



Grand Junction Regional Airport Authority Board
Board Meeting
 Meeting Minutes
 February 20, 2018

REGULAR BOARD MEETING

Time: 5:15PM

I. Call to Order & Pledge of Allegiance.

Mr. Rick Taggart, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:15 PM on February 20, 2018 in Grand Junction, Colorado and in the County of Mesa.

<p><i>Commissioners Present:</i> Rick Taggart Tom Benton, <i>Vice-Chairman</i> Chuck McDaniel Robin Brown Erling Brabaek Clay Tufly Thaddeus Shrader</p> <p><i>Airport Staff:</i> Angela Padalecki, Executive Director Victoria Hightower, <i>Clerk</i> Chance Ballegeer, <i>Deputy Clerk</i> Ty Minnick Eric Trinklein Shelagh O’Kane</p>	<p><i>Other:</i> Jared Easterlin, Mead & Hunt Brad Wolf, Mead & Hunt Mike Griffin, Garver Colin Bible, Garver Frank McIllwain, Garver Scott Cary, Mead & Hunt Diane Schwenke, Chamber C.J. Rhyne, Chamber Shannon Kinslow, TOIL Bradley Sullivan, CHA</p>
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II. Approval of Agenda

Commissioner Brabaek moved for the Board to approve the agenda as presented. Commissioner Shrader seconded. Voice Vote. All Ayes.

III. Commissioner Comments

Commissioner Benton stated that there is an Audit Committee appointment on the Consent Agenda of Steve Hovland. He has been on the audit staff of Dalby Wendland for about 15 years and brings great experience to the Finance and Audit Committee.

Commissioner Benton said that the committee members have reviewed his resume and are making the recommendation to add Mr. Hovland to the committee.

Chairman Taggart commented that Commissioners are working towards a more consistent approach outside of citizen comments for members of the community to bring their points of view on subjects from time-to-time. Chairman Taggart stated that since he has been on the board, they have not had a good and consistent way of doing that, so that citizens know what to expect. Chairman Taggart stated that if fellow commissioners are fine with this, he suggested putting it on as a topic for the governance workshop. Chairman Taggart said that the other concern was the number of minutes for citizen comments. They've had the three minute rule as many other entities, but they can also revisit that at that meeting as well.

IV. Citizen Comments

None.

V. Consent Agenda

- A. January 16, 2018 Meeting Minutes
- B. G4S invoice
- C. DKMG invoice
- D. Garver Invoice – taxiway A design
- E. Mead & Hunt invoice – boarding bridge design
- F. Mead & Hunt invoice – terminal renovations design
- G. Beacon – third floor office renovation
- H. Audit Committee appointment

Commissioner Tuflly moved to approve the Consent Agenda. Commissioner Benton seconded. Voice Vote. All Ayes.

VI. Staff Reports

A. Directors report

Ms. Padalecki stated that staff had a great meeting with the FAA to discuss the runway project and the grant process overall. Ms. Padalecki stated that in her opinion that meeting couldn't have gone any better, and that partnership is a very strong one. Ms. Padalecki said that they are still working on minimum standards. The Airport is still working on a draft that they feel comfortable sharing with the public and sharing with their tenant to solicit feedback. Ms. Padalecki said that they anticipate that to be an interactive process, but they want to be sure that the draft they put out there is one they are comfortable with. Ms. Padalecki thanked Commissioner Brown and Commissioner McDaniel for their help. Ms. Padalecki briefed the board on capacity as measured in seats coming into the airport. Right now the scheduled seats on commercial aircraft are down in every month for the first six months of 2018. Ms. Padalecki said that the main driver there is United and them down gauging to 50 seat aircraft. Ms. Padalecki said that a couple years ago American Airlines started moving away from the 50 seat aircraft. United's President, Scott Kirby, has talked about and made it very clear with United's intentions in their mid-continent hubs (Chicago,

Denver and Houston) and he feels like they made a mistake, in the last few years and let a lot of their customers leak to other airlines. They have recently acquired 40, 50 seater jets via Air Wisconsin. Ms. Padalecki said that Grand Junction is a perfect airport to use those types of aircraft, but in the short term, that means that they will see United actually down gauging into these smaller aircraft so that is why they have fewer seats coming in. Ms. Padalecki said that she sees this as a huge opportunity for the airport, because those are the types of aircraft that, she believes, there is demand here for and demand they can support. Ms. Padalecki said that for the first six months of the year, that means that their actual scheduled seats into their airport are down every month and can be down as low as 10%. Ms. Padalecki said that over the next month, she plans to meet with each airline at their headquarters. Ms. Padalecki gave a brief report on diversions. In January they had 44 diversions, these are commercial aircraft only. Most of them were United, some American Airlines and some Delta Airlines. Ms. Padalecki said that Tailwinds had their best day recently on a diversion day, so the airport generates a lot of extra non-airline revenue on those days and they also generate some extra airline revenue. In general, the average aircraft, just by them landing here the airport makes about \$100 each in landing fees, if they offload on a jet bridge they make a little bit more money. Ms. Padalecki said that it looks like they made about an extra \$5000 or so off diversions in January. Ms. Padalecki said that an added value is having all those people getting to see Grand Junction who weren't expecting to do so.

B. Financial report

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

Assets – The net increase in cash is from the collection of the \$1,500,000 of accounts received from the FAA from the 12/31/16 balance, there was also a pay down of capital accounts payable of approximately \$800,000. Restricted cash increase is consistent with PFC collections.

Liabilities – As discussed in the asset section, there was a pay down of capital payable of approximately \$800,000 in the normal course of business.

Operating Revenue – Total operating revenue is consistent with budget and prior year with a total of approximately \$495,000.

Operating Expense – The operating expenses are consistent with budget and prior year with minor variances in compensation due to the budget of 29 employees versus actual of 27 employees. All other expense amounts appear to be reasonable compared to budget resulting in a net operating income of \$150,000.

Non-operating Expense – Amounts are consistent with actual and budget resulting in excess revenue for the month of approximately \$200,000.

C. Activity report

Ms. Shelagh O’Kane briefed the Board. Ms. O’Kane stated that enplanements are down for the month of January comparative to last year and it’s also down over their five year average by about 3.5%. Ms. O’Kane said that enplanements are down overall by about 8.5%.

D. Projects update

Mr. Trinklein briefed the board on the status of the current terminal (passenger loading bridge, roof replacement, and escalator replacement, terminal main atrium HVAC) projects at the airport. Mr. Trinklein said they had a pre-bid meeting on Friday and ten different contractors attended that meeting. Mr. Trinklein said the main point of that outreach was to let local contractors know about these projects.

Passenger Loading Bridge

- Converts Gate 1 to fixed covered walkway
- 757 capable
- Improves utilization of lower hold room area
- Bid period: 1/31 to 2/23
- Pre-bid meeting 2/16
- Contractor selection/award in April
- Construction Q2-Q3
- Cost Estimate \$1.5 to \$2M
- Scheduled Completion Q3 2018

Partial Terminal Roof Replacement

- Replacing Portions of second and third floor roofing
- Bid period: 2/6 to 3/2
- Pre-bid meeting 2/16
- Contractor selection/award in April
- Construction Q2-Q3
- Cost Estimate: \$400K to \$500K
- Scheduled Completion Q3 2018

Escalator Replacement

- Both main terminal escalators
- Bid period: 2/6 to 3/2
- Pre-bid meeting 2/16
- Contractor selection/award in April
- Construction Q2-Q3
- Cost Estimate \$440K to \$540K
- Scheduled Completion Q3 2018

Terminal Main Atrium HVAC

- Last remaining zone that is under the original system
- Improve terminal user experience
- Contractor selection/award in May

- Begin construction Q3
- Cost estimate: \$1.2M to \$1.8M
- Scheduled Completion Q4 2018

Mr. Trinklein said that another project moving forward is the 3rd floor Administration Offices project to consolidate Administrative Staff.

- Enabling work is underway to remove TSA security system
- Design/build project
- Bid period: 2/23 to 3/23
- Contactor selection/award in April
- Construction Q2-Q3
- Budget: \$150,000
- Scheduled Completion: Q3 2018

Staff anticipates a May 1st takeover of the space.

Taxiway A Rehabilitation project

Mr. Trinklein said that this goes in the category of existing airfield maintenance that the airport needs to keep in order to maintain operation. This is the heavily used ends that aircraft wait to get on the primary runway.

- Design-only contract with Garver
- Ready for bid 4/1 in anticipation of FAA Grant
- Grant \$1,700,000
- Scheduled construction completion Q4 2018

Runway 12/30

- 30% design is complete
- FAA review is complete
- Revised cost estimates underway
- 2018 enabling projects will take place this summer
 - Relocate 27 ¼ Rd. (Budget: \$2,321,00)
 - Relocate Remote Transmitter/Receiver (RTR) (Budget: \$4,002,000)
- 60% design due August 2018
- Cost Estimate \$132.3M
- Anticipated runway open 2025-2028

Mr. Trinklein stated that the 30% design and the 60% design were covered under that airport's 2016/2017 entitlement funds.

VII. Action Items

A. Mead & Hunt Invoice – Runway design

Mr. Trinklein briefed the Board and said that AIP 55 was a portion of their 2016 entitlements and AIP 56 is a portion of their 2017 entitlements. This invoice uses

portions of both. This work includes ongoing work for the 30% runway design, the RTR Grading package and 27 ¼ Road design.

Commissioner Benton moved for the Board to approve Pay Request for 11/29 Replacement Project (Design Only), for the invoice associated with Runway Design and the RTR Grading Package at 27 1/7 Road. Commissioner Shrader seconded. Voice Vote. All Ayes

B. FAA Reimbursable Agreement - RTR

Mr. Trinklein briefed the Board. Prior to commencement of earthwork on the replacement runway, the Remote Transmitter/Receiver (RTR) must be relocated. This facility is communication equipment used by the Air Traffic Control Tower (ATCT) to communicate with aircraft. This project is 90% reimbursable by FAA as an enabling project for the replacement runway. CDOT Division of Aeronautics will also contribute a portion of the funds.

Federal - \$560,918
State - \$31,162
GJRA - \$40,163.32
Total: \$632,243.32

Commissioner Benton moved for the Board to approve staff recommendation for the Non-Federal Reimbursable Agreement, RTR Relocation Agreement Construction Program in the amount of \$632,243.32. Commissioner Brown seconded. Voice Vote. All Ayes.

C. RFI – Administration Building

Ms. Padalecki briefed the Board. The Grand Junction Regional Airport Authority is looking for a partner to develop and deliver on an Administration Building Project, using a Public-Private-Partnership (P3) framework to finance, design, build, and operate the Building. Construction of the Building, located at 800 Eagle Drive, began in 2012, and \$4.1 million was invested before construction stopped in 2013. The Building remains in a 50% completion status. Staff plans on keeping the Request for Information open for 90 days.

Mr. Trinklein noted that staff is requesting a waiver to the Code of Conduct to be able to submit this to contractors so that this process can be more collaborative.

Commissioner Benton moved for the Board to approve staff recommendation to reach out to potential public partners and solicit information on the development of the Administration Building from February 21st to May 21st 2018 and waive section 3.4 of the Code of Conduct for this particular RFI. Commissioner Brown seconded. Voice Vote. All Ayes.

VIII. Discussion Items

A. Foreign Trade Zone

Ms. Padalecki stated that this will require a vote by the Board to approve Ms. Padalecki submitting the application.

Chairman Taggart recused himself from the discussion and the vote due to a conflict of interest. The City indorsed this and he was a part of that decision as President of the City Council and the Mayor.

Commissioner Brown recused herself from the discussion and the vote based on Grand Junction Economic Partnership, also taking the position and helping build the application.

Commissioner Tuflly recused himself from the discussion and vote due to him being the current Chairman of the Grand Junction Chamber.

Diane Schwenke, with the Grand Junction Chamber, briefed the Board on the details of the application and the benefits to having a Foreign Trade Zone (FTZ) at the Grand Junction Regional Airport. Ms. Schwenke handed out another letter of support from the Fruita City Council. Ms. Schwenke said that what a FTZ does for companies is first, a delay in tariff, no tariff is paid until it's actually pulled out of inventory. Second, they have the streamlining in terms of the submitting of the information to customs and it can be filed once a week instead of every time every instrument shows up. Last, if they are utilizing that product for production and it's going into a product that is eventually going to be exported, tariff is never paid on it. Ms. Schwenke stated that in order to start this process, there has to be an agreement with Customs and Border Patrol that they will have someone located in the Airport's FTZ. Having a Customs official here turns the airport into a user fee airport, which means "we" (all those agreeing in support of the FTZ) will absorb the cost. Ms. Schwenke said that all of the conversations they have had throughout the region, they have said this is not going to happen immediately, so those annual costs are going to have to be picked up by everyone as partners. Ms. Schwenke said that their latest projections in annual cost have been modified because they were told since they are looking at 60 miles or 90 minutes' drive time, they would need to include a car or transportation for the Customs Officer. There were a couple of other things that were added in, and at the end of the day the annual cost is budgeted on the top end and the Airport would pick up the cost rental cost of the space, the cost for utilities etc. The Airport's in-kind cost on an annual basis would be somewhere in the neighborhood of \$175,000-\$200,000. That would leave about another \$150,000-175,000 that would be picked up by other entities and that was the base of the conversations they stated having and they started getting letters of support.

Commissioner McDaniel made a motion for the Board to approve Ms. Angela Padalecki to sign and submit the application for User Fee Facility on behalf of the Grand Junction Regional Airport Authority. Commissioner Brabaek seconded. Voice Vote. All Ayes.

IX. Executive session

Commissioner Brabaek moved for the Board to move into Executive Session for conference with an attorney for the local public body for the purposes of receiving legal advice on specific legal questions as authorized by C.R.S. Section 24-6-402(4)(b) and for determining positions relative to matters that may be subject to negotiations; developing strategy for negotiations; and instructing negotiators as authorized under C.R.S. Section 24-6-402(4)(e). Commissioner Shrader seconded. Voice Vote. All Aye.

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

XI. Adjournment

Open meeting adjourned at approximately 7:16PM

Rick Taggart, Board Chairman

ATTEST:

Victoria Hightower, Clerk to the Board