

MINUTES  
REGULAR MEETING JULY 7, 1983

Members Present: Chairman Frank Dunn; Commissioners H. R. Barnett, Betsy Clark, Dave Humphries and George White. Also present Airport Manager Paul Bowers, Att. Randy Pearce, Staff Accounting Consultant Jeff Wendland, and Clerk Mary Ann Harms.

Guests: Dennis Wagner, Dalby, Wendland and Co.; Mike Shay, Grandmet; Jim Bernath, Daily Sentinel; Peg Wallace, Transwestern/United; County Commissioner Maxine Albers; and Ron Rish, Project Management Services.

Meeting was called order at 8:10 a.m., by Chairman Dunn. Chairman Dunn said the Executive Board of Western Travel Agents had been at Walker Field and they were very impressed with the airport and new terminal building. Mr. Dunn had addressed the group regarding Grand Junction as one of the ten best cities in the nation in which to live and its relationship to energy development and recreation areas. Mr. Art Moss had then taken the group around the community. This group of travel agents deals with commercial businesses and large insurance and manufacturing companies. It was a very beneficial meeting and the Authority owes a vote of thanks to Art Moss for getting ASTA here at Walker Field and to Grand Junction.

Chairman Dunn said runway construction is on schedule and reminded the Board Members that there is a construction update meeting scheduled at 10:00 a.m. every Friday morning.

I. Approve Minutes of the June 23, 1983 Meeting.

Comm. Clark moved the Minutes be approved. Comm. Barnett seconded the motion which was unanimously approved.

II.A. Dalby Wendland and Company Management Letter

Chairman Dunn asked if last year we had as many specific items mentioned. Mr. Wagner said the 1982 audit was not the same as the year before due to the number of construction transactions and the 1982 bond issue. He continued that alot of the recommendations pertained to the Authority not maintaining the General Ledger and the year before it had been well maintained by Secretary Mary Mathis. The general ledger is the document used by Dalby and Wendland to pull information from and this year (1982) it was not maintained as well and lacked detail.

Mr. Wagner said all points have been discussed with Mr. Bowers and staff accounting consultant, Jeff Wendland and a draft had been given to the airport Finance Committee (Comms. Barnett and White). He suggested the following refinements as contained in the management letter:

1. Accounts Manager Position. Accounting Consultant Jeff Wendland is on staff to do some of the things necessary to keep track of documents and accounts of the Authority. This will

provide better and more timely information.

2. Written documentation of accounting system and flow record and documentation of accounting system and flow record and documentatin on how things work. Process transactions smoothly and consistently. This would provide smooth transition with change in personnel.

3. Job Description. This is hard to specify due to the small number of employees. This is more to define and improve function, i.e. accounting and record keeping. Description on who keeps track of bank accounts, invoices out, follow up, etc. It would be the assignment of accounting functions. Also maintaining the general ledger; construction records to fixed assets then to the general ledger; and depositing bond and principal interest to proper accounts.

4. Record all general actions in general ledger. We had 36 audit entries; we looked at weekly and monthly records which should not have been necessary for us to do. These entries resulted from the bond issue and construction. They were not missing or not known about, it was just recording procedures.

5. Voiding Checks. We selected 30 - 40 checks and there could be tighter control on voided checks. The signature block should be removed on the original and it should be placed with the check copy.

6. Improve cash reconciliation. The Authority cuts off its books between the 20th and the 25th of the month and reconciles the bank back to that cutoff date. Receivables are cut off between the 20th and 25th and it is okay if reconciliation is done as of month end.

7. Record Accounts Receivable on Accrual Basis. To get a better idea of what is due this should be recorded in a sub and general ledger. The Authority also needs to maintain a separate Accounts Receivable Ledger and Aging Report, also a separate Cash Receipts Ledger.

8. As invoices or statements come in to the Authority, at that time the Authority has an obligation to pay. They should be recorded in Payables and General Ledger at the time received.

9. Maintain property and equipment inventory. Update as additions and deletions occur.

10. Discontinue city computer services. Authority has own computer and the conversion would allow the Authority to process on a weekly basis.

11. Revise budgeting process. Put budget on accrual system also.

12. Revise investment procedures. If excess monies and timing works out to be okay through cash flow analysis then look into money markets or higher yield accounts. Need to stay with CDs and money market through local accounts.

Mr. Wagner apologized for the lateness of the letter but he was working with the Authority and the Authority was already working on implementing these items.

Commissioner Barnett said we need to see what has been carried over from last years audit and that the construction affected this years audit. Mr. Wagner said yes, especially from the end of the summer to the first of the year. Due to the limited time available to the airport employees, the detail had been put off. Commissioner Barnett then asked if there had been mingling of capital improvement funds with general funds. Mr. Wagner said yes they are in the same bank account. Comm. Barnett asked if they should be separate and Mr. Wagner said that is not necessary but separate ledgers should be maintained for various projects such as the runways.

Comm. Barnett asked if we have software and ability to implement these changes and suggestions and Mr. Wagner said yes and that the computer is now handling the cash flow report. Comm. White said he is pleased things are coming up to speed and he can see why these problems mentioned in the audit occurred.

Chairman Dunn said this is very interesting and we do have the recommendations and will hold work shops and implement these things and not forget about them and that the Authority appreciates the work Mr. Wagner and Dalby has done and that it has been a very difficult year. Also that the sub ledgers will be very beneficial.

In response to the Management Letter, Jeff Wendland said:

1. Controller position has been created.
2. Written documentation of accounting system, flow record and documentation of how things work is in process.
3. Accounting job descriptions will be done after two above is completed.
4. We have recorded all transactions on the General Ledger through May on the computer and June is in process.
5. Checks are being voided as recommended.
6. Bank statements are reconciled to cash accounts in General Ledger.
7. Accounts Receivable are accrued through June. All procedures up to sending the bills are done. We will do it the regular way it has been done, take a look at it, and then get up on the accrual basis.

8. Bills are put into the computer every week or ten days.
9. Property equipment inventory is currently in process.
10. Discontinue computer services. Everything except payroll will be dropped immediately.
11. Revise budgeting process. Mr. Bowers and I are getting ready to start on 1984 budget.
12. Investment Policy. I took the \$100,000 energy impact money and spread it among various insured accounts that mature in 30 days or less. After this time we will invest on a formal bid process. The money is currently invested a 9%.

Mr. Wendland did prepare a financial statement off the computer as of May 31 but he did not have full accrual on Accounts Receivable and assets, and felt the report would be misleading as it would be 5 months compared to 4 1/2 months on the Accounts Receivable. Comm. Humphries asked if it would be completed by the end of the month and Mr. Wendland said it would. Chairman Dunn said the budget process was started at Mr. Bowers recommendation.

Comm. Clark asked if the inventory would be brought up to date while Mr. Bowers was here and Mr. Bowers said the only things not currently listed are the office equipment. Mr. Wnedland said he had just consolidated the schedules and will have all items listed and will keep track of new inventory.

Comm. Barnett asked what type of depreciation schedule is being used on the property and Mr. Wendland said book depreciation on financial statements. Earn enough to replace plant as reasonably as we can estimate and straight line depreciation is used.

Comm. Barnett asked that these Management Letter items again appear on the agenda 60-90 days from now. Mr. Bowers said an answer will also be written to Dalby Wendland. Mr. Wendland asked that a workshop session be planned to look at what we are doing in finer detail and that he would be prepared for a workshop next week.

Chairman Dunn asked what the status of the bills for terminal construction are and if the only ones not paid are being held on the restaurant and Mr. Bowers said that is correct. Mr. Bowers said there is also one on the phone system as well as the restaurant. Mr. Barnett said there are still some subcontractors that have not been paid. Mr. Bowers said Mr. Yoder is still owed \$13,000 by Mr. Porter. Mr. Barnett said he did not want the Authority holding bills from January.

Chairman Dunn thanked Mr. Wendland for the work he has done and that things are going the right way and we will keep up with these suggestions.

II.b. Maxine Albers, Expression of Appreciation.

Chairman Dunn said mere words are hard to come up with in describing the most outstanding member we will ever have. The reason we are in the new terminal is because of her and the Oil Shale Trust Fund monies are all due to her efforts. Mrs. Albers thanked everyone for their cooperation and said her successes were due to alot of people working together and that here greatest reward is the opportunity the community gives for the Commissioners to serve and to learn. Chairman Dunn said the Board will still be visiting and talking to Maxine and would like to lean on her from time to time. Commissioner White said without Mrs. Albers leadership, guidance, and enthusiasm we would not be sitting here.

Chairman Dunn then presented Mrs. Albers with a plaque as a token of the Board's appreciation and a framed rubbing of the terminal dedication plaque.

III. Management Report

1. D.O.E. Phase III. Chairman Dunn said everyone has gotten a copy of the letter from Dr. Kreider and Mr. Bowers needs to explain this. Mr. Bowers said there are essentially three phases in the D.O.E. grant which was essentially a \$260,000 grant. Phase III is the final documentation portion of it and documentation is supposedly an unbiased determination as to whether or not the solar aspects of the building are working as they are supposed to, what is good or bad, what should or should not be carried on to other projects. This was an experimental design in the sense that it had not been done before on the scale that it is and some things in retrospect are not as good as other portions of it but documentation still needs to be done and initially that was going to be put together with three parties; Jan Kreider, who was the solar architect, Dave Yoder, who was the mechanical/electrical engineer and Jack Porter who was the architect; with staff input to a much lesser degree.

Kreider's letter essentially says he would rather do it with Dave Yoder and I think his point is well taken. It can be done without any additional input from Jack Porter and I think that's the course we ought to go. And I recommend that that position be officially made to Porter.

Comm. Clark asked if we need action on this or is this just Mr. Bowers' recommendation we should follow. Mr. Bowers said it is his recommendation and that he doesn't think we need a formal motion per se but he will be sending Porter a letter saying he will not be included in D.O.E. Phase III. Comm. Clark said Mr. Bowers certainly has her support. Comm. Barnett said he concurs.

Commissioner Humphries asked if we will have any problems with excluding Mr. Porter from this on the warranties on the systems. Mr. Bowers said the only thing that it excludes Porter from is the final documentation as to how it was done. It does not relieve him of any of the responsibility that he currently

has relative to how the system is put together. This is simply the final report to the Department of Energy saying what was done and how it was done. Comm. Barnett asked if Mr. Yoder has received any additional compensation, he has been extremely cooperative. Mr. Bowers said there is a finite number of dollars in Phase III completion and it is a question as to how many parties split it so in that sense Yoder and Kreider would receive some additional compensation, they are virtually not splitting it three ways but two ways. The work isn't split three ways either. Comm. Barnett said Dave Yoder has been back on this premise continuously, he's very cooperative, he's always ready to help and unfortunately our primary architect hasn't been this receptive. Mr. Bowers said not only that but when a problem crops up on any of the mechanical or electrical portions of the building a single call to Yoder usually has him out here in a matter of how long it takes him to drive to here.

Comm. Clark said the air-conditioning seems to be improving and Mr. Bowers said the evaporative system is working quite well after startup problems. Comm. Humphries asked about the roof leaks and Mr. Bowers said Centric, Porter and Yoder and he will do a walk through on the 18th of July. Porter has not yet agreed to this but Centric is setting the meeting up. Hope to get all the players and get the problems solved.

Chairman Dunn asked if it would serve any purpose to have the Board meet with Mr. Porter. Mr. Bowers said he would suggest the Board wait until after the meeting of the parties (Centric, Yoder, Kreider, Porter and himself), after review of the specifics then the Board members may get involved. Mr. Bowers added that the Board can be involved throughout the whole process if they so desire.

Commissioner Barnett asked Chairman Dunn, if he was willing, to stand behind Mr. Bowers on this issue. There is a punch list which could be updated and to add some validity to that list maybe a letter should be attached to the punch list putting them formally on notice so this 12 month guarantee doesn't slip away. Mr. Bowers said this had just been done. Comm. Barnett said he would like Chairman Dunn to stay on top of this for the Board. Chairman Dunn said we are not going to drop the ball on this and suggested the Board get together following the meeting. Mr. Bowers said as he gets the meeting set up as to where, when and what the topics will be he will get this to the Board so the members can make up their minds as to whether they want to sit through this meeting. It will involve an extensive walk around the building to look at specific problems and probably a relatively careful analysis of each problem will be made so this will be very time consuming.

Chairman Dunn said as one Board Member he would like to be a part of this. Comm. Clark said Mr. Dunn could be the Board representative. Comm. Barnett said we should try to establish responsibility for each item as they are identified.

Mr. Bowers said when Mr. Porter had the wall adjacent to restrooms and bag claim area fixed he established his acceptance of responsibility for it then and there. Comm. Barnett said he thinks things can be worked out without pointing fingers. Comm. Humphries asked if Mr. Porter has always been as uncooperative and Mr. Bowers said absolutely and unequivocally throughout the entire project and not only with Mr. Kreider but he would say across the board with Centric and himself. Commissioner Humphries asked if there is any retainage on Mr. Porter's architectural fee and Mr. Bowers said no. Comm. White asked about the \$18,000 and Mr. Bowers said that was billed by Porter for DOE Phase III and all we got was a listing of several hundred hours of time and not a listing or breakdown of what had or had not been done.

Att. Pearce said the Authority is holding \$5,000 on the roof. As background, this is the aggregate sloping roof over the boarding room and we had some engineering reports that the system might fail and repair on it would be \$5,000 so Mr. Porter gave us a five year guarantee, and arrangement to place this money in an interest bearing account was to be made. Mr. Porter never made the arrangements to set the account up so we are still holding the money but he did not believe the money can be used for any other purpose.

## 2. Compatible Land Use Planning.

Mr. Bowers said in early 1981 a plan acceptable to the Authority and Mesa County Planning Department was developed. This has been adopted by the City and the Authority in tact. However, there is very little city land involved in it. Chairman Dunn also said there had been many County residents involved in this City process. Mr. Bowers said a portion of the County residents was was the "Peanut Rebellion" comprised of a group of homeowners who felt that this plan was inequitable and inappropriate and their position was that something had to be

done. Mr. Kelly had been hired by the County to massage this problem.

Commissioner Clark asked what the County's position is on this and Commissioner White said 10,000' from the eastend of the runway there is a school. The County has even tried density transfers and this is a very difficult problem. Some people have hired an Attorney and if we take away people's development rights to their property who pays for it, the County or the Airport. We want to resolve this issue and protect the airport. We are talking about aviagation easements, density in critical zones and this is not easy. The bottom line is if we don't resolve it someday the airport will pay the price for it. We need to make sure that doesn't happen. There are no problems on the westend.

Commissioner Clark said in the end aren't we talking about the health, welfare and safety of people. Comm. White said the land and homeonwers have a very eloquent spokesman in Mr. Hamlin and we may just have to bite the bullet and make the determination and get sued but again who pays the bill. We want no more exposure than necessary to either the Airport or the County and we have to be very careful how we structure this.

Mr. Bowers said the FAA won't give additional funds to the airport until it develops an "acceptable" plan. Comm. White said if we drop back 10,000' it solves some of the problems and Mr. Bowers and I have talked about it. Mr. Bowers said that is better than what we have today but does not forever more solve our problems. It stays current problems but not future problems if the runway is extended. He said we need to start quickly if we don't want airport funding interrupted. There is alot of confusion and attempts have been made to try to confuse the issue. He continued the key is density. We are currently in a slow economy and this is a good time to get it done.

Comm. Barnett said he is the reason this item is on the agenda. If we can alter the plan and get it done we should and not leave it undone for future boards. We will always have objections. The next thing is to start an orderly purchase of land in critical areas.

Comm. White said the County is putting aviagation easements on open ground at this time and will take action on the Land Use Plan when they can get their act together.

Commissioner White asked if we had received the projected noise contours on the runway and that the County is waiting on that to help them. Mr. Bowers said we are getting it done now with the Master Plan update. Comm. White said he needs the reasoning behind this map so he can answer some of the questions as to the placement of the lines.

Commissioner Humphries asked about the Airport Area of Influence map and Mr. Bowers said this was out of the 1975 Airport Master Plan done by Isbill. Commissioner White said we also need to acquire some BLM land that would help us in that we



would be looking at public as well as private lands and he wanted to know where we are on this.

Mr. Bowers said again, that would be done through the FAA rather than directly through the BLM. The FAA position is it should be done as part of a logical overall plan rather than a piecemeal acquisition of land.

Comm. Barnett said the land use plan is right and must benefit 99.9% of the people in this valley, and it is going to take a lot of courage on the County's part. Comm. White said it must also be a plan reasonable and fair to the people. Comm. Barnett said with a few modifications he thinks the County can sell it and that's what we are asking. We can't let 30 people stop what we know is right.

### 3. Runway 11/29

Chairman Dunn said there has been full cooperation between Corn and Isbill and all parties involved. Mr. Bowers said there has been full airline cooperation too, and it has worked out pretty well. Schedule I is a day behind, but in this type of project you can't get too far ahead or behind. A lot depends on the weather.

In regard to the Corn incident, Comm. Barnett asked if we are picking up the expense for the damaged navigation equipment and Mr. Bowers said no, that is the FAA's expense. The only expense we will incur is for the fences and gates, which is an ongoing expense for the Authority. Comm. Clark said her concern is safety and we can't emphasize that enough when we are talking with Corn. We need to continually nag. Mr. Bowers said Corn is conscientious on safety and so is the FAA. Comm. Barnett commended Air Traffic Control on the job they are doing but mentioned that there needs to be yellow cones marking off turnoff areas that are not in use. Mr. Bowers said there are cones marking these areas and Mr. Barnett said there were not any the other day when he came in. Mr. Bowers said anyone interested in taking a ride and a tour of the construction is welcomed to after the meeting.

In response to Comm. Humphries question on the map on the wall Mr. Bowers briefly explained the construction sequence and project.

Westcom: Attorney Pearce said due to the power of the press Westcom's Attorney had contacted him. They are close to getting this resolved and the basic holdup is the cable in the building. Comm. White asked that the Board take a hard look at Bob Jess' proposal (Custom Music), and Comm. Clark said any other proposals also. Comm. White said Mr. Jess has some very simple answers that could bail the Authority out in better shape.

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Penner Frantz: Att. Pearce said the lender meeting is on July 13, 1983 and closing should be on 7/27. Comm. Barnett asked if they had paid the fee. Att. Pearce said they would return a check with the letter requiring the partner's signatures. He said the loan on Horizon Towers closed last week. Comm. Humphries asked about the MAI Appraisal and Att. Pearce said the appraiser would be within the range the lender was requesting.

Grandmet: Mr. Bowers said Mr. Neil Jacobs had replaced Ted Daniels and he hadn't heard from him.

Comm. Barnett said the new airport sculpture is in place and asked if the insurance was in place. Mrs. Harms said yes the insurance began at the time of placement. Comm. Barnett said the Mangold sculpture has engineering problems but the sidewalks need to be put in place.

Comm. Barnett said the airport manager interviews will take place on Thursday, July 14th at 8:00 a.m. and suggested the Board meet for breakfast at 7:00 a.m. He will set up a worksheet and the Board will be split into two groups and there will be three interviewees on the 14th. The interviews will be held between 8:00 a.m. and 10:00 a.m. He said City Personnel Director Claudia Hazelhurst had been most helpful. Comm. Barnett said there will be a sheet of questions so the men will be asked the same questions during their interviews.


Comm. Clark asked about the grass in front of the terminal building and Mr. Barnett said he had talked to Mike Clark and was told that some of the grass won't germinate for 90 days and that some of the contractors had questioned the use of that particular variety of grass. He said we may end up putting in sod. Comm. Clark said another Landscape Committee needs to be appointed.

Chairman Dunn said a workshop should be scheduled for next week to review the feasibility of remaining with the City system. He suggested Wednesday July 13th. After a brief discussion the Board decided to hold the workshop on July 14th following the interviews.

The meeting adjourned at 9:55 a.m.

Approved as set forth this 21<sup>st</sup> day of July, 1983.

  
Frank Dunn, Chairman

  
Mary Ann Harms, Clerk