

# Walker Field Airport Authority

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## Minutes of the Regular Board Meeting

December 15, 1998

**BOARD COMMISSIONERS PRESENT:** Martin O'Boyle                      Robert McCormick  
Miles McCormack                      Ken Sublett  
Jim Richards (arr 6:10pm)      Mike Sutherland  
Gary Morris

**AIRPORT STAFF PRESENT:** Corinne Nystrom                      Dan Reynolds  
John Thomas                      David Anderson  
Ted Balbier

**ALSO PRESENT:** Park Douma of West Star Aviation; Jim Doody, Jeff McFadden, and Bill Martin of Doody-Davis Nam War Memorial; Barbara Krause of Coffee Time, LLC; District 54 State Representative Matt Smith; Larry and Ron Nunnery, Airport Lessees; and Authority Attorney Doug Briggs.

### I. CALL TO ORDER

Chairman O'Boyle called the meeting to order at 5:19pm.

### II. APPROVAL OF AGENDA

Chairman O'Boyle asked for additions or changes to the published Agenda. Commissioner McCormick requested Consent Items B, C, and D (proposed revisions to Personnel Policy Manual) be relocated to Financial Items F, G, and H. Vice Chairman McCormack requested the addition of Discussion Item F- "Landside Development Issues." Commissioner Sutherland requested Consent Item E- "Grand Junction Aircraft Sales Office Site Plan" be relocated to Action Item C. Manager Nystrom requested Action Item A- "Agreement with Van Sant Group to Conduct Terminal Building Renovation Study" be discussed after Action Item C- "Grand Junction Aircraft Sales Office Site Plan."

Commissioner McCormick moved to amend the Agenda as requested. Vice Chairman McCormack seconded. Voice vote: all ayes. The Agenda was amended as requested.

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

There were no public comments or communications.

### **IV. SPECIAL PRESENTATION TO COMMISSIONER JAMES RICHARDS**

The special presentation to Commissioner Richards was made after Agenda Item V- "Update by District 54 Representative Matt Smith Regarding Proposed Legislation Concerning Intrastate Commercial Air Service." Chairman O'Boyle thanked Commissioner Richards for his three years of service as a Board member on the Walker Field Airport Authority Board of Commissioners. Commissioner Richards has served as a County appointee to the Board, and has decided not to seek reappointment.

Chairman O'Boyle noted that Commissioner Richards joined the Board during a period of turmoil at the Airport, and he has been instrumental in helping to improve how the Board and Staff operate. Chairman O'Boyle also commented on several accomplishments Commissioner Richards has made while on the Board, including negotiating a long-term land lease with the Bureau of Land Management (BLM) for an air tanker base, the search and selection of a new Authority Attorney, providing advice during the Runway 11/29 litigation, and the successful execution of a ground lease and use agreement with Federal Express. He stated Commissioner Richards has done an excellent job as a member of the Board and that the County will have a difficult time replacing him. Commissioner Richards thanked the Board and Staff and stated that he has enjoyed working with them.

### **V. UPDATE BY DISTRICT 54 REPRESENTATIVE MATT SMITH REGARDING PROPOSED LEGISLATION CONCERNING INTRASTATE COMMERCIAL AIR SERVICE**

The update by District 54 Representative Matt Smith was provided after Agenda Item VI- "Presentation by James Doody Regarding Proposed Doody-Davis Vietnam War Memorial at Walker Field Airport." Representative Smith commented on proposed State legislation which is intended to enhance intrastate commercial air service. Representative Smith noted that he and State Senator Tilman Bishop set-up an interim committee to study intrastate commercial air service. Enplanements at Colorado airports have increased compared to the same period last year, especially at Hayden and Eagle. However, at several airports, including Pueblo and Fort Collins, enplanements have continued to decrease. The decrease in enplanements at those airports has been attributed to their close driving distance to major airports.

Last year, Senator Thiebault introduced a Bill which would have provided funding for infrastructure improvements at smaller airports in Colorado. The Bill was never adopted. The proposed legislation which the interim committee is introducing is similar to Senator Thiebault's Bill. However, the funding for projects contained in the proposed legislation would come from a specific "target" fund. The emphasis of the proposed legislation would be to improve commuter air service. One of the proposed ways of assisting the commuter air carriers would be to establish automated weather stations throughout Colorado which could provide site-specific weather observations for pilots. These weather

stations would also serve the Colorado State Patrol. Representative Smith commented that the breadth of the proposed Bill has been reduced from its original draft because of the competition among various State agencies for available funding.

Chairman O'Boyle inquired how establishing weather stations would improve commuter air service. Representative Smith noted that based on the testimony received from airline representatives, the number of weather-related delays could be reduced by the availability of more timely weather observations. Chairman O'Boyle asked if these would be additional weather stations or if the Bill would only provide funding to improve existing stations. Representative Smith responded that these would be newly-established weather stations.

Chairman O'Boyle inquired what the next step would be to improve air service if this Bill is passed. Representative Smith commented that New Mexico and Wyoming are also addressing the issue of how to improve commuter air service, and North Dakota has recently enacted legislation to provide supplemental funding towards the Essential Air Service (EAS) Program. New Mexico and Wyoming are considering similar legislation. The next step towards improving commuter airline service in Colorado will be to review the directions which New Mexico and Wyoming take in their efforts to improve commuter air service.

Commissioner McCormick asked if the interim committee had looked into why there tends to be more concerns with the level of service between Grand Junction and Denver than with the air service provided between Grand Junction and Salt Lake City. Representative Smith noted that the committee did not look into that area. He commented that the committee primarily focused on anti-trust and intrastate competition issues. Additionally, the committee looked into equipment utilization by the air carriers.

Representative Smith commented that the airlines told the committee the Western Slope is underserved. Commissioner Richards requested clarification of the funding source for the proposed legislation. Representative Smith noted the funding would come from the Noble Fund (as authorized by Senate Bill 1), which has been used to fund transportation projects. The federal government requires that at least 10% of the Fund be used for projects other than highway projects. Thus the weather stations would qualify for that portion of the Fund allocated to "other projects." Commissioner Sutherland commented on an article in the most recent issue of Airport Magazine which explores the effects of airline deregulation upon air service, especially in smaller communities.

Representative Smith commented that on the federal level, reregulation is being explored as a possibility to improve air service, including additional anti-trust legislation. As far as subsidizing service, Representative Smith did not believe this would occur anytime in the near future. The committee reviewed competition at DIA, and noted that as with many other hubs across the United States, over 80% of the enplanements at DIA are handled by the two hub airlines—United Airlines and Frontier Airlines. Many of the hubs are "locked-up" by the hub carriers. However, according to the FAA, competition is growing in many smaller cities in Colorado because travelers have the opportunity to choose through which hub they travel. In ski areas, such as Hayden and Eagle/Vail, passengers can choose from several hubs, including Atlanta, Dallas, and Chicago.

Commissioner McCormick expressed concern that some air carriers promise a certain level of service, but are unable to live up to their promises because of a lack of equipment. He asked if there is anything that can be done to regulate the air carriers to deliver what they promise. Representative Smith stated that air carriers are regulated heavily on the federal level, and when the State Legislature

had tried to require on-time performance data from the airlines, it was determined that federal law preempted the State from requiring the data. Thus it is difficult to impose any type of State regulations upon the air carriers. Chairman O'Boyle thanked Representative Smith for providing the update to the Board.

## **VI. PRESENTATION BY JAMES DOODY REGARDING PROPOSED DOODY-DAVIS VIETNAM WAR MEMORIAL AT WALKER FIELD AIRPORT**

Mr. James Doody made a presentation to the Board regarding a proposed Vietnam Memorial he would like to establish at Walker Field Airport. The proposed Memorial would commemorate his brother and his brother's long time friend—both of whom served in Vietnam. Mr. Doody's brother was killed in action. Mr. Doody has visited with Staff to discuss his work and the possibility of placing the Memorial adjacent to the F-11 at Aviators' Memorial Park.

While Staff has been diligent in assisting Mr. Doody in gathering information, providing location details, etc., Staff has neither advised nor expressed to Mr. Doody any commitment or approval from the Authority to locate the Memorial at Walker Field Airport. Staff requested Mr. Doody present information regarding the proposed Memorial to the Board.

Mr. Doody, Jeff McFadden, and Bill Martin provided additional information regarding the proposed Memorial. Mr. Doody referred to a model of the proposed Memorial and information packet, and commented that the intent of the proposed Memorial is to honor Vietnam-era veterans from the Western Slope of Colorado. He also noted that there has been a web site established which provides information regarding the proposed Memorial. To maintain the Memorial, a perpetual care organization would be created.

The proposed Memorial would be constructed in three phases—creation of the pad, installation of a static helicopter display, and the placement of two statues. Mr. Doody indicated he has been working with the Civil Air Patrol to acquire the helicopter for the proposed Memorial. Vice Chairman McCormack asked if a fence or railing will be used to keep people off of the top of the Memorial. Bill Martin, who has also been working on the proposed Memorial, stated that they are exploring several options for funding and construction of the Memorial. To keep people off of the helicopter, one of the options would be to mount the helicopter at an angle above the pad. Chairman O'Boyle inquired about the cost and timeline of the construction of the Memorial. Mr. Doody commented that the concrete pad will cost approximately \$36,000, with ground breaking on the Memorial in spring of 1999. He stated that the only item they need from the Airport Authority is a site on which to locate the Memorial.

The entity which has been created to construct and maintain the Memorial is the "Doody-Davis Nam War Memorial," a Colorado non-profit corporation. Jeff McFadden noted that each of the three phases of the Memorial will be "stand-alone." Phase 2, acquisition and installation of the helicopter, would take approximately 9 months to complete. Chairman O'Boyle asked if the Memorial group has the funds available to complete the construction of the Memorial. Mr. McFadden responded that if the Authority could give preliminary approval, the acquisition of funds will be much easier.

Mr. Doody asked whether Colorado State Lottery funds were used for the Aviators Memorial Park. Commissioner Sutherland stated that Lottery funds were not used, but he believed Mesa County and the Lions Club each donated funds for the project. Commissioner Sutherland noted that from his

experience with the Aviators' Memorial Park project, he is concerned with vandalism. He stated that on several occasions, the Authority's security guard service has found people sitting on the F-11 aircraft at night.

Vice Chairman McCormack stated he would like to go out to the site to see how the proposed Memorial will be oriented. Commissioner Sutherland asked what utilities are located at the proposed Memorial site. Staff commented that phone lines run through the parcel. Manager Nystrom noted that Staff will review possible height restrictions. Commissioner McCormick posed two questions—whether lighting and landscaping have been considered, and whether Mr. Doody has looked at other sites on the Airport. Regarding the lighting and landscaping, Mr. Doody stated they would probably install lighting similar to what is in place at Aviators' Memorial Park. Additionally, sod and a sidewalk would probably be placed around the proposed Memorial. Regarding other sites at the Airport, Mr. Doody stated that he has not looked at any other on-Airport sites.

Commissioner Sutherland commented that there is a vacant parcel to the east of the Civil Air Patrol building which may be available for the proposed Memorial. Mr. Doody noted that the proposed location next to Aviators' Memorial Park would offer the most visibility for the Memorial. Commissioner Sublett recommended that the name of the Memorial incorporate "Vietnam" instead of the slang word "Nam." Additionally, he recommended that the helicopter be placed as far as possible above the ground and at an angle to prevent people from climbing on the helicopter. Third, Commissioner Sublett indicated he would like to see the guidelines for how honorees are chosen to be included in the Memorial. Commissioner McCormick asked what the grade would be for the Memorial. Mr. Doody commented the platform would slant up to the north. Commissioner Sutherland recommended that a railing be installed on the platform in conformance with applicable building codes.

Commissioner McCormick suggested that the Board decide whether or not to approve the proposed Memorial. Chairman O'Boyle recommended that the Board take some time to review the pros and cons of the proposed Memorial. Commissioner Sutherland suggested that the Authority meet at the site to review the placement of the Memorial, and to contact members of the Army Corps of Engineers who were involved with the Aviators' Memorial Park to seek their advice. Commissioner McCormick requested that Staff provide the Board with an analysis of the impact that the proposed Memorial may have on future leaseable land. Commissioner McCormick recommended the Board discuss the proposed Memorial at the February, 1999 Board Workshop and at the February, 1999 Regular Board Meeting.

Commissioner Sutherland commented that he would like to see estimated cost spreadsheets for the proposed Memorial. Mr. Doody noted that they are researching the possibility of obtaining grants for the construction of the Memorial. Commissioner McCormick stated that the Board wants to ensure that the Doody-Davis Memorial organization can complete a phase before it begins that portion of the project. Commissioner Sublett indicated he would like to see the cost estimates for annual maintenance for the proposed Memorial. Chairman O'Boyle recommended that Mr. Doody submit a concept plan to the Mesa County Building Department. Commissioner McCormick referenced a portion of the Memorial platform which states "Field of Dreams" and inquired whether there may be possible problems with using that phrase because of the movie which used "Field of Dreams" for its title. Chairman O'Boyle recommended Mr. Doody work with Staff to prepare for the February, 1999 Board Workshop and the February, 1999 Regular Board Meeting.

## VII. CONSENT AGENDA

**A. Minutes: November 17, 1998 Regular Board Meeting**

**B. Revision to Personnel Policy No. 8-1: Recognized Holidays**

Relocated to Financial Item F.

**C. Revision to Personnel Policy No. 10-6: Sick Leave - Conversion to Vacation Leave**

Relocated to Financial Item G.

**D. Revision to Personnel Policy No. 10-7: Sick Leave Payment Upon Separation**

Revision to Financial Item H.

**E. Grand Junction Aircraft Sales Office Site Plan**

Relocated to Action Item C.

**F. Amendment No. Six to Contract Between Isbill Associates and Walker Field Airport Authority**

Staff presented the Board with proposed Amendment No. Six to the existing contract between Isbill Associates and the Walker Field Airport Authority. The Amendment is for engineering and contract administration services for planned improvements to Blue Angel Lane as part of FAA Airport Improvement Program Project AIP-18. The Amendment would increase the underlying contract amount by \$44,990.

Staff recommended the Board approve Amendment No. Six to the existing contract between Isbill Associates and the Walker Field Airport Authority. Additionally, Staff recommended the Chairman be authorized to sign the Amendment on behalf of the Authority, contingent upon FAA-approval of the Amendment.

**G. Resolution No. 1998-010: Request for Grant from the Colorado Aeronautical Board and the Division of Aeronautics and Contract with the State of Colorado for 1999 Colorado Division of Aeronautics Grant Project**

Staff presented the Board with proposed 1999 Colorado Division of Aeronautics Grant Project (CDAG) contract documents. Per Board approval, Staff requested a grant from the Colorado Aeronautical Board in October, 1998 to assist the Authority in the acquisition and installation of a backup localizer on Runway 11. The Aeronautical Board authorized \$60,000 in the form of a grant to the Authority for this purpose, and has provided the pertinent grant documents to the Authority for review and approval. The documents include a Resolution and Agreement relative to the use of the grant funding.

Staff recommended the Board approve the pertinent grant documents and Resolution No. 1998-010: Request from the Colorado Aeronautical Board and the Division of Aeronautics and Contract with the State of Colorado for 1999 Colorado Division of Aeronautics Grant Project.

Additionally, Staff recommended that the Board authorize the Chairman to sign the grant documents and Resolution No. 1998-010 on behalf of the Authority.

Commissioner McCormick moved to approve Consent Agenda items A, F, and G. Vice Chairman McCormack seconded. Roll call: all ayes. Motion carried.

Commissioner Morris noted that he was not present at the November 17, 1998 Regular Board Meeting. Staff modified the Minutes to reflect Commissioner Morris's absence from the November 17, 1998 Regular Board Meeting.

## VIII. ACTION ITEMS

### A. Agreement with Van Sant Group to Conduct Terminal Building Renovation Study

This Action Item was acted upon after Action Item C- "Grand Junction Aircraft Sales Office Site Plan." Staff presented the Board with a proposed Agreement between Van Sant Group and the Walker Field Airport Authority. The proposed Agreement would authorize the Van Sant Group architectural firm to begin work in the terminal building architectural and renovation update in accordance with the corresponding Scope of Work. The proposed Agreement was drafted by Authority Attorney Doug Briggs. Commissioner McCormick asked to what extent the Board would be involved in the study. Manager Nystrom noted that Terry Van Sant of Van Sant Group stated that he would like to attend the January, 1999 Board Workshop to obtain input from the Board.

Commissioner McCormick moved to approve the Agreement between Van Sant Group and the Walker Field Airport Authority to conduct the terminal building renovation study and that the Chairman be authorized to sign the Agreement on behalf of the Authority. Commissioner Sutherland seconded.

Commissioner McCormick recommended eliminating the word "aesthetics" from this study. Vice Chairman McCormack requested that Van Sant Group provide estimated line item costs for each of the recommended terminal improvements. Manager Nystrom noted that Mr. Van Sant is very flexible in providing what the Board would like have incorporated in the study. Commissioner McCormick stated he was pleased with the Scope of Work contained in the Agreement. Chairman O'Boyle asked if Mr. Van Sant has projected a useful life for the terminal building. Manager Nystrom responded that Mr. Van Sant will make recommendations on how the Authority can utilize the existing terminal building for many years to come.

Voice vote: all ayes. Motion carried.

The consensus of the Board was to have Mr. Van Sant attend a Board Workshop to ask questions of the Board as to what each of the Commissioners would like to accomplish with this study.

**B. Ground Lease Agreement with State of Colorado Department of Public Safety for the Benefit of the Colorado State Patrol**

Staff presented the Board with a proposed Ground Lease Agreement between the Walker Field Airport Authority and the State of Colorado Department of Public Safety for the Benefit of the Colorado State Patrol. The proposed site for the State Patrol building is a parcel of Authority land located between Walker Field Drive and Falcon Way adjacent to H Road. Staff began the lease negotiation process using the Authority's boiler plate Ground Lease Agreement. During the negotiation process, the State of Colorado requested to modify or delete various provisions of the Agreement because several of the provisions are not applicable to governmental entities.

Modifications or deletions to the Agreement include the following: the term of the lease will be thirty (30) years with two (2) ten (10)-year optional extensions; a non-standard rent adjustment will be included to allow for adjustments every six years instead of every year (averages to a 2% annual increase); the insertion of a cap of Other Fees at \$25,491 per year; interest was reduced to 1% per month; security deposit requirement was waived per Colorado law; a clarification was made to note that the State of Colorado does not pay local taxes or real and personal property taxes; and the usage of the premises during emergencies was disallowed because the State Patrol will be involved in the Authority's emergency responses. Finally, several provisions were added to the Miscellaneous Governmental Provisions section.

Although it was not included in the Ground Lease Agreement, Staff noted that the Authority budgeted for, and will be installing, utilities to the property boundary which are not currently available on-site. Those utilities include electric and sanitary sewer lines. The utilities will be brought from existing lines on the south side of H Road to the parcel of land to the east of the State Patrol parcel and run under Walker Field Drive. This is being done to accommodate both locations for electric and sewer and to facilitate the Authority developing the parcel east of Walker Field Drive.

Commissioner Sutherland inquired whether easements are needed across the State Patrol leasehold to access other parcels. Staff noted there is an existing utility easement 10 feet east of Falcon Way running parallel to Falcon Way. Commissioner McCormick asked when construction on the facility will begin. Staff commented that the State Patrol will begin construction this spring because it hopes to move into the building by July, 1999. Chairman O'Boyle asked if there has been a study conducted to determine the traffic impacts from the proposed development. Staff stated it has not received a copy of the final State Patrol site plan. However, Staff is attempting to facilitate discussion between the State Patrol and the City Planning Department.

Commissioner Sutherland inquired if the Authority has any veto power over the State Patrol's site plan. Staff responded that the Authority has veto power in the review of the site plan as described in the Authority's Architectural and Development Standards. Commissioner Sutherland asked if FAA Form 7460-1 (height restrictions review) has been submitted. Staff noted it would review whether the Form has been submitted to the FAA. Commissioner Sutherland inquired whether the Architectural and Development Standards is included in the Lease Agreement by reference. Staff responded that the Architectural and Development Standards is one of the exhibits referenced in the Lease Agreement. Chairman O'Boyle commented that the Minimum Standards and Architectural and Development Standards may not be sufficient to address all of the issues affecting Airport development. Manager Nystrom noted that the Minimum Standards document is



currently being revised and the revision of the Architectural and Development Standards is a 1999 objective of Staff.

Chairman O'Boyle noted that he would like the Board to review the State Patrol's site plan. Manager Nystrom stated that under existing Authority leases, tenants must have Authority approval for the construction of improvements. Additionally, she commented that Staff used to bring all site plans to the Board for review, but the Board at that time expressed it only wished to review those site plans which may be in variance to the Architectural and Development Standards.

Staff recommended the Board approve the Ground Lease Agreement with the State of Colorado and that the Chairman be authorized to sign the Agreement on behalf of the Authority. The Ground Lease Agreement with the State of Colorado was presented to the Board unsigned by the State of Colorado because of a State Policy which requires the Lessor sign a lease agreement prior to the submission to, and signature by, the State of Colorado.

Commissioner McCormick moved to approve the Ground Lease Agreement between the Walker Field Airport Authority and the State of Colorado, Department of Public Safety, for the Benefit of the Colorado State Patrol as presented, that the Chairman be authorized to sign the Agreement on behalf of the Authority, and for Staff to review all plans for compliance with the Authority's Architectural and Development Standards. Commissioner Morris seconded.

Commissioner Sublett asked what type of flight operations the State Patrol conducts on the Western Slope. Staff noted that the State Patrol operates a Cessna 182 which is hangared at West Star Aviation. Additionally, the State Patrol occasionally flies a Beech King Air into the Airport. Commissioner Sublett asked whether the State Patrol's non-aeronautical use classification for its leasehold would be affected if any of the State Patrol pilots are ever stationed at the new facility. Chairman O'Boyle noted this will probably occur. Staff commented that in conversations with the State Patrol, they stated that the existing State Patrol agreement with West Star Aviation would not be affected by the Agreement with the Authority.

Commissioner Sutherland commented that the Authority probably doesn't need to worry about this situation as much as it should if the converse situation occurred—a tenant wishing to lease aeronautical land, but for a non-aeronautical purpose. Staff noted that almost all references in the proposed Agreement to aeronautical uses were deleted. Commissioner Sutherland asked what the land lease rate will be per the Agreement. Staff noted the initial ground lease rate will be \$.0894/sq.ft./yr., which is the standard commercial rate. Commissioner Sutherland inquired if an appraisal of landside parcels has been conducted recently. Manager Nystrom answered that the last time the Board voted on the land lease rates was in January, 1997. Those rates are subject to an annual adjustment based upon the CPI-U (October - October).

Chairman O'Boyle noted that at the most recent City of Grand Junction/Mesa County/Authority Board of Commissioners Meeting, the consensus was for the Authority to obtain an appraisal of the landside parcels. Commissioner Richards commented that the Authority's "highest and best use" policy may be a stumbling block since the State Patrol lease rate may not be as high as the appraised lease rate. Commissioner Sutherland suggested that the Authority consider setting landside rates as the higher of either the fair market value rate or highest aeronautical lease rate.

Voice vote: all ayes. Motion carried.

### **C. Grand Junction Aircraft Sales Office Site Plan**

Staff presented the Board with a proposed site plan for an addition to the Nunnery Hangar to accommodate Grand Junction Aircraft Sales. At the November 17, 1998 Regular Board Meeting, the Board authorized the Nunnerys to sell aircraft from their existing hangar. The Nunnerys have requested to build an office addition to accommodate those sales. In the past, Staff has reviewed site plans for additions and remodels of existing facilities and has provided recommendations or approval to the tenant.

However, this addition would require a variance from the Authority's Architectural and Development Standards. Thus Staff presented this request for a variance to the Board for review. The Standards call for a minimum 65 foot building setback from the centerline of existing roads. As per the site plans provided, the Nunnerys' setback for their new addition would be 50.5 feet. Setback variances have been approved for three structures along Aviators Way within the last 5 years. The setback for those structures is currently 57 feet from the centerline of Aviators Way.

Commissioner Sutherland noted that the City of Grand Junction has strict guidelines for setbacks, and the Authority should take a hard look at its regulations if many of the buildings along Aviators Way have variances. Regarding the variance which the Board approved for the National Weather Service, Commissioner Sutherland believed that the variance was granted because there was a possibility Aviators Way would be realigned. Additionally, Commissioner Sutherland commented that the site plan presented for the Nunnery Hangar did not provide much detail. He asked for what the area between the addition and Aviators Way would be used. Larry Nunnery commented that the addition would be located between the hangar and Heritage Way and the area between the hangar and Aviators Way will be used for aircraft parking.

Chairman O'Boyle asked who addresses drainage issues when a tenant wishes to make improvements to a leasehold. Manager Nystrom stated that Staff reviews the drainage aspects of the proposed improvements. Commissioner Sutherland asked if the Architectural and Development Standards addresses drainage issues. He recommended that site plan submittals be more comprehensive. Manager Nystrom noted that the Architectural and Development Standards provides a list of requirements for site plan submittals, which includes addressing drainage issues.

She asked if the Board would like to require more detail in the site plans. Commissioner Sutherland stated he would not like to see too much detail, but the Authority needs to address these issues and hold to the existing Architectural and Development Standards. Vice Chairman McCormack believed that this Action Item was only a request for a setback variance.

Additionally, he commented that a firewall may be required between the hangar and the addition.

Commissioner Sutherland moved to approve a variance in the setback requirements contained in the Authority's Architectural and Development Standards from 65 feet to 50.5 feet to accommodate the addition of office space to the Nunnery Hangar. Vice Chairman McCormack seconded. Voice vote: all ayes. Motion carried.

## IX. FINANCIAL ITEMS

### A. October 31, 1998 Financial Statements/Accounts Receivable Report

Manager Nystrom updated the Board regarding the October, 1998 Financial Statements. Manager Nystrom commented that the Authority has experienced a strong 1998. She noted that Staff is closely watching the cash flow so the Authority can put more money into cash reserves now that the bonds are paid off. Year-to-date income to retained earnings is \$200,000 over budget and \$33,000 more in October of this year than in October of 1997. Overall, the Authority is experiencing a very good year financially.

Commissioner McCormick moved to acknowledge receipt of the October, 1998 Financial Statements. Commissioner Sutherland seconded. Voice vote: all ayes. Motion carried.

Manager Nystrom commented on the account status of Marge's Frozen Custard. She noted that three delinquency letters have been sent to Marjorie Hood per the Authority's Accounts Receivable Collection Policy and Staff has met with her twice to discuss the delinquency. Staff noted that the discussions with Ms. Hood centered on how Marge's Frozen Custard can bring its accounts current with the Authority. Several recommendations were made, including closing the restaurant early and modifying the menu to include more prepackaged food items to reduce labor costs.

Commissioner McCormick asked if Marge's Frozen Custard has made any payments to the Authority since its commencement of operations in March, 1998. Staff noted that the Authority received its most recent payment from Marge's in September. Commissioner McCormick asked how long can a tenant be delinquent on its account before the Authority terminates the underlying agreement. Manager Nystrom commented that once an account becomes 90 days delinquent, Staff presents the account to the Board. Commissioner McCormick asked why Marge's Frozen Custard is delinquent in its accounts. Staff responded that according to Ms. Hood, Marge's product costs and labor costs are too high. Commissioner McCormick asked if Staff has noticed any recent changes in Marge's Frozen Custard's operations. Staff commented that with the exception of price increases, there have been few changes.

Commissioner Morris asked what the concession rental fee is for Marge's. Staff commented that the fee is 6% of gross sales. Chairman O'Boyle asked if Marge's will be able to bring its accounts current. Manager Nystrom noted that Staff has met with Ms. Hood to discuss how Marge's can accomplish this, including altering Marge's hours of operation. Commissioner McCormick asked if Marge's Frozen Custard is undercapitalized. Manager Nystrom commented that Staff's observation is that Marge's costs of operation are too high compared to its revenues.

Chairman O'Boyle commented on the Authority's past expectations of restaurant operators and restaurant service which may not be conducive to a successful restaurant operation. In other words, is the Authority setting-up restaurant concessionaires for failure? Barbara Krause of Coffee Time, LLC, asked if the Authority received any complaints during the period of time when there was no restaurant. Manager Nystrom stated there were very few complaints during the time when there was no restaurant.

Chairman O'Boyle recommended the Authority seek the services of an independent consultant to analyze whether or not a successful restaurant in the terminal building is possible. Commissioner Richards noted that the Authority lowered the rent and expectations of the previous concessionaire, but that did not work. He stated the terminal building restaurant is not a destination restaurant. Chairman O'Boyle commented that the Authority has historically viewed the restaurant as a necessity. Thus the Authority should receive an opinion from an independent consultant to review the necessity of having a restaurant in the terminal building. Manager Nystrom stated that Staff believes Marge's is committed to serving the traveling public and Staff will continue to work with Marge's to cut the losses.

**B. Public Hearing Regarding Proposed 1998 Supplemental Budget**

Chairman O'Boyle opened the floor to public comments regarding the Proposed 1998 Supplemental Budget. There were no public comments. Manager Nystrom commented that notice of the Proposed 1998 Supplemental Budget was published in the Daily Sentinel.

**C. Resolution 1998-011: Resolution Amending 1998 Budget and Appropriations**

Prior to the end of each fiscal year, it is necessary for the Authority to ensure that the budget for that year conforms to what has transpired during the year, especially with respect to expenditures. A resolution is necessary to finalize the budget and authority to appropriate before year-end. The amended budget is still a projection, but it is based upon actual financial data that has been compiled throughout the year. It incorporates the additions and deletions made to the capital budget, as previously authorized by the Board on a case-by-case basis, as well as the changes in the contributed capital, revenue, and expense categories experienced during the year.

Staff highlighted several items of the proposed 1998 Supplemental Budget, including a format change to conform with the format of the Authority's audit report. The proposed 1998 capital expenditures line item has been increased from \$105,000 at the beginning of the year to \$413,000 because of several additional capital projects which the Board has approved during the year. Such projects included the Authority hangar renovations project, terminal beams renovation project, and additional appropriations for the Runway 11/29 litigation.

Even with the additional capital expenditures, the Authority's ending year cash balances are estimated to be only \$39,000 less than what was initially budgeted. This is primarily attributed to higher than budgeted revenues. The Federal Grants line item is expected to be less than what was originally budgeted because of a decrease in FAA discretionary funding, and invoices for several in-progress projects are not expected to be submitted to the Authority until 1999. Additionally, corresponding Passenger Facility Charge (PFC) expenditures are also expected to be less than what was originally budgeted for 1998.

Overall, operating revenues are estimated to be approximately \$200,000 more than what was originally budgeted and operating expenses are expected to be slightly lower than originally budgeted. Staff recommended the Board approve Resolution 1998-011: Resolution Amending 1998 Budget and Appropriations and that the Chairman be authorized to sign the Resolution on behalf of the Authority. Commissioner Sutherland inquired whether revenues received from Federal Express are close to what was budgeted. Manager Nystrom noted that Federal Express revenues were not originally budgeted in 1998 and that Staff conservatively budgeted the revenues from Federal Express in the Supplemental Budget. As an additional item, Staff commented that

several areas of the air carrier ramp need to have pressure grouting performed to mitigate pavement deterioration. Staff requested that money left over from the landside crack sealing project be used for the ramp pressure grouting. The consensus of the Board was to utilize the leftover money authorized from the landside crack sealing project to be used for the pressure grouting.

Commissioner McCormick moved to approve Resolution 1998-011: Resolution Amending 1998 Budget and Appropriations and that the Chairman be authorized to sign the Resolution on behalf of the Authority. Commissioner Sutherland seconded. Roll call: all ayes. Motion carried.

**D. Engagement Letter with Costello, Allyn & Co., P.C. to Conduct Audit of 1998 Financial Statements**

Staff presented the Board with a proposed letter of engagement from Costello, Allyn & Co., P.C. to conduct the annual audit of Walker Field Airport Authority's 1998 financial statements. This is the fourth year of a five-year contract with Costello, Allyn & Co. to conduct the annual audit. Costello, Allyn, & Co. proposed to conduct the audit for a fee not to exceed \$11,885. This amount represents an increase of \$4,000 over the amount charged to audit the 1997 financial records due to additional FAA-required audit tests and certifications pertaining to airport sponsor revenue diversion and grants and assurances. The fee is an increase of \$6,385 over the amount charged to audit the 1996 financial records.

Because of scheduling issues at Costello, Allyn & Co. and the additional required audit tests and certifications, they are proposing an audit term of May 3, 1999 through May 31, 1999 (compared to January 19th through February 28th for last year). Unfortunately, FAA-mandated financial reports which Staff must submit by April 30th reference the audit report. Since the auditors report directly to the Board, Staff noted it would not make a recommendation to the Board. However, in light of the significant increase in the proposed audit fee and the later audit term which creates problems for submitting the financial reports to the FAA within its deadline, the Board may wish to discuss whether or not to accept the Engagement Letter from Costello, Allyn & Co. and whether or not the 1998 audit process should be put out to bid.

Commissioner McCormick recommended the Authority put the 1998 audit out to bid. Commissioner Sutherland asked if any proposals could be obtained on such short notice. Manager Nystrom noted that at least one firm, Dalby, Wendland & Co., indicated it would be interested in submitting a proposal to perform the audit if the Authority placed it out to bid. Commissioner Sutherland asked for further details regarding Costello, Allyn & Co.'s scheduling concerns. Staff noted that according to Costello, Allyn & Co., they are too busy during tax season to be able to complete the audit in the time requested by the Authority. Commissioner Richards noted that the General Accounting Office (GAO) has increased the number of required audit tests and this may be one of the reasons Costello, Allyn & Co. has raised its proposed audit fees. Commissioner Morris agreed with Commissioner McCormick and recommended the Authority put the audit out to bid. Commissioner McCormick recommended that if the audit is put out to bid, the term should be 3 years instead of 5 years.

Per the consensus of the Board, Manager Nystrom stated that Staff would immediately put the 1998 audit out to bid and provide the Board with the results of the bid at the January, 1999 Regular Board Meeting.

Commissioner McCormick moved to put the 1998 audit out to bid. Commissioner Sutherland seconded. Voice vote: all ayes. Motion carried.

**E. Request by Coffee Time, L.L.C. for Temporary Reduction in Revenue Payable to Walker Field Airport Authority**

Staff presented the Board with a request by Coffee Time, LLC for a temporary reduction in revenue payable to the Walker Field Airport Authority. On November 30, 1998, Coffee Time submitted a letter to the Authority requesting a temporary reduction in revenue payable to the Authority. According to Coffee Time's letter, the request was submitted as a result of an unusual reduction in sales it has experienced since the commencement of the terminal beams renovation project.

On December 8<sup>th</sup>, Staff met with Barbara and Ken Krause of Coffee Time to discuss their concerns. During this meeting, they requested that the Authority reduce Coffee Time's monthly percentage of gross revenues concession fee from the existing 6% level to 3% from November 1, 1998 until the scaffolding is removed from the northeast side of the terminal building in January. Staff agreed that it would present Coffee Time's request to the Board.

Because of the apparent reduction in Coffee Time's gross revenues since the commencement of the terminal beams renovation project, Staff recommended that the Board approve a temporary reduction in Coffee Time's percentage of gross revenues payable to the Authority from 6% to 3% during the renovation project from November 1, 1998 until the date that the scaffolding is removed from the northeast side of the terminal building to allow easier access by customers to Coffee Time. Staff also recommended that if the Board approved the temporary reduction of the percentage of gross revenues payable to the Authority, that such approval not be considered as a precedent-setting policy regarding the temporary reduction or abatement of rents and/or fees payable to the Authority by other tenants.

Staff noted that much of the business Coffee Time receives is walk-up business versus other first floor terminal concessionaires and lessees which tend to receive more pre-arranged business. Barbara Krause of Coffee Time, LLC stated that from December 14, 1997 to December 31, 1997, Coffee Time had more sales than for the entire month of November, 1998.

Vice Chairman McCormack moved to approve the temporary reduction of gross revenues payable to the Authority from 6% to 3% during the renovation project from November 1, 1998 until the date that the scaffolding is removed from the northeast side of the terminal building and that such reduction not be considered as a precedent-setting policy regarding the temporary reduction or abatement of rents and/or fees payable to the Authority by other tenants. Voice vote: all ayes. Motion carried.

**D. Revision to Personnel Policy No. 8-1: Recognized Holidays**

Staff presented the Board with proposed changes to Personnel Policies 8-1, 10-6, and 10-7. At the February 17, 1998 Regular Board Meeting, the Board approved Resolution 1998-002: Revised Personnel Policy Manual. Since that time, several issues have arisen for which Staff recommended changing the applicable policies, including clarification of the payment for an unused discretionary holiday and the conversion of sick leave into vacation leave.

Existing Personnel Policy 8-1 (Recognized Holidays) specifies that employees who do not use a discretionary holiday prior to the last day of the full pay period for the year will be paid for eight (8) hours of straight time in their final paycheck for the year. This existing Policy does not address the issue of whether employees will be paid for any unused holidays if they separate employment prior to the last day of the full pay period for the year.

Existing Personnel Policy 10-6 (Sick Leave - Conversion to Vacation Leave) allows employees who have accrued more than 250 hours of sick leave to convert sick leave into vacation leave at the rate of three (3) sick leave hours for every one (1) vacation leave hour. Policy 10-7 (Sick Leave Payment Upon Separation) provides compensation for unused sick leave at their current pay for one-half of the hours accrued over 500 hours upon separation. Neither of these two Policies addresses the issue of whether employees will be compensated for unused accrued sick leave under 500 hours and when an employee can request a conversion. Staff noted Authority Attorney Briggs has reviewed the proposed amended personnel policies and has found them to be in conformance with applicable personnel and employment laws.

Commissioner McCormick recommended against the proposed changes to the Personnel Policy Manual because the proposed changes did not substantively affect the Policies. Instead, he noted that the Authority's Personnel Policy Manual authorizes the Airport Manager to develop a set of accompanying interpretive procedures. Commissioner Morris inquired if there has been an issue of confusion regarding these Policies. Manager Nystrom responded that it has not been an issue of confusion. Rather, that upon separation, a former employee attempted to take advantage of the way the Policies have been drafted.

Chairman O'Boyle asked if interpretive procedures could address these concerns. Manager Nystrom stated Staff would follow the direction the Board would like for it to proceed. However, there is concern that interpretive procedures may not have the same force as policies. Thus Staff would request Authority Attorney Briggs to review this issue. Commissioner McCormick believed that the intent of closing loopholes within the Policies could be accomplished with interpretive procedures. Commissioner Sutherland inquired if Staff should develop several scenarios for which these Policies would apply and provide the Board with pros and cons regarding whether the Board should modify these Policies.

Commissioner McCormick recommended, for example, creating a procedure which would specify a particular deadline for which employees could convert sick leave into vacation leave. He noted that the difference between a policy and a procedure is that a policy is an enabling legislation which allows Staff to draft the procedures in conformance with the policy. Additionally, Commissioner McCormick offered to assist Staff in developing and reviewing interpretive procedures. The consensus of the Board was for Staff to develop a set of interpretive procedures to accompany the Authority's Personnel Policy Manual.

**E. Revision to Personnel Policy No. 10-6: Sick Leave - Conversion to Vacation Leave**

Discussed in Financial Item D.

**F. Revision to Personnel Policy No. 10-7: Sick Leave Payment Upon Separation**

Discussion in Financial Item D.

## X. DISCUSSION ITEMS

### A. Budget Rent-A-Car Service Area Update

Staff provided the Board with an update on the status of the transfer of improvements located at the former Budget Rent-A-Car service area to the Authority. Staff commented that Walsh Environmental Services will be proceeding with the investigation of the service area improvements to look for the presence of asbestos. Manager Nystrom noted that Attorney Briggs has reviewed whether or not an off-Airport rental car concessionaire could rent the service area from the Authority.

Attorney Briggs stated that the Authority can modify or amend the existing Off-Airport Rental Car Concession Agreement to allow the operator to utilize an on-Airport service area. However, the distinction between an on-Airport and off-Airport operator may diminish if the authorized activities are expanded for the off-Airport operators. Additionally, the on-Airport operators may validly argue that they bid for the on-Airport concessions based upon the then-existing expectations that the off-Airport rental car concession privileges were less than in the on-Airport agreements.

Commissioner Sutherland asked if the Authority could allow an off-Airport rental car concessionaire to bid on renting the service area if no other on-Airport operator bid on the rental of that service area. Attorney Briggs noted that this may be an option for the Authority. Manager Nystrom commented that the Authority has received two letters of interest from an on-Airport rental car concessionaire to bid on renting the service area facility from the Authority. Additionally, Staff is working with Jim Biber to obtain an appraisal of the facility.

### B. Terminal Building Beam Replacement Update

Staff provided the Board with an update on the terminal building beam replacement project. Staff noted that the project is expected to be completed in mid-January, 1999. Several temporary shoring columns have been removed as the project has progressed. Chairman O'Boyle inquired whether the Authority is continuing to pay rent for the shoring. Staff responded that since the starting date of the project, RW Jones has been paying for the shoring rental. Additionally, Staff commented that there still may be some change orders depending upon whether any unanticipated problems occur which are not contained within the Scope of Work of the contract.

Commissioner McCormick asked how the engineering oversight has been. Staff commented that the engineering oversight appears to be acceptable. Chairman O'Boyle inquired what will happen if the terminal building roof develops leaks. Staff commented that if leaks develop, the Authority will have to deal with them unless the leaks can be attributed to something the contractor did during the project.

### C. Walker Field Airport Authority Capital Improvement Project List (1999-2003)

Staff provided the Board with a proposed Capital Improvement Project (CIP) List which the Authority is required to submit to the FAA on an annual basis. Manager Nystrom highlighted several items on the list, including the addition of Runway 4/22 general aviation area site development. Staff commented that it met with the FAA in August to discuss future development



of Walker Field Airport. The two main development issues discussed were air cargo and general aviation development.

Chairman O'Boyle inquired about the proposed installation of the runway end identification lights (REILs) on Runway 4/22 in the year 2003. He asked what prompted the planned installation. Manager Nystrom responded that the FAA is requesting the REILs be installed. Chairman O'Boyle inquired if the REILs could be controlled by air traffic control tower personnel. Manager Nystrom was told by the FAA that there are several ways to control the lighting for the REILs. Chairman O'Boyle expressed his concern that if the REILs are on at the same time for Runway 22 and Runway 29, there may be some confusion for arriving aircraft. Manager Nystrom stated that Staff has expressed these concerns to the FAA so that it is aware of the potential problems.

Manager Nystrom referred to the proposed CIP List and noted that Staff indicated to the FAA that the Authority does not view the REILs as a high priority project. Thus any funding for this project should come from FAA discretionary funds instead of entitlement funds. Staff commented that in 2003, the FAA is requiring the Authority to upgrade the Runway 11/29 and Taxiway 'A' safety areas because of the changes in the type of aircraft utilizing Walker Field Airport.

**D. Election of 1999 Officers**

Staff commented that it will be necessary for the Board to elect Officers at the January 19, 1999 Regular Board Meeting.

**E. January, 1999 Board Meeting Schedule**

Manager Nystrom commented that the Colorado Airport Operators Association will be holding its annual Legislative Reception on January 19, 1999 in Denver, and it may be a good idea for her to attend as a representative of the Authority. She noted that last year, several State legislators were in attendance, including Representatives Matt Smith and Gayle Berry. Commissioner McCormick recommended that the Board still hold the Regular Board Meeting on January 19<sup>th</sup>, and that Manager Nystrom represent the Authority at the Legislative Reception.

**F. Landside Development Issues**

Vice Chairman McCormack commented that at the City of Grand Junction/Mesa County/Authority Board of Commissioners Meeting, the City and County recommended that the Authority obtain an appraisal of the landside property. Vice Chairman McCormack requested the Authority obtain an expert appraisal of the landside parcels with input for the division of the parcels.

Commissioner Sutherland noted that the Authority's Commercial Development Plan may be useful in determining the division of the parcels. Chairman O'Boyle recommended separating the landside parcels into frontage (prime) and non-frontage (non-prime) parcels. Manager Nystrom asked the Board if it would like Staff to implement the planned CPI-U increases for the landside parcels effective January 1, 1999 even though an appraisal will be forthcoming which identifies an estimated fair market value for the property. The consensus of the Board was to implement the CPI-U increases and the Board will review the landside rates at a later date after receipt of the appraisals.


**XI. OTHER ITEMS**

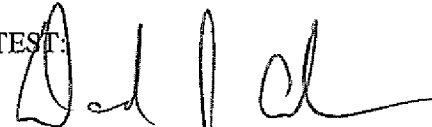
There were no Other Items

**X. ADJOURNMENT**

There being no further business to come before the Board, Commissioner Richards moved to adjourn the meeting. Commissioner Sutherland seconded. Unanimously carried. The meeting was adjourned at 9:39pm.

APPROVED AND ADOPTED THIS 19<sup>th</sup> DAY OF January, 1999.

  
~~Martin O'Boyle, Chairman~~  
Miles C. McCormack

ATTEST:  
  
David J. Anderson, Clerk