



Grand Junction Regional Airport Authority Board
Board Meeting and Workshop
Meeting Minutes
June 16, 2015

EXECUTIVE SESSION AGENDA

Time: 4:00PM-5:00PM

I. Call to Order

Mr. Steve Wood, Board Vice Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 4:00 PM on June 16, 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 5:35 PM on June 16, 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
Rick Taggart

Other:

Michael Tweedy, Citizen
Bradley Sullivan, CFC
Kathleen Sickles, Citizen
Eric Trinklein
Justin Pietz
Ryan Hayes
Ryk Dunkelberg

Airport Staff:

Ben Johnson, Interim Airport Manager
Victoria Villa, Clerk

Amy Jordan
Ben Peck
Ty Minnick
Austin Fay
Chance Ballegeer

II. Approval of Agenda

III. Conflict Disclosures

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

IV. Commissioner Comments

Commissioner Wood commented on West Stars opening ceremony for the new paint hangar. Mr. Wood said that it's a nice facility and there is already business lined up for it. Commissioner Wood also commented on the Tuskegee Airmen Red Tail P-51 that will be here this weekend at the Commemorative Air Force event.

Chairman Wagner asked Ms. Amy Jordan and Mr. Ben Johnson to discuss the recent conferences they recently attended.

Mr. Johnson said that in the last month he and Ms. Jordan attended the Allegiant conference in Las Vegas and then they went to Jump Start in Seattle, which are conferences aimed at industry updates and air service development. Mr. Johnson said that Allegiant is doing well, they have had 49 consecutive quarters of profit, the airline is expanding but they don't have any plans to expand service here in Grand Junction. Mr. Johnson said that the Las Vegas flight is healthy and doing well and the LAX flight will continue to be seasonal. Ms. Jordan said that LAX is service is for 2 months twice a week, they started in June and will end the beginning of August but they started the same service at the same times out of Montrose which is a concern because it's not in line with Allegiant's business model and they also serve Montrose directly to LA in winter as well. Mr. Johnson said that Jump Start is a bigger conference with all of the airlines are there, as a whole the industry is growing more outside of the US than inside and most of the airlines are starting to see profits, the 25 largest airports are seeing most of the growth while the small hub/non-hubs are seeing slow to negative growth, partially due to the transition away from the 50 passenger regional jet and consolidation of airlines. Mr. Johnson said that out of the top 25 largest airports DIA was the only large airport on that list that was not growing and actually

shrunk, and they attributed that to United and Frontier scaling back at DIA. Mr. Johnson said that the trend in the decline of the 50 passenger RJ is continuing, they are retiring those out due to the age of the fleet and because they are inefficient and they are transitioning into 75-100 seat aircraft on most of those. Some of the airlines are operating with half of the RJ fleets they had five years ago. Mr. Johnson said that while they were there they met with five airlines, American Eagle reported that the DFW flight is doing well and same with Delta and their Salt Lake flight, and they anticipate seeing no change in either of those services. Mr. Johnson said that they met with Sky West, who doesn't fly here at the moment, but discussed future opportunities at GJ. Mr. Johnson said that one of the interesting things that they learned from Sky West is that Grand Junction has the most air service per capita in the United States than any other similar situated city. Mr. Johnson said that they also met with United and as far as the Houston flight goes it was seasonally withdrawn in January and February and United informed them that the Houston flight is performing poorly and that was the reason it was suspended, they also scaled back the Denver flights for a period of time. Mr. Johnson said that it looks like in the fourth quarter capacity will decrease again on that Denver flight and they attributed that to the scaling back on their RJ fleet and it's getting too expensive to leave an airplane here over night so that affects the 6am flight. Mr. Johnson said that they also met with Alaska and discussed future opportunities with them, they were scheduled to meet with South West but that meeting didn't happen. Airlines would like to see revenue guarantees to take out some of the risk of starting up. Mr. Johnson said that this all ties into the Federal Mineral Lease District Grant that they are working on with the air service development customer business survey.

Ms. Jordan said that the FAA and DOT has a small community air service development (SCASD) program where communities can apply for grant funds to assist with air service and air fare issues, usually it's for community's that are underserved or have really high air fares. Ms. Jordan said that the order will hopefully be released within the next week which will delineate the time line for the program as to when they will make awards for grants and also the funding levels. Ms. Jordan said that the FMLD grant project is moving along, Intervistas has starting working on the passenger demand analysis which they hope to have completed and presented to the Board at the September meeting. Then they will follow that with the business traveler survey and the strategic initiatives, which they hope to have complete by March of next year.

Commissioner Murray asked when it would be finalized.

Ms. Jordan said that they were at the conference and they talked to them as well and they anticipate the passenger demand analysis being completed by early this fall and they are hoping to have a presentation for the Board on the final data at the September Board meeting, possibly the October Board meeting. Ms. Jordan said that the business traveler survey they are going to have completed with results with no later than the end of January and it should only take a few months to develop some strategic initiatives and put them all together.

V. Citizen Comments.

None.

VI. Consent Agenda

A. April 21, 2015 – Regular Board Meeting Minutes

Commissioner Wood gave a few typo corrections.

Commissioner Nelson made a motion to approve the April 21, 2015 Regular Board Meeting minutes with the appropriate corrections. Commissioner Ball seconded. Voice Vote. All Ayes.

VII. Discussion Items

A. Financial Update

Mr. Ty Minnick briefed the Board. Mr. Minnick said that the operating revenue is still down, they had a once a year MAG adjustment to the car rentals and that came out to around \$40,000. PFC's are still down year-to-date to budget but are starting to show some recovery. Operating expenses are down to budget due to the lower cost of fuel. Enplanements for the month and year-to-date, May, are down compared to 2014. Mr. Minnick presented a graph showing that enplanements are still down 8% but are trending up.

Discussion:

None.

B. Security Solutions Update

Commissioner Wood briefed the Board. Commissioner Wood said that since the last Board meeting there was a request of Mr. Chance Ballegeer to incorporate a couple of minor changes and the latest thing that he received was today that their ASP amendment was still in Denver being reviewed by the compliance management team. Commissioner Wood said that they have exercised an extreme amount of patience in this process and he thinks it might be time to elevate some pressure at the compliance management team level of the TSA.

Discussion:

None.

C. Airport Manager Selection Committee Update

Commissioner Murray briefed the Board. Commissioner Murray said that they initially had 50 applicants, they went through the scoring process and so far they have conducted six interviews and of those there is definitely two strong candidates. Commissioner Murray said that they had some other applicants that they are finalizing review now and they will be meeting again on the 25th. Commissioner Murray said that they had some subsequent applications come in after the initial round that still met the close out date of May 26th, so they are reviewing those on the 25th as well. Commissioner Murray said that they would like to select two to three finalists and get

their names published, then set up meetings with the Board as well as a joint meeting with the County Commissioners and the City to give them an opportunity to ask questions as well. Commissioner Murray said that in terms of their review, their focus has been on the applicant meeting the technical requirements that they were looking for and then subsequent to that they were looking for strategic initiatives in history and their outcomes from that and they were also looking for fit, for both this organization as well as a good fit to the community. Commissioner Murray said he has let the applicants that have been interviewed know that they are going to try to have the finalists chosen within a month of the 25th. Commissioner Murray thanked Mr. Johnson for his continued patience.

Discussion:

Chairman Wagner asked how Mr. Murray and Mr. Ball felt about the quality of the applicants.

Mr. Ball said that they have narrowed it down to at least two applicants and he feels very confident that either one of those two would work well for the airport.

IX. Action Items

A. Purchase Request – Insurance Premiums for 2015/2016

Mr. Ty Minnick briefed the Board. Mr. Minnick said that this is the same thing that was presented at the last Board meeting and the Board approved for staff to bind coverage, and the only coverage in this one is that they received a credit for around \$3,400, which was a commissioner credit on the extended reporting period coverage of three years since they pay a flat commissioner rate to HUB, so they reduced it to \$109,000 from \$112,000. Mr. Minnick said that they just need that approval to pay the invoices.

Discussion:

None.

Commissioner made a motion for the Board to approve staff authorization to pay the HUB International insurance invoices presented. Commissioner Nelson seconded. Voice Vote. All Ayes.

B. Standard Form Sublease for Sky Adventures

Ms. Jordan briefed the Board. Ms. Jordan said that she was contacted by the manger of Sky Adventures LLC. Who operates the Sky Adventures Hangar, also known as the Gateway Canyons Hangar, located west of the terminal building. Adjacent to that hangar there's a series of offices that are adjoining to that hangar that the current lessee subleases to various companies. Ms. Jordan said that they didn't bring a standardized agreement resolution to the Board in January, however, there has been a request from Leslie Henderson with Sky Adventures to have a form that's standard that she can use with sub-lessee's that can be executed at a staff level instead of waiting to bring them to the Board every month. Ms. Jordan said that staff recommends that the Board approves standardized sublease for Sky Adventures and that staff be allowed to execute with aeronautical use tenants. If there is a non-aeronautical use tenant, that

sub-lease will still need to come before the Board. Ms. Jordan said that typically Sky Adventures doesn't enter into subleases beyond a one year term with tenants, however, they did want some flexibility so staff could approve up to five years for aeronautical use.

Discussion:

Commissioner Nelson asked how many subleases could be in that building.

Ms. Jordan said that they have about ten offices in that building and then the third floor which is unfinished, which could be finished into multiple offices or could be one tenant so it just depends.

Commissioner Ball made a motion for the Board to approve the Standard Form Sublease for Sky Adventures LLC. And authorize the Airport Manager to execute aeronautical use sublease agreement in the approve form for terms not to exceed five years. Commissioner Nelson seconded. Voice Vote. All Ayes.

C. Resolution 2015-006 – Amended Fees & Charges

Mr. Minnick briefed the Board. Mr. Minnick went over the three changes.

1. Changed the header on page 6. to include Rental Car Operators.
 - a. Fuel purchases – It currently has rental car operator paying a maximum of \$.25 increase to the airport's cost and in the case of inventory being extremely low vs. the cost of local gas prices, he would like to have the flexibility to increase that price to be more competitive with local gas stations.
2. Page 13 Fuel Flow Fee – Mr. Minnick said that there was some confusion about who they were actually charging the fuel flow fee to, whether it included commercial airlines or not. Mr. Minnick said that he's never found any historical evidence that they have ever charged a commercial airline for fuel flow fees through West Star and West Star does not remit a fuel flow fee on commercial airlines and he wanted to make that clear in the fees and charges. Mr. Minnick said that it was in there at one point that commercial was excluded and then it got taken out so he would like to get it put back in.
3. Lease rate on page 15 & 16 – Mr. Minnick said that this was amended after the standardized lease was passed at the last Board meeting, they took out some of the confusing charts and updated the adjustment from annually (depending on what lease is in place, it could be annually, it could be two years), updated it from saying "land lease" and "ground lease" which was taken out because this also applies to rental cars. Mr. Minnick said that all of section B was removed as well because it's covered in the leases.

Discussion:

Commissioner Wood said that on page 13 he thinks the clarification is a good idea, but his concern is the use of the word "military", and maybe it should be substituted with "government operated aircraft".

Mr. Minnick said that he would like to double check with West Star because their remittance says "Military".

Ms. Jordan said that maybe it should be more specific for commercial airlines as well and change it to Part 121 air carrier operators.

Mr. Minnick said that he would get clarification on the use of “military”, if a modifier in front commercial air carriers to designate Part 121 is needed and get more clarification on the fuel flowage fees.

Chairman Wagner

Item tabled.

D. Xcel Easement Amendment

Ms. Jordan briefed the Board. Ms. Jordan said that this was discussed at the last Board meeting but since the last meeting she did some additional research and Excel and the Public Service Company of Colorado have asked not to deviate from an easement, they indicated difficulty getting it through their hoops if the airport alters from an easement so they have asked for the airport to provide an amendment to the easement with the changes that the airport has requested. Ms. Jordan said that she and Mr. Wegener drafted an addendum to the easement covering Mr. Wegener’s concerns but he felt that the easement was fine. Ms. Jordan said that she talked to the FAA in terms of the obligation that the airport has to them for any navigational-aids that might be on the property and the outer marker was decommissioned in 2012 and this parcel was removed from the memorandum of agreement (MOA) that the airport has from the FAA and Ms. Jordan has an email from them saying that they no longer need it and the airport can do with it as they please. Ms. Jordan said that she did do research in terms of the access that the resident to the south appears to be using the drive way across airport property. Ms. Jordan said that she talked to the county surveyor and there are no easements on the property so they suggested that the airport write a letter to the resident to let them know what is going on and that the airport will be closing that access point. Ms. Jordan said that if they give them two week notice then they have time to file a petition to that if they require access.

Discussion:

Commissioner Murray suggested to pay a visit to the resident using the land first to let them know what is going on and then follow it with the letter.

Ms. Jordan said that she was planning on hand delivering it and talking to them.

Chairman Wagner said that the consensus of the Board is to deliver the letter as drafted and see what the response is.

Chairman Wagner said that he read through the easement for Excel and he is fine with it, but it’s a peculiar way to handle the structures.

Ms. Jordan said that in the first addendum to the 1997 easement, it does grant them the right to install, construct, operate, repair, and replace structures.

Further discussion took place on changes to the easement.

Item tabled. Ms. Jordan will deliver the letter in the interim.

E. Bring Your Own Device (BYOD) Policy

Chairman Wagner said that he read the policy, so essentially what staff wants to do is a reimbursement stipend for employees carrying their own devices.

Mr. Johnson said that they did change the proposed stipend for the basic phone to \$25 to get it closer to what the cost is now.

Commissioner Murray asked if employees would have to agree to have software installed that the airport can remotely wipe.

Mr. Johnson said that that is something that they are looking into still, they have found a solution that is economically feasible but they left the policy broad enough that if they want to put that in there they can.

Commissioner Murray asked what the security risks are with information that may be on personal phones.

Mr. Johnson said that most of what they have is publically available, however, there is sensitive security information as well as personnel information and there is a confidential information section in the policy.

Commissioner Murray asked how it's protected if they lose it.

Mr. Johnson said that the phone has to be password protected and with an iPhone, the "find my phone" has to be turned on so the phone can be erased if necessary but that kind of information shouldn't be carried on any phone anyway.

Commissioner Taggart said that text messaging is also subject to open records laws so that should be included in the policy.

Commissioner Wood made a motion for the Board to approve the Bring Your Own Device Policy presented with the changes of the proposed stipend, lowered from \$30.00 to \$25.00 per month, and the addition of text messaging into the policy. Commissioner Nelson seconded. Voice Vote. All Ayes.

IX. Any other business which may come before the Board

None.

X. Adjournment

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

The Board meeting adjourned at 8:04PM.

Rick Wagner, Board Chairman

ATTEST:

Victoria Villa, Clerk to the Board