

Walker Field Airport Authority

Minutes of the Regular Board Meeting February 20, 1996

Board of Commissioners Present: John Crouch, Larry Jokerst, Gary Morris, Martin O'Boyle, Joe Croker, and Reford Theobold.

Airport Staff Present: Marcel Theberge, Corinne Nystrom, Dennis Wiss, Ron Bumann, Tymasha Watkins, and Leona Andrea.

Others Present: Steve Costello of Costello, Allyn & Co., P.C., Elaine Ingvertsen, Airport Attorney Harry Griff, Marty Dana & Ron Zotto of National Car Rental, Mike & Bonnie Richards of GISDHO Shuttle, Ned Durbin of Blondie's Limousine Service, Ron Rouse of Colorado Airlines, Bob Weber of WEBAIR, Dan Holycross, Bruce Balbier of Skywest Airlines, Miles C. McCormack & Bud Gimple of the Confederate Air Force, David Courtney, Jim Biber of Biber & Co., Kent Pfleider of Design 7, Ruth Chilton of Colorado Skunkworks, Ginger Rice of the Daily Sentinel, Mike Sutherland of PDM Group Consultants, and Keith Koler of Armstrong Consultants.

Call to Order

Chairman Crouch called the meeting to order at 5:21 p.m. A quorum was present. He amended the agenda to move the Performance Evaluation of the Airport Director to immediately follow the review of the Minutes of Board Meetings.

Chairman Crouch presented a letter from Harold N. Handke, Lead Airport Certification Safety Inspector for the Federal Aviation Administration which responded to statements made at a previous Board meeting regarding the recent FAR Part 139 inspection. Chairman Crouch read portions of the letter in which Mr. Handke stated that the airfield is in excellent shape from the viewpoint of operations and maintenance, that the staff is excellent and well-trained, and that Walker Field compares favorably with any airport of a similar size & A.R.F.F. index in the seven state region in which he conducts inspections.

Minutes of Board Meetings

The minutes of the following Board meetings were presented: December 19, 1995, January 23, 1996, January 30, 1996, and February 6, 1996. Following discussion, Commissioner Jokerst moved to approve the minutes as presented; seconded by Commissioner O'Boyle. Unanimously carried.

Performance Evaluation of Airport Director

Commissioner Croker, chairman of the evaluation sub-committee, summarized the process which was used to evaluate the performance of Airport Director Marcel Theberge. Chairman Crouch read a summary of the evaluation. Commissioner O'Boyle stated that the evaluation was not a retention or dismissal issue. Rather, it dealt only with the factors identified in the performance evaluation form which was provided to the subcommittee and that recommendations were based on those factors only.

Commissioner Croker moved that the Board accept and adopt the recommendations of the subcommittee; seconded by Commissioner O'Boyle. Unanimously carried.

Kent Pfleider inquired about the thoroughness of the evaluation and asked who was interviewed in the process. Commissioner Croker responded that Mr. Pfleider could address that question with him after the meeting.

1995 Audit Report

Steve Costello of Costello, Allyn & Co., P.C. presented the 1995 audit report. He stated that the financial statements indicate consistency with prior years and rendered the opinion that the financial statements are fairly stated and "clean." Discussion followed.

Mr. Costello presented the single audit report regarding the receipt of federal funds and rendered the opinion that these financial statements are also fairly stated. He noted that two claims have been filed against the Authority in the past year: a claim by a group of tenants & users of economic discrimination and an age discrimination claim by a former employee. He stated that his firm is obligated to identify these claims in the audit report but that the F.A.A. actually determines if discrimination has occurred. Discussion followed. Commissioner Croker commended Mr. Costello for his work on the audit.

Commissioner Jokerst moved to accept the financial statements & independent auditors report for December 31, 1995 and 1994 and the single audit report for 1995; seconded by Commissioner Croker. Unanimously carried.

Request by Kent Pfleider Regarding Minimum Standards and Other Issues

Kent Pfleider addressed the Board regarding the footprint and front-line/back-line issues in ground lease agreements, stating that these issues have not been resolved. He recommended that they be addressed when the minimum standards for operations are reviewed and asked the Board to set a definite date by which these would be addressed. Discussion followed. It was the consensus of the Board to hold another ad hoc committee meeting with the tenants and that a time frame be established by the next Board meeting to resolve the issues.

Mr. Pfleider then addressed Judith Humphries' resignation from the Board. He stated that although problems exist, solutions need to be found. He stated that a good airport board should exhibit the following traits: fairness, expertise, accountability, representative (FEAR). He suggested that the Board have representation from the airlines, the ground tenants (i.e. concessionaires), and general aviation and that Board terms be shortened. In his opinion, the current problems are structural not personality in nature.

Discussion followed in which clarification was requested of and given by Attorney Harry Griff and Chairman Crouch regarding audit disclosure requirements, guidelines which must be followed when setting land lease rates, and the process for appointing individuals to the Board.

GISDHO Shuttle, Inc. Proposal to Operate Ground Transportation Services From Terminal Building

Director Theberge summarized a proposed agreement which would authorize GISDHO Shuttle & Blondie's Limousine Service to operate from the terminal building. He recommended Board approval so that they could commence operations prior to Air 21's arrival on March 4th.

Discussion followed in which Commissioner Theobald expressed concern about the operation competing directly with the on-airport rental car concessionaires. Ron Zotto & Marty Dana of National Car Rental and Pete Cyphers of Budget-Rent-A-Car expressed similar concerns. After extensive debate, Commissioner O'Boyle recommended and moved that the Board authorize Director Theberge to move ahead with contract negotiations with GISDHO Shuttle, that in the next 30 days, Director Theberge and representatives from GISDHO and the rental car agencies attempt to reach agreement on an appropriate location for GISDHO operations in the terminal building, which agreement shall be brought back to the Board for consideration, and that the final agreement include a provision for a 2-month security deposit for the proposed 12-month lease; seconded by Commissioner Croker. Unanimously carried.

Air 21 Proposed Operating Lease Agreement

Director Theberge highlighted a proposed operating agreement with Air 21, noting that Skywest Airlines will serve as the ground handler for the new airline. Discussion followed regarding Air 21 not being able to land their aircraft due to weight restrictions on Runway 4/22 during the Runway 11/29 rehabilitation project.

Commissioner Croker moved to approve the Air 21 agreement; seconded by Commissioner Theobald. Unanimously carried.

Airport Ground Rent Resolution (No. 1996-004)

Director Theberge presented and recommended for final approval the ground rent resolution which was approved verbally at the January 30, 1996 Special Board Meeting. Discussion followed.

Commissioner Theobald moved to approve Resolution No. 1996-004 dealing with lease rates; seconded by Commissioner O'Boyle. Unanimously carried. A roll call vote approved the resolution unanimously.

Amendment to Assignment of Lease Between Buescher Family Limited Partnership and Colorado National Bank

Director Theberge presented this amendment to the assignment of lease, noting that since BFLP is no longer leasing 1.03 acres at what is now the Mesa Air Group hangar, the amendment was created to address conforming changes to the original assignment. Commissioner Croker moved to approve the amendment; seconded by Commissioner O'Boyle. Unanimously carried.

First Addendum to Ground Lease Agreement With JFUOCO, L.L.C.

Director Theberge presented the proposed addendum to the JFUOCO ground lease agreement which would allow for an expansion of the lease area to accommodate the construction of nine T-hangars. Discussion followed in which vehicle parking and the commencement date for the payment of rent was addressed. Commissioner Croker moved to approve the addendum; seconded by Commissioner Morris. Unanimously carried.

Staff/Committee Reports

Director Theberge provided the following reports:

- 1) January enplanements, air freight, and aircraft operations - He noted that Mesa Airlines is eliminating their 50-seat Dash 8 aircraft service and replacing it with Dash 8-200's which seat 37 passengers.

- 2) Updated flight schedule
- 3) Air 21 flight schedule & rates
- 4) Radar Task Force - He provided an update on a meeting held with Denver Center Air Traffic Control. Commissioner O'Boyle also noted that discussions have been held with the General Accounting Office regarding contacting AOPA and changing the focus from "crunching numbers" to lobbying politicians.

New Business

There were no public comments.

Chairman Crouch presented a response to a letter of concern received from Mr. Gary Vanderwood regarding the terminal building. The status of the repair of the cracked floor tiles was discussed.

Chairman Crouch passed out a letter from consultant Mike Sutherland regarding the feasibility study for the commercial development project. Discussion was held regarding working with the tenants to help them understand that landside commercial development will help reduce their rates. Chairman Crouch recommended that the request for qualifications for the development be re-visited at the next Board meeting. Commissioner O'Boyle suggested that agencies such as the MCEDC, the Downtown Development Authority, the Horizon Drive hotel operators, the Chamber of Commerce, the Visitors & Convention Bureau, planners from both the City and the County, and the commercial development task force members be invited to work with the Authority to coordinate the project with other developments in the community.

Chairman Crouch reminded the Board of a memo which he had drafted regarding the establishment of various committees. Discussion followed. It was agreed that a personnel committee should be established on an on-going basis to follow up on Mr. Theberge's performance evaluation and other personnel matters. Commissioner Morris was appointed to lead this committee.

Commissioner Croker announced that he no longer wished to serve on the attorney selection committee. Commissioner Jokerst was appointed to replace him as chairman. Commissioner O'Boyle was appointed to replace Judith Humphries.

Director Theberge was asked to provide an update on the Bureau of Land Management lease negotiations. He stated that the negotiations are on-going and that BLM is talking with Rust Geotech about acquiring their leased parcel.

Chairman Crouch suggested enlisting the services of a conflict mediator to assist the Authority in recovering from some of the recent trials it has undergone. Commissioner

O'Boyle stated that he would prefer to keep this matter "in-house" as discussed at the November Board Retreat. After discussion, it was agreed that if an outside mediator was to be brought in, Mark Achen of the City of Grand Junction would be preferred.

Director Theberge updated the Board on the following:

- 1) The bid process for the Taxiway 'A' crack seal & fog seal project is commencing.
- 2) Runway 11/29 will be closed beginning April 15th for the runway rehabilitation project.
- 3) Air 21 will be bringing one of their aircraft to Grand Junction on Saturday, February 24th. The Board was invited to view it.
- 4) The roadway sign project is proceeding. The posts are done, and installation will begin next week.
- 5) Staff is working with Morgan Community College on an agreement to lease an area in the old terminal parking lot for their truck driving school.
- 6) With the arrival of Air 21, a new wall will be installed in the boarding area to make the unscreened boarding room part of the screened area again. The estimated cost will be \$1,600. When asked if this was included in the 1996 budget, Director Theberge stated that it will be paid for out of the maintenance expense budget. Commissioner O'Boyle moved that the Authority pay for a "temporary" wall for up to \$1,600 and that discussions be held with the airlines regarding who will pay for a "permanent" wall if necessary; seconded by Commissioner Morris. Unanimously carried.

Executive Session

At 7:48 p.m., Commissioner Croker moved that the Board to go into executive session to discuss the status of litigation; seconded by Commissioner O'Boyle. Unanimously carried.

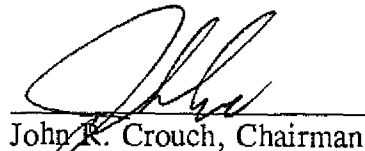
At approximately 8:30 p.m., Commissioner O'Boyle moved that the Board come out of executive session; seconded by Commissioner Theobald. Unanimously carried. The meeting was adjourned.

ADOPTED AND PASSED THIS 19th DAY OF MARCH, 1996.

ATTEST:



Corinne C. Nystrom, Clerk


John R. Crouch, Chairman