



Board Packet

Regular Board Meeting

October 15, 2019

Grand Junction Regional Airport Authority



Date: October 15, 2019

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. September 17, 2019 Meeting Minutes _____ 1
 - Approval of September 2019 Board Meeting Minutes
- B. West Terminal Apron and Run-Up Pad Reconstruction – Design Only _____ 2
 - Approval of the West Terminal Apron and Run-Up Pad design contract for Garver

for \$466,685 and authorize the Executive Director to sign. Contract is for engineering services and includes packaging bid documents for the West Terminal Apron and temporary Run-Up Pad.

VII. Action Items

- A. Chief Ted Balbier Retirement Commemoration _____ 3
 - Formally recognize Chief Ted Balbier’s retirement after 45 years of service at Grand Junction Regional Airport.
- B. Equipment Rental Contract for 2020 Airport Emergency Plan Exercise _____ 4
 - Authorize Executive Director to execute \$19,995.00 equipment rental contract from 139 Fire, LLC for the 2020 Full-scale Airport Emergency Plan.
- C. GJRAA/GJASA Agreement _____ 5
 - Approval of GJRAA/GJRASA Agreement and authorize the Executive Director to sign. The agreement defines how monies will flow between GJRAA and the Grand Junction Regional Air Service Alliance (GJRASA) under the Small Community Air Service Development (SCASD) grant program.

VIII. Discussion Items

- A. Air Service Update by Mike Lum
 - Air service update provided by Mike Lum, Managing Partner with Volaire Aviation, Inc.
- B. 2020 Budget Hearing _____ 6
 - Board conduct a public hearing on the Budget, accept public comments and consider them, complete final review and provide comments and/or recommended changes on the Draft 2020 Budget.
- C. Rental Car Leases _____ 7
 - Discussion on extending the current rental car leases that are scheduled to expire in April 2020.
- D. 2019 and 2020 Airport Goals
 - Discuss status of 2019 goals and draft 2020 goals.

IX. Staff Reports

- A. Director’s Report (Angela Padalecki)
- B. Operations Report (Mark Papko)
- C. Finance and Activity Report (Sarah Menge) _____ 8
- D. External Affairs Report (Joe Burtard)
- E. Facilities Report (Ben Peck)
- F. Project Report (Eric Trinklein)

X. Any other business which may come before the Board

XI. Executive Session

Executive session to conduct a conference with the Executive Director 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 CRS 24-6-402(4)(a) regarding the Sky Adventures Building.

XII. Executive Session

Executive Session for discussion of a personnel matter under C.R.S. Section 24-6-402(2)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees; more specifically to discuss leave for the Airport Manager.

XIII. Adjournment



Grand Junction Regional Airport Authority Board
Regular Board Meeting
Meeting Minutes
September 17, 2019

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 September 17, 2019 in Grand Junction, Colorado and in the County of Mesa.

<p><u>Commissioners Present:</u> Tom Benton (Chairman) Chuck McDaniel (Vice-Chairman) Clay Tufly Erling Brabaek Thaddeus Shrader Linde Marshall Ron Velarde</p> <p><u>Airport Staff:</u> Joseph Burtard (Clerk) Karl Hanlon (Counsel) Sarah Menge Angela Padalecki (Executive Director) Mark Papko Ben Peck Eric Trinklein Chance Ballegeer</p>	<p><u>Guests:</u> Shannon Kinslow, TOIL Joe Vaccarelli, Daily Sentinel Brad Rolf, Mead & Hunt Mason Short, KLJ Jeremy Lee, Mead & Hunt Ryan Springer, Sequent Austin Rankin, Mead & Hunt David Hartman, Armstrong</p>
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II. Pledge of Allegiance

III. Approval of Agenda

*Commissioner Tufly made a motion approve the September 17, 2019 Board Agenda.
Commissioner Brabaek second the motion. Voice Vote. All Ayes.*

IV. Commissioner Comments

No Commissioner comments were made.

V. Citizen Comments

No citizen comments were made.

VI. Consent Agenda

- A. August 20, 2019 Board Meeting Minutes
 - Approval of August 20, 2019 Board Meeting Minutes
- B. Runway Rubber Removal
 - Authorize Executive Director to execute \$22,000 quotation from Straight Stripe for annual removal of rubber build-up on Runway 11/29
- C. Phase 1 Landside Wayfinding Refurbishment
 - Authorize Executive Director to execute \$17,385.84 quotation from Fast Signs for the refurbishment of landside wayfinding signage.
- D. Ground Transportation – Terminal Counter Leases
 - Authorize Executive Director to execute lease agreements with Sunshine Tazi and Telluride Express for the terminal counter lease. Lease agreement reflects annual rent revenue of \$1,515 per lease.

Commissioner Tufly moved to adopt the Consent Agenda. Commissioner Brabaek seconded. Voice Vote. All Ayes.

VII. Action Items

27 1/4 Road Construction Administration Contract Amendment and 27 1/4 Road Construction – Change Order

Commissioner Brabaek made a motion to approve the contract amendment to increase the original contract with Mead and Hunt in the amount of \$136,874.47 and authorize the Executive Director to sign. The contract amendment is for additional engineering and construction administration services related to design revisions, additional time required to install shoulders, and additional time required because of inclement weather. to approve of the contract change order to increase the original contract with Oldcastle SW Group, Inc. dba United Companies in the amount of \$249,080.75 and authorize the Executive Director to sign. This change order is for two items: 1) Removal of shoulder material and replacement in accordance with new design specifications. 2) Excavate and repair two sections of roadway that have settled due to unexpected subsurface conditions. Commissioner Velarde second the motion. Voice Vote. All Ayes.

IT and Telephone Services Contract

Commissioner Shrader made a motion to award and authorize the Executive Director to sign a new five-year Information Technology and Telephone Services Contract to Sequent Information Systems, LLC. Commissioner Velarde second the motion. Voice Vote. All Ayes.

ARFF/SRE Building Partial Re-roofing Project

Commissioner Tufly made a motion to approve of the total project budget of \$100,000 for the partial re-roof of the ARFF building, including authorizing the Executive Director to sign the construction contract with PNCI in the amount of \$96,997. The remaining project budget represents owner contingency. Commissioner Marshall second the motion. Voice Vote. All Ayes.

Begin Procurement for Airport Administration Building Demolition

Commissioner McDaniel made a motion to approve to begin the procurement process for demolition of the Airport Administration Building. Commissioner Brabaek second the motion. Voice Vote. All Ayes.

Administration Building Asset Disposal through Public Auction and C P Auction Sale Contract

Commissioner Tufly made a motion to approve disposal of materials and supplies purchased for the construction of the Airport Administration building through public auction. In addition, authorizing Executive Director to sign C P Auction Sale Contract for September 28, 2019 public auction. Contract includes 25% commission of total sale, \$1,000 in advertising, and \$700 in subcontracted labor for loading purchased assets follow the auction. Commissioner Brabaek second the motion. Voice Vote. All Ayes.

Dan Reimer Engagement Letter

Commissioner Brabaek made a motion to authorize Executive Director to sign engagement letter with Dan Reimer for professional services in reviewing and drafting airline lease agreements and rules and regulations. Cost for services not-to-exceed \$20,500. Commissioner Tufly second the motion. Voice Vote. All Ayes.

VIII. Staff Reports

- A. Director's Report (Angela Padalecki)
- B. Operations Report (Mark Papko)
- C. Finance and Activity Report (Sarah Menge)
- D. Facilities Report (Ben Peck)
- E. Project Report (Eric Trinklein)

IX. Any other business which may come before the Board

No additional business was discussed.

X. Executive Session

Commissioner Tufly made a motion to go into executive session to conduct a conference with the Executive Director 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 CRS 24-6-402(4)(a) regarding the Sky Adventures Building. Commissioner Velarde seconded the motion. Voice Vote. All Ayes.

Commissioner Shrader made a motion to move out of executive session back into an open meeting. Commissioner Tufly seconded the motion. Voice Vote. All Ayes.

XI. Adjournment

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

The meeting adjourned at approximately 7:51 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:	West Terminal Apron and Run-Up Pad – Design Only		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approval of the design contract for Garver for \$466,685 and authorize the Executive Director to sign.		
SUMMARY:	This contract is for engineering services and includes packaging bid documents for the Temporary Run-Up Pad and the West Commercial Apron. The project will be initially funded with Airport funds. The design will be reimbursed at 90% by FAA when the construction grant is issued next year.		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	FAA \$420,016 (future grant) GJRA \$46,669 (budgeted dollars) Total \$466,685		
ATTACHMENTS:	Garver Work Order 8		
STAFF CONTACT:	Eric Trinklein etrinklein@gjairport.com Office: 970-248-8597		



WORK ORDER NO. 8
Grand Junction Regional Airport Authority
Grand Junction, Colorado
Project No. 19A11931

This WORK ORDER is made by and between the **Grand Junction Regional Airport Authority of Grand Junction, Colorado** hereinafter referred to as "Owner," and **GARVER, LLC**, hereinafter referred to as "GARVER", in accordance with the provisions of the MASTER AGREEMENT FOR PROFESSIONAL SERVICES executed on May 18, 2017.

Under this Work Order, the Owner intends to make the following improvements for the **West Terminal Apron and Run-up Pad** project.

GARVER will provide professional services related to these improvements as described herein.

SECTION 1 - SCOPE OF SERVICES

The scope of engineering services is described in Appendix A.

SECTION 2 – PAYMENT

For the work described under SECTION 1 - SCOPE OF SERVICES, the Owner will pay GARVER on a lump sum basis. The Owner represents that funding sources are in place with the available funds necessary to pay GARVER.

The table below presents a summary of the fee amounts and fee types for this contract.

WORK DESCRIPTION	FEE AMOUNT	FEE TYPE
Geotechnical Services	\$12,685.00	LUMP SUM
Surveying Services	\$20,500.00	LUMP SUM
Engineer Design Report/Preliminary Design	\$224,300.00	LUMP SUM
Final Design	\$167,200.00	LUMP SUM
Issue for Bid Submittal	\$24,500.00	LUMP SUM
Bidding Services	\$17,500.00	LUMP SUM
TOTAL FEE	\$466,685.00	LUMP SUM

The lump sum amount to be paid under this agreement is \$466,685.00. For informational purposes, a breakdown of GARVER's estimated costs is included in Appendix B.

The Owner will pay GARVER on a monthly basis, based upon statements submitted by GARVER to the Owner indicating the estimated proportion of the work accomplished. Payments not received within 60 days of invoice date will be subject to a one percent monthly simple interest charge. Any unused portion of the fee, due to delays beyond GARVER's control, will be increased 6% annually with the first increase effective on or about July, 2020.

As directed by the Owner, some billable work may have been performed by GARVER prior to execution of this agreement. Payment for this work will be made in accordance with the fee arrangement established



herein, as approved by the Owner.

Additional Services (Extra Work). For work not described or included in Section 1 – Scope of Services but requested by the Owner in writing, the Owner will pay GARVER, for time spent on the project, at the rates shown in Appendix B for each classification of GARVER’s personnel (may include contract staff classified at GARVER’s discretion) plus reimbursable expenses including but not limited to printing, courier service, reproduction, and travel. The rates shown in Appendix B will be increased annually with the first increase effective on or about July, 2020.

SECTION 3 – APPENDICES AND EXHIBITS

- 3.1 The following Appendices and/or Exhibits are attached to and made a part of this Agreement:
 - 3.1.1 Appendix A *Scope of Services*
 - 3.1.2 Appendix B *Fee Summary*
 - 3.1.3 Appendix C *Certification of Engineer*
 - 3.1.4 Appendix D *Mandatory Federal Contract Provisions for Professional Services Contracts*

This Agreement may be executed in two (2) or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.



Approval and acceptance of this Work Order, including attachments listed in SECTION 3 – APPENDICES AND EXHIBITS, shall incorporate this document as part of the Agreement. Garver is authorized to begin performance upon receipt of a copy of this Work Order signed by the Owner. The effective date of this Work Order shall be the last date written below.

Grand Junction Regional Airport
Authority

GARVER, LLC

By: _____
Signature

By: 
Signature

Name: _____
Printed Name

Name: Frank McIlwain
Printed Name

Title: _____

Title: Vice President

Date: _____

Date: 10/9/19

Attest: _____

Attest: 

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Chief Ted Balbier Retirement Commemoration
PURPOSE:	Information <input type="checkbox"/> Guidance <input type="checkbox"/> Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Board formally recognize Chief Ted Balbier’s retirement after 45 years of service at Grand Junction Regional Airport.
SUMMARY:	Chief Ted Balbier is retiring from Grand Junction Regional Airport on October 18, 2018, after 45 years of service.
REVIEWED BY:	Executive Director & Legal Counsel
FISCAL IMPACT:	N/A
ATTACHMENTS:	N/A
STAFF CONTACT:	Joseph Burtard Email: jburtard@gjairport.com Office: (970) 248-5814

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Equipment Rental Contract for 2020 Airport Emergency Plan Exercise		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Authorize Executive Director to execute \$19,995.00 equipment rental contract from 139 Fire, LLC for the 2020 Full-scale Airport Emergency Plan Exercise.		
SUMMARY:	<p>In accordance with FAA regulations and our Airport Emergency Plan (AEP) we are required to practice our AEP in a full-scale nature. 2020 we are due to hold our triennial full-scale exercise, which will have all the components of a real-life aircraft accident.</p> <p>Participation includes personnel from surrounding mutual aid partners, local area hospitals, county emergency services, disaster assistance programs (Red Cross, etc.), and volunteers acting as victims, families, passengers, bystanders, etc.</p> <p>This specific equipment rental contract is for the 4-day usage of an ARFF training device. The device is a life-size mock-up of a real aircraft (cockpit, doors, wings, engines, etc.) outfitted with various propane instruments that allow for live fire training to occur. Having this device increases the quality of training for our local ARFF staff and mutual aid as both fight live fire on an aircraft using our own equipment and resources.</p> <p>Due to the high-quality nature of this training we are also able to combine this equipment rental with our annual ARFF recertification training. We typically budget approximately \$14,400 annually for training and travel expenses for ARFF recertification, dramatically reducing the incremental cost of this equipment rental.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	\$19,995.00 (included in draft 2020 budget)		
ATTACHMENTS:	139 Fire, LLC		
STAFF CONTACT:	Mark Papko mpapko@gjairport.com (970) 812-2716		



QUOTE

www.139Fire.com 724-699-2948 info@139Fire.com

QUOTE NO. GJT-20-2

DATE July 30, 2019

CUSTOMER ID GJT

CUSTOMER

BILL TO Grand Junction Regional Airport SHIP TO Same
mpapko@gjairport.com

Attn: Mark Papko

TRAINING MONTH	AIRPORT	DELIVERY & PU	PAYMENT TERMS	REP
May	Grand Junction	INCLUDED	NET 30	Natalee Tueller

QTY	ITEM	DESCRIPTION	FUEL	DURATION	TOTAL PRICE
1.00	MAFT	ARFF Fire Trainer	LPG (NOT INCLUDED)	4 Days	\$ 19,995.00
1.00	INST	ARFF Instructor		4 Days	Included
1.00	OP	Operator		4 Days	Included
ANNUAL SUBTOTAL					\$ 19,995.00
SALES TAX					N/A

Accepted by Customer

Name _____
 Title _____
 Signature _____
 Date: _____

139FIRE EQUIPMENT LEASE TERMS AND CONDITIONS

OWNERSHIP Except for Customer's rights of use under this Lease, the Equipment is and shall at all times be and remain the exclusive personal property of 139Fire. The Customer shall have no right, title, or interest in or to the Equipment except as expressly set forth in this Lease. The Customer shall not assign, sublease, or transfer the Equipment without 139Fire's prior written consent.

CARE AND USE OF EQUIPMENT The Customer and/or any operator hereby warrants that, upon completion of operation and maintenance training provided by 139Fire, that they are familiar with the safe operation and use of the piece of equipment. The Customer agrees that the Equipment will be operated by competent employees and used solely in the conduct of its business. The Customer and its employees shall use the Equipment carefully and properly, and in compliance with all federal, state, and local laws, including, but not limited to NFPA 1403 'Standard on Live Fire Training Evolutions'. The Customer is responsible for all liability in connection with use of Equipment. Customer shall not make any alterations or additions to the Equipment without 139Fire's prior written consent. The Customer shall notify 139Fire promptly of any loss, theft, or destruction of all or any part of the Equipment, or of any damage beyond repair to the Equipment, and shall make the Equipment or any wreckage available for disposal.

FUEL AND UTILITIES Customer is responsible for fuel (in excess of the amount included in the lease), as well as the supply of all utilities needed to operate the equipment. All leaks, changes in performance/operation, unusual noises, or conditions indicating or relating to potential failure must be reported to 139Fire immediately. The Equipment must be shut down immediately if the problem is significant.

DELIVERY AND PICK-UP 139Fire will deliver the equipment to the Customer's facility and the customer will provide all necessary unloading equipment to position the leased equipment on site. Upon pick-up of the equipment from site by 139Fire, the Customer will provide all necessary loading equipment. The delivery and pick-up of equipment to site will be scheduled with the customer approximately 30 days in advance of the annual planned training time and customer agrees to allow 139Fire to store equipment on site for up to 30 days before and after training dates at no cost to 139Fire.

CANCELLATION Customer may cancel lease at any time after the first year of the term by written notice and will be subject to a charge of 50% of the sum of all outstanding years lease amount due immediately upon cancellation.

INSURANCE During the Term, the Customer shall procure and continuously maintain and pay for insurance in such form and with such company satisfactory to 139Fire. At a minimum, the insurance must include: Risk insurance against loss of and damage to the Equipment for not less than the full replacement value of the Equipment, naming 139Fire as loss payee; and Combined public liability and property damage insurance, in the amount of Two Million Dollars (\$US 2,000,000.00) or such other reasonable amount as approved by 139Fire, naming 139Fire as an additionally named insured and a loss payee. This insurance shall provide primary coverage for the protection of the Parties without regard to any other coverage carried by either Party protecting against similar risks. The Customer shall provide 139Fire with an original policy or certificate evidencing the insurance. The Customer hereby appoints 139Fire as the Customer's attorney in fact, with power and authority to do all things, including but not limited to, making claims, receiving payments, and endorsing documents, checks, or drafts necessary or advisable to secure payments due under any policy of insurance required under this Lease. The Customer shall provide at least thirty (30) days' advance written notice to 139Fire about any cancellation, change, or modification of the insurance coverage.

TAXES AND FEES During the Term, the Customer shall pay all applicable taxes, assessments, and license and registration fees on the Equipment. The Customer shall, on request, provide 139Fire with proof of such payments and copies of any tax returns and reports filed or prepared concerning the Equipment.

GOVERNING LAW This Lease shall be governed by the laws of the state of Ohio. Customer agrees that any suit relating to this lease shall be brought only in Trumbull County, Ohio and Customer irrevocably consents and submits to the jurisdiction of such Court. Each party waives any right to a jury trial. In the event that litigation results from or arises out of this Lease or the performance thereof, the Parties agree to reimburse the prevailing Party's reasonable attorneys' fees, court costs, and all other expenses, whether or not taxable by the court as costs, in addition to any other relief to which the prevailing Party may be entitled.

INDEMNITY The Customer shall indemnify 139Fire against all losses, damages, claims, suits, actions, costs, expenses, obligations, or disbursements, including legal expenses, incurred by 139Fire in any way connected to the Customer's use or possession of the Equipment during the Term. In no event shall 139Fire be responsible for special, incidental or consequential damages whatsoever or howsoever caused, including but not limited to, loss of use, business interruption or any other economic loss, whether in contract, negligence of any other theory of liability

SUCCESSORS AND ASSIGNS All references in this Lease to the Parties shall be deemed to include, as applicable, a reference to their respective successors and assigns. The provisions of this Lease shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties.

DISPUTE RESOLUTION Any dispute under this agreement will be submitted to the American Arbitration Association for binding arbitration.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	GJRAA/GJRASA Agreement		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approval of GJRAA/GJRASA Agreement and authorize the Executive Director to sign. The agreement defines how monies will flow between GJRAA and the Grand Junction Regional Air Service Alliance (GJRASA) under the Small Community Air Service Development (SCASD) grant program.		
SUMMARY:	This MOU was approved the by the GJRASA on 10/14.		
REVIEWED BY:	Executive Director & Legal Counsel		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	GJRAA/GJRASA Agreement		
STAFF CONTACT:	Angela Padalecki Email: apadalecki@gjairport.com Office: (970) 248-8588		

**MEMORANDUM OF UNDERSTANDING
BETWEEN GRAND JUNCTION REGIONAL AIRPORT AUTHORITY AND
THE GRAND JUNCTION REGIONAL AIR SERVICE ALLIANCE**

This MEMORANDUM OF UNDERSTANDING (“Agreement”) is made and entered into effective this ___ day of _____ 2019 between the GRAND JUNCTION REGIONAL AIRPORT AUTHORITY (“GJRAA”) and the GRAND JUNCTION REGIONAL AIR SERVICE ALLIANCE (“ALLIANCE”).

RECITALS

WHEREAS, the GJRAA and the Alliance (together the “Parties”) wish to provide incentives to increase air service at the Grand Junction Regional Airport (the “Airport”) by funding a minimum revenue guarantee (“MRG”) and marketing support; and

WHEREAS, the GJRAA has applied to the U.S. Department of Transportation for a three-year \$950,000 Small Community Air Service Development (“SCASD”) Grant to provide an MRG and marketing support for new air service from Grand Junction to San Francisco or an alternative hub city (“New Air Service”) and the application is now pending; and

WHEREAS, upon approval of the SCASD Grant, the Alliance has committed \$475,000 to fund the MRG and \$100,000 for marketing support for the New Air Service; and

WHEREAS the Parties have agreed that the GJRAA, upon approval of the SCASD grant, will manage the implementation and funding of the MRG and marketing support on behalf of the Parties as set forth below; and

WHEREAS the Parties wish to memorialize their agreement as set forth below.

TERMS & CONDITIONS

The Parties, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agree as follows:

1. Approval of the SCASD Grant. The obligations of the Parties are conditioned upon the approval of the SCASD Grant. If the SCASD Grant is not approved within one hundred eighty (180) days from the date of this Agreement, this Agreement will be null and void.

2. GJRAA Grant Compliance. GJRAA shall establish and follow best practice procedures to ensure the integrity and accuracy of the airline-reported information utilized for payments of MRG and marketing incentives under this Agreement and to maintain compliance under the SCASD Grant Agreement.

3. MRG Funding. Total funding for the MRG for the New Air Service shall be up to \$1,425,000 comprised of the following:

- (a) The SCASD Grant will provide up to \$950,000 over three years.
- (b) The Alliance will provide up to \$475,000 over the same three-year period.

4. Marketing Funding. In addition to the above amounts the Alliance shall provide up to \$100,000 for advertising and promotion of the New Air Service. The marketing/advertising plan will promote Grand Junction Regional Airport, the airline's brand and the new destination. The Alliance and GJRAA will coordinate with the airline providing the New Air Service the planning of advertising and any promotional events for the announcement, pre-launch, inaugural, and post-launch of the new service.

5. Negotiation of Airline Agreements. The GJRAA will negotiate with the airline providing the New Air Service and enter into an agreement for the MRG, and marketing incentives and other related terms as may be approved by the GJRAA in its sole judgment up to the amounts set forth in Sections 3 and 4 above. The GJRAA shall keep the Alliance regularly apprised of the progress GJRAA negotiations with the airline. The Alliance shall have the obligation to make payments of the MRG and the marketing incentives as provided in this Agreement only if the Alliance provides to GJRAA prior written approval of the terms of the GJRAA agreement with the airline which provides for MRG and marketing incentives. Copies of any agreements with the airline for the New Air Service will be provided to the Alliance. If the SCASD Grant is approved but GJRAA does not enter into a service agreement with the airline to provide the New Air Service under parameters of the grant and this Agreement within twenty four (24) months after approval of the SCASD Grant, then this Agreement shall terminate unless otherwise extended by written agreement of GJRAA and the Alliance. If the SCASD grant is approved and GJRAA enters into an agreement with the airline for the New Air Service, GJRAA will (a) maintain compliance with the terms of the SCASD Grant and the terms of its agreement with the airline; and (b) not terminate its agreement with the airline without written consent of the Alliance.

6. Airline MRG Payment. Payments for the MRG and marketing incentives shall be made by the GJRAA directly to the airline providing the new service. The GJRAA shall be reimbursed 67% from the SCASD Grant and 33% from the Alliance for the MRG and 100% from the Alliance for marketing incentives. The Alliance shall reimburse the GJRAA quarterly upon receipt of an invoice for its share of the MRG and for the full amount of the marketing incentives, which have been paid by GJRAA to the airline providing the service up to amounts for which the Alliance is responsible as set forth in Sections 3 and 4 above.

7. Failure to Make Payment. If, for any reason, the Alliance is unable or unwilling to make payment of its share of the MRG as required by this Agreement, the GJRAA may, in its sole discretion, (i) terminate this Agreement upon written notice to the Alliance, and (ii) terminate or modify any agreement with the airline which shall in no event increase any liability of the Alliance under this Agreement.

8. Entire Agreement. This Agreement, along with any addendums and attachments hereto, constitutes the entire agreement between the Parties. The provisions of this Agreement may be amended at any time by the mutual consent of both parties. The parties shall not be bound by any other agreements, either written or oral, except as set forth in this Agreement.

**GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY**

By: _____

Name: _____

Title: _____

**GRAND JUNCTION REGIONAL AIR
SERVICE ALLIANCE**

By:



Name: Diane Schwenke _____

Title: Executive Director _____

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	2020 Budget Hearing
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PURPOSE:	Information <input type="checkbox"/>	Guidance <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
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RECOMMENDATION:	The Board conduct a public hearing on the Budget, accept public comments and consider them, complete final review and provide comments and/or recommended changes on the Draft 2020 Budget.
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SUMMARY:	<p>The finance and Audit Committee reviewed the initial draft budget and went over questions and changes with Staff on September 17th. Feedback and recommendations from that meeting were then incorporated into the initial draft budget presented to the full Board at the October 1, 2019 Board workshop.</p> <p>Staff published notice in the Daily Sentinel that the budget was submitted to the Board for review and is open and available for public inspection. This meeting will serve as the Budget Hearing so that we may hear any objections or comments on the budget.</p> <p>Staff will consider and incorporate comments as deemed appropriate and the final 2020 budget will be presented for approval at the regular November meeting on November 19, 2020.</p>
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REVIEWED BY:	Executive Director & Legal Counsel
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FISCAL IMPACT:	Total Appropriations for 2020: \$25,822,000
	See attachment for additional information and detail of the annual budget amounts proposed.

ATTACHMENTS:	2020 DRAFT Budget Summary
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STAFF CONTACT:	Sarah Menge Email: SMenge@gjairport.com Office: (970) 248-8581
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2020 Budget Assumptions

Operating Assumptions

- Actual 2019 enplanements are forecasted to be 12% higher than the 2019 budget (which was based on 2018 actual activity). 2020 enplanements assume a 5% increase from the 2019 forecast.
- New airline leases with the new rates and charges methodology and general financial terms presented to the board in December 2018 will be in place.
- We have budgeted that rental car rent revenue and rental car revenue per passenger will remain the same as 2019. The existing agreements expire in April 2020 and we have not yet determined whether this will go out for RFP or if we will extend the existing agreements.
- Price increases of 3% - 5% (depending on the service) were budgeted for expense contracts scheduled to renew next year.

Non-Operating Assumptions

- We will continue to draw down the remaining bond project funds and therefore interest income will continue to decline. This is comparable to what was budgeted for in 2019.
- The Capital Grant Revenue and Capital Expenditures are budgeted based on when we anticipate the projects to be completed and the grant revenue to be earned, not necessarily when we expect to receive reimbursement. This represents a change in budget methodology from previous years, but is more consistent with the accounting policy used to prepare the rest of the budget.

Currently Un-budgeted Amounts for Additional Consideration

- Possible CBP Office Lease Expense, Buildout Construction Costs and Reimbursement Revenue: In order to support the local community's desire to have a Customs Boarder Patrol (CBP) office on the western slope, the Authority is negotiating to lease space in the Sky Adventures building to serve as the location for the CBP office. The office space is currently un-finished and a construction contract to build-out the space to meet CBP standards will also be required. The lease expense and construction costs will ultimately be paid for by a group of community funding partners, so we also anticipate that we would recover any costs associated with the lease and build-out. At this time, we are still evaluating the proper accounting treatment for these costs that will be incurred by the Authority, but reimbursed by the community. We have not yet included these estimates in the Budget presented but we are anticipating the capital costs and reimbursement revenue in 2020 will be approximately **\$1,645,000**. We do not anticipate any operating expenses for the CBP office to be incurred in 2020.
- SCASDP Grant Award: The Authority submitted a proposal to the Small Community Air Service Development Program (SCASDP) to help fund additional air service in Grand Junction. If we are awarded the grant, we anticipate that we will make payments to an Airline to fund marketing incentives and a minimum revenue guarantee (MRG) for service that could start as early as June 2020. The cost of the marketing incentives and MRG will be paid for by the Grant and a community match, with no Authority funds being expended. However, we will be acting as a pass-through for this transaction. Similar to the CBP office development, we are researching the proper accounting treatment for this transaction and have not included any amounts in this draft budget presentation. We are estimating that the cost and related reimbursement would be no more than **\$570,000** in 2020.

GJRAA
2020 BUDGET
Company Wide - Operating Revenue

Account Name	2018 Actual	2019 Budget	2019 Forecast	2020 Budget	Forecast Variance	Budget Variance	
OPERATING REVENUE							
Aeronautical revenue							
Passenger airline revenue							
1	Total Passenger airline landing fees	\$ 549,237	\$ 528,793	\$ 664,000	\$ 717,000	\$ 53,000 8%	\$ 188,207 36%
2	Total Terminal rent	1,181,844	1,181,844	1,181,844	1,289,000	107,156 9%	107,156 9%
3	BOARDING BRIDGE FEE	84,900	83,169	89,185	28,000	(61,185) -69%	(55,169) -66%
4	DEICING FEE	10,350	14,000	14,000	-	(14,000) -100%	(14,000) -100%
4	DISPOSAL FEE	7,425	6,660	8,125	-	(8,125) -100%	(6,660) -100%
4	OVERTIME FEE	11,048	8,957	16,800	-	(16,800) -100%	(8,957) -100%
	Total Passenger Airline Revenue	1,844,804	1,823,423	1,973,954	2,034,000	60,046 3%	210,577 12%
Non-passenger airline revenue							
5	Total Non-passenger landing fees	179,585	91,893	90,725	99,300	8,575 9%	7,407 8%
6	Total Cargo and hangar rentals	52,213	53,058	53,058	53,800	742 1%	742 1%
7	STATE FUEL TAX DISBURSEMENT	158,851	175,000	199,800	198,600	(1,200) -1%	23,600 13%
8	FUEL FLOWAGE FEE - CAPITAL	249,701	218,900	235,600	241,000	5,400 2.3%	22,100 10%
8	FUEL FLOWAGE FEE - OPERATIONS	255,547	219,063	239,600	241,000	1,400 0.6%	21,937 10%
9	FUEL SALES - AIRSIDE	32,985	29,037	34,375	35,400	1,025 3.0%	6,363 22%
10	RAPID REFUEL	4,440	3,000	5,246	5,000	(246) -4.7%	2,000 67%
10	AIRPLANE RAMP PARKING	1,440	1,440	1,440	1,400	(40) -3%	(40) -3%
	Total Non-passenger airline revenue	934,762	791,391	859,844	875,500	15,656 2%	84,109 11%
	Total Aeronautical revenue	2,779,566	2,614,814	2,833,798	2,909,500	75,702 3%	294,686 11%
Non-aeronautical revenue							
11	LAND AND BUILDING LEASES	596,586	599,553	593,301	587,800	(5,501) -1%	(11,753) -2%
	Total Land and building leases	596,586	599,553	593,301	587,800	(5,501) -1%	(11,753) -2%
12	RENT - RESTAURANT	110,929	96,044	144,000	150,600	6,600 5%	54,556 57%
12	RENT - RETAIL	31,135	30,000	30,000	30,000	- 0%	- 0%
	Total Terminal - restaurant & retail	142,064	126,044	174,000	180,600	6,600 4%	54,556 43%
13	RENT - OFFICE SPACE	199,259	190,284	180,495	180,400	(95) 0%	(9,884) -5%
	Total Terminal - other	199,259	190,284	180,495	180,400	(95) 0%	(9,884) -5%
14	RENT - RENTAL CAR EXCLUSIVE SP	64,963	64,968	64,970	64,900	(70) 0%	(68) 0%
12	RENTAL CAR - GROSS REV & MAG	906,137	876,008	922,100	966,900	44,800 5%	90,892 10%
14	RENTAL CAR SERVICE AREA	53,507	54,375	54,375	54,300	(75) 0%	(75) 0%
15	RENTAL CAR FACILITY FUEL SALES	245,619	237,094	239,075	251,400	12,325 5%	14,306 6%
	Total Rental cars	1,270,226	1,232,445	1,280,520	1,337,500	56,980 4%	105,055 9%

Account Name		2018 Actual	2019 Budget	2019 Forecast	2020 Budget	Forecast Variance		Budget Variance	
12	PARKING REVENUE	1,393,816	1,410,043	1,565,000	1,627,000	62,000	4%	216,957	15%
12	GROUND TRANSPORTATION	49,073	49,567	67,900	72,600	4,700	7%	23,033	46%
	Total Parking and ground transportation	1,442,889	1,459,610	1,632,900	1,699,600	66,700	4%	239,990	16%
16	SECURITY FEE	32,257	35,576	35,600	32,000	(3,600)	-10%	(3,576)	-10%
17	OTHER REVENUE	43,799	35,432	56,000	35,400	(20,600)	-37%	(32)	0%
	Total Other (security fee, overtime fee, etc)	76,056	71,008	91,600	67,400	(24,200)	-26%	(3,608)	-5%
	Total Non-aeronautical revenue	3,727,080	3,678,944	3,952,816	4,053,300	100,484	3%	374,356	10%
	Total Operating revenues	\$ 6,506,646	\$ 6,293,758	\$ 6,786,614	\$ 6,962,800	\$ 176,186	3%	\$ 669,042	11%

GJRAA
2020 BUDGET
Company Wide - Operating Expenses

Account Name	2018 Actual	2019 Budget	2019 Forecast	2020 Budget	Forecast Variance		Budget Variance	
18 Salaries-Full Time	\$ 1,559,429	\$ 1,849,275	\$ 1,790,848	\$ 1,912,400	\$ 121,552	7%	\$ 63,125	3%
18 Medicare - 1.45% Er	21,284	24,804	25,547	28,100	2,553	10%	3,296	13%
18 Pera - 13.7% Er/Pension	198,601	234,379	241,613	262,200	20,587	9%	27,821	12%
18 401(K) Er	31,422	51,673	50,438	62,800	12,362	25%	11,127	22%
19 Health Insurance Er	254,538	306,513	235,706	322,400	86,694	37%	15,887	5%
18 Health & Wellness Benefit	2,260	6,312	3,530	4,700	1,170	33%	(1,612)	-26%
18 Life Insurance Er	5,387	6,084	4,049	7,800	3,751	93%	1,716	28%
18 Suta Er	5,331	5,534	3,384	5,900	2,516	74%	366	7%
18 Worker Compensation	28,850	70,206	66,837	76,500	9,663	14%	6,294	9%
Personnel compensation and benefits	2,107,102	2,554,780	2,421,952	2,682,800	260,848	11%	128,020	5%
20 Utilities-Gas	20,693	35,200	32,457	35,200	2,743	8%	-	0%
20 Utilities-Electric	208,313	230,980	227,023	230,800	3,777	2%	(180)	0%
20 Utilities-Water	19,115	25,388	22,987	25,400	2,413	10%	12	0%
20 Utilities-Trash	14,724	13,872	15,463	15,700	237	2%	1,828	13%
20 Utilities-Sewer	7,589	7,600	6,428	7,500	1,072	17%	(100)	-1%
21 Cell Phones	17,031	17,852	15,338	18,000	2,662	17%	148	1%
21 Phone Service	18,061	18,320	18,995	18,400	(595)	-3%	80	0%
Communications and utilities	305,526	349,212	338,691	351,000	12,309	4%	1,788	1%
22 Employee Recognition	6,086	-	5,873	6,700	827	14%	6,700	100%
21 Uniforms	16,895	21,852	21,852	22,400	548	3%	548	3%
21 Office Supplies	4,223	3,845	2,943	4,200	1,257	43%	355	9%
23 Materials & Supplies	74,786	108,098	108,020	125,200	17,180	16%	17,102	16%
21 Board Expense	4,178	3,600	4,219	5,100	881	21%	1,500	42%
21 Postage & Shipping	1,523	2,400	471	1,500	1,029	218%	(900)	-38%
21 Scheduled Replacements	7,944	3,600	3,600	1,500	(2,100)	-58%	(2,100)	-58%
24 Tools & Equipment	150,171	56,582	61,205	89,300	28,095	46%	32,718	58%
21 Glycol Disposal	10,240	21,000	15,360	20,000	4,640	30%	(1,000)	-5%
25 Runway Deicing	-	-	-	3,000	3,000	100%	3,000	100%
25 Snow Removal	3,256	5,750	4,753	7,300	2,547	54%	1,550	27%
21 Wildlife Control	963	4,100	4,104	2,600	(1,504)	-37%	(1,500)	-37%
26 Runway & Taxiway Lighting	4,925	11,030	10,845	15,100	4,255	39%	4,070	37%
27 Firefighting Supplies	1,735	4,520	4,520	8,800	4,280	95%	4,280	95%
28 Fuel - Diesel	27,389	25,894	27,996	30,800	2,804	10%	4,906	19%
28 Fuel - Unleaded	227,377	227,023	252,467	252,800	333	0%	25,777	11%
21 Oil & Lubricants	3,485	10,956	10,970	11,500	530	5%	544	5%
Supplies and materials	545,176	510,250	539,198	607,800	68,602	13%	97,550	19%

Account Name	2018 Actual	2019 Budget	2019 Forecast	2020 Budget	Forecast Variance		Budget Variance	
21 Personnel Services	4,668	4,336	4,336	5,000	664	15%	664	15%
21 ARFF Physicals	8,070	8,000	8,000	5,000	(3,000)	-38%	(3,000)	-38%
21 Professional Services - Other	156,781	63,070	74,128	66,300	(7,828)	-11%	3,230	5%
21 Purchased Services	5,459	7,130	9,367	10,500	1,133	12%	3,370	47%
29 Security Guard	165,943	180,000	231,000	249,200	18,200	8%	69,200	38%
30 Professional Services - Legal	50,642	120,000	78,676	90,000	11,324	14%	(30,000)	-25%
21 Professional Services - Acct	42,440	50,000	42,874	50,000	7,126	17%	-	0%
31 Professional Services - It	122,872	123,138	129,138	166,500	37,362	29%	43,362	35%
21 Professional Svcs - Eng & Plan	1,920	60,000	85,094	60,000	(25,094)	-29%	-	0%
21 Fingerprint Processing	19,612	22,000	22,112	24,000	1,888	9%	2,000	9%
Contract services	578,407	637,674	684,725	726,500	41,775	6%	88,826	14%
32 Repairs & Maintenance	223,223	185,765	198,524	224,500	25,976	13%	38,735	21%
21 Access System Maintenance	2,589	-	226	-	(226)	-100%	-	0%
33 Boarding Bridge Maintenance	28,611	17,250	17,250	28,000	10,750	62%	10,750	62%
34 Elevator & Escalators	28,936	33,984	27,924	37,400	9,476	34%	3,416	10%
21 Copier Service	7,176	6,600	5,458	9,500	4,042	74%	2,900	44%
35 Pavement Maintenance	58,880	45,300	74,992	53,800	(21,192)	-28%	8,500	19%
21 Tower Repairs & Maintenance	13,887	17,200	23,338	18,900	(4,438)	-19%	1,700	10%
21 Landscaping	6,873	6,900	6,900	7,400	500	7%	500	7%
36 SRE Repairs & Maintenance	20,449	20,148	41,182	30,200	(10,982)	-27%	10,052	50%
Repairs & maintenance	390,624	333,147	395,794	409,700	13,906	4%	76,553	23%
37 Insurance	92,983	92,693	108,162	118,700	10,538	10%	26,007	28%
Insurance	92,983	92,693	108,162	118,700	10,538	10%	26,007	28%
21 Education And Training	69,667	129,550	126,466	129,600	3,134	2%	50	0%
21 Travel & Meetings	17,196	21,800	22,237	22,000	(237)	-1%	200	1%
21 Professional Dues	17,237	19,695	19,970	19,400	(570)	-3%	(295)	-1%
21 Bank Service Charges	-	-	357	-	(357)	-100%	-	0%
21 Licenses & Fees	232	1,500	1,674	1,700	26	2%	200	13%
21 Publications	1,540	6,000	3,249	1,500	(1,749)	-54%	(4,500)	-75%
21 Meals	2,782	3,200	3,756	4,600	844	22%	1,400	44%
21 Personnel Recruiting	630	-	795	1,000	205	26%	1,000	100%
21 Marketing	51,578	50,000	50,000	50,000	-	0%	-	0%
38 Air Service Development	67,573	71,500	71,500	80,000	8,500	12%	8,500	12%
39 Other	4,777	5,000	10,737	49,200	38,463	358%	44,200	884%
40 Contingency	9,259	154,000	3,597	100,000	96,403	2680%	(54,000)	-35%
Other	242,471	462,245	314,338	459,000	144,662	46%	(3,245)	-1%
Total Operating Expenses	\$ 4,262,289	\$ 4,940,001	\$ 4,802,860	\$ 5,355,500	\$ 552,640	12%	\$ 415,499	8%
Net Operating Income	\$ 2,244,357	\$ 1,353,757	\$ 1,983,754	\$ 1,607,300	\$ (376,454)	-19%	\$ 253,543	19%

GJRAA
2020 BUDGET
Company Wide - Non-Operating Activity

Account Name	2018 Actual	2019 Budget	2019 Forecast	2020 Budget	Forecast Variance		Budget Variance		
Non-operating revenue (expenses)									
41 Passenger facility charges	\$ 1,019,592	\$ 894,200	\$ 1,075,800	\$ 1,126,825	\$ 51,025	5%	\$ 232,625	26%	
42 Interest income	197,675	62,400	193,000	62,400	(130,600)	-68%	-	0%	
43 Interest expense	(648,435)	(812,182)	(812,184)	(790,375)	21,809	-3%	21,807	-3%	
44 Customer facility charges	724,213	716,200	748,500	806,796	58,296	8%	90,596	13%	
45 Capital contributions	10,154,050	18,463,827	6,434,106	14,263,751	7,829,644	122%	(4,200,076)	-23%	
46 Capital expenditures	(14,694,525)	(24,571,190)	(13,649,007)	(18,961,234)	(5,312,227)	39%	5,609,956	-23%	
47 Debt principle payments	(1,129,158)	(924,673)	(924,673)	(715,000)	209,673	-23%	209,673	-23%	
48 Other	(1,594)	-	20,000	-	(20,000)	-100%	-	0%	
Total Non-operating revenue (expenses)	\$ (4,378,182)	\$ (6,171,418)	\$ (6,914,458)	\$ (4,206,838)	\$ 2,707,620	-39%	\$ 1,964,580	-32%	

Entity-Wide Risk List for 2020 Contingency

Risk Item	Amount
Elevator compliance repair - Otis, not part of reg maintenance, triggered by inspection	\$ 4,000
HVAC contingency - one cooling system replacement	20,000
Switch replacement - 1 airfield	3,000
Electrical (Sign (TWY/RWY) circuit boards)	100,000
Security Access System Failures	12,000
Fleet/SRE/ARFF breakdown	50,000
Tools and Equipment	11,000
	<hr/>
Total Identified Risk Items	\$ 200,000
Estimated Likelihood of Occurrence	50%
	<hr/>
Contingency Budget	\$ 100,000

GJRAA
CAPITAL EXPENSES BUDGET (NON-AIP)

	<u>2020</u>
Administration	
New VMWare Host (Server + Software required to host multiple servers on that same single piece of hardware)	\$ 7,200
Replace ATO 1 Switch (Lacks Sufficient Power and Port Space)	7,300
Replace 3rd Floor IT Room Switch, 3rd Down On Rack (Old, No Longer Supported, Lacks Sufficient Power)	7,300
Replace Boarding Area Switch, 3560G (Lacks Sufficient Power)	7,300
Terminal Design Projects to inform potential future construction projects for: consolidated bag room, hold-room improvements, etc.	50,000
Terminal	
New Flooring including: Leveling and supporting existing foundation, partial demolition of existing flooring, materials and labor	846,000
Complete demolition of the unfinished Administration Building	900,000
TSA Checkpoint Modifications to improve efficiency of processing, and maximize available queuing space	175,000
Code Requirement Upgrades for Basement Storage area and purchase and installation of shelving	75,000
Replace Millwork in the leased office space on Level 2	10,000
Replace Terminal Hot Water Heater	10,000
Loading Bridge Jack Stand	14,000
Loading Bridge Tow Bar	5,500
Replace ATO Garage Doors, Operators, Track	36,000
Purchase Ride-on Vacuum Cleaner for new flooring	17,500
Operations	
Repair damaged part on FedEx Ramp	10,000
GA ramp repair, seal coat, and crack seal	60,000
Grounds & Roads	
Phase II - Wayfinding Sign Refurbishments - Main Roundabout, WF Dr. East	28,000
Fog Seal Phase IV - Navigator's Way, Landing View Ln, & Side Streets	45,000
Security	
DVR Purchase to allow additional storage memory for Security Camera footage	17,000
Other Facilities	
Add Infrared Heaters to the current ARFF Cold Storage area	10,000
Replace Air Traffic Control Tower (ATCT) Roof Top Cooling Units	65,000
Upgrade ATCT Fire Panel	126,800
Continue Upgrading ATCT HVAC Controls To Trane Controls	8,000
Fleet	
Trade in second 997 Mower for New Mower	11,500
John Deere 4 Seat (Landside)	29,500
Replacement Vehicle for Building Supervisor	30,000
Denver Equipment Auction - Potential Fleet Purchase	30,000
Rental Car - to be paid for with CFC Funds	
Queuing space flooring replacement - to be done in conjunction with Terminal flooring replacement	54,000
Office Improvements (4 offices) - flooring, ceiling tiles, paint, etc.	93,500
Rental Car Counter Replacements (4)	116,000
Seal joints in parking lot & Fuel Site	95,250
Signage Improvements in conjunction with Phase II of the Wayfinding Sign Refurbishment project	12,000
Erosion Control landscaping	15,250
Install fuel site awning to protect the equipment from sun and weather damage	365,500
<i>Total Non-AIP Capital Expense Budget</i>	<u>\$ 3,390,400</u>

AIP PROJECTS - 2020 - 2030	2020	2021	2022	2023	2024	2025-2030	Total
AIP 62 - Construct Runway 11/29 - Relocate perimeter road, fencing, and MALSR relocation design	\$ 1,363,889	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,363,889
AIP 63 - Construct Runway 11/29 - Phase 8 - runway object free area road, fencing, drainage pond, storm drainage, and earthwork	1,944,445	-	-	-	-	-	1,944,445
Rehabilitate West Commercial Apron	7,437,500	1,312,500	-	-	-	-	8,750,000
Construct Runway 11/29 - Phase 9 - Build Temporary Run Up Pad	3,825,000	675,000	-	-	-	-	4,500,000
100 Project: Design for 2021 Runway Project	1,000,000	-	-	-	-	-	1,000,000
Rehabilitate Taxiway A (Commercial Apron Section) Phase 2	-	2,777,778	-	-	-	-	2,777,778
Rehabilitate Taxiway A (BLM to Twin Otter) Phase 2	-	2,777,778	-	-	-	-	2,777,778
Current Runway 11/29 - Rehabilitate/Overlay Failed Portions/Seal Coat/Restripe	-	2,222,223	-	-	-	-	2,222,223
Construct Runway 11/29 - Phase 10 - Earthwork for Runway & all Taxiways (Phase 1 of 3)	-	15,101,905	-	-	-	-	15,101,905
Seal Coat Taxiway C and C1A	-	120,000	-	-	-	-	120,000
Construct Runway 11/29 - Phase 11 - Earthwork for Runway & all Taxiways (Phase 2 of 3)	-	-	12,029,521	-	-	-	12,029,521
Rehabilitate Runway 4/22	-	-	3,000,000	-	-	-	3,000,000
ARFF Truck - Replacement Date of Existing Truck	-	-	800,000	-	-	-	800,000
Construct Runway 11/29 - Phase 12 - Earthwork for Runway & all Taxiways (Phase 3 of 3)	-	-	-	5,502,696	-	-	5,502,696
Construct Runway 11/29 - Phase 13 - Construction Airfield Electrical	-	-	-	5,931,934	-	-	5,931,934
Construct Runway 11/29 - Phase 14 - Utilities Runway & Associated Connectors	-	-	-	2,516,382	-	-	2,516,382
Construct Runway 11/29 - Phase 15 - Permanent Run up Pad	-	-	-	2,227,586	-	-	2,227,586
Construct Runway 11/29 - Phase 16 - Nav aids	-	-	-	-	5,881,624	-	5,881,624
Construct Runway 11/29 - Phase 17	-	-	-	-	3,678,824	-	3,678,824
Rehabilitate Taxiway C (TW A to TW C1A)	-	-	-	-	1,900,000	-	1,900,000
Construct Runway 11/29 - Phase 18 - 22	-	-	-	-	-	87,278,891	87,278,891
Seal Coat Existing Rw 11/29 and Taxiway A	-	-	-	-	-	1,650,000	1,650,000
Seal Coat 4/22 and Taxiway C	-	-	-	-	-	220,000	220,000
	\$ 15,570,834	\$ 24,987,184	\$ 15,829,521	\$ 16,178,598	\$ 11,460,448	\$ 89,148,891	\$ 173,175,476
Funding Source							
Federal portion	\$ 12,493,473	\$ 22,328,797	\$ 10,826,569	\$ 14,560,738	\$ 10,314,403	\$ 78,611,039	\$ 149,135,019
State portion	250,000	250,000	2,950,000	250,000	250,000	1,250,000	5,200,000
GJRAA Portion	2,827,361	2,408,387	2,052,952	1,367,860	896,045	9,287,852	18,840,457
	\$ 15,570,834	\$ 24,987,184	\$ 15,829,521	\$ 16,178,598	\$ 11,460,448	\$ 89,148,891	\$ 173,175,476

2020 Budget Variance Explanations & Detailed Assumptions

Operating Revenues

Aeronautical Revenues

- 1 Passenger Airline landing fees assume an increase in total landed weight of 1% from the 2019 forecast. The 2020 estimated landing fee based on the new rates and charges methodology is \$1.82 compared to the 2019 landing fee of \$1.70, an increase of approximately 7%. Additionally, the final landing fee will be subject to true-up at the end of the year, based on actual activity and expenses. This will allow us to fully recover all expenses in the airfield.
- 2 Terminal Rent is projected to increase 9% from 2019 based on the new airline lease model. The rate in the new model is expected to increase 15%, however, this will be partly off-set by a decrease in the actual square feet rented by the airlines. Similar to the landing fee, the terminal rent rate will be subject to a true-up adjustment at the end of the year.
- 3 According to the proposed airline lease agreement, the use of the boarding bridge will still be charged per use and the total revenue for the year will equal the actual boarding bridge maintenance costs. The budget reflects the estimated costs and usage.
- 4 Deicing, disposal fees, and overtime fees were previously charged based on actual usage. Under the new agreement the costs of these activities are recovered as part of the landing fees and terminal rent rates, therefore, they will no longer be billed and recognized separately.
- 5 Non-passenger landing fees represent landing fees charged for cargo activities. The 2020 budget is based on projected cargo landed weight for 2020 at the 2020 estimated landing fee of approximately \$1.82/thousand pounds. The decrease from 2018 actual to the 2019 forecast is due to the change in flight schedules from Fed Ex since they had 2 flights per day for the first part of 2018. Additionally, with the wildfire activity, we had additional landing fees from BLM that are not expected in 2019 or 2020.
- 6 Land and building leases - cargo assumes the same rented space with an increase for CPI, projected at 1.5%.
- 7 The schedule for state fuel tax disbursements is somewhat erratic, with a substantial lag between actual collection and receipt from the State. For the 2020 budget, we assumed we will receive the same average monthly remittance from the state that we have over the past 3 years through June 2019.
- 8 Fuel Flowage fees are collected from all aircraft operations at the airport, therefore we budgeted an increase in total fees that is consistent with our projected increase in total operations of 1.5%. These revenues are collected by West Star and remitted back to the Authority on a monthly basis (unlike the state fuel tax disbursements). The decrease from 2018 actual to the 2019 forecast is because we are not experiencing the additional activity related to the wildfires. Additionally, we are conservatively forecasting the rest of the 2019 activity which can vary with fuel prices and diversion activity.
- 9 Airside diesel and unleaded fuel sales are budgeted to increase 3% based on expected increases in airside activities.
- 10 Rapid refuel charges for military refueling activity and ramp parking are assumed to remain consistent with the 2018 actual and 2019 forecast.

Non-Aeronautical Revenues

- 11 Land and building leases is primarily from GA leasing activity. The 2020 budget assumes the same rented space with an increase for CPI, projected at 1.5%. The overall decrease from the 2019 budget is related to the 2019 change in the tri-party agreement that altered some of the rented space and the related rent rates associated with that space.
- 12 Non-aeronautical revenues including restaurant, rental car, parking and ground transportation were estimated based on revenue per enplanement using historical per enplanement rates over the past 3 years for each type of revenue.
- 13 Office space rent changes are related to the TSA lease at the 2020 contract rate. When the 2019 budget was developed, we were unsure how much space would be rented by TSA, ultimately the square footage was lower than we had estimated, resulting in the decrease from the 2019 budget.
- 14 Rental car rent revenue was held flat to 2019.
- 15 Rental car fuel sales have historically averaged 26%-27% of gross rental car revenue; we assumed this trend will continue.
- 16 Security fees represent the amounts charged to issue and renew badges at the airport. We assumed the fees charged in 2020 will be slightly lower than those charged in 2019 because more badges renewed in 2019 and are good for two years.
- 17 Other revenue primarily includes revenues from vending machines and advertising. We held these revenues flat to the 2019 budget as we transition these programs in 2020. The difference between the 2018 actual and 2019 forecast is due to the fact that our advertising contract expired and we are collecting fees from the remaining contracts. Those contracts are expiring and we are developing a new strategy for in-terminal advertising, therefore we are budgeting a lower amount for 2020.

Operating Expenses

- 18 Our budget for salaries and related benefit expenses for 2020 are based on 30 FTEs and 3 part-time positions. We assumed a maximum salary increase of 4% for all positions and 100% staffing for the entire year. Other compensation expenses are budgeted based on a percentage of total wages. However, we have assumed a higher increase in the 401(k) match expense in 2020 because we had a number of new employees start in 2019 that will be eligible for the match in 2020. The 2019 forecast reflects our current employee level of 28 full-time employees and one part-time, and on-boarding two additional full time and one part-time employee in Q4 2019. The 2019 budget was based on 30 FTEs and 4 part-time employees budgeted for 2019. In 2018 we had 26 FTEs and 2 part-time employees.
- 19 The budget for health insurance is based on the current plan enrollment and rates, adjusted for the current vacant positions, and also assumes another 8% increase in rates for the period from September 1, 2020 - December 31, 2020.
- 20 In 2019 we budgeted a large increase from 2018 due to anticipated construction and the installation of new systems (lighting and HVAC). Since the installation of the systems is just being completed this year and we do not have historical rates to use for our budget estimate, we are assuming similar rates for the 2020 budget that were used for 2019. We expect to begin receiving credits for our solar farm subscription in October 2019. We expect that they will help offset increases from the additional systems coming online. Based on the 2019 forecast, and the current billing rates, we believe this estimate is realistic, but conservative.
- 21 We are estimating that these costs remain relatively consistent with prior year actual and budgeted amounts (within \$5,000).

- 22 Employee recognition represents a budget for staff holiday parties, employee recognition through gift cards/awards, lunches, etc. This was not previously budgeted as a separate line item.
- 23 The increase in materials and supplies is mostly related to the increase in usage from additional passengers and some cost increases that we have seen on maintenance and cleaning supplies due to tariffs in 2019 that are expected to continue. Some of the specific increases for 2020 include:
- \$6,000 in additional expenses for consumable supplies (soap, paper products, trash bags, etc.)
 - \$4,000 in paint supplies as we purchased a paint machine in 2019 and will be able to do more in-house pavement painting projects
 - \$3,700 to outfit an additional medical bag so we can have quicker responses with full supplies
 - \$3,400 in additional supply costs for fleet to maintain aging equipment
- 24 The budgeted increase in tools and equipment represents investments in equipment purchases below our capitalization policy of \$5,000. The prior policy was to capitalize any individual purchase over \$2,500 so some of the increase is due to the change in policy. However, we also have a number of deferred maintenance projects and we want to proactively replace equipment and follow asset management best practices so we don't negatively impact operations or security at the airport. In addition to regular replacements, some of the larger purchases budgeted in 2020 include:
- \$14,300 for fleet replacements including: rubber tracks, dirt buckets, and a new generator
 - \$13,000 to upgrade a portion of our existing computers and monitors for staff
 - \$10,000 to complete the final phase of upgrading and replacing radios
 - \$9,000 for needed upgrades to existing IT switches to support the additional cameras, PA system
- 25 Supplies for runway deicing and snow removal are not purchased in the same quantities each year, but only purchased when needed based on weather. Limited supplies were purchased in 2019, and given the additional snow in 2018-2019, we need to re-stock supplies.
- 26 Runway & taxiway lighting are expected to increase compared to the 2019 budget because several replacements are needed.
- 27 The budgeted increase in firefighting supplies is due to the purchase of additional AFFF (foam for the ARFF truck) that is needed to restock supplies and remain in compliance with FAA regulations.
- 28 With the additional passenger traffic, we anticipate an increase in fuel sales for rental car and airline purchases. In order to meet this demand, we are anticipating an increase in our supply purchases. All fuel costs are fully recovered by fuel revenue sales as we charge up to \$1/gallon above cost.
- 29 At the request of the airlines, who pay for in-terminal security, in Q4 2018 we extended the security guard hours to cover the last aircraft arrival instead of the last departure. The budget reflects the additional hours and contractual rate increase for 2020.
- 30 We are reducing the amount budgeted for legal expenses from 2019 to 2020 to more closely reflect actual monthly costs and estimated consulting that may be needed, plus a smaller contingency amount than 2019.

- 31 The increase in professional services for IT reflects additional software subscription purchases for autocad and the accounting software, penetration testing that we are scheduled to perform every 3 years, and warranty purchases for needed upgrades to servers and switches that are reflected in the tools and equipment budget. The notable changes in the 2020 budget that are driving the increase from 2019 are:
- \$10,000 to upgrade components of the existing security system
 - \$10,000 in warranty support and other upgrades necessary to keep up with additional IT demands
 - \$6,500 in previously un-budgeted expenses for our 3rd party payroll company (Paycom)
 - \$5,500 for the triennial penetration testing
 - \$5,000 in additional subscription costs
- 32 The increase in repairs and maintenance is primarily related to estimated costs to maintain the new HVAC units, anticipated repairs to the ATO conveyor belts, new glycol for the fire system, and other increases associated with increased activity. Some of the larger individual repairs anticipated in 2020 are:
- \$19,200 in expected repairs and purchases of spare parts for security gates
 - \$6,000 for conveyor belt replacements for ticket counter baggage systems
 - \$5,000 increase in costs for air filters to support the new HVAC system installed in 2019
- 33 The increase in boarding bridge maintenance is for anticipated replacement costs in the older boarding bridges and overall increases due to having 3 bridges in service as opposed to 2.
- 34 With the installation of the new escalators being completed in 2019, we are anticipating an increase in the total contract expense for 2020 as maintenance on the new units will be more expensive because of the electronic components.
- 35 The increase in pavement maintenance costs are primarily due to budgeted rubber removal and runway painting. These costs were included as part of the contingency calculation for 2019, but are being moved to the full budget for 2020 because we know it needs to be completed.
- 36 With the heavier snow season in 2018-2019, we need to replace additional blades and snow removal equipment.
- 37 Based on the increases in the 2019-2020 policy renewal, investments in additional assets, and increased public officials liability coverage, we are anticipating similar increases in rates for the 2020-2021 renewal.
- 38 As air service development is one of our primary goals, we have increased this budget in anticipation of receiving the SCASDP grant and working on developing additional routes.
- 39 The costs in the "other" category for 2020 are for the FAA required triennial exercise with our mutual aid partners (approximately \$20,000) and estimated costs to lease out the hangar in the Sky Adventures building for additional airport equipment storage and workspace. We are anticipating renting the space for 7 months at \$2,800/month, plus additional utilities of \$4,500.
- 40 The decrease in contingency was primarily due to the re-classification of pavement maintenance costs for rubber removal. See the Entity Risk list that shows the calculation of the 2020 contingency budget.

Non-Operating Activity

- 41 Passenger Facility Charge (PFC) Revenue was budgeted based on the historical revenue per enplanement times the projected enplanements for the year.
- 42 The interest income budget is using the same assumptions that were used in 2019 which anticipates drawing down the remaining bond funds and causing an overall decrease in revenues.
- 43 Interest expense is based on scheduled debt repayments. The decrease from the 2019 budget is almost entirely related to the bond as only \$2,000 of the 2019 expense was related to the SIB loan which was paid in full in 2019.
- 44 Customer Facility Charge (CFC) Revenue was budgeted based on the historical revenue per enplanement times the projected enplanements for the year.
- 45 Capital Contributions were estimated based on expected annual funding from CDOT of \$250,000 and 90% of the anticipated AIP Capital expense to be incurred. Refer to the AIP Project schedule for a more detailed list of anticipated projects and spending in 2020. This also reflects our CIP with the FAA.
- 46 Capital Expenditures includes \$15.6M in AIP projects and approximately \$3.4M in Non-AIP projects. These estimates include approximately \$3.3M of AIP and \$1.3M of Non-AIP project costs that were budgeted for in 2019, but are not expected to be completed until 2020. Refer to the attached schedules for additional details on the proposed projects for 2020.
- 47 Debt principle payments are based on scheduled repayments. All but \$20,000 of the decrease from the 2019 budget is related to the SIB loan that was paid off in 2019.
- 48 Other Gain (loss) for 2019 forecast is due to expected revenues from the auction of old equipment. At this time, we do not have anything planned for 2020, therefore no amounts have been budgeted.

Grand Junction Regional Airport Authority

Agenda Item Summary

TOPIC:	Rental Car Lease Discussion																								
PURPOSE:	Information <input type="checkbox"/> Guidance <input checked="" type="checkbox"/> Decision <input type="checkbox"/>																								
RECOMMENDATION:	The existing rental car leases expire in April 2020. We would like to discuss extending the agreements rather than going out to RFP, because we are happy with the terms of the contracts and the performance of the companies.																								
SUMMARY:	<p>The existing contracts were established in 2015 following an RFP process. The current tenants are: Hertz, Avis/Budget, National/Alamo, and Enterprise.</p> <p>Leased space according to the existing contracts include office and ticket counter areas in the terminal, parking spaces in the rental car lot, and a designated service area. Rent rates are based on the annually approved Fees and Charges schedule based on the type of space rented. In addition to rent, the companies pay concession fees based on 10% of annual gross revenue with a minimum annual revenue guarantee (MAG) and collect Customer Facility Charges (CFCs) that pay for the rental car facilities.</p> <p>Annual revenues from rent, concession fees, fuel sales, and CFCs since contract inception are as follows:</p> <table border="1"><thead><tr><th></th><th>Rent, MAG, Fuel</th><th>CFC Rev</th><th>Total</th></tr></thead><tbody><tr><td>2019 (forecast)</td><td>\$ 1,281,000</td><td>\$ 749,000</td><td>\$ 2,030,000</td></tr><tr><td>2018 Actual</td><td>\$ 1,270,000</td><td>\$ 724,000</td><td>\$ 1,994,000</td></tr><tr><td>2017 Actual</td><td>\$ 1,218,000</td><td>\$ 720,000</td><td>\$ 1,938,000</td></tr><tr><td>2016 Actual</td><td>\$ 1,159,000</td><td>\$ 706,000</td><td>\$ 1,865,000</td></tr><tr><td>2015 Actual</td><td>\$ 1,151,000</td><td>\$ 599,000</td><td>\$ 1,750,000</td></tr></tbody></table> <p>Extending the current contracts will keep the current terms of the contract and allow airport staff to focus time on higher priority procurement activities.</p>		Rent, MAG, Fuel	CFC Rev	Total	2019 (forecast)	\$ 1,281,000	\$ 749,000	\$ 2,030,000	2018 Actual	\$ 1,270,000	\$ 724,000	\$ 1,994,000	2017 Actual	\$ 1,218,000	\$ 720,000	\$ 1,938,000	2016 Actual	\$ 1,159,000	\$ 706,000	\$ 1,865,000	2015 Actual	\$ 1,151,000	\$ 599,000	\$ 1,750,000
	Rent, MAG, Fuel	CFC Rev	Total																						
2019 (forecast)	\$ 1,281,000	\$ 749,000	\$ 2,030,000																						
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2016 Actual	\$ 1,159,000	\$ 706,000	\$ 1,865,000																						
2015 Actual	\$ 1,151,000	\$ 599,000	\$ 1,750,000																						
REVIEWED BY:	Executive Director & Legal Counsel																								
FISCAL IMPACT:	2020 Budgeted Revenue (at existing rates): \$ 1,337,500 – rent, mag, fuel, and <u>\$ 807,000</u> – CFC Revenue \$ 2,144,500 - Total																								
ATTACHMENTS:	None																								
STAFF CONTACT:	Sarah Menge Email: SMenge@gjairport.com Office: (970) 248-8581																								

GRAND JUNCTION REGIONAL AIRPORT ACTIVITY REPORT

Report Date: 8/31/2019

PY Comparison Date: 8/31/2018

August, 2019

PASSENGER ENPLANEMENTS:	CURRENT MONTH			YEAR-TO-DATE		
	2018	2019	PERCENT CHANGE	2018	2019	PERCENT CHANGE
AMERICAN	9,299	7,979	-14.20%	67,803	68,787	1.45%
ALLEGiant	1,639	2,573	56.99%	11,912	16,720	40.36%
UNITED	5,913	7,210	21.93%	41,101	52,985	28.91%
DELTA	3,668	3,855	5.10%	27,288	29,462	7.97%
DENVER AIR CONNECTION	803	636	-20.80%	6,247	4,917	-21.29%
Misc Charters	-	41		548	952	73.72%
TOTAL ENPLANEMENTS	21,322	22,294	4.56%	154,899	173,823	12.22%
TOTAL SEAT CAPACITY	26,785	29,963	11.86%	197,398	223,946	13.45%
PASSENGER DEPLANEMENTS:	2018	2019	CHANGE	2018	2019	CHANGE
AMERICAN	9,248	8,120	-12.20%	69,703	69,685	-0.03%
ALLEGiant	1,645	2,460	49.54%	11,769	16,195	37.61%
UNITED	6,274	7,204	14.82%	46,558	64,285	38.08%
DELTA	3,912	3,866	-1.18%	29,845	32,488	8.86%
DENVER AIR CONNECTION	765	647	-15.42%	6,160	4,886	-20.68%
Misc Charters	-	14	N/A	548	863	57.48%
TOTAL DEPLANEMENTS	21,844	22,311	2.14%	164,583	188,402	14.47%
TOTAL PASSENGERS	43,166	44,605	3.33%	319,482	362,225	13.38%

LOAD FACTOR:(OUTBOUND ONLY)	CURRENT MONTH			YEAR-TO-DATE		
	2018	2019	Difference	2018	2019	Difference
AMERICAN	82.06%	72.27%	-9.79%	79.44%	78.02%	-1.42%
ALLEGiant	80.82%	69.62%	-11.20%	82.29%	73.82%	-8.47%
UNITED	79.85%	78.23%	-1.62%	81.52%	81.55%	0.03%
DELTA	83.36%	82.18%	-1.18%	80.14%	79.96%	-0.19%
DENVER AIR CONNECTION	49.57%	48.18%	-1.39%	48.81%	45.91%	-2.90%
GJT TOTAL	79.60%	74.41%	-5.20%	78.47%	77.62%	-0.85%

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

08/31/2019

	Month			Budget Variance		Prior Year Variance		
	08/31/2019	08/31/2019	8/31/2018	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var	
	Budget	Actual	PY Actual					
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	46,911	52,395	48,076	5,484	11.69 %	4,319	8.98 %
2	Terminal rent	98,487	98,874	98,487	387	0.39 %	387	0.39 %
3	Other (boarding bridge)	9,680	10,243	9,479	563	5.82 %	764	8.06 %
	Total Passenger airline revenue	155,078	161,512	156,042	6,434	4.15 %	5,470	3.51 %
Non-passenger airline revenue								
4	Non-passenger landing fees	7,405	9,637	29,818	2,232	30.14 %	(20,181)	(67.68) %
5	Cargo and hangar rentals	4,438	4,483	4,372	45	1.01 %	111	2.54 %
6	Fuel tax & flowage fees	59,520	71,579	92,889	12,059	20.26 %	(21,310)	(22.94) %
7	Other (ramp parking, rapid refuel)	370	720	780	350	94.59 %	(60)	(7.69) %
	Total Non-passenger airline revenue	71,733	86,419	127,859	14,686	20.47 %	(41,440)	(32.41) %
	Total Aeronautical revenue	226,811	247,931	283,901	21,120	9.31 %	(35,970)	(12.67) %
Non-aeronautical revenue								
8	Land and building leases	49,644	48,614	49,516	(1,030)	(2.07) %	(902)	(1.82) %
9	Terminal - restaurant & retail	10,478	12,496	13,635	2,018	19.26 %	(1,139)	(8.35) %
10	Terminal - other	15,857	15,042	15,041	(815)	(5.14) %	1	0.01 %
11	Rental cars	116,523	120,607	145,654	4,084	3.50 %	(25,047)	(17.20) %
12	Parking and ground transportation	119,555	122,606	108,858	3,051	2.55 %	13,748	12.63 %
13	Other (security fee, overtime fee, etc)	10,302	9,895	5,843	(407)	(3.95) %	4,052	69.35 %
	Total Non-aeronautical revenue	322,359	329,260	338,547	6,901	2.14 %	(9,287)	(2.74) %
	Total Operating revenues	549,170	577,191	622,448	28,021	5.10 %	(45,257)	(7.27) %

Grand Junction Regional Airport Authority
Statements of Changes in Net Position

Unaudited - subject to change

As of Date:

08/31/2019

		Month			Budget Variance		Prior Year Variance	
		08/31/2019	08/31/2019	8/31/2018				
		Budget	Actual	PY Actual	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
Operating expenses								
14	Personnel compensation and benefits	199,161	192,970	156,175	(6,191)	(3.11) %	36,795	23.56 %
15	Communications and utilities	28,771	27,991	25,197	(780)	(2.71) %	2,794	11.09 %
16	Supplies and materials	34,293	40,442	32,590	6,149	17.93 %	7,852	24.09 %
17	Contract services	41,877	36,897	39,085	(4,980)	(11.89) %	(2,188)	(5.60) %
18	Repairs & maintenance	25,746	45,081	69,900	19,335	75.10 %	(24,819)	(35.51) %
19	Insurance	7,864	11,449	7,553	3,585	45.59 %	3,896	51.58 %
20	Other (travel, marketing, air service, etc)	9,060	25,045	16,185	15,985	176.43 %	8,860	54.74 %
Total Operating expenses		346,772	379,875	346,685	33,103	9.55 %	33,190	9.57 %
Non-operating revenue (expenses)								
21	Passenger facility charges	72,600	92,295	67,521	19,695	27.13 %	24,774	36.69 %
22	Interest income	5,000	20,838	17,956	15,838	316.76 %	2,882	16.05 %
23	Interest expense	(67,515)	(67,515)	(70,109)	-	0.00 %	2,594	(3.70) %
24	Customer facility charges	65,500	70,308	70,748	4,808	7.34 %	(440)	(0.62) %
25	Capital contributions	1,610,558	501,429	-	(1,109,129)	(68.87) %	501,429	100.00 %
25	Capital expenditures	(2,221,212)	(745,941)	(705,799)	1,475,271	(66.42) %	(40,142)	5.69 %
26	Debt principal payments	-	-	-	-	0.00 %	-	0.00 %
Total Non-operating revenue (expenses)		(535,069)	(128,586)	(619,683)	406,483	(75.97) %	491,097	(79.25) %
Excess of revenue over (under) expense		(332,671)	68,730	(343,920)	401,401	(120.66) %	412,650	(119.98) %

Variance Explanations - August 2019 compared to Budget and August 2018 Preliminary Financial Statements

Variance explanations below are provided for those categories that had variances to budget or prior year actual of greater than \$10,000 and 10% in August 2019.

Operating Revenues:

- 4 ***Non-passenger landing fees*** – Landing fees from non-passenger traffic (primarily cargo) was below prior year actual for August. This variance from prior year is due primarily to less wildfire activity than normal.
- 6 ***Fuel tax & flowage fees*** – Based on discussions with CDOT, fuel flowage fees are typically collected by the State and remitted to the airports about two months after the activity occurred. However, the state does not remit funds until they are collected, so the lag time could be even greater than three months and delayed receipts by the state result in uneven payment streams to the airport. This unpredictability of the payment stream often makes the monthly financial statements year over year incomparable. Flowage fees are collected by West Star based on fuel sold to the airlines and GA community. In general, fuel tax revenue and flowage fees should correspond to changes in commercial operations since this is a significant portion of av gas sales. The variance to prior year is primarily a result of the additional flowage fees collected from planes assisting with the wildfire operations which are below normal levels in 2019. The variance from budget is directly related to the higher than expected activity levels which have resulted in more fuel tax revenue collections, fuel flowage fees, and airside fuel sales which are all ahead of budget in August 2019.
- 11 ***Rental Cars*** - While Rental Car Revenue was in line with budget, it was well below prior year revenue in August 2019 due to nearly 4,000 fewer rental days. This was slightly offset by an average daily rate increase from \$54.40/day in August 2018 to \$60.94/day in 2019.
- 12 ***Parking and Ground Transportation*** - Parking and GT Revenue out-performed the budgeted expectations, due to higher than budgeted passenger traffic. The number of parking transactions remained flat year over year between August 2019 and August 2018 while length of stay increased slightly.

Operating Expenses:

- 14 ***Personnel Compensation & Benefits*** – The variance to prior year is primarily due to the fact that the budget was based on a cash basis for when pay dates occurred and we had 3 pay periods in August 2019 compared to 2 pay periods in August 2018. The 2019 actual expense reflects full accrual basis accounting where the payroll expense is recognized based on days worked.
- 18 ***Repairs and Maintenance*** – Repairs and Maintenance activities were budgeted relatively evenly throughout the year, although the actual timing of these activities can vary. August 2019 and 2018 represent months where we spent higher than average amounts. In August of 2019, 26,000 of the expense is related to GA pavement repairs that were approved at the June board meeting. In August of 2018, approximately \$41,000 of the total expense was related to rubber removal.
- 20 ***Other (travel, marketing, air service)*** – The variance to budget for the other expenses is primarily a function of timing for when the travel is purchased for conferences. Although our spending for the month is ahead of budget and the prior year, we are still on track with our annual budget.

Non-Operating Revenues and Expenses:

- 21 ***PFC Revenue*** – PFC revenue exceeded prior year actual and current year budget due to increased activity. We are seeing an increase in capacity and total enplaned passengers that we expect to continue throughout the year.
- 22 ***Interest Income*** - Interest income was budgeted conservatively and assuming that the bond funds would be spent down by now, however, we just completed the first bond draw in August 2019, therefore interest income exceeded expectations.
- 25 ***Capital Contributions & Expenditures*** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable. We had anticipated a number of costs to be incurred in the first quarter related to 2018 projects that rolled into 2019, and when the budget was completed, we anticipated an earlier start on the terminal renovation project. Currently, the terminal renovation project remains under budget, and we are in the process of closing out grants for projects that were started in prior years and beginning work on the 2019 grant projects. We will continue to provide updates on projects as they progress, and do not anticipate the need for any budget amendments as it relates to projects.

Grand Junction Regional Airport Authority

Statements of Changes in Net Position

Unaudited - subject to change

	Year to Date			Budget Variance		Prior Year Variance		
	08/31/2019	08/31/2019	8/31/2018	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var	
	Budget	Actual	PY Actual					
Operating revenue								
Aeronautical revenue								
Passenger airline revenue								
1	Passenger airline landing fees	361,681	419,932	371,764	58,251	16.11 %	48,168	12.96 %
2	Terminal rent	787,896	788,283	787,896	387	0.05 %	387	0.05 %
3	Other (boarding bridge)	79,795	84,459	83,862	4,664	5.84 %	597	0.71 %
	<i>Total Passenger airline revenue</i>	<i>1,229,372</i>	<i>1,292,674</i>	<i>1,243,522</i>	<i>63,302</i>	<i>5.15 %</i>	<i>49,152</i>	<i>3.95 %</i>
Non-passenger airline revenue								
4	Non-passenger landing fees	58,569	62,660	142,825	4,091	6.98 %	(80,165)	(56.13) %
5	Cargo and hangar rentals	35,306	35,533	34,723	227	0.64 %	810	2.33 %
6	Fuel tax & flowage fees	446,121	485,513	497,956	39,392	8.83 %	(12,443)	(2.50) %
7	Other (ramp parking, rapid refuel)	2,960	4,620	3,330	1,660	56.08 %	1,290	38.74 %
	<i>Total Non-passenger airline revenue</i>	<i>542,956</i>	<i>588,326</i>	<i>678,834</i>	<i>45,370</i>	<i>8.36 %</i>	<i>(90,508)</i>	<i>(13.33) %</i>
	<i>Total Aeronautical revenue</i>	<i>1,772,328</i>	<i>1,881,000</i>	<i>1,922,356</i>	<i>108,672</i>	<i>6.13 %</i>	<i>(41,356)</i>	<i>(2.15) %</i>
Non-aeronautical revenue								
8	Land and building leases	400,977	394,706	397,517	(6,271)	(1.56) %	(2,811)	(0.71) %
9	Terminal - restaurant & retail	83,453	112,568	89,478	29,115	34.89 %	23,090	25.81 %
10	Terminal - other	126,856	120,330	139,094	(6,526)	(5.14) %	(18,764)	(13.49) %
11	Rental cars	793,250	867,402	800,457	74,152	9.35 %	66,945	8.36 %
12	Parking and ground transportation	901,863	1,034,689	898,700	132,826	14.73 %	135,989	15.13 %
13	Other (security fee, overtime fee, etc)	51,482	70,292	38,471	18,810	36.54 %	31,821	82.71 %
	<i>Total Non-aeronautical revenue</i>	<i>2,357,881</i>	<i>2,599,987</i>	<i>2,363,717</i>	<i>242,106</i>	<i>10.27 %</i>	<i>236,270</i>	<i>10.00 %</i>
	Total Operating Revenues	4,130,209	4,480,987	4,286,073	350,778	8.49 %	194,914	4.55 %

Grand Junction Regional Airport Authority
Statements of Changes in Net Position

Unaudited - subject to change

		Year to Date			Budget Variance		Prior Year Variance	
		08/31/2019	08/31/2019	08/31/2019				
		Budget	Actual	PY Actual	Budg \$ Var	Budg % Var	PY \$ Var	PY % Var
Operating expenses								
14	Personnel compensation and benefits	1,669,935	1,571,388	1,382,773	(98,547)	(5.90) %	188,615	13.64 %
15	Communications and utilities	222,288	209,811	199,684	(12,477)	(5.61) %	10,127	5.07 %
16	Supplies and materials	363,205	336,605	284,433	(26,600)	(7.32) %	52,172	18.34 %
17	Contract services	450,486	419,681	381,686	(30,805)	(6.84) %	37,995	9.95 %
18	Repairs & maintenance	245,948	243,564	209,939	(2,384)	(0.97) %	33,625	16.02 %
19	Insurance	61,237	74,278	62,647	13,041	21.30 %	11,631	18.57 %
20	Other (travel, marketing, air service, etc)	159,080	170,248	162,056	11,168	7.02 %	8,192	5.06 %
	<i>Total Operating expenses</i>	3,172,179	3,025,575	2,683,218	(146,604)	(4.62) %	342,357	12.76 %
Non-operating revenue (expenses)								
21	Passenger facility charges	569,500	706,670	591,027	137,170	24.09 %	115,643	19.57 %
22	Interest income	42,400	171,204	118,476	128,804	303.78 %	52,728	44.51 %
23	Interest expense	(542,122)	(542,126)	(562,750)	(4)	0.00 %	20,624	(3.66) %
24	Customer facility charges	461,600	488,160	442,185	26,560	5.75 %	45,975	10.40 %
25	Capital contributions	11,857,286	2,172,303	1,107,422	(9,684,983)	(81.68) %	1,064,881	96.16 %
25	Capital expenditures	(16,403,311)	(7,112,738)	(2,807,622)	9,290,573	(56.64) %	(4,305,116)	153.34 %
26	Debt principal payments	(229,673)	-	(222,930)	229,673	(100.00) %	222,930	(100.00) %
	<i>Total Non-operating revenue (expenses)</i>	(4,244,320)	(4,116,527)	(1,334,192)	127,793	(3.01) %	(2,782,335)	208.54 %
	Excess of revenue over (under) expense	(3,286,290)	(2,661,115)	268,663	625,175	(19.02) %	(2,929,778)	(1,090.50) %

Variance Explanations - 8/31/19 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 \$30,000 and 10% YTD through August 2019. The threshold was increased to \$30,000 because this is approximately 1% of budgeted revenue through June 30 and is more meaningful than the \$10,000 threshold. We will look to adjust this each quarter.

Operating Revenues:

- 1 **Passenger Landing Fees** - Passenger landing fees are 16.1% above budget and 12.9% above the prior year actual revenue due to the increase in commercial landings YTD through August 2019 compared to August 2018. United has had the largest increase, with 130 more landings YTD through August 2019 compared to YTD August 2018, an 11% increase.
- 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 the decreased revenue in August 2019 compared to August 2018 related to the fire mitigation efforts staged from GJT. In the first part of 2018, Fed Ex had 2 regular flights, while they only have one in 2019. YTD through August 2019, there have been 60 fewer cargo landings compared to 2018. This was anticipated and budgeted for, therefore the YTD revenue through August 2019 meets expectations.
- 11 **Rental Cars** - Rental Car Revenue exceeded budget and prior year revenue year to date through August 2019 as a result of the higher than expected passenger traffic and an increase in the average daily rate YTD of \$3.68 compared to August 2018.
- 12 **Parking and Ground Transportation** - Parking and GT Revenue exceeded budget and prior year revenue year to date through August 2019 due to higher than expected passenger traffic. YTD there is a 9.1% increase in the number of parking transactions in addition to an average increase in length of stay of 50 minutes from prior year.
- 13 **Other** - Other revenue, primarily from security fees and vending revenue is up over \$30k from prior year. Approximately \$20,000 of the increase is related to security badge fees, but is largely due to timing. Badges renew every two years, and in 2018, the majority of the renewals occurred in October, compared to May of 2019. The remainder of the increase is due to advertising revenue. Our contract with Lamar ended in November of 2018, therefore the amount of revenue received is not shared with an advertising company at this time. We are currently working on a new strategy for advertising, including identifying where we want to allow advertising throughout the terminal.

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 reflects some vacant positions at the airport over the past few months in addition to overly conservative budgeting related to health insurance and workers compensation insurance.
- 16 **Supplies & Materials** – Most of the variance here is due to IT and camera upgrades that would have been capitalized under the prior capitalization policy but not the current one. Additional variances are due to the increase in fuel purchased for rental cars.
- 17 **Contract Services** – Contract services are higher than the prior year primarily related to increasing the security guards hours from last arrival to last departure. However, contract services in total is still within budget for the year.
- 18 **Repairs & Maintenance** – Repairs and Maintenance activities were higher in 2019 than 2018 which was expected and budgeted for. This category will fluctuate month to month due to the unexpected nature of repairs and maintenance activity. Year to date we are still in line with our annual budget.

Non-Operating Revenues and Expenses:

- 21 **PFC Revenue** – PFC revenue exceeded prior year actual and current year budget due to increased activity. We are seeing an increase in capacity and total enplaned passengers that we expect to continue throughout the year.
- 22 **Interest Income** - Interest income was budgeted conservatively and assuming that the bond funds would be spent down by now, however, we still have a strong cash balance and did not complete the bond draw until August, therefore interest income exceeded expectations.
- 24 **CFC Revenue** – CFC revenue exceeded prior year actual and current year budget due to increased activity. We are seeing an increase in capacity and total enplaned passengers that we expect to continue throughout the year. CFC charges should, and do, have a positive correlation to rental car revenues.
- 25 **Capital Contributions & Expenditures** – The timing of capital contributions (grant revenue) and capital expenditures is somewhat unpredictable. We had anticipated a number of costs to be incurred in the first quarter related to 2018 projects that rolled into 2019, and when the budget was completed, we anticipated an earlier start on the terminal renovation project. Currently, the terminal renovation project remains under budget, and we are in the process of closing out grants for projects that were started in prior years and beginning work on the 2019 grant projects. We will continue to provide updates on projects as they progress, and do not anticipate the need for any budget amendments as it relates to projects.

Grand Junction Regional Airport Authority
Statement of Financial Position - Unaudited, subject to change

	Month Ending 08/31/2019	Month Ending 07/31/2019	Variance
Assets			
Current Assets			
	\$ 6,722,531	\$ 4,025,707	\$ 2,696,824
	2,862,333	2,792,630	69,703
1	<i>Total Cash and Cash Equivalents</i>	6,818,337	2,766,527
Accounts Receivable			
	710,432	645,384	65,048
	2,317,894	1,816,464	501,429
2	<i>Total Accounts Receivable, Net</i>	3,028,326	2,461,848
3	Prepaid Expenses	120,282	129,107
	<i>Total Current Assets</i>	12,733,472	9,409,292
Non-Current Assets			
Capital Assets			
	19,543,446	19,543,446	-
	46,969,278	47,330,188	(360,910)
4	<i>Total Capital Assets, Net</i>	66,512,725	66,873,634
5	Bond Project Fund	4,857,581	9,338,372
	<i>Total Non-Current Assets</i>	71,370,306	76,212,007
	Total Assets	84,103,777	(1,517,521)
6	Deferred Outflows of Resources - Pension Plan	413,509	413,509
Liabilities			
Current Liabilities			
7	Accounts Payable - Ops	165,778	221,860
7	Accounts Payable - Capital	1,333,090	2,500,321
8	Accrued Expenses	184,443	251,918
9	Lease Deposits	164,566	164,546
10	Deferred Revenue	18,408	20,497
11	Current portion of note and bonds payable	1,089,698	1,022,183
	<i>Total Current Liabilities</i>	2,955,983	4,181,325
Long Term Liabilities			
	19,073,896	19,073,896	-
	444,933	444,933	-
	2,775,984	2,775,984	-
12	<i>Total Long Term Liabilities</i>	22,294,813	22,294,813
	<i>Total Liabilities</i>	25,250,797	26,476,138
13	Deferred Inflows of Resources - Pension Plan	518,872	518,872
	Total Net Position	\$ 58,747,618	\$ 59,039,798
		\$ (292,180)	

Variance Explanations - 8/31/19 Statement of Financial Position

Assets: Total Assets decreased by approximately \$1.5M From July 2019 to Aug 2019 due to monthly depreciation expense of approximately \$340k and a decrease in accounts payable (use of cash) of \$1.2M.

- 1 **Cash** – The increase in cash is due to the bond draw that was completed for approximately \$4.5M. During the month of August, we also paid down over \$1.2M of receivables, so the increase in cash was less than the amount drawn on the bond.
- 2 **Accounts Receivable** – Accounts receivable includes both operating receivables and capital receivables from grants. Both operating receivables and capital receivables increased in August due to the timing of receipts. Approximately \$1.5M of receivables are related to grants that are substantially complete and will not be reimbursed until the project is closed out.
- 3 **Prepaid Expenses** – Prepaid expenses are primarily related to insurance contracts and software subscriptions that we pay annually, or in advance, that we will receive benefit for over a period of time. As we use these services over the policy or contract period, the amount is recognized as an expense, rather than expensing the entire annual cost in the month that it is paid.
- 4 **Capital Assets, Net** – Historically, the airport has not capitalized equipment throughout the year as it is purchased, but instead, expenses all purchases as part of capital expenditures and then capitalizes assets at year end. This allows us to track spending for budget purposes. We may look to change this practice going forward, but we are still working on making other improvements to the financial reporting and closing process first. Therefore, the only change in the fixed assets accounts that will be seen on a monthly basis is the regular monthly depreciation based on assets placed in service as of December 31, 2018.
- 5 **Escrows and Reserves** – The Escrow and reserve balance represents unused bond funds. As noted in the Cash explanation, a bond draw was completed in August totaling approximately \$4.5M, accounting for the decrease in this balance.

Deferred Outflows of Resources:

- 6 **Deferred Outflows of Resources - Pension Plan** – The deferred outflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Due to the timing of when the pension liability is estimated and reported on by PERA and the timing of when each local government entity must present financial statements, there is a one year lag in the calculation of the pension liability. We are therefore reporting our estimated liability based on information calculated as of December 31, 2017 for reporting in our 2018 financial statements. The deferred outflows of resources essentially represents decreases in the net pension liability related to 2018 activity that will not be recognized in the Pension liability until 2019. These amounts will not change until next year's liability is calculated.

Liabilities: Total Liabilities decreased \$1.2M from July 2019 to August 2019. This was driven almost entirely by payments made towards capital projects and outstanding payables.

- 7 **Accounts Payable** – Similar to accounts receivable, the majority of the balance and the variance from month to month is caused by the capital expenses payable to contractors and engineers associated with our capital projects. In August, we paid down approximately \$1.2M more than we incurred for the month, resulting in a decrease in the balance. Accounts payable and receivable should have a positive correlation in periods when we are working primarily on AIP projects where the majority of the cost is funded by the FAA. The majority of the activity in August was still related to the terminal project, however, the current year's work on the runway project is starting to ramp up.
- 8 **Accrued Expenses** – This category is primarily made up of liabilities for un-used PTO (approximately 140,000) and payroll accruals to properly recognize payroll expenses in the periods that the employees have worked. Changes in this account month to month are almost entirely related to changes in the payroll accruals.
- 9 **Lease Deposits** – Lease deposits are primarily made up of General Aviation Lease deposits that were required in the standard ground lease based on a number of month's rent. We also hold deposits for parking passes held by airport tenant employees. These amounts are payable back to tenants at the end of the lease, or as parking passes are returned. The balance of deposits typically does not change from period to period as activity is limited.
- 10 **Deferred Revenue** – This liability represents rent received in advance and is primarily made up of a pre-payment received by the BLM in 2017. Prepaid rent is a liability because we have not provided our tenant with the space for the period of time that they paid us for.
- 11 **Current Portion of note and bonds payable** – This balance represents principal and interest due on the outstanding revenue bonds. The change from month to month is the accrued interest payable associated with the current month.
- 12 **Long-Term Liabilities** – The bond payable balance will only change as principle payments are made twice per year, therefore there is no change from the prior month. The net Pension liability is also only calculated annually, so there will be no change in this amount. This is the actuarial estimate of the airports portion of the unfunded Pension liability for PERA. Long-term deferred revenue represents pre-paid revenues for years after 2019.

Deferred Inflows of Resources:

- 13 **Deferred Inflows of Resources - Pension Plan** – Similar to deferred outflows described above, the deferred inflows of resources represent a timing difference for recognizing changes in the estimated pension liability for our PERA pension and health plans offered to employees. Deferred Inflows of resources actually represent increases to the pension liability that will be recognized in future years, primarily related to changes in actuarial assumptions. These will only be calculated annually, and therefore no changes will be seen month to month.