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**Grand Junction Regional Airport Authority Board**  
**Board Meeting**  
Meeting Minutes  
August 16, 2016

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**REGULAR BOARD MEETING**

**Time: 5:15PM**

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**I. Call to Order**

Mr. Steve Wood, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:17PM on August 16, 2016 in Grand Junction, Colorado and in the County of Mesa.

<i>Commissioners Present:</i> Steve Wood, Chairman Dave Murray Rick Langley Troy Ball Paul Nelson Rick Taggart  <i>Airport Staff:</i> Kip Turner Victoria Hightower, Clerk Ty Minnick Ben Johnson Ben Peck Chance Ballegeer Brian Harrison	<i>Other:</i> Shannon Kinslow, TOIL Bill Marvel Drew Armstrong Gary Harmon Dave Krogman Leslie Henderson Erik Trinkline
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**II. Approval of Agenda**

Chairman Wood suggested to move items D & E in discussion items to action items.

*The agenda was approved by major motion with the suggested changes.*

**III. Conflict Disclosures**

Commissioner Murray – None  
Commissioner Langley – None  
Commissioner Nelson – None  
Chairman Wood – Hangar Owner  
Commissioner Taggart – None  
Commissioner Ball – None

#### **IV. Commissioner Comments**

Commissioner Nelson thanked Mr. Kip Turner for jumping right in. Commissioner Nelson stated that Mr. Turner hadn't been here for three weeks yet and he had meetings already set up with airlines. Commissioner Nelson said that they got the chance to meeting with Allegiant and had a great community lunch.

Chairman Wood commented on Aviation day at CMU is this Friday the 19<sup>th</sup>. Chairman Wood also commented on the Rise Above program from the CAF will be here for the school kids September 21st-23<sup>rd</sup> and on the 24<sup>th</sup> they'll have an open house because the TBM is back in town. Chairman Wood also reported that the kick off meeting for the Advisory Board for the CMU/WCCC Aviation Program was last Thursday and it was a good meeting.

Commissioner Murray stated that they attended the Jump Start conference and it was a sensitization on the issues that the airlines are facing. The current pilot shortage and the anticipated continuation of that. Commissioner Murray said that overall it was a worthwhile thing to attend

Mr. Minnick said that the existing carriers are happy with the service.

#### **V. Citizen Comments**

None.

#### **VI. Consent Agenda**

- A. July 19, 2016 Regular Meeting Minutes
- B. Pay Request: G4S July Invoice
- C. Pay Request: Mead & Hunt
- D. Purchase Requests: Pavement Repairs and Maintenance
  - 1. West Terminal Apron Drainage Repair
  - 2. C1A Taxiway Repair
  - 3. Landside Fog Seal
- E. Asset Disposal and Purchase Request

*The Consent Agenda was approved by major motion.*

#### **VII. Discussion Items**

##### **A. Financial Update**

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

##### **Financial Results**

**Assets** - The revenue bond sinking fund increases \$128,000 each month to pay for the semi-annual interest due June and December and the annual principal due in

December. PFC restricted cash balance is consistent with payment for the bond debt service.

**Liabilities** – Remaining balance of the 2009 Colorado SIB loan is \$1,328,000 with an annual debt service of \$465,000 and maturity of June 2019. Remaining balance of the 2017 revenue Bonds is \$13,760,000 with an annual debt service of approximately \$1,540,000.

**Aeronautical Revenue** – Aeronautical revenue is consistent with budget and prior year

**Non-Aeronautical Revenue** – Non-aero revenue amounts are consistent with current pricing, specifically the increase in the parking rate, and enplanements compared to prior year.

**Operating Expense**

1. Personnel expense is lower due to fewer than budgeted staff of 29 versus actual of 25.
2. Contact services are higher compared to budget and 2015 as legal expenses continue to drive up total operating expenses.

**Non-operating Revenue/Expense** – Non-operating revenue/expense is consistent with budget and prior year, showing an increase in customer facility charges as a result of the increase from \$3.80 to \$4.00 per rental day.

**Enplanements**

**2016 vs 2015**

	Month	Year to Date
2015	21,712	123,808
2016	20,774	128,543
Difference	(938)	4,735

**Historical Average**

	Month	Year to Date
5 Year Average	20,666	126,590
2016	20,774	128,543
Difference	108	1,953

Mr. Minnick gave a brief update on the bond refunding. Mr. Minnick stated that they have selected a bond counsel to help with disclosure and she is working on the preliminary official statement and that should be done by the end of August. Mr.

Minnick said that in the RFP they put out a preliminary number of new money and they haven't given them a final new money amount yet.

## **B. Project Update**

Mr. Johnson briefed the Board.

AIP 52 – Maintenance project on runways and taxiways- Mr. Johnson said that the work on the mill and overlay is behind schedule but is progressing now. Proposed complete work date is beginning of September some time. The other two projects part of AIP 52 are complete

AIP 54 – Apron Reconstruction – Will be discussed later in the meeting

AIP 55 – Runway/RTR Design – The FAA has the scope of work from Armstrong and is reviewing it. After that is approved the next step is to get an independent fee estimate (IFE) and get the grant written. Staff is hopeful to have the grant in hand by the September meeting.

## **VIII. Action Items**

### **A. Pre-Security Food Service**

Mr. Kip Turner briefed the Board. Mr. Turner said that staff spoke with Tailwinds and the thought is to offer the current Board meeting room in the terminal to Tailwinds so they can establish a pre-security restaurant/gift shop. Staff's recommendation is to authorize staff to start negotiating with Tailwinds.

Commissioner Langley asked where future Board meetings would take place.

Mr. Turner said that they may have to find somewhere in the interim. However, TSA will be vacating the 3<sup>rd</sup> floor sometime between now and February, so it could be a possibility to use the conference room for Board meetings.

*Commissioner Murray made a motion to authorize staff to move forward in negotiating with Tailwinds for pre-security concession. Commissioner Nelson seconded. Voice Vote. All Ayes.*

### **B. Terminal Area Plan Update**

Mr. Turner briefed the Board. Mr. Turner said that about 30 to 45 days ago he was involved in conversations with Mead and Hunt about a couple of different things, first one being the terminal. Mr. Turner said that they are working on their 2017 budget, their CIP and a bond issue. Mr. Turner said that they are trying to make sure they address all of the infrastructure challenges. For the airport to try to get another 10 to 15 years out of this terminal they needed to find out what action items needed to happen to get a "survival list". Staff asked Mead and Hunt to put together a summary of what that survival list would be and they did that. Mr. Turner said that based off of Mead and Hunt's research and in conjunction with other studies, that list contains the items that they feel the airport would need to pursue and work on, some of the items would need to be worked on right away. (Summary included in Board packet) Mr. Turner said these numbers are rough order of magnitude (ROM) numbers.

Commissioner Murray asked what the time frame for this is.

Mr. Turner said that if the Board agrees with the concept that this work needs to be done for the stability of the terminal building, the objective would be to secure the funding for this work with the bond reissuance and try to get it done right away.

Commissioner Taggart asked if Mr. Minnick has gotten a chance to look at what the additional debt would do to the cash flow. Commissioner Taggart also asked if this puts the airport in a predicament if they think they are extending the life of the building 15 years but the bond matures in 20 years

Mr. Minnick said that right now they about 9.75 million available to keep their current debt service carried on for the next 20 years. Mr. Minnick said that with the refunding, they are reducing their current debt service by about 300,000 and will add up to 9.75 million so basically it would be a zero change. Mr. Minnick also said that they asked the same question during the RFP process, if there was going to be an issue if they had bonds on an asset that no longer existed, and they said that was not an issue or a concern.

Chairman Wood suggested to discuss the next item before making a motion since the two are related.

**C. 2013 Project – 800 Eagle Drive**

Mr. Turner briefed the Board and stated that this is also a product from Mead and Hunt in regards to the 2013 Project at 800 Eagle Dr. (formally known as the admin building). Mr. Turner stated that that project eventually has to be resolved in some form, so he requested for Mead and Hunt to provide an engineer estimate or ROM numbers and any options they felt were viable options of how they can address the project. (Four options attached in Board packet). Mr. Turner said that they now know what their financial picture looks like for the next decade and if there were to be an objective by the Board for them to move forward with a more expensive option, then they would need to incorporate that into the bond capacity. Staff has no recommendation.

Commissioner Murray stated that he would like to know how this project fits into the airport's future in the long term before he makes a decision.

Mr. Turner stated that they already know they cannot move forward with the other phases of this building in the next decade because the runway and taxiway is their priority.

Commissioner Ball asked if there was any idea of what would exist there if that building didn't exist.

Mr. Turner replied that that was the future footprint for the terminal

Further discussion took place on the options.

Commissioner Langley said that the vision is clear enough now going forward that the building won't ever fit. Commissioner Langley suggested to look into taking the top two floors off, salvage the basement, and defer the costs of removal until they really know where they're going and what the best utilization of that space would be. Commissioner Langley said that they could look into not making it such an eyesore during the demolition process.

Mr. Turner said that he doesn't see any reason why the foundation could not be preserved and reused at a later point in time. Mr. Turner said that whatever course of action the Board decides to take, they will bundle and up and put it out to bid and let it be a competitive process. Mr. Turner said that they also have parts they can sell and there is possibly some salvage value in the steel.

Commissioner Taggart suggested for Mr. Turner, the Chairman and maybe a representative from Mead and Hunt to have a meeting with the Daily Sentinel Editorial Board and explain why this building just doesn't fit into the airport's plans, so the public can have a better understanding of why the Board maybe making the decision to knock down the top two floors.

*Commissioner Taggart made a motion to allow the Executive Director and staff to move forward on the development of a bond not to exceed 8.5million dollars, for the purposes of the terminal survival recommendations for the next 10-15 years. And to authorize staff to move forward with option 1, not to exceed the ROM, with the caveat of salvaging the foundation and any sellable items. Commissioner Nelson seconded. Voice Vote. All Ayes*

#### **D. Resolution 2016-004: Revised Banking Resolution**

Mr. Minnick stated that this is just adding Mr. Kip Turner, as Executive Director, as a signer on all bank accounts. That will keep Steve Wood, Paul Nelson, and Ben Johnson and add Kip Turner as signers.

*Commissioner Nelson moved to approve Resolution 2016-004 Revised Resolution concerning execution of documents pertaining to bank accounts. Commissioner Ball seconded. Roll Call Vote. Commissioner Ball: Aye, Commissioner Taggart: Aye, Commissioner Nelson: Aye, Chairman Wood: Aye; Commissioner Nelson: Aye; Commissioner Murray: Aye. All Ayes. Motion passes.*

#### **E. Resolution 2016-005: Appointment of Budget Officer**

*Commissioner Langley made a motion that Resolution 2016-005: Appointment of Budget Officer be, Finance Manager, Ty Minnick. Commissioner Taggart seconded. Roll Call Vote. Commissioner Murray: Aye, Commissioner Langley: Aye; Chairman Wood: Aye; Commissioner Nelson: Aye; Commissioner Taggart: Aye; Commissioner Ball: Aye. All Ayes. Motion passes.*

#### **F. Resolution 2016-006: FMLD Grant Application**

Mr. Johnson briefed the Board. Mr. Johnson stated that the FMLD has opened up the fall grant cycle and have approximately 1.2million dollars to give away. After discussion amongst staff, they feel like they have a pretty strong application for a mini-grant (mini-grants are capped at \$50,000.00 with no local matching funds). The project would be to add a security camera system to the terminal and to place some security bollards in front of the terminal. Mr. Johnson said that they would like to submit an application to the FMLD not to exceed the \$50,000.00 for the mini-grant. The applications require a resolution from the Board supporting it, which is before the Board tonight. Staff's recommendation is to adopt the resolution in support of the grant application and to authorize the Executive Director to sign the grant application.

*Commissioner Ball made a motion to approve Resolution 2016-006: FMLD Grant Application not to exceed \$50,000.00. Commissioner Nelson seconded. Roll Call Vote. Commissioner Ball: Aye; Commissioner Taggart: Aye; Commissioner Nelson: Aye; Chairman Wood: Aye; Commissioner Langley: Aye; Commissioner Murray: Aye.*

#### **G. FAA AIP 54 Grant Offer**

Mr. Turner briefed the Board. Mr. Turner first recommended that the signature line on the recommendation page on items II & III be changed to the Chairman's name. Mr. Turner stated that for clarification they have yet to receive the grant, however, nothing will be changing from the draft that is included in the Board packet. Mr. Turner stated that the next item is the award of contract once they receive the grant.

*Commissioner Langley made a motion to authorize the Board Chairman to execute the following grant agreement 3-08-0027-054-2016 City of Grand Junction co-sponsorship agreement and Mesa County co-sponsorship agreement. Commissioner Nelson seconded. Voice Vote. All Ayes*

#### **H. Contract Award: AIP 54**

Mr. Turner stated that this is the low bid with Interstate Highway Construction. Their bid came in as the low bid but was still higher than the engineer's estimate but they do have the money.

*Commissioner Nelson made a motion to award the contract for AIP 54 to Interstate Highway Construction in the amount of \$4,278,834.50, contingent upon grant receipt. Commissioner Ball seconded. Voice Vote. All Ayes.*

**I. Bond Counsel Selection**

Mr. Minnick briefed the Board. Mr. Minnick stated that they received five bids and K&L Gates came in the lowest at \$40,000.00, Cynthia Weed will be the attorney they are working with. Staff is recommending for the Board to authorize the Chairman to sign the engagement letter.

*Commissioner Taggart moved to authorize the Chairman to execute the attached engagement letter with K&L Gates through attorney Cynthia Weed. Commissioner Langley seconded. Voice Vote. All Ayes.*

**X. Any other business which may come before the Board**

**XI. Adjourn**

*Commissioner Murray to adjourn. Commissioner Ball seconded. Voice Vote. All Ayes.*

*The meeting adjourned at 6:59PM.*

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Steve Wood, Board Chairman

**ATTEST:**

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Victoria Hightower, Clerk to the Board