

# Walker Field Airport Authority

---

## Minutes of the Regular Board Meeting

August 19, 1997

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

**AIRPORT STAFF PRESENT:** Corinne Nystrom                      Dennis Wiss  
Ted Balbier                      Dan Reynolds  
David Anderson

**ALSO PRESENT:** Ron Rouse of Colorado Airlines, Beverly Johnston of the American Cancer Society, Betty Mason of Assist, Angela Sidwell of Larry Cobb and Associates, Diane Gibson of West Star Aviation, Louis Buescher of Buescher Family Limited Partnership- West Star Aviation, John Worthington and Marcella Worthington of Alpine Air, Ann Landman of the American Lung Association, and Steve Robertson of Skys Restaurant.

### I. CALL TO ORDER

Chairman McCormick called the meeting to order at 5:21pm.

### II. APPROVAL OF AGENDA

Chairman McCormick asked for additions or changes to the published agenda. Manager Nystrom requested Consent Item E "Agreement with Harry Griff, Esq. To Provide Supplemental Legal Services for Runway 11/29 Litigation" be moved to Action Item E. Commissioner Graham requested Consent Item C "Amendment to Isbill Associates Contract for AIP-16 Project Schedule IV - Grooving for Runway 4/22" be moved to Action Item F. Agenda was amended.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

- A. Chairman McCormick commended the Board and Manager Nystrom for attending the Grand Junction City/Mesa County Breakfast by stating their attendance was beneficial to the Airport in its public relations with other governmental entities.
- B. Manager Nystrom introduced two new members of the Airport Authority Staff--Dan Reynolds will coordinate large projects and grant programs, and David Anderson will assist with human resources and finance.

#### IV. CONSENT AGENDA

A. Minutes: July 15, 1997 Regular Board Meeting

B. Minutes: August 5, 1997 Special Board Meeting

C. Amendment to Isbill Associates Contract for Improvements to 4/22 General Aviation Area

The Board was presented with Amendment #3 to the Isbill Associates contract. Amendment #3 includes engineering services costs for the CDAG project to construct improvements in the 4/22 general aviation lease area. The total cost for these services will not exceed \$20,485. Funding for this project will come from the State grant and the WFAA match already approved in the 1997 budget. Staff recommended the Board approve Amendment #3 for CDAG Project No. 97-32-6/4 contingent upon the State of Colorado Division of Aeronautics' concurrence.

D. Rocky Mountain Hangar, Inc. Use and Lease Agreement

Rocky Mountain Hangar, Inc., which owns the hangar utilized by the CAF is currently under the old rate structure, in place at the time of the signing (July, 1989) of their existing Ground Lease Agreement. A new Ground Lease Agreement addressing a clarification on the size of the leased premises, incorporating the current ground lease rates for the 4/22 area, and current leasing practices in place with the other tenants in the 4/22 general aviation (GA) area was delivered to Attorney Jerry Feather, legal counsel for Rocky Mountain Hangar on June 11, 1997.

The contract is based upon the boiler plate contract utilized for leases in the 4/22 GA area. At the August 9, 1997 regular meeting of the CAF, this Lease Agreement was discussed with the members of the CAF. The members requested the variance on the security deposit requirement to reduce the amount of the deposit from a 4-month rent requirement down to a 2-month rent requirement which exists in the current Rocky Mountain Hangar, Inc. Agreement. This variance was previously approved by the Board when the Plane Storage Lease Agreement was re-negotiated last year under similar circumstances. The proposed new Lease Agreement includes this variance. All other articles and provisions remain the same as other tenants in the 4/22 GA area.

Staff recommended approval of the Lease Agreement with Rocky Mountain Hangar, Inc. with the caveat that in so doing, the Board is not setting a new security deposit policy, but is carrying over an old provision from the previous contract with Rocky Mountain Hangar. Staff also requested that the Chairman be authorized to sign the agreement on behalf of the Authority.

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

The Board was presented with a Lease Agreement Amendment drafted by Authority Attorney Briggs which addressed a parcel of land east of the current Timberline facility that Timberline Ground Services has been utilizing as a catch pond basin area for storm water drainage, and an area south of the existing leasehold which has been improved and is being utilized as a parking area. The Amendment would increase the leasehold to approximately 5.656 acres in total area. This Amendment incorporates a portion of the parcel east of the leasehold area which Timberline has been discussing exercising their first option on. However, this Amendment does not address the remaining 12 acres (approximately) still remaining to the east. This Amendment does not fall under the guidelines set in the First Option to Lease Policy Statement approved by the Walker Field Airport Authority Board on July 15, 1997.

Staff recommended approval of the Lease Agreement Amendment in light of the fact Timberline has already constructed improvements on, and is using, the ground described in the Amendment. Staff also recommended the Chairman be authorized to sign the agreement on behalf of the Authority.

**F. Installation of Remote Radio Transmitter for Southwest Airlines**

A Hold Harmless License Agreement which would allow Southwest Airlines to install a radio receiver/transmitter at the Airport was presented to the Board. In July 1997, representatives from Aeronautical Communications Group, Inc. approached the Authority to inquire about installing a radio receiver/transmitter on the Airport for use by Southwest Airlines. The radio system would be used to transmit messages to in-flight aircraft as they pass over Grand Junction. Southwest would not be establishing a presence at the Airport.

A suitable location for the radio equipment was identified in the 3<sup>rd</sup> floor stairwell. This location would not interfere with the Airport's repeater in this stairwell, and the Authority is given assurances in the License Agreement the radio system will not interfere with any of the existing radio systems at the Airport.

Southwest would pay the Airport \$50 per month (\$600 per year) for the use of this location. This is a two-year agreement with provisions to renew after the second year. ACG/Southwest would also be responsible for all installation and maintenance costs to include the installation of a telephone line. A standard Hold Harmless License Agreement was used in lieu of a lease as it was not felt necessary to enter into a lease for what is essentially a very small piece of equipment that is to be installed in a space that otherwise would not be available for rent. This is essentially identical to an Agreement that was entered into between the Airport and Emery Air Freight in January, 1997, for the installation of an Emery radio receiver on Airport premises.

The actual payment of rent would not commence until September 1, 1997 or later, depending on when Southwest returns the Hold Harmless Agreement and installs the equipment. ACG/Southwest have not installed their equipment at this time, although they plan on installation in the next few weeks. Staff recommended approval of the License and requested authorization to proceed with the installation of the equipment.

**G. Davis Aircraft Sales, Inc. Sublease Agreement**

The Board was presented with a request to approve the sublease agreement between Davis Aircraft Sales, Inc. and West Star Aviation. The sublease between Davis and West Star is for office space located in the building directly west of the main office complex of West Star. The agreement is a new agreement, and all provisions appear to be similar to agreements between West Star Aviation and their other sublessees. Per Authority policy, West Star is required to obtain Authority approval on all subleases it enters into. Staff recommended approval of the sublease agreement and requested the Chairman be authorized to sign the agreement on behalf of the Authority.

**H. Appointment of David Anderson as Clerk to the Board**

The Administrative Assistant position previously held by Susan Stokes was filled effective August 19, 1997 by David Anderson. Because this position has historically included the performance of the duties of Clerk to the Board, Staff requested the Board appoint David Anderson to perform these duties.

Commissioner Richards moved to adopt the Consent Agenda. There was no second to the motion. Commissioner McCormack motioned to correct the Board minutes of July 15, 1997 by changing Discussion Item B's reference of Confederate Air Force to Rocky Mountain Hangar, Inc., and moved to adopt the Consent Agenda as amended. Commissioner O'Boyle seconded the motion. Roll call: Commissioner Graham abstained from Consent Item A because he was not present at the July 15, 1997 Board Meeting; all ayes from non-abstaining commissioners. Motion carried.

## V. FINANCIAL REPORT

### A. June, 1997 Financial Statements/Accounts Receivable Report

Manager Nystrom highlighted the financial statements for June 1997. She commented June was a good month. The invoices pertaining to Rwy 11/29 rehabilitation (AIP-16) have tapered off—most of the project is closed. Airline revenues are quite good considering the pullout of Mountain Air Express, and are 7% higher than budgeted (ytd). Air freight is also higher than budgeted. Rental car and terminal concessionaires are a little under budget.

Although the revenues are a little under budget overall (2% under), the Authority is holding steady because operations expenses are 9% under budget for 1997, and 18% under 1996 figures. The revenue has been level, but the expenses are decreasing. Additionally, Income to Retained Earnings is doing well. For Rwy 11/29 repair expenditures, only \$95,00 from reserves has been spent. The Board had originally approved up to \$200,000.

Manager Nystrom commented West Star Aviation's military fuel flowage revenues are down. West Star lost traffic because of runway problems last year, but is hoping the air show will help to increase the military operations. Louis Buescher of West Star also reported many pilots are refueling at military bases instead of at West Star because of lower on-base rates which are up to \$.24/gallon less than at West Star.

Commissioner Graham moved to receive the Financial Report as presented; Commissioner O'Boyle seconded. Roll call: all ayes. Motion carried.

Manager Nystrom discussed Maverick's account with the Board. The Authority has applied Maverick's security deposit to Maverick's account. Maverick has reported that they are in the process of being bought-out. The possible new owners are committing funds to the airline, and they requested a breakdown of the accounts for which they still owe the Authority. They have agreed to pay all outstanding amounts owed to the Authority after receipt of the account information.

### B. Mountain Air Express Use and Lease Agreement Termination

On July 28, 1997 Staff received a letter from Jeffrey W. Kelly, Manager of Properties for Mountain Air Express, notifying the Authority of MAX's intent to terminate its Use and Lease Agreement with the Authority. Its intent to terminate does not conform to the terms of the Agreement wherein MAX is required to provide the Authority with a 120-day notice prior to termination. Mountain Air Express (MAX) requested the Board waive its 120-day notice requirement to terminate its Use and Lease Agreement. The requested effective date of termination was August 15, 1997. Staff responded with a letter to MAX dated that same day. Subsequently, telephone discussions with Mr. Kelly have been held regarding outstanding balances still owed to the Authority.

On August 12, Staff sent another letter to Mr. Kelly to inform him of the amounts still owed through August while also taking into consideration a check which was received for \$3,923.87, as well as outstanding passenger facility charges (PFCs) which were paid by Western Pacific Airlines for April, May, and June.

Currently, MAX still owes the Authority \$8,356.59 for rent, landing fees, and security access charges in addition to approximately \$750.44 for July PFCs. The amount of MAX's security deposit is \$8,400.00. Staff recommended the Board waive the 120-day notice of termination requirement with the contingency all amounts owed the Authority are paid by MAX prior to waiver and release of the security deposit.

Commissioner Richards moved to terminate MAX's lease agreement retroactive to August 15, 1997 and to keep MAX's security deposit, subject to the recent check of \$3,923.87 clearing, and the payment by MAX of all PFCs owed to the Authority. Commissioner Gillett seconded the motion. Roll call: all ayes. Motion carried.

## VI. ACTION ITEMS

### A. Resolution 1997-007: AIP-16 Grant Agreement

Staff requested the Board approve AIP No. 3-08-0027-16 as submitted and that the Chairman be authorized to sign the Agreement on behalf of the Authority. The Authority applied to the FAA for an Airport Improvement Project grant to rehabilitate and overlay Rwy 4/22, and install precision approach path indicators (PAPIs) on runways 11 and 4. By offering the grant, the FAA has agreed to fund 90% of the project including construction, engineering, design, and contract administration.

Manager Nystrom stated the primary source of the funding would be from WFAA's 1997 entitlements in the amount of \$716,069. Since the total portion of the FAA's offer equals \$733,600, it would be necessary to fund the balance of \$17,531 with either 1998 discretionary funds or entitlement funds which the FAA has agreed to pursue. The remaining 10% of the project would be funded with FAA approved passenger facility charges (PFCs) which the Authority has already collected.

Because the Authority does not have taxing authority, it is necessary for a grant agreement such as this to also be approved by the City of Grand Junction and Mesa County. Staff has already requested the Grant Agreement be placed on the City Council's agenda on September 3 and the Board of County Commissioners agenda on September 8. Attorney Briggs has already reviewed and approved the Grant from a legal standpoint. He would also be required to sign the Agreement.

Commissioner Gillett moved to approve the Grant Agreement for AIP No. 3-08-0027-16 as submitted, and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner Graham seconded. Roll call: all ayes. Motion carried.

### B. Terminal Smoking Policy

Director of Operations Wiss presented results to the Board of a request to obtain information, including costs, of "smoke eaters" or similar air filtration systems for the restaurant and lounge area for review purposes. Four proposals had been returned from various companies. Because of the difficulty of installing additional venting which would exhaust smoke and odors directly outside, proposals were requested for "smoke eaters" in lieu of direct venting systems.

In light of the responses received from the tenant smoking survey, unsolicited letters from the public received, and what is known about second-hand smoke and its dangers, Staff recommended the Board adopt a no-smoking policy throughout the public, non-leased portions of the terminal building, while allowing the tenants, including the restaurant, to determine their own smoking policies within their respective leaseholds. Tenants would be responsible for any incurred costs of preventing smoke from permeating into public, non-leased areas. Additionally, Staff recommended the Board consider allocating funds in the 1998 budget for one smoking room in the terminal building. Director of Operations Wiss commented The City of Grand Junction does not allow smoking in any of the City-owned buildings, and Mesa County does not allow smoking in any of its buildings or vehicles.

Board discussion ensued as to the effectiveness of "smoke eaters" used by local businesses. Additionally, the possibility of establishing a smoking room or rooms was entertained. The estimated cost for two rooms was calculated to be \$20,000. The Board decided there was enough time to implement a smoking policy and review the effectiveness of the policy prior to deciding whether to allocate money in the 1998 budget for a smoking room or rooms.

Commissioner Graham moved that the Airport Authority adopt a no-smoking policy throughout the public non-leased portions of the terminal building while allowing the tenants, including the restaurant, to determine their own smoking policies within their respective leaseholds, and further moved that if tenants allow smoking in their leasehold areas, they shall be obligated to ensure that smoke from their leased premises does not permeate into the public areas, and that any costs for preventing the smoke from permeating into the public, non-leasehold areas would be at the tenant's expense. Commissioner Graham further moved that in the event a non-smoking tenant occupies an ATO with a smoking tenant, such that if a smoking tenant wishes to continue to smoke and the non-smoking tenant objects, the smoking tenant will be responsible for ensuring that the non-smoking tenant is not subjected to second-hand smoke from the smoking tenant areas, and that any system or equipment installed would have to be approved by the Airport prior to installation. Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

The Board continued to discuss the feasibility of establishing smoking rooms, and asked Staff to perform a cost analysis on the establishment and maintenance of such locations. Staff asked the Board for direction in the implementation of the new policy. Board stated if a tenant is out of compliance, Staff will notify the tenant corrective measures must be taken. Due diligence by the tenant will be the standard. The Board will then review the situation to ensure due diligence. Additionally, because the smoking policy had been adopted, Staff was requested to enforce the new policy effective immediately.

Commissioner O'Boyle moved to discuss the feasibility of smoking rooms during the 1998 Budget Preparation Meeting. Commissioner Richards seconded. Roll call: all ayes. Motion carried.

#### **C. Resolution 1997-008: Airline Security Deposit Policy**

Staff presented the Board with a draft of a security deposit policy for review. At the July 15, 1997 Board Meeting, Staff was directed to provide the Board with a draft of a security deposit policy for air carriers which would address the requests of the two incumbent air carriers to waive or reduce the deposit for air carriers serving the Airport for 5 years or longer, and which have remained current on all fees owed to the Authority. Manager Nystrom noted existing air carriers do not have the deposit requirement in their prior lease agreements.

The security deposit policy presented to the Board (Resolution 1997-008: Airline Security Deposit Policy) included language drafted by Authority Attorney Briggs addressing the security deposit requirement for air carriers serving the Airport under a Use and Land Agreement. Staff

recommended Board approval of the Resolution, and also requested the Chairman be authorized to sign the Resolution on behalf of the Authority.

Commissioner Graham moved to adopt Resolution 1997-008: "Airline Security Deposit Policy". Commissioner Gillett seconded. Roll call: all ayes. Motion carried.

**D. Strand Aviation Sublease Agreement**

Because of a potential conflict of interest, Commissioner O'Boyle abstained from all discussion of this Action Item. Staff presented the Board with a request for approval of a sublease by Strand Aviation from West Star Aviation. Strand Aviation currently subleases office space from West Star Aviation located in the building directly west of the main office complex of West Star. The agreement presented to the Board was a renewal of the existing agreement, and all provisions of the sublease appeared to be unchanged from the previous agreement.

Manager Nystrom noted that per Authority policy, West Star is required to obtain Authority approval on all subleases it enters into. Staff recommended approval of the sublease agreement, and also requested the Chairman be authorized to sign the agreement on behalf of the Authority.

Commissioner Richards moved to approve the sublease by Strand Aviation from West Star Aviation. Commissioner McCormack seconded. Roll call: all ayes. Commissioner O'Boyle abstained. Motion carried.

**E. Agreement with Harry Griff, Esq. To Provide Supplemental Legal Services for Runway 11/29 Litigation**

The Board reviewed an agreement drafted by Authority Attorney Briggs for supplemental legal services to be provided by Attorney Harry Griff. Lead counsel regarding the Runway 11/29 litigation is Byrum Lee of Denver. Attorney Griff has been provided with a copy of the agreement.

The agreement presented to the Board lists Attorneys' Fees at \$120/hour for attorneys and \$50/hour for paralegals. Attorney Griff requested minor changes, including a modification of the hourly fee for attorneys to \$125/hour. Previously, Attorney Griff had been compensated at \$115/hour, with no written agreement since 1986. Because the selection of legal services is a Board issue, Staff did not make a recommendation on this matter.

Commissioner O'Boyle moved to approve the written agreement for supplemental legal services between the Authority and Attorney Griff, with the modification of the agreement to reflect the attorney hourly rate at \$125. Commissioner Morris seconded. Roll call: Ayes- Commissioner Morris, Commissioner McCormick, and Commissioner O'Boyle; Opposed- Commissioner Graham and Commissioner Richards; Abstain- Commissioner Gillett and Commissioner McCormack. Three ayes, two opposed, and two abstained. Motion carried.

**F. Amendment to Isbill Associates Contract for AIP-16 Project Schedule IV- Grooving for Runway 4/22**

The Board was presented with Amendment #2 to Isbill Associates Contract IAI No. GJT 1992 for AIP Project 3-08-0027-16 for review. Amendment #2, if adopted, would supersede Amendment #1 which the Board had previously approved. Originally, the AIP-16 project consisted of three schedules: Runway 4/22 rehab and overlay, installation of a Precision Approach Path Indicator (PAPI) on Rwy 4, and installation of a PAPI on Rwy 11. Amendment #1 to Isbill Associates' underlying contract with the Authority which was approved by the Board

in June was based on that scope of work. Approximately one week prior to the scheduled bid opening, FAA contacted the Authority and requested that Rwy 4/22 be grooved. Due to this change, Isbill Associates engineering costs have increased for the project. Therefore, they submitted Amendment #2 to their contract for Authority Board approval.

The original contract amount approved by the Board was \$130,314. Amendment #2 increases the contract cost to \$138,973. The FAA has already approved this amendment for funding. Staff recommended the Board approve Amendment #2.

Commissioner McCormack moved to approve Amendment #2. Commissioner Richards seconded. Roll call: all ayes. Motion carried.

## VII. DISCUSSION ITEMS

### A. Accounts Receivable Policies and Procedures

As requested at the July Board Meeting, Staff presented a copy of the Receivable Collection Policy previously approved by the Board several years ago. At the July, 1997 Board Meeting, discussion was held regarding the accounts receivable policies and procedures currently in place. The Policy was most recently amended in May, 1995.

The Board discussed whether to tighten the receivable collections policy. Even with a tightened policy, the Board doubted the existing overdue accounts would have been prevented. Discussion ended with no recommendation for improving the existing collections policy. No action taken.

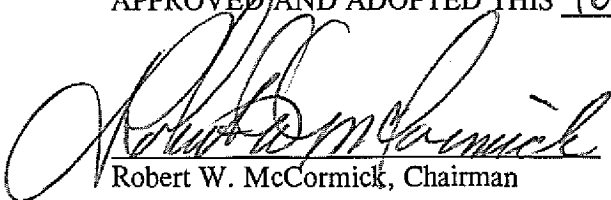
## VIII. OTHER ITEMS

No other items were brought before the Board at this time.

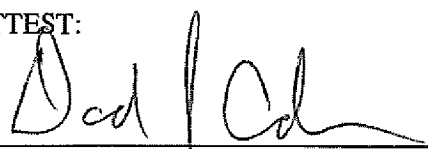
## IX. ADJOURNMENT

There being no further business to come before the Board, Commissioner Gillett moved to adjourn the meeting. Commissioner Graham seconded the motion. Unanimously carried. The meeting was adjourned at 8:07pm.

APPROVED AND ADOPTED THIS 16<sup>th</sup> DAY OF September, 1997.

  
Robert W. McCormick, Chairman

ATTEST:

  
David J. Anderson, Clerk