

Walker Field Airport Authority

Minutes of the Regular Board Meeting

March 17, 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
John Thomas Dennis Wiss
Dan Reynolds David Anderson

ALSO PRESENT: Nicole Hernandez of KREX-TV; Richard Farabee and Randall Farabee of Budget Rent-A-Car; John Pabst, Dave Nabity, and Bill Miers of Thrifty Car Rental; Marty Dana of National Car Rental; and Doug Briggs, Authority Attorney.

I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:21pm.

II. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published agenda. Manager Nystrom requested the addition of "Other Items B- Land Lease Negotiations Update (Executive Session)." The Agenda was amended as requested.

III. PUBLIC COMMENTS AND COMMUNICATIONS

Vice Chairman McCormack inquired whether Staff should provide each Grand Junction City Council member and Mesa County Commissioner with an executive summary of the Authority Board minutes. Commissioner Graham asked if it would be better to provide each of those individuals with a full set of minutes. Manager Nystrom noted Staff currently sends a copy of the minutes to the City Manager's office and to the County Commissioners' office. Chairman O'Boyle asked how difficult it would be for Staff to provide a full set of minutes to all of those individuals. Manager Nystrom responded it would not be difficult. Commissioner Gillett recommended Staff

continue to send one copy to each of the offices, and let the clerks at each of the offices continue to disseminate the minutes. Commissioner Richards suggested Staff should wait until Commissioner McCormick and he meet with Janet Terry to obtain her opinion.

Commissioner Morris presented the Authority with a video of the September 13, 1996 A-6 dedication and a letter of recognition from Commissioner Morris on behalf of the Marine All-Weather Attack Squadron 533 for the support received from the community, Authority Board of Commissioners, Staff, contractors, and individuals to memorialize this aircraft, the Squadron, and the aviators who did not return from their deployment. Commissioner Morris stated he is extremely honored to have served with the Squadron and to serve as a member of the Authority Board of Commissioners.

John Pabst of Thrifty Car Rental addressed the Board regarding the upcoming rental car concession bids, and more specifically the 2-mile radius provision in the proposed on-airport agreements which require the operators to pay 10% of gross revenue for all rentals within the 2-mile radius of the Airport, regardless of whether or not the renter is a local resident. Mr. Pabst believed that if the renter is a local resident, then in essence, the Authority is taxing individuals who may not have used the Airport within the past few days prior to the rental. He stated that there are other ways to prevent revenue diversion, such as by changing the contracts at Thrifty's Horizon Drive location to ask the renters whether or not they had used the Airport within the past 24 hours.

Chairman O'Boyle stated the Board has not taken a position regarding that provision because the Board just received a copy of the letter in their packets. Manager Nystrom noted the 2-mile radius provision in the existing on-airport rental car agreements was approved by a prior Board.

Chairman O'Boyle asked the Board if any other information is needed regarding this provision. Commissioner McCormick asked what the time-frame was for the bidding process. Manager Nystrom noted that March 31, 1998 is the target bid proposal closing date. The March 31st date will allow Staff to notify the successful bidders, and have the rental car agreements ready to present to the Board at the April 21st Regular Board Meeting. Commissioner McCormick commented that if Staff modified or deleted the 2-mile radius provision, it would be a significant change in Authority policy. Commissioner Graham noted the Board had discussed the issue at a previous Board Workshop, and that the reasons for the 2-mile radius provision include: fairness among the on and off-airport rental car operators; and the best "business deal" for the Authority. He encouraged Mr. Pabst to submit additional written materials if Mr. Pabst believed that one or both of those objectives were not addressed in prior documents submitted by Thrifty.

Mr. Pabst stated that if Thrifty were forced to not bid because of the 2-mile radius provision, the bid amounts for the four other bidders would be lower than if Thrifty had bid. Mr. Pabst also stated that other airports do not have the radius provision in their on-airport agreements. Commissioner Graham indicated he was concerned that if the radius provision is not included, it would be difficult to prevent revenue diversion. Manager Nystrom commented that any changes in policy should be made soon since the bid opening date is March 31st. Mr. Pabst stated he could provide Staff with additional information by tomorrow. One example in particular that Mr. Pabst suggested as an alternative to the radius provision is to use zip codes for distinguishing between local and airport renters. This method is used by Denver International Airport. Attorney Briggs commented that requests for changes must be made at least 10 days before opening the bids, and a decision must be made regarding the request at least 5 days before the bid opening date. However, Mr. Pabst's initial letter is probably considered to be notice of the request for change.

Commissioner Richards recommended Mr. Pabst provide Staff with supplemental information to present to the Board at a Special Board meeting. Mr. Randall Farabee of Budget Rent-A-Car stated that if the 2-mile provision is not included in the on-airport agreements, Budget would view that as an advantage for Thrifty. Thus Budget would look at obtaining a rental lot off-airport for its local rentals. The Board decided to hold a Special Board Meeting on Tuesday, March 24, 1998 at 5:15pm.

Mr. Pabst commented on Agenda Item "Discussion Items C- Off Airport Parking Airport Access Fee." He noted that Thrifty Car Rental would not fight the implementation of such a fee because it would probably be a small amount, and many other airports across the country already charge the fee.

IV. CONSENT AGENDA

A. Minutes: February 20, 1998 Regular Board Meeting

B. Renewal of Hold Harmless License/Agreement with Emery Worldwide Air

Staff presented the Board with a proposed renewal of the License/Agreement between the Airport Authority and Emery Worldwide Air. In February of 1997, the Authority entered into a License/Agreement with Emery that allowed them to install an aeronautical radio in the custodial closet on the second floor at Gates 3 & 4. This radio is used as a repeater for transmissions between Emery dispatch and Emery aircraft overflying Grand Junction. The Authority received \$50 per month from the previous agreement with Emery for the use of approximately 4 square feet of space in the custodial closet. The original License/Agreement is now up for renewal for another one year period.

Staff recommended the Board approve the renewal of this License/Agreement and that the Airport Manager be authorized to sign the Agreement on behalf of the Authority.

C. Reaffirmation of Resolution No. 1998-001: Resolution Concerning Execution of Documents Pertaining to Bank Accounts

Staff requested that the Board reaffirm Resolution No. 1998-001, Resolution Concerning Execution of Documents Pertaining to Bank Accounts, by the use of a roll call vote. At the February 17, 1998 Regular Board Meeting, the Board was presented with the Resolution, and voted favorably for it by voice vote since it was part of the Consent Agenda. However, §10 of the Airport Authority by-laws requires a roll call vote be held when the Board moves upon a resolution.

Vice Chairman McCormack requested "double-shrink" on page 2, paragraph 1, line 3 of the February 17th Minutes be changed to "double-strength." Manager Nystrom also requested a change to the February 17th Minutes to reflect that John Thomas, Authority Staff Member, was present at the Board Meeting.

Commissioner Graham moved to adopt the Consent Agenda with the changes as requested. Commissioner McCormick seconded. Roll call: all ayes. Motion carried.

V. FINANCIAL REPORT

A. Accounts Receivable Report

Manager Nystrom updated the Board regarding the status of the 1997 Audit. Commissioner Graham asked if the Authority has any recourse against Costello & Allyn because of the delay of the audit report. Additionally, Commissioner Graham noted that for unforeseen circumstances, the Authority was charged an additional amount for the audit—the unforeseen circumstances being the additional single-audit requirements imposed this year. Thus it seems fair to request an offset for the unforeseen circumstances experienced by the auditors which has caused the delay in preparing the report. Manager Nystrom responded that Staff would review the Audit Engagement Letter to see if any provisions are in place to consider Commissioner Graham's suggestion.

Attorney Briggs updated the Board regarding the Maverick collection efforts. He is working with Staff in obtaining a valuation of Maverick's assets left at Walker Field. Maverick has answered the Complaint filed by the Authority, and has asserted an affirmative defense that Maverick's deposit, which was applied to its accounts, was sufficient to cover all damages suffered by the Authority. Attorney Briggs also noted that in the next few days, he will have a conference call with the President of Maverick Airways to discuss this case.

Chairman O'Boyle asked if the ground equipment value is sufficient to cover the amount of Maverick's delinquent amounts to the Authority. Staff noted that most of the equipment is used, and some of the equipment is pre-1960. Attorney Briggs stated he would have a recommendation as to how to proceed further with the Maverick collection after he discusses the case with the President of Maverick.

1. Promoco Advertising

At the January, 1998 Regular Board Meeting, the Board requested Staff to research several issues pertaining to the collection efforts against Promoco. Promoco currently owes the Authority \$961.89. Attorney Briggs noted that Mr. Phil Roth, Owner of Promoco, has two existing unsatisfied judgments against him totalling \$18,000. Thus any judgment obtained by the Authority against Mr. Roth would be difficult to collect upon. There is also a question as to whether the Authority would be able obtain a judgment against Promoco.

After reviewing the facts, Mr. Roth's input, and consulting with Attorney Briggs, Staff recommended writing-off all amounts Promoco owes to the Authority. Additionally, Staff recommended it be authorized to assess a rental fee of \$33.92 per month (38 sq.ft. x \$10.71/sq.ft./yr.) for storage of Promoco's phone board commencing Wednesday, April 1st, 1998, and to provide Mr. Roth written notice that if Promoco does not remove the phone board by April 1, the Authority will assess the rental fee for storage until the phone board is removed from airport property.

Chairman O'Boyle inquired whether the display board had any value. Staff responded that the board is backlit, and was used at the Telluride Chamber of Commerce, but the actual monetary value is unknown. Commissioner Graham asked if the Authority may be vicariously liable to the customers of Promoco because of a possible breach of contract with Promoco. Attorney Briggs rendered the opinion that the Authority is not vicariously liable.

Chairman O'Boyle asked what direction the Board should give Staff. Commissioner Graham recommended that the Board follow Attorney Briggs' professional judgment as to which claims are collectable. Chairman O'Boyle noted that Commissioner Graham's recommendation was the consensus of the Board.

VI. ACTION ITEMS

A. Revised Fuel Handling Procedures

Staff presented the Board with a re-formatted *Fuel Handling Procedures* document. At the February, 1998 Regular Board Meeting, the Board reviewed the revisions to *the Fuel Handling Procedures* that have been in place at Walker Field since the late 1980's. The intent of the revision is to provide updated Airport procedures to any new or current tenants of Walker Field. As requested by the Board, Staff met with Commissioner Graham on March 3rd to reformat the structure of the document and to clarify certain provisions.

Commissioner Graham noted that the purpose of the meeting with Staff was to reorganize the procedures into separate categories of general applicability and specific applicability. Commissioner Graham had a question regarding pages 4 and 5 in the "Mobile Fueling" section. Specifically, whether paragraphs 3, 4, and 5 of §C did not have, in effect, general applicability, and should be placed in §2a, or whether these paragraphs specifically apply to mobile fueling. In §B on page 4, he recommended changing the phrase "is exempt" to "are exempt." Additionally, in paragraph C1, he suggested changing "mobile fuelers" to "mobile fuel storage."

Chairman O'Boyle thanked Commissioner Graham for working with Staff to revise and reorganize the *Fuel Handling Procedures* document. Staff recommended the Board approve the revised *Fuel Handling Procedures* as re-submitted, and that the Chairman be authorized to sign the document on behalf of the Authority.

Commissioner Graham moved that the Board approve the revised *Fuel Handling Procedures* with the changes as recommended, including: relocating paragraphs 3, 4, and 5 of §C to §2a; changing "is exempt" to "are exempt" in §B; and changing "mobile fuelers" to "mobile fuel storage" in paragraph C1. Commissioner McCormick seconded. Voice vote: all ayes. Motion carried.

B. Restaurant Concession Agreement with Marge's Frozen Custard

Staff presented the Board with a proposed restaurant concession agreement between the Airport Authority and Marge's Frozen Custard. This agreement is based on the previous agreement with Sky's Restaurant with language in place addressing the standard protections for the Authority. However, the following modifications are included:

1. The minimum guarantee was deleted, and the Authority will be receiving a straight 6% of all gross revenues with no complicated formula involved in calculating the rent.
2. Utilities will be invoiced to the tenant at actual cost instead of a set monthly average.
3. Language was added to reflect the exclusivity of the cappuccino and espresso bar concession.
4. The locations being utilized by the concession are specifically defined. The 2nd floor restaurant, lounge, and one storage room are exclusive use, and the third floor is non-exclusive use area.

All other language is boiler plate and is in place for other concessionaires utilizing the terminal building. Staff noted that renovations to the restaurant and lounge areas are in-progress, including the replacement of ceiling tiles and painting all of the walls. Additionally, Marge's submitted a final menu to the Authority. Staff recommended approval of the Concession Agreement and that the Chairman be authorized to sign the Agreement on behalf of the Authority.

Commissioner McCormick moved that the Board approve the Restaurant Concession Agreement as presented between the Airport Authority and Marge's Frozen Custard, and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner Gillett seconded. Voice vote: all ayes. Motion carried.

C. Request for Funds for Equipment Upgrades for Airport Restaurant

Staff presented the Board with a request to add the purchase of table laminates to the 1998 capital equipment budget in the amount of \$1,000. Since the termination of the agreement between Sky's Restaurant and the Airport Authority, Staff has inspected the restaurant facility in an effort to assess needs relating to bringing the restaurant up to a clean and presentable status. There are items Staff is already in the process of correcting in the restaurant by using maintenance funding. However, the following items needed to be addressed as capital expenditures:

1. Replacement of tables in dining area. The tables are not up to health standards.
2. Replacement of chairs in dining area. The chairs are 16 years old, stained, and missing upholstered backs.

The following is a cost breakdown for addressing the aforementioned items:

1. \$1,000 to re-laminate the existing tables from the third floor area. Purchasing new tables would cost at least \$2,500.
2. Staff is currently searching for replacement chairs at a reasonable price and plan to present an option for the Board to consider at the April, 1998 Regular Board Meeting.

Commissioner Richards commented that the Authority should not be bashful about spending the money for renovating the restaurant. Commissioner Morris asked why the old tables did not meet health department requirements. Staff responded that the tables have a varnish finish, but the tops need to have non-permeable surfaces.

Commissioner McCormick moved to approve the addition of \$1,000 to the 1998 capital equipment budget for restaurant table laminates.

However, Commissioner McCormick indicated he was concerned that the \$1,000 to laminate the existing tables was such a low cost estimate. Staff indicated there were other items which also needed replacement, including the restaurant chairs. The chairs are in poor condition, and have been used since the opening of the first restaurant (the Aspen Tree) in the terminal in 1982. Staff noted that if the Board wanted the restaurant chairs to be replaced, Staff would provide the information to the Board at the April, 1998 Regular Board Meeting.

Commissioner Graham seconded Commissioner McCormick's motion for the addition of \$1,000 to the 1998 capital equipment budget for restaurant table laminates. Voice vote: all ayes. Motion carried.

Commissioner McCormick stated that Staff should go get the chairs, and that he hoped Staff was creating color in the new restaurant. Staff indicated that the chairs being considered range from \$32 to \$90 per chair for 65 chairs. Thus the total cost would be approximately \$2,000 to \$5,000 for the chairs. Staff noted Marge's Frozen Custard has expressed a preference for ice cream parlor-style chairs. Commissioner Morris commented that the Authority would receive a good return on investment for the chairs if the restaurant would be paying an additional \$300/month for equipment maintenance. Manager Nystrom noted that in the past, the Authority was spending quite a bit of money to maintain the kitchen equipment. Thus the Authority was breaking even on the equipment rental fee.

Commissioner McCormick moved to authorize Staff to research the costs of replacing the restaurant chairs, and to provide the Board with a recommendation at the April, 1998 Regular Board Meeting. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.

D. Request for Funds for Airline Statistics Board

Staff presented the Board with a request to add the purchase of an airline statistics board to the 1998 capital equipment budget in the amount of \$522. Recently, Staff met with the incumbent airlines to discuss ideas on how the airlines and the Authority can work together to positively promote the commercial air service at Walker Field to the community. One idea was presented to install a statistics board in the terminal on which monthly airline statistics could be posted as well as other Walker Field Operations statistics.

After further meetings with the airlines, Staff located a locking cabinet which will adequately list the statistics agreed upon. The board has magnetic letters which will make monthly changing of information very simple. Both airlines have seen the board and concur with its selection. Some of the monthly information to be displayed on the board includes: "On-Time Performance," "Flights Completed," and "Passengers Carried."

Each section above will also be divided among the airlines, including Air Wisconsin if it chooses to participate. There will also be a fourth section for national averages and total passengers carried for the month. Walker Field air cargo and aircraft operations will also be listed. Data will be changed each month throughout the year. The \$522 capital funding request includes \$437 for the board and \$85 for three sets of magnetic letters. Staff indicated the statistics board will provide passengers with an interesting diversion while they are waiting for their flights.

Commissioner Richards noted that there was a law that was passed which required airlines providing service in Colorado to report specific performance items, including several of the items the statistics board will be reporting. One of the airlines which is agreeing to participate in the statistics board is the same airline which refused to report several performance items to the State. Commissioner Richards continued that if you take credit for the rain, you have to take blame for the drought. Manager Nystrom responded that this issue was discussed with the airlines, specifically that there would be ups and downs. Commissioner Morris suggested that there should be a "Percentage of Flights Completed" category. Staff responded that the intent of the statistics board is to portray a more positive image for the airlines when they perform well.

Commissioner Graham commented that the chief utility of the statistics board is to educate the consumers and provide them with information to allow them to make informed decisions pertaining to their travel choices. Chairman O'Boyle noted that the idea for the statistics board began with the suggestion by the airlines as a way to portray a more positive image of their services. Commissioner Graham agreed that the original intent was to improve the image of the airlines, but he suggested that consumers are better served by the Authority providing facts upon which to make better travel decisions.

Commissioner McCormick asked if Staff had considered including year-to-date figures in addition to monthly statistics. Staff commented that the statistics board is large enough to include additional categories, and they have also considered including national averages. Commissioner Graham inquired if it would be sufficient for the Board to authorize the capital funding, but to request that Staff provide the Board with several alternatives as to the format of the statistics board. Manager Nystrom noted that Staff's request is for the funding, and not necessarily for the format of the statistics board. Additionally, she noted that if the Board wished to provide feedback as to the format of the statistics board, Staff would forward that information to the airlines.

Commissioner McCormick moved to approve the addition of \$522 to the 1998 capital equipment budget for an airline statistics board. Commissioner Gillett seconded. Voice vote: all ayes. Motion carried.

E. Bid Award for 1998 CDAG Project-Acquisition of Tractor and Attachments

Staff presented the Board with information regarding the acquisition of a new tractor and attachments. The Authority applied for and received a fiscal year 1998 grant from the Colorado Division of Aeronautics to assist in the purchase of a multi-purpose tractor and attachments. Requests for bids were advertised with three bids received. The bid amounts ranged from \$116,238 to \$132,627. The total amount of funds available for the tractor (Authority and Division of Aeronautics combined) is \$107,100. All bids came in above this amount which necessitates that the scope be reduced accordingly, i.e., identify an attachment for removal from consideration for award.

Commissioner Richards asked how Staff arrived at the \$107,100 calculation. Staff noted that there were two quotes available from suppliers for the original State grant estimate. The actual cost for the tractor was then compared with the overall cost of the attachments. After weighing all of the factors, the \$107,100 amount was derived. Finally, Staff considered the maximum amount the Airport could possibly contribute to the purchase.

Staff recommended that the broom attachment be removed because of the bid cost involved and the priority of use compared to the other attachments. Additionally, Staff recommended awarding the bid to Western Implement Co. of Grand Junction, the lowest bidder, contingent on their agreeing to remove the broom attachment from the bid and to reduce their overall bid to meet the amount of funds available. Commissioner Gillett asked if the other two bidders should be given the same opportunity to reduce their bid amounts. Staff responded that all three bidders itemized their bids according to the tractor and the attachments. Western Implement was the lowest bidder on each line item, except for the box scraper. Thus the other two bidders would have to modify the prices of each line item, not just remove an attachment from the specifications, to equal the Western Implement bid. Manager Nystrom noted that Staff conveyed to each of the bidders that the Authority reserved the right to remove attachments from the specification as it deemed appropriate.

Commissioner McCormick moved to remove the broom attachment from the tractor and equipment purchase and award the bid to Western Implement Co. Additionally, he moved that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner Gillett seconded. Roll call: all ayes. Motion carried.

F. Discounted Monthly Parking Rate for Republic Parking

Staff presented to the Board a request to authorize a discounted monthly parking rate for Republic Parking customers. At the January 20, 1998 Regular Board Meeting, the Board was apprised of a request from a parking lot patron regarding the feasibility of instituting a monthly parking fee. The current fee structure in the long-term parking lot is set-up for hourly, daily, and weekly parking, but not monthly parking.

Staff contacted Mr. Alan Doherty, Regional Manager, of Republic Parking regarding this matter, and received a subsequent letter from him. Mr. Doherty recommended instituting a 28-day parking fee of \$100. This would be a discounted rate from the 4-week fee of \$120 for a savings of \$20. Mr. Doherty has stated that the current computer fee equipment installed in the parking booths can easily be programmed for a 28-day fee, but it would not be possible to program the equipment for a 30 to 31-day fee. In order to avoid any possible confusion, signage would be placed at various locations announcing the new fee as a 28-day fee, not a "monthly" fee.

Commissioner Graham inquired if the customer would be provided with a special ticket. Staff commented that the discount would be given upon exiting the parking lot, thus nothing would be given to the customer in advance. In addition to the 28-day fee, Staff noted there were other ideas discussed, such as a pre-paid parking tag to be displayed in the vehicle, but concerns of fraud eliminated these options from consideration. Commissioner Graham commented that this fee primarily addresses the needs of those customers who are parked for longer periods, but not for those customers who frequently park at the facility. He inquired whether there were any discussions pertaining to frequent parkers. Staff commented that Republic Parking is opposed to any pre-pay type of arrangement because of the concerns of possible fraud.

Commissioner Morris asked what the trend has been in parking lot concession revenues to the Authority. Manager Nystrom stated that the revenues for 1997 were less than what was budgeted. In her conversations with various Republic employees, the indication was there are

more drop-offs occurring now than in previous years. Staff noted that the loss of revenues because of drop-offs may be somewhat offset by the implementation of parking fees for pilots and flight attendants who live in Grand Junction, but work in other cities.

Staff recommended the adoption of a 28-day parking fee in the amount of \$100, and that Staff be authorized to pursue the necessary measures with Republic Parking to initiate this fee. Additionally, Staff recommended that an amendment to the Fees and Charges policy be drafted by Attorney Briggs to incorporate this fee into the current policy.

Commissioner Gillett moved to adopt a 28-day parking fee in the amount of \$100, authorize Staff to pursue the necessary measures with Republic Parking to initiate this fee, and that an amendment to the Fees and Charges policy be drafted by Attorney Briggs to incorporate this fee into the current policy. Commissioner Richards seconded. Voice vote: all ayes. Motion carried.

VII. DISCUSSION ITEMS

A. Terminal Renovation Update

Staff provided the Board with an update on the terminal building renovation project. At the March, 1998 Board Workshop, Don Pettygrove of Nichols Associates presented the Board with two design concepts for the terminal building roof/beams renovation project. One concept reflected the construction of columns to support the beams, and the second concept entails replacing the lower cords of the beams.

Mr. Pettygrove recommended that the Authority consider the second concept because, in his professional opinion, the replacement of the lower cords of the beams will permanently remedy the existing problems with the beams. Staff was asked to select which concept they would support. Staff chose the recommendation that Mr. Pettygrove made (to replace the lower cords of the beams). Based upon feedback that Chairman O'Boyle solicited from Board members following the workshop, Staff received direction from Chairman O'Boyle to move forward with Mr. Pettygrove to replace the lower cords of the beams.

At the March Board Workshop, Mr. Pettygrove gave a rough estimate of \$115,000 - \$120,000 for the project cost. However, because of Davis-Bacon Act requirements for a federally-funded project, the premium costs of late night construction work, and other factors, Staff recommended it was better to go with a higher project estimate of \$200,000. If the project comes in under budget, the Authority would not lose out on the federal funds. Instead, that money will be available for future projects.

Staff noted that Mr. Pettygrove will provide the specifications to the Authority by April 1, 1998, and coordinate the administration of the project with Isbill Associates so that there will be no lag time in getting the bid specifications onto the street. Staff is targeting May 1st as the date for the opening of the bids. Contingent upon Board approval, the Notice to Proceed to the successful bidder will be given in mid-May, with an estimated completion date of mid to late July. Several issues came up in Staff's discussions with the FAA, including whether the FAA would require a field engineer to be present during the construction. Having a field engineer would add approximately \$10,000 - \$15,000 to the estimated project cost.

Commissioner Gillett stated he was against this design concept for the project, and that alternative designs for the project were not properly investigated. Additionally, he felt Nichols Associates did a poor job of developing different design options, and that there could have been other design concepts which would have been more cost effective. Commissioner Graham asked Commissioner Gillett if there were any other alternatives he would like to suggest. Commissioner Gillett responded that he has objected at previous Board meetings about the direction the project is heading.

Vice Chairman McCormack asked Staff that if there was a Special Board Meeting in the place of the May, 1998 Board Workshop, could the starting date of the project be moved-up by two weeks. Manager Nystrom responded that a Notice of Award could include a provision that the Award is contingent upon FAA approval so that the Notice of Award and contract can be approved more expeditiously. Chairman O'Boyle inquired how having a \$200,000 budget may affect the bids received. Manager Nystrom commented that the FAA is looking for a ballpark figure for the terminal renovation project so they can proceed to process the project application prior to bids being opened.

Commissioner Morris expressed concern that the \$200,000 project cost estimate is now a matter of public record, thus any bids received will probably end up being bid up to that amount. Commissioner Richards noted that it is not uncommon for public entities to discuss estimated costs for various projects. Commissioner Morris noted Commissioner Gillett's concerns as to how this project has progressed, and asked if the Authority could open up a design-build for the project, which may result in the receipt of additional design options. Manager Nystrom responded that the FAA generally wants a design to be selected before putting the project out to bid. Staff could hire a second engineer to review Nichols' design, but the FAA would not pay for the second opinion.

Vice Chairman McCormack asked if Staff had considered including a "value engineering" provision in which contractor-derived design or project savings would be divided 50/50 between the Authority and the contractor. Staff commented that the FAA generally has design specifications in place, and any modifications to the design specifications would require FAA approval. However, there are very few design specifications for internal terminal structures, mainly because it was not until recently that the FAA participated in terminal building projects through AIP funding.

Chairman O'Boyle asked if the Board wished to obtain a second opinion on the Nichols' design. Commissioner Richards asked how long of a delay there would be to the renovation project if the Authority sought a second opinion. Commissioner McCormick noted that the Authority is now in the same position that it was in two months ago. Commissioner Richards asked if the Authority can afford a second opinion. Commissioner McCormick stated if the Authority is going to repair the terminal beams, it should do it properly by having a field engineer on-site during the project. Chairman O'Boyle asked if the Mesa County Building Department is able to provide that service.

Commissioner Richards moved to approve the inclusion of a field engineer for the terminal renovation project bid specification if Staff felt such an inclusion is needed. Commissioner McCormick seconded. Voice vote: all ayes, except for an abstention by Commissioner Gillett.

B. 1998 Board Workshop Priorities

Staff presented the Board with a workshop priority list for consideration and review. At the March, 1998 Board Workshop, the Board directed Staff to prioritize the workshop agenda items proposed by Commissioner McCormick and Staff. Included in the Board packet was Staff's suggested prioritization. While all of the topics are important and are worthy of discussion, they were prioritized based upon their urgency for consideration and for their anticipated long-term impact upon the airport. Staff recommended that the Board consider the priority list as submitted, re-prioritize as necessary, and utilize the list during 1998 to determine agendas for the Board workshops

Manager Nystrom commented that Staff used the Planning Policies document adopted by the Board in 1997 while categorizing each into one of four levels of priority. Level 1 indicated the highest level of priority. However, she noted that the issues were not prioritized within each of the levels. Chairman O'Boyle stated there had been discussion at previous workshops and meetings whether to continue holding monthly workshops. Commissioner Richards responded that he thought the Board had established that monthly workshops would continue, and that the Board should concentrate on prioritizing the issues within each of the levels.

Commissioner McCormick suggested the Board select several issues from the proposed priorities list and have Staff use the Planning Policies document to begin costing some of the items. Chairman O'Boyle recommended the Board members bring their copies of the Planning Policies document to the April, 1998 Workshop, along with recommendations for prioritizing the issues presented.

No action was taken by the Board.

C. Off Airport Parking Airport Access Fee

Staff presented the Board with a request to implement an off-airport parking airport access fee. The Airport Authority currently has in place a series of fees and charges for ground transportation companies that utilize the Airport for pick-up and drop-off of passengers. Companies currently paying ground transportation fees include hotels and motels with courtesy shuttle busses and vans, taxi cabs and limousines, and for-hire busses and people movers.

The current fee structures vary depending on the type of vehicle, but each fee is essentially based on an annual flat fee for a predetermined number of trips to the Airport plus a per-trip fee after the predetermined number is exceeded. Hotels and motels pay a monthly fee, fifteen cents (\$.15), per room, and are offered a 10% discount for prepaying the monthly amount in one lump-sum annual payment.

An off-airport parking lot has recently opened, and is offering parking at the off-airport site with shuttle service to and from the Airport. This off-airport site is advertising a daily rate of \$3, which is lower than the Airport's rate of \$5. The current fee structures do not specifically address an off-airport parking shuttle vehicle. Staff has conducted research on the off-airport parking situations at other airports, and believes that the Authority would be justified in charging this operator a ground transportation fee similar to that charged to other ground transportation companies.

In reviewing the fee structures, Staff believes that a charge similar to the hotels and motels would be appropriate for this, and any future off-airport parking site. However, the charge would be based on the number of parking spaces available for off-airport parking, not based on the number of rooms. Therefore, the monthly charge would be a predetermined amount times the number of parking spaces available at the parking lot. The fees for the off-airport parking transportation would be in addition to the fees which the off-airport parking lot operator may already be paying to the Authority for other Airport privileges.

Manager Nystrom noted that such a fee would be a small revenue source. However, because the off-airport parking lot operators are benefiting from and utilizing the Airport, Staff believes the fee is justified. Commissioner Graham asked what the legal justification is for imposing such a fee. Manager Nystrom responded that the operators are utilizing the infrastructure of the Airport. Commissioner Graham then asked what the difference is between an off-airport parking lot operator utilizing the Airport and a private citizen. Manager Nystrom noted that the off-airport parking lot operator is a for-profit entity, and is diverting revenue away from the existing on-airport parking lot. Commissioner Graham responded that he did not understand the justification for the fee, and that it seemed like the Authority was reaching out for an opportunity to generate additional revenue. Manager Nystrom commented that an issue arises as to how much revenue from the Republic Parking concession is lost to the off-airport parking lot operator.

Staff recommended that the Board authorize Attorney Briggs and Staff to draft an amendment to the Fees and Charges Policy to incorporate a fee for commercial off-airport parking transporters based upon the number of parking spaces available at the off-airport facility. Staff would also recommend the fee per parking space at the time that the amendment is presented to the Board. Chairman O'Boyle asked if there was a consensus of the Board regarding this issue.

No action was taken by the Board.

VIII. OTHER ITEMS

A. Runway Litigation Update (Executive Session)

B. Land Lease Negotiations Update (Executive Session)

Commissioner Graham moved to enter into executive session to consider the applicable items listed on the Agenda. Vice Chairman McCormack seconded. Voice vote: all ayes. Motion carried.

All Board members and Staff present during the regular Board meeting entered into Executive Session at 7:31pm.

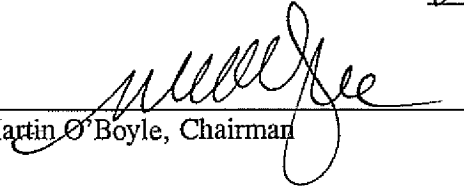
Commissioner Graham moved to exit executive session. Commissioner Gillett seconded. Voice vote: all ayes. Motion carried

All Board members and Staff present during the executive session exited executive session at 8:29pm.


IX. ADJOURNMENT

There being no further business to come before the Board, Commissioner Richards moved to adjourn the meeting. Commissioner Morris seconded the motion. Unanimously carried. The meeting was adjourned at 8:29pm.

APPROVED AND ADOPTED THIS 21 DAY OF April, 1998.



Martin O'Boyle, Chairman

ATTEST:


David J. Anderson, Clerk