

BOARD PACKET

GRAND JUNCTION REGIONAL AIRPORT AUTHORITY

FEBRUARY 18, 2020



Grand Junction Regional Airport Authority



Date: February 18, 2020

Location:

GRAND JUNCTION REGIONAL AIRPORT
2828 WALKER FIELD DRIVE
GRAND JUNCTION, CO 81506
AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM

Time: 5:15 PM

REGULAR MEETING AGENDA

I. Call to Order

II. Pledge of Allegiance

III. Approval of Agenda

IV. Commissioner Comments

V. Citizens Comments

The Grand Junction Regional Airport Authority welcomes respectful public comments at its meetings. The Citizens Comment section is open to all individuals that would like to comment. If you wish to speak under the Citizens Comment portion of the agenda, please fill out a comment card prior to the meeting. If you have a written statement for the Board, please have 10 copies available and give them to the Executive Director who will distribute them to the Board. The Board Chairman will indicate when you may come forward and comment. Please state your name for the record. Presentations are limited to **three minutes** and yielding time to others is not permitted. Speakers are to address the Chairman, not each other or the audience, and are expected to conduct themselves in an appropriate manner. The use of abusive or profane language shall not be allowed. No debate or argument between speakers and/or members of the audience shall be permitted.

VI. Consent Agenda

The Consent Agenda is intended to allow the Board to spend its time on the more complex items on the agenda. These items are perceived as non-controversial and can be approved by a single motion. The public or Board Members may ask that an item be removed from the Consent Agenda and be considered individually.

- A. January 21, 2020 Meeting Minutes _____ 1
 - Approval of January 21, 2020 Board Meeting Minutes

VII. Action Items

- A. Recommendation of Award Terminal and Landside On-call Planning _____ 2

February 18, 2020

- Board approval of terminal and landside on-call planning services for Grand Junction Regional Airport and authorize Executive Director to negotiate and execute a five-year agreement with InterVistas.

B. Recommendation of Award Airfield and Environmental On-call Planning _____ 3

- Board approval of airfield and environmental on-call planning service for the Grand Junction Regional Airport and authorize Executive Director to negotiate and execute a five-year agreement with AECOM.

VIII. Discussion

A. Governing Expressive Conduct on Airport Property

IX. Staff Reports

- A. Operations Report (Eric Trinklein)
- B. Finance and Activity Report (Sarah Menge) _____ 4
- C. External Affairs Report (Joe Burtard)
- D. Facilities Report (Ben Peck)
- E. Project Report (Eric Trinklein)
- F. Executive Director Report (Angela Padalecki)

X. Any other business which may come before the Board

XI. Executive Session

Executive session pursuant to CRS 24-6-402(4)(f) (I) to discuss personnel matters not involving any specific personnel that have requested the matter be discussed in an open meeting more specifically to discuss the Airport Director's annual review.

XII. Adjournment



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
January 21, 2020

REGULAR BOARD MEETING

I. Call to Order

Mr. Tom Benton, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on January 21, 2020 in Grand Junction, Colorado and in the County of Mesa.

Commissioners Present:

Tom Benton (Chairman)
Chuck McDaniel
Clay Tufly
Thaddeus Shrader
Erling Brabaek
Ron Velarde
Linde Marshall

Guests:

Joe Vaccarelli, Daily Sentinel
Shannon Kinslow, TOIL
Chad Culton, G4S Security
Colin Bible, Garver
Jake Hoban, Garver
Brandy Jones, Allegiant Airlines
Drew Armstrong

Airport Staff:

Joseph Burtard (Clerk)
Karl Hanlon (Counsel)
Sarah Menge
Ben Peck
Eric Trinklein
Chance Ballegeer
Shelagh Flesch
Cameron Reece

II. Pledge of Allegiance

III. Approval of Agenda

Commissioner Tufly made a motion to approve the January 21, 2020 Board Agenda.

Commissioner Shrader second the motion. Voice Vote. All Ayes.

IV. Commissioner Comments

Commissioner McDaniel encouraged board participation in the City of Grand Junction's March 30th Board and Commission Member Recognition Event and the May 28th joint agency meeting with the City of Grand Junction, Mesa County, and Grand Junction Regional Airport.

V. Citizen Comments

No citizen comments were made.

VI. Consent Agenda

December 17, 2019 Meeting Minutes

Approval of December 17, 2019 Board Meeting Minutes.

Airport Fleet – Mower Purchase/Trade-In

Approve the trade-in and purchase of a replacement mower with U.S. Tractor & Harvest, Inc. for \$12,075.00 and authorize the Executive Director, or designee to sign.

Airport Fleet – Vehicle Purchase

Approve the purchase of a new four-seat UTV from US Tractor & Harvest for \$27,218.00 and authorize the Executive Director, or designee to sign.

Commissioner Brabaek made motion to approve the Consent Agenda. Commissioner Shrader seconded. Voice Vote. All Ayes.

VII. Action Items

Resolution: 2020-001 – Proposed 2020 Posting of Notices of Meetings

Commissioner Tufly made motion to adopt Resolution 2020-001: Posting of Notice of Meetings, as mandated by Colorado Revised Statute 24-6-402(2)(C). Commissioner Brabaek seconded. Roll Call Vote. Commissioner Marshall, Aye; Commissioner Velarde, Aye; Commissioner Brabaek, Aye; Commissioner Shrader, Aye; Commissioner Tufly, Aye; Commissioner McDaniel, Aye; Commissioner Benton, Aye. The motion carries.

RFP Armed Security Guard Services

Commissioner Tufly made motion to approve the selection of G4s Secure Solutions to provide armed security services for the Grand Junction Regional Airport and authorize the Executive Director, or her designee, to execute a contract agreement, following counsel review, with G4s for a term of three years with two, one-year extension options. Commissioner Marshall seconded. Voice Vote. All Ayes.

Grant Application – Taxiway A Rehabilitation (Design Only)

Commissioner Brabaek made motion to Approve the Airport Improvement Program (AIP) grant application for submittal to FAA which includes the design of the second phase of the rehabilitation of Taxiway A and includes the design for rehabilitation of portions of existing Runway 11/29. Commissioner Shrader seconded. Voice Vote. All Ayes.

2020 Officer and Committee Appointments

Section 4.2 of the Board's Bylaws: The Chairman and Vice Chairman shall be elected from the members of the Board at the first regular meeting in January of each calendar year, and they shall hold office until their successors have been duly elected. The Board shall appoint a Clerk and

Treasurer, and it may appoint a Deputy Clerk and Deputy Treasurer. The Clerk, Treasurer, Deputy Clerk and/or Deputy Treasurer need not be members of the Board and such positions shall continue in office at the pleasure of the Board.

2020 Officers:

Chairman – Tom Benton
Vice Chairman – Chuck McDaniel
Treasurer – Sarah Menge
Clerk – Joseph Burtard
Deputy Clerk – Victoria Hightower

2020 Committees:

Compliance Committee – Chuck McDaniel (Chair), Erling Brabaek, Vacant (to be filled by Director of Operations when candidate is selected and hired).

Finance and Audit Committee – Clay Tufly (Chair), Ron Velarde, Drew Armstrong, and Steve Hovland.

The Building Committee was dissolved.

Commissioner Tufly made motion to Approve the entire slate of 2020 Officer and Committee Appointments. Commissioner Brabaek seconded. Voice Vote. All Ayes.

VIII. Discussion Items

IX. Staff Reports

- A. Operations Report (Eric Trinklein)
- B. Finance and Activity Report (Sarah Menge)
- C. External Affairs Report (Joseph Burtard)
- D. Facilities Report (Ben Peck)
- E. Project Report (Eric Trinklein)

X. Any other business which may come before the Board

No additional business was discussed.

XI. Executive Session

Commissioner Shrader made a motion to move into Executive Session to conduct a conference with the Executive Staff and General Counsel for the purpose of discussing the Airport's purchase, lease, transfer or sale of real property; determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators pursuant to C.R.S. 24-6-402(4)(a) regarding the Sky Adventures Building. Commissioner Brabaek seconded the motion. Voice Vote. All Ayes.

Commissioner McDaniel made a motion to move from Executive Session back into a public meeting. Commissioner Velarde seconded the motion. Voice Vote. All Ayes.

XII. Adjournment

Commissioner McDaniel moved for adjournment. Commissioner Tufly seconded. Voice Vote. All Ayes.

The meeting adjourned at approximately 7:01 PM.

*Audio recording of the complete meeting can be found at
https://gjairport.com/Board_Meetings*

Tom Benton, Board Chairman

ATTEST:

Joseph R. Burtard, Clerk to the Board

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Recommendation of Award Terminal and Landside On-Call Planning		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Board approval of terminal and landside on-call planning services for Grand Junction Regional Airport and authorize Executive Director to negotiate and execute a five-year agreement with InterVistas.		
SUMMARY:	<p>The previous agreement from February 2015 with Mead and Hunt for on-call planning and environmental services ends February 2020. The previous selection included airport master plan, terminal planning, compatible land use, land acquisitions/transfers, and environmental documentation as the potential projects.</p> <p>By selecting a firm for on-call planning, we are pre-identifying a qualified firm that we can call on as projects arise without having to go through an individual procurement for each task. The selection process does not include any pricing. Once a project is identified, we will negotiate a task order with pricing for the specific work to be performed and obtain the necessary approvals based on the size of the task order. However, awarding the on-call contract does not preclude us from using an RFP selection for a specific project.</p> <p>A Request for Qualifications (RFQ) was issued on 12/12/2019. This RFQ was intentionally focused on terminal and landside planning for the selection of the most qualified firm. The RFQ posted on Bidnet until January 10, 2020 and included the following possible planning projects:</p> <ul style="list-style-type: none">a. Terminal plan updateb. Compatible land use planningc. Project feasibility studies for projects listed on CIPd. Create commercial development plane. Commercial and industrial development standardsf. Design baggage make up room (in-line baggage system)g. Design upgrades to security screening checkpointh. Terminal capacity analysisi. Parking analysisj. Customer Facility Charge project cost estimatesk. Environmental documentation for rental car service facility expansionl. Environmental documentation for passenger terminal and support facilitiesm. Environmental documentation for new ARFF stationn. Update Civic and Institutional Master Plan with City of Grand Junctiono. Provide environmental assessments for terminal and landside project activities which are not exempt from environmental assessments.		

A staff selection committee was formed and evaluated the five responsive RFQs, with the following criteria:

- 1) Quality of previous projects
- 2) Approach to airport operational impacts
- 3) Staffing availability and ability to meet deadlines
- 4) Demonstrate practices and procedures associated with potential projects
- 5) Organizational qualifications/chart
- 6) Demonstrated experience on similar projects
- 7) Proposed participation on DBE
- 8) Overall impression

Once reviewed, the selection committee met to discuss their independent ratings of each RFQ, then interviewed the top two firms based on initial evaluation score. After the interviews, the selection committee recommend InterVistas to provide terminal and landside on-call planning services for GJRAA.

REVIEWED BY: Executive Director and Legal Counsel

FISCAL IMPACT: Un-determined at this time. Individual scope of work and cost will be approved with each project.

ATTACHMENTS: None –submittals are available upon request

STAFF CONTACT: Cameron Reece
Email: creece@gjairport.com
Phone: (970) 248-8594

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Recommendation of Award Airfield and Environmental On-Call Planning		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Board approval of airfield and environmental on-call planning service for the Grand Junction Regional Airport and authorize Executive Director to negotiate and execute a five-year agreement with AECOM.		
SUMMARY:	<p>The previous agreement from February 2015 with Mead and Hunt for on-call planning and environmental services ends February 2020. The previous selection included Airport master plan, terminal planning, compatible land use, land acquisitions/transfers, and environmental documentation as the potential projects.</p> <p>By selecting a firm for on-call planning, we are pre-identifying a qualified firm that we can call on as projects arise without having to go through an individual procurement for each task. The selection process does not include any pricing. Once a project is identified, we will negotiate a task order with pricing for the specific work to be performed and obtain the necessary approvals based on the size of the task order. However, awarding the on-call contract does not preclude us from using an RFP selection for a specific project.</p> <p>A Request for Qualifications (RFQ) was issued on 12/12/2019. This RFQ was intentionally focused on Airfield and Environmental for the selection of the most qualified firm. The RFQ was posted on Bidnet until January 10, 2020 and included the following possible planning projects:</p> <ol style="list-style-type: none">General environmental services/support, including compliance with NEPA requirements for projects listed on CIP. For activities which are not exempt from environmental assessments, an environmental assessment will be prepared.Airport Master Plan Study, including compliance with AGIS requirementsProject Feasibility Studies for projects listed on CIPPlanning and Environmental services for a possible future I-70 Interchange at 29 RoadLand acquisitions/transfersCIP planning and estimatesRunway 4/22 analysisLine of sight analysis for Air Traffic Control TowerRevise Airport Aeronautical Development StandardsStormwater pollution prevention plan (SWPPP), and spill prevention, control, and countermeasure plan (SPCC)Wildlife hazard management and mitigation <p>A staff selection committee was formed and evaluated the three responsive RFQs with the following criteria:</p>		

-
- 1) Quality of previous projects
 - 2) Approach to airport operational impacts
 - 3) Staffing availability and ability to meet deadlines
 - 4) Demonstrate practices and procedures associated with potential projects
 - 5) Organizational qualifications/chart
 - 6) Demonstrated experience on similar projects
 - 7) Proposed participation on DBE
 - 8) Overall impression

Once reviewed, the selection committee met to discuss their independent ratings of each RFQ, then interviewed all three firms. After the interviews, the selection committee recommend AECOM to provide airfield and environmental on-call planning services for GJRAA.

REVIEWED BY: Executive Director and Legal Counsel

FISCAL IMPACT: Un-determined at this time. Individual scope of work and cost will be approved with each project.

ATTACHMENTS: None –submittals are available upon request

STAFF CONTACT: Cameron Reece
Email: creece@gjairport.com
Phone: (970) 248-8594

GRAND JUNCTION REGIONAL AIRPORT ACTIVITY REPORT

Report Date: 12/31/2019

PY Comparison Date: 12/31/2019

December, 2019

CURRENT MONTH				YEAR-TO-DATE		
PASSENGER ENPLANEMENTS:	2018	2019	PERCENT CHANGE	2018	2019	PERCENT CHANGE
AMERICAN	8,194	10,833	32.21%	102,409	108,833	6.27%
ALLEGiant	1,210	2,408	99.01%	16,412	25,233	53.75%
UNITED	5,412	6,739	24.52%	67,273	81,329	20.89%
DELTA	3,639	3,601	-1.04%	42,545	44,070	3.58%
DENVER AIR CONNECTION	960	568	-40.83%	9,211	7,257	-21.21%
Misc Charters	-	146		835	1,338	60.24%
TOTAL ENPLANEMENTS	19,415	24,295	25.14%	238,685	268,060	12.31%
TOTAL SEAT CAPACITY	25,220	33,088	31.20%	300,140	347,429	15.76%
PASSENGER DEPLANEMENTS:	2018	2019	CHANGE	2018	2019	CHANGE
AMERICAN	9,073	11,635	28.24%	104,023	108,851	4.64%
ALLEGiant	1,186	2,378	100.51%	16,084	24,327	51.25%
UNITED	6,991	7,983	14.19%	73,795	93,919	27.27%
DELTA	3,915	4,098	4.67%	45,476	47,422	4.28%
DENVER AIR CONNECTION	910	589	-35.27%	9,126	7,207	-21.03%
Misc Charters	-	144	N/A	689	1,250	81.42%
TOTAL DEPLANEMENTS	22,075	26,827	21.53%	249,193	282,976	13.56%
TOTAL PASSENGERS	41,490	51,122	23.22%	487,878	551,036	12.95%

LOAD FACTOR:(OUTBOUND ONLY)	CURRENT MONTH			YEAR-TO-DATE		
	2018	2019	Difference	2018	2019	Difference
AMERICAN	75.74%	71.65%	-4.10%	80.06%	76.96%	-3.10%
ALLEGiant	77.56%	77.40%	-0.16%	80.41%	72.55%	-7.87%
UNITED	80.58%	76.25%	-4.33%	83.91%	81.88%	-2.03%
DELTA	78.26%	77.13%	-1.13%	81.25%	79.99%	-1.26%
DENVER AIR CONNECTION	65.04%	47.33%	-17.71%	49.33%	46.16%	-3.17%
GJT TOTAL	76.98%	73.43%	-3.56%	79.52%	77.16%	-2.37%

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		12/31/2019	12/31/2019	12/31/2018				
		Budget	Actual	PY Actual	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	528,793	632,143	549,237	103,350	19.54 %	82,906	15.09 %
2	Terminal rent	1,181,844	1,183,776	1,181,844	1,932	0.16 %	1,932	0.16 %
3	Other (boarding bridge)	112,786	128,215	113,723	15,429	13.68 %	14,492	12.74 %
	<i>Total Passenger airline revenue</i>	<i>1,823,423</i>	<i>1,944,134</i>	<i>1,844,804</i>	<i>120,711</i>	<i>6.62 %</i>	<i>99,330</i>	<i>5.38 %</i>
Non-passenger airline revenue								
4	Non-passenger landing fees	91,893	102,453	179,585	10,560	11.49 %	(77,132)	(42.95) %
5	Cargo and hangar rentals	53,058	53,466	52,213	408	0.77 %	1,253	2.40 %
6	Fuel tax & flowage fees	642,000	752,111	697,084	110,111	17.15 %	55,027	7.89 %
7	Other (ramp parking, rapid refuel)	4,440	9,780	5,880	5,340	120.27 %	3,900	66.33 %
	<i>Total Non-passenger airline revenue</i>	<i>791,391</i>	<i>917,810</i>	<i>934,762</i>	<i>126,419</i>	<i>15.97 %</i>	<i>(16,952)</i>	<i>(1.81) %</i>
	<i>Total Aeronautical revenue</i>	<i>2,614,814</i>	<i>2,861,944</i>	<i>2,779,566</i>	<i>247,130</i>	<i>9.45 %</i>	<i>82,378</i>	<i>2.96 %</i>
Non-aeronautical revenue								
8	Land and building leases	599,553	599,215	596,586	(338)	(0.06) %	2,629	0.44 %
9	Terminal - restaurant & retail	126,044	170,590	142,064	44,546	35.34 %	28,526	20.08 %
10	Terminal - other	190,284	180,686	199,259	(9,598)	(5.04) %	(18,573)	(9.32) %
11	Rental cars	1,232,445	1,306,055	1,270,226	73,610	5.97 %	35,829	2.82 %
12	Parking and ground transportation	1,459,610	1,662,699	1,442,889	203,089	13.91 %	219,810	15.23 %
13	Other (security fee, overtime fee, etc)	71,008	85,006	76,056	13,998	19.71 %	8,950	11.77 %
	<i>Total Non-aeronautical revenue</i>	<i>3,678,944</i>	<i>4,004,251</i>	<i>3,727,080</i>	<i>325,307</i>	<i>8.84 %</i>	<i>277,171</i>	<i>7.44 %</i>
	Total Operating Revenues	6,293,758	6,866,195	6,506,646	572,437	9.10 %	359,549	5.53 %

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		12/31/2019	12/31/2019	12/31/2019				
		Budget	Actual	PY Actual	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
Operating expenses								
14	Personnel compensation and benefits	2,554,780	2,406,874	2,107,102	(147,906)	(5.79) %	299,772	14.23 %
15	Communications and utilities	349,212	307,093	305,527	(42,119)	(12.06) %	1,566	0.51 %
16	Supplies and materials	510,250	505,587	545,176	(4,663)	(0.91) %	(39,589)	(7.26) %
17	Contract services	637,674	594,215	578,405	(43,459)	(6.82) %	15,810	2.73 %
18	Repairs & maintenance	333,147	369,096	390,626	35,949	10.79 %	(21,530)	(5.51) %
19	Insurance	92,693	108,989	92,983	16,296	17.58 %	16,006	17.21 %
20	Other (travel, marketing, air service, etc)	462,200	244,457	242,471	(217,743)	(47.11) %	1,986	0.82 %
<i>Total Operating expenses</i>		4,939,956	4,536,311	4,262,290	(403,645)	(8.17) %	274,021	6.43 %
Non-operating revenue (expenses)								
21	Passenger facility charges	894,200	1,050,174	1,019,592	155,974	17.44 %	30,582	3.00 %
22	Interest income	62,400	225,138	197,675	162,738	260.80 %	27,463	13.89 %
23	Interest expense	(812,182)	(618,458)	(648,435)	193,724	(23.85) %	29,977	(4.62) %
24	Customer facility charges	716,200	741,145	724,213	24,945	3.48 %	16,932	2.34 %
25	Capital contributions	18,463,827	6,030,878	10,154,050	(12,432,949)	(67.34) %	(4,123,172)	(40.61) %
25	Capital expenditures	(24,571,190)	(11,549,048)	(14,708,916)	13,022,142	(53.00) %	3,159,868	(21.48) %
26	Debt principal payments	(924,673)	(924,674)	(1,129,158)	(1)	0.00 %	204,484	(18.11) %
27	Other	-	(4,060,249)	(1,594)	(4,060,249)	0.00 %	(4,058,655)	254,620.77 %
<i>Total Non-operating revenue (expenses)</i>		(6,171,418)	(5,044,845)	(4,390,979)	1,126,573	(18.25) %	(653,866)	14.89 %
Excess of revenue over (under) expense		(4,817,616)	(2,714,961)	(2,146,623)	2,102,655	(43.65) %	(568,338)	26.48 %

Variance Explanations - 12/31/19 Year to Date Preliminary Financial Statements

Variance explanations below are provided for those categories that had variances to budget or prior year actual of greater than \$63,000 YTD through December 2019. The variance threshold represents 1% of budgeted revenue through December 30 so explanations are provided for any individual category that fluctuated by more than 1% of revenue.

Operating Revenues:

- 1 **Passenger Landing Fees** - Passenger landing fees ended the year almost 20% above budget, and 15% above the prior year actual. We had 434 more commercial landings in 2019 compared to 2018 which was an increase of approximately 8%, however, commercial landed weight increased by 15% as a result of an up-gauge in the type of aircraft flown.
- 4 **Non-Passenger Landing Fees** - Non-passenger landing fees are below the prior year actual revenue due to the change in flight schedules for Fed Ex and a decrease in landed cargo weight. This decrease was expected and we ended the year about \$10,000 ahead of budget.
- 6 **Fuel Tax and Flowage Fees** - Fuel tax and flowage fees were above budget by \$110,000 primarily due to the increase in commercial traffic which results in additional state fuel taxes that are passed on to the Authority. The 2019 budget was conservative and budgeted less fuel flowage and fuel tax revenue than the actual 2018 amount because 2018 had additional flowage fees from the fire activities that were not expected in 2019.
- 11 **Rental Cars** - Rental Car Revenue exceeded budget and prior year revenue year to date through December 2019 as a result of the higher than expected passenger traffic. The rental car companies had a 10% increase in the number of transactions from 2018 to 2019 which is consistent with the increase in enplanements, however, total rental days was actually down about 4%.
- 12 **Parking and Ground Transportation** - Parking and GT Revenue exceeded budget and prior year revenue year due to the higher than expected passenger traffic. We had almost a 9% increase in the number of parking transactions from 2018 to 2019 which is comparable to the 12% increase in enplaned passengers and the average length of stay for all parking transactions stayed consistent from 2018 to 2019 at approximately 1.6 days.

Operating Expenses:

- 14 **Personnel Compensation & Benefits** – The variance from PY is a direct reflection of the budgeted increase in staff compensation and benefits. The variance to budget is primarily related to the vacant positions that we had throughout the year as well as overly conservative budgeting related to health insurance. Of the total variance, \$82,000 is related to salaries and \$53,000 is related to health insurance. In 2019, we had budgeted for 30 full time employees and 3 part time employees, however, in December, we only had 27 full-time employees and 1 part-time employee.
- 20 **Other** – Other operating expenses were \$200,000 under budget in 2019, but were within 1% of the prior year actual expense. Of the total variance, \$150,000 was the contingency reserve that was not needed in 2019, and we were also under budget in education and training as well as marketing for the year.

Non-Operating Revenues and Expenses:

- 21 **PFC Revenue** – PFC revenue exceeded prior year actual and current year budget due to increased activity. The variance to prior year does not exactly correlate with the increase in passenger traffic because of the change in methodology that was adopted at the end of 2018 and beginning of 2019 to start recording the PFC revenues in the same month as the activity.
- 22 **Interest Income** - Interest income was budgeted conservatively and assumed that the bond funds would be fully spent down by now, however, we still have a strong cash balance and have only drawn down approximately \$4.5M. We are in the process of preparing the final bond draw down to be completed in Q1 of 2020 so we have full access to these funds as we progress with the runway program.
- 23 **Interest Expense** - Interest expense came in under budget because the budget does not include the non-cash accounting adjustment for the bond premium. Excluding the adjustment of \$192k, cash interest expense is within \$2,000 of the budgeted amount.

- 25 **Capital Contributions & Expenditures** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable and the 2019 budget reflected very conservative estimates for expenditures. We are preparing a summary of all 2019 projects and capital spending with some additional year end statistics that will review this in more detail. The capital contributions reflects approximately \$5.8M in FAA funds and \$200K in CDOT grand funds. Capital expenditures was comprised of \$6.5M in AIP project costs and \$5M in Non-AIP costs.
- 26 **Debt Principle Payments** – The variance from prior year in debt principle payments is due to the pay-off of the SIB loan in 2019 which resulted in approximately \$200k less in payments during the year.
- 27 **Other** – The other expense category represents the net loss from the impairment of the administration building. The costs incurred prior to construction stoppage were approximately \$4.1M and were originally capitalized as assets. However, with the decision to demolish the building, these costs must be recognized as a loss in 2019. The difference between the original infrastructure costs and the loss is related to the auction funds that were received for selling off some of the building materials before the demolition contract began.