

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

January 20, 1998

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

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

**ALSO PRESENT:** Ruth Ann Chilton of Colorado Skunkworks; Mesa County residents Larry Dowd and Vern Smith; Ron Rouse of Colorado Airlines; Herman Allmaras of Plane Storage; Don Pettygrove of Nichols Associates; Jim Fuoco, hangar owner; Ron Teck, Mesa County Assessor; and Doug Briggs, Authority Attorney.

### 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. Manager Nystrom requested the addition of "Discussion Item B- VOR Update" and "Discussion Item C- State Legislative Update." The Agenda was amended as requested.

### III. PUBLIC COMMENTS AND COMMUNICATIONS

Commissioner Graham shared his receipt of a phone call from a concerned person in the community who was booked on a United Express flight to Denver in February of 1998. Without consulting with her first, the travel agent canceled her reservation and rebooked her on a bus to Denver to enable her to make a connecting flight at Denver International Airport. She wanted her complaint to be noted by the Board of Commissioners and to be entered into the Minutes.

Commissioner McCormack also conveyed an experience of a passenger on a recent America West Express flight from Phoenix to Grand Junction (BE-1900 aircraft). The passenger indicated the aircraft cabin heater did not work for the duration of the flight. Additionally, the passenger alleged the flight crew was aware of the heating problems before taking off, yet the airline did nothing to address the situation.

Commissioner Richards withdrew his name from consideration for Chairman of the Board of Commissioners. He indicated that upon the completion of service as Chairman by a member of the Board, there is a tradition of the Vice Chairman of the Board succeeding the Chairman. Commissioner Richards expressed his feelings that this tradition is fair. He recalled that last year, even though Commissioner O'Boyle was the Vice Chairman, he was not elected Chairman.

Commissioner Richards noted he had nominated Commissioner O'Boyle for Vice Chairman at the October, 1996 Regular Board Meeting, and Commissioner O'Boyle has served admirably in his capacity as Vice Chairman during 1997. In Commissioner Richards' judgment, Commissioner O'Boyle has earned the right to be Chairman for 1998, not only because he has served more than a year as Vice Chairman, but also because he possesses the credentials and talents that Commissioner Morris recounted in his nomination letter in support of Commissioner O'Boyle for the office of Chairman.

Larry Dowd asked the Board when he could expect a response to his request for the Authority to purchase a parcel of land owned by him which lies within the Airport's Critical Zone off of Runway 11/29. His attorney, Mr. Snodgrass, wrote a letter to the Authority on December 13, 1997 requesting the Authority purchase his land. Manager Nystrom sent a letter on December 26, 1997 to Mr. Snodgrass indicating the Authority was in receipt of his request and would be consulting with the Authority's legal counsel regarding the request. Chairman McCormick noted the Board was in receipt of the correspondence, but had not discussed this issue to date. He stated that the Board might discuss this issue either during Executive Session at this meeting or during a Board Workshop at a later date. However, Chairman McCormick did not commit the Board to an exact date of response to Mr. Dowd's request.

#### **IV. CONSENT AGENDA**

##### **A. Minutes: December 16, 1997 Regular Board Meeting**

##### **B. Public Service Company of Colorado Easement for Installation of Street Light at Eagle Drive and Blue Angel Drive**

Staff presented the Board with a proposed easement to Public Service Company of Colorado (PSCO). Staff had contacted PSCO to install a street light at the intersection of Blue Angel Lane and Eagle Drive. This was a budgeted 1997 Capital Item. In preparation for installation of the light standard, PSCO requested that an easement be granted to them because the two roads are considered private streets.

If approved by the Board, PSCO could proceed with the installation of the light. Because this light is to be installed on the National Weather Service's leasehold, a letter was sent to them for formal approval to place the light on their leased property. Staff received formal approval from

them today. Additionally, Authority Attorney Briggs reviewed the proposed easement and has found that protections for the Authority are in place.

Staff recommended the Board approve and grant the easement to PSCO and that the Chairman be authorized to sign the easement on behalf of the Authority.

**C. Colorado Skunkworks Sublease to Geo-Seis Helicopters, Inc.**

Staff presented the Board with a request by Colorado Skunkworks to approve a sublease of hangar and office space in the Colorado Skunkworks hangar located at 782 Heritage Way in the 4/22 general aviation area. Geo-Seis is planning on utilizing the space for operations and storage of a helicopter. The term of the sublease is for 3 months commencing December 2, 1997. Per Authority policy, Colorado Skunkworks is required to obtain Authority approval on all subleases it enters into.

Because Staff and Authority Attorney Briggs believe that protections for the Authority appear to be in the sublease, Staff recommended approval of the sublease agreement between Colorado Skunkworks and Geo-Seis Helicopters, Inc., contingent upon recommendations from Authority Attorney Briggs. Staff also requested that the Chairman be authorized to sign the agreement on behalf of the Authority.

Commissioner Gillett moved to adopt the Consent Agenda. Commissioner McCormack seconded. Roll call: all ayes, except for Commissioner Graham, who abstained only from Consent Agenda Item A- "Minutes- December 16, 1997 Regular Board Meeting." Motion carried.

**V. FINANCIAL REPORT**

**A. November, 1997 Financial Statements/Accounts Receivable Report**

Manager Nystrom highlighted the financial statements for November, 1997. The unrestricted cash and investments are holding steady, although the Runway 11/29 repair costs have decreased these account balances compared to last year. Outstanding payables increased, mainly because the Authority was awaiting the receipt of AIP-16 reimbursements from the FAA. Airline, air freight and rental car revenues have increased compared to the same period last year. However, parking lot, terminal concessions, and general aviation revenues have decreased from the same period last year. Overall, the revenues compared to last year are slightly lower, but because operating expenses are substantially lower, the income to retained earnings have improved compared to 1996.

Commissioner Morris asked what type of activity is included in the non-military government revenues category. Manager Nystrom responded that most of the activity in that category stems from BLM slurry bombers. Additionally, Manager Nystrom noted the 1997 bond payment was made, thus the long-term debt is almost entirely paid-off.

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

Manager Nystrom updated the Board regarding the Maverick Airways delinquency. A Complaint was filed by Attorney Briggs against Maverick on January 7, 1998 in an attempt to collect amounts owed to the Authority. On January 12, Staff received a letter dated January 8, 1998 from Maverick Airways indicating that all operations of Maverick have ceased, and that the secured creditors have foreclosed on the assets for which they had a security interest. Additionally, Maverick's Part 121 Operating Certificate was tendered to the FAA on December 30, 1997. Staff is awaiting an Answer from Maverick regarding the Complaint.

**B. Request by Promoco Advertising Regarding Outstanding Balance Due and Storage of Display Unit**

Staff presented the Board with a request by Promoco that the Authority forgive all amounts owing to the Authority. Promoco currently owes the Authority \$934.89.

Promoco operated the terminal advertising concession from June 28, 1994 until August 14, 1997. They became the advertising concessionaire when the existing concessionaire, Cowden Associates, sold their interests to Promoco. Because the concession agreement was scheduled to expire in January, 1995 and be put out to bid, a security deposit was not collected from Promoco at the time. When the agreement expired, Promoco continued to serve as the concessionaire on a month-to-month basis until the advertising concession was put out to bid in early 1997. On August 15, 1997 Interspace became the new advertising concessionaire as a result of the bid process. During the transition between advertising concessionaires, Mr. Phil Roth of Promoco alleges there was confusion as to the actual date on which Promoco was supposed to cease its operations at Walker Field and Interspace begin its new concession, thus causing loss to Promoco's business reputation. Additionally, Mr. Roth is upset that Promoco's advertising display unit was moved into storage under the terminal building on August 27 without his knowledge, consent, or supervision.

Mr. Roth has refused to pay any portion of the amounts that Promoco owes to the Authority even though he was contacted by Staff on several occasions to collect the amounts owing and to inform him that the switchover date from Promoco to Interspace would be approximately August 15.

Upon receiving verbal notification of Mr. Roth's objections to paying the amounts owing to the Authority, Staff requested he submit a letter to the Authority stating Promoco's reasons for non-payment. Mr. Roth submitted a letter dated December 22, 1997.

Manager Nystrom commented that Staff had numerous telephone conversations with Mr. Roth both before and during the transition to a new concessionaire. Additionally, Staff had sent a letter to Promoco dated May 22, 1997 indicating that Interspace had been awarded the bid for the advertising concession. Since the switchover, Mr. Roth has not made any attempts to pick-up Promoco's advertising display board.

Staff recommended the Board deny Promoco's request to forgive all amounts owing to the Authority, and for Staff to continue to follow collection procedures which may include filing a formal complaint against Promoco.

Commissioner Graham inquired if there had been any Staff discussions with Mr. Roth which would amend or modify any previous agreement with Promoco. Manager Nystrom responded

that she did not believe any Staff conversations or correspondence with Mr. Roth could have been construed as to amend or modify any existing agreement. Commissioner O'Boyle asked if concessionaires, in general, have any rights when they're on a month-to-month agreement. Manager Nystrom noted that under Promoco's previous written agreement, at the expiration of the term, the concession would be put out to bid, and Promoco would not be given any preference to continue on a month-to-month basis. However, Promoco operated on a month-to-month agreement since 1995 until the concession could be put out to bid.

Commissioner O'Boyle then asked if the Authority could continue to invoice Promoco even though the written agreement had expired. Manager Nystrom commented that Promoco continued to pay the monthly minimum and submit advertising revenue reports to the Authority after the written agreement expired. Additionally, Commissioner O'Boyle questioned whether or not Promoco would be able to enforce any claim for damages against the Authority if Promoco was only operating on a month-to-month basis. Authority Attorney Briggs commented he would need to research that issue.

Commissioner Gillett inquired as to the breakdown of the delinquent amounts Promoco owes to the Authority. Manager Nystrom responded that the delinquent amounts include a percentage of revenues Promoco derived from its advertisers. Chairman McCormick asked if Staff needed action on this item. Manager Nystrom noted that the delinquent amounts Promoco owes to the Authority are higher than the amount for which Staff has the authority to write-off.

The Board requested Staff consult with Attorney Briggs to find out whether or not the Authority can collect the amounts owed by Promoco to the Authority, then present the information to the Board at a future Board meeting.

Chairman McCormick inquired as to whether Interspace (the current terminal advertising concessionaire) has received any payments from advertisers for whom nothing has yet been displayed, and whether Staff was aware of any complaints from advertisers contracting with Interspace. Manager Nystrom responded that she is not aware of any current irate advertisers and that the one instance that she is aware of was resolved. Staff agreed to review Interspace's operations and update the Board at a future meeting regarding any subsequent complaints received by advertisers.

## **VI. ACTION ITEMS**

### **A. Contract with Nichols Associates, Inc. to Provide Engineering Services for Terminal Building Renovations**

Staff presented the Board with a proposed contract between Nichols Associates, Inc. and Walker Field Airport Authority for Nichols to provide engineering services for terminal building roof and beam renovations. During the 1998 Budget discussions, two distinct areas within the terminal building were noted as being in need of repair. These areas are the west end wall near the exit doors and the wall in the hallway by Gate 5. Subsequently, a third area was noted, this being the wooden beams in the roof of the terminal. Funding in the amount of \$31,070 was approved for the repairs.

Don Pettygrove of Nichols Associates, Inc. has been consulted and has visited the Airport on several occasions to assess the areas noted. Additional conversations regarding the structure, including the roof beams, were held with a second structural engineer, Michael Gaines, who has associations with Isbill Associates, the engineering firm providing airfield engineering services to the Authority.

At the January 6, 1998 Board Workshop, it was the consensus of the Board that Staff proceed with the steps necessary to engage an engineering firm to design and oversee the corrective actions necessary to reinforce and/or repair the roof beams noted as being in need of correction. Because of Nichols Associates' knowledge of the project and their proximity to the site, Staff was allowed to continue discussions with them about providing the necessary engineering services for the roof beam repairs. Services necessary for the repairs shall include the design of the repairs, commissioning of a competent contractor to perform the repairs through a formal bid process, and oversight of the repairs during the work phase of the project. Services shall also include preparation and submission of the necessary documents to the FAA, if possible, in order to seek reimbursement from the FAA for the repairs.

Staff prepared a Scope of Work for this project and with the assistance of Attorney Briggs prepared a contract document that includes all of the preceding referenced items. Manager Nystrom noted that the term of the contract would be from the date of Board approval until July 31, 1998. The Scope of Work would include inspection of the interior terminal roof trusses and support beams, preparation of the construction design plans and specifications, contract documents, performing and inspecting the final corrective portion of the project, up to and including two inspections after the completion of the project—one after 6 months and one after 1 year. The costs would not exceed \$9,950, and Nichols would be required to provide \$1,000,000 combined single limit general liability insurance coverage for the project. The amount of professional liability insurance would be negotiated between the Authority and Nichols at a later date after an estimated cost for the project is prepared.

Prior to reimbursing the Authority for any costs of the project, the FAA has requested Staff consult with one or two other engineers to verify the project costs are consistent with other similar types of engineering services. Commissioner O'Boyle asked if the liability insurance would cover the entire project, or just the engineering services. Manager Nystrom responded that Staff would request the insurance cover the entire project.

Don Pettygrove, engineer from Nichols Associates, updated the Board as to the progress of the project. The shoring would begin within a few days, and the design plan would hopefully be completed within two weeks. Commissioner O'Boyle asked Staff what the status was of the bidding out for the contractor. Manager Nystrom responded that Staff has completed a draft of the Request for Qualifications which Staff hopes to publicize by the end of this week. The firms would have approximately 1 week to respond to the Request. The list of responding firms would be narrowed down to 2 to 3 contractors. Those finalists would then be provided with the design plan and bid specifications and be allowed to submit a bid on the project.

Manager Nystrom commented that Staff is striving to have the bid documents completed in time for the February, 1998 Regular Board Meeting so the Notice to Proceed could be given to the successful bidder upon approval by the Board. Upon receipt of the Notice, the contractor would have 10 days to begin the project. Chairman McCormick stated that the Board could hold a Special Board Meeting, if necessary.

Staff recommended approval of the Contract between Nichols Associates, Inc. and the Authority to provide engineering design and project oversight services for the roof beam repairs in the terminal building contingent upon the receipt of other engineering services contractor estimates that are comparable to those provided by Nichols Associates. Staff also recommended the Chairman be authorized to sign the contract on behalf of the Authority.

Commissioner O'Boyle moved to approve the Contract between Nichols Associates, Inc. and the Authority to provide engineering design and project oversight services for the roof beam repairs in the terminal building with the contingency noted by Manager Nystrom, that the costs of said services not exceed \$9,950, and that the Chairman be authorized to sign the contract on behalf of the Authority. Commissioner Morris seconded. Roll call: all ayes. Motion carried.

Mr. Pettygrove asked the Board if, for continuity and aesthetic reasons, it wished to make corrective changes to the south trusses even though they have not been spliced. Chairman McCormick inquired how many trusses this would involve, and that if the Board decided to modify those trusses, would the cost of the project increase proportionately. Mr. Pettygrove indicated that because the 6 south trusses are shorter in length than the north end trusses, the cost of modifying the south trusses would be less than for the north trusses. Commissioner Gillett stated that if the Authority is going to address the terminal repairs, then the project should include everything. Commissioner McCormack noted the trusses not included in the current project do not appear to need modifications at the present time.

#### **B. Private Hangar Owner Tax Assessment Issues**

At the January 6 Board Workshop, Staff provided the Board with a copy of the letter received from Ron Teck, Mesa County Assessor, relative to the taxing of privately-owned hangars on the Airport. The letter indicated that if hangar owners deed their hangars to the Authority, the hangars will become exempt from real property tax. However, there is a case being considered by the Colorado Supreme Court which may cause possessory interests to be taxable. Staff presented the Board with a recommendation that the Board establish a policy which allows private hangar owners to deed their hangars to the Authority in return for a long-term lease on the hangar from the Authority back to the hangar owner.

Ron Teck, Mesa County Assessor, stated that he was notified by the County Attorney that the hangars could be taken off the tax rolls for this year, but the Board would need to complete several steps before May 1998, including defining ownership of the hangars. Commissioner McCormack commented that he had received a call from Bud Gimple, hangar owner, indicating he is still very interested in this issue, but would like the Board to hold-off on making a decision regarding this issue until a later date. Mr. Gimple was unable to attend the Board Meeting.

Commissioner Graham asked Mr. Teck if the definition of possessory interest is derived from actual use or color of title. For example, if the Authority had a legal interest, but the tenant remained as an invitee, would the tenant be considered as having a possessory interest? Mr. Teck stated he was not sure, and would have to refer that question to the County Attorney. Commissioner Graham expressed concern that he wanted to ensure that all aspects of the tax assessment issue are addressed.

Commissioner O'Boyle noted that in the December, 1997 Regular Board Meeting, Authority Attorney Briggs indicated there were many different permutations that must be considered before making a final decision regarding this issue. He inquired as to what these permutations are. Attorney Briggs responded that maintenance, environmental, and insurance concerns are just a few of the many items which need to be discussed. Chairman McCormick stated that the Board should consider this issue further at the February, 1998 Board Workshop, and a timeline should be set to complete the necessary steps quickly.

Jim Fuoco, hangar owner, stated he will not choose to transfer his hangar to the Authority because he does not feel it would be in his best interest after considering the amount of investment he has in his hangar. Chairman McCormick commented that all of the Airport tenants certainly have the choice of whether or not to transfer their hangars to the Authority. Commissioner Morris asked Mr. Teck if the Assessor's Office could provide a list of valuations for the hangars. Mr. Teck said he would bring a list to the February, 1998 Board Workshop.

### **C. Election of 1998 Officers**

Commissioner Richards nominated Commissioner O'Boyle to serve as the Chairman of the Walker Field Airport Authority Board of Commissioners for 1998. Commissioner Gillett seconded. Hearing no other nominations for Chairman of the Board, Chairman McCormick closed the floor to further nominations. Roll call: Abstain- Commissioner O'Boyle; Ayes- All other commissioners. Motion carried.

Outgoing Chairman McCormick passed the Chairman gavel to Chairman O'Boyle. Commissioner McCormick thanked Staff and all members of the Board for all of their efforts and for the accomplishments which were achieved over the past year which hopefully made the Airport a better place.

Commissioner McCormick nominated Commissioner Richards to serve as the Vice Chairman of the Board of Commissioners for 1998. Commissioner Richards declined the nomination because his term will expire at the end of 1998 and because of other commitments he has that will require much of his time.

Commissioner Graham nominated Commissioner McCormack to serve as the Vice Chairman of the Board of Commissioners for 1998. Commissioner McCormick seconded. Hearing no other nominations for Vice Chairman of the Board, Chairman O'Boyle closed the floor to further nominations. Roll call: Abstain- Commissioner McCormack; Ayes- All other commissioners. Motion carried.

Commissioner McCormick nominated Manager Nystrom to serve as Treasurer, David Anderson to serve as Clerk, and John Thomas to serve as Deputy Clerk to the Board of Commissioners. Commissioner Gillett seconded. Roll call: All ayes. Motion carried.



## VII. DISCUSSION ITEMS

### A. Board Workshop Schedule

The next Board Workshop will be Tuesday, February 3<sup>rd</sup>. Items on the Agenda for the Workshop include the Personnel Policy Manual and the Hangar Owner Tax Assessment Issue.

### B. VOR Update

Manager Nystrom updated the Board with regard to the status of the VOR. Staff received a phone call from Keith Moon of the FAA (Renton, WA). Mr. Moon has been in contact with Jim Biber, a real estate appraiser, who planned on valuing the property on which the current VOR is located. The parcel on which the VOR is located, as well as lots impacted by the VOR, are under contract with several private parties to develop a subdivision. Thus the VOR will need to be relocated. Mr. Moon indicated his office will sit down with various divisions of the FAA to discuss relocating the VOR to Walker Field.

Chairman O'Boyle expressed concern that if the VOR is closer to the Bookcliffs, more radar echos may occur. Commissioner McCormick stated the VOR technology may have improved to where the echos are not as much of a concern. Commissioner Gillett asked how eminent domain rights may factor into this issue. Manager Nystrom responded that the Authority has eminent domain rights for property which lies closer to the runway. However, where the VOR is currently located, the location is far enough away from the airport to where such rights probably do not apply.

Chairman O'Boyle noted that by 2005, it is very possible that all VORs will be eliminated. Manager Nystrom commented that in her discussions with Mr. Moon, he indicated the FAA would like to retain the VOR at Walker Field. Commissioner Morris noted that there is an existing approach plate for the existing VOR. Chairman O'Boyle also added that the VOR serves as a back-up air traffic control distribution device when the instrument landing system (ILS) is inoperable.

Commissioner Graham asked if the Authority could ask Mesa County to consider exercising eminent domain over the parcels on which the VOR is located. Manager Nystrom responded that there are 5 to 6 property owners which would be involved in such a proceeding. The lease for the VOR expires in September, 1998. Commissioner Morris inquired as to how soon a feasibility study for relocating the VOR would be completed. Manager Nystrom commented that Staff would look into a time-frame for the study. Vice Chairman McCormack asked if the FAA has a list of parcels owned by the Authority for which they may place the VOR. Manager Nystrom responded Staff would provide the information to the FAA.

No action was taken by the Board.

### C. State Legislative Update

Manager Nystrom updated the Board regarding several legislative issues which were discussed at the Colorado Airport Operators Association Board of Directors Meeting (CAOA), of which Manager Nystrom is a member of the Board. The first issue was a bill introduced by State Senator Bill Thiebault. The bill would authorize the creation of the Colorado Commercial Air

Service Grant Assistance Program which would allow qualified airports, such as Walker Field, to receive capital funding from the State to assist with the development and improvement of air service. CAO A endorsed the bill because it would provide an additional source of funding for infrastructure improvements. However, because increased capital funding does not necessarily result in improved air service, there were qualifications attached to the endorsement.

The second legislative item being considered by CAO A, for which it is looking for a sponsor, is a proposal which may be considered next year to require a public disclosure statement be made in a real estate transaction delineating an airport influence area so that prospective buyers will be placed on notice that their respective parcels are located in such an area.

## VIII. OTHER ITEMS

### A. Executive Session

Manager Nystrom commented Staff had received a request from Larry Dowd, property owner, to purchase land which had been restricted by the Mesa County Board of Commissioners. Commissioner Graham requested that any discussions pertaining to this parcel be held during Executive Session. Commissioner Richards agreed with Commissioner Graham that such discussions should be held during Executive Session because of the potential precedent setting effect of any response to Mr. Dowd.

Commissioner McCormick moved to enter into executive session to consider the applicable items listed on the Agenda. Commissioner Graham seconded. Roll call: all ayes. Motion carried.

All Board members and Staff present during the regular Board meeting entered into Executive Session at 7:01pm.

#### 1. Consultation with Legal Counsel Regarding Concession Agreement Interpretation

After consulting with the Board Chairman, Staff requested that the Board consult with the Authority Attorney relative to the interpretation of one of the Authority's concession agreements as a result of a request that Staff recently received.

#### 2. Runway 11/29 Litigation Update

#### 3. Real Estate Lease Negotiations

Staff apprised the Board of two separate real estate lease negotiations that are in progress. Both parties in these lease negotiations requested that the Authority's negotiations with them remain confidential until agreements are closer to being finalized.

#### 4. Dowd Property Request

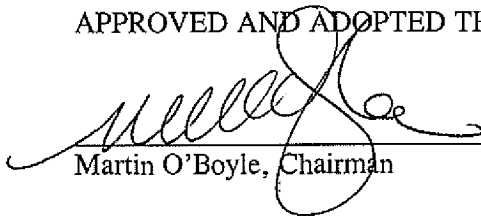
Vice Chairman McCormack moved to exit executive session. Commissioner Gillett seconded. Roll call: all ayes. Motion carried. The public meeting resumed at 8:34pm.

Commissioner McCormick moved to direct Staff and Attorney Briggs to write a letter to Mr. Dowd in response to his request that the Authority purchase his property. Commissioner Gillett seconded. Roll call: all ayes. Motion carried.

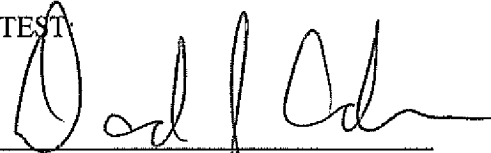
**IX. ADJOURNMENT**

There being no further business to come before the Board, Vice Chairman McCormack moved to adjourn the meeting. Commissioner Morris seconded the motion. Unanimously carried. The meeting was adjourned at 8:35pm.

APPROVED AND ADOPTED THIS 17<sup>th</sup> DAY OF February, 1998.

  
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Martin O'Boyle, Chairman

ATTEST

  
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David J. Anderson, Clerk