



Grand Junction Regional Airport Authority Board
Board Meeting and Workshop
Meeting Minutes
July 15, 2014

EXECUTIVE SESSION AGENDA

Time: 3:00PM-5:00PM

I. Call to Order

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 personnel matters as authorized by CRS §24-6-402(4)(f).

III. Adjourn Executive Session

BOARD MEETING AGENDA

Time: 5:15PM

I. Call to Order

Mr. Steve Wood, Board Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:28 PM on July 15, 2014 in Grand Junction, Colorado and in the County of Mesa.

Present:

Commissioners Present:

Steve Wood, Chairman
Tom Frishe, Vice Chairman
Dave Murray
Paul Nelson
Rick Langley
Rick Wagner
Sam Susuras

Airport Staff:

Amy Jordan, Interim Director of Aviation
Victoria Villa, Clerk
Ben Johnson
Austin Fay
Ann Eldridge

Other:

Shannon Kinslow, TOIL
Bill Pitts, Citizen
Bill Marvel, GJAUTA
Denis Corsi, Armstrong
Clark Atkinson, Shaw Construction
Ty Withee, Shaw Construction
Justin Pietz, Armstrong
Shane Brown, EKS&H
Mike Quinn, Aviation
Lisa Meacham, EKS&H

II. Approval of Agenda

Interim Airport Manager, Amy Jordan, stated that staff has two additions for the agenda. One addition is Resolution 2014-009 Execution of Documents Pertaining to Bank Accounts and the other being a discussion item, possible an action item, in regards to the October Regular Board meeting date.

Discussion:
None

Chairman Wood stated that if there are no objections, by major motion, the Board approves the agenda with the two additions recommended by staff.

III. Conflict Disclosures

Chairman Wood - Hangar Owner
Commissioner Frishe - None
Commissioner Wagner - None
Commissioner Nelson - None
Commissioner Langley - None
Commissioner Murray - None
Commissioner Susuras - None

IV. Commissioner Comments

Chairman Wood said that there is one remaining flyable B-29 left in the world and it will be in Grand Junction next week for three days.

V. Citizen Comments.

A. David Shepard, GJAUTA

Mr. Shepard read a written comment on behalf of the Grand Junction Airport Users and Tenants Association (GJAUTA) stating their opinion on the current issues involving, Shaw, Fentress and Aviation. Mr. Shepard stated that GJAUTA fully supports the Boards careful and thoughtful approach in all of this and respectfully suggests the Board continue to do fact finding and not succumb to pressure including the use of local media as a collection agency. GJAUTA complimented and thanked the Board for outstanding work done on building basic structures of governance and management that have, until now, been ignored. GJAUTA thanked Mr. Bill Taylor and Ms. Jane Quimby for all of their hard work and particularly thanked airport staff for their loyalty in challenging times and stated that their work is appreciated and respected.

Discussion:

Commissioner Wagner stated that the concern he had was less to do with Shaw as a company and more to do with the process by which the Director had gone through. Mr. Wagner stated that conducting things in this way essentially casted the contractor, Shaw Construction, in a bad light but based on what they know to this point it's through no fault of their own.

B. Clark Atkinson, Shaw Construction

President of Shaw Construction, Clark Atkinson, read a written comment to The Grand Junction Regional Airport Authority Board regarding “The Airport Administration/Terminal Expansion Project Shutdown”. Mr. Atkinson stated that Shaw respectfully asks for action from the Board regarding payment application #5 and #6. Mr. Atkinson said that Shaw also asks for action from the Board on invoice #2994 and invoice #2999 regarding payment for the project shutdown obligation costs. Mr. Atkinson stated that Shaw asks for confirmation and action from the Board regarding the recurring cost obligations. Specifically, will the Airport pay Shaw the recurring costs per month for metal roof flat stock coil material, electrical meter and utilization as expended, site fence costs, erosion control bi-weekly inspections and maintenance as required by the state and local authorities. Mr. Atkinson stated that Shaw also asks for direction from the Board regarding stored material, billed on payment applications #5 and #6 because the Airport has requested for materials to be delivered to the site however, two of the subcontractors will not deliver the material until they are assured they will be paid. Lastly, Mr. Atkinson stated that Shaw asks for the intent of the Board to be expressed regarding shutdown issues.

VI. Consent Agenda

A. Minutes: June 17, 2014

Discussion:
None.

Commissioner Nelson moved for approval of the June 17, 2014 Minutes. Commissioner Frishe seconded. Voice Vote. All Ayes.

VII. Discussion Items

A. Financial Update

Commissioner Langley briefed the Board and stated that as of the last Board meeting the Airport’s financial statements are current. Mr. Langley stated that later in the meeting there will be a presentation by EKS&H summarizing the financial audit.

Discussion:

Commissioner Wagner stated that he was very pleased to hear from Ms. Jordan that enplanements and revenue are both up which is a very positive thing.

Ms. Jordan stated that the statistics that staff tracks are enplanements, rental car revenue, airfreight and operations. Ms. Jordan stated that enplanements year over year were up just over 3% which is really good considering the economy, and rental car revenues were up over 11% as well. Ms. Jordan said that enplaned and deplaned airfreight is still down a little bit but the enplanements and rental car revenues are the big things.

Commissioner Wagner stated that the economy plays a part but it’s mostly because staff keeps everything running smooth and it is appreciated.

B. Director Search Committee Update

Vice Chairman Frishe briefed the Board and stated that they are publicizing a finalist and that will be public for a minimum of 14 days then there will be action at the next Board meeting on that particular item.

Discussion:
None.

C. Lease Policy Committee Update

Commissioner Nelson briefed the Board and stated that the committee has met once. A schedule that the committee will follow was presented to the Board.

Discussion:
None.

D. Appointment of Planning and Environmental Services Selection Committee

Chairman Wood gave briefed the Board with some background and expressed his willingness to participate and asked if there is another Board member that would also like to participate as well.

Commissioner Susuras volunteered.

Ms. Jordan recommended Operations Manager Ben Johnson as the staff member to serve on the committee. Ms. Jordan stated that the Advisory Circular 155100-14D suggests having someone with the professional knowledge in the service area requested. Ms. Jordan stated that the only recommendation would be to ask someone from outside of staff and the Board that could offer expert advice such a city or county planning person.

Commissioner Susuras said that he would look into someone at the city.

VIII. Action Items

A. EKS&H 2013 Audit Presentation

Lisa Meacham and Shane Brown from EKS&H briefed the Board on the 2013 financial audit. Ms. Meacham stated that they have completed their audit and have issued their audited financial statements as of July 9th 2014 and expressed an unmodified opinion which is the highest level of assurance that they can give the Airport. Ms. Meacham went over the highlights of the audit results.

Discussion:

Commissioner Langley stated that the Finance Committee has reviewed the comments in detail and the needed improvements will be addressed. Commissioner Langley thanked EKS&H for their good work.

B. Tower Operating Agreement

Airport Operations Manager, Ben Johnson, briefed the Board with some back ground information. Mr. Johnson said that the FAA has some auxiliary functions that occupied space in the lower floors of the tower that were not necessarily in connection with air traffic control and when that lease expired they moved off airport. Mr. Johnson said that the air traffic control stayed at the airport in the tower and they occupy a couple of floors there but no agreement was ever signed with the FAA for use of that space for them to provide the service. Mr. Johnson stated that they have asked for an agreement to be executed and it will be a no cost agreement. Mr. Johnson said that a couple of things that the agreement will add are custodial services and the agreement lays out that the Airport will pay for the utilities which are currently being paid for by the FAA. Mr. Johnson noted for the Board to review the last sentence in Article 10 because staff feels uncomfortable with it.

Discussion:

Chairman Wood asked if the agreement was drafted by the FAA.

Mr. Johnson said that it was and they said that it is a standard agreement for contracted tower services.

In respect to Article 10, Chairman Wood said that it seems odd that they can ask individual airports to hold them harmless for their actions.

Chairman Wood said that perhaps the Airport should make it non-standard and cross off the last sentence, sign it and send it back to them.

Chairman Wood asked if a dollar value was known for the utilities.

Mr. Johnson said that he had talked to Facilities Manager, Ben Peck, about it and he said that as long as he has been at the airport the airport has never paid for utilities at the tower but if he had to give his best guess he would say during the winter months it would probably be around \$1000 a month.

Chairman Wood asked what the term was for the agreement.

Mr. Johnson stated that it would be a year but it would automatically renew and either party can terminate.

Commissioner Susuras made a motion to enter into the Tower Operating Agreement with the Federal Aviation Administration and the Grand Junction Regional Airport, deleting the sentence "The Airport sponsor agrees to hold the FAA harmless against any claim made by a third

persons or injury, death or property damage arising out of or in connection with performance under this agreement.” Commissioner Wagner seconded. Voice Vote. All Ayes.

C. Colorado Sales Tax Agreement

Interim Airport Manager, Amy Jordan, briefed the Board and stated that in June of 2014, staff made a discovery that sales tax has not been reported and subsequently remitted to the state, city and county for the sale of bottled beverages via vending machines that the Airport operates. Ms. Jordan said that additionally the airport owns and operates restroom vending machines that dispense feminine napkins and diapers and the sales tax on those have also not been reported and remitted. Ms. Jordan stated that since that discovery they have reported it to the State of Colorado and to the City of Grand Junction through the voluntary disclosure program and the State responded with a voluntary disclosure agreement for execution and once that is executed they will conduct an assessment and bill for what is owed. Ms. Jordan said that the City has conducted an assessment, as to how much is owed in back taxes, based on the information the airport has provided on revenues. Ms. Jordan said that the vending machines are currently turned off but once everything is paid and taken care of, including getting some decals and licenses, they will be turned back on. Ms. Jordan stated that on July 7th they released an RFP for vending machine concessions and proposals are due August 8th. Ms. Jordan said that staff would like Board authorization to execute the voluntary disclosure agreement and to make a payment to the city for the tax liability in the amount of \$3,854.82 then subsequently, whatever the State bills for back taxes.

Discussion:

Commissioner Wagner asked why they have to pay sales tax since the airport is a governmental entity.

Ms. Jordan said that they purchase the product from Pepsi and as a government agency the airport is not subject to pay sales tax and they didn't but when they turn around and sell the product to the public they are supposed to remit sales tax.

Commissioner Frishe moved for the agreement to be executed. Commissioner Nelson seconded. Voice Vote. Commissioner Wagner, Abstain. Six Ayes

D. Administration Building Project

1) Legal Counsel Engagement

Chairman Wood Briefed the Board and stated that the engagement letter is for Kelly and Walker. Mr. Wood said that Julie Walker has been the Boards legal counsel for the past few weeks and was engaged as a consultant to Mr. Morgan and this engagement would be directly with Ms. Walker's firm, Kelly and Walker.

Discussion:

None.

Commissioner Frishe moved to engage Kelly and Walker. Commissioner Wagner seconded. Voice Vote. All Ayes.

2) Outstanding Pay Requests

i. Shaw Builders, LLC

1. Pay Application #5

2. Pay Application #6

Chairman Wood stated that the Board is prepared to consider a partial payment and it would be a 10% retainage of the total fee on the building to date. Mr. Wood stated that the payment the Board will consider action on is 90% of pay apps one through six and minus pay apps one through four, which the Authority has paid, and that amount is about \$867,000.00. Mr. Wood said that it is not contemplated as being pay app #5 or #6 nor is it contemplated as being portions of pay apps #5 and #6; it is contemplated as being a 10% retainage on all the billings to date.

Discussion:

Commissioner Wagner said that they have tried working on this to relieve some the stressors on the contractors and Shaw and still retain some good faith in the agreement, to cover until there is someone to sign off on the pay apps.

Chairman Wood read the following:

“Enclosed with this letter is a check on behalf of the Grand Junction Regional Airport Authority issued to Shaw as payment toward amounts submitted by Shaw to the contract for Airport Improvements AIP Project #3-08002751.

As you are aware the Airport has been working diligently towards obtaining the necessary certification of pay applications #5 and #6 as submitted by Shaw, unfortunately due to the acts or remissions of others the airport has not been able to obtain the necessary certifications prior to this date. However, in an effort to relieve at least a portion of the resulting financial condition, the Airport has authorized the payment enclosed. The Airport assumes that the acceptance of this payment, Shaw will distribute it according to its obligation pursuant to the applicable Federal and State Trust Fund laws. In addition, by issuance of this payment at this time and without certification the Airport is in no way waiving any claims it may have, known or unknown, against Shaw and/or its subcontractors and suppliers in connection with the validity of the amounts claimed or the work performed on the project.

The Airport is continuing to pursue independent review of the construction progress to date including certification of the amounts submitted as well as confirmation on percentage complete of the project. Once proper and full certification is obtained the airport will advise Shaw to its position regarding the work performed, the amount paid and any remaining amounts submitted but unpaid.”

Commissioner Wagner stated that by accepting payment it is not the Authority’s expectation that Shaw is waving any other claims it may have and there is no attempt to arrive at some sort of accordant satisfaction.

Commissioner Susuras made a motion for the Authority Board to authorize the payment of \$867,695.08 to Shaw construction, which is 90% of pay applications one through six minus pay

applications one through four, which have already been paid. Commissioner Nelson seconded. Voice Vote. All Ayes.

3. Suspension Costs Invoice

Chairman Wood stated that the Board is prepared to take action on a second payment which is invoice #2994 and invoice #2999 except not the legal fees that are contained in them. Mr. Wood said the sum of the two invoices minus the legal fees the amount is \$16,647.14.

Commissioner Nelson moved to pay Shaw Construction an amount of \$16,647.14, the sum of invoice #2994 and invoice #2999 minus legal expenses. Commissioner Wagner seconded Voice Vote. All Ayes.

ii. Fentress Architects

1. January – May construction Administration Services

Chairman Wood stated that at the last Board meeting the Board specifically asked Fentress to clear up some conflicting information that was given to the Board as to why or why not Jviation would or wouldn't certify the pay applications. Mr. Wood said that they had four telephone conferences with Fentress which did not go as well as they would have liked due to them receiving an email minutes before the conference so the conversation went in a different direction. Mr. Wood stated that the email stated that the fixed fee for administration construction, existing on a verbal contract, has changed.

Discussion:

Commissioner Wagner stated that it seems like every time they request an accounting of what was done and its costs or the methodology of the accounting for submission of billing it's different and now there is yet another way of calculating billing and it's not something he feels comfortable spending public money on. Mr. Wagner stated that he would like to meet with a third part to get an opinion on the value of services.

Ms. Jordan stated that they are unsure if the fees are reasonable for the services. Ms. Jordan stated that when the initial fee was presented to the FAA Denver ADO and they wanted some independent estimate as to the reasonableness to the fees.

Commissioner Nelson asked if anyone recalls any conversations with Fentress saying "these are the numbers".

Ms. Jordan stated that Fentress had provided two letters in September addressed to the previous director with fees for the service but the letters were never executed and then another one was submitted to the previous director that was amended which included Jviation as a subcontractor but was also never executed.

Mike Quinn from Jviation briefed the Board on the documentation/records he has kept for the project and says the Board is welcome to them at any time.

Commissioner Wagner said that what they need to know is what work was done, was it necessary, and was it billed reasonably. Mr. Wagner stated that without a negotiated contract it makes it difficult to justify paying it.

Ms. Jordan had notes from the phone conference with Fentress and read them. Ms. Jordan said Tom Thoebold with Fentress said that “construction administration services did not initially include Jviation because Rex said he was going to handle them directly. Rex then came back and asked Jviation to be back into Fentress’s contract for those services.” Tom said “Rex had indicated to him that he was going to use Jviation on other projects and get better leverage on their fee and that is why he initially planned to contract with them directly.”

Commissioner Wagner said that it seems that directing someone to utilize someone through a subcontractor agreement is an attempt to go around the required process of competitive bidding.

Further discussion took place on some correspondence between Fentress and airport staff.

Commissioner Frishe said that this seems like a “no pay” until rectifiable statements are received.

Commissioner Murray made a motion to table this item. Commissioner Frishe seconded. Voice Vote. Commissioner Susuras Opposed. Six Ayes

E. Revised Banking resolution

Redlined version of the revised banking resolution was given to the Board. Interim Airport Manager, Amy Jordan briefed the Board and stated that the resolution was revised in April to remove past employees from being signatory’s and that left only one staff signatory. Ms. Jordan said that the resolution read so that the Chairman or Vice Chairman and Ben Peck, who is the staff signatory, had to sign any checks or withdrawals in an amount equal to or greater than \$500.00. Ms. Jordan said that Ben Peck is on vacation for about two and a half weeks and that doesn’t allow checks to be cut because Mr. Peck is not around to sign them. Ms. Jordan said that there is not another good staff person to be a signatory so they would like to amend the resolution so that it still requires two signatures but it would be any two of the three signatures.

Commissioner Frishe said that he thinks \$500.00 is a ridiculous amount to require two signatures.

Ms. Eldridge said that she thinks \$2000.00 is a fair amount and the policy can always be reevaluated.

Commissioner Frishe moved to adopt the Revised Banking Resolution 2014-009 and to change the amount from \$500 to \$2000 in the document. Commissioner Langley seconded. Roll Call Vote. Commissioner Langley, Aye; Commissioner Murray, Aye; Commissioner Nelson, Aye; Chairman Wood, Aye; Commissioner Wagner, Aye; Commissioner Frishe, Aye. Motion Carries.

F. Date Change for October Regular Board Meeting

Ms. Jordan briefed the Board and said that the regular scheduled Board meeting in October, which was developed last year, was scheduled for October 28th and was to accommodate previous staff and the room is not available on October 28th but is available October 14th.

Discussion:

Commissioner Frishe moved to change the October regular Board meeting date from October 28th to October 14th. Commissioner Murray seconded. Voice Vote. All Ayes.

IX. Any other business which may come before the Board

None.

XI. Adjournment

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

The Board Meeting adjourned at 8:44pm

Steve Wood, Board Chairman

ATTEST:

Victoria Villa, Clerk to the Board