

Walker Field Airport Authority

Minutes of the Regular Board Meeting

June 17, 1997

BOARD COMMISSIONERS PRESENT: Robert McCormick Martin O'Boyle
 Miles McCormack Jim Richards
 David Graham Gary Morris

One Board position currently vacant.

AIRPORT STAFF PRESENT: Corinne Nystrom Dennis Wiss
 Ted Balbier John Thomas

ALSO PRESENT: Ron Rouse of Colorado Air Lines; Joseph V. Marie of Mesa Airlines; Diane Gibson of West Star Aviation; Garry Angel and Steve Patterson of Retriever Air Freight; Roger Fischer of Timberline Aviation; Herman Allmaras of Plane Storage.

I. CALL TO ORDER

Chairman McCormick called the meeting to order at 5:19 p.m..

II. APPROVAL OF AGENDA

At the request of Manager Nystrom, Item A: Minutes: May 20, 1997 Regular Board Meeting was removed from the Consent agenda and placed on the Action Item agenda; Item B: Amendment to United Companies of Mesa County, Inc. and Luxury Wheels O.E. Plating, Inc. Lease Agreement and Item C: Rocky Mountain Hangar, Inc. Lease Agreement were deleted from the agenda because Airport Staff is waiting to hear back from the respective tenants; Item D; Amendment to Steve Patterson Enterprises, Inc. d/b/a Retriever Air Freight Services Lease Agreement was removed from the Consent agenda and placed on the Action Item agenda; Item E: Amendment to Timberline Ground Services L.L.C. Lease Agreement was removed from the Consent agenda and placed on the Action Item agenda. At the request of the Board Item F: Employee Assistance Program Agreement with Lincoln Park Osteopathic Hospital d/b/a Community Hospital was removed from the Consent agenda and placed on the Action Item agenda; Item I: Authorization to Advertise for Construction Bids for 1997 Colorado Division of Aeronautics Grant Project was removed from the Consent agenda and placed on the Action Item agenda; Item J: Contract with Younge and Hockensmith, P.C. for Legal Services was deleted from the agenda.

III. PUBLIC COMMENTS AND COMMUNICATIONS

- A. Chairman McCormick informed the Board about a breakfast meeting with the City Council and the County Commissioners on August 13, 1997. A presentation from the Board will be put together prior to the meeting.
- B. Commissioner O'Boyle informed the Board of comments from the Walker Field control tower employees related to Walker Field approach control being handled at Denver. Comments were related as to the problems being experienced with the transmission lines from the radar site to the Denver approach control and the relative costs associated with the repair of the lines.

IV. CONSENT AGENDA

- A. Addendum to Isbill Associates Division of Raytheon Infrastructure, Inc. Contract for AIP 16 Engineering Services

Isbill Associates provides engineering services to the Walker Field Airport Authority from a basic contract. The costs for additional engineering services are determined on a case by case basis. Staff attached a copy of the proposed amendment No. One to the basic contract with Isbill which outlined the estimated costs of providing engineering services for the AIP-16 project. The estimated cost was \$130,314.

- B. Authorization to Advertise for Construction Bids for AIP-16 Project to Rehabilitate Runway 4/22 and to Install PAPI'S on Runway 11 and 4

Runway 4/22 is scheduled in the FAA/WFAA Capital Improvement Project list to be rehabilitated in 1997. The rehabilitation will include a nominal amount of roto-milling of the existing top surface and then an overlay with dense graded asphalt. Each of the four connector taxiways will also receive roto-milling and overlay. In addition to the resurfacing, Precision Approach Path Indicator (PAPI) lights will be installed on runways 4 and 11. This project will be paid for with 90% FAA funds and 10% Passenger Facility Charge funds. The total amount of available funds is \$824,000 including engineering fees. Isbill Associates has indicated that this project design is complete and is ready to be put out for bid with a completion date in the late summer or early fall.

Commissioner Graham moved to approve the Consent Agenda; Commissioner Richards seconded. Roll call: all ayes. Motion carried.

V. FINANCIAL REPORT:

A. APRIL, 1997 FINANCIAL STATEMENTS

Manager Nystrom highlighted the financial statements for April 1997. She noted a positive cash flow for April due to keeping expenditures down and the fact that the Authority received a check from the BLM for \$150,000 for their 20 year Lease Agreement. Staff is in process of investing that amount and will amortize it over the term of the lease. Revenues are coming in very well. Airline revenue is strong at 10% over budget, 25% over last year. Rental cars are strong, up 8% over last year. The parking lot is still struggling and staff visited with the parking lot Manager. He is attributing the lower figures to fewer people utilizing the lot. Staff is going to monitor this for the next few months and talk to Republic to see if they can determine any cause for the decrease. Income of total revenues is 1.8% over budget and 10½ % year-to-date over 1996 revenues through April. Operating expenses are 14% under budget and 15% under 1996 through April. Income to retained earning well exceeds what was budgeted. Manager Nystrom noted concern over the costs

of the litigation for the Runway 11/29 project. Thus far the Authority has experienced a cash outlay of over \$46,000 for the Attorney fees, testing fees and so forth. This month the Authority started writing checks on our portion of the repair. Discussion followed.

Commissioner Graham moved to acknowledge receipt of the April, 1997 Financial Statements; Commissioner O'Boyle seconded. Roll call: all ayes. Motion carried.

B. MAVERICK AIRWAYS NOTICE OF DEFAULT

Manager Nystrom explained a letter sent to Maverick Airways relative to the suspension of service to Walker Field as well as a notice of default, as Maverick has become 90 days delinquent in their rent payment. The current Use and Lease Agreement provides for a security deposit of \$7060.84 which Maverick has provided. The agreement stipulates that the Authority can utilize these funds towards payment on delinquent accounts. The letter to Maverick gave them until today, June 17, 1997 to bring their accounts current. Maverick has not responded to that request; therefore Staff is recommending to the Board that contingent upon legal counsel's concurrence, the \$7060.84 deposit be pulled and applied to their delinquent accounts and a notice be sent to Maverick stating that unless their accounts are brought current and a new security deposit provided within 30 days, their Use and Lease Agreement with the Authority will be terminated. Discussion followed.

Commissioner Richards moved that contingent upon our legal counsel's concurrence, the \$7060.84 deposit be pulled and applied to Mavericks delinquent accounts and a notice be sent to Maverick stating that unless their accounts are brought current and a new security deposit provided within 30 days, their Use and Lease Agreement with the Authority will be terminated; Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

VI. ACTION ITEMS:

A. WFAA Master Plan Update

Chairman McCormick stated that the Authority had a work session on June 3rd on the master plan where representatives from Coffman and Associates and the FAA were present. Since that time, the Authority has had some press coverage on it to notify people the Board would be considering this plan at its next regular Board meeting. The Authority had a meeting on June 9th to which airport tenants, City Council, County Commissioners and other interested people were invited. Manager Nystrom stated that other than the ones noted by Commissioner McCormack on directional changes (and we will contact Coffman on those), the only comment made at the June 9th meeting was from City Councilman Mike Sutherland, re: when apprised of the Board's preference to make less specific the designation of the properties out on H Road, he stated that it was his opinion that the City Council would be pleased to hear that. There were no other changes requested. Discussion followed.

Commissioner Graham moved to adopt and approve the Master Plan as modified as an advisory document; Commissioner Richards seconded. Roll call: all ayes. Motion carried.

B. First Option to Lease Policy Statement

John Thomas handed out a revised First Option to Lease Policy Statement. Commissioner Graham questioned the meaning of the 50% lease rate structure. Manager Nystrom discussed the length of time provision in the policy statement and how it had been based on a discussion that was initiated by the FAA relative to Lessee's coming in and leasing parcels and not developing the land in order to keep the competition out. Commissioner McCormack requested clarification on the development times and for the length of time to be extended to 18 months after the lease option is exercised to fully develop the property and obtain a certificate of occupancy. Commissioner Richards requested that due diligence language be added into the wording of the development clause. A rewrite of the policy will be obtained through discussions with the airport's legal counsel to include suggested changes from this Board meeting. Those changes include: 12 month limit on lease option to exercise; 50% of the yearly lease rate broken out monthly and paid monthly; if option is exercised anytime during the 12 months, Lessee will have 18 months to complete development of the parcel; if unable to fully develop during the 18 months, the Lessee can petition the Board for an extension with the Board having no legal responsibility to grant the extension; at the time the option is granted the lease rate goes to 100% of the normal yearly lease rate; an option would only be available to existing tenants, a revision of the "current and future leases" portion of paragraph 1 so that new lessee's would not be able to request an option without first having an existing lease in place. A new draft of the policy statement will be presented at the regular July Board meeting for consideration.

No vote or action was taken on this agenda item.

C. Minutes: May 20, 1997 Regular Board Meeting

Chairman McCormick requested a redraft of the minutes to reflect exact verbiage of conversation at May meeting concerning the Airport Manager Annual Evaluation. A redraft was handed out to each Board member. Commissioner Graham requested changing the minutes regarding the letter from the City Council extending Commissioner Graham's term to May 1998.

Commissioner Graham moved to approve the minutes as redrafted; Commissioner Richards seconded. Roll call: 5 ayes; Commissioner Morris abstained - not present at May 20, 1997 regular Board meeting. Motion carried.

D. Amendment to Steve Patterson Enterprises, Inc. d/b/a Retriever Air Freight Services Lease Agreement

John Thomas detailed previous discussions and correspondence between WFAA and Retriever Air Freight (RAF) regarding the move from the 3rd ATO and the options presented to RAF. It was noted that RAF was requested to provide receipts for the construction improvements in the 4th ATO prior to the Board meeting. Manager Nystrom stated that RAF had not provided WFAA with the necessary invoice totals to include into the Lease Addendum. Ted Balbier stated that RAF had just handed him the receipts for the construction and that they would need to be reviewed before they could be incorporated into the Lease Addendum. Mr. Balbier briefly reviewed the invoices provided by RAF and stated that it looked as though WFAA totals were approximately \$3025.00. The previously approved totals for the project were \$3900.00 and were approved by the Board at the last two regular Board meetings. Mr. Thomas also pointed out correspondence sent to RAF concerning a move deadline that was sent certified with return

receipt and was refused. Commissioner Richards questioned if WFAA staff and RAF were at an impasse with the move to the 4th ATO and can we proceed with mutual diligence to finalize the move and associated costs. Garry Angel of RAF apologized for the tardiness of the invoices but due to scheduling conflicts with contractors and the inspectors the invoices were just now made available. Manager Nystrom discussed with the Board that now that the invoices are available, Staff will review them and include the numbers into the addendum; however WFAA still does not have a signed amendment from RAF. Mr. Patterson of RAF stated that he had just received the amendment. He requested more time to review it. He stated that it appeared that there were no problems and that it shouldn't be a problem signing it.

Commissioner McCormack moved to approve the lease with the limit of \$3900.00 for Walker Field's portion of the improvements to the 4th ATO, provided that Mr. Steve Patterson signs the lease addendum; Commissioner Richards seconded. Roll call: all ayes. Motion carried.

E. Amendment to Timberline Ground Services L.L.C. Lease Agreement

Ted Balbier handed out a letter from Roger Fischer of Timberline Ground Services L.L.C. Manager Nystrom pointed out three issues that need to be addressed; the amount of time that may or may not be set for Timberline to develop, the request by Timberline to reduce the amount of their first right of refusal to 5½ acres and the settlement of the drainage issue. Manager Nystrom explained the original two issues on the lease addendum: the first right of refusal parcel which was initially 12.2 acres plus an additional part of the premises that Timberline constructed a parking lot on that was not initially included in Timberline's leased premises. John Thomas explained discussions with the FAA regarding their view on the timeline for development. Manager Nystrom requested thoughts from the Board on reducing the first right of refusal down to 5½ acres, the resolution to the drainage problem, and the Boards feelings on the timeline for development issue. Chairman McCormick questioned if any engineering work had been done or cost estimates completed on the drainage issue. Mr. Fischer explained that the reason for the reduction of the acreage was due in large part to the fact that the cost to fill and hard surface the entire parcel was approximately \$1.3 million and Timberline is not prepared to invest that large of an sum of money. Discussion took place on resolving the drainage issue and the costs associated with this.

Commissioner Morris moved to defer Timberline's request on the addition of 5.5 acres until an engineering hydraulic study is conducted by Isbill Associates for the area defined between the Mesa hangar and Timberline from the taxiway to Landing View Lane, not to exceed \$10,000 for the study; Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

F. Employee Assistance Program Agreement with Lincoln Park Osteopathic Hospital d/b/a Community Hospital

Commissioner Graham questioned staff as to whether this program has been offered to the entire staff and has it been offered gratuitously or offered for a fee. Manager Nystrom stated that it was a gratuitous offer and part of the fringe benefits package. Commissioner Graham questioned the use of the program and its effectiveness. Manager Nystrom stated that some employees have used the program voluntarily and some have been referred by supervisors. Staff has also utilized the program for training on the ARFF scenarios. Manager Nystrom asserted that the program has been beneficial to the airport and its employees. Commissioner Graham questioned the confidentiality provisions of the contract and if there had ever been any disputes with the firm and Walker Field over this issue as it relates to a supervisor wanting to know more about an employee and not being able to gain that information based on the confidentiality clause of the contract. Manager Nystrom stated that staff has not run across any issues

pertaining to that. The EAP can confirm that the person referred by supervisors has indeed attended the program but will not disclose what the outcome of their attendance was.

Commissioner Graham moved to authorize Staff to enter into the EAP program with Community Hospital as submitted and to authorize the Chairman to sign the document on behalf of the Authority; Commissioner O'Boyle seconded. Roll call: all ayes. Motion carried.

G. Authorization to Advertise for Construction Bids for 1997 Colorado Division of Aeronautics Grant Project

Commissioner McCormack questioned the time sensitiveness of this issue. Manager Nystrom stated that it was a time sensitive issue. Commissioner McCormack questioned why we were installing fences south of the 4/22 hangar area instead of in the area of the hangars, namely the line between Hangar One and Colorado Skunkworks hangar. Manager Nystrom explained the reason we did not include those areas was because the other Lessee's in that area have already incurred costs associated with the construction of six foot fence on their property boundaries and that it would be unfair to those tenants for the Authority to construct and pay for a fence for the remaining tenants in the area. Dennis Wiss brought out the plans for the project for Commissioner McCormack.

Commissioner O'Boyle moved to authorize Staff and Isbill Associates to proceed with the advertising for construction bids for the 1997 Colorado Division of Aeronautics Grant Project; Commissioner Graham seconded. Roll call: all ayes. Motion carried.

H. 1997 Capital Improvement Projects Budget

Manager Nystrom explained the 1997 budget process in which the Staff proposed phasing in the capital projects in stages. The Board had initially approved capital expenditures of \$75,201 beginning January 1, 1997. In July, Staff intended to provide the Board with an update on how the finances were going and perhaps present additional proposed expenditures at that time, which the staff has done. Manager Nystrom explained the CIP Budget revised list that was handed out to the Board and the cutbacks that have taken place due to anticipated expenditures associated with the runway litigation. Manager Nystrom explained the revised request for July additional funds for capital items of \$ 4050.00 for completion of the irrigation drip line system, an airpack for ARFF, and an upgrade of the accounting software used by Staff.

Commissioner Richards moved to authorize the expenditure of \$4050 of additional funds for the revised capital projects list items; Commissioner Graham seconded. Roll call: all ayes. Motion carried.

VII. DISCUSSION ITEMS:

A. July Planning Workshop

Chairman McCormick described issues that need to be scheduled for the July 1, 1997 Board workshops. The items in need of discussion were:

1. Security deposit requirements for tenants and what is currently being paid.
2. Planning for uses of the WFAA hangar currently being leased by Larry Kempton

B. Staffing Pattern Assessment (Executive Session)