

MINUTES

Walker Field Airport Authority Regular Board Meeting January 21, 1988

BOARD MEMBERS PRESENT: Chairman Ron Gibbs, Directors Bill Love, Elaine Ingvertsen, Reford Theobold, Maxine Albers, Henry Fausstone and John Collier. Also Present: Airport Manager Jeff Wendland, Clerk Tracy Peeples and Deputy Clerk Corinne Nystrom.

GUESTS: Bob Keifer of UPSI, Tari Folkestad of Hertz, Joe Bertram of KEXO, Keith Koler of Armstrong Consultants, Derry Newby of the National Weather Service, Ginger Rice of the Daily Sentinel, Kit Strott of SkyWest, Rene Will of Budget, and Walker Field Airport Authority employees Tess Sullivan, Jerry Myers and Ted Balbier.

Meeting Called to Order

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

Approval of Minutes Dated December 17, 1987

There being no corrections to the December 17, 1987 Minutes, Director Theobold made a motion that the Board approve the minutes as written; seconded by Director Fausstone. Unanimously carried.

OLD BUSINESS

Disposition of Results of Reed Miller, Inc. Audit

Manager Wendland gave a brief background and history of the audit. He informed the Board that both the Airport staff and Mr. Bill Hocking of Miller, Thompson and Hocking, C.P.A.s had audited the gross revenues of Reed Miller, Inc. dba Hertz Rent A Car to determine if gross revenues had been correctly reported to the Airport Authority. The result of both audits was inconclusive since insufficient records were available to allow either the staff or Mr. Hocking to reach any conclusions. Manager Wendland discussed the staff's conclusion that the potential revenues which the Airport Authority could perhaps collect would likely not exceed the cost of gaining access to the additional records required. Further discussion disclosed that up to \$30,000.00 in revenue might be recoverable if further action was taken.

After additional discussion, Director Fausstone moved to accept the staff's recommendation that the Board direct the staff to take no further action in regard to this audit at this time. The motion was seconded by Director Albers and was passed

unanimously. Director Theobold suggested that perhaps this action could be the beginning of a fresh start with the rental car concessionaires since a new concession contract had recently been entered into and since the Hertz franchise is no longer operated by Reed Miller, Inc.

NEW BUSINESS

Hilltop Land Acquisition

Chairman Gibbs informed the Board of Director Ingvertsen's request to abstain from discussion and voting on this issue due to her association (employment) with Hilltop. Director Fausone also requested abstention from voting because of his membership on the Hilltop Foundation Board. Manager Wendland informed the Board that Hilltop Foundation has approached staff with an offer to sell a piece of property, located approximately 1 1/2 - 2 miles east of the airport and north of I-70, for \$12,500. Staff requested that the Board consider the purchase of the subject property. As chairman of the Planning Committee, Director Fausone stated that the committee has reviewed the proposal and supports a recommendation to purchase the property. Discussion followed relative to limited purchase funds and high priority purchases. Director Theobold moved to accept the Hilltop Foundation offer to sell for a cash purchase price; seconded by Director Collier. Unanimously carried.

Authorization to Make Offer to Purchase Land from BMI Holdings, Inc.

Manager Wendland informed the Board that land owned by BMI Holdings, Inc. and commonly known as the Marchun Farm has been scheduled for acquisition with FAA funds. The property consists of 76 acres and contains a residence and several farm buildings and improvements. The FAA will participate in only a portion of the property acquisition. That portion has appraised at \$116,000.00 and consists of approximately 53 acres. The remaining property appraises at \$74,000.00. Manager Wendland also informed the Board that Mr. Anton Marchun holds a deed of trust on the property and that the balance of the deed of trust exceeds the appraisals for the property, and, therefore, Mr. Marchun is a principal party in this transaction. Manager Wendland conveyed his impression that Mr. Marchun would encourage the Board to purchase the entire property.

Discussion followed concerning the irrigation water which would accompany the property and whether to purchase the entire parcel or purchase only that portion in which the FAA would participate in funding. Staff recommended that because the parcel has been on the Authority's land acquisition list for some time and because of the water rights associated with the property, the Board approve the purchase of the entire parcel for \$190,000.00, with FAA participation in \$116,000.00 and the Airport Authority paying \$74,000.00 in its entirety. Discussion

followed regarding the appraisals and land values.

Director Love moved that staff be given Board approval to purchase the entire Marchun parcel for a price of \$190,000.00 with the FAA participation of \$116,000.00 discussed; seconded by Director Theobald. Unanimously carried.

Request By Horizon View Properties For A Copy of Airport Authority's Appraisal Of Their Property

Under the same FAA land acquisition plan discussed previously, Manager Wendland advised that staff has made an offer to Horizon View Properties to purchase a parcel of approximately 20 acres of land located in the airport clear zone. Horizon View has requested a copy of the appraisal which was conducted on the property. Although legal counsel has advised staff that the Authority is not obligated to furnish the appraisal to Horizon View Properties at this time, legal counsel representing Horizon View Properties has requested that this matter be presented to the Board for their consideration. Since the request was lengthy, complicated and was not received until Tuesday, January 19, 1988, staff requested that the Board allow staff additional time to review the request with the Airport Attorney so that staff could make a recommendation to the Board at a later date. Discussion followed regarding eminent domain statutes and open records statutes as they pertain to this matter and to other similar incidents which may occur. Staff's request was approved.

Authorization to Confirm Accepted Cost of Castle Peak Transportation, Inc.'s Service Area Improvements

Manager Wendland informed the Board that in 1983, Castle Peak constructed service area improvements at Walker Field. The concession agreement calls for the re-purchase of those improvements by the Airport Authority if the concession is terminated under certain terms. Richard Gustine of Castle Peak has requested confirmation of the costs which the Airport Authority would consider to be acceptable if the Airport Authority were to re-purchase the improvements. Staff has reviewed the concession agreement and invoices submitted by Castle Peak and has agreed that invoices totalling \$116,427.00 would qualify under the concession agreement and would be considered during a re-purchase process. Staff has not determined which improvements have actually been installed, which improvements are currently in place, or whether they would still be in place if and when the Authority would re-purchase the improvements. Manager Wendland requested authorization to write a letter to Richard Gustine to report the findings and conclusions noted above.

Discussion followed relative to the value of the improvements at the time of a re-purchase compared to the original invoice amounts submitted previously.

Director Faussone moved that the Board provide Castle Peak Transportation, Inc. a letter setting forth the amount of invoices for service area improvements which are in our file and which the Airport staff, after review, has determined are appropriate or qualified expenditures under the concession agreement, but that the letter specifically represent to Castle Peak Transportation, Inc. that this is not approval by the Airport Authority or staff that this would be our re-purchase obligation, because we make no judgment as to whether those items have actually been incorporated into the service area improvements or if initially incorporated, whether they remain incorporated and that we make it clear in that letter that the figure we set forth does not correspond to the Airport Authority's re-purchase obligation, because that re-purchase obligation is contingent upon the depreciation factor and the timing of the re-purchase, and finally that the letter and the concession agreement be reviewed by legal counsel and approved by legal counsel under the terms of the concession agreement; (worded by Chairman Gibbs); seconded by Director Ingvertsen. Unanimously carried.

1988 Employee Compensation

Manager Wendland furnished background information regarding a compensation plan which was established in 1986 for classified employees. Director Theobold, chairman of Compensation Committee, stated that the committee was recommending a salary adjustment fund of 3.2% of overall wages, that increases to employees would be based upon performance reviews conducted by the Airport Manager and staff, and that the maximum increase for which an individual employee is eligible would not exceed 4% of his/her wages. The Compensation Committee also recommended that the entire compensation schedule be reviewed over the next 8 - 10 months and that wages, perhaps, be adjusted to better reflect the current economy.

Director Theobold moved that a salary increase fund of 3.2% be established and the increase to any employee be capped at 4%; seconded by Director Love. Unanimously carried.

Director Theobold informed the Board that the Compensation Committee had reviewed the salary and the veteran status of Manager Wendland and recommended that Manager Wendland be hired at the rate of \$41,600 annually, which has been his rate as Acting Manager. Director Love moved that the Board approve the recommendation; seconded by Director Faussone. Discussion followed relative to the use of the Honda automobile by the Airport Manager since he is on-call 24 hours per day. Unanimously carried.

Proposal for Airport Manager's Marketing Advisory Council

Manager Wendland discussed the Airport marketing program and its relation to the community as a whole and recommended

recruiting an Airport Manager's Marketing Advisory Council consisting of from 4 - 6 people from the community who would be appointed by the Airport Manager to serve for one year terms upon the ratification of those members by the Board. The Board discussed this concept, with the resulting consensus that Manager Wendland should recruit and bring back to the Board recommended appointments to a Marketing Advisory Council.

Election of Officers for 1988

Director Fausson reported that the Nominating Committee made the following recommendations for officers for the 1988 calendar year: Bill Love, Chairman; John Collier, Vice Chairman; No specific recommendations were made by the committee for Treasurer, Clerk or Assistant Clerk although Manager Wendland had made recommendations to the committee regarding these appointments.

Director Theobold moved to appoint Corinne Nystrom as Assistant Clerk; seconded by Director Albers. Unanimously carried.

Director Theobold moved to appoint Tracy Peeples as Clerk; seconded by Director Ingvertsen. Unanimously carried.

Director Theobold moved to appoint Jeff Wendland as Treasurer; seconded by Director Love. Unanimously carried.

Director Theobold moved to nominate John Collier as Vice Chairman; seconded by Director Albers. Unanimously carried.

Director Theobold nominated Bill Love as Chairman; seconded by Director Albers. Unanimously carried.

Chairman Love granted permission to Director Gibbs to oversee the remainder of the meeting, with Chairman Love making committee appointments prior to adjournment.

Manager Wendland requested that the Board adopt a banking resolution which reflects the newly-appointed Board officers. Director Albers made a motion to adopt Resolution 1988-001 pertaining to bank accounts; seconded by Director Theobold. Following a roll call vote, the motion was unanimously carried.

COMMITTEE REPORTS

Finance Committee

Did not meet because the audit is in progress. Manager Wendland stated that the auditors have completed their field work and are drafting the financial statements.

Contracts Committee

No report

Planning Committee

Director Fausson stated that all matters that had been presented to this committee have been thoroughly reviewed in previous discussions during this meeting today.

Terminal Action Committee

No meetings. Staff is collecting information from engineers, and when this information is received, staff will discuss with this committee the terminal canopy situation.

Manager's Report

Manager Wendland discussed the following items:

TVOR: The electronics should be installed by the 1st of February with flight checks scheduled during February. Assuming the flight checks go well, the TVOR should be commissioned in March.

Aviators Memorial Park: Harry Griff has volunteered to serve as attorney for the Memorial Park Committee and has submitted incorporation papers to the Secretary of State. When these papers return, the committee will meet to begin developing a plan which can be presented to the Airport Board.

Old Terminal/West Star Ramp Project: The FAA has pushed back the grant date to the federal government's third quarter (calendar second quarter). Staff hopes to bid the project out by March and bring a recommendation to advertise bids to the February Board meeting.

Land Acquisition: The Benchmark parcel is the last parcel under current FAA grants on which the Airport Authority had yet to make an offer. After this offer is made, all eligible parcels will be under offer. Mrs. Whipple has accepted our offer, and the title company is preparing the closing documents for this transaction. A verbal indication has been received from Mr. Burkhalter that he will accept our offer with a small negotiated increase in price. This has been reviewed with the Planning Committee. Owners of the other parcels have indicated that they are conducting their own appraisals. The 90-day period for conducting such appraisals begins to expire in February, and as they expire, these situations will be presented to the Board for further action.

Staffing Plan: Staff has discussed with several of the Board members a desire to review the talents of the current Airport staff and the jobs which need to be completed. Staff has suggested that a staffing plan not be presented to the Board for several months so that this review can be completed.

Snow Removal: Jerry Myers gave a brief report on the snow removal operations which were conducted recently on the airport. Derry Newby of the National Weather Service was asked to comment on the weather. He also thanked the Airport Authority for the plant which was sent to him during a recent illness.

Appraisals of Section 16 Parcels: The appraisals required by the FAA on these parcels have been received but have not been reviewed in detail yet. Upon doing so, they will be forwarded to the FAA in accordance with their requirements. The appraisals will also be reviewed with the Planning Committee.

Airport I.D. Badge Reissue: Next week, new I.D. badges will be issued to Airport Authority employees to finalize a system for re-issuing badges to all airport employees. Once this has been accomplished, the re-issuing process will be scheduled over a 2-3 week period.

OTHER MATTERS

Director Ingvertsen commented that she was impressed with the new format of the Board packets.

PUBLIC COMMENT

None

Chairman Love presented Director Gibbs with a gavel in recognition of his year of service as Chairman.

Chairman Love made committee appointments as follows:

Finance Committee:

Maxine Albers, Chairman
Ron Gibbs
Henry Faussone
Reford Theobald

Contracts Committee:

Ron Gibbs, Chairman
Elaine Ingvertsen
Henry Faussone

Planning Committee:

Henry Faussone, Chairman
John Collier
Elaine Ingvertsen
Reford Theobald


Art Committee:

Reford Theobald

Meeting Adjourned


There being no further business to come before the Board, Director Theobald made a motion to adjourn the meeting at 9:40 a.m.; second by Director Gibbs. Unanimously carried.

ADOPTED AND PASSED this 18th day of February, 1988.

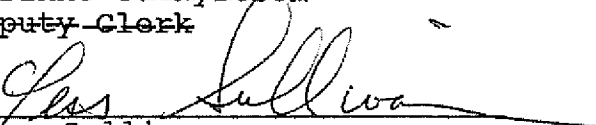


Chairman

ATTEST:



~~Corinne C. Nystrom~~
~~Deputy Clerk~~



Tess Sullivan
Acting Clerk