



Grand Junction Regional Airport Authority Board
Board Meeting
Meeting Minutes
June 20, 2017

SPECIAL BOARD MEETING

Time: 5:15PM

I. Call to Order & Pledge of Allegiance.

Mr. Rick Taggart, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:16PM on June 20, 2017 in Grand Junction, Colorado and in the County of Mesa.

<i>Commissioners Present:</i> Rick Taggart, Chairman Tom Benton Tim Pollard Chuck McDaniel Robin Brown Thaddeus Shrader <i>Airport Staff:</i> Mark Achen Victoria Hightower, Clerk Ty Minnick Jodi Doney Eric Trinklein Chance Ballegeer	<i>Other:</i> Paul Nelson, Citizen Bill Marvel, GJAUTA Drew Armstrong, Citizen Scott Carry, Mead & Hunt Ryan Hayes, Mead & Hunt John Manee, DOWL Shannon Kinslow, TOIL Bradley Barker, CAP Tim Blanchard, HUB
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II. Approval of Agenda

Chairman Taggart suggested to move letter “B. Runway scope of work” from the Consent Agenda to the Discussion Items, due to it being a significant dollar amount.

The agenda was approved by major motion.

III. Conflict Disclosures

Commissioner Pollard - None
Commissioner Taggart – None
Commissioner Benton – None
Commissioner Brown - None
Commissioner McDaniel – None

Commissioner Shrader - None

IV. Commissioner Comments

Chairman Taggart thanked Mr. Paul Nelson who has been a commissioner for the Airport Authority for the past 4+ years. Chairman Taggart said that he would like to say, on behalf of the entire board, a sincere thank you for all of the time that he has put into this board and also thanked him personally because he spent a lot of time with Chairman Taggart to get him oriented initially on this board. The whole community appreciates Mr. Nelson's service.

Chairman Taggart introduced and welcomed Thad Shrader to the board. Chairman Taggart stated that Commissioner Shrader brings a tremendous business experience in a company call Bonsai Design and he was also a commercial pilot for a considerable amount of time.

Commissioner Benton welcomed Mr. Mark Achen to his first meeting as Interim Director.

V. Citizens Comments

Drew Armstrong

Mr. Armstrong stated the he is on the Finance and Audit committee for the airport and also speaking as a citizen. Mr. Armstrong said that he would like to encourage the Board and the staff to get the website a little more up to date. Mr. Armstrong said that in today's consent agenda the Board will be approving minutes from April, there were two meetings in May and those minutes have not been posted and have not been approved and if he misses a meeting he likes to review the minutes to see what transpires in a meeting. Mr. Armstrong said that the second and most important thing is that he and Commissioner Benton have communicated back and forth on a couple of things, one being to develop a document to say what the Audit and Finance committee is to do, how it reports, etc. and he hasn't heard back on that but he would really like to see some sort of an approved document that says what they are supposed to do, what their responsibilities are and how they report to the board. Mr. Armstrong said that the other thing they discussed was about developing a cash flow to see whether or not there is money to fund some sort of a building improvement and the more he looked at it the more he realized that there were so many things in a cash flow and many numbers involved with this building project that are undefined and he sent the board an email highlighting some of the areas. Mr. Armstrong said that to come up with a reasonable cash flow those areas have to be defined. Mr. Armstrong said that the final thing is that he would ask the Board to take a look at whether or not there are conflicts here, he isn't sure that the goals of the City of Grand Junction are always parallel with those of the Airport Authority and he would ask all of the Board to take a look as to whether or not they have internal conflicts.

Commissioner Benton said that he would like to respond to the duties and responsibilities not only for the Audit and Finance committee but he thinks it's a good thing for all of their committees to have and he did send that request out to Suzanne Lay and will also

send it to Commissioner Brown. Commissioner Benton said that his anticipation would be is probably a week from now they will have the comments from the Audit Committee and a basic draft for duties and responsibilities to present to the Board for consideration in the July meeting.

Chairman Taggart said that the April minutes are in their packets tonight for approval and they aren't going to post them until they come through the approval process.

VI. Consent Agenda

- A. April 18, 2017 Regular Meeting Minutes**
- B. Armstrong invoice**
- C. Mead & Hunt Invoice**
- D. Lease assignment to Guerrie Aviation**
- E. Lease assignment to R&L of GJ Investments**
- F. Authority annual insurance renewal**
- G. Banking Resolution**

*Commissioner Brown motioned for the Board to accept the Consent Agenda.
Commissioner Benton seconded. Voice Vote. All Ayes.*

VII. Staff Reports

A. Directors report

Interim Executive Director Mark Achen said that he has been interviewing all employees at the airport as well as Board members and different individuals in the community. Mr. Achen said that he has had a number of meetings and he has been impressed with the dedication and devotion expressed in the workforce for this airport, it's very impressive. Mr. Achen said that he has also been impressed with the maturity of the workforce, in many cases they have individuals who have ran their own business for several years and now work for a supervisor and have a respect for the supervisor. Mr. Achen said that he has a positive impression.

B. Financial report

Mr. Minnick briefed the Board on the airport's current financial status (financial results report created by Ty Minnick)

Assets –

1. Cash remains lower than year-end as a result of the \$520,000 payment to the FAA and a \$440,000 bond interest payment. However, there was a higher than prior year operating income or approximately \$240,000 as discussed in the revenue and expense section below.
2. Accounts receivable is higher with the \$170,000 refundable amount from the FAA for the RTR relocation.
3. Restricted cash has increase as a result of the PFC collections

Liabilities –

1. The accounts payable balance was reduced in February for the payment for approximately \$520,000 due to the FAA.

2. The accrued interest for the 2016 bonds was reduced for the semi-annual debt service payment of \$440,000.

Aeronautical Revenue – Ahead of budget and prior year, consistent with the increase in enplanements and larger aircraft. Detail is provided in the Activity Update of the board packet.

Non-Aeronautical Revenue –

1. Restaurant & retail revenue is higher compared to prior year as the Tailwind concession agreement was effective May 2016 resulting in a limited amount of revenue in the first 4 months of 2016.
2. Terminal other is rent received from the TSA for second and third floor office space. The intention of part of the space is to return it to the Authority to be used for administrative offices, however, the TSA is still occupying the space until further notice.
3. Parking revenue is higher than budget and prior year due to the increase in enplanements.

Operating Expense –

1. Compensation is lower than budget with the recent reduction in staff levels, however remains higher than prior year due to the vacancy of the Executive Director from 2/16 - 6/16.
2. Supplies and materials is ahead of prior year as the average price of fuel went from \$1.50 in 2016 to \$1.90 in 2017. The majority of the fuel purchased is recovered through sales to third parties.
3. Year to date contract services is lower than budget and prior year due to the decrease in attorney fees.
4. The decrease in repairs and maintenance is a result of the installation of carpet in the boarding area in 2016. All other operating expenses are consistent with budget and prior year.

Non-operating Revenue/Expense – PFC revenue is ahead of budget and prior year due to the timing of PFC disbursements from airlines and the increase in enplanements.

C. Communications Events and Activity report

Ms. Jodi Doney briefed the Board. Ms. Doney said that enplanements are up 9.3% and 8.5% for the year.

Commissioner Shrader asked if when additional routes are being considered, if the Board could get a sort of a forecast of what is being considered so that they can help guide that along.

Ms. Doney said potentially, she would caution the Board in announcing any of those conversations because if a comment is made in a public board meeting about a certain

airline and/or route, sometimes that can miscommunicate to the community that that flight will actually happen and these conversations don't always lead to routes.

Chairman Taggart asked why Denver Air Connection (DAC) is struggling in their numbers.

Ms. Doney said that just recently DAC upgraded to all jet service so they are operating a 30 seat aircraft and they were flying the Brasilia which is also a 30 seat aircraft but they have specifically flow to just Centennial Airport now (Ms. Doney would like it noted that she misspoke at the meeting and DAC is only fly to Rocky Mountain Metropolitan Airport now). Ms. Doney said that those might be two things that are driving their load factor.

Ms. Doney said that that they are pretty proud of their ARFF team as they attend an annual training academy in Denver to stay current with their aircraft rescue firefighting (ARFF).

Ms. Doney said that the LA flight began for both Allegiant and American. Allegiant is now flying an Airbus twice a week to LA and American Airlines started the new service. Lastly, Ms. Doney said that she and the airport's air service consultant attended the Jump Start Air Service Development Conference and had four very good meetings.

D. Project report

Mr. Trinklein briefed the Board on current projects at the airport. Mr. Trinklein said that they are currently in a transition state. AIP 52, which is a set of maintenance type projects to prolong the life of the primary runway and primary taxiway. Mr. Trinklein said that they are transitioning into ancillary type projects. Mr. Trinklein said that the third of the projects was just completed with some punch list type items and staff is providing close out documents to the FAA to close out that grant. Mr. Trinklein said that under the ancillary type projects, which is referred to as AIP 54, is the east terminal air carrier apron and phase 1 is currently underway. Mr. Trinklein said that this first phase is 35 days, should be complete by July 23rd and so far it is going very well. Mr. Trinklein said that Mead and Hunt Architect group is working on terminal upgrade projects including a list of items that was provided to the board. Scoping for those projects is scheduled to begin this month. Mr. Trinklein stated that another project with Mead and Hunt is a passenger boarding bridge and tunnel and that is scheduled to be completed in spring of 2018. Mr. Trinklein said that the administration RFP has already been advertising and proposals are due June 30th.

VIII. Discussion Items

A. Runway Scope of Work

Mr. Trinklein said that this is the big project, this is approximately \$100 million dollar runway replacement project. Mr. Trinklein said that being that the Grand Junction Regional Airport is a primary commercial airport and this runway being the

only primary runway for commercial traffic, makes it a very high priority project. Mr. Trinklein said that they had a selection process which is why Mead and Hunt was selected, the professional services agreement was signed and they jumped right into scoping. Mr. Trinklein said that the FAA has asked that they continue to push this program ahead quickly, they are helping with the ancillary projects such as the apron project but this project is a high priority. Mead and Hunt have worked with staff to not only define the scope of work, do all the necessary coordinating with the FAA, and calculate fees. Staff has reviewed the fee with an independent company. Mr. Trinklein said that the program will take approximately 10 years. Mr. Trinklein said that the two bid packages are 27 ¼ rd. and the RTR to be ready for bid for spring 2018. Mr. Trinklein said that they have a full presentation available that describes each of the tasks that are included in this scope of work

Commissioner Benton asked if the third party review is the final statement that the FAA relies on that the value for the scope of work is received.

Mr. Trinklein said yes and briefly described the process.

An excel break down was projected for the board could see the fees associated with each item.

Commissioner Brown made a motion for the Board to approve the scope of work contingent upon FAA concurrence on the fee amount. Commissioner Pollard seconded. Voice Vote. All Ayes

B. Establish Building Proposal Selection Committee

Chairman Taggart said that staff is recommending to the Board to create a subcommittee to review the RFP proposals that come in on the administration building.

Chairman Taggart mentioned that he will have to recuse himself from this due to him knowing at least one of the firms' very well and the principal of one the firms.

Committee members:
Commissioner Brown
Commissioner Shrader

Mr. Achen said that he will assign staff to help in the process.

C. Establish Minimum Standards Consultant selection Committee

Chairman Taggart said they discussed at the last meeting that they did not want to lose momentum on minimum standards and they decided to put an RFP out for consulting firms that in fact do this for a living and look at minimum standards across the country. Chairman Taggart said that they have a minimum standards committee which is made up of Commissioner Brown and Commissioner McDaniel and asked if they were comfortable to expand and review the RFPs.

Commissioner Brown and Commissioner McDaniel both said yes.

D. Fuel flow fee surcharge for loan repayment

Chairman Taggart said that there is no decision that needs to be made on this item but it's a combination of two agreements in the packet for the Board to look at. The first document is the agreement between the Airport Authority (Walker Field) in 2007 and West Star Aviation as well as a request from Mr. Bill Marvel to review this agreement along with the process that this agreement went through. Chairman Taggart stated that they are not prepared as of tonight to go through everything having to do with the questions because they are still in the process of gathering all of the information together in one packet. Chairman Taggart said that in addition they are also doing a financial analysis on payments that have flowed through since that signing in 2007. Chairman Taggart said that talking with Mr. Achen and Mr. Minnick they believe they can have a full packet put together by the next board meeting.

Commissioner Benton asked if staff could identify where the \$3.8million went.

Chairman Taggart stated that there is a very detailed spread sheet from Aviation that has the source of the funds broken down and has every single line item that was a part of this bill back in 2007-2008.

E. Security system demonstration dates

Chairman Taggart stated that at the May meeting they agreed that the Board wanted the opportunity to go through this system with Dynetics and with Mr. Ballegeer and now they would just like to schedule the times to do that.

Mr. Ballegeer said that he was unsuccessful at getting a hold of Mr. Stokes with Dynetics before the meeting, however, in the past he has been very good at getting here when needed. Mr. Ballegeer said that they could pick the dates tonight and he could let Mr. Stokes know. Mr. Ballegeer stated that they would have to do it two board members at time per the bylaws and he would need about 90mins per group.

The Board decided on doing the security system tour on July 10th and July 11th

Mr. Ballegeer said that he would coordinate with Mr. Stokes on times then he will get with Mr. Achen and Mr. Minnick to let the Board know.

F. Fentress Architects

Chairman Taggart said that this item is an invoice from Fentress Architects came to airport staff back in 2013. Chairman Taggart said that they have paid the general contractor in total on the administration building, they have reached an agreement as well and paid Aviation but they never addressed this issue with Fentress Architects and their construction administration. Chairman Taggart said that they have a couple of local contractors that were also not paid on this project.

Commissioner Benton stated that he thinks they should have a discussion with Fentress to clear up any interest they may have going forward in respect to this invoice.

Commissioner Pollard said that part of the issue with Jviation is the lack of a written contract and asked if this is the same situation.

Chairman Taggart said that it is exact the same.

Commissioner Shrader asked if there has been any sort of analysis of the scope of services provided by Fentress and/or a back check against fees.

Mr. Minnick said that it was before he was here so he never did any back checking.

Chairman Taggart said that unfortunately the problem is that a lot that was done during that time was done on a hand shake.

Commissioner Brown said that it should be clear as to what exactly they are paying.

Mr. Hanlon said that part of what they would be paying is to ensure that there are no claims made regarding the plans that airport is using and there are a mixture of plans being used for the RFP that aren't public record documents.

Commissioner Benton asked if there is any aspect associated with the timeline that lapsed since 2014 that would essentially preclude them should they start a project from having a claim.

Mr. Hanlon said that is something he would like to take a look at. Mr. Hanlon said that his recommendation is to give him some time to go over things such as statute of limitations and fully understanding the all of the Board's rights where this is concerned.

Commissioner Pollard said that he would like to see some back up for these costs.

Mr. Minnick said that he can try to do more digging in the airport's files.

Commissioner Brown made a motion to authorize counsel to do research for about a week, come back with the facts and then with those facts the Chair will go negotiate and bring back a negotiation to the Board. Commissioner Pollard seconded. Voice Vote.

IX. Any other business which may come before the Board
None.

X. Adjournment
The meeting adjourned at 7:12PM

Rick Taggart, Board Chairman

ATTEST:

Victoria Hightower, Clerk to the Board