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**Grand Junction Regional Airport Authority Board**  
**Board Meeting**  
Meeting Minutes  
September 20, 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 5:21PM on September 20, 2016 in Grand Junction, Colorado and in the County of Mesa.

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| <i>Commissioners Present:</i><br>Steve Wood, Chairman<br>Dave Murray<br>Rick Langley<br>Troy Ball<br>Paul Nelson<br>Rick Wagner<br><br><i>Airport Staff:</i><br>Kip Turner<br>Victoria Hightower, Clerk<br>Ty Minnick<br>Ben Johnson<br>Ben Peck<br>Chance Ballegeer | <i>Other:</i><br>Shannon Kinslow, TOIL<br>Scott Seibold, Twin Otter<br>Denis Corsi, Armstrong<br>Bill Marvel, GJAUTA<br>Brad Barker, CAP<br>Larry Kempton, Kempton Air LLC |
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**II. Approval of Agenda**

Chairman Wood stated that Commissioner Murray suggested to add an Action item which will be action item B – Appointment of a Compliance Officer.

*The agenda was approved by major motion with the addition.*

**III. Conflict Disclosures**

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

Commissioner Wagner – Absent  
Commissioner Taggart – Absent

**IV. Commissioner Comments**

Chairman Wood commented on the Rise above Program that is in town through Saturday.

**V. Citizen Comments**

**Scott Seibold – Twin Otter**

Mr. Seibold stated that they have been in the process of trying to renew leases on five of their hangars under the new policy and recently it became a standstill and were told that all leases were on hold. Mr. Seibold said that they would like to respectfully request for their renewals to go forward under the current policy.

**Steve Bottom**

Mr. Bottom said that he is having the same problem. Mr. Bottom stated that he lives out of town and the previous manager told him that the next time he is in town to stop by and they would take care of that but when he came here he went to the office and was told that it was on hold and they weren't signing any leases. Mr. Bottom stated that his understanding was that there were at seven leases that have already been signed and he doesn't think the Authority can just stop, everybody should be given the opportunity to sign the lease that the Board came up with and approved.

**Bill Marvel**

Mr. Marvel stated that he and Mr. Dave Shepard met with Mr. Kip Turner and couple of weeks ago and they talked about a number of different issues, and Kip mentioned that he had a concern about the duration of these new leases. Mr. Marvel said that Kip has some firsthand experience with some of the difficulties this causes. Mr. Marvel said that he thinks the Board needs to honor the lease program that has been passed, approved and established but he would like to hear from Kip what he has experienced and what problems could be caused. Mr. Marvel said that from a tenant stand point you would like to have a lifetime lease but from a managers stand point you would like to have a lease that you can change every 30 days, but neither one of those extremes is viable but something in the middle is.

Commissioner Ball asked the Chairman what the procedure is going to be to satisfy these folks.

Chairman Wood stated that that was for the Board to discuss right now.

Commissioner Wagner said that is has already been decided and he is not going to relitigate this stuff. Commissioner Wagner said that they spent two and half years doing this, it's done.

Commissioner Langley stated that he agrees with Mr. Wagner, they have worked very hard starting in February of 2014 when they started working with the GA and addressing

the lease situation. Commissioner Langley said that they did make some agreements and the GA was very accommodating, cooperative and understanding given all of the issues that were at hand at that point in time. Commissioner Langley said that there were committees formed, they worked together on the lease and got input from the GA, committee and the Board and he would say that they need to honor that agreement that they made.

Commissioner Ball stated that he would also agree that they have these agreements in place, they recently decided how they wanted to run this operation and it's the wrong time to change. Commissioner Ball said that these people have been given some direction, they have the leases and the Board should allow them to sign them. Commissioner Ball said, however, their new airport manager comes with considerable amount of experience and they may want to take a look at it down the road but they can't be changing in the middle of the stream for those who are here and are current.

Commissioner Nelson stated that he was on the committee that worked on the leases and a lot of work was put into it. Commissioner Nelson said that if there is some information that Kip thinks would be valuable, then he is all in favor of listening to it.

Commissioner Murray stated that he would like to echo Commissioner Nelson, he would like to hear as well. Commissioner Murray said that he thinks the Board does need to hear if there are issues with the leases.

Commissioner Wagner said yeah why not they have nothing but time.

Commissioner Ball said that he agrees, it would be good to get Kip's input, that's one of the reasons he has been hired, he's doing a great job, he's sure he will continue to do a great job, but these folks have been sitting here all this time while this Board made up its mind and how to arrange these leases. Commissioner Ball said that it has been written down, it's in stone and they can't just change the lease agreements in midstream, let them sign their leases as agreed upon and move along but once they do that then they may very well may want to change in the near future to accommodate whatever Kip's opinion might be.

Commissioner Murray stated that he wasn't aware that they had put a stop to signing on any of them.

Commissioner Nelson said that this just occurred about a week or so ago and it happened while the chairman was out of town and his suggestion was to wait until everybody got together to go over this.

Mr. Turner stated that this is totally on him, the Board had no understanding of this because there has not been any type of formal action. Mr. Turner said that there were two leases that were brought before him in the two months that he has been here and neither of those leases are in any kind of urgency, they both have multiple years left on their current lease. Mr. Turner said that he wanted to review the documentation that he would

be signing as he would do on any document. Mr. Turner stated when he found out Twin Otters lease was not about to expire, he will be honest there were a lot of other things on his desk and he apologizes that his expediency was not faster. Mr. Turner said that when he started diving into the lease he found some things that did bring a caution to him and his intention was to bring it to the Boards attention at the October meeting. Mr. Turner said that one of two concerns he has about the current lease structure is that they are currently without a commercial lease and he has never been at an airport that didn't separate commercial and GA leases. The second thing Mr. Turner is concerned about is that their GA lease offers essentially a 50 year term and there is not an airport in the country that he is aware of on a current modern lease that offers that type of a term for a typical GA t-hangar or typical hangar. Mr. Turner said that it is not in the airport interest to have a lease beyond that point that can't be revisited, there are a lot of other reasons for that but he would like to go more in depth about that at the October meeting. Mr. Turner said that for these reasons those lease have not yet been executed.

Commissioner Murray asked why they were looking at leases that were still in effect.

Mr. Turner said that that was a good question, and he didn't have the understanding of that either.

Commissioner Wagner said that it was because the Board told the lease holders that they could move from the old standard form lease to the new form lease.

Chairman Wood said that when the standard form lease was adopted, the question came up whether there was a deadline for people to move from the old lease to the new lease and the Board told them no deadline as of that time. Chairman Wood said that his opinion would be that if there was going to be a hold put on it, then it would have to be a Board action.

Mr. Turner stated that he does want the Board to understand that this type of thing is not unusual, airports and airport boards amend polices, leases, lease language, minimum standards, rules and regulations etc. because a preexisting lease existed they are not bound to going forward with it. Mr. Turner said that he just wants the Board to understand what privileges and rights they have as a Board. Mr. Turner said that staff works at the mercy of the Board and they will follow the direction of the Board without argument, but he does think its staff's duty to inform the Board of the things that come to concern with staff so they can make a valued decision.

Commissioner Ball said that he certainly agrees with everything Kip said, however, given the fact that these gentlemen were told that they could convert from the old lease to the new lease when they wanted to do it, they are bound by their word.

Commissioner Wagner said that from someone who has been here for a few years, since this started, he thinks he is fairly conversant with what he believes to be his duties and responsibilities on the Board, although he always looks forward to an educational experience, he has had sufficient time here to know where they need to move from here.

Commissioner Wagner said that he has a couple of file cabinets full of information that he doesn't think Mr. Turner has about what has gone on here before. While he is interested in hearing about other people's issues and what they have done at other airports, their main goal here is to move this airport forward. Commissioner Wagner said that they are in a competitive environment and one of the reason they adopted the leases, that are probably generous to people who are seeking them, is to attract business. He doesn't want to have a nice strong lease and nobody leasing property, he doesn't want to sell cars for top dollar and not sell any of them and that is the purpose of the airport and also to move forward and to get the rearview mirror out of this thing and get something done, he's not going to go back a redo things that they were doing for three years. Commissioner Wagner said that others can do what they wish but that's what he is doing.

Chairman Wood said that the summary to staff is to honor the standard form lease unless and until they adopt something different.

**Chance Ballegeer, GJRAA**

Mr. Ballegeer reminded the Board that their badges are going to expire at the end of the month and to contact him so they can take the class and get a new badge.

**VI. Consent Agenda**

- A. August 16, 2016 Regular Meeting Minutes
- B. August 30, 2016 Special Meeting Minutes
- C. Pay Request: G4S July Invoice
- D. Pay Request: Galaxy Asphalt Preservation
- E. Pay Request: Mead & Hunt
- F. AIP 52 Pay Application
- G. AIP 54 Pay Application
- H. Republic Parking Equipment Invoice
- I. Purchase Request: Loading Bridge Canopy Replacement

*Commissioner Nelson made a motion for the Board to approve the consent agenda as presented. Commissioner Ball seconded. Voice Vote. All Ayes.*

**VII. Presentation**

**A. Aviation Day Video Presentation – Armstrong Consultants**

Mr. Dennis Corsi said that Armstrong consultants and a whole team of folks organized this event, it was the first annual event in Grand Junction, to celebrate National Aviation Day. Mr. Corsi said that they organized an event where they invited a group of students to participate in hands on activities with respect to Aviation. The event was hosted by CMU on their campus. Mr. Corsi stated that is was a great event and they are looking forward to an even bigger and better event next year.

Video presentation shared by Armstrong Consultants on Aviation Day at Colorado Mesa University.

## VIII. Discussion Items

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 the payment for the bond debt service.

**Liabilities** – Accounts payable capital includes \$207,000 to Republic Parking and \$67,000 to Straight Stripe for AIP 52.

**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** – Repairs and maintenance budget amount included the Walker Field Drive fog seal project that was originally budgeted at \$44,000 and the actual cost was \$25,000.

**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. The capital expenditure item included the installation of the parking lot revenue system for \$207,000.

### **Enplanements**

#### **2016 vs 2015**

|            | Month   | Year to<br>Date |
|------------|---------|-----------------|
| 2015       | 20,428  | 19,643          |
| 2016       | 144,236 | 146,219         |
| Difference | (785)   | 1983            |

#### **Historical Average**

|                   | Month   | Year to<br>Date |
|-------------------|---------|-----------------|
| 5 Year<br>Average | 19,338  | 19,643          |
| 2016              | 145,928 | 146,219         |

**B. Project Update**

Mr. Johnson briefed the Board.

AIP 52 – Maintenance project on taxiway connectors - Mr. Johnson said that the majority of that work was completed Monday morning, they have a few items left such as the replacement of the flush mount lighting then they will be wrapping up that project for the year.

AIP 54 – Apron Reconstruction & AIP 55 – Runway/RTR Design – They now have the completed and executed grants for those two projects.

**C. Bond Issue Update**

Mr. Minnick introduced Dan with RBC. Dan stated that they have been diligently working to gather documents and they have a draft preliminary office statement (POS) that's equivalent to the offering document that the investors will see. Dan said that the next part of the process will be to take that offering document, once it's complete, and go to the rating agencies – specifically Moody's in order to acquire an underline rating. That will allow them to sell the bonds in the market and they are currently on schedule for a November 1<sup>st</sup> pricing, they would like to be out of the market before Thanksgiving. Dan said that they are currently scheduled for the next hearing of the resolution, and that will be the approval of the parameters resolution on the 18<sup>th</sup> of October.

Chairman Wood asked about a recital that is in brackets and asked why it is in brackets.

Cynthia Weed with K&L Gates stated that that paragraph that is in brackets is a condition of federal tax law. If a certain portion of the projects fall into the classification of private activity exempt facilities bond, then federal tax law says you have to hold a public hearing before you can issue those bonds. Ms. Weed said that it is likely that they will be holding that public hearing but it's not a certainty at this stage.

Chairman Wood asked if that would need to happen before the October meeting

Mr. Minnick said that it would happen at the October meeting.

Ms. Weed said that they would be publishing notice 14 days before the hearing. Ms. Weed said that it is very much a non-event, people could comment if they wanted to but it's unusual for anyone to comment, so it's opened and then it's closed.

#### **D. Organizations Chart Revisions**

Mr. Turner briefed the Board. Mr. Turner said that he has had the privilege of meeting with just about the entire staff one-on-one and what the Board sees tonight are primarily a couple of minor revisions based off of the discussions that he has had with staff and the realization of the need to make a couple of minor changes. Mr. Turner said that in those meetings he discovered some talents that had some aspiration to further use those talents in a couple of many areas. Mr. Turner said that a couple of changes made were to put those people in the right area, one being Chance Ballegeer - He is the security coordinator and he is already by default helping on some administrative tasks primarily related to leases and has an interest on being further trained on that aspect. Mr. Turner said that they felt that his immediate report for that work should be under Ty Minnick rather than the Airport Operations Manager with finance and human resources, which is another change is that Ty's description is now including human resources. Mr. Turner said that the third addition being Victoria Hightower who is already, also by default helping in human resources and now they are just acknowledging that and properly aligning her as a direct report to Ty Minnick as well. Mr. Turner said that these are results of those one-on-one meetings and discovering talents and skill sets that people have that they are trying to utilize. The job descriptions that relate to those changes are included in the Board packet. There are two vacant positions that Mr. Turner said that he has modified some to give the expertise that they need in those two areas that were already vacant positions that staff will be trying to fill.

#### **E. 2017 Draft Budget Presentation**

Mr. Minnick briefed the Board on the 2017 draft budget and briefly went through the details of the draft budget.

Commissioner Langley stated that the audit and finance committee met with Mr. Minnick and Mr. Turner and went through the budget for about two hours. Commissioner Langley said that they were pleased with the thoroughness and the amount of time that staff spent on the budget. Commissioner Langley said that essentially the budget is flat going into 2017 and the recommendation of the Audit and Finance Committee is to accept the budget.

### **IX. Action Items**

#### **A. Asset Disposal/Purchase Request**

Mr. Turner briefed the Board. Mr. Turner said that staff had a vehicle (Toyota Prius) that doesn't make sense for them to have right now so they are trying to replace it with one that does (Dodge Durango).

Commissioner Murray asked what the book value of the Prius is.



Mr. Johnson responded and said that the book value is somewhere between \$9,000 to \$10,000 and that will be the trade in value as well. Mr. Johnson said that the Prius is about 4-5 years old and has not even 10,000 miles on it.

*Commissioner Ball made moved to approve the disposal of the Toyota Prius by trade in and approve the purchase of a 2017 Dodge Durango. Voice Vote. All Ayes.\*

**B. Appointment of a Compliance Officer**

Chairman Wood stated that they had a Compliance Officer, Ms. Amy Jordan, and since she has moved on they have not replaced that position so they need to appoint a new Compliance Officer.

*Commissioner Murray made a motion to appoint Mr. Ben Johnson as the new Compliance Officer. Commissioner Ball seconded. Voice Vote. All Ayes.*

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

**XI. Adjourn**

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

*The meeting adjourned at 6:37PM.*

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Steve Wood, Board Chairman

**ATTEST:**

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Victoria Hightower, Clerk to the Board