



Grand Junction Regional Airport Authority Board
Board Meeting
 Meeting Minutes
 March 28, 2017

REGULAR BOARD MEETING

Time: 5:15PM

I. Call to Order & Pledge of Allegiance.

Mr. Paul Nelson, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at about 5:15PM on March 28, 2017 in Grand Junction, Colorado and in the County of Mesa.

<p><i>Commissioners Present:</i> Paul Nelson, Chairman Dave Murray Tim Pollard Tom Benton Rick Taggart Robin Brown</p> <p><i>Airport Staff:</i> Kip Turner Victoria Hightower, Clerk Ty Minnick Ben Johnson Ben Peck Chance Balleger Jodi Doney Eric Trinklein</p>	<p><i>Other:</i> Peter Van Pelt, Mead & Hunt Brad Rolf, Mead & Hunt Drew Armstrong, Finance & Audit Committee Erling Brabak, Western Slope Auto Bob Jones, Kimley – Horn Anees Rahman, Kimley – Horn Michael Norby, Kimley – Horn Nathan Lemon, Kimley – Horn Jerry Halin, Kimley – Horn Dennis Corsi, Armstrong Ryan Hayes, Mead & Hunt Scott Cary, Mead & Hunt Jeremy Lee, Mead & Hunt Ron Engle, Mean & Hunt Mike Southwick, CHZM Colin Bible, Garver John Manee, DOWL Frank Mcillwain, Garver</p>
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II. Approval of Agenda

Chairman Nelson suggested to move Action Item E. Runway Consultant selection, to the top of Action Items.

The agenda was approved by major motion with the changes.

III. Conflict Disclosures

Commissioner Murray – None

Commissioner Nelson – None
Commissioner Pollard - None
Commissioner Taggart – None
Commissioner Benton – None
Commissioner Brown - None

IV. Commissioner Comments

V. Citizen Comments

None.

VI. Consent Agenda

- A. February 21, 2017 Regular Meeting Minutes
- B. Armstrong Pay request AIP 52
- C. Payment to Department of Justice
- D. Pay Request: G4S

Commissioner Benton made a motion for the Board to approve the Consent Agenda as presented. Voice Vote. All Ayes.

VII. Discussion/Informational Items

- A. Final audit presentation by EKS&H

Lisa Mechum, Partner from EKS&H was present by phone and briefed the Board.

Commissioner Benton stated that the draft audit was presented last month where various aspects were discussed and the final audit has been presented to Board members.

Mr. Minnick stated that there were no material changes just some wording clarifications noted by Commissioner Wood and Commissioner Taggart, other than that none of the number changed and everything is as was approved in the draft.

Ms. Mechum stated that they did have the opportunity to meet with the Audit Committee back on February 16th and went through things in detail. Ms. Mechum stated that they performed their audit under governmental auditing standards and they also performed compliance procedures over the passenger facility charges (PFC) as well as the airport improvement program. Ms. Mechum said that given the significance of the Airport Improvement Program (AIP) this year, they were required to do some additional procedures over that. Ms. Mechum said that as it relates to their opinion on the financial statements, they do express an unmodified opinion which is the highest level of assurance they can give so it's a clean audit opinion on the financial statements. Ms. Mechum said that they are also required to report on the internal controls over financial reporting as well as the internal controls over compliance as it relates to the passenger facility charges and the AIP and she is pleased to report that they did not identify any material weaknesses or significant deficiencies in either the internal controls over financial reporting or the internal controls over compliance and they also issued an unmodified

opinion on compliance, meaning that the airport is following all of the compliance requirements under the PFC program and the Airport Improvement Program. Ms. Mechum gave a brief overview of the audit process. There were no difficulties in performing the audit.

Mr. Drew Armstrong with the Finance and Audit Committee, voiced some concerns regarding the pension. Mr. Armstrong stated that the increase from 2015 to 2016 was about \$700,000.00 which is a fairly significant increase. Mr. Armstrong stated that assumptions of a discount rate of 7.5% and yet on page 32, on the asset class, if you do a weighted average of the long term expected real rate of return in comes out to about 4.3% and it concerns him that maybe the pension liability may be a bit understated. Mr. Armstrong asked if the airport will be liable for that understatement.

Ms. Mechum stated that, for clarity, the airport participates in the PERA pension plan which is a state wide pension plan and because of that there is not a whole lot of direction that the airport can provide related to that discount factor as well as the investments and what the return on those investments will be. Ms. Mechum said that everything that is provided in this foot note actually come from PERA and the audit that is performed on the overall pension plan. Ms. Mechum said that what they get is the audit report that's prepared by PERA and audited by their auditors and it includes specific information for each employer that participates in that plan and each employer is calculated what their percent of the overall pool is and that's how these numbers are calculated. Ms. Mechum said that in regards to the question "does this liability have to be funded by the airport", she thinks is an overall political question that needs to be addressed by all that participates in the plan. PERA would not come to you and say write me a check for \$2.8m, however they can change the future contributions from the participants. This liability is based on significant estimates.

Mr. Armstrong asked if there was a way that in the footnotes that it can be disclaimed that this information was provided by PERA and it's not the statement of the Airport Authority.

Ms. Mechum said that they do explain on page 29 that the airport is part of the plan that's administered by PERA and it references their annual report that includes more information so she thinks they have done as much as they can. The language in the footnotes is provided by PERA.

Mr. Armstrong stated that a user looking at these financial statements he would read them as this is the airport's financial statements and this is the airport doing it. I think that something needs to change that more disclosure is made that PERA supplied the assumptions and discount rates.

Ms. Mechum said that she will do a little bit of digging to see if there are some alternatives or some other language that they could include in there.

VIII. Staff Reports

A. Financial/Activity Update

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

Financial Results

Assets –

- Cash showed a slight decrease as a result of the \$520,000 payment to the FAA and an increase in the account receivable balances. The increase in A/R was mostly due to the timing of cash receipts after month end, these are no significant balances greater than 30 days. Additionally, the \$170,000 refundable amount from the FAA for the RTR relocation is also in accounts receivable.

Liabilities –

- The accrued liability balance was reduced in February for the payment for approximately \$520,000 due to the FAA.

Aeronautical Revenue – Landing fees were higher compared to prior, consistent with the larger aircraft flying to GJT. Terminal rent is higher than budget due to the retention of the third floor space held by the TSA.

Non-Aeronautical Revenue – Parking revenue is higher than budget and prior year due to the increase in enplanements.

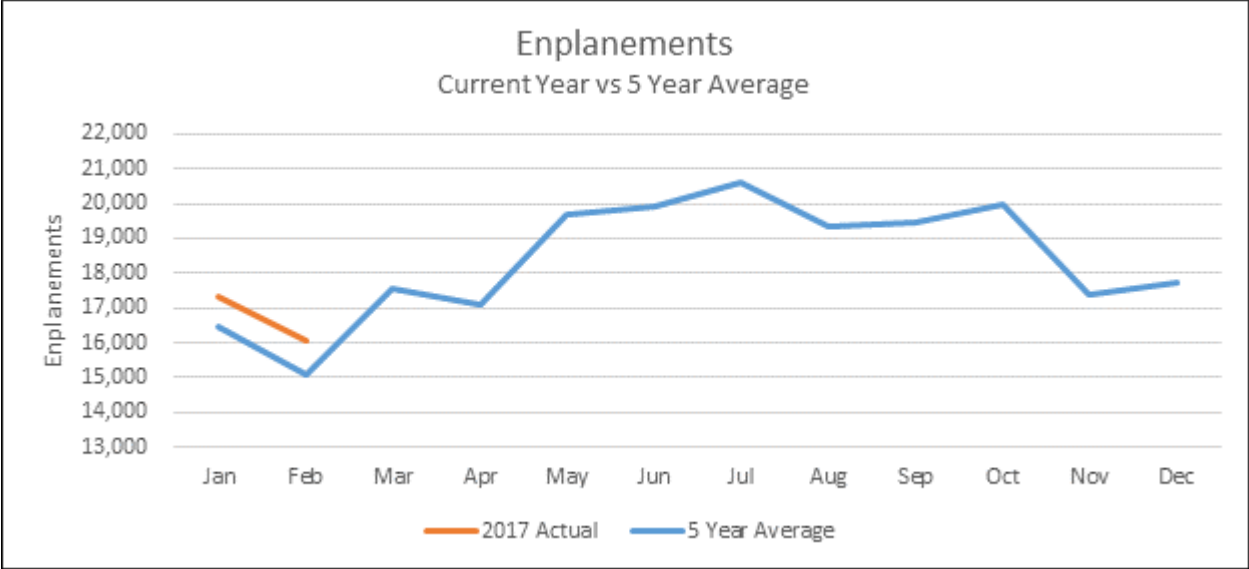
Operating Expense – Operating expenses are consistent with budget and prior year.

Non-operating Revenue/Expense – PFC revenue is ahead of budget and slightly behind prior year due to the timing of PFC disbursements from airlines.

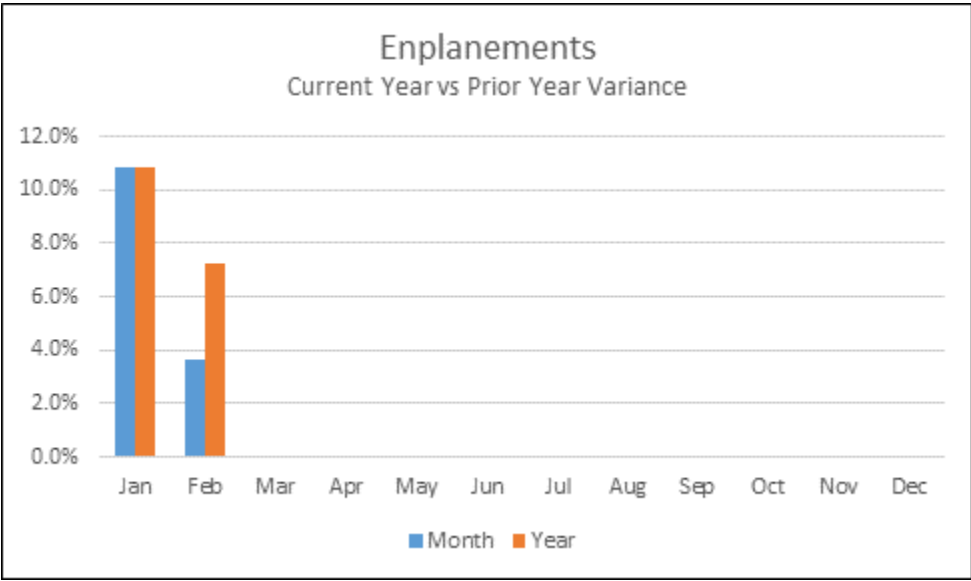
B. Communications/Events Update

Ms. Jodi Doney briefed the Board on enplanements.

Enplanements



	5 Year Avg	2017	Variance	
			Passengers	Percent
February	15,093	16,077	984	6.5%
YTD	31,556	33,374	1,818	5.8%



	2016	2017	Variance	
			Passengers	Percent
February	15,509	16,077	568	3.7%
YTD	31,244	33,518	2,274	7.3%

Ms. Doney stated that the airport had a coffee shop open up a little over a month ago that is on the non-secure side that is there primarily for meeters-and-greeters. Ms. Doney said that they have an April event, the Airport is partnering with the Commemorative Airforce (CAF) museum, and they are doing a celebration for the TBM Avenger being placed in the historical property list for Colorado History Department. They will be holding an event Saturday the 15th from 1:30pm to 5:00pm where people can tour the aircraft.

C. Projects Update

Mr. Eric Trinklein briefed the Board on current airport projects. Mr. Trinklein said that on the Runway Project (AIP 55 and soon to be AIP 56) the proposals were received and also the FAA has received the payment to start the design for the RTR and they will be working along with their to-be consultants. The jet bridge modification at gate three to accommodate a larger body aircraft for Allegiant is in process and should be completed tomorrow. Mr. Trinklein said that the RFQ for engineering services has also been posted and advertised on AAAP and the Daily Sentinel and those are due April 4th along with a separate RFQ for architect engineering services for the terminal projects and jet bridge projects. Mr. Trinklein said that AIP 52 and 54 will be discussed later in the meeting.

IX. Action Items

A. Runway Consultant selection

Presentations were made by three firms

1. Garver
2. Kimley-Horn
3. Mead & Hunt/CH2M

Commissioner Brown asked what kind of timeline they are on because she feels like she's not prepared to make a decision tonight.

Mr. Turner said that the quicker the better. The decision would come from the Board and they would need to negotiate a contract after a selection is made and then that would have to come back to the Board before they would be able to put the firm to work.

Commissioner Brown asked if they could have a special Board meeting for this.

Mr. Hanlon stated that this and one other matter would be appropriate for a special meeting.

A special meeting will be scheduled for April 11, 2017 at 5PM to make a decision on the Runway Consultant. Questions the Board may have to the consultants will be due on the 31st of March.

B. Chairman appointment

Chairman Nelson stated that the Board needs to make an appointment for Chairman of the Board. The Board has a vacancy because of Steve Wood's resignation a month ago. Chairman Nelson asked for nominations.

Commissioner Brown nominated Commissioner Taggart to be Chair of the Board. Commissioner Benton seconded. Voice Vote. All Ayes.

Recess taken at 7:06PM
The Board reconvened at 7:16PM

Commissioner Nelson asked for nomination for Vice-Chairman

Commissioner Brown nominated Tom Benton for Vice-Chairman. Commissioner Nelson seconded. Voice Vote. All Ayes.

C. At-large Commissioner selection

Chairman Taggart disclosed a conflict. Chairman Taggart is friends with Charles McDaniel, who has applied for the at-large position. Chairman Taggart disclosed that Mr. McDaniel made a contribution to his re-election campaign and will recuse himself from this selection.

Commissioner Murray stated that they had set a deadline of the 13th for applications and they received two applications after the deadline. Commissioner Murray said that he talked with counsel about this earlier and the Board can elect and would need to elect to consider all applicants or just the two that made the deadline.

Commissioner Nelson said that he was okay with considering all of them

Commissioner Brown said that she is firm deadline person and they should hold to their deadline.

Commissioner Pollard said that he is with Commissioner Brown.

Commissioner Benton stated that the spirit of the process was that the Board would interview applicants for the at-large position. Commissioner Benton said that he wasn't sure if there is a direct need to make that appointment tonight if other members of the Board felt like there would be some value in meeting these people face-to-face.

Commissioner Nelson said that they have gone several months without that seat being filled already.

The Board would like to invite the two applicants that submitted on time to be present for interviews on the next regularly scheduled Board meeting.

D. Change Order – AIP 52

Mr. Trinklein briefed the Board. The Airport has received an invoice for work completed on AIP 52. AIP 52 consists of three projects. However, this work effort is for the acceptance testing and additional construction administration services for the Taxiway A connector project. Armstrong has provided two invoices for this work. A portion of the payment will be withheld until Armstrong corrects a portion of the thermoplastic marking which does not meet standards. The additional services will be deducted from Elam based on Change Order Number One to the contract.

Staff recommends that the Board approves the change order for AIP 52.

Commissioner Murray asked who will oversee and sign off on the acceptance of the work.

Mr. Trinklein said that he will.

Commissioner Brown made a motion to approve Change Order AIP 52. Commissioner Murray seconded. Voice Vote. All Ayes.

E. Change Order – AIP 54

Mr. Trinklein briefed the Board. Mr. Trinklein stated that AIP 54 is the east terminal air carrier apron. In November airport staff realized certain work phases and bid plans only showed parking for one commercial aircraft. Solutions have been development through additional phases to greatly reduce impact providing three spaces throughout the entire project. In order to accomplish this they need to adjust the number of days for Interstate Highway Construction (IHC) based on the work effort involved and they have provided a few extra changes in the change order but in the end there is no change in construction cost for the project.

Commissioner Brown made a motion for the Board to approve AIP 54 Change Order. Commissioner Murray seconded. Voice Vote. All Ayes.

F. Air Traffic Control lease

Mr. Trinklein briefed the Board. Mr. Trinklein said that this is to renew an original lease of a building that on airport property, it serves air traffic control and it's a 50x50 space. That lease expires in October and the FAA wants to have this renewed right away.

Commissioner Brown made a motion to approve the Air Traffic Control Tower lease. Commissioner Murray seconded. Voice Vote. All Ayes.

G. Grand Valley Power easement

Mr. Trinklein briefed the Board. Mr. Trinklein said that this is related to the runway project, FAA has signed the Finding of no significant project (FONSI). The BLM and the FAA are finalizing the application letter. BLM has requested that Grand Valley Power and the Airport choose from three options for future administration of a right-of-way which crosses the land that's being conveyed to the airport. Mr. Trinklein said

that that land has no impact to the airports future project. Grand Valley Power and the Airport have decided on option number two which is basically a new easement and the letter is stating what has been decided. Once the letter is signed then the BLM wants to have that easement right away.

Commissioner Brown made a motion for the Board to approve the Grand Valley Power easement. Commissioner Murray seconded. Voice Vote. All Ayes.

X. Any other business which may come before the Board

XI. Adjournment

Commissioner Murray moved to adjourn the meeting. Commissioner Nelson seconded. Voice Vote. All Ayes.

The meeting adjourned at 7:44PM

Rick Taggart, Board Chairman

ATTEST:

Victoria Hightower, Clerk to the Board