

Minutes of Regular Meeting  
September 23, 1982

Members Present: Chairman Rick Enstrom, Commissioners Maxine Albers, Barney Barnett, Louis Brach, Frank Dunn, Betsy Clark, and George White. Also present Airport Manager Paul Bowers, Clerk M. A. Harms, and Att. Randy Pearce.

Guests Present: Pete McGuire, First National Bank; Joe Bestgen, Avis Rent A Car, City Councilman Gary Lucero, and Christie Foster, Daily Sentinel.

Chairman pro tem Barnett called the meeting to order (Chairman Enstrom arrived at 7:30). The Minutes of the September 9 meeting were unanimously approved on a motion by Commissioner Clark, seconded by Commissioner Brach.

The first agenda item was postponed to executive session following the meeting. Commissioner Brach made a motion that the Board go into executive session for the purpose of discussing bank loans to the Airport and to approve the Chairman to sign the Resolution when the banking institution and terms of the loan were decided upon. Commissioner Albers seconded the motion; Commissioners Dunn, Brach, Barnett, Albers and White voted for the motion, Commissioner Clark voted against the motion.

Mr. Bowers discussed the planning grant, a carryover item from the last meeting. The FAA would provide \$50,000 and the airport would provide \$5,000. Advertisement for a consulting firm to do the Master Plan update was done both in Denver and locally. Of the five responses, all were from out of town engineering firms. Commissioner Brach said he had talked with Armstrong Engineers from Grand Junction and they would like to be placed on the airport's mailing list. Commissioner Dunn said his only complaint was the apparent necessity of the Consultant to estimate the cost of the update at the maximum grant allowance. Mr. Bowers said this was a lump sum contact and the FAA set the grant amount based on the typical cost of such projects throughout the United States. Commissioner Albers said Isbill would do the update at a set contracted amount and their fee schedule would only be applicable if the Board requested additional work outside the scope of the contract. Commissioner Barnett asked what would happen without such a Master Plan update being done at this time and Mr. Bowers said the money set aside for the program would be given, by the FAA, to another airport and Walker Field would have to have such an update within the next two years in order to be prepared to receive additional funding for its capital projects from the FAA. Commissioner Clark made a motion that the Authority accept the Isbill and Associates proposal to do the Master Plan update. Commissioner Dunn seconded the motion and asked that Isbill provide a breakdown of costs. Mr. Bowers said an hourly breakdown of costs of costs would not be done under a fixed fee contract, but regular progress reports would be provided.

Commissioner Albers said it is a good contract and the reporting procedures are adequate. Vote was called for and the motion passed unanimously. (Chairman Enstrom arrived following this vote).

The Grant Agreement for the new terminal apron was presented for formal Board approval. This grant is for \$1,530,122.00. Chairman Enstrom made a motion that the Chairman be authorized to sign the grant agreement. Commissioner White seconded the motion which passed unanimously. Commissioner Barnett said Manager Bowers was to be commended for his work in securing the grant for the airport.

The Gift Shop Contract was briefly discussed and as there were no changes, it is ready for signature when finalized by Att. Pearce. The Advertising contract is still in negotiations with the final point for negotiations being who will pay for the improvements. Mr. Bowers said the package calls for 22% of annual gross above the annual minimum of \$34,000. Mr. Bowers had suggested that the lease term be raised from three to five years and the cost of the improvements (estimated \$80,000) be split. It was informally decided to have Att. Pearce and Mr. Bowers to continue to pursue this contract but both Comms. Dunn and Barnett were not in favor of the Board putting up the \$80,000. The last contract discussed was the Shoeshine Stand with Mr. Sam Hudson. This was a six month trial basis contract with a guarantee of \$38.50/month plus 10% of gross revenues. This contract will be given to Mr. Hudson for his review and should be ready for Board approval by the next meeting.

Accounts Payable were presented. Commissioner Brach made a motion that the bills be allowed, Commissioner Albers seconded the motion, which passed unanimously. Accounts Receivable were reviewed; Monarch, Horizon and Yellow Cabs delinquencies were specifically discussed. The explained passenger report reflected the lower rates available on both Continental and Frontier. Commissioner Brach announced that he had received word that United Airlines would be starting service on October 31 with two flights per day. Mr. Bowers said they planned to operate out of the Transwestern space in the old terminal building and he was talking to them about their own space in the new building. Mr. Bowers also asked the Board to support air travel as the airport and community are in a "use it or lose it" position regarding existing air services now available. Mr. Bowers continued that he would solicit city and county governmental entities in this regard.

Mr. Pete McGuire from First National Bank addressed the Board regarding his bank's proposal to loan the Authority \$ 1.8

Million. He apologized for the time delay but said the numbers were difficult to put together as the request is for 20% of First National Bank's available capital. The bank was also concerned about some of the lessees ability to continue to meet their obligations. The other problem was that First National would be subordinate to the airport's meeting its operations and maintenance expenses as specified in the outstanding bond issues. The bank had no problem in subordinating to the bonds, but did to O & M. The debt service on the loan would be \$30,000 per month plus interest with a five year term. The interest rate would be 85% of prime as established by the Central Bank of Denver and it would be a variable rate. The bank is asking for a verbal commitment from the City and the County to support the credit of the Authority. He said this type of commitment is already implied in Section 21 of the Authority's 1973 bond issue but the legal opinion received did not address this point. Commissioner Albers asked if there would be a ceiling and a floor on the interest; the ceiling to protect the Authority and a floor to protect the bank. Mr. McGuire said this could be addressed. Commissioner Barnett thanked Mr. McGuire for his time and efforts.

Commissioner Brach made a motion that the Board adjourn to executive session to discuss the bank loan. Commissioner Albers seconded the motion which passed with Commissioner Clark casting a negative vote.