

REGULAR MEETING MINUTES
March 17, 1983

MEMBERS PRESENT: Chairman Frank Dunn, Commissioners Maxine Albers, Betsy Clark, Dick Pond and George White. Also present Airport Manager Paul Bowers and Clerk Mary Ann Harms.

GUESTS: Russ Caldwell, Kirchner, Moore and Company; George Thompson, Coughlin and Company; Art Moss, Chamber of Commerce; Bill Miears, Budget; J.P. O'Brien, Avis.

Meeting to Order

Meeting was called to order at 8:06 a.m. Commissioners Barnett and Brach were not in attendance. Letter of resignation from Commissioner Brach was read by Chairman Dunn and is attached hereto as an official part of the Minutes.

Minutes of March 3, 1983

March 3, 1983 Minutes were approved on a motion by Commissioner Clark, seconded by Commissioner White and passed unanimously.

Prescheduled Guests

Commissioner Clark asked to be excused from discussion and any subsequent vote on the bonds as the company she works for works for Kirchner, Moore and Co.

George Thompson with Coughlin and Company introduced Russ Caldwell from Kirchner, Moore and Company and addressed the Board regarding reissue of the 1982 bonds and refunding of other outstanding airport bond issues. Mr. Caldwell's company was brought in as experts in the refunding/reissue field.

Mr. Thompson said interest rates have come down since the December bond issue. The airport situation is more complex than a simple refinancing as there may be additional money sought to cover the cost overruns on the new terminal. Current interest rates are close to those on the other airport outstanding bond issues and the Authority should look at refunding those issues.

There is a \$2,000 per month reserve on the old bonds and that would give the Authority a \$24,000 per year cash improvement that coupled with a lower interest rate would amount to a debt service reduction of approximately \$100,000 per year. Mr. Thompson said the interest rate would be roughly 9 - 9 1/2% on a new issue. Also, there is approximately \$185,000 now held in reserve accounts.

In summary, Mr. Thompson said there are no set, definitive numbers but would ask the Authority to allow Coughlin and Kirchner to work with the Authority to study the airport financial position. Mr. Caldwell said by reviewing the finances the Authority would have alternatives without incurring any financial obligation.

Chairman Dunn said it would make sense to have Coughlin do this as they are familiar with Walker Field and Kirchner, Moore are experts in refunding issues. Mr. Pond asked what the interest rates were on the 1982 issue and Mr. Thompson said 10.484 and the new rate would be approximately 9.38%.

Mr. Caldwell said the 1982 bonds were junior lien and if they were refunded, the new bonds would all be senior lien and issued at a better rate. Mr. Thompson added that the airport cash flow situation is not as good as projected and the airport may not be able to market junior lien bonds.

Commissioner Pond asked if the 1982 issue had not originally been discussed as a \$6 million dollar issue and George Thompson said yes but that included refunding. Mr. Pond said he would like to keep the avenues open but not commit to Coughlin and Kirchner but look at other bond companies. Commissioner Albers said she would just as soon go with Coughlin/Kirchner and Commissioner White said if we sign the letter to commit then we go with Coughlin, however, the letter doesn't include point costs, etc. Mr. Thompson said those factors are negotiable. Mr. Caldwell said they would just like to get the Board's permission to go ahead with the financial study. Commissioner Albers suggested the phrase "first option to negotiate" be put into the letter. Mr. Thompson said he could include costs on the new money portion of the reissue and put in figures on maximum point spread.

Commissioner White asked how long it would take to get the proposal structured and Mr. Thompson said seven to ten days then ready to market with closing about thirty days later. Commissioner White said the Authority would save on the overall refund, even though losing on the 7% - 6%± bonds. Debt service would go down and \$24,000 in reserve payments would be eliminated and the Authority would get the money in the reserve funds.

Commissioner White made a motion that the Board authorize the Chairman to sign a revised letter of agreement with Coughlin providing it contain language to the effect that Coughlin has only the first right to negotiate with the Board regarding bond refund and reissue. Commissioner Albers seconded the motion. The vote was Commissioner Albers, Dunn, and White in favor and Commissioner Pond opposed.

Management Report

1) By Laws There was some discussion regarding page 6, section 11. Mr. Bowers said the question was if the city or county appoints an individual does the Airport Authority Board have the ability to remove such member. The new page six, paragraph 11 says that the Board may make such a resolution but only the city or county can remove such member appointed by them to the Airport Board. After a brief discussion, Commissioner Clark made a motion that the By-Laws be approved for publication with the new page 6, including section 11. Commissioner White seconded the motion which passed unanimously.

2) Airline Discussion Update Mr. Bowers said the meeting had been cancelled due to the weather and would be reset for later this month. Commissioner White asked if the contract would be done by the next Board meeting and Mr. Bowers said no problem.

3) 55th Annual Airport Executives Meeting Reservations for those planning on attending the AAAE conference June 5 - 8 needed to make their reservations no later than the end of April.

4) Treasurer's Report

a) Accounts receivable report will be in its new format for the next meeting.

b) Accounts payable. Chairman Dunn said he had signed a check to Mountain Bell to prevent discontinuance of service. A workshop session was set up for Tuesday evening, March 29th at 7:00 p.m.

Not all bills will be paid, Peter Kiewits will still be held.

Other Matters

Commissioner Albers said she has the rewrite of Tilman Bishop's bill and will get copies to all Board members.

Mangold Sculpture Discussion regarding site preparation was held. Commissioners Albers and Clark were going to meet regarding the sidewalk layout and design. Mr. Bowers said he had received a quote from Kendall Electric on the lighting in the amount of \$2,625.00 for the total lighting package including fixtures. After a brief discussion Commissioner White made a motion to authorize the expenditure for the Mangold electrical work to be done. Commissioner Pond seconded the motion which passed unanimously.

Floor Machine Commissioner Dunn said a new floor scrubber needed to be purchased and the old scrubber needed to be marketed.

The meeting adjourned at 9:20 a.m.

Approved as set forth this 7th day of April, 1983.

Mary Ann Harms
Mary Ann Harms, Clerk

Frank M. Dunn
Frank Dunn, Chairman