. Cyphers noted there is no provision for interest in his contract, hence these amounts are uncollectible. The Board agreed to charge off such amounts as bad debts and Mr. Bowers was instructed to do so.

Commissioner Brach, who was unable to attend this meeting, requested that Commissioner Dunn check into the progress on securing land from the BLM. Mr. Bowers stated that Mrs. Jane Quimby had suggested we pursue this through the city rather than the FAA. Commissioner Albers advised we could go through the State Land Commission as they could probably expedite this transfer. Chairman Enstrom asked Commissioner Albers and Mr. Bowers to follow through on this and report back to the Board.

Commissioner Dunn asked what was happening concerning the hotel water storage. Mr. Bowers stated this had been discussed with City Manager Wysocki and would be located west of hotel site and in conformance with our 100 year flood plane plan.

Mr. Bowers stated that no irrigation water was available for the new terminal landscaping and domestic water would have to be used. Irrigation plumbing is being incorporated into the parking lot paving project.

Meeting adjourned at 8:40 A.M.