



Board Packet

**Special Board Meeting
and Board Workshop**

November 5, 2019

Grand Junction Regional Airport Authority



Date: November 5, 2019

Location:

GRAND JUNCTION REGIONAL AIRPORT

2828 WALKER FIELD DRIVE

GRAND JUNCTION, CO 81506 - AIRPORT TERMINAL - 3rd FLOOR CONFERENCE ROOM

Time: 5:15 PM

SPECIAL 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.

I. Action Items

- A. Administration Building Demo – Notice of Award _____ 1

Approval of the Contract Agreement and the Notice of Award to FCI Constructors, Inc. for \$630,723, approve an additional \$50,457 in Owner Contingency, approve \$68,820 Landscape Allowance, and authorize the Executive Director to sign.

- B. Resolution No. 2019-005 Delegation of GRJAA Signing Authority _____ 2

Adoption of Resolution No 2019-005 which delegates signing authority from Executive Director, Angela Padalecki, to Finance Director, Sarah Menge. The delegation of signing authority valid during the Executive Director's maternity leave and will be rescinded on the date the Executive Director returns to work.

II. Adjournment

November 5, 2019

BOARD WORKSHOP AGENDA

III. Call to Order

IV. Agenda

- A. Draft 2020 Budget Update _____ 1
2020 Budget and budgetary assumptions including adjustments from initial budget presentation.
- B. SCASDP Draft MRG Discussion _____ 2
Discuss any recommended changes to the draft airline MRG contract so only financial and schedule terms need to be established if a grant is awarded.
- C. 2019/2020 Airport Goals
Review and discuss 2019/2020 airport goals and objectives.

V. General Discussion

VI. 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.

VII. Adjournment

Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Administration Building Demolition – Notice of Award for Construction		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Approval of the Contract Agreement and the Notice of Award to FCI Constructors, Inc. for \$630,723, approve an additional \$50,457 in Owner Contingency, approve \$68,820 Landscape Allowance, and authorize the Executive Director to sign.		
SUMMARY:	<p>At the September 17th Board Meeting the Board approved staff to procure a contractor to demolish the partially constructed Airport Administration Building.</p> <p>The RFP was advertised for 30 days and in accordance with the Airport Procurement Policy beginning September 25th. Over 45 interested parties downloaded procurement documents and 15 interested parties, primarily prospective subcontractors, attended the required pre-proposal meeting.</p> <p>One proposal was received from FCI Constructors, Inc.. As part of FCI's proposal they solicited 471 subcontracting trades and received multiple bids for each scope of work. The proposal was reviewed and determined to meet all requirements. Cost was reviewed and determined to be fair and reasonable. Staff recommends the Board approve a total project of \$750,000 broken out as follows: \$630,723 FCI \$50,457 Owner Contingency \$68,820 Landscape Allowance \$750,000 Total Project</p> <p>Staff recommends the landscape allowance be owner controlled, which will allow staff to work with the contractor to install a landscape that provides a buffer between the airfield and traveling public while preserving the flexibility of future use of the site.</p> <p>FCI proposed a January – March construction schedule to align with the prospective terminal flooring replacement schedule and save approximately \$60,000 on the flooring project, if approved, by using the same project management team for both.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	\$750,000; will save approximately \$60,000 on prospective terminal flooring replacement project by same project management team and aligning schedules		
ATTACHMENTS:	FCI Cost and Schedule summaries		
STAFF CONTACT:	Eric Trinklein etrinklein@gjairport.com Office: 970-248-8597		

FCI Constructors, Inc.

Date:

October 25, 2019

Project:

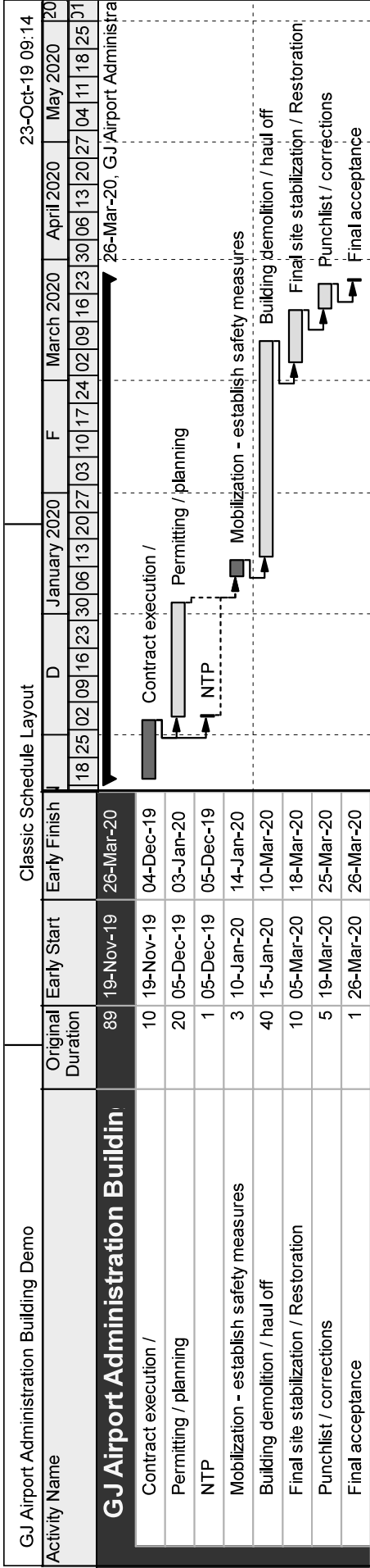
**GRAND JUNCTION REGIONAL AIRPORT
GRAND JUNCTION, CO
ADMINISTRATION BUILDING DEMOLITION**

DESCRIPTION	RFP ESTIMATE		NOTES
	Building Site	22,000	
	TOTAL COST	COST/SF	
010000 GENERAL CONDITIONS	\$ -	\$ -	SEE ALTERNATE #1
020000 EXISTING CONDITIONS	\$ 389,098	\$ 17.69	
030000 CONCRETE	\$ -	\$ -	N/A - EXCLUDED
040000 MASONRY	\$ -	\$ -	N/A - EXCLUDED
050000 METALS	\$ -	\$ -	N/A - EXCLUDED
060000 WOOD & PLASTICS	\$ -	\$ -	N/A - EXCLUDED
070000 THERMAL & MOISTURE PROTECTION	\$ -	\$ -	N/A - EXCLUDED
080000 DOORS & WINDOWS	\$ -	\$ -	N/A - EXCLUDED
090000 FINISHES	\$ -	\$ -	N/A - EXCLUDED
100000 SPECIALTIES	\$ -	\$ -	N/A - EXCLUDED
110000 EQUIPMENT	\$ -	\$ -	N/A - EXCLUDED
120000 FURNISHINGS	\$ -	\$ -	N/A - EXCLUDED
130000 SPECIAL CONSTRUCTION	\$ -	\$ -	N/A - EXCLUDED
140000 CONVEYING SYSTEMS	\$ -	\$ -	N/A - EXCLUDED
210000 FIRE PROTECTION	\$ -	\$ -	N/A - EXCLUDED
220000 PLUMBING	\$ -	\$ -	N/A - EXCLUDED
230000 HVAC	\$ -	\$ -	N/A - EXCLUDED
260000 ELECTRICAL	\$ -	\$ -	N/A - EXCLUDED
270000 LOW VOLTAGE & SECURITY	\$ -	\$ -	N/A - EXCLUDED
310000 EARTHWORK	\$ 64,707	\$ 2.94	
310000 EARTHWORK-BLDG	\$ -	\$ -	N/A - EXCLUDED
320000 EXTERIOR IMPROVEMENTS	\$ 28,117	\$ 1.28	
330000 UTILITIES	\$ 18,260	\$ 0.83	
SUBTOTAL - DIRECT COST	\$ 500,182	\$ 22.74	
CONSTRUCTION CONTINGENCY	\$ 25,009	\$ 1.14	5.00%
BUILDERS RISK INSURANCE	\$ 75	\$ 0.00	
GENERAL LIABILITY INSURANCE	\$ 4,283	\$ 0.19	
COUNTY/CITY BUILDING PERMIT	\$ -	\$ -	DEMO PERMIT INCLUDED ABOVE
FCI PAYMENT/PERFORMANCE BONDS	\$ 3,866	\$ 0.18	
FCI CONSTRUCTION PHASE FEE	\$ 37,339	\$ 1.70	7.00%
TOTAL ESTIMATED CONSTRUCTION COST	\$ 570,754	\$ 25.94	

ADD ALTERNATES:

AL#1 ADD GENERAL CONDITIONS	\$ 59,969.22	\$ 2.73	
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TOTAL PROJECT COST W/ ALTERNATES	\$ 630,723	\$ 28.67	
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Grand Junction Regional Airport Authority
Agenda Item Summary

TOPIC:	Resolution No. 2019-05 Delegation of GJRAA Signing Authority		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input type="checkbox"/>	Decision <input checked="" type="checkbox"/>
RECOMMENDATION:	Adoption of Resolution No. 2019-05 Delegation of GJRAA Signing Authority		
SUMMARY:	In preparation of the Executive Director's maternity leave, GJRAA Board delegates the signing authority from Executive Director, Angela Padalecki, to Finance Director, Sarah Menge. The delegation of signing authority is only valid during the Executive Director's maternity leave and will be rescinded on the date the Executive Director returns to work.		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	Resolution No. 2019-005 Delegation of Signing Authority		
STAFF CONTACT:	Angela Padalecki apadalecki@gjairport.com Office: 970-244-9100		

RESOLUTION NO. 2019-005

**A RESOLUTION OF THE GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY BOARD OF COMMISSIONERS
(BOARD) DELEGATING SIGNING AUTHORITY.**

WHEREAS, the Grand Junction Regional Airport Authority (GJRAA) Executive Director Angela Padalecki will be out on maternity leave commencing in November; and

WHEREAS, in order to provide for the orderly conduct of business in her absence it is necessary to delegate the Executive Director's signing authority; and

WHEREAS, the Board desires to delegate the Executive Director's signing authority to the GJRAA Director of Finance Sarah Menge.

NOW, THEREFORE, BE IT RESOLVED BY THE GRAND JUNCTION REGIONAL AIRPORT AUTHORITY, A POLITICAL SUBDIVISION OF THE STATE OF COLORADO:

Section 1. The recitals hereinabove are hereby adopted as findings and incorporated herein.

Section 2. The GJRAA Board hereby delegates the signing authority vested in the GJRAA Executive Director to the GJRAA Director of Finance Sarah Menge from the date that the GJRAA Executive Director leaves on maternity leave until such time as she returns from maternity leave or until otherwise revoked or modified by the Board.

ADOPTED on this 5TH day of November 2019.

GRAND JUNCTION REGIONAL
AIRPORT AUTHORITY

ATTEST:

Tom Benton, Chairman

Joseph Burtard, Clerk

Board Members Voting AYE:

Those Voting NAY:

2020 Budget Assumptions

Changes from initial presentation

- The downward adjustment to airline rent was to match the estimated rate table from DKMG. The original budget overstated terminal rent revenue because the revenue from loading bridge turns was counted in rent and reflected separately.
- Minor adjustments were made to payroll with more up to date information.
- Capital expenditures decreased by \$150K due to the updated cost of administration building demolition.

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									
1	Total Passenger airline landing fees	\$ 549,237	\$ 528,793	\$ 664,000	\$ 716,600	\$ 52,600	8%	\$ 187,807	36%
2	Total Terminal rent	1,181,844	1,181,844	1,181,844	1,259,800	77,956	7%	77,956	7%
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	2,004,400	30,446	2%	180,977	10%
Non-passenger airline revenue									
5	Total Non-passenger landing fees	179,585	91,893	90,725	99,200	8,475	9%	7,307	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 Other (ramp parking, rapid refuel)		5,880	4,440	6,686	6,400	(286)	-4%	1,960	44%
Total Non-passenger airline revenue		934,762	791,391	859,844	875,400	15,556	2%	84,009	11%
Total Aeronautical revenue		2,779,566	2,614,814	2,833,798	2,879,800	46,002	2%	264,986	10%
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	\$ 6,933,100	\$ 146,486	2%	\$ 639,342	10%

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	\$ 1,919,100	\$ 128,252	7%	\$ 69,825	4%
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	268,100	26,487	11%	33,721	14%
18	401(K) Er	31,422	51,673	50,438	63,100	12,662	25%	11,427	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	76,700	9,863	15%	6,494	9%
	Personnel compensation and benefits	2,107,102	2,554,780	2,421,952	2,695,900	273,948	11%	141,120	6%
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	\$ 5,368,600	\$ 565,740	12%	\$ 428,599	9%
Net Operating Income		\$ 2,244,357	\$ 1,353,757	\$ 1,983,754	\$ 1,564,500	\$ (419,254)	-21%	\$ 210,743	16%

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	14,263,000	7,828,894	122%	(4,200,827)	-23%
46	Capital expenditures	(14,694,525)	(24,571,190)	(13,649,007)	(18,811,400)	(5,162,393)	38%	5,759,790	-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)	\$ (4,057,755)	\$ 2,856,703	-41%	\$ 2,113,663	-34%

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
Total Identified Risk Items	\$ 200,000
Estimated Likelihood of Occurrence	50%
Contingency Budget	\$ 100,000

GJRAA
CAPITAL EXPENSES BUDGET (NON-AIP)

	2020
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	750,000
TSA Checkpoint Modifications to improve efficiency of processing, and maximize available queing 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	
Queing 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
Total Non-AIP Capital Expense Budget	\$ 3,240,400

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 R w 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	\$ 14,013,751	\$ 22,380,464	\$ 10,826,569	\$ 14,560,738	\$ 10,314,403	\$ 78,551,001	\$ 150,646,926
State portion	250,000	250,000	2,950,000	250,000	250,000	1,250,000	5,200,000
GJRAA Portion	1,307,083	2,356,720	2,052,952	1,367,860	896,045	9,347,890	17,328,550
	\$ 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:	Small Community Air Service Development Program (SCASDP) Draft Airline Minimum Revenue Guarantee (MRG) Contract		
PURPOSE:	Information <input type="checkbox"/>	Guidance <input checked="" type="checkbox"/>	Decision <input type="checkbox"/>
RECOMMENDATION:	Discuss any recommended changes to the draft airline MRG contract so only financial and schedule terms need to be established if a grant is awarded		
SUMMARY:	<p>GJRAA applied for a \$950,000 US DOT SCASDP grant with a \$475,000 match plus \$100,000 marketing incentive from the Air Service Alliance. Grant award announcements from the DOT are anticipated any time. In anticipation of an award, staff have worked with United Airlines (UA) to negotiate non-financial terms of an MRG contract between UA and the GJRAA. Those terms are outlined in the draft agreement. This draft reflects the last version sent from GJRAA to UA and is still subject to change.</p> <p>Staff requests that the Board discuss these terms and provide feedback to staff during the workshop. The goal is to have nonfinancial terms both UA and the GJRAA agree to before grant announcements are made, so only financial terms need to be plugged in and the contract can be executed quickly, enabling new service to start as early as possible.</p>		
REVIEWED BY:	Executive Director and Legal Counsel		
FISCAL IMPACT:	N/A		
ATTACHMENTS:	Draft Airline MRG Contract		
STAFF CONTACT:	Angela Padalecki apadalecki@gjairport.com Office: 970-244-9100		