

MINUTES

Walker Field Airport Authority  
Regular Board Meeting  
November 20, 1986

BOARD MEMBERS PRESENT: Chairwoman Janine Rider, Directors Bill Love, Ron Gibbs, Reford Theobold, Henry Faussone, and Al Cornelison. Also present: Manager Frank Miller, Airport Administrator Jeff Wendland, Clerk Tracy Peeples, and Deputy Clerk Corinne Nystrom.

GUESTS: Bill Hill of the FAA, Marilyn Petek and Peg Wallace of Thunder Mountain Ground Services, Tari Folkestad of Hertz Rent-A-Car, Deanna Strand of Strand Aviation, John Linke of Redstone Aero Services and Bob Silbernagel of The Daily Sentinel.

Meeting Called To Order

Chairwoman Rider called the Board meeting to order at 8:00 a.m. The Clerk noted that a quorum of the Board was present.

Approval of the October 16, 1986 Minutes

Director Gibbs noted a correction to the minutes regarding the approval of appraisal contracts pertaining to Airport land acquisition. Director Gibbs made a motion to change the minutes to reflect that Director Love's motion regarding the appraisal contracts was a motion to approve the contracts but not to approve proceeding with land acquisition; seconded by Director Theobold. Unanimously carried.

Approval of the October 31, 1986 Minutes

Director Gibbs noted the misspelling of "unified document." Director Theobold moved to accept the minutes with the typographical error corrected; seconded by Director Love. Unanimously carried.

OLD BUSINESS

Monarch Aviation

Manager Miller informed the Board that a lease agreement with Monarch Aviation was adopted by the Board at a special meeting on October 31, 1986. Five members were present, constituting a quorum. One of the five members present was Director Theobold, who had been sworn in to the Board at the previous meeting with the assumption that the City Council had appointed him by resolution at their October 14, 1986 Council meeting. The City Clerk's office brought to the Airport's attention that the resolution appointing Director Theobold had been passed at the November 5, 1986 meeting. Consultation with Airport counsel indicated that this would not jeopardize the approval of the

November 20, 1986

Monarch lease, but in order to avoid any future question as to whether or not the lease agreement was passed and adopted by a full quorum, Manager Miller recommended that the Board again ratify and approve the adoption of the Monarch contract. A motion was made by Director Love to ratify to confirm the vote that was made on Monarch Aviation at the last meeting; seconded by Director Faussonne. Motion carried; Director Gibbs abstained.

#### Hall's Lease

Director Miller informed the Board that in January, 1986, the Airport Authority was involved in a court hearing as party to a dispute between the Hall family and First National Bank- North. At the hearing, Judge Ela ruled that the ground lease between the Halls and the Airport Authority had terminated and that a renewal clause was unconstitutional in the way it was written. He also ruled that the Airport Authority was within its rights to terminate its lease with the Halls or to negotiate a new contract. In the interim, the Airport Authority could lease to them on a month-to-month basis. Since January, the lease has been on a month-to-month basis, and staff has attempted repeatedly to negotiate a new contract with the Hall family. The Halls have also been delinquent in their rental payments, but then tender a check whenever this delinquency is brought to their attention. Staff has informed the Halls that any sublessees must be under contract with the Airport Authority. Manager Miller spoke with Walter Hall, informing him that a ground lease should be negotiated by December 18, 1986. Manager Miller recommended that the Board direct staff and legal counsel to give the Halls a 30-day written notice that the Airport Authority is terminating their month-to-month rental basis. If a lease is not negotiated and adopted at the December 18, 1986 Board meeting and the 30-day notice period expires, Manager Miller recommended that the Airport Authority provide the requisite 120-day notice to the Halls to remove the improvements from the property. It is Airport Authority policy to negotiate leases with all Airport tenants, and the Halls should not be allowed to continue without a lease. Since back taxes are still owed on the Hall's hangar, communication with Gina Harrison will be continued to apprise her of the Airport Authority's actions and to avoid any possible conflicts with the County.

Discussion followed relative to the current status of the hangar ownership, moving the hangar, the reaction of the Halls upon receipt of such notice, the current status of the office building and fuel farm ownership, and whether notice should be given relative to the hangar only and not to the office building and fuel farm.

Director Gibbs recommended that the bank be furnished a courtesy copy of the notice to the Halls and that the office and hangar be considered by the Board as one entity.

More discussion followed pertaining to the fact that the Halls have been given all of the forms they need to negotiate a

November 20, 1986

contract, that all issues regarding the lease have been discussed with the Halls, and the term of the lease.

Director Gibbs moved to give a 30-day notice of the Airport Authority's intent to terminate the month-to-month tenancy and that the Airport Authority request that the Halls submit an application to the Airport Authority defining what their intent is, and if they wish to continue a ground lease with the Airport Authority.

More discussion followed regarding the term of the lease, and establishing a time frame for working with the Halls.

Director Gibbs withdrew his motion for two reasons: 1) It is paramount that the Airport Authority collect rent from the Halls; 2) the inability of the Halls to sublease on a month-to-month basis will give them incentive to negotiate a lease. Director Gibbs also stated that it is not in the better interest of the Airport Authority to remove the improvements; however, it is in their interest to stimulate competition and to have another F.B.O.

Director Gibbs moved to provide a 30-day notice that the Airport Authority terminate tenancy if the Halls fail to pay rent; seconded by Director Love. Discussion followed regarding subleasing of properties on the Airport. Motion carried unanimously.

### Insurance Requirements

On October 31, 1986, a meeting was held between staff, Al Cornelison, Airport tenants, insurance representative Sam Suplezio, and an insurance representative from the Valley (Agency). Insurance requirements on the Airport were discussed. Manager Miller stated that \$1,000,000 general liability coverage, combined single limit is adequate for the Airport Authority. Manager Miller recommended that the Airport Authority not dictate what the per seat limitation should be on insurance, as this is covered by the Dept. of Transportation. The Airport Authority should require that tenants assure them that they meet requirements set by DOT. Manager Miller recommended that an insurance requirement policy be adopted and that a new Section 10 to the Minimum Standards be inserted as follows:

It shall be the policy of the Walker Field Airport Authority that any person, firm, or corporation wishing to conduct commercial activities on the Walker Field Airport shall maintain public liability and property damage insurance, naming the Airport Authority as an additional insured, covering all of the Operator's and its subtenants' operations at the Airport in the amounts and kinds of coverages as follows:

- A. \$500,000 per occurrence for an Operator with no access to the airfield itself, its Board members, officers, agents, contractors, subcontractors, and assigns, subtenants, or anyone under its direction and control.

- B. \$1,000,000 per occurrence for an Operator with access to the airfield itself, its Board members, officers, agents, contractors, subcontractors, assigns, subtenants, or anyone under its direction and control.
- C. Certificated Part 135 operators shall provide to the Airport Authority a certificate of insurance which reflects the minimum per seat requirement as imposed by the Department of Transportation, and as which may be amended.

Discussion followed pertaining to current DOT requirements and the need for a safety policy and safety standards. Director Cornelison recommended that staff give the Board an annual written report on the status of the Airport Authority's coverage, the cost of the coverage, changes in rules, regulations and laws, and staff recommendations for changes. Director Cornelison also recommended the disbanding of an on-going Insurance Committee and that a committee only be established when special items are considered.

Director Cornelison made a motion that staff be responsible once per year for informing the Board of changes and updates to insurance requirements; seconded by Director Faussone. Unanimously carried.

Director Gibbs asked for public comment relative to the insurance requirements. Public comment and Board discussion followed regarding the proposed subparagraph C, Section 10 of the Minimum Standards.

Director Gibbs made a motion to adopt a new Section 10 to the Requirements and Minimum Standards For Services and Activities at Walker Field Airport to read as stated by the manager in his recommendations and as set forth in the Board members' packets with the following changes: under subparagraph A, delete "per occurrence" and add "combined single limit;" under subparagraph B, delete "per occurrence" again and include "combined single limit;" under subparagraph C, delete "certificated by the F.A.A." and change it to read, "Operators certificated by the F.A.A. shall provide to the Airport Authority a certificate of insurance which reflects the minimum per seat requirement as imposed by the Department of Transportation, and as which may be amended." Seconded by Director Theobald. Unanimously carried.

#### NEW BUSINESS

#### Dalby, Wendland Engagement Letter

Manager Miller informed the Board that Dalby, Wendland submitted their engagement letter to complete the 1986 audit for the Airport Authority. The cost of the audit has increased from \$3,900 to \$5,000. Dalby, Wendland indicated that additional audit requirements, specifically the federal grants, account for the cost increase. In the past, Dalby, Wendland has absorbed these

November 20, 1986

extra costs. This year, Dalby, Wendland feels that their fee should more accurately reflect the true cost for the audit. They would anticipate a 10% savings to the Airport for a timely audit. Manager Miller recommended that the Airport Authority retain Dalby, Wendland as their accounting firm and the engagement letter by Dalby, Wendland be accepted for \$5,000 with the understanding that if the audit is completed by January 31, 1986, the Airport Authority will receive a 10% credit to that amount.

Director Love moved that the engagement letter be accepted; seconded by Director Faussone.

Discussion followed relative to the proposed cost of the audit, and a potential conflict of interest because of Airport Administrator Jeff Wendland's relationship to Wes Wendland, a former partner of Dalby, Wendland. Director Theobald recommended that another firm be contacted and that a bidding process occur to allow other firms the opportunity to perform the audit. More discussion followed relative to the perceived conflict of interest, bidding the audit, and changing auditors. Manager Miller recommended that the Airport Authority continue to utilize Dalby, Wendland's services and that they perform the 1986 audit. He suggested that the Finance Committee address these issues in the future and offer recommendations to the Board regarding future audits.

Motion carried.

#### Mountain Bell Land Development Agreement

Part of the cost for the 4/22 development project is the upfront cost to the Airport Authority for installing the communication access lines to these parcels. The agreement with Mountain Bell is to install 40 access lines over a 5-year period for a total cost of \$6,628. As the lines are put into service, the Airport Authority will receive a refund of \$165 per line against the initial investment that is made. If, after 5 years, all 40 lines have not been put into service, Mountain Bell will retain the funds which have not been refunded. This is the same type of agreement that the Airport Authority has with Public Service. This proposed cost is below the original anticipated cost. Manager Miller recommended that the land development agreement with Mountain Bell be approved.

Director Gibbs made a motion to adopt the land development agreement with Mountain States Telephone and Telegraph Company and to authorize the chairman to enter into that agreement for installation of distribution facilities consisting of 40 service lines with respect to the 4/22 development; seconded by Director Love. Unanimously carried.

#### Mountain Bell Easement

Manager Miller informed the Board that existing telephone lines run between the new terminal building and BLM property. It

November 20, 1986

was discovered that the current easement for these lines does not correctly reflect the actual location of the lines. A new easement alleviates this discrepancy. The Contracts Committee reviewed the easement contract and requested that its wording be revised to stipulate that no construction be allowed above the ground and that no telephone lines be placed above the ground. Manager Miller recommended that the Board accept the contract with revised wording drafted by Attorney Harry Griff, addressing the concerns noted above and contingent upon these requirements being met.

Discussion followed relative to restrictions of overhead lines and ensuring that the Airport's interests are preserved when negotiating with utility companies.

Director Gibbs made a motion to the Airport Authority to approve the general easement agreement for signature by the chairman contingent upon language being inserted in the agreement providing that all installation would be subject to the approval of the Board and that all installation will be underground unless impossible and otherwise approved by the Board. Director Gibbs also moved that the signing of this general easement to correct the current problem of the Mountain Bell line running through BLM property be contingent upon Mountain Bell re-conveying to the Airport Authority the prior easement which was abandoned; seconded by Director Theobald. Unanimously carried.

#### Fuel Flowage Fees

Manager Miller stated that with the adoption of the Monarch Lease Agreement, an amendment was allowed for the fuel flowage fees to be adjusted to \$ 0.05 per gallon. Manager Miller recommended that the rates and charges be amended to reflect the fuel flowage fee of \$ 0.05 per gallon as shown in the Monarch Lease. Director Love so moved; seconded by Director Theobald.

Director Gibbs clarified that he is not supporting the amendment because of the contractual agreement with Monarch but because the Airport Authority feels that \$ 0.05 per gallon is an appropriate fee to charge.

Unanimously carried.

#### Architectural Standards

Manager Miller stated that the Planning Committee reviewed the Architectural Standards for the Airport, and all of the expressed concerns were addressed by staff. Copies of the proposed standards were sent to all Airport tenants. A meeting was scheduled on November 12 to review the standards; no one appeared at the meeting. Staff assumes, therefore, that there are no major concerns with the standards as developed. Manager Miller recommended adoption of the standards and that they will be used for construction on the Airport, beginning with the 4/22 development. The standards may be amended in the future, as needed.

November 20, 1986

Discussion followed regarding locating buildings relative to the centerline of roadways or taxiways, and adopting the standards to facilitate the development of the 4/22 project.

Director Fausone made a motion to approve the revised Architectural Standards; seconded by Director Theobald.

Discussion followed regarding the appearance of the Airport and how efforts should be made to create a positive impression for visitors to Grand Junction.

Unanimously carried.

#### Gene Taylor's Sports

Manager Miller stated that Gene Taylor's Sports is in the process of constructing a ski rental shop in the Airport terminal. A standard Use and Lease Agreement for the Terminal Building has been drafted for Gene Taylor's. The rent for the shop during ski season (November-April) is a minimum guaranteed payment to the Airport Authority of \$250.00 per month or 7% of the gross sales, whichever is larger. Manager Miller requested that the Board authorize the chairman to sign the contract, contingent upon staff receiving the corporate resolution authorizing the signature of Gene Taylor to the contract and the copy of their insurance which would satisfy the requirements of this Use and Lease Agreement. The Contracts Committee has reviewed this contract.

Discussion followed regarding the adoption of standard use and lease agreements, altering the insurance requirement to reflect combined single limit as opposed to "per occurrence," the checking of Gene Taylor references, receipt of a performance bond, and the correction of misspellings on the attached map. Director Gibbs stated that the Contracts Committee recommends the adoption of the contract.

Director Gibbs made a motion that the Airport Authority authorize the chairman to sign the Use and Lease Agreement for the Passenger Terminal Building with Gene Taylor's Sports contingent upon receiving from Gene Taylor's Sports a certificate of insurance in the amount of \$500,000 combined single limit showing the Airport Authority as an additional insured, contingent upon staff receiving from Gene Taylor's Sports a performance bond in the amount of \$500.00 to cover minimum rental for two months and contingent upon staff receiving from Gene Taylor's Sports a signed corporate resolution expressing the authority of whoever Gene Taylor designates to sign the agreement; seconded by Director Theobald. Unanimously carried.

#### Public Service Easement

Manager Miller stated that there is a proposed easement agreement with Public Service for the installation of utilities for the 4/22 project. This easement will also provide for the installation of the Mountain Bell telephone lines to the 4/22

November 20, 1986

project. Manager Miller recommended that the chairman be authorized to sign this easement agreement contingent upon Attorney Griff drafting the appropriate language to reflect the same concerns which were addressed relative to the Mountain Bell easement.

Director Gibbs stated that the Contracts Committee has reviewed the proposed agreement. Discussion followed regarding the Airport Authority's responsibility for reviewing utility easements.

Director Gibbs made a motion to authorize the signature of the chairman on the easement agreement with Public Service Company subject to the Airport Authority attorney drafting language in order to answer the concerns which were expressed with the Mountain Bell easement, that is, that the Airport Authority not absolutely prohibit the installation of over-the-ground lines but that the Authority make it clear that they retain the right to veto any such installation and that the Authority express the intent that all installations be underground unless otherwise approved by the Authority; seconded by Director Theobald. Unanimously carried.

#### COMMITTEE REPORTS

##### Finance Committee

Director Love stated that the Authority is ahead of budget in revenues and expenditures partly because of the Frontier bankruptcy. The Bad Debt account is approximately \$84,000, \$52,000 of which was the write-off for the hotel, and \$32,000 for Frontier. Legal fees have also contributed to the higher expenditures. The receivable level is lower than it has been for some time. Fuel flow fees projected for 1986 were high.

Manager Miller stated that Frontier has filed their motion to reject their Use and Lease Agreement with the Airport Authority. If creditors do not object to this rejection by November 24, the Airport Authority will regain control of Frontier space on or after November 28th. He presented options to consider for acquiring Frontier's fuel farm and baggage belt. Frontier prefers that the Airport Authority make an offer on the properties to offset the amounts owed. Manager Miller recommended that the Airport Authority proceed in this manner. America West has asked to lease the space formerly held by Frontier. He indicated that it is staff's intent to allow them to do so if there are no objections to the rejection of the Frontier lease.

##### Contracts Committee

No further additions

##### Planning Committee

Manager Miller was asked to furnish the committee a review of



November 20, 1986

1986 accomplishments in comparison to projected accomplishments. This review has been provided.

The committee has reviewed the proposed Strategic Plan and Operations Plan, and the Board will review these plans, as well as a Marketing Plan, within the next month.

#### Compensation Committee

Director Cornelison asked the Board for direction on how to proceed relative to a proposed compensation plan. He recommended that salary adjustments be made on an across-the-board percentage basis following research into current salaries for appropriate job classifications and taking into consideration the Airport budget. Discussion followed. Manager Miller summarized a survey which was conducted of 15 local companies. He indicated that the survey results and those of a survey of national airports show that salaries of classified employees are within range of other comparables. He recommended that salaries be based upon performance evaluations. More discussion followed regarding this, the possibility of establishing a bonus system, and the fringe benefit package and its relationship to salaries.

A Compensation Committee meeting was scheduled for Tuesday at 7:00 a.m.

#### Old Terminal Committee

This committee was disbanded and crossed off of the agenda.

#### Art Committee

The next art hanging is scheduled for December 1st, and the reception for those artists will be held December 3rd.

#### Insurance Committee

This committee was disbanded.

#### MANAGER'S REPORT

Manager Miller has contacted American Airlines in an effort to attract their business for skiers and as a reliever hub.

Powderhorn, in cooperation with Air Host Restaurant, will be opening a skier's lounge on the third floor of the terminal. Their first ski charter is scheduled for December 14th.

Concern has been expressed to staff about Coors beer not being served in the lounge on the second level. The Skier's Lounge will serve Coors beer.

Manager Miller has been contacted by the Grand Junction Chamber of Commerce, requesting that he compile information for an organization that is attempting to offer luxury train service

November 20, 1986

between Denver and Aspen. The Chamber is attempting to use Grand Junction as the Colorado gateway. Manager Miller has written a letter, expressing support for Grand Junction to Aspen luxury train service.

OTHER MATTERS

Scheduling Meetings

A budget workshop was scheduled for Tuesday, December 9 at 7:00 a.m. Director Theobald recommended that the Board consider scheduling meetings during times other than during regular business hours. Discussion followed.

Compensation Committee

Discussion occurred regarding completion of another performance evaluation of the Airport Manager and an evaluation of the Airport Administrator.

Nominating Committee

Chairwoman Rider requested that a nominating, consisting of Directors Cornelison and Albers and herself, be established to compile a list of prospective officers for 1987.

PUBLIC COMMENT

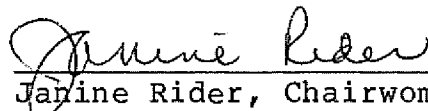
Bill Hill of the FAA updated the Board on the status of installing a VOR system at Walker Field. Manager Miller has asked to rent the VOR test equipment from the FAA until a permanent system is in operation.

Bill Hill addressed the possibility of displaying an Appleby Zuni sail plane in the terminal. Mr. Hill was encouraged by the Board to pursue the acquisition of such plane.

Meeting Adjourned

There being no further business to come before the Board, Director Theobald made a motion to adjourn the meeting at 10:42 a.m.; seconded by Director Gibbs. Unanimously carried.

ADOPTED AND PASSED this \_\_\_\_\_ day of December, 1986.

  
\_\_\_\_\_  
Janine Rider, Chairwoman

ATTEST:

  
\_\_\_\_\_  
Corinne C. Nystrom, Deputy Clerk