

TELLURIDE REGIONAL AIRPORT

MONTHLY REPORT

FOR

JULY 15, 2010

John A. Micetic, Chairman
Richard W. Nuttall, Airport Manager

**TELLURIDE REGIONAL AIRPORT
BOARD MEETING – JULY 15, 2010
12:00 PM, TERMINAL BUILDING**

MEETING AGENDA

- 1) 12:00 PM CALL TO ORDER**
- 2) 12:05 PM**
 - A. APPROVAL OF MINUTES: JUNE 2010**
 - B. FINANCIAL REPORT:**
 - 1. Approval of Accounts Payable**
 - 2. Wayne Coleman – 2009 Audit Report**
 - C. CHAIRMANS COMMENTS**
 - D. NOISE ABATEMENT REPORT**
- 3) 12:45 PM AIRPORT MANAGER'S COMMENTS**
 - A. Announcements**
- 4) 12:50 PM ANNOUCEMENTS & PUBLIC DISCUSSION**
- 5) 1:00 PM ADJOURN**

Buffet Lunch will be provided at 11:30 a.m. \$6.00 per person

MINUTES

TELLURIDE REGIONAL AIRPORT AUTHORITY BOARD MEETING

June 17, 2010

Members Present: John Micetic, Ed Roufa, Al Lewis, Joan May, John Steel and Jon Dwight.

Members Absent: Ann Brady

Alternate Members Present: Stu Fraser, Lynne Beck and Dawn Ibis.

Alternate Members Absent: Rube Felicelli.

Staff Present: Rich Nuttall, Airport Manager, Jan Benintendi, Admin. Assistant and Bob Erie, Airport Attorney.

Call to Order: John Micetic, Chairman, called the meeting of the Telluride Regional Airport Authority to order.

An announcement was made that Mountain Village this morning voted in two new members, Gary Bash and Dave Riley to be on the TRAA Board. They will be replacing Brian Eaton and Scott Stewart.

Roll Call: John Micetic, Ed Roufa, Dawn Ibis, Joan May, Stu Fraser, John Steel, and Gary Bash.

Approval of Minutes: Dawn had a correction on the minutes. Jan was notified and the permanent record of the minutes was corrected before the meeting.

Jon Dwight arrived at this time.

Al Lewis **moved** to approve the May minutes with the correction by Dawn. Second by Ed Roufa. **Approved** unanimously.

Brian arrived at this time, and was informed of the election in Mountain Village that he had been replaced.

Financial Report: Rich was asked about the advertising company that is in arrears. Rich stated he spoke with Bianca on Monday and she said she would double her efforts in getting more advertising. Rich knows the economy is affecting the advertising going into the building. We were closed in May

as well. Jon Dwight stated he used to advertise with her all the time, but he hasn't seen her in over a year. He hasn't had a contact, email, telephone call – nothing. John suggested calling her in, advise her she would be receiving a "Notice of Default" and see if she can come up with a solution.

Bob Erie stated he had sent a letter to AvantAir in regards to the \$4,380.00 they owe the airport.

Ed Roufa **moved** to approve the Account Payables. Second by John Steel. **Approved** unanimously.

Chairman's Comments: John wanted to inform the Board that three members of the Board, John Micetic, Ed Roufa and Al Lewis went to a Small Airport's Conference the first of this week. It was sponsored by Sixel Consulting Group. They met with a lot of people in the industry, including three airlines – Frontier, SkyWest and Great Lakes. They were able to talk to the airlines one on one. Everyone they talked to were told that the Air Organization was the airport's partner. They talked about the different Grants that are available, how they schedule the planes, and what is involved in running an airline. It was very informative.

Lynne Beck arrived at this time.

They had a very good discussion with Frontier and Great Lakes regarding the Q400's. Ed, Al and John will follow up with Air Org. They also learned that every airline is different in what they want to see in any presentation. John has a copy of this list that he will give to Scott.

In last month's minutes, Jon Dwight brought up a point about the make-up of TRAA's Board. Bob was given the responsibility to research this for the Board. Bob reported to the Board that the TRAA Board was founded in 1984. Bob stated that the airport and many airports in the State are founded under the Airport Public Authority Statutes – 41-3-101 CRS. That legislation was enacted in 1963 and continues to the present time. The portion of it that refers to the make-up of the appointments of the Board has remained constant from 1963 to 2010. When the airport was formed, it was formed by the action of two entities: The County of San Miguel and the Town of Telluride. Concurrent with that, there was a Funding Agreement negotiated, executed and signed. In the Funding Agreement, TELCO was a material player. They owned a lease to this present facility; they had a Special Use Permit. They were the only entity that was involved in the airplane business in Telluride in the early 1980s. They were also willing to step up and fund this airport. The Statute is crystal clear. The municipalities and the County are the only legal entities that can combine to form this Board. At that time, two members from the County and two members from the Town and two members from TELCO were chosen, plus some At-Large positions. In 1994, the Funding Agreement was coming to an end, and at this time Mountain Village had been formed and functioning as a municipality, but not officially incorporated. TELCO still held power, and the decision at that time was to change to two members from the Mountain Village, two members from the County, two members from the Town of Telluride and three At-Large positions to form the TRAA Board.

The question was asked if we could diversify the Board. The answer is "no", in fact we have to change the Board. TELSki is not a legitimate entity with which to combine to form the airport. The original combining entities can invite Mountain Village in, and if that entity wants in, then by Resolution, we can include the municipality of Mountain Village at this time to form this

Airport Board. At the time, TELCO – Mountain Village was a PUD, not a municipality. In 1994 the Town of Telluride and the County by a formal Resolution, designated Mountain Village to have seats on the TRAA Board. Everything was done properly, except they did not comply with the State Statute.

John stated he will be in communications with the different entities, and will have more information later.

Bob said the three entities will each have three designations to the Board. The Board maximum is 9 members, the minimum is 5. Each entity can have an alternate if they want, but it is not required. The alternate position will not be a voting position, unless one of the regular members is absent.

Bob has met with Stu, and will meet with Mountain Village and the County and will suggest that they say to each other, they all want to be together as entities combined to create this entity. By resolution they name their three designees to the Board. Each member should be a resident and elector and has to be on a tax roll.

Noise Abatement Report: Brian said a couple of days ago, a King Air made a wide base turn over the town. He called our staff and they talked to the pilot.

Airport Manager's Comments: Rich gave an update on the construction project. Everything is going fine as of today. We are on schedule and things are going along pretty good. Rich announced there is a change in the Board's packet. The change is the time we are going to close. These dates have been changed to August 17th and reopen on August 22nd. We were informed about a concert that is scheduled earlier in the month and that is the reason for the change.

Bob stated all of the contracts have been signed in regards to the hangar issue. Rich said the FAA will buy the hangar. We will have a closing, and disperse the funds at that time. We take possession of the property, and we will allow them to stay there until September 30th when the building is scheduled to come down. We have the site preparation going on right now for the new hangars. The agreement is the airport will have the site prepped by July 1st and then they can start constructing their new building.

Joan commented that it looks really dusty out this way. Rich said the winds are really bad. But the contractor is doing a good job keeping water on the surface to help with the dust.

John has asked Rich to do a presentation today to review the goals and objectives of the airport. Rich's presentation gave an over-view of what our goals have been and what we have accomplished and where we think we are going in the future.

After hearing a lot of the statistics, Jon Dwight suggested forming a strategic planning committee. That strategic planning committee should be meeting with the Air Org. strategic planning committee to bring all of this to fruition.

Joan stated she appreciates everything Rich has done to make this a viable airport and to keep it afloat and solvent. What she is hearing is that we can do both. We can continue the GA which is our bread and butter, and we can get up to at least 17,000 or more enplanements with the commercial as is. We shouldn't have discussions about increasing our runway or anything, at

least until we increase our numbers from what they are today. She would like to see another presentation one day soon about what it will take to entice airlines to come here. TMRAO has two goals and that is Montrose and Telluride. We only have one goal, and that is Telluride.

Budget Review: The Operating Budget does not have any problems right now. What Rich wants to focus on is the Capital Budget.

Terminal – Last month the Board approved the simplified plan to accommodate the 60-plus seat aircraft. We have two ways to move forward for the terminal improvements. We can go with a request for qualifications, where we put out a public request and interview qualified contractors who want to do the work. We would go through plans and specifications. They come up with a cost. Once this is agreed upon, we move forward with the improvements. The other option we have is to hire someone to put plans and specifications together, go out to bid, take the low bidder and you get what you get. Rich tends to go with the first option, and then you can pick the quality of the contractor. It is up to the Board. Secondly, when would the Board like to start the project? Rich suggested starting next April and be finished by the end of June. We would be ready for summer and next winter.

Rich stated the airport needs roof repairs. We could go for another winter if we have too. It is about \$40,000 to add to the cost of the terminal improvements. We have the option of doing the roof repair this summer or fall, or wait until next year. However, it needs to be done by next spring. Discussion followed about the roof. To put a new roof on over the old one, it would be approximately \$240,000. To do the spray-on, the cost is \$40,000 with a 10-year guarantee. Dawn Ibis **moved** to approve the \$40,000 expenditure from the Capital Budget to do the spray-on roof as presented at the previous meeting. Second by Joan May. **Carried** unanimously.

Hazardous materials: We have two 500 gallon fuel tanks that are stand alone in a secondary containment that collects water. The hazmat person has recommended we go with a new double-wall tank that eliminates the secondary containment. Water collects with the system we now have. We have to pump the water out continually and it is costly. To replace that tank with the new double-wall is \$6,000. The new tank will save the airport in penalties by not having the oil, gas and water mixed together. The penalties would be stiff. To pump the water, the cost would be two to five thousand dollars, depending how much we would have to pump out. We have budgeted in the Non-Grant Equipment Purchases \$60,000 and this would add \$6,000 to that number. Dawn **moved** to approve the \$6,000 expenditure from the Non-Grant Funded Equipment Purchase line item in the Capital Expense Budget for the double-walled containment tank. Second by Stu Fraser. **Approved** unanimously.

Tug that pulls airplanes: We now have a 6,000 lb. tug that we use to tow various aircraft on the ramp and a couple of electric. In 1998, Rich started to convert all of the ground line equipment to electric. He just purchased a used 10,000 lb. tug that is sufficient to tow the large Gulfstream off of the ramp into the big hangar in the wintertime. It is an old gas model that cost \$2,500. He looked at a new electric one with the same rating and the price was \$95,000. He researched converting gas to electric and has contacted two entities that do this type of work. To convert to electric, the cost is about \$33,000, and with paint etc. the total would be about \$40,000. We can convert this year or next. Discussion followed with the Board being concerned about the additional funds coming out of savings. Rich reviewed the expenses that will need to come out of the Savings Account including Phase IV if that is completed next year. The Savings could go down to approximately \$400,000. Rich does not want to go any lower than that in our reserves. Rich advised the Board that we had 2.5 million in Savings and it took a long time to accumulate

that much money. When things come up, we get a Grant or we pay cash. We have to be very careful where we spend our money and where we invest it. We need to maintain our facilities, and we need to maintain safety first. Discussion followed with the pros and cons of electric versus gas. Rich stated the money will come from savings whether we do it this year or next. To rebuild the engine and keep it gas, the cost is approximately \$3,000 plus. Rich stated if you want to reduce the carbon footprint on this tug, it will cost \$33,000 plus. If you want to keep the gas engine, he can probably do it for \$5,000. This would include paint and incidentals. Jon made the **motion** to rebuild the engine of the existing gas tug not to exceed \$5,000 instead of converting now and wait to see how the summer goes. Stu seconded the motion for discussion purposes. Joan asked Rich for his comments on what he would like to do. Rich would like to have the electric because it is much easier to maintain. The way the tug is designed, it is a little primitive. With the electric, it is a much more smoother operation, safer for towing. If he has an option, he would prefer to wait and do it right. John suggested spending the money this year and use the equipment for safety and insurance reasons. Then, we can discuss it next year. Lynne suggested coming back with information on what the real differences are between electric and gas and what the differences are with the way it works. Rich said he would talk with the personnel, the ones who drive it, and get their opinions. If they are not comfortable driving it, then Rich is not going to do it. He knows they do not feel comfortable with it the way it is right now because of the older design. The gas tug does not have a normal clutch. You have to shift and it is very jerky. We can use it, but Rich is not comfortable with it. The electric would have a joy stick, and it is a very smooth operation. Vote was taken. **Failed** 1 to 8. The Board would like to see what the frequency was of pulling the larger planes up the hill last winter, and the options for improving the system over-time. Jon stated Rich did not need to come back with all of the details. After he talks to his personnel, he can give the Board their recommendations. Gary would like to see the service life between a rebuilt engine and a new one. Rich said it should be the same as the rebuilt one will have all new components.

Announcements and Public Discussions: Jon mentioned the Board had talked about solar a few months back. He found out that right now there are no Grants available for solar. However, one option we might have is if we were to give the land to do a solar farm, and they would give us our own panels. Joan recommended Jon talk to the County Planning before he does anything. Bob interjected the FAA has restrictions and we cannot give land away. John Micetic agreed.

Scott stated in regards to the 10,000 enplanement watch, with the closure, we are down 566 passengers from the forecast. This means for the end of the year, if the forecast is good, we should have about 11,025. This will be a monthly thing to keep checking to see where everything is going. Also, the Small Service Air Grant is coming up again for application. Scott is trying to put a proposal together this year. With John, Ed and Rich, they met with Rocky Mountain Airways and they may be a potential server of this airport at some point. It is very early though.

Great Lakes are willing to look at Airline Guarantees now. They did not make the window for next year, but Air Org. will be working with them.

John Micetic stated that Cortez is going to be closed for a month and a half, and they will bring the service into Telluride. They estimate it will help our enplanements up to about 900. That will be three additional flights a day for Telluride. This should happen around August 15 thru the end of September. The airlines are aware Telluride will be closing on the 17th through August 21st.

Joan May made the **Motion** to adjourn to Executive Session to discuss "litigation". Second by Stu. Motion **carried** unanimously.

Meeting resumed.

Motion was made to adjourn the TRAA Board meeting by Dawn Ibis. Second by Stu Fraser. Meeting adjourned.

John Micetic - Chairman

Richard W. Nuttall, Airport Manager

Telluride Regional Airport
A/P Aging Summary
As of June 30, 2010

	Current	1 - 30	31 - 60	> 60	TOTAL
Amerigas	225.32	0.00	0.00	0.00	225.32
Auto Parts of Montrose	44.99	0.00	0.00	0.00	44.99
Avfuel Corporation	19,664.55	21,334.43	0.00	0.00	40,998.98
Barnes Distribution	178.81	0.00	0.00	0.00	178.81
Benintendi, Jan	0.00	-578.40	0.00	0.00	-578.40
C & H Enterprise, Inc.	0.00	0.00	0.00	12,345.00	12,345.00
Central Distributing Co.	679.87	0.00	0.00	0.00	679.87
Colorado Department of Labor and Employme	210.00	0.00	0.00	0.00	210.00
Dex Media East LLC	225.10	0.00	0.00	0.00	225.10
Federal Express	40.55	37.21	0.00	0.00	77.76
Grand Junction Pipe & Supply Company	127.19	186.00	0.00	0.00	313.19
HighTower Supply	2.30	0.00	0.00	0.00	2.30
Home Depot	0.00	850.01	0.00	0.00	850.01
Lee, Pat & Associates	1,392.24	0.00	0.00	0.00	1,392.24
Liberty Bell Electric Inc.	0.00	595.00	0.00	0.00	595.00
Masters Security Systems & Services	0.00	75.00	0.00	0.00	75.00
Mitchell and Company	75.00	0.00	0.00	0.00	75.00
Montrose Daily Press	103.12	0.00	0.00	0.00	103.12
Montrose Signs	235.00	0.00	0.00	0.00	235.00
Montrose Water Factory, LLC	433.52	0.00	0.00	0.00	433.52
Parish Oil Company, Inc.	1,945.83	776.60	-2,704.46	0.00	17.97
Pinyon Mesa Automatics, Inc.	1,242.22	0.00	0.00	0.00	1,242.22
Pitney Bowes	112.00	0.00	-148.76	0.00	-36.76
QT Technologies	20.45	0.00	0.00	0.00	20.45
Quill	508.54	0.00	0.00	0.00	508.54
San Miguel Power Assoc.	3,342.00	0.00	0.00	0.00	3,342.00
Shop "N" Lube Express	0.00	0.00	0.00	-5.64	-5.64
Telluride Publishing	837.50	0.00	0.00	0.00	837.50
Telluride Websmith	575.00	0.00	0.00	0.00	575.00
Timberline Ace Hardware	124.44	14.49	0.00	0.00	138.93
UPS	0.00	-9.03	0.00	0.00	-9.03
Vaisala	500.00	0.00	0.00	0.00	500.00
Verizon Wireless	192.42	0.00	0.00	0.00	192.42
Village Center	17.00	0.00	0.00	0.00	17.00
Waste Management	537.30	0.00	0.00	0.00	537.30
TOTAL	33,592.26	23,281.31	-2,853.22	12,339.36	66,359.71

1:04 PM
07/05/10

Telluride Regional Airport A/R Aging Summary As of June 30, 2010

	Current	1 - 30	31 - 60	> 60	TOTAL
AIR FORCE	0.00	310.04	0.00	0.00	310.04
Air Force Academy	0.00	0.00	0.00	413.76	413.76
ALLTEL Communications Inc.	0.00	-1,080.00	0.00	0.00	-1,080.00
Alpine Luxury Limo	0.00	0.00	0.00	1,060.00	1,060.00
AVANTAIR INC.	0.00	0.00	0.00	4,380.00	4,380.00
Blue Sky Telluride	0.00	0.00	6.86	0.00	6.86
Campbell, Jeff	0.00	6.39	0.00	0.00	6.39
CENTURY AVIATION	0.00	0.00	0.00	66.84	66.84
FAIRFIELD HOMES	0.00	0.00	-412.44	0.00	-412.44
Gb Auction Inc dba	0.00	0.00	0.00	1,051.58	1,051.58
Great Lakes - Other	13,408.85	0.00	0.00	0.00	13,408.85
Great Lakes Aviation	0.00	0.00	0.00	-140.45	-140.45
Hertz Rent-A-Car Offices	0.00	0.00	5,250.00	5,250.00	10,500.00
Inn at Lost Creek	0.00	0.00	0.00	750.00	750.00
Kennedy, Nick	0.00	0.00	10.00	0.00	10.00
Lerch, Elizabeth	0.00	0.00	0.00	530.20	530.20
Mattson, Bill	0.00	384.52	8.83	83.76	477.11
Peak Aero Group	0.00	0.00	0.00	-144.01	-144.01
Saunders, Bob	0.00	500.00	0.00	0.00	500.00
State of Colorado	0.00	0.00	0.00	10,610.13	10,610.13
U.S. Airways	3,480.70	0.00	0.00	6,961.40	10,442.10
Valued Customer	0.00	291.44	0.00	0.00	291.44
TOTAL	<u>16,889.55</u>	<u>412.39</u>	<u>4,863.25</u>	<u>30,873.21</u>	<u>53,038.40</u>

2010 OPERATING BUDGET SUMMARY

January - June 2010	2010	2008
Aircraft & Pilot Income	\$1,518,327	\$2,285,181
Aircraft & Pilot Expenses	\$504,042	\$607,503
Cost of Goods Sold	\$695,638	\$1,295,312
Net Income (Loss)	\$318,648	\$382,366
Terminal Income	\$224,698	\$209,687
Terminal Expenses	\$181,830	\$172,754
Net Income (Loss)	\$42,867	\$36,933
Airside Income	\$162,762	\$177,706
Airside Expenses	\$179,328	\$211,849
Net Income (Loss)	-\$16,566	-\$34,143
Interest Income	\$65	\$34,808
Total Net Operating Income (Loss):	\$345,014	\$419,964

**TELLURIDE REGIONAL AIRPORT
2010 OPERATING BUDGET**

AIRCRAFT & PILOT INCOME	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Aircraft Oil	\$ 1,000	\$ 237	\$ 606	-60.86%
AvGas	\$ 117,000	\$ 55,869	\$ 81,530	-31.47%
Catering	\$ 90,000	\$ 24,464	\$ 63,847	-61.68%
Hangar Fees	\$ 230,000	\$ 132,008	\$ 178,331	-25.98%
Jet-A	\$ 2,461,189	\$ 1,237,551	\$ 1,864,273	-33.62%
Jet-A Airlines	\$ 20,000	\$ 14,637	\$ 12,749	14.81%
Line Services	\$ 73,000	\$ 27,851	\$ 52,805	-47.26%
Pilot Supplies	\$ 13,500	\$ 8,704	\$ 7,635	14.00%
Tie-Down Fees	\$ 46,800	\$ 17,007	\$ 23,031	-26.16%
Waste Fuel	\$ 300	\$ -	\$ 374	-100.00%
Total:	\$ 3,052,789	\$ 1,518,327	\$ 2,285,181	-33.56%

AIRCRAFT & PILOT EXPENSES	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Aircraft Incidents	\$ 2,500	\$ -	\$ 2,100	-100.00%
AvFuel Trip Incentive	\$ 6,000	\$ 1,932	\$ 3,858	-49.92%
Catering	\$ 73,000	\$ 18,379	\$ 51,465	-64.29%
Pilot Refreshments	\$ 4,000	\$ 2,468	\$ 2,670	-7.58%
Courtesy Car Expenses	\$ 1,200	\$ 175	\$ 894	-80.47%
Credit Card Fees	\$ 83,000	\$ 35,302	\$ 53,513	-34.03%
Employee Health Insurance	\$ 73,097	\$ 28,452	\$ 25,944	9.67%
Employee Salaries	\$ 338,000	\$ 132,990	\$ 179,715	-26.00%
Employee Training	\$ 1,200	\$ 5,324	\$ 418	1173.66%
Equipment Maintenance	\$ 40,000	\$ 25,775	\$ 21,415	20.36%
Equipment Maintenance Labor	\$ 32,000	\$ 18,980	\$ -	#DIV/0!
Equipment Rental	\$ 500	\$ 210	\$ 456	-53.95%
Fuel Farm Utilities	\$ 3,500	\$ 1,894	\$ 1,957	-3.22%
Equipment Fuel & Oil	\$ 30,000	\$ 6,377	\$ 14,525	-56.10%
Hangar Insurance	\$ 4,000	\$ 4,005	\$ 3,623	10.54%
Hangar Loan	\$ 155,266	\$ 77,633	\$ 77,633	0.00%
Hangar Maintenance	\$ 5,000	\$ 1,965	\$ -	#DIV/0!
Hangar Rental (Sub-Lease)	\$ 1,500	\$ 838	\$ 1,485	-43.57%
Hangar Utilities	\$ 40,000	\$ 17,036	\$ 36,195	-52.93%
Liability Insurance	\$ 15,000	\$ 7,017	\$ 13,924	-49.61%
Line Supplies	\$ 20,000	\$ 13,721	\$ 14,621	-6.15%
Uniforms	\$ 8,500	\$ 3,711	\$ 5,146	-27.89%
Satelite Systems/Runway Camera	\$ 3,200	\$ 4,723	\$ 1,594	196.30%
Workman's Compensation	\$ 18,000	\$ 25,182	\$ 17,646	42.71%
Admin. & Operations (1/3 of Total)	\$134,107	\$69,954	\$76,706	-8.80%
Total:	\$ 1,092,570	\$ 504,042	\$ 607,503	-17.03%

**TELLURIDE REGIONAL AIRPORT
2010 OPERATING BUDGET**

COST OF GOODS SOLD	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Jet-A Fuel	\$ 1,294,000	\$ 641,770	\$ 1,218,170	-47.32%
100LL Fuel	\$ 106,000	\$ 45,602	\$ 64,749	-29.57%
Oil	\$ 850	\$ 154	\$ 405	-61.87%
De-Ice:	\$ 5,000	\$ 3,524	\$ 8,375	-57.93%
Pilot Supplies	\$ 250	\$ 65	\$ 97	-32.71%
Hats and T-Shirts	\$ 5,500	\$ 4,458	\$ 3,054	45.97%
Unleaded Fuel	\$ 700	\$ 64	\$ 462	-86.09%
Total:	\$ 1,412,300	\$ 695,638	\$ 1,295,312	-46.30%
AIRCRAFT GROSS PROFIT (LOSS):	\$ 547,919	\$ 318,648	\$ 382,366	-16.66%

**TELLURIDE REGIONAL AIRPORT
2010 OPERATING BUDGET**

TERMINAL INCOME	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Advertising	\$ 20,000	\$ 6,667	\$ 8,750	-23.81%
Airlines	\$ 170,000	\$ 83,536	\$ 74,713	11.81%
Car Rental Agencies	\$ 90,000	\$ 70,351	\$ 48,409	45.33%
Cell & Pay Phones	\$ 20,000	\$ 13,308	\$ 12,144	9.58%
Copy/Fax	\$ 1,200	\$ 848	\$ 712	19.13%
Office Rentals	\$ 46,000	\$ 14,877	\$ 33,224	-55.22%
Parking Lot	\$ 18,000	\$ 11,600	\$ 10,106	14.78%
Sales Tax Discount	\$ 4,000	\$ 331	\$ 2,482	-86.66%
Taxi Service	\$ 19,000	\$ 22,657	\$ 18,366	23.37%
Vending Machines	\$ 1,200	\$ 522	\$ 781	-33.17%
Total:	\$ 389,400	\$ 224,698	\$ 209,687	7.16%
TERMINAL EXPENSES	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Janitorial Supplies	\$ 5,200	\$ 1,828	\$ 3,502	-47.81%
Janitorial Other	\$ 38,000	\$ 12,500	\$ 19,600	-36.22%
Liability Insurance	\$ 15,000	\$ 7,017	\$ 13,924	-49.61%
Maintenance	\$ 20,000	\$ 10,025	\$ 7,897	26.94%
Maintenance Labor	\$ 32,000	\$ 18,980	\$ -	#DIV/0!
Parking Lot	\$ 1,000	\$ 330	\$ 109	202.72%
Pay Phones	\$ 1,800	\$ 840	\$ 840	0.00%
Security	\$ 3,000	\$ 5,873	\$ 1,230	377.46%
Terminal Insurance	\$ 4,000	\$ 8,597	\$ 3,981	115.95%
Terminal Utilities	\$ 65,000	\$ 37,626	\$ 40,410	-6.89%
Trash	\$ 7,000	\$ 3,199	\$ 3,280	-2.47%
Vending Machine Expense:	\$ 500	\$ 420	\$ -	#DIV/0!
Water Maintenance	\$ 5,000	\$ 4,642	\$ 1,275	264.11%
Admin. & Operations (1/3 of Total)	\$134,107	\$69,954	\$76,706	-8.80%
Total:	\$ 331,607	\$ 181,830	\$ 172,754	5.25%
TERMINAL GROSS PROFIT (LOSS):	\$ 57,793	\$ 42,867	\$ 36,933	16.07%

**TELLURIDE REGIONAL AIRPORT
2010 OPERATING BUDGET**

AIRSIDE INCOME	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Airline Landing Fees	\$ 35,000	\$ 32,183	\$ 25,018	28.64%
GA Landing Fees	\$ 135,000	\$ 73,245	\$ 77,710	-5.75%
Land Leases	\$ 26,000	\$ 20,141	\$ 18,973	6.16%
Promotional Fees	\$ 1,200	\$ -	\$ 1,200	-100.00%
State Fuel Tax Rebates	\$ 80,000	\$ 37,193	\$ 54,805	-32.14%
Total:	\$ 277,200	\$ 162,762	\$ 177,706	-8.41%
AIRSIDE EXPENSES	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Airfield Lighting Maintenance	\$ 1,000	\$ 1,026	\$ 1,487	-31.00%
Airfield Lighting Utilities	\$ 1,500	\$ 710	\$ 828	-14.25%
Airfield Maintenance	\$ 2,500	\$ 5,026	\$ 5,541	-9.29%
ARFF Building Insurance	\$ 225	\$ 202	\$ 206	-1.94%
ARFF Employee Medical	\$ 2,720	\$ 5,439	\$ 3,718	46.29%
ARFF Employee Wages	\$ 13,780	\$ 23,169	\$ 26,549	-12.73%
ARFF Equipment	\$ 8,500	\$ 250	\$ 3,931	-93.64%
ARFF Maintenance	\$ 2,500	\$ 327	\$ -	#DIV/0!
ARFF Training	\$ 17,000	\$ 11,730	\$ 6,762	73.47%
ARFF Liability Insurance	\$ 145	\$ -	\$ -	#DIV/0!
ARFF Utilities	\$ 3,200	\$ 944	\$ 2,519	-62.52%
AWOS Maintenance	\$ 7,000	\$ 375	\$ 625	-40.00%
AWOS Utilities	\$ 900	\$ 250	\$ 643	-61.12%
Business Auto Policy	\$ 7,500	\$ 6,935	\$ 7,431	-6.67%
Equipment Fuel & Oil	\$ 45,000	\$ 4,861	\$ 22,117	-78.02%
Equipment Insurance	\$ 4,800	\$ 968	\$ 4,771	-79.71%
Equipment Maintenance	\$ 45,500	\$ 15,170	\$ 25,832	-41.28%
Equipment Maintenance Labor	\$ 32,000	\$ 18,980	\$ -	#DIV/0!
Liability Insurance	\$ 15,000	\$ 7,017	\$ 13,924	-49.61%
Operations Training	\$ 2,500	\$ 1,252	\$ -	#DIV/0!
SRE Insurance	\$ 650	\$ 606	\$ 566	7.07%
SRE Utilities	\$ 6,200	\$ 3,388	\$ 3,953	-14.30%
SWMP Maintenance	\$ 5,000	\$ 750	\$ 3,740	-79.95%
Admin. & Operations (1/3 of Total)	\$134,107	\$69,954	\$76,706	-8.80%
Total:	\$ 359,227	\$ 179,328	\$ 211,849	-15.35%
AIRSIDE GROSS PROFIT (LOSS):	\$ (82,027)	\$ (16,566)	\$ (34,143)	-51.48%
INTEREST INCOME:	\$ 50,000	\$ 65	\$ 34,808	-99.81%
NET OPERATING PROFIT (LOSS):	\$ 573,684	\$ 345,014	\$ 419,964	-17.85%

**TELLURIDE REGIONAL AIRPORT
2010 OPERATING BUDGET**

ADMINISTRATIVE EXPENSES	BUDGET 2010	ACTUAL 30-Jun-10	ACTUAL 30-Jun-08	PERCENT CHANGE
Accounting Audit	\$ 6,500	\$ -	\$ -	#DIV/0!
Administrative Salaries	\$ 151,685	\$ 75,843	\$ 117,482	-35.44%
Bad Debts	\$ 1,000	\$ 3,497	\$ 441	692.89%
Bank Finance Charges	\$ 900	\$ 690	\$ 442	56.17%
Copy/Fax/Computer Maintenance/Lease	\$ 10,800	\$ 6,292	\$ 5,556	13.24%
Crime Insurance	\$ 1,200	\$ -	\$ -	#DIV/0!
Dues & Subscriptions	\$ 2,200	\$ 1,234	\$ 820	50.52%
Employee Education	\$ 2,000	\$ -	\$ -	#DIV/0!
Employee Medical Insurance	\$ 24,432	\$ 17,463	\$ 21,936	-20.39%
Fringe Benefits	\$ 2,650	\$ 2,650	\$ 2,650	0.00%
Legal	\$ 25,000	\$ 14,527	\$ 12,927	12.38%
Marketing	\$ 50,000	\$ 30,970	\$ 18,552	66.94%
Office Supplies	\$ 4,000	\$ 1,338	\$ 1,887	-29.12%
Payroll Expenses	\$ 60,000	\$ 32,082	\$ 25,891	23.91%
Postage & Shipping	\$ 6,000	\$ 1,300	\$ 3,739	-65.23%
Retirement Benefits	\$ 10,000	\$ 2,855	\$ 4,485	-36.34%
Public Officials Insurance	\$ 13,500	\$ -	\$ -	#DIV/0!
Telephone/Internet	\$ 27,000	\$ 13,682	\$ 11,262	21.49%
TRAA Meeting	\$ 1,300	\$ 5,412	\$ 676	700.61%
Travel	\$ 2,000	\$ 26	\$ 1,218	-97.90%
Workman's Compensation	\$ 155	\$ -	\$ 154	-100.00%
Total:	\$ 402,322	\$ 209,861	\$ 230,118	-8.80%

NOTE: Administrative Expenses is divided equally and included in each expense budget (Aircraft & Pilot, Terminal and Airside.

Airport was closed from May 10th through June 8th.

**TELLURIDE REGIONAL AIRPORT
2010 CAPITAL BUDGET**

CAPITAL INCOME:	2010 BUDGET	2010 ACTUAL
Beginning Bank Account Balance	\$1,400,000	\$1,758,618
Passenger Facility Charges	\$45,000	\$26,732
FAA Grants	\$20,638,057	\$8,403,023
State Grant	\$250,000	\$0
Rock Sales	\$265,000	\$84,663
Old Equipment Sales	\$25,000	\$1,400
Interest Income	\$1,500	\$3,277
TOTAL AVAILABLE FUNDS :	\$22,624,557	\$10,277,712

CAPITAL EXPENSES:	2010 BUDGET	2010 ACTUAL
AIP-20 Completion (Note 10)	\$ -	\$ 6,157.08
AIP-22 Completion	\$1,800,000.00	\$503,407.97
AIP-25 Completion	\$1,200,000.00	\$443,754.68
AIP-26 (Note 1)	\$17,894,737.00	\$7,292,529.21
Grant Funded Equipment Purchases (Note 2)	\$679,533.00	\$0.00
Non-Grant Funded Construction Projects (Notes 3 & 9)	\$115,000.00	\$134,189.80
Non-Grant Funded Equipment Purchases (Note 4)	\$60,000.00	\$62,406.37
Maintenance Tools (Note 5)	\$10,000.00	\$9,833.01
Bank Fees	\$50.00	\$30.00
Reimbursable Legal Fees (See Note 7)	\$150,000.00	\$0.00
Non-Reimbursable Legal Fees (See Note 8)	\$15,000.00	\$0.00
New Radar Installation Fee	\$110,000.00	\$0.00
TOTAL CAPITAL EXPENSES:	\$22,034,320.00	\$8,452,308.12

REMAINING CAPITAL INCOME:	\$590,236.50	\$1,825,403.85
ENDING OPERATING INCOME TRANSFER:	\$400,000.00	Estimated
ESTIMATED BEGINNING BALANCE FOR 2011:	\$990,236.50	See Note 6.

Note 1: Phase III runway/safety area project.

Note 2: Purchase new ARFF vehicle (Ordered June 2009).

Note 3: Fuel Truck Storage Building and gutters for Hangars S1-S3, and for Terminal expansion study.

Note 4: Replace aging John Deere Gator (gas) with new electric ATV, modify runway sweeper and modify ramp plow.

Note 5: Misc. hand tools, hoist, aircraft tow dolly and portable weldor.

Note 6: The estimated beginning balance for 2011 is for Phase IV of the runway project, hangar debt reduction and for an emergency fund.

Note 7: Legal fees relating to the Dehlhur lawsuit, which are reimbursable by the FAA.

**TELLURIDE REGIONAL AIRPORT
2010 CAPITAL BUDGET**

Note 8: Legal fees for AST lawsuit.

Note 9: Award/Display case and crack sealing of apron are additional items.

Note 10: Close-out AIP -20 (95% paid by FAA).

AIRPORT MANAGER'S REPORT

For JULY 2010

Public Announcements

Grant Updates

The following is an update regarding our FAA and State grants:

- AIP-21: Design grant for 95% design of the runway project. This project has been completed, and we are closing out this grant.
- AIP-22: This project has been completed. The final claims by contractor are still pending and a change order has been sent to the FAA for their review.
- AIP-23: Land acquisition (Forest Service) closed out and completed.
- AIP-24: New ARFF Vehicle. Grant has been received and signed. Bid awarded to Rosenbauer for \$679,533.00. Truck delivery scheduled for July 2010.
- AIP-25: Phase II, Runway/Safety Area Improvements. This project has been completed. Grant still open pending final close-out documents.
- AIP-26: Phase III, Runway/Safety Area Improvements. R.E. Monks was awarded the contract, and the Notice to Proceed was issued on May 1, 2010. FAA has provided all funding necessary to complete all schedules based on bids provided by R.E. Monks.
- AIP-27: This grant was issued to purchase part of the EMAS, which will allow all ten schedules to be completed for Phase III.

Phase III Runway/Safety Area Project Update

The project is on schedule as of this writing. We have an area on the southern slope adjacent to the main entrance road and between the new parallel taxiway that will need additional stabilization, which will increase the budget. I expect to have the projected costs upon my return on July 19th.

The airport is still expected to be closed from August 17th through August 21ST (5-days) in order to complete the paving activities at the runway thresholds.

Terminal Advertising

The Airport's contract advertiser has defaulted on their lease, and has agreed to leave all the new video monitors as payment for their due account. I believe this is fair, and we will begin the process of finding a new company. I will be contacting other airports in the area to see who they are using, etc. I will make another report to the board at the August board meeting.

Category C & D Approach Update

I have made significant progress with the FAA in facilitating the design and publication of the new category C & D instrument approaches. I will have a further update at the August board meeting.

ENPLANEMENTS 2010

				2010	2009
	Great Lakes	U.S. Airways	Gen. Av	TOTAL	TOTAL
January	699	1225	1602	3526	3265
February	566	1200	1237	3003	3308
March	570	1306	1368	3244	3348
April	291	0	273	564	237
May	64	0	78	142	0
June	395	0	732	1127	0
July				0	0
August				0	0
September				0	0
October				0	0
November				0	770
December				0	1935
Total for 2010	2,585	3,731	5,290	11,606	12,863
Total for 2009	3,512	3,495	5,856	12,863	
Total for 2008	10,396	3,641	15,657	29,694	
Total for 2007	12,741	4,616	16,170	33,527	

Enplanements Comparisons	2009 GA	2010 GA	2009 Airlines	2010 Airlines
January	1561	1602	1704	1924
February	1308	1237	2000	1766
March	1395	1368	1953	1876
April	110	273	127	291
May	0	78	0	64
June	0	732	0	395
July	0		0	0
August	0		0	0
September	0		0	0
October	0		0	0
November	411		359	0
December	1071		864	0

DEPLANEMENTS FOR 2010

	Great Lakes	U.S.Airways	Gen Av	2010 Total	2009 Total
January	533	1122	1278	2933	2644
February	656	1278	1443	3377	3447
March	539	1150	1523	3212	3126
April	200	0	265	465	133
May	66	0	80	146	0
June	466	0	804	1270	0
July				0	0
August				0	0
September				0	0
October				0	0
November				0	813
December				0	2840
Total for 2010	2460	3550	5393	11403	13003
Total for 2009	3514	3418	6071	13003	
Total for 2008	9929	3259	15204	28392	
Total for 2007	12088	4020	15499	31607	

Deplanement Comparisons	2009	2010	2009	2010
	GA	GA	Airlines	Airlines
January	1190	1278	1454	1655
February	1402	1443	2045	1934
March	1502	1523	1624	1689
April	82	265	51	200
May	0	80	0	66
June	0	804	0	466
July	0		0	0
August	0		0	0
September	0		0	0
October	0		0	0
November	429		384	0
December	1466		1374	0

OPERATIONS FOR 2010

	Great Lakes	U.S. Airways	Gen. Av.	2010 Total	2009 Total
January	120	98	740	958	980
February	100	88	624	812	984
March	96	90	742	928	954
April	92	0	196	288	86
May	24	0	64	88	0
June	86	0	474	560	0
July				0	0
August				0	0
September				0	0
October				0	0
November				0	428
December				0	808
Total for 2010	518	276	2840	3634	4240
Total for 2009	662	322	3256	4240	
Total for 2008	1852	300	8510	10662	
Total for 2007	2316	364	9234	11914	

Operation	2009	2010	2009	2010
Comparisons	GA	GA	Airlines	Airlines
January	734	740	246	218
February	734	624	250	188
March	722	742	232	186
April	70	196	16	92
May	0	64	0	24
June	0	474	0	86
July	0		0	0
August	0		0	0
September	0		0	0
October	0		0	0
November	332		96	0
December	664		144	0

SCHEDULED DEPARTURES 2010

	U.S. Airways	Great Lakes	Total
January	54	66	120
February	52	56	108
March	50	62	112
April	0	56	56
May	0	14	14
June	0	44	44
July			0
August			0
September			0
October			0
November			0
December			0
Total for 2010	156	298	454
Total for 2009	161	330	491
Total for 2008	193	1001	1194
Total for 2007	216	1229	1445

ACTUAL DEPARTURES 2010

	U.S. Airways	Great Lakes	Total
January	49	60	109
February	44	50	94
March	45	48	93
April	0	46	46
May	0	12	12
June	0	43	43
July			0
August			0
September			0
October			0
November			0
December			0
Total for 2010	138	259	397
Total for 2009	161	330	491
Total for 2008	150	926	1076
Total for 2007	182	1158	1340