

MINUTES

Walker Field Airport Authority Regular Board Meeting November 17, 1988

BOARD MEMBERS PRESENT: Chairman Bill Love, Directors Bob VanHouten, Elaine Ingvertsen, Ron Gibbs, Reford Theobold, Maxine Albers, and Henry Faussone. Also present: Airport Manager Jeff Wendland, Clerk Corinne Nystrom, and Acting Deputy Clerk Tess Sullivan.

GUESTS: Harry Griff, Airport Attorney, Russ Caldwell of Kirchner Moore & Co., Keith Koler of Armstrong Consultants, Ginger Rice of The Daily Sentinel, Buz Oliver of Junction Jet Center, Ray Curtis of Curtis Electric Co., Dick Witsken of West Star Aviation, and Roy Stallard.

Meeting Called To Order

Chairman Love called the meeting to order at 8:25 a.m.. A quorum was present.

Approval of Minutes Dated September 22, 1988

There being no changes or corrections to the September 22, 1988 minutes, Director Theobold moved approval of the minutes as presented; seconded by Director Gibbs. Unanimously carried.

Public Hearing on the Proposed Issuance of Airport Revenue Refunding Bonds, Series 1988

The Clerk noted that a Notice of Public Hearing was published and printed in The Daily Sentinel newspaper on November 2, 1988.

Manager Wendland provided background regarding the proposal. The outstanding balance due on the current bond issue is \$3,570,000 with an interest rate of slightly less than 10%. The Board has the option at this time of calling these bonds, paying them off, and paying a 2% premium to the bond holders. A new issue would be in the amount of \$2,735,000 with an average interest rate of approximately 7.4%. The bonds will be paid down by applying \$500,000 of unrestricted Airport Authority funds and by reducing the restricted debt service reserve from \$635,000 under the current issue to \$273,500 under a new issue.

There were no questions or comments from the public regarding the proposal. Director Gibbs asked for and Manager Wendland clarified Section 17 of the resolution with respect to the bond account and the ability to place the funds with the payor agent at a financial rate which is comparable to what the Airport Authority is paying on the bonds outstanding.

Director Gibbs introduced Airport Authority Resolution No. 1988-004 for a bond issue entitled 1988 refunding issue and moved the adoption of the resolution contained in the materials before the Board and which the Board members have read with the provision that in Section 20 Maintenance of Rates and Charges, the word "ensure" be changed to "provide" as it pertains to payments; seconded by Director Albers.

Director VanHouten explained that it is his wife's intention to purchase some of the new bonds and that he will, therefore, abstain from any discussion or voting on any matters relative to the bond issue.

The resolution was unanimously carried as a result of a roll call vote; Director Van Houten abstained.

Director Gibbs made a motion to authorize the Chairman and the Clerk of the Board to execute the collateral documents in conjunction with Resolution No. 1988-004 except for the bond counsel agreement, the bond underwriting agreement, and the bond purchase agreement; seconded by Director Theobold. Unanimously carried. Director VanHouten abstained.

OLD BUSINESS

Kirchner-Moore Engagement Letter for Bond Underwriting Services

Kirchner-Moore & Co. has submitted an engagement letter to provide bond underwriting services for the bond issue. The percentage to be paid to Kirchner-Moore & Co. upon successful closing is 2.15% of the issue to be issued.

Director Theobold moved to accept the engagement letter with Kirchner-Moore & Co.; seconded by Director Albers. Unanimously carried. Director Van Houten abstained.

Lamm & Edstrom Engagement Letter for Bond and Disclosure Counsel Services

Lamm & Edstrom has submitted an engagement letter to provide bond and disclosure counsel for the bond issue. Upon successful closing, they would be compensated \$19,800 for their services. Director Theobold moved acceptance of the Lamm & Edstrom engagement letter; seconded by Director Faussone. Unanimously carried. Director VanHouten abstained.

Acceptance of Paying Agent and Registrar Agreement With Central Bank of Denver

Central Bank of Denver would be designated as the paying agent and the registrar for the bond issue. Their fee is \$500.00 at inception and an annual fee of \$2.50 per principal payment plus \$3.50 per bond holder or \$500.00, whichever is greater.

These services were bid between Central Bank and United Bank, and Central's rates were lower. Staff is not aware of any institutions on the western slope which provide these services. Director Theobald moved acceptance of the paying agent and registrar agreement with Central Bank; seconded by Director Faussone. Unanimously carried. Director VanHouten abstained.

Bond Purchase Agreement With Kirchner-Moore & Co.

Director Ingvertsen moved acceptance of the bond purchase agreement; seconded by Director Albers. Unanimously carried. Director VanHouten abstained.

Official Statement

Director Gibbs moved approval of the Official Statement as drafted and reviewed by the Authority subject to the following changes with language to be approved by the Chairman of the Authority, counsel for the Authority and the Airport Manager. On pages 3, 4 and 5 under Risk Factors, that the language be clarified to make it clear to anyone purchasing the bonds that there is no guarantee that raising rates, fees or charges will accomplish the intended purpose of raising net revenue and that, in fact, there is always a risk that there would be a decrease in net revenue; that approximately 50% of the airport's revenue is derived from short-term leases or leases which will be renegotiated short-term and that this is a current statement of fact which may not continue in the future; that on pages 10 and 11 Security for the Bonds under the paragraph titled Rate Maintenance there be a change of the word "ensure" to "provide" so that it tracks with the resolution passed this morning and that this be done elsewhere in the Official Statement so that they parallel and that there be a cross-reference to the risk factors at that point; on page 13, the budget for 1989 be amended to match the current budget which the Board anticipates adopting at the next Board meeting with appropriate foot notes; that on page 23 under the Airport Manager's Summary of Material Trends and the Authority's Finances, a paragraph be added by the Manager to discuss the reason for revenue drops from 1987 to 1989; that on page 18, under Budget Process, the reference to the expectation of the Authority adopting the 1989 budget at this meeting, November 17, 1988, be amended to state that it expects to adopt such budget prior to year-end; on page 27 under Administration and Employees/Special Assistant that the reference to our expectation to hire an Operations Manager before year-end 1988 be amended to reflect that this will occur before year-end or early in 1989; that on page 28 discussing legal matters affecting the Authority litigation that there be appropriate language inserted to disclose the fact that a lawsuit has been filed by Thrifty Rent-A-Car against the Authority, challenging the right to impose a 10% charge on off-airport rental car users and that this discussion include a discussion on the potential effect on other revenues of the Authority; that on page 30 under Sovereign Immunity, the last statement referencing the sovereign

immunity acts, purported coverage of federal claims brought to the state courts be deleted; that the language describing Director Ingvertsen's title at Hilltop and Director Love's title in his former position at Occidental be amended; and that Telluride be listed as an airport within the collateral influence area. Seconded by Director Albers; unanimously carried. Director VanHouten abstained.

NEW BUSINESS

Construction Plans for Hertz Service Area Building

Director Theobold moved approval of the construction plans for the Hertz service area building.

It was discussed that the Planning Committee has not recently reviewed the plans for the building. Director Theobold withdrew the motion.

Discussion followed relative to the time limitations involved in the construction, the plans and how they would or would not comply with the Authority's architectural standards.

Director Gibbs moved to approve the plans subject to a review by the Planning Committee and their approval of the location subject to a monitoring by staff of the elevation of the building so that there is not a drainage problem, that the requirement in the architectural standards specifying that the driveway be paved be waived so that the driveway can be gravel, and subject to Hertz complying with the landscaping requirements of the architectural standards; seconded by Director Theobold. Unanimously carried. Discussion followed regarding the adequate review of Board meeting agenda items prior to their approval.

Short-Term Borrowing From United Bank of Grand Junction to Effect Bond Closing

Director Theobold moved approval of a \$500,000 line of credit payable December 20, 1988, from United Bank of Grand Junction to effect the bond closing; seconded by Director Ingvertsen. Unanimously carried. Director VanHouten abstained. Director Albers abstained because of a perception that there might be a conflict of interest since Director Albers is a member of the Board of Directors of United Bank of Grand Junction.

Agenda Items Tabled

Director Gibbs moved that the following agenda items be tabled until the next Board meeting and pending review by the Board: Presentation of the 1989-91 Strategic Plan, 1989 Operating Plan, the 5-Year Capital Improvement Plan, the 1989 Staffing and Salary Plan, the 1989 Budget; seconded by Director Theobold. Unanimously carried.

Appointment of Nominating Committee

Directors Albers and Faussonne and Chairman Love agreed to serve on the Nominating Committee to select nominees for the 1989 Board officers.

Selection of Independent C.P.A.s for Audit of 1988 Financial Statements

Chairman Love recommended the selection of Dalby, Wendland & Co. as the independent auditors for the 1988 audit. Director Thebold requested that the audit be put out to bid, and discussion followed relative to same.

Director Gibbs moved to appoint Dalby, Wendland & Co. as auditors for the 1988 financial statements; seconded by Director VanHouten. Additional discussions were held regarding bidding out the audit. Director VanHouten moved to amend the original motion to state that the Board seriously consider in the next fiscal year or two, going to bid for another auditor; Director Faussonne seconded the motion to amend. The motion to amend carried; Director Gibbs opposed. The original motion as amended was carried; Director Theobold opposed.

COMMITTEE REPORTS

Finance Committee: The financial statements still reflect a small profit for 1988.

Contracts, Planning & Terminal Action Committees: No further reports.

Personnel Committee: Director Gibbs commented that the presentation of the proposed staffing and salary plan has been tabled until the next Board meeting and pending review by the Personnel Committee.

Discussion followed regarding the scheduling of Board committee meetings and workshops.

MANAGER'S REPORT

Land Acquisition: The BLM land request issue will be pursued again after the new federal government administration takes office in January.

The Benchmark property owners have submitted an appraisal to staff for our review, and staff is anticipating receipt of an appraisal from the Horizon View property owners. Negotiations are progressing.

Irrigation Water: An irrigation study report has been received, and staff will pursue discussions with the Grand Valley Water Users Association.

Construction Progress: An update was provided on the construction of the Civil Air Patrol hangar, the Western Aviators hangar, and the West Star ramp.

Aviators' Memorial Park: The F11 jet is in place. A memorial service was held on November 11, 1988 to commemorate those to whom the park is dedicated. Letters will be written to Aviators' Memorial Park Committee members to thank them for their time and service. Mesa County has set aside \$5,000 of lottery funds to donate to the park's construction, the Lions Club still intends to donate \$5,000, and funds will be raised by holding a car raffle.

Air Show '89: The next air show is scheduled for June, 1989. Coors, Sundstrand Aviation, and Thrifty Rent-A-Car have agreed to underwrite the show. Proceeds will go to the Aviators' Memorial Park.

Airport Tour for Board Members: A tour of the airport was scheduled for Board members on Wednesday, November 23, 1988 starting at 10:00 a.m.

Marketing Plan: The proposed plan will be reviewed by the Marketing Advisory Council and the Planning Committee in the near future.

Airline Negotiations: Airline representatives will meet with staff this afternoon to continue their negotiations for a new airline contract.

Board Workshop: A Board workshop was scheduled for Wednesday, December 7, 1988 at 7:00 a.m. to discuss the proposed staffing and salary plan, the strategic and operations plans, and the 1989 budget.

OTHER MATTERS


Chairman Love inquired about the status of the ILS.

PUBLIC COMMENT

Roy Stallard expressed concern that a new advertising concession agreement had not been consummated with any agencies to date.

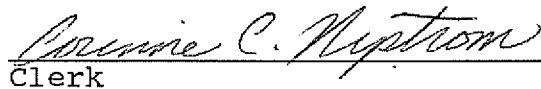
There being no further business to come before the Board, Director Theobald moved to adjourn the meeting; seconded by Director Albers. The meeting was adjourned at

ADOPTED AND PASSED this 15th day of December, 1988.



Chairman

ATTEST:



Clerk