



MINUTES

Board Meeting & Executive Session
Wednesday, June 10, 2015 | 1:00 pm
Division of Aeronautics
5126 Front Range Parkway | Watkins, CO 80137
Joseph H. Thibodeau Room

MEMBERS PRESENT:

Ray Beck	Chairman
Ann Beardall	Vice-Chair
Jeff Forrest	
Joe Rice	

MEMBERS ABSENT:

John Reams	Secretary
Robert Orlislagers	
William "T" Thompson	

OTHERS PRESENT:

Stanley Buck	CDOT - Division of Aeronautics Interim Director
Christine Eldridge	CDOT - Division of Aeronautics
TK Gwin	CDOT - Division of Aeronautics
Mike Krochalis	CDOT - Division of Accounting & Finance
Daniel Pia	CDOT - Division of Audit
Shahn Sederberg	CDOT - Division of Aeronautics
Maria Sobota	CDOT - Interim Chief Financial Officer
Scott Young	CDOT - Division of Accounting & Finance
Richard Baker	Fremont County
Lorie Hinton	Centennial Airport and CAO
Bryan Johnson	Rocky Mountain Metropolitan Airport
Bob Lewan	Front Range Airport
Leo Milan	Office of the Attorney General
David Ulane	Aircraft Owners Pilots Association

Pledge of Allegiance

1. CALL TO ORDER

Meeting commenced at 1:05 pm. Chairman Ray Beck noted there was a quorum.



2. INTRODUCTION OF THE NEW AERONAUTICS DIVISION DIRECTOR

Dave Ulane was introduced as the new Director for the Division of Aeronautics. Dave spoke briefly about his aviation background and expressed his gratitude and excitement at the opportunity to lead the Division.

3. APPROVAL OF MEETING MINUTES

3.1 May 19, 2015 - General Meeting

Joe Rice made the MOTION to approve the minutes from May 19, 2015 and Jeff Forrest seconded.

The MOTION carried unanimously.

3.2 May 29, 2015 - Special Meeting Telecon

Joe Rice made the MOTION to approve the minutes from May 29, 2015 and Ann Beardall seconded.

The MOTION carried unanimously.

4. AMENDMENTS TO THE AGENDA

There were no amendments to the agenda.

5. BOARD MEMBER REPORTS

Ann Beardall spoke about a meeting scheduled tomorrow in Gunnison with Colorado Parks and Wildlife and one of the topics for discussion is the prohibition of waterway use of seaplanes in the State of Colorado. Ann said that Colorado is the only state in the union that prohibits this. Colorado Pilots Association has launched a campaign to change this and Ann would like to see the CAB support this effort. Ray Beck requested that this topic be added to the agenda for the next CAB meeting. Ann mentioned several upcoming fly-in events in Colorado. Joe Rice spoke about the Colorado Space Business Roundtable (CSBR) road trips, which will take place in July and August in eastern Colorado. Joe also mentioned the CSBR Summer Internship Program, which begins June 15th. Jeff Forrest had nothing to report. Ray Beck gave an update on the runway project at Yampa Valley Regional Airport.

6. PUBLIC COMMENTS

Richard Baker invited everyone to an airshow at the Fremont County Airport on September 19th. The new manager at Rocky Mountain Metropolitan Airport, Bryan Johnson, introduced himself to the Board.

7. INTERIM DIRECTOR'S REPORT



Stanley Buck noted that this will probably be his last CAB meeting as the interim Aeronautics Director and took a moment to thank the Board and the staff for all the assistance he's been given over the last several months. Stanley said that he has received confirmation that the Blended Airspace contract will expire in December of this year. Stanley said he's had a request from Paragon to interview the CAB in relation to the performance audit they are conducting. Ray Beck took a moment to thank Stanley for his service to the Division.

8. DIVISION OF ACCOUNTING & FINANCE (DAF) UPDATE ITEMS

Maria Sobata introduced Scott Young, who is the manager of the CDOT Business Offices and Mike Krochalis, who is responsible for Aeronautics business support until the current job vacancy is filled. Maria thanked Mike for assisting Aeronautics and also thanked the Aeronautics staff and the Board for welcoming Mike.

8.1 Financial Update

Mike said that as of June 4th, the cash balance in the Aviation Fund is \$2.4 million, which already accounts for \$1.7 million of outstanding/uncashed warrants. The May sales tax disbursements have been processed for a total of \$1.3 million, leaving a cash balance of \$1.1 million available. Sales tax received in the Aviation Fund in April was \$2.5 million, with a year to date total of \$26.9 million. Sales tax disbursements to airport sponsors have totaled \$16.4 million year to date. Grant payments to airport sponsors year to date totals \$18.1 million.

8.2 Administrative Budget Increase

Mike said that after expenditure analysis with Aeronautics staff, it is anticipated that the Division administrative expenses will exceed the budget by an estimated \$135,000. With the end of the fiscal year quickly approaching on June 30th, the intention is to receive approval from both the CAB and the Transportation Commission (TC) as soon as possible to move existing funding from three Aeronautics cost centers to the Administrative cost center. The funding will come from unused amounts currently in the following cost centers: Crack Fill Rebate, Engineering Services and National Business Aviation Association (NBAA). When approved, this will increase the Administrative cost center budget to \$1,110,951.52, which is under the 5% statutory cap. Mike said that some of the reasons identified for the overage in the Administrative Budget is as follows: additional year to date Director salary and benefits costs; \$41,000 of furniture and fixture expenses in a planned remodel of the Watkins office that was charged to the Administrative Budget because it didn't fit the criteria to be booked to the cost center dedicated to the remodeling project; and there is a monthly chargeback amount for HQ support that has so far totaled \$56,000 and Mike cannot yet confirm if that was planned for in the budget. Maria Sobota added that should the Board approve this budget increase, she will be prepared to take it before the TC for approval on Thursday, June 18th. Joe Rice made the MOTION to approve the Administrative Budget increase of \$135,000 and Jeff Forrest seconded.

The MOTION carried unanimously.

8.3 Aeronautics Finance Position Update

Scott Young said that DAF and Aeronautics management are in the process of identifying the back-fill position roles and responsibilities in preparation for advertising the recently vacated



financial support position. The goal is to update the position description questionnaire (PDQ) to ensure the proper duties and skills requirements are included to support the Division and the Board going forward.

8.4 Performance Audit Update

Scott Young briefed the Board on the status of the Performance Audit being conducted by Paragon. The kick-off meeting was held on May 8th and since then, there have been weekly meetings with Paragon, DAF and Aeronautics staff. The first phase of the audit will mainly consist of fact finding, to include interviews, collection of documentation and gaining knowledge of CDOT software.

9. DIA SURPLUS EQUIPMENT SALE REQUEST

TK Gwin said that DIA recently notified the Division that they have several pieces of airport-specific equipment currently available for sale to Colorado public-use airports. This is a program that the CAB has supported in the past and has been very beneficial to Colorado airports. In 2013, the CAB grant approval consisted of an 80 percent match for purchased equipment and maintenance needed to get any equipment into working order. In 2014, the CAB approved 90 percent match for purchased equipment and maintenance. This year, the Division would like to change the matching terms to better fit our current financial situation. The request is to amend the Division's participation level to 80/20 for the airport's first pick and 50/50 for their second and third pick. If an airport wants to purchase more than three pieces of equipment, they would have to cover 100 percent of the cost. The Division is not asking for maintenance matching grants this year. There are approximately 25 pieces of equipment that will be available for sale and the Division would like to request an amount not to exceed \$250,000 to fund this program. Ann Beardall made the MOTION to approve \$250,000 to cover the matching funds for Colorado public-use airports to purchase surplus equipment from DIA and Jeff Forrest seconded.

The MOTION carried unanimously.

At this time, the public was advised that they needed to vacate the room in preparation for the Executive Session.

10. EXECUTIVE SESSION

Ray Beck announced that he would entertain a MOTION to enter into Executive Session, pursuant to C.R.S. 24-6-402 (3) (a) (II) for the purpose of receiving legal advice to specific questions related to the Web-based Information Management System (WIMS) Pre-Release Report, Audit 15-013.

Jeff Forrest made the MOTION to enter into Executive Session and Ann Beardall seconded.

The MOTION carried unanimously.

The Board entered into Executive Session at 2:15 pm.



Ann Beardall made the MOTION to exit the Executive Session and Jeff Forrest seconded.

The MOTION carried unanimously.

The public meeting resumed at 2:45 pm.

11. ACCEPTANCE OF THE WIMS AUDIT

Ray Beck asked if there is a MOTION to accept the WIMS audit. Jeff Forrest made the MOTION to approve the WIMS audit and Ann Beardall seconded.

The MOTION carried unanimously.

12. PROPOSED CALENDAR

The next meeting is scheduled for Wednesday, July 8th, 1:00 pm at the Division Offices. Ray Beck made the request to have a future meeting at DIA and mentioned that Jeff Forrest has offered to host a meeting at Metropolitan State University. Ray added that his goal is to also have a CAB meeting on the western slope.

13. OTHER MATTERS BY PUBLIC & MEMBERS

Jeff Forrest said that he had attended the Colorado Airport Operator's Association conference last week and complimented Robert Olislagers on his presentation on Airport Security.

14. ADJOURNMENT

Ann Beardall made the MOTION to adjourn the meeting and Jeff Forrest seconded.

The MOTION carried unanimously.

The meeting adjourned at 2:48 pm.

