



Grand Junction Regional Airport Authority Board
Board Meeting and Workshop
Meeting Minutes
May 19, 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 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. Steve Wood, Board Vice Chairman, called the Meeting of the Grand Junction Regional Airport Authority Board to order at 5:20 PM on May 19, 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:

Shannon Kinslow, TOIL
Cathy Ball, Citizen
Bradley Sullivan, CFC
Ty Goare, HUB International
Chad Goare, HUB International
Dan Ashton, CMU
Kathleen Sickles, Citizen
Michael Tweedy, Citizen
Bill Marvel, GJAUTA
Bradley Barker, Citizen

Airport Staff:

Ben Johnson, Interim Airport Manager
Victoria Villa, Clerk

Amy Jordan
Ben Peck
Ty Minnick
Austin Fay
Chance Ballegeer

II. Approval of Agenda

Mr. Johnson said that staff has three action items to add to the agenda.

1. HUB Insurance Pay Request
2. Excel Energy Easement Request
3. Colorado Parks and Wildlife Lease Extension

Commissioner Wood said Chairman Wagner will need to be present for action item A, Resolution 2015-005 – GJRAA Bylaw Amendment. Commissioner Wood requested to move item A until Chairman Wagner arrives.

Commissioner Wood approved the agenda with the changes by major motion.

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 welcomed Mr. Rick Taggart to the Board.

Commissioner Wood said that at the last meeting they talked about the upcoming Special Needs Kids day and it was great and a lot of fun and they appreciate West Star’s willingness to host it.

V. Citizen Comments.

None.

VI. Consent Agenda

A. April 21, 2015 – Regular Board Meeting Minutes

Commissioner Wood gave a few typo corrections.

Commissioner Wood approved the April 21, 2015 Regular Board Meeting minutes by major motion.

VII. Discussion Items

A. Financial Update

Mr. Ty Minnick briefed the Board. Mr. Minnick said that enplanements are still down 6% for the month, 10% year-to-date but they are slowly getting better. The airport's operating revenue is down slightly compared to budget, mainly due to the price of gasoline. The airport's non-operating revenue continues to be down because of passenger facility charge (PFC) revenue. The airport's operating expenses are down vs budget, again, due to the cost of fuel.

Discussion:

Commissioner Nelson said that the Board really appreciates how staff is running this and being cautious with spending.

Mr. Minnick said that they definitely have their eyes on the budget all the time and they make sure they know what every penny is paying for.

B. Manager Search Committee Update

Commissioner Murray briefed the Board. Commissioner Murray said that the search committee is meeting tomorrow to go over the list of applicants. The job opening closes on the 26th of May and they have a total of 50 applicants to date, they have all been scored and will be discussed at tomorrow's committee meeting.

Discussion:

None.

C. Security Solutions Committee

Commissioner Wood briefed the Board. Commissioner Wood said that since the last meeting the TSA came back with a very short list of requested tweaks to their ASP amendment, they worked on those last week and got them in to them last Thursday morning. Commissioner Wood said that they have not heard anything from them yet but the current Federal Security Director (FSD), Chis McLaughlin, is leaving the TSA but their hope is have a signed ASP amendment before he leaves.

Discussion:

None.

D. Administration Building Committee Update

Commissioner Wood briefed the Board. Commissioner Wood said that at the last meeting Mayor Norris and Councilman Boeschstein were present and they discussed the City's letter of proposal to the airport relative to the admin building, and the committee, which is Commissioner Wood, Commissioner Nelson and Mr. Ben Johnson, met with the city on May 5th ago and it was a good constructive meeting. Commissioner Wood said that they conveyed their appreciation on behalf of the Board for the offer. Commissioner Wood said that they spoke to the FAA and the FAA has expressed their willingness to come to Grand Junction to meet and discuss this.

Discussion:
None.

E. Draft Airline Use and Lease Agreement

Ms. Amy Jordan briefed the Board. Ms. Jordan said that at the last Board meeting she mentioned that staff and counsel had drafted a Draft Airline Use and Lease Agreement to use as a template in discussions with their current commercial airline operators. Ms. Jordan said that the agreements with the current airline operators expired in 2010, however, the current agreements do have a holdover clause creating a month to month tenancy with those operators following the expiration of the agreement. Ms. Jordan said that there has been requests from Allegiant and American and US Airways to get those up to date. Ms. Jordan said that she would like feedback from the Board so she can move forward with discussions with the airline and be able to present final agreements to the Board.

Discussion:
Commissioner Wood asked if staff had any concerns about this to bring to the Boards attention.

Mr. Wegener said no, the draft is pretty standard among a lot of airports.

F. Environmental Assessment Update

Ms. Jordan briefed the Board. Ms. Jordan said that the airport's primary runway, 11/29, currently has modifications to standards that were issued by the FAA years ago, allowing the airport to operate a runway that does not meet the FAA design standards. Ms. Jordan said that the previous administration and the FAA decided to move forward with correcting those non-standard conditions by constructing a new runway north of the current runway's location. Ms. Jordan said that the first phase of the environmental assessment (EA) was initiated in August of 2009 and was completed in May of 2011. Phase two of the EA is the production of the actual EA which is what they are in now. Ms. Jordan said that recently they had a meeting with the agencies involved which are; the Bureau of Land Management (BLM), the FAA and the Airport, and the reason BLM is involved is because currently the preferred alternative to relocate the runway north of its current location, requires a number of acers of BLM property to be transferred to the Airport. Ms. Jordan said that they have been drafting an EA that meets the requirements of the BLM and the requirements of the FAA. Ms. Jordan briefly discussed the four chapters of the EA. Although the preferred alternative identified in the current EA is to relocate the runway, this may not happen, another alternative may surface that might be less expensive and not require as much BLM land, however, in the draft EA presented tonight one of the proposed mitigation efforts for

the transfer of BLM land is to build a staging area for some of the off-road recreational users and some of that might not be needed if BLM land is not necessary. Ms. Jordan said that they are proposing three dates for public hearings for the EA. Staff hopes to be able to publish a draft for public comments on June 17th.

Discussion:

Commissioner Murray asked what assessments Armstrong has completed.

Ms. Jordan said that Armstrong has done a geo-tech analysis which was done last year last year and the finding of that was over 50% of the runway requires full depth reconstruction.

Mr. Hartmann, with Armstrong Consultants said that the first phase was completed last year which was the geo-tech analysis of the existing runway footprint to determine the feasibility of how much would need to be reconstructed to meet the strength that the airport needs. Mr. Hartmann said that the task order that they are in the midst of right now is a continuation of that where they are looking a little bit higher, they have looked at the underground so now they want to look at those various modifications to standards that are spelled out mostly in respect to surface gradient.

Commissioner Murray asked what implications they would have on the alternatives.

Ms. Jordan said that all of the alternatives that are currently being evaluated by Armstrong would be covered under this EA.

Commissioner Ball asked for examples of what those other options might be.

Mr. Hartmann said that one of them was to separate the two runways where they intersect and that would involve a shift in the main runway.

Mr. Johnson said that one of them was to shift 11/29 to the west about 1800ft. and the other option was shifting 11/29 west about half that distance and shifting the crosswind runway south a few hundred ft.

Ms. Jordan said that if the Board elected to go with a different alternative for construction there would not need to be another EA, this EA will cover any of the projects.

Commissioner Langley asked how long the EA lasts before it has to be updated.

Mr. Hartmann said that has a 3 year shelf life from the date it's finalized.

G. Republic Parking Proposal Committee

Mr. Johnson briefed the Board. Mr. Johnson said that since the last meeting he has had contact with Republic Parking and they answered the questions the Board had. Mr. Johnson said that it would be nice to have a committee so information can be relayed a little more efficiently and

investigate whether or not they should go out to RFP or do they want to entertain the off from Republic Parking.

Discussion:

Commissioner Langley said that the Audit and Finance Committee could take it on.

IX. Action Items

A. HUB Insurance Pay Request

Mr. Minnick briefed the Board. Mr. Minnick said that the property insurance, the airport general liability and the auto have all gone down. Mr. Minnick said that the one they need to focus and need some decisions made on is the Public Officials Liability a.k.a D&O. Mr. Minnick said that their options are to either do a renewal with RSUI who is the airport's current carrier or they can switch carriers to ACE.

HUB representatives Chad and Ty Goare discussed the details of each option. Ms. Goare said that the two best options are moving to ACE or staying with RSUI, and their recommendation is to move to ACE who is also the airport's general liability carrier. Ms. Goare said that the issue with moving carriers with a claims made policy is that they will want to buy an extended reporting period from RSUI to make sure to continue the continuity of coverage, and they are offering one year at 75% of the current premium and are offering all the way up to 6 years for 200% of the premium. Ms. Goare said that in addition to just the premium coverage and the coverage forms, RSUI is currently at \$50,000 retention, so before they will pay any claims the airport has to reach the \$50,000 retention. ACE is offering a \$25,000 retention. In addition, premium savings is about 25% between RSUI and ACE.

Mr. Minnick said that he likes ACE but what the tail coverage needs to be figured out because of the budget but it is a one time thing. Mr. Minnick said that RSUI is looking to potentially move out of the Airport market so RSUI may not be option next year.

Ms. Goare said that one of the red flags for them with RSUI was that when they were trying to negotiate some better terms, they indicated that they didn't want to move because airports are outside of their appetite which made them question if they would in the future.

Commissioner Wood made a motion for the Board to authorize staff to proceed binding with ACE and purchasing 3year tail with RSUI. Commissioner Langley seconded. Voice Vote. All Ayes.

Commissioner Nelson moved to authorize the Interim Airport Manager to execute the agreement between ACE and the Grand Junction Regional Airport. Commissioner Wood seconded. Voice Vote. All Ayes.

B. Resolution 2015-005 GJRAA Bylaw Amendment

Mr. Wegener briefed the Board. Mr. Wegener said that their current bylaws that they are seeking to replace require any amendments to their bylaws to be approved at two consecutive Board meetings by the entire Board, and this is the second vote in favor of the new amended bylaws.

Discussion:
None.

Chairman Wagner called for a roll call vote. Commissioner Ball: Aye, Commissioner Wood: Aye; Commissioner Nelson: Aye, Commissioner Langley: Aye, Commissioner Murray: Aye, Commissioner Taggart: Aye, Chairman Wagner: Aye. Board adopted Resolution 2015-005 GJRAA Bylaw Amendment.

C. Junction Aerotech, LLC Lease Addendums

Ms. Jordan briefed the Board. Ms. Jordan said that in February the Board consented to a lease assignment of three ground leases from P&L Properties to Junction Aerotech, following those lease assignments Junction Aerotech commissioned a survey of the lease parcels and the surveys differed slightly from the surveys that the Airport has on file and they have asked for the Airport to update via addendum. Ms. Jordan said that the fiscal impact is really de minimis to the Airport.

Discussion:
None.

Commissioner Nelson made a motion to approve the three lease assignments and to authorize the Chairman of the Board to sign them. Commissioner Langley Seconded. Voice Vote. All Ayes

D. Aeronautical-Use Ground Lease Agreement

1. Aeronautical-Use Ground Lease Agreement

Commissioner Wood recused himself from this discussion and any vote arising from it, as a hangar owner.

Mr. Johnson briefed the Board. Mr. Johnson said that the Lease Committee met last week and discussed the final lease and the public comment that they received. Mr. Johnson said that they made one additional change to some of the verbiage in the lease. Throughout the lease there was some inconsistency, sometimes it was “tenant” and sometimes the word was “lessee” so the committee went back through and changed all of those to “lessee”. Mr. Johnson said that one point that they do need clarified is for current tenants that are opting into, if the Board wants to see each of those leases or is that something staff can execute without Board approval.

Discussion:

Chairman Wagner said that the whole purpose of creating the standard lease agreement was so that staff could execute them without Board approval.

Commissioner Nelson said that if staff gets any non-standard agreements, bring them to the Board.

Commissioner Nelson moved for the Board to adopt the new Aeronautical-Use Ground Lease Agreement as recently amended to add the word “lessee” instead of “tenant” and to authorize the Airport Manager to sign. Commissioner Murray. Voice Vote. All Ayes.

2. 2015 Fees and Charges Ground Lease Rate

Mr. Johnson briefed the Board. Mr. Johnson said that one of the issues the committee identified is the current lease rate in the fees and charges. As they are currently approved, anybody entering into a new lease moves up to \$.20 per square foot per year and for most tenants that will be a pretty big jump in rate and the committee sees this as a deterrent to adoption of the new lease. Mr. Johnson said that they would like the new lease to be adopted widespread, it makes it easier to manage. The committee would like for the Board to review that lease rate and make a decision on how to move forward.

Discussion:

Commissioner Langley asked if there was a current average lease rate.

Mr. Johnson said that their average lease rate right now is about \$.15

Mr. PJ McGovern spoke briefly on this topic.

Commissioner Ball made a motion to migrate the current lessee’s at the current rate to the new lease agreement with their existing rates for the existing term. Commissioner Nelson seconded. Voice Vote. All Ayes.

E. Employee Handbook

Ms. Jordan briefed the Board. Ms. Jordan said that this is now in a final draft format and at the last Board meeting it was discussed at length the leave time policy and came to the conclusion to go ahead and include PTO and include sick leave, capping the sick leave at 520 hours so that is what is written in the handbook. Ms. Jordan said that additionally a long term disability (LTD) benefit, this benefit would be 100% funded by the employee if elected so it would create no fiscal impact on the airport. Ms. Jordan said that given that the handbook is approved tonight they will start sitting down with employees and going through it with them page-by-page and get a signed receipt from each employee.

Discussion:

None.

Commissioner Ball made a motion to accept the revised Employee Handbook as presented. Commissioner Murray seconded. Voice Vote. All Ayes.

F. City of Grand Junction License Agreement for Communication Equipment

Ms. Jordan briefed the Board. Ms. Jordan said that the City of Grand Junction has a lease agreement with the Airport that expires at the end of this month. The lease agreement is for a small space on top of the airport fire station where they house a repeater for the 911 communication infrastructure. Ms. Jordan said that Mr. Shaver with the City of Grand Junction drafted the updated lease agreement and Ms. Jordan drafted the updated exhibits and installation area. Ms. Jordan said that there is language in the agreement so it shouldn't be a problem approving it tonight but the equipment is accepted FAA airspace, and when this equipment was installed it should have been submitted to the FAA via form 7460 which is for the airspace department of the FAA to analyze the radio frequencies that this repeater transmits on to make sure it doesn't impact anything on airport or with the tower but it was not done. Ms. Jordan said that they don't anticipate that there will be any issues since it's been standing and operating for the last five years but it has been submitted to the FAA but if there are any issues with it, they will be presented to the Board.

Discussion:
None.

Commissioner Ball made a motion for the Board to approve the License Agreement with City of Grand Junction pending FAA airspace review and approval and authorize the Interim Airport Manager to execute the agreement. Commissioner Nelson seconded. Voice Vote. All Ayes.

G. Conveyance Devices Service Agreement

Mr. Ben Peck briefed the Board. Mr. Peck said that the contract for this has gone back and forth between the airport's legal counsel and Otis Company and they have now arrived at a contract that is favorable for both parties. Mr. Peck said that staff requesting for the Board to authorize the Chairman to execute the contract.

Discussion:
None.

Commissioner Langley made a motion to accept the proposal for the elevator and escalator maintenance and repair agreement and authorize the Chairman to sign the agreement. Commissioner Ball seconded. Voice Vote. All Ayes.

H. Task Order – MCFMLD Grant Project

Ms. Jordan briefed the Board. Ms. Jordan said that the Airport was awarded a grant through the Mesa County Federal Mineral Lease District this spring cycle and the grant was for a couple of different studies which include; a passenger demand analysis, a business travel survey and the composition of some strategic initiatives related to air service development for the airport. Ms. Jordan said that she solicited for proposals from three firms that specialize in air service

development. Those three firms included; Sixel Consulting, Intervistas, and Mead and Hunt. Ms. Jordan said that she and Commissioner Murray met and reviewed those proposals, graded them and they are recommending to select Intervistas for that work.

Discussion:

Commissioner Taggart said that there has been some research done by North Star Group as well and thinks it would be a good idea to mesh them together and compare them.

Ms. Jordan said that they have met with representatives from North Star and they have also been notified that the Visitor and Convention Bureau is starting a strategic plan in May and some of the things they will be looking at is air service and relation to tourism so they hope to incorporate them as well.

Commissioner Murray made a motion to enter into the agreement contract with Intervistas and authorize the Interim Airport Manager to execute the document. Commissioner Ball seconded. Voice Vote. All Ayes.

I. Colorado Parks and Wildlife Lease Extension

Ms. Jordan briefed the Board. Ms. Jordan said that they did approve a one year lease extension last year and this is just again extending their lease for another year, this amendment will extend it through June 30, 2016 and they have requested to be moved to the new standard form lease once it's approved.

Discussion:

None.

Commissioner Ball made a motion to authorize the Board Chairman to execute the contract amendment with Colorado Parks and Wildlife. Commissioner Langley seconded. Voice Vote. All Ayes.

J. Excel Energy Easement Request

Ms. Jordan briefed the Board. Ms. Jordan said that this is an addition to an easement that Excel already has. Ms. Jordan said that the Airport owns a parcel located at 23 & L Rd and Excel and The Public Service Company of Colorado have an access easement for a regulator that controls the Fruita lateral, which is the gas pipeline that feeds Fruita, and they are asking for an additional easement just south of the current easement. They are planning on doing some work to that regulator station and improving it and also adding some facilities. Ms. Jordan said that the original easement was entered into in 1995.

Discussion:

Chairman Wagner said that to him this sounds like if there are permanent structures being put on then it's not an easement.

Mr. Wegener said that it would probably be more of an easement agreement with a subsequent lease agreement for the structures.

Commissioner Langley asked if they would go for a lease agreement and abandon at the end of the lease or something to where the structures would be torn down.

Ms. Jordan said that the pipeline runs under the airport's property so she isn't sure what kind of rights they have to it but it's something they can look at.

Commissioner Murray asked what they property is used for now and why the airport has it.

Ms. Jordan said that it's not used for anything and she would have to research as to when it was acquired.

Commissioner Ball said that if this is property they the airport is not using and have no future need to it then maybe they could sell it.

Ms. Jordan said they could look into selling it but it is federally obligated. Ms. Jordan said that they will look into a possible lease for the structures that Excel has in there and they will look in if there has been a formal access easement established with the resident of that house that has a driveway out there.

Item tabled. No action taken.

IX. Any other business which may come before the Board

Commissioner Wood asked if they have the land release for out front of the terminal.

Mr. Johnson said that they don't have it yet, it was published in the register and the comments were supposed to go to him and he hasn't received anything.

Ms. Jordan said that she, Commissioner Ball, and Mr. Minnick formulated a response to their initial proposal and they sat down with them last week and discussed it and they have not heard from them since the meeting.

Commissioner Wood made a motion for the Board to move into executive session to confer with the Authority's legal counsel for the purpose of receiving legal advice relating to negotiations and proposals that are set before this Board. Commissioner Ball seconded. Voice Vote. All Ayes.

X. Adjournment

The Board reconvened into open session at 9:40PM.

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

The Board meeting adjourned at 9:45PM.

Rick Wagner, Board Chairman

ATTEST:

Victoria Villa, Clerk to the Board