



**Grand Junction Regional Airport Authority Board
Board Meeting
CORRECTED Meeting Minutes
July 18, 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 5:18PM on July 18, 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 Erling Brabaek <i>Airport Staff:</i> Mark Achen Victoria Hightower, Clerk Ty Minnick Jodi Doney Eric Trinklein Chance Ballegeer	<i>Other:</i> Shannon Kinslow, TOIL Bob Erbisch, RMS Frank Mcillwain, Garver Scott Carry, Mead & Hunt Jared Easterlin, Mean & Hunt Kristin Navarro, Citizen Bradley Barker, SGR John Manee, DOWL
---	--

II. Approval of Agenda

Chairman Taggart said he would like to move letter J. Finance and Audit Committee Charter to the regular agenda for a little bit more information.

The agenda was approved by major motion.

III. Conflict Disclosures

Commissioner Pollard – *Abstain section 8 item B because he does some work for one of the medical institutions here in town.*

Chairman Taggart – *Recuses himself from any decision making having to do with the construction of the building because the owner of one of the firms that is submitting an RFP is a friend*

Commissioner Benton – None
Commissioner Brown - None
Commissioner McDaniel – None
Commissioner Shrader – None
Commissioner Brabaek – Tenant

IV. Commissioner Comments

Commissioner Brown thanked staff for how quickly they have been turning some of these projects around when the Board has requests.

Chairman Taggart requested for the Board to look at a date for a potential executive session, proposing two weeks from tonight, August 1st at 5:15PM. Chairman Taggart said that they have two very distinct subjects that they have been briefed on. One subject has to do with the security that they reviewed and staff and TSA need them to come to a conclusion of where they are going. Secondly, Chairman Taggart stated that there are negotiations going on having to do with the admin building.

The Board decided to hold the executive session meeting on Tuesday August 8, 2017 at 5:30PM

Chairman Taggart said that he has had a request from several Board members to hold a meeting specifically to prioritize/strategize all of the topics/projects in front of the Board.

Chairman Taggart suggested to hold that meeting on the second Tuesday of September at 5:30PM.

V. Citizens Comments

None.

VI. Consent Agenda

- A. May 16, 2017 Regular Meeting Minutes**
- B. May 30, 2017 Special Meeting Minutes**
- C. June 20, 2016 Regular Meeting Minutes**
- D. Tailwind lease addendum**
- E. G4S invoice**
- F. Sky Adventure sub leases**
- G. Fire Station Feasibility invoice**
- H. Mean & Hunt Invoice**
- I. EKS&H audit engagement**
- J. IHC invoice**
- K. Elam invoice**
- L. AIP 54 Change Order**
- M. Garver Invoice**

*Commissioner McDaniel moved for the Board to approve the Consent Agenda.
Commissioner Brown seconded. Voice Vote. All Ayes.*

VII. Staff Reports

A. Directors report

Interim Executive Director Mark Achen said that he wanted to make the Board aware that the the Oak Leaf Energy Partnership will be on the August agenda to do a presentation.

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 is consistent with the prior year and the payment of \$520,000 to the FAA and increase in operating revenue compare to prior year.
2. Restricted cash has increased as a result of the PFC collections and the next scheduled bond payment in December.

Liabilities –

1. The accounts payable balance was reduced in February for the payment for approximately \$520,000 due to the FAA, along with the payments to Jviation and Armstrong.

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. Additionally, the non-passenger landing fees increase as a result of the landings for the BLM.

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 the seconded and third floor space. The intention for 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 of \$240,000.
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 were up again in June, about 3.7% over June of last year, and 6.7% 2016 over 2017. Ms. Doney presented a slide showing the year over year break down of enplanements in detail. Ms. Doney commented that this June was the airport's best June since 2009.

Ms. Doney stated that they did have a strong 4th of July, it appeared that most of the airlines were at a 90% load factor over the holiday weekend.

Ms. Doney said that she wanted to remind everyone that the airshow tickets are now on sale. Ms. Doney said that this airshow does take a lot of time and planning from staff and community members that volunteer to help put it on, as well as all of the West Star folks.

Ms. Doney said that West Star has been doing business with Embraer for about 10 years and they were recently recognized as an authorized service center.

Ms. Doney briefed the Board about West Star's new facility on Patterson which is their landing gear shop. Ms. Doney said that the reason that this facility is off site is because the landing gear can be shipped there and be worked on and then be shipped out so it's not work that requires to be on site at the airport.

D. Project report

Mr. Trinklein briefed the Board on current projects at the airport. Mr. Trinklein said that for AIP 52, close out documents are being prepared. Mr. Trinklein said that AIP 54 is taking place right in the heart of commercial operations but is set with minimal interruptions. Mr. Trinklein said that phase one is near completion and the next phase is a smaller intermediate phase where spots being maintained through August 15th. Mr. Trinklein briefly updated the Board on AIP 55 and 56. Mr. Trinklein said that they are planning a meeting in August with tenants to re-visit everything to show what all they have captured.

Chairman Taggart said that tonight Mr. Karl Hanlon has an update for the Board.

Chairman Taggart said that last month there had been a request from their tenant association to look into the agreement between the Airport and West Star Aviation that took place in 2007, having to do with landside improvements to the airport as a whole. Chairman Taggart said that there were a number of questions and Mr. Hanlon has gone through those questions and he would like to share a memo he has with the Board.

Mr. Hanlon stated that in 2007 the Grand Junction Airport Authority entered into an agreement for about \$3.8million with West Star, in the agreement it states that it was funded through “addition fee” of \$.10 a gallon of fuel. Mr. Hanlon said that it’s laid out in the memo that West Star doesn’t add that on their price, they take it out of the price and it comes out of their revenues. It was reimbursement for work on landside airport property not on their leasehold. Mr. Hanlon said that to date, about \$2.1million has been reimbursed to the Airport Authority through that agreement and he anticipates the \$3.8million will be reached in about 2024. Mr. Hanlon stated that the memo and its attachment will be added to the online packet as well as posted in the document section of the website.

VIII. Discussion/Action Items

A. Finance & Audit Committee Charter

Chairman Taggart stated that he did not understand the second paragraph on this topic.

Commissioner Benton thanked the committee members who participated in this. Commissioner Benton said that the purpose, duties and responsibilities came from them and some came from other documents. Commissioner Benton said that he thinks the audit committee had a general understanding that the people a part of it would be financially literate. Commissioner Benton said that he thinks it is important for the Audit committee to have a couple of people who may have a CPA degree and others that are fiscally schooled.

Chairman Taggart said that his concern is with the second phrase “or become financially literate in a reasonable period of time.” Chairman Taggart said to get someone financially literate would be by education etc. but members of the Board are volunteers and he is not sure how they can go about doing that so he doesn’t think that second phrase is necessary.

Commissioner Brown stated that it came up at the meeting mostly because she thought it disqualified her from being on the committee. Commissioner Brown said that she thinks the intent is that to be a part of the committee is understanding of the documents that they are reviewing.

Commissioner McDaniel suggested to change “financially literate” to understand generally financial statements and has experience in auditing or financial related industry.

Chairman Taggart asked Commissioner McDaniel to re-write a few sentences and bring it back to the board.

Item was tabled.

B. BLM Lease Proposal

Mr. Minnick briefed the Board. Mr. Minnick said that the BLM’s 20 year lease expired March 1st. According to their lease they paid the airport \$150,000 and in a letter the BLM wrote they outlined a few sections of federal grant assurances that allows the Board to negotiate with a federal entity for a lower lease rate than the regular public. Mr. Minnick said that they made a proposal of \$500,000 for a 20 year lease and the rest of the terms would stay consistent with what the lease is already. Mr. Minnick said that he was looking for direction from the Board if those terms were acceptable.

Mr. Andrew Archuleta, Northwest District Manager of the BLM, spoke to the board about the BLM’s use of the facility and the lease proposal.

Commissioner Benton made a motion for the Board to direct staff to renew the expired lease of March 1, 2017, for 20 years with a lump sum payment of \$500,000. Commissioner Brown seconded. Voice Vote. All Ayes.

The final lease will come back before the Board next month for their review and approval.

C. Medical Insurance Renewal

Mr. Minnick briefed the Board. Mr. Minnick said that they review their insurance every year and evaluate it for premiums. Hub Insurance provided Mr. Minnick with a list of all of the plans available in the Grand Junction area. Mr. Minnick said that they currently have two plans and one of the plans was discontinued and the other plan went up about 33%. Mr. Minnick said that instead of pursuing those two plans, after discussion with HUB and Rocky Mountain, they focused in on one plan that is included in the board packet. The plan is a \$1000 deductible and \$3,500 maximum out of pocket for individual. Mr. Minnick said that this plan goes up to a monthly premium of \$667 up from \$570, 17% increase, and they built in the budget a 10% increase and they also built in the budget 29 employees. Mr. Minnick said that they are down on employees so with a drop in employees and a slight increase in premium per employee per individual they will still come in under budget for their total premiums paid. Mr. Minnick said that the employees right now is a 0% contribution for medical, 100% contribution for vision, 100% contribution for long term disability

and 0% contribution for dental. Mr. Minnick said that he is looking for guidance from the Board if the employee contribution percentages are still valid.

Commissioner Brown made a motion for the Board to approve the Rocky Mountain Health Monument Plan. Commissioner Shrader seconded. Voice Vote. Six Ayes. Commissioner Pollard: Abstain.

D. Minimum Standards Consultant Selection

Commissioner McDaniel gave the Board an update. Commissioner McDaniel said that the Minimum Standard Committee received two bids for a consultant. Commissioner McDaniel said that the committee met and they selected one of the two bids to proceed with, which means they will be talking with that bidder to develop the services list of tasks and with that task list look at pricing. Commissioner McDaniel said that if they come to an understanding with that consultant they will then bring it to the Board for approval.

E. Passenger Boarding Bridge Project Scope

Mr. Trinklein briefed the Board. Mr. Trinklein said that this is the passenger boarding bridge at gate one that they discussed during the projects update. Mr. Trinklein said that the contract is in the Board's packet and is looking for the Board to authorize the Chairman to execute the scope of work.

Commissioner Shrader made a motion for the Board to approve the passenger boarding bridge design proposal. Commissioner Brown seconded. Voice Vote. All Ayes.

F. Executive Director Committee

The Board interviewed representatives from two recruiting firms, SGR and ADK.

Based on interviews ADK has more interaction and experience with placing people executives in the aviation industry.

Commissioner Brown for the Board to move forward with ADK as their headhunter. Commissioner Benton seconded. Voice Vote. Five Ayes. Commissioner Shrader: Nay. Commissioner Pollard – absent.

IX. Any other business which may come before the Board

None.

X. Adjournment

Commissioner Benton motioned to adjourn the meeting. Commissioner Brown seconded. Voice Vote. All Ayes.

The meeting adjourned at 8:45PM

Rick Taggart, Board Chairman

ATTEST:

Victoria Hightower, Clerk to the Board