



Grand Junction Regional Airport Authority Board
Board Meeting and Workshop
Meeting Minutes
April 21, 2015

EXECUTIVE SESSION AGENDA

Time: 4:00PM-5:00PM3

I. Call to Order

Mr. Rick Wagner, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 4:00 PM on April 21, 2015 in Grand Junction, Colorado and in the County of Mesa.

II. Motion into Executive Session

To confer with the Authority's legal counsel for the purpose of receiving legal advice relating to a pending investigation, as authorized by CRS§24-6-402(4)(b), and to discuss Security Sensitive Information as authorized by CRS §24-6-402(4)(c).

III. Adjourn Executive Session

REGULAR BOARD MEETING

Time: 5:15PM

I. Call to Order

Mr. Rick Wagner, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:43 PM on April 21, 2015 in Grand Junction, Colorado and in the County of Mesa.

Present:

Commissioners Present:

Rick Wagner, Chairman
Steve Wood, Vice Chairman
Paul Nelson,
Rick Langley
Troy Ball
Dave Murray

Other:

Shannon Kinslow, TOIL
David Shepard, GJAUTA
Cathy Ball, Citizen
Bradley Sullivan, CFC
Erling Brabaek, Western Slope Auto
Wayne Clark, Citizen
Drew Armstrong, Audit & Finance Committee
Guy Parker, GJAUTA
Jim Grady, GJAUTA
Larry Kempton, Kempton Air
Larry Kempton Jr. Plane Storage

Airport Staff:

Ben Johnson, Interim Airport Manager
Victoria Villa, Clerk
Amy Jordan

Ben Peck
Ty Minnick
Austin Fay
Chance Ballegeer
Ted Balbier
Brian Harrison

PJ McGovern, P&L Properties
David Hartmann, Armstrong
Tim Blanchard, Hub International
Ty Goare, Hub International
Dana Klein, Republic Parking
Ben Wegener present telephonically

II. Approval of Agenda

Facilities manager, Ben Peck, asked to remove action item H.

Commissioner Nelson made a motion to approve the agenda with the proposed change. Commissioner Ball seconded. Voice Vote. All Ayes.

III. Conflict Disclosures

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

IV. Commissioner Comments

Commissioner Nelson commented on the passing of Mr. Bill Pitts. Commissioner Nelson said that he knew him well and he was a great guy. Commissioner Nelson said that he salutes Mr. Pitts for standing by what he believed in and he will be greatly missed.

Chairman Wagner said that he always appreciated that Mr. Pitts was very direct and he was a great advocate for the general aviation community. Chairman Wagner said that Mr. Pitts will be greatly missed.

Commissioner Wood said that the Airport and the Community will greatly miss Mr. Pitts.

Commissioner Ball stated that as a member of the selection committee in trying to find a new Airport Manager he would like to chastise the City Council and local newspaper because they are not making it very easy to hire a competent airport manager and would appreciate it if they would remember that in their next comments.

Commissioner Wood stated that Friday April 24th is special needs kids' day which is primarily sponsored by West Star Aviation but supported by the Airport and it kicks off at 10am if anyone

is interested in attending. Commissioner Wood said that they appreciate West Star's role in that as well as airport staff. Commissioner Wood said that he learned a lot about foreign trade zones last Wednesday as he attended the CAMA event at Two Rivers Convention Center.

V. Citizen Comments.

A. Wayne Clark

Mr. Clark said that Mr. Bill Pitts was his neighbor, his airplane partner. Mr. Clark said that he knows that they are close to getting rid of the gate and Mr. Pitts always said that he wanted to be the one with his cutting torch to cut them down but unfortunately he will not see that. Mr. Clark said that Mr. Pitts was due to leave at the end of last week on a flying trip and he is very thankful this did not happen while he was in the air. Mr. Clark said that Mr. Pitts will be missed.

VI. Consent Agenda

A. March 17, 2015 – Regular Board Meeting Minutes

Commissioner Ball made a motion to adopt the March 17, 2015 Regular Board Meeting Minutes. Commissioner Nelson seconded. Voice Vote. All Ayes

VII. Discussion Items

A. Financial Update

Mr. Ty Minnick briefed the Board. Mr. Minnick gave the Board a handout with a graph showing the correlation between fuel prices and enplanements. Mr. Minnick said that there are some anomalies in some months, however, there does appear to be a relationship showing a decrease in gas prices results in a decrease in enplanements. Mr. Minnick said that March enplanements have recovered slightly from February, down 8% vs. 13% for the month and down 12% for the quarter. Mr. Minnick said that non-operating revenue is down compared to budget with majority of the variance related to passenger facility charges (PFC). PFC revenue is down along with enplanements for the month and year-to-date. Total operating expenses continue to be lower than budget, this variance is the result of the vacant airport manager position and security position. Total operating revenue is down 3% for the month and 4% for the year compared to budget, however, since rental car fuel sales revenue is directly related to the cost of fuel, the exclusion of this line item from total operating revenue results in less than a 1% variance for the month and year compared to budget.

Discussion:

Mr. Johnson commented that on Friday the Colorado Aeronautics Board met and they discussed the Colorado Discretionary Aviation grants which are 5% match on the AIP grants and contingent upon an agreement with the State the Board voted to provide that 5% match to the airport this year.

Mr. Minnick said that for the upcoming budget year they wouldn't be budgeting any funds from the state

B. Manager Search Committee Update

Commissioner Murray briefed the Board. Commissioner Murray said that the search committee has met a couple of times and they finalized the job description revision, the job is being advertised in a couple of different areas including the airport website. Commissioner Murray said that, to date, they have 34 applications and the closing date for this is May 26.

Discussion:
None.

C. Security Solutions Committee

Commissioner Wood briefed the Board. Commissioner Wood said that since the last time the Board met the committee had a meeting with a TSI representative and Mr. Cambra from Colorado Springs with TSA, and the objective was to make sure that he left with the final draft of the Airport Security Plan amendment. Mr. Cambra has reported to the committee that it has gone up from him and the committee believes that the approval is imminent. Commissioner Wood reminded the Board that the approval to enter into a contract with Dynetics for the hardware portion of this solution, was approved by the Board at the last meeting contingent upon TSA approval. Once that approval is in hand they will proceed post haste.

Discussion:
None.

D. Waste Oil Container Request

Mr. Johnson briefed the Board. Mr. Johnson said that he received a request to add a waste oil container in the GA area for the GA folks when they change the oil in their aircraft. Mr. Johnson said it has been discussed amongst staff and staff is fine with it but before moving forward they wanted to have a brief discussion with the Board about the risks and cost to the airport. Mr. Johnson said that right now the airport has a large waste oil container that the fleet department uses and each time they dispose of it there is a \$450 test cost and then about \$.50 a gallon to dispose of the oil. Mr. Johnson said that it's not simple to get rid of it because the Airport doesn't have the commercial licenses or vehicles to take the oil somewhere to dispose of it, and the company that comes to pick it up has to be bonded so if they get in an accident and it's spilled, the airport is not responsible for it. Nobody in the valley is able to provide that service so a company from Wyoming comes to pick it up and there is a small cost in that. Mr. Johnson said that the risk is that whatever is put in that waste oil container, now belongs to the airport and if some other type of hazmat or gasoline or coolant is put in it then the Airport owns it and it's a bit more expensive to get rid of. Mr. Johnson said it's going to cost about \$1200-\$1500 to set it up.

Discussion:
Commissioner Ball said that he talked with a company that is willing to pick up the oil for free.

Mr. Johnson said that the only risk to the airport is if that company isn't bonded and their vehicle crashes then the airport is responsible for the cost of clean-up.

Chairman Wagner said that if they do go through with this they need to have a hold harmless agreement as well as evidence of insurance.

Commissioner Wood asked if there was a perspective location to put this.

Mr. Johnson said that the only place would be outside of the airport's hangar in an APA approved secondary container as well.

Commissioner Ball made a motion to direct staff to pursue the acquiring of this receptacle and the contracting for its disposal. Commissioner Wood seconded. Voice Vote. All Ayes.

E. Draft New Standard form Lease – Public Comments

Mr. Johnson briefed the Board. Mr. Johnson said that after the last meeting the new Standard Form draft lease was published for public comments, 30 days and is now closed. Mr. Johnson said that they received two comments, one on a few typos and additional requests that the committee has not discussed yet, and another positive comment from Mr. Bill Pitts stating that he supported the lease in its current form. Mr. Johnson said that staff did make additional changes to section 6.3 to align it with the previously changed section 1.12, stating that the primary use of the hangar be aeronautical instead of strictly just aeronautical. Mr. Johnson said that they anticipate the committee will meet one last time to discuss final products and they plan on bringing the final draft to the Board next month for adoption.

Discussion:

Ms. Jordan said that one thing the Board will probably need to discuss at the May meeting is the lease rate for the standard form lease. Ms. Jordan said that when the current standard form lease was approved by the Board a new lease rate of \$.20 per square ft. was also approved.

F. Draft Employee Handbook

Ms. Jordan briefed the Board. Ms. Jordan said that staff has been preparing a draft of an updated version of an employee handbook and they are at a point where they just need some guidance on the paid leave model. Staff came up with different options which are in the Board packets. Option A is a self-insurance option and option B is a PTO only model which would also require implementation of a short disability policy and maybe a long term disability policy. Components to option A, employees would retain sick leave banks and would continue to accrue at a rate of 3.5 hours per pay period of sick leave and sick leave banks would be capped at 520 hours, employees with more than 520 hours would be allowed to keep their accrued but unused sick leave but wouldn't continue to accrue until their banks dropped below 520. Ms. Jordan said that as sick leave currently stands and would continue to stand, has no value to the employee at the time of separation and will provide 100% wage protection for the employee for a period of three months. Ms. Jordan said that there wouldn't be a short or long term disability policies paid for by the airport but it was discussed that they could maybe offer a long term disability policy that the employee would pay 100% of. Ms. Jordan said that they would keep a PTO bank and a sick leave bank and PTO is paid out at the time of separation. Option B is a PTO only model and includes different levels of accrual to award tenure.

Discussion:

Commissioner Wood said that he was comfortable with option A.

Ms. Jordan said that it has been discussed internally and staff feels option A. really is the best option and is easiest to implement.

Chairman Wagner said he would agree that option A. looks like the best option.

Commissioner Murray asked when long term disability kicks in if it's offered.

Ms. Jordan said after 11 weeks and it covers for two years. Ms. Jordan said that with option A there wouldn't be an ongoing liability premium cost for short term or long term disability, however, they could offer a long term disability policy to the employee's paid 100% by the employee which would be a benefit because if the employee pays the premium for the policy then any benefit is not taxable.

G. Republic Parking Request

Mr. Johnson briefed the Board. Mr. Johnson said that at the last meeting Mr. Bob Linehart, with Republic Parking, came and made a presentation and proposal to the Board about updating the parking and revenue control system. Mr. Johnson said that the proposal was to upgrade that system, in exchange for a ten year extension on their contract. The upgrade cost approximately \$200,000 and they would take that over a ten year period with a \$23,175 reduction in their revenue paid to the airport, which represents a 3% cost of capital. Mr. Johnson said that Mr. Linehart contacted him and was hoping to get an update on what the Boards decision was on this offer.

Discussion:

Chairman Wagner said that essentially, the airport financing this system upgrade.

Mr. Johnson said that in the purchasing and procurement policy it talks about purchasing goods and services and its typically the airports best practice to go out and request for proposals, but in this particular case, because the terms of the contract are so agreeable to the airport they would likely get less revenue if did a request for proposal.

Commissioner Langley said that in private business when someone says that they are obtaining the best price because of their volume discount it concerns him a little bit. Commissioner Langley said that the other question he has is looking at the historic trend on this, there has never been a ten year deal and he would rather give them a five year with a five year option.

Dana from Republic parking said he would take the questions the Board had back to Mr. Linehart and get them back for the Boards review.

Ms. Jordan said this is an anomaly for them that the term length of this concession agreement has been longer than most, rental car concession goes out goes out for bid every five years, as well as

the gift shop and vending. The ACRP guidance for in terminal concessions suggests bidding out every five to seven years.

H. Mesa County Federal Mineral Lease District Grant Update

Ms. Jordan briefed the Board. Ms. Jordan said that the Board approved the application to the Federal Mineral Lease District of Mesa County on March 17th at the regular Board meeting and that application was submitted and they were successful in receiving that grant. Ms. Jordan said that she has solicited proposals from three of the major qualified firms in the United States which are, Sixel Consulting, Intervistas and Mead and Hunt. Ms. Jordan said that they would really like the passenger demand analysis, the business traveler survey and the development of strategic initiatives to be collaborative with all of the stakeholders and the community but staff feels like it's important to have a Board member as a point of contact for staff.

Discussion:

Commissioner Murray said that he does strategic planning and offered to be the point of contact.

Ms. Jordan said that they anticipate only a few meeting throughout the process.

I. Airline Lease Agreement

Ms. Jordan briefed the Board. Ms. Jordan said that the reason this is being presented at this time is because the airlines that currently operate at the airport at one time had operating agreements and leases for the airport facilities and those expired in 2010 and she has had requests from American Airlines and Allegiant to get them current. Even though they expired in 2010, there is a hold over clause that moves them to a month-to-month tenancy so they are still covered by those agreement, the airlines would like to see them updated. Ms. Jordan said that she has been working with Mr. Wegener to get an up-to-date draft and they are ready to move forward.

Discussion:

Chairman Wagner asked if there has been any indication of any of the airlines possibly changing their status at the airport.

Ms. Jordan said that there has not been any indications from any of the carriers of major service changes.

IX. Action Items

A. April 14, 2015 Letter from City of Grand Junction

Chairman Wagner briefed the Board. Chairman Wagner said that the letter is dated April 14, 2015 and is signed by Mayor Norris who is present tonight. Chairman Wagner said that this has been a discussion between the City and some of the Board and the Board wanted to get something as a starting point of the City's position on what they were thinking in general and to agree to move forward in exploring the options.

Discussion:

Mayor Norris said that what the City is requesting is, they do want to help button up that building and they are willing to go up to 1.5million dollars to help do that but they need to know from the Board if they are willing to sit down and talk about it to work out all of the details. Mayor Norris said that the letter pretty well explains the things that they would want to see in it and they are aware that there are things that the airport would need to see in it as well. Mayor Norris said that they aren't talking about completing the entire building inside and out, which she feels would come later as private investors may step up to help with that, but at this point no one knows what would go in there.

Chairman Wagner said that there is exploring to be done with outside entities because the FAA has control over the airport in general and because the building borders the airfield they would have control over that in particular. Chairman Wagner said that the City has some interest of some things that would maybe work in that location and that is something they are willing to explore.

Commissioner Murray said that there has been a lot of misinformation out there in terms of the status of the building. Commissioner Murray said that the Board has specifically requested study to present options for the Board to explore. Commissioner Murray said that there have been concerns about it appearing to be open but they had that assessed to see if it needed to be closed up for the winter and they were informed that they did not have to, but the Board does want to explore options.

Chairman Wagner said that they contemplated having a couple of people from the Board and a staff member and counsel work with the City's counsel and whomever the City designates and discuss what everyone wants and they the next step would be to run it by the appropriate federal agencies.

Mayor Norris said that her understanding is that the airport does not have any grant money in that building.

Chairman Wagner said that that is correct and they do have conference calls scheduled with the FAA in DC concerning general questions on how they can get back on the running track with them but even though there is no FAA money in the building, it still exists on airport property and from the day that this airport took a federal grant it became subject to regulation by the FAA so The FAA doesn't have to pay for anything for them to have some say about it.

Mayor Norris said that they would like to sit down and figure out if the City puts in the money to at least button it up where they go from there.

Chairman Wagner said that they would probably have to look at that jointly with the FAA. The City's proposal is to use the City's procurement process and anything built on FAA controlled property has to go through the procurement guidelines of the FAA. Interim Airport Manager Ben Johnson will be the staff member a part of this, Commissioner Wood and Commissioner Nelson will be the Board members a part of this.

B. GJRAA Bylaw Amendment

Mr. Ben Wegener briefed the Board. Mr. Wegener said that over many months they have been working on amending the bylaws and now it appears that everyone is in agreement with them now and at this point they need to take a vote and pass a resolution to amend them. Mr. Wegener said that there is some notice requirements, so they published a resolution along with the bylaws in the Daily Sentinel and right now they are ready for the April vote and then they will have to take a May vote, upon the May vote they will become effective.

Discussion:

Commissioner Susuras is not present but he did give an affirmative vote via email.

Commissioner Wood asked the rest of the Board if they are okay with the airport emails.

The Board replied yes.

Chairman Wagner said that amending the bylaws requires two consecutive meetings and a vote of all of the commissioners.

Commissioner Wood made a motion for the Board to adopt resolution 2015-005 of the Grand Junction Regional Airport Authority, Resolution to amend the bylaws of the Grand Junction Regional Airport Authority as presented and as published in accordance with the current bylaws Commissioner Nelson seconded. Roll Call Vote. Commissioner Murray: Aye, Commissioner Langley: Aye, Commissioner Nelson: Aye, Chairman Wagner: Aye, Commissioner Wood: Aye, Commissioner Ball: Aye, Commissioner Susuras: Aye (via email).

C. Alpine Bank Tri-Party Agreement and Memorandum of Ground Lease Agreement Ratification

Mr. Ben Wegener updated the Board. Mr. Wegener said that there was a transaction with Alpine bank as the lender and this agreement is letting the airport and all of the parties know that they all have various interest in the building and should something happen there are foreclosure actions and a deed in lieu action that there is going to be some notice provisions that the airport will comply with along with what the bank will comply with. Mr. Wegener said that this was presented at the last meeting but there was some changes to the tri-party agreement right before and had to table it. Because of some deadlines on the transaction there was a need to get this done and in order to comply with that, they had an emergency session where everyone looked at the agreement and got approval and Chairman Wagner was able to sign it. Mr. Wegener said that at this point in time a formal vote is needed for the execution of that agreement as well as the memorandum that was filed with the clerk and recorder's office.

Discussion:

Commissioner Murray said that when he was going through trying to tie everything together he found a couple of dates that seem to be off on some of the leases and he also could not tie back the square footage.

Ms. Jordan said that there was a little bit of a discrepancy in the tri-party agreement and the exhibits that were in the board packets. Ms. Jordan said that during this transfer they conducted updated surveys of their lease holds, so the exhibits that are in the packet are the updated exhibits from the surveys they conducted. Ms. Jordan said that the context of the tri-party agreement contains the lease parcel square footage that's on file currently with the airport not the updated exhibits.

Chairman Wagner asked if an updated survey and description needed to be filed with the clerk's office.

Ms. Jordan said that about seven days ago she received a request from Junction Aerotech to update their leases with the new exhibits and that is something staff is going to present to the Board in May.

Mr. Wegener said that they memorandum that was executed and recorded was an acknowledgment of the various leases and lease addendums that P&L have entered into.

Chairman Wagner said that there is a change in the description of one of the leases that would change the square footage that serves as a security interest for alpine slightly.

Chairman Wagner said that although everyone agreed to this and the document was executed he just wanted to further ratify the execution on April 2, 2015.

Commissioner Wood made a motion for the Board to ratify the Chairman's signature on both the tri-party agreement and the memorandum of ground lease agreement between the Grand Junction Regional Airport Authority, Alpine Bank and P&L Properties. Commissioner Murray seconded. Voice Vote. All Ayes.

D. Federal Aviation Administration Airport Improvement Program Grant Application

Mr. Austin Fay briefed the Board. Mr. Fay said that staff is recommending that the Board approve the 2015 AIP grant application and appoint an authorized signatory to sign all necessary documents within this grant application. Mr. Fay said that at the last Board meeting on March 17, 2015, the Board approved task order D which allowed Armstrong Consultants to work on three of the five projects within this grant application. Mr. Fay said that the Board also approved the Capital Improvement Plan on November 4, 2014 and all the projects in this grant application are on the capital improvement plan. Mr. Fay said that the projects within this application mainly have to do with the maintenance and rehabilitation of the airfield. Mr. Fay briefly described the five elements of this grant application. Five projects to be completed this year are:

- Terminal Air Carrier Apron Design Modification
- Taxiway A1, A2, A3, A4, A5, A6 and A7 Connector Rehabilitation
- Runway 11/29 and Taxiway A Seal Coat and Restripe.
- Segmented Circle Relocation & Intersection Lighting Modification
- Runway 11/29 modification to Standards Analysis

Mr. Fay said that they don't foresee any significant impact to airport operations as construction can be done at night. Mr. Fay said that staff does plan to hold a stakeholders meeting sometime

in June and discuss these projects in depth. Two presentations will be given by staff to the City and the County regarding the 2015 AIP Projects. Mr. Fay briefly discussed the fiscal impacts of these projects. FAA will fund 90% of the project, the State will fund 5% and the airport will match the other 5%, total for the projects will be \$2,550,500.00. Mr. Fay said that there is a slight variance in the state and local portion in the board packets that is due to the State declining to participate in the runway 11/29 modifications to standards analysis so it will require the airport to fund 10% to that specific project.

Discussion:

Chairman Wagner said that one of the reasons the State Aeronautical Board didn't participate is because at the time they didn't have money.

Commissioner Wood said that now they are back on for half of the 10% predicated on an agreement with CDOT but there is one exception which is the modification to standards question on 11/29.

Mr. Johnson said he talked recently with Marc Miller with the ADO about that particular project and they decided that the modifications that are going to be studied are within the bounds of the current environmental assessment that is being done and that's why it is AIP eligible so they will fund 90% of that.

Commissioner Murray asked how this impacts and short and long term plan for the airport.

Mr. Johnson said that for short term they are just extending the life of the pavement and bring up two pieces up to 139 standards and basically just buying more time. At some point it needs to be decided on either building a new runway or taking one of the alternatives and shifting this runway and the time line on that is as soon as possible.

Commissioner Nelson made a motion for the Board to approve the submittal of the 2015 AIP Grant Application and appoint the Chairman as that authorized signatory to sign all necessary documents within the grant application. Commissioner Ball seconded. Voice Vote All Ayes.

E. Armstrong Consultant Task Order: Apron Design Modification

Mr. Fay briefed the Board. Mr. Fay said that staff is recommending the Board approve task order E allowing Armstrong Consultants to begin work on the modification of the terminal air carrier apron design. Mr. Fay said that this is one of the projects within the grant application. Aviation, the previous engineers, completed three bid packages for the design and reconstruction of the terminal air carrier apron and these packages hold detailed designs for pavement that is located on a private lease hold and is therefore ineligible for AIP funding. The Goal of this project is to modify the current bid packages so that they only include AIP eligible pavement. Staff did an independent fee estimate (IFE) per FAA requirements and to determine the reasonableness of engineer's fees, and in conducting the IFE it came in lower than what the airport's engineers proposed fees originally were. Mr. Fay said that after review of the IFE and talking with Armstrong, in a good faith effort to be more in line with what the IFE proposed, Armstrong has agreed to reduce their fees from \$212,000 to \$185,000 for this project.

Discussion:
None.

Commissioner Wood made a motion for the Board to approve the task order to Armstrong, task order E. Terminal Air Carrier Apron Design and authorize the Interim Airport Manager, Ben Johnson, to execute it. Commissioner Langley seconded. Voice Vote. All Ayes.

F. Armstrong Consultant Task Order: Runway Alternatives Study

Mr. Johnson briefed the Board. Mr. Johnson said that this task order is for the analysis on the runway 11/29 modifications that has been discussed previously. This study encompasses two main alternatives, either shifting the main runway 1,800ft to the west or shifting the main runway 700ft to the west and then shifting runway 4/22 south.

Discussion:

Chairman Wagner said that the part he didn't understand the "public participation and documentation, the EA requires a certain level of design of the project to be completed" piece.

Ms. Jordan said that part of the EA required a 25% design of the preferred alternative, so there has been a 25% design completed of the preferred alternative, which going into the EA was to relocate the primary runway north of its current location.

Commissioner Wood made a motion for the Board to authorize Ben Johnson as interim manager to execute a task order with Armstrong Consultants for runway 11/29 modifications to standards analysis. Commissioner Ball seconded. Voice Vote. All Ayes.

The Board took a short recess.

The Board reconvened at approximately 8:23pm

G. Proposal for Non-Aeronautical Ground Lease

Chairman Wagner said that there are a number questions on this topic having to do with non-aeronautical use and hotel project and his understanding from staff is that they want the Board to offer guidance on responses. Chairman Wagner said that his feeling is that there are two or three of these items that he is not sure they are very conversive enough about the industry to give those particular answers to and one of them is the lease term. Chairman Wagner said that they are contemporaneously moving through a re-approval process through the FAA for non-aeronautical use for that lease so it would be nice for them to have some negotiation in progress or near conclusion by the time it comes out of the FAA's approval process.

Ms. Jordan said that the request to release the land from aeronautical use was published in the national registry on March 9th and the comment period closed on April 8th. Ms. Jordan said that they are expecting in the next 30 days they should have the land release issued to them from the FAA. No comments have been received so they don't anticipate any delays

Chairman Wagner said that one thing he has a large question on is item five, as they are asking the Board not to approve any additional hotel projects for a period of five years.

Commissioner Murray said that he had a concern about that as well and he was going to recommend that they consider no additional hotel projects to be executed in that period of five years but can accept applicants since the process takes so long anyways.

Chairman Wagner said that he continues to be unsure if they can place any unreasonable restrictions on public competition for public property unless there is a franchise agreement.

Commissioner Ball asked if committee should be formed for this.

Chairman Wagner said that he thinks they need to enter into negotiation with the hotel corporation but they need someone to lead the process.

Commissioner Ball and Ms. Jordan will work together to do more research on this topic.

H. Conveyance Device Service Agreement

Item removed from agenda.

I. Insurance Brokerage Services Selection Recommendation

Mr. Minnick said briefed the Board. Mr. Minnick said that on February 20, 2015 an RFP was published soliciting proposals from qualified firms for insurance broker services. The RFP was published on the Airport's website and in the Daily Sentinel. Five proposals were received from HUB International Insurance, Wells Fargo Insurance, Flood & Peterson, Home Loan Insurance, and Colorado West Insurance. The submitted proposals were evaluated by Mr. Minnick and Ms. Jordan and HUB and Wells Fargo were selected for interviews and it was agreed that HUB had a stronger local presence with their Colorado Chief Sales Offices located in their Grand Junction office. HUB is one of the top ten insurance brokers in the world and will be able to utilize their client base to match our needs with similar sized airports. Staff recommends that the Board approve the selection of HUB International Insurance to provide insurance broker services and authorize staff to execute an agreement with HUB, contract has been reviewed by legal counsel and his changes with implemented and agreed to by HUB.

Discussion:

Commissioner Murray asked if there was a difference in services that HUB provides that Home Loan did or did not provide.

Mr. Minnick said that HUB has an aviation specialist and they represent a number of airports similar to enplanements as Grand Junction and that provides them with a peer group to be sure the airport has the proper insurance for an airport.

Commissioner Wood moved for the Board to approve the selection of HUB International as the broker of record to provide broker services to the airport and authorize staff to execute the contract agreement. Commissioner Langley seconded. Voice Vote. All Ayes.

J. On-Airport Rental Car Concession Recommendation and Contract

Ms. Jordan briefed the Board. Ms. Jordan said that in 2008 the Airport went out to bid for on airport rental car concessions and awarded that to four successful bidders, which are the operators that are currently in the building with the exception of Advantage who later filed bankruptcy and was replaced with Enterprise. Ms. Jordan said that these agreements were for five years and expired in April of 2013 and were extended for a period of two years without going back out to bid and they expire at the end of this month. Ms. Jordan said that they went out in January and published an invitation for bids and four sealed bid were received, all from current operators. Avis Budget Group came in as the highest bidder with \$203,310.00, followed by Hertz Corporation doing business as (DBA) Hertz Dollar and this is a change to their current operation in that their proposing to be dual branded for \$194,190.00, Enterprise Leasing Company of Denver DBA National/Alamo came in third at \$152,301.00 and then Enterprise Leasing Company of Denver DBA Enterprise at \$152,300.00. Ms. Jordan said that they do have an on airport agreement for the concessionaires, Mr. Wegener has reviewed it as well as the operators that bid. Ms. Jordan said that they are requesting from the Board to approve the four bidders, which all were complete and responsive to the IFB that was put out, and authorize the Interim Airport Manager to execute the airport facilities lease and rental car concession agreement with each operator. Ms. Jordan said that the new minimum annual guarantees (MAG) will become effective may first. Current MAGs for AVIS is \$212,561.52, Enterprise is at \$164,334.00, Hertz at \$194,979.00 and National/Alamo at \$139,172.00, for a total of \$711,046.52. Ms. Jordan said that these are just minimum annual guarantees, they typically receive more because they either receive the MAG or 10% of the gross revenue but this is what the airport is guaranteed.

Discussion:

Commissioner Nelson asked what they get for being the highest bidder.

Ms. Jordan said that being the highest bidder gets them first pick on counter space in the terminal, a higher number of parking spaces in the ready lot and they get to select what service facility they would like to lease.

Commissioner Wood moved for the Board to approve the selection of Avis Budget, Hertz Corporation dba Hertz dollar, Enterprise Leasing Company of Denver dba National/Alamo and Enterprising Leasing Company of Denver dba Enterprise as on airport rental car concessionaires and authorize the Chairman to execute the agreements with each operator. Commissioner Langley seconded. Voice Vote. All Ayes.

K. Grant Management and Oversight Policy

Mr. Johnson briefed the Board. Mr. Johnson said that last month the draft Grant Management and Oversight Policy was presented to the Board and solicited feedback from the Board and didn't receive any comments other than support that it is a good policy. Mr. Johnson said that it looks like they are ready to move forward with it.

Discussion:
None.

Commissioner Wood made a motion for the Board to adopt the Grant Management and Oversight Policy as presented. Commissioner Ball seconded. Voice Vote. All Ayes.

L. Asset Disposal Policy Modifications

The current Policy does not adequately define what items purchased by the Airport Authority need Board approval for disposition. This has caused confusion with the staff as to what needs to be reported for disposal. It has also resulted in low cost items with zero market value to be presented to the Board for disposal. The revisions to the policy include defining capital assets and grant capital assets. The policy adds the distinction that assets must meet the qualification under the Asset Capitalization Policy to require disposition approval, which is a \$2,500 value and over 12 month useful life.

Discussion:
None.

Commissioner Langley made a motion for the Board to approve the Asset Disposal Policy as presented. Commissioner Nelson seconded. Voice Vote. All Ayes.

IX. Any other business which may come before the Board

Commissioner Ball said that one of the airport pilots flew up to Boise Idaho recently and was very impressed with the ability to land in a grass runway and he has asked for the airport to look into putting a grass landing strip parallel to runway 4/22.

County Commissioner John Justman said that he's never heard any of the other Commissioners having displeasure with any of their appointees on the Airport Board. Mr. Justman thanked the Board on behalf of the County for the effort the Board has put into all of this and he is unaware of anyone wanting to make any changes to appointees from the County. Mr. Justman said that Mesa County understands that this airport is really important to the County's economic condition and development etc. and the County supports it wholeheartedly. Mr. Justman said that when it comes to the building he can't understand why anyone would want to stick money into the building because, from the County's prospective, when there is an ongoing investigation that no one knows what the outcome will be. Mr. Justman said that he wants to see this resolved but the investigation should be resolved first before doing anything with the building. Mr. Justman said that there are no ill feelings towards any of this from the County.

Commissioner Wood commented that this is no longer the TSA regional headquarters, it was until fall of 2013, and they are in transition. The state of Colorado is now a region to itself and

their headquarters are over in Denver at DIA. The consequence of that is the possibility of the airport staff being able to occupy some of the third floor. Commissioner Wood said that his suggestion would be to keep the dialog with TSA and find out what they are thinking and find out some possibilities.

X. Adjournment

Commissioner Ball moved to adjourn. Commissioner Nelson seconded. Voice Vote. All Ayes.

The Board meeting adjourned at 9:10PM.

Rick Wagner, Board Chairman

ATTEST:

Victoria Villa, Clerk to the Board