

# **Walker Field Airport Authority**

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## **Minutes of the Regular Board Meeting**

September 16, 1997

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

**AIRPORT STAFF PRESENT:**             Corinne Nystrom             David Anderson  
   John Thomas

**ALSO PRESENT:** Larry Gebhart of the Bureau of Land Management (BLM); Peg Wallace of Thunder Mountain Ground Services, Inc.; Betty Mason of Assist Alliance; Beverly Johnston of the American Cancer Society; J.J. Johnston of the Mesa County Economic Development Council (MCEDC); Mike Pramenko of St. Mary's Hospital; Sarah Laid Law of the American Heart Association; Harry Griff, Special Counsel for Walker Field Airport Authority; Rhonda Martin and Paul Briardy of Grand Valley National Bank; and Kent Pfeider of Colorado Skunkworks.

### **I. CALL TO ORDER**

Chairman McCormick called the meeting to order at 5:18pm.

### **II. APPROVAL OF AGENDA**

Chairman McCormick asked for additions or changes to the published agenda. Chairman McCormick requested September, October, November, and December planning issues be added to Discussion Items. There were no further requests for additions, deletions, or modifications to the agenda.

### **III. PUBLIC COMMENTS AND COMMUNICATIONS**

- A. Manager Nystrom noted Staff has received several letters in support of the Authority's new smoking policy, including: one letter from Substance Abuse Prevention Center; one letter from the American Lung Association; two letters from Community Hospital; and one letter from the American Cancer Society.
- B. Betty Mason of the Assist Alliance and Mike Pramenko of St. Mary's Hospital presented the Board with a "Good Citizen Award." Mr. Pramenko noted the Board addressed a very serious public health problem, and that tobacco use is the most preventable cause of death in the United States. Pramenko stated the Board's addressing the issue of smoking was very important to the community.

C. Kent Pfleider of Colorado Skunkworks brought several issues to the attention of the Board. First, with the upcoming property tax assessment on privately-owned improvements on airport property, he was concerned with the effects of the tax. Mr. Pfleider requested the Board take an active position against the tax because of the detrimental impact it will have on general aviation. Second, Mr. Pfleider complimented the Airport Authority for its part in the Air Show. However, he had two items of criticism—lack of traffic control officers resulting in gridlock from vehicles trying to exit the parking areas and the lack of opportunity for participation by certain tenants during the Air Show, specifically Timberline Aviation. Chairman McCormick asked Mr. Pfleider if he had voiced his concerns to the Air Show Committee prior to the Authority Board Meeting. Mr. Pfleider responded he had not. Peg Wallace of the Executive Board of the Air Show Committee addressed Pfleider's comments before the Board.

Chairman McCormick asked Mr. Pfleider if he had discussed the property tax issue with any of the other tenants. Pfleider said he had discussed this with several tenants, and currently the only assessment received has been on the Plane Storage property. Commissioner Graham recommended Pfleider draft a position letter regarding the tax signed by as many tenants as possible. Chairman McCormick asked Staff to contact Ron Teck of the County Assessor's Office to obtain current feedback from him regarding the status of the property tax.

#### IV. EXECUTIVE SESSION- RUNWAY LITIGATION

Commissioner McCormack moved to enter into executive session to receive an update on the Runway 11/29 litigation from Airport Counsel Byrum Lee. Commissioner Gillett seconded. Roll call: all ayes. Motion carried.

All Board members present during the regular Board meeting and Manager Nystrom entered into executive session at 5:34pm. An update on the runway litigation was provided by Attorney Lee via telephone conference call. Also present was Harry Griff.

Commissioner O'Boyle moved to exit executive session. Commissioner Morris seconded. Roll call: all ayes. Motion carried. The public meeting resumed at 6:24pm.

Commissioner Richards moved the Authority inform Isbill Associates that the Authority does not wish Western Colorado Testing to be the subcontractor for the upcoming Runway 4/22 Rehabilitation Project due to conflicts of interest created by the company being joined as an additional party in Runway 11/29 litigation. Commissioner Gillett seconded.

Commissioner Graham moved to amend Commissioner Richards' motion by adding the phrase "subject to the advice of counsel and in accordance with the recommended forms and procedures of counsel." Commissioner Morris seconded. Roll call for the amendment to the original Commissioner Richards motion: Ayes- Commissioners Graham, O'Boyle, Richards, Morris, and Chairman McCormick; Opposed- Commissioner Gillett; Abstain- Commissioner McCormack. Motion carried.

Following the carrying of the amendment to the original Commissioner Richards motion, the commissioners voted on the motion as amended by Commissioner Graham. Roll call: all ayes. Motion carried.

## V. BLM UPDATE

Larry Gebhart, BLM Project Manager, introduced himself and updated the Board on expansion plans for the Air Tanker Base located at Walker Field.

Drawings of the proposed expansion and upgrades were given to each of the Board members. The drawings reflected the existing facilities, and several phases of the proposed expansion project. Mr. Gebhart stated there are no guaranteed continuous funds for the project, thus he had assigned priorities to particular items. The top priorities include: expansion of the ramp; storage pad; and tank relocation. The expansion of the pad will begin within the next few weeks.

Commissioner Morris inquired as to the wastewater which is contained in the BLM containment pond. Mr. Gebhart noted the pond handles all types of wastewater, and the facility has its own EPA Stormwater Permit because the facility is self-contained. However, he stated he would work with Dennis Wiss, Director of Operations for the Authority, to address any stormwater issues.

Commissioner O'Boyle asked what role the Walker Field BLM Air Tanker Base plays within the United States. Mr. Gebhart commented the Grand Junction facility is situated in a prime location, and serves a radius of 500 miles. There is a temporary reloading base in Durango, but as to other facilities similar in size to the one in Grand Junction, the nearest facility is in California.

## VI. CONSENT AGENDA

### A. Minutes: August 19, 1997 Regular Board Meeting

### B. Minutes: September 8, 1997 Special Board Meeting

### C. Skywest Airlines, Inc. Lease Agreement

Staff recommended the Board approve a standard Use and Lease Agreement between Skywest Airlines, Inc. and Walker Field Airport Authority. Skywest requested to lease space located in the second ATO of the main terminal building. Skywest Airlines wanted to lease ½ of the second ATO ticket counter, which equates to 200 square feet, and two back offices, which equates to 445 square feet, on an exclusive use basis. Skywest Airlines also requested an inclusion of ½ of the bag room, and ½ of the hallway, which equates to 478.5 square feet on a shared use basis. Skywest Airlines would be leasing these spaces at the \$22.34 per square foot rate, which includes operations and maintenance. This square footage equates to a monthly ATO rent of \$2,091.58. The term of the lease would be through September 30, 2002.

The lease agreement contained the revised security deposit provision recently approved by the Airport Board, wherein after five (5) years of continuous service, the Airline can request from the Authority a refund of the security deposit in place, provided the airline has remained current and in good standing with the Authority. Staff recommended approval of the Agreement based upon Skywest's proven financial history with the Authority and its long-term commitment to serve the Grand Junction market.

### D. Mesa Airlines, Inc. Lease Agreement

Staff recommended the Board approve a standard Use and Lease Agreement between Mesa Airlines, Inc. and Walker Field Airport Authority. Mesa requested to lease space located in the first ATO of the main terminal building. Mesa Airlines wished to lease all of the first ATO space, which equates to 2,400 square feet, on an exclusive use basis. Mesa Airlines would

lease the space at the \$22.34 per square foot rate, which includes operations and maintenance. This square footage equates to a monthly ATO rent of \$4,468.00. The term of the lease would be through September 30, 2002.

The lease agreement contained the revised security deposit provision recently approved by the Airport Board, wherein after five (5) years of continuous service, the Airline can request from the Authority a refund of the security deposit in place, provided the airline has remained current and in good standing with the Authority. Staff recommended approval of the Agreement based upon Mesa's proven financial history with the Authority and its long-term commitment to serve the Grand Junction market.

**E. Bid Award to Grand Valley National Bank for ATM Concession in Terminal Building**

Staff presented the Board with a proposed Bid Award to Grand Valley National Bank (GVNB) for an ATM Concession. The proposed concession was for the placement, service, and maintenance of an automated teller machine (ATM) in the Terminal Building. GVNB was selected as the result of a bid process in which a Request for Proposals was published in the Daily Sentinel. Colorado National Bank, ATM International, Inc., and Alpine Bank also submitted bids.

In its proposal, GVNB wished to commit to a 50/50 split of net income, but it expects to lose money on the concession at this location. However, GVNB wishes to service its customers and the customers of the Airport. GVNB has requested a five year contract, in which it will commit to leaving the ATM in the Terminal Building, even if the concession loses money. The equipment utilized would be Interbold equipment. Walker Field Airport Authority would be responsible for providing electricity to the site, and GVNB would provide all other services to the ATM.

Staff recommended approval of the Bid Award to GVNB, and if approved, Authority Attorney Doug Briggs would draft the concession agreement.

Commissioner Richards moved to adopt the Consent Agenda. Commissioner O'Boyle seconded. Roll call: all ayes. Motion carried.

**VII. FINANCIAL REPORT- JULY, 1997 FINANCIAL STATEMENTS/ACCOUNTS RECEIVABLE REPORT**

Manager Nystrom highlighted the financial statements for July 1997. She noted the summer months are usually the strongest for revenues and expenditures. There was a reduction in unrestricted cash in July primarily because of the payments for the last portion of the repair of Runway 11/29. Manager Nystrom commented the trade payables have decreased, working capital has increased approximately \$400,000 over the same period last year, airline revenues are at a strong 7% above budget, and rental car concessions are 4% above budget. However, we are struggling with Republic Parking and terminal concession revenues. Additionally, general aviation and military fuel sales have decreased. Operating expenses compared to last year have decreased by 17%.

Chairman McCormick inquired of Staff as to the reduction in Grand Junction to Salt Lake City traffic. Manager Nystrom noted some of the passengers are now choosing to go through Denver and Phoenix. Additionally, Mesa is looking into the possibility of introducing Canadair Regional Jets on the route between Grand Junction and Phoenix.

Commissioner Graham moved to receive the Financial Report as presented. Commissioner McCormack seconded. Roll call: all ayes. Motion carried.

Staff updated the Board regarding Maverick Airways' overdue account. Administrative Assistant Anderson had contacted Maverick Airways and spoke with Virginia Stilwell, Accounts Payable, regarding the monies owed to the Authority. In his conversation with Ms. Stilwell, he received a statement from her that Maverick's assets had been frozen by its prospective purchasers pending the sale. Delinquency letters continue to be sent to Maverick.

## VI. ACTION ITEMS

### A. Capital Funding Request for Security Fencing on Aviators Way

Staff presented the Board with drawings, descriptions, and cost breakdowns regarding two options for installing chain link fencing along Aviators Way. Funding has been approved for the CDAG project to construct improvements to the 4/22 general aviation area. However, the State of Colorado did not wish to participate in the portion of the project which included chain link fencing along Aviators Way because the parcels directly adjacent to the proposed fencing are currently, or will in the future, generate revenue for the Authority which could be used to reimburse the Authority for the costs of the fencing.

Consequently, to clearly delineate the State-funded portion of the project from the Authority-funded portion of the project, Staff recommended the Board fund the fencing along Aviators Way in partnership with the affected tenants. The State-funded fencing would then commence just to the north of Taxiway C-1 and end approximately 25 feet to the south of the road that will be constructed to access the Fuoco hangar and the unleased property to the east of the hangar. The two Aviators Way fencing options were presented for Board consideration as a result of review and calculations of estimated costs by Isbill Associates:

Option 1 - Would include chain link fencing along Aviators Way that would commence at the west property line of the Plane Storage leasehold and go west to include the remainder of Aviators Way as far as the intersection with Heritage Way. It would then proceed south down Heritage Way and meet up with the fencing to be funded jointly by the State and the Authority.

Tenants who have agreed verbally to pay for their portions of the fencing are Tom Daly and United Companies/Luxury Wheels (Nesbitt). The Pfleiders have stated that they are not willing to participate.

The total estimated cost for this option is \$10,263.00. If Mr. Daly and United Companies/Luxury Wheels follow through on their verbal commitments to fund those portions affecting them, the total estimated cost to the Authority will be \$8,338.00. The Authority's portion may ultimately be reimbursed to the Authority by future lessees along Aviators Way.

Option 2 - Would include chain link fencing along Aviators Way that would commence at the west property line of the Plane Storage leasehold and go west as far as the west boundary of the access easement to the United Companies/Luxury Wheels (Nesbitt) property. On the west side of the access easement, 70 feet of barbed wire fence would then be constructed southward by Authority staff to meet up with the barbed wire fence that currently exists to the north of the Pfleider hangar.

The total estimated cost for this option would be \$5,695.00. If Mr. Daly and United Companies/Luxury Wheels follow through with their verbal commitments to fund those

portions affecting them, the total estimated cost to the Authority will be \$3,770.00. The Authority's portion may ultimately be reimbursed to the Authority by future lessees along the affected parcels.

Staff recommended Option 2 contingent upon Mr. Daly and United Companies/Luxury Wheels agreeing to pay for portions of the fencing which directly affects them. Should they not agree to this arrangement, then the Authority would only fence the unleased parcel which lies between the Plane Storage leasehold and the Daly leasehold at a substantially reduced cost. Funding for this project would come from anticipated retained earnings.

Commissioner Richards inquired as to the Authority's policy regarding paying for fencing. Manager Nystrom addressed his question by indicating if it's FAR Part 107 security-related, then the fencing is eligible for federal funding. However, given the fact a portion of the fencing would be located in a revenue-generating area, it's a gray area with the FAA. Commissioner Graham inquired as to the urgency of the project. Manager Nystrom noted Staff has received complaints from tenants located in the project area of vandalism to their aircraft and facilities. The crux of the tenants' request for the fencing has been for security reasons.

Commissioner O'Boyle recommended a third option be considered. Option 3 would be similar to Option 2, except the chain link fence would be constructed diagonally from Nesbitt's vehicle access gate to the corner of the Pfeider hangar.

Commissioner Graham motioned to adopt Option 3 with the spending by the Authority on the project not to exceed \$7,500 without approval by the Board. Commissioner Gillett seconded. Roll call: all ayes. Motion carried.

#### **B. WFAA Planning Policies**

Staff presented "Resolution 1997-009: WFAA Planning Policies" to the Board. The Board and the Staff have been working on establishing planning policies which will be used in the future to develop specific action plans and as a budgetary tool. At the last Board workshop, a final draft of the policies was presented for review. The Board was asked to suggest any final changes for Staff to incorporate into the final document. Having received no further feedback from the Board, the final document was presented to the Board for consideration. Staff recommended approval of the Resolution as submitted.

Commissioner Richards moved to adopt Resolution 1997-009 as submitted. Commissioner Graham seconded. Roll call: all ayes. Motion carried.

### **IX. DISCUSSION ITEMS**

#### **A. September, October, November, and December Planning Issues**

Chairman McCormick addressed the agendas of upcoming Board workshops. Because the 1998 Budget and Personnel Manual would not be ready in time for the October workshop, Chairman McCormick requested the Board cancel the October workshop. The November 11, 1997, and December 2, 1997, workshops would be used to review both the Budget and Personnel Manual.

**B. Other Items**

The issue of whether the Board should have a retreat sometime in the near future was also discussed. It was the consensus of the Board that a retreat is not necessary at this time because Board workshops are being held each month.

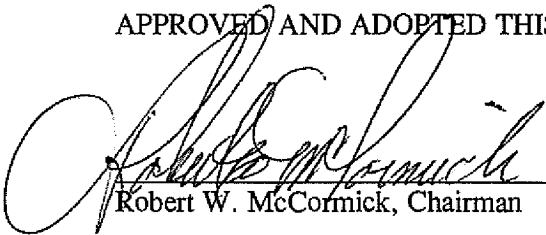
Commissioner McCormack stated there may be the need for substantial expenditures for terminal repairs. Additionally, he wished to address Project 2000, pertaining to terminal upgrades, sometime in the near future.


Commissioner Graham related an experience he recently had during a return trip to Grand Junction from Orlando. He inquired as to what role the Board should play in improving air service and what types of feelings other Board members have had regarding existing service. Commissioner O'Boyle noted in a recent newspaper article, the Grand Junction Chamber of Commerce had indicated one of its priorities is to work towards improved air service through its Air Service Task Force. Staff offered to continue working with the task force to address airline customer service issues.

**X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Richards moved to adjourn the meeting. Commissioner Graham seconded the motion. Unanimously carried. The meeting was adjourned at 7:58pm.

APPROVED AND ADOPTED THIS 21<sup>st</sup> DAY OF October, 1997.

  
Robert W. McCormick, Chairman

ATTEST:  
  
David J. Anderson, Clerk