

MINUTES  
Regular Board Meeting  
Reconvening of the October 15, 1987 Meeting  
October 22, 1987

BOARD MEMBERS PRESENT: Chairman Ron Gibbs, Directors Bill Love, Elaine Ingvertsen, Maxine Albers, Henry Faussonne and John Collier. ABSENT: Director Theobald. Also Present: Manager Frank Miller, Administrator Jeff Wendland, Clerk Tracy Peoples and Deputy Clerk Corinne Nystrom.

GUESTS: Tari Folkestad, Shirley Howard of National Car Rental, Rene Will and Richard Gustine of Budget Rent A Car, Ed Taylor of AVIS Rent A Car, Attorney Barclay Westerfeld and Attorney Harry Griff.

Meeting Called to Order

Chairman Ron Gibbs called the meeting to order at 3:04 p.m. The Clerk noted that a quorum of the Board was present. Chairman Gibbs informed the public that this was a continuation of the Regular Board Meeting held on October 15, 1987, which was recessed due to a lack of quorum. Chairman Gibbs stated that at the time of the recess, the Board was under Other Matters and was discussing the Rental Car contracts, however Administrator Wendland, who was due to leave at 4:50 p.m., had an item which needed to be addressed by the Board and allowed this time for him to present it.

Administrator Wendland informed the Board that staff had been investigating the possibility of the Airport Authority purchasing the property taxes on the pieces of ground the Airport had an interest in requiring. Administrator Wendland also informed the Board that there was a possibility of purchasing the property taxes without having to attend the Public Auction. Administrator Wendland stated that staff has put together a list of properties which are currently part of the Land Acquisition plan and also included are residential properties which lie within the Airport Authority's area of influence. Administrator Wendland reported that the taxes due on the properties adds up to about \$46,000. Administrator Wendland then recommended the Board approve the allocation of funds to purchase the property taxes due on the properties. Discussion followed. It was then recommended that staff go over the list of properties with a Committee of Board members comprised of Director Faussonne as Chairman and Directors Collier. Director Love then made a motion that with the approval of that Committee, the Board authorize staff to proceed with the purchase of the property taxes; seconded by Director Faussonne. Unanimously carried.

Chairman Gibbs then directed the meeting to Other Matters and continued with the business that was being discussed at the time the October 15, 1987 meeting was recessed.

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Chairman Gibbs informed the Board and Public that at the time the October 15, 1987 meeting was recessed, the Board was about to discuss the items that the rental car agents were in favor of but staff was not recommending for approval.

Manager Miller then discussed with the Board the requests that the Airport Authority amend the definition of substantial improvements to reduce the cost below \$100,000 and to clarify the value placed on a commitment to build substantial improvements when reviewing the bids.

Manager Miller stated that at the informal discussion held following recess of the October 15, 1987 meeting, the Board Members present asked staff to see if they could develop a formula that would put a value on these items. Manager Miller informed the Board that staff has developed a formula which would keep the minimum guarantee at \$40,000 and add to that, values for the service car areas, which would be valued at the amount of revenues the Airport Authority receives over the five-year contract term. Manager Miller continued by saying that the Airport Authority would also take 1/15th of the value of the cost of construction to erect substantial improvements and add that as a value to the minimum guarantee bid. Manager Miller stated that the restrictions applied were that the Airport Authority would not go over \$100,000 in the formula when determining the 1/15th. Manager Miller reported that any construction costs on any substantial improvements do not have to equal \$100,000, but can go no less than \$50,000, as long as the improvements are erected in accordance with the Airport's Architectural Standards. Manager Miller also informed the Board that the office and counter space would also be awarded based upon highest bid.

Discussion followed with the general consensus of the Public being that the formula developed was a fair formula. Director Love then made a motion that the Board approve staff's formula for awarding rental car concession bids; seconded by Director Ingvertsen. Unanimously carried.

Chairman Gibbs then clarified that motion to include the amendment of the definition of substantial improvements as they comply with the Airport's Architectural Standards.

Manager Miller then informed the Board that the next item for discussion was the elimination of the minimum guarantee. Manager Miller reported that staff is not recommending this because the minimum guarantee is the underlying mechanism for the bidding process. Discussion followed. The consensus of the Board was to follow staff's recommendation.

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The next item discussed by Manger Miller was the request for a most favored nations clause. Manager Miller recommended the Board not approve a most favored nations clause because it binds the Airport Authority, and also because the same assurances are met through the FAA requirements for entitlement funds. Discussion followed with the concensus of the Board to follow staff's recommendation not to approve a most favored nations clause.

Manager Miller informed the Board that the next issue was the issue of the off-airport rental cars with the concern of off-airport companies using hotel vans to pick up their customers. Manager Miller stated that this is a valid concern which is being taken under consideration. Manager Miller's recommendation was to adopt a policy for fees to be charged to off-airport rental car companies, but not to include this item as part of the on-airport rental car bid documents. Discussion followed. The concensus of the Board was to follow staff's recommendation.

Manager Miller then discussed with the Board the request to reduce liability insurance below the required \$500,000. Manager Miller stated that the Airport Authority Board has previously adopted an insurance policy requiring all tenants of the terminal building, not having access to the air operations areas, to carry insurance in the amount of \$500,000. Manager Miller's recommendation was not to defer from the already adopted insurance policy. Discussion followed. The concensus of the Board was to follow staff's recommendation.

Manager Miller informed the Board that the last request of the rental car bidders was to reduce the percentage of gross to 8% on time and mileage only. Manager Miller stated that the Airport Authority has reduced the basis for which to determine the percentage by no longer including personal accident insurance and collision damage waiver insurance and additional economic relief was granted through the approval of the addendum to the bid documents. Discussion followed regarding economic relief and the possibility of perhaps only letting three rental car operators do business on the airport.

Attorney Westerfeld discussed with the Board the provisions of the requirements of a Performance Bond. Staff informed the Board that a security deposit in the form of a C.D. issued in the name of the Walker Field Airport Authority with the interest earnings deposited to the account of the tenant may be an alternative to the Performance Bond. Discussion followed.

Discussion continued between the Public and the Board on the rental car concession documents.

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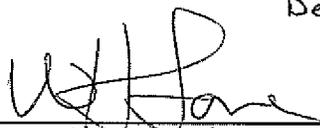
Chairman Gibbs asked whether or not the Board wanted to act on the issue of an amendment to the Fees and Charges for off-airport rental car companies or table it until the Special Board meeting to be held Friday, October 30, 1987. The concensus of the Board was to table the issue.

Mr. Ed Taylor of AVIS requested that staff place the issue of reducing the minimum to 8% on Friday's Agenda.

Meeting Adjourned

There being no further business to come before the Board, Director Albers made a motion to adjourn the meeting at 5:58 p.m.; seconded by Director Collier. Unanimously carried.

ADOPTED AND PASSED this 17<sup>th</sup> day of ~~November~~, 1987.  
December,

  
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~~Ronald W. Gibbs, Chairman~~  
W. H. Love, Vice-Chairman

ATTEST:

  
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Tracy Peeples, Clerk