



MINUTES

Board Meeting

Wednesday, December 14, 2016 | 1:30 pm

Division of Aeronautics

5126 Front Range Parkway | Watkins, CO 80137

Joseph H. Thibodeau Room

MEMBERS PRESENT:

Ray Beck	Chairman	
Robert Olislagers		via Telephone
John Reams	Secretary	via Telephone
Joe Rice		
William "T" Thompson		

MEMBERS ABSENT & EXCUSED:

Ann Beardall	Vice-Chair
Jeff Forrest	

OTHERS PRESENT:

David Ulane	CDOT - Division of Aeronautics Director
Christine Eldridge	CDOT - Division of Aeronautics
Todd Green	CDOT - Division of Aeronautics
Bryce Shuck	CDOT - Division of Aeronautics
Shahn Sederberg	CDOT - Division of Aeronautics
Scott Storie	CDOT - Division of Aeronautics
Kaitlyn Westendorf	CDOT - Division of Aeronautics
Richard Baker	Fremont County Airport
Bruce Claremont	Fremont County Airport
Ray Hawkins	Colorado Seaplane Initiative
Jake Hoban	Armstrong Consultants
Chuck Howell	Great Lakes Airlines
Rich LeDoux	Fremont County Airport
Jason Licon	Fort Collins-Loveland Airport
Leo Milan	Office of the State Attorney General
Zech Papp	Harriet Alexander Airport
Kelly Sloan	Olson Strategies/Colorado Seaplane Initiative
Bill Totten	Colorado Pilots Association
Kip Turner	Grand Junction Regional Airport



This meeting was live-streamed over the internet.

Pledge of Allegiance

1. CALL TO ORDER

Meeting commenced at 1:02 pm.

2. APPROVAL OF MEETING MINUTES

Joe Rice made the MOTION to approve the minutes from October 19, 2016 and William "T" Thompson seconded.

The MOTION carried unanimously.

3. AMENDMENTS TO THE AGENDA

There were no amendments to the agenda. William "T" Thompson made the MOTION to approve the agenda as presented and Joe Rice seconded.

The MOTION carried unanimously.

4. BOARD MEMBER REPORTS

Jeff Forrest and Ann Beardall submitted written Board Member Reports to Chairman Beck, who in turn provided copies to the attending members. John Reams had nothing to report. Robert Olislagers spoke briefly about some recent aviation events and made note of the recent passing of Astronaut John Glenn. William "T" Thompson mentioned that the Air Force football team will be playing in a bowl game on December 31st. Joe Rice said that the Colorado Space Business Roundtable had their annual Space Round-Up on December 7th. He also advised the Board that the Geostationary Operational Environment Satellite (GOES) launch took place on November 19th. Leo Milan spoke briefly about some interesting cases that the Office of the State Attorney General is involved in. Ray Beck announced that he has been reappointed to the Colorado Aeronautical Board (CAB) for another term. He also spoke about an upcoming hang gliding event that will take place next summer, on June 18th and 19th at Blue Mountain near Dinosaur. David Ulane presented to the Board the honorable mention award that the Division of Aeronautics (Division) received from the Airports Going Green Conference for our General Aviation Airport Sustainability Program. Robert Olislagers had attended this conference on behalf of Centennial Airport and was gracious enough to accept this on behalf of the Division.

5. PUBLIC COMMENTS

Kip Turner addressed the Board about the Division's previous attendance and participation at the National Business Aviation Association (NBAA) Conventions and how he would like to see the



Board and the Division re-engage in this worthwhile endeavor. Jason Licon announced that the Colorado Airport Operators Association (CAOA) Legislative Reception and Conference will take place on January 23rd and 24th at the Brown Palace in downtown Denver. Richard Baker spoke briefly about recent events at the Fremont County Airport. Ray Hawkins said there will be a Splash-In event at Lake Meredith on May 20th. He advised the Board about the newly formed Colorado Seaplane Initiative and introduced Kelly Sloan from Olsen Strategies, who in turn spoke briefly about potential seaplane legislation.

6. DIRECTOR'S REPORT

David Ulane referred to an outline he gave to the CAB of recent activities he has participated in. He spoke about the Strategic Plan and where we are currently as we prepare to release the Request for Proposal (RFP). Ultimately, the goal is to have a selection committee to review the proposals and David has requested that it include one CAB member. Ray Beck agreed and it was determined that Jeff Forrest will serve on the selection committee. David spoke briefly about a recent meeting he and Bryce attended with Nate Pearson from the Governor's Office of State Planning and Budget. This meeting occurs yearly and serves as a status check on our financial situation and process improvements we've made since the last meeting. David said we are moving forward on our Web-based Information Management System (WIMS) sharing initiative and we are working through some changes that have occurred in the Salesforce platform. David recently attended the Colorado Aviation Business Association (CABA) annual meeting, as well as the Colorado Agriculture Aviation Association conference. In conclusion, David advised the CAB that the 2017 Colorado Airport Directory will be released very soon and it was decided that the Division will update that publication annually instead of every other year. Shahn Sederberg unveiled the cover of the new directory, which is a photo of the Colorado State Patrol's King Air flying in front of the beautiful Rocky Mountains. David and Shahn thanked the members of the State Patrol who made it possible to capture the images that appear in our directory.

7. PARAGON AUDIT PROGRESS REPORT

David Ulane said that he is pleased to report that the final two recommendations of the Paragon Audit have now been completed. They were how we processed payments between WIMS and SAP internally and how we forecasted our grant drawdowns. We have closed out those last two recommendations and submitted that to the CDOT Internal Audit Division for their concurrence. The Board was satisfied that the Division was able to close out all 23 recommendations in 14 months.

8. FINANCIAL/GRANT UPDATE

8.1 Aviation Fund Update

David Ulane referred to a slide that showed our forecasted Aviation Fund balance depicted against the \$11M loan agreement limit and the April 1, 2020 deadline and all indications are that we should be at a zero balance sometime between July and September of 2018. Once we get to that point, we can really focus on building our contingency fund based on our risk. As we have articulated to airports over the last year and a half, this does incorporate the planned reduction in our grant cap from \$250,000 to \$150,000 and we feel this will be the same funding scenario for FY19 and FY20.



8.2 Financial Update Dashboard

Bryce Shuck referred to a series of financial slides that were provided to the Board in their packets. He said that our month ending cash balance in November was -\$3,092,239. Our original budgeted revenue for FY17 was \$17M, but that was updated in October to \$19.5M. We will be issuing a new official forecast at the January CAB meeting, in an effort to update our official forecasts on a quarterly basis. Bryce said that our sales tax revenues for November were \$1.76M, which was for October filings and refunds for November totalled \$1.05M, which was for September filings. Excise revenues for November were \$82K, which was for October filings. Excise refunds totalled \$110K, which was for September filings. Bryce said that gallons of fuel used at Denver International Airport (DEN) for November was 34.8M gallons. Sales tax at DEN continues to be about 70% of our revenue. Bryce added that year over year, there was an increase of 4.7M gallons used, equating to about an 18% increase. The year to date costs of our Administrative Budget equal \$400K. For our yearly projected totals, we are on track to spend \$974K, in comparison to a 5% statutory cap of \$1.066M.

8.3 Excise Tax Refund Process Improvement

Bryce said that the Division traditionally reimburses airports monthly for excise taxes paid at the airport if/when those taxes are claimed by the airport. The current process consists of the airport filling out a claim form, attaching back-up documentation and sending it to the Division via email. The Business Manager then matches the claim form with what is paid to the Division by the Department of Revenue (DOR) and reimburses the airport as required. Currently, refunds are only processed for claims made and not any extra revenues received that are not claimed. However, many transactions at the airports do not get claimed and therefore, not reimbursed. To align the Division more closely with statute 43-10-110 (2)(a)(c), we are proposing that the state move away from the claim based system and simply reimburse airports based on revenues reported to and from DOR and the Aviation Fund. We consulted with DOR and they have no requirements as to how we determine what is reimbursed back to the airport. We also reached out to the Attorney General's office to ensure that it is acceptable from a legal standpoint. Joe Rice commended Bryce on this process improvement proposal and applauded David for creating the environment to allow the staff to be innovative. Joe Rice made the MOTION to approve the proposed Excise Tax Refund Process Improvement and William "T" Thompson seconded.

The MOTION carried unanimously.

8.4 Grant Administrative Amendments

Kaitlyn Westendorf said that in 2014, Holyoke was given a grant for \$400,000 that consisted of two elements that included match and overmatch of Federal Aviation Administration (FAA) funds to construct a partial parallel taxiway. The grant was amended in 2015 to provide additional Federal funds as bids came in higher than originally planned for. Holyoke has requested to amend their grant once again to move funds between the two elements to match an additional \$102,796 of Federal entitlement funding. This project is currently underway and is nearing completion. No additional state grant funds are being requested.

8.5 Division of Accounting & Financing (DAF) Memorandum of Understanding (MOU) Review

David Ulane said the Division continues to operate under our short term loan from the State Controller's Office and the associated MOU, which will remain in effect until we recover to a positive financial position. While the MOU required only one formal review in November



of 2015, we committed to reviewing the MOU annually each November as long as it remains in effect. David provided the Board a copy of this year's update. He said that all parties continue to adhere collaboratively and cooperatively to the entire MOU.

9. PROGRAM MANAGER JOB DESCRIPTION REVIEW

David Ulane said our current Grants Program Manager position has been intentionally left vacant since the retirement of TK Gwin on August 31st. As discussed at the CAB workshop in September, David's been working to update the position job description (PDQ) to more closely align with the actual responsibilities of the position and the broader workload and needs that will arise when the Division has recovered financially. The new position will be called a Division Program Manager, but the grade and classification of the position will remain the same. The description will incorporate broader oversight of and responsibility for the Division's various programs beyond just grants and pavement management. There will be added defined responsibility for Division procurement and contracting oversight, as well as information technology and facility management. Also, it clearly details the expectation for communication and collaboration with the Division Business Manager on budgetary needs and limitations. There is no change to our organizational structure; this position will continue to report to the Director and will continue to supervise our three aviation planners.

10. 2017 CAB MASTER CALENDAR

Kaitlyn Westendorf reminded the Board that this calendar was discussed at the October meeting and is now being brought back to them for official action. After review by the Board and a brief discussion, William "T" Thompson made the MOTION to adopt the 2017 CAB Master Calendar and Joe Rice seconded.

The MOTION carried unanimously.

11. REMOTE TOWER PROJECT UPDATE

Bill Payne said that the FAA NextGen released the Request for Information (RFI) on November 23rd to solicit vendors for the Remote Tower Project at Northern Colorado Regional Airport. He spoke briefly about four companies that may be interested in this project and what the RFI process may entail. Bill said that the RFI offering will close on January 18th and after that, the selection process will begin. As far as Unmanned Aerial Systems (UAS) is concerned, Bill just completed the annual report on CDOT's Certificate of Authorization (COA). Bill concluded by notifying the Board that Greg Dyer has announced his retirement from the FAA at Denver Center. David Ulane added that as the Remote Tower Project picks up steam, he and Bill will continue to meet with the communities of Loveland and Fort Collins in an effort to keep them informed.

12. ESSENTIAL AIR SERVICE (EAS) SMALL COMMUNITY AIR SERVICE DISCUSSION

Chuck Howell spoke about Great Lakes Airlines and gave a very informative presentation on EAS in Colorado. The pilot shortage was a main topic of discussion, both from a stand point of retiring pilots and the challenge of getting new pilots who have the required number of hours needed to fly commercially.



13. LEGISLATIVE ISSUES

There were no legislative issues to discuss today, but David Ulane suggested that at the January meeting, the Board may want to have a conversation about what upcoming legislative items they would like to support. Joe Rice requested a list of the most recent positions that the CAB has taken over the last couple of years and David said he would compile and distribute that. Joe also suggested that it might be better to have this type of conversation in October of next year. Joe mentioned the letter of support for seaplane usage in Colorado that the CAB drafted last year and requested that we have that ready to go for this upcoming legislative session. Jason Licon added that CAO A will be meeting in March to discuss aviation legislative issues and invited the Board to participate in that discussion.

14. CALENDAR

The next scheduled CAB meeting will take place on Monday, January 23rd at 10:00 am in conjunction with the CAO A Winter Conference at the Brown Palace in downtown Denver. The following meeting will take place on Wednesday, March 8th at the Division Offices in Watkins and will include the 2017 Grant Hearings.

15. OTHER MATTERS BY PUBLIC & MEMBERS

Robert Olislagers said that the EAS presentation was very informative. At this time, David Ulane unveiled a holiday greetings video done by the Division staff.

16. ADJOURNMENT

The meeting adjourned at 3:03 pm.

