

MINUTES
Regular Board Meeting
October 20, 1983

Members Present: Chairman Frank Dunn; Directors H.R. Barnett, Al Cornelison, Dave Humphries, Bill Love, and Janine Rider.
Also Present: Airport Manager Mike Boggs, Attorney Rich Hall, and Clerk Mary Ann Harms.

Guests: Dennis Heap, Bob McCarthy, Rocky Mountain Airways; Paul Penner, Norman Frantz and Bill Harnden, Air Travel Center; Jim Bernath, Daily Sentinel; Jerry Albers; Bill Carr, KREX; Mark Thompson, KQIL; Peg Wallace, Transwestern/United; Atty. John Groves; Art Moss, Chamber of Commerce; Chuck Kohles, Horizon Aviation; George Thompson, Coughlin and Company; Terry Nichols, Nichols Associates, Inc.; Duane Phelps, Frontier Airlines; Airport Staff, Ted Balbier, Mari Brown, Mary Kay Rath, and Staff Accountant Jeff Wendland.

Call to Order

The meeting was called to order by Chairman Dunn at 8:00 a.m. Chairman Dunn gave a brief report on his trip to Washington, D.C.

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Director Rider asked that the Minutes be corrected and clarified as follows: Number 4, page 1, Penner/Frantz changed to read Air Travel Center; Number 4, second motion be clarified by adding to the end of the sentence "regarding Air Travel Center"; Page 4, Number 3 word "this" deleted and "his removal" inserted.

Motion: Dir. Humphries moved that the Minutes be approved as corrected and clarified. Dir. Love seconded the motion which unanimously passed.

Management Report

1. Rocky Mountain Airways - Ticket Counter Layout. Dennis Heap, and Bob McCarthy presented the Rocky Mountain Airways counter backdrop design for ATO Space 4, for Board approval. Manager Boggs said Rocky Mountain was told they could put in the front improvements but were not granted the first right of refusal if a space became available as they had requested. They had been given only the right of consideration.

Motion: Dir. Love moved the Board approve the Rocky Mountain Airways backdrop design as presented. Dir. Rider seconded the motion which unanimously passed.

2. Air Travel Center. Mr. Norman Frantz said he had delivered a confidential letter to Manager Boggs and requested an executive session with the Board to discuss the contents of the letter. Dir. Barnett suggested the executive session be delayed to the end of the

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meeting. Dir. Love said the executive session would be a discussion only and no action would be taken.

Motion: Dir. Cornelison made a motion that the Board delay filing of the suit until the Board met with Air Travel Center. Dir. Barnett seconded the motion. Atty. Hall said this is an appropriate action as it ratifies a past decision. The motion passed unanimously.

3. AIP-Runway/Taxiway Project Final Inspection. Manager Boggs said it was a good overlay job with a few dressup problems left to be done. Mr. Boggs recommended the 5% retainage be released with the cleanup amount retained. Dir. Barnett asked that the Authority have written approval from the bonding company before the retainage is released. The Board commended Corn Construction on their excellent job.

Motion: Dir. Rider moved release of the 5% Corn retainage contingent upon receipt of a letter from the bonding company. Dir. Humphries seconded the motion which unanimously passed.

4. Skywest. Manager Boggs said Sky West Airlines would like to begin service on December 1st with four trips a day between Grand Junction and Salt Lake City. Skywest is currently negotiating with Rocky Mountain and Frontier for a space.

Manager Boggs recommended that as we do not have a space available, we allow joint use of a space as long as when a space does become available, Skywest would move into it. Also to get a good faith payment of \$2500.00 from Skywest towards the development of an ATO space. This payment would be forfeited if Skywest did not use a vacant space and if no space would become available after twelve months, the money would be returned to Skywest.

The Board raised the issue of airlines expanding their services to areas to the West and South of Grand Junction and also to more western Colorado communities rather than duplicating current services.

Authorization: The Board authorized Manager Boggs to continue negotiating with Skywest.

5. Transwestern - Horizon Merger. Transwestern Station Manager, Peg Wallace, said the merger will expand Transwestern services and this station will become Horizon Air by December 1. The Board commended Mrs. Wallace on the growth of Transwestern and the services provided.

6. Board Policy. Dir. Cornelison discussed additional changes in the Bylaw amendments he had previously submitted to the Board. Dir. Rider asked if the changes could be written out. Dir. Love said he was in philosophic agreement with the changes but that the wording regarding administrative authority needs to be worked out. He said he will come back to the next meeting with suggestions and would mail the text to the Board prior to the meeting.

Dir. Cornelison said the staff and organization plan also needed

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to be discussed, and this plan has tentatively been agreed to by Mgr. Boggs. Mr. Boggs said he would like to get this plan in place before the start of the next calendar year as the Preliminary Budget comes from it.

7. Financial Matters.

Accounts Payable. Accounts Payable were submitted to the Board and payment on all except the Clarke and Younger bill was recommended. Manager Boggs said Mr. Younger understands that he will be paid when the fill and grading in front of the southside of the building and the sculpture are completed.

Motion: Dir. Humphries moved the payables be paid except for Clarke and Younger. Dir. Love seconded the motion which passed unanimously.

Budget. Manager Boggs said the Budget will be given to the Board by the 30th of October. Mr. Wendland said the Finance Committee meeting would also be the end of the month.

Accounts Receivable. Atty. Hall reported that the Authority has only received a bankruptcy number and the court location on Continental and that bankruptcy proceedings are very lengthy.

Other Matters

1. Airport Action Committee. The Airport Action Committee requested they be authorized to expend up to a cumulative \$10,000.00 for the terminal construction cleanup items.

Motion: Dir. Barnett moved the Action Committee be authorized to expend up to a cumulative \$10,000.00. Dir. Rider seconded the motion which passed unanimously.

Manager Boggs said the Action Committee met yesterday and plans to proceed with waterproofing of the outside planters and putting in the sidewalks to the flagpole and parking lot and curbcut for the handicapped. The cost of the planter repair is \$800.00 and the cement work for the sidewalks is \$2,557.00.

The Action Committee reviewed a general punch list and airport staff will be formulating a master punch list for everyone to work from and a copy of this list will be given to the Board.

Manager Boggs said one of the major problems remaining to be solved is the water under the slab and suggested additional testing for water be done outside the building. He also said Architect John Porter has chosen not to participate on the Action Committee until he is paid the \$28,604.67 he says is owed to him by the Authority. Mr. Boggs said before Mr. Porter is paid a final project audit needs to be completed. The Board's position was stated that Mr. Porter should not be paid until the audit is completed and the punch list finalized.

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that he would file the lawsuit and leave the negotiations open. Director Love said the payment of rent is not negotiable.


Motion: Dir. Cornelison moved that Atty. Groves negotiate with Air Travel Center and continue to prepare the lawsuit and if an agreement is not reached by the time the papers are ready, to file suit. The motion died for lack of a second.

Atty. Groves said he understands his directions from the Board to be that the suit be filed as quickly as possible; that any proposals Air Travel has be presented to his firm and the Airport Manager; and such proposals be passed on to the Board. He said no Board action is necessary.

Adjournment.

Director Humphries moved the Board adjourn at 11:40 a.m. Director Rider seconded the motion which unanimously passed.

Approved as set forth this 3rd day of November, 1983.


Mary Ann Harms, Clerk


Frank Dunn, Chairman

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2. Extention of Jeff Wendland's Contract. Manager Boggs asked that Mr. Wendland's month to month contract, which will expire on October 31, 1983, be extended to the end of the year.

Motion: Director Humphries moved that Mr. Wendland's contract be extended to the end of the year. Dir. Love seconded the motion which unanimously passed.

3. Airport Art Committee. Dir. Barnett said the date for the Gala Art Ball has been set for Friday, January 20, 1984. Board members and tenants were asked to submit their guest lists for the Ball to Mrs. Harms within the next two weeks.

Air Travel Center.

Motion: Director Rider moved the Regular Meeting go into Executive Session to discuss financial matters relating to Air Travel Center. Dir. Love seconded the motion. Role call vote was taken by the Clerk as follows: Dir. Barnett, yes, Dir. Love, yes; Dir. Humphries, no; Dir. Rider, yes; Dir. Cornelison, yes; Chairman Dunn; no. The motion passed on the affirmative vote of four members. Atty. Hall confirmed that the Bylaws call for an affirmative vote of four members to go into Executive Session.

The Regular Meeting reconvened at 11:15 a.m. with all Directors in attendance as stated in Members Present above.

Atty. John Groves, representing the airport, stated he was instructed last Thursday by Manager Boggs to proceed with the previously Board authorized litigation against Air Travel Center. The suit will not be filed until next week and no Board action is required at this time.

Mr. Bill Harnden, of Allied Enterprises a.k.a. Air Travel Center, presented the following offer: (1) Allied Enterprises pay \$50,000 toward the \$254,543.29 in past due rents; (2) that Allied Enterprises designate a party to negotiate with an Authority designated representative and payment method be resolved prior to 12/31/83; and (3) the lease remain in force and affective during this interim period.

Dir. Love said under the terms of their lease, Air Travel Center is in default on their rents and on the start of construction. Also, when Air Travel Center signed the lease they obligated themselves. Dir. Love said he could understand the delay in construction but not the default on the \$255,000.00 in rents from July 1, 1981. He continued that if Air Travel would pay the rent in full now, then he would be willing to have Counsel and the Manager negotiate with them regarding other matters.

Atty. Groves advised the Board to do nothing right now and