



MINUTES

Board Meeting

Monday, January 23, 2017 | 10:00 am

The Brown Palace Hotel

321 17th Street | Denver, CO 80202

Central City Meeting Room

MEMBERS PRESENT:

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

MEMBERS ABSENT & EXCUSED:

John Reams	Secretary
William "T" Thompson	

OTHERS PRESENT:

David Ulane	CDOT - Division of Aeronautics Director
Christine Eldridge	CDOT - Division of Aeronautics
Shahn Sederberg	CDOT - Division of Aeronautics
Bryce Shuck	CDOT - Division of Aeronautics
Scott Storie	CDOT - Division of Aeronautics
Kaitlyn Westendorf	CDOT - Division of Aeronautics
Dustin Allingen	San Luis Valley Regional Airport
Cooper Anderson	Greeley-Weld County Airport
Dallas Anderson	Silver West Airport
Todd Andrews	Woolpert, Inc.
Richard Baker	Fremont County Airport
Jared Bass	Dibble Engineering
Emily Blizzard	USDA Wildlife Services
Linda Bruce	FAA - Denver Airports District Office
Nick Clabbers	Kaplan, Kirsch & Rockwell
Bruce Claremont	Fremont County Airport
Anthony Clark	AAAE/MSU Denver
Dennis Corsi	Armstrong Consultants
Kendra Cross	USDA Wildlife Services
Dave Elliott	Meadow Lake Airport
Stacie Fain	Steamboat Springs Airport
Angela Folkestad	CO/WY ACPA



Mike Fronapfel	Centennial Airport
Tinneal Gerber	Yampa Valley Regional Airport
David Gordon	Technology Plus
TK Gwin	Jviation
Steve Hadley	National Business Aviation Association
Warren Hendrickson	Aircraft Owners & Pilots Association
Lorie Hinton	Centennial Airport
Jake Hoban	Armstrong Consultants
Bryan Johnson	Rocky Mountain Metropolitan Airport
Robert Jolley	Silver West Airport
Radha Kaudukuri	Woolport, Inc.
Sean Keithly	Northern Colorado Regional Airport
Peter Kirsch	Kaplan, Kirsch & Rockwell
Ken Lawson	KH Lawson Ent/CAOA
Steve Lee	Denver International Airport/CAOA
Jason Licon	Northern Colorado Regional Airport
Mandy Longstreth	Greeley-Weld County Airport
Moin Malik	AAAE/MSU Denver
Sheryl Mayes	Thales
Aubrey McGonigle	Denver International Airport
Leo Milan	Office of the State Attorney General
Marc Miller	FAA - Denver Airports District Office
Jesus Moncada	Jacobs Engineering
Ron Niehoff	FAA - Denver Airports District Office
Zechariah Papp	Harriet Alexander Airport
Bill Payne	William E Payne & Associates
Dan Reimer	Denver International Airport
Kevin Roberts	Dibble Engineering
John Rostas	Armstrong Consultants
Dave Ruppel	Front Range Airport/CAOA
David Slayter	Vance Brand Airport
Andy Solsvig	Eagle County Regional Airport
Mike Straka	Colorado Aviation Business Association
Chris Swathwood	Colorado Aviation Business Association
Steve Thompson	Denver International Airport
Bill Totten	Colorado Pilots Association
Ian Turner	Pueblo Memorial Airport
Kip Turner	Grand Junction Regional Airport/CAOA
Terrence Van Sant	VS Group
KC Yanamura	FAA - Northwest Mountain Region

This meeting was live-streamed over the internet.

Pledge of Allegiance

1. CALL TO ORDER

Meeting commenced at 10:02 am.



2. APPROVAL OF MEETING MINUTES

Robert Olislagers made the MOTION to approve the minutes from December 14, 2016 and Jeff Forrest seconded.

The MOTION carried unanimously.

3. AMENDMENTS TO THE AGENDA

David Ulane advised that item #10 on the agenda will require action by the Board and it is not noted as such on the current agenda. Robert Olislagers made the MOTION to approve the amended agenda and Ann Beardall seconded.

The MOTION carried unanimously.

4. INTRODUCTION OF FAA NORTHWEST MOUNTAIN REGION ADMINISTRATOR

David Ulane was delighted to introduce KC Yanamura to the Colorado Aeronautical Board (CAB) and the audience. She will have a presentation during tomorrow's portion of the conference.

5. BOARD MEMBER REPORTS

Robert Olislagers said he recently attended the Aviation Issues Conference, hosted by the American Association of Airport Executives (AAAE). One topic of discussion at that conference was the FAA Reauthorization Bill and speculation of whether it will happen this year or not. Robert also mentioned the 2017 Resolution to be discussed by the CAB at today's meeting and in particular the item concerning the Passenger Facility Charge (PFC). Jeff Forrest talked about recent meetings with representatives from Colorado Pilots Association (CPA) and Wings Over the Rockies Air & Space Museum. Jeff also spoke briefly about future partnerships that may occur between Metropolitan State University (MSU) and Aims Community College, as well as Colorado Northwestern Community College. Jeff thanked the Colorado Aviation Business Association (CABA), students from MSU and the Veterans of Foreign Wars (VFW) for their participation in the annual holiday charity party and airlift event last month. Ann Beardall said that CPA met recently to outline their 2017 events, which can be located on their website. Joe Rice had nothing to report. Ray Beck spoke briefly about upcoming Club 20 events, as well as potential legislative issues.

6. PUBLIC COMMENTS

Steve Hadley with the National Business Aviation Association (NBAA) talked briefly about legislative issues and changes occurring in Washington D.C. due to the new administration. Steve also spoke about the value of using social media for messaging. Warren Hendrickson with the Aircraft Owners & Pilots Association (AOPA) invited the Board to listen to his presentation this afternoon. Steve Lee welcomed the Board to the Colorado Airport Operators Association (CAOA) conference.



7. DIRECTOR'S REPORT

David Ulane referred to an outline he gave to the CAB of recent activities he has participated in. He spoke briefly about the upcoming Strategic Plan and how the Division of Aeronautics (Division) will utilize it. The Request for Proposal deadline is February 6th, after which time the selection committee will convene to pick a consultant for this project. David informed the CAB that the Division Program Manager job posting is currently open until this Friday. David introduced our new USDA Wildlife Biologist, Dr. Emily Blizzard, to the Board. The Division has released the 2017 Airport Directory and David thanked Shahn Sederberg for all his hard work on that publication. David spoke about his planned attendance at various upcoming meetings and events.

8. FINANCIAL/GRANT UPDATE

8.1 Financial State of the Division

David Ulane said that one of the biggest accomplishments of 2016 was the hiring of Business Manager Bryce Shuck, who has been a key part of improving our financial operations. Bryce developed and implemented a conservative new revenue forecasting model that incorporates a variety of data inputs and accounts for historical actual oil prices versus Energy Information Administration (EIA) forecasts. So far, this forecast has proven to be over 95% accurate and we continue to look for opportunities to further refine and improve this important tool. Bryce and David have established new relationships with key high level financial staff at Denver International Airport (DEN), as well as their major fuel supplier. This has provided the Division with additional new forecast data and insight, providing even more resolution to our financial model. David spoke briefly about the 2015 Paragon external performance audit and how we have now addressed and closed out all 23 recommendations. We have also continued to refine our monthly financial dashboard reports, which clearly and succinctly articulate the Division's current and forecasted financial position. David said that he has continued to regularly meet with the CAO Executive Board to share financial data and outlooks, and to obtain their insight and input into the Division's operations, policies and plans. Since transparency is so important, the Division continues to communicate financial information using many different tools, such as its website, web-streamed CAB meetings, the Mountain Wave newsletter and participation at association conferences. David said that Bryce has refined our airport excise tax refund process to eliminate a burdensome claim procedure, which will subsequently expedite the refund process and return more money to airports. We continue to maintain a strong collaboration and communication with CDOT's Division of Accounting and Finance (DAF) on Division financial operations. David said that looking forward, we anticipate our recovery date to a positive financial position to be sometime in mid-2018, which is two years sooner than was forecasted a year ago. In June of 2016, we reached our lowest financial negative balance of approximately -\$4.59M. As communicated last year, the 2017 grant cap will be \$150,000 and will be limited to federally funded projects only. The 2017 statewide airport grant program is still being finalized and staff continues to work with FAA and our airports to put the final touches on this year's projects and costs. Currently, it appears that the 2017 grants to be presented for CAB consideration at the March meeting will total about \$1.65M for 28 airports. David said that once a positive financial balance is achieved, our first priority will be to establish and load a contingency fund to allow the Division to manage future significant revenue swings internally. The Division is presently developing that contingency plan and policy, which will be risk based and indexed regularly to the Division's then-current financial exposure. When ready later this year, this plan and policy will be vetted with DAF and approved by the CAB. David spoke briefly about some future initiatives the Division is looking forward to,



including the State Systems Plan Update, Economic Impact Study Update and the Division Strategic Plan.

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 December was -\$4,118,821, which is down \$980,711 from November closing balance of -\$3,138,110. The reason for the cash drop during the month is because of the unusual timing of payments this month compared to normal. Due to the holidays, payments were sent earlier in the month, hitting our account sooner. January's end balance should be back near the -\$3M mark. Bryce said that the original budgeted revenue was \$17M and we adjusted our forecast to \$19.5M in October. At this point, we are updating our revenue forecast for FY17 to \$22.5M in revenue and we will continue to update our official forecast on a quarterly basis. Bryce said that our sales tax revenues for December were \$1.72M, which was for November filings and refunds for December totalled \$1.14M, which was for October filings. Excise revenues for December were \$139K, which was for November filings. Excise refunds totalled \$75K, which was for October filings. Bryce said that gallons of fuel used at DEN for December was 38.5M gallons. Our year to date Administrative expenses equal \$468K. At this rate, we are on track to spend \$966K, which is below this year's 5% cap of \$1.066M. Bryce said to best represent the fluidity of our recovery date, we are switching to an expected date range of recovery, rather than a specific month. Based on December numbers, we currently anticipate the Division's recovery to a positive cash position between July and September 2018. Bryce unveiled a new slide that shows the raw forecasted numbers we are currently trending at, in comparison to the initial budget. Of note, instead of a deficit of \$633K for the year, we are now forecasting a surplus of \$1.5M for FY17. Fuel revenues are up \$3.63M at this point of the year to where they were initially budgeted and in turn, refunds paid to the airports are up \$1.15M from their initial budgeted numbers.

8.3 Grant Administrative Update & New Intern Contracts

Kaitlyn Westendorf said that there are no grant administrative updates this month, but three airports are requesting two interns each. The intern program is approved for a not to exceed amount annually in order to be more nimble when airports are in need of an intern. While the individual intern requests are not presented to the Board, staff is advised the Board when funds for this program are being requested. Aspen-Pitkin County Airport has requested \$33,280 of state funding for two interns, Centennial Airport has requested \$33,280 of state funding for two interns and Colorado Springs Municipal Airport has requested \$22,500 of state funding for two interns. The CAB was presented with a memo outlining specific details about each of the requests. Ray Beck said he would like to know when the intern program began at the Division and how many interns have been funded since its inception. Kaitlyn said she would try to compile that data and provide it to the Board at a future meeting.

9. EXCISE TAX PROCESS IMPROVEMENT ADMINISTRATIVE UPDATE

Bryce Shuck said that the Division is rolling out the new and improved excise tax refund process, effective this month, for excise taxes collected in November 2016 and beyond. The airports will no longer submit claim forms and will be refunded for all fuel sold at the airport that is reported to the Department of Revenue (DOR). This will result in additional funds each month to the airports, since traditionally numerous transactions had not been claimed. This process improvement will benefit the airports, as well as the Division.



10. DIVISION PROGRAMS AND PROCEDURES MANUAL UPDATE

David Ulane said that several updates are necessary to ensure that the Programs and Procedures Manual accurately reflects changes made to Division programs, policies or procedures. The updates proposed today include the following:

- Section 1.2 Colorado Aeronautical Board - Update reference to the frequency of CAB meetings from "typically monthly" to "typically every other month".
- Section 1.2 Colorado Aeronautical Board - Update the Division organization chart to reflect the newly renamed position of Program Manager and show as vacant. The name will be updated once the position is filled.
- Section 1.4 Fuel Tax Disbursement Process - Update explanation of the excise tax disbursement process to reflect the newly improved process approved by the CAB on December 14, 2016.
- Section 5.1 Automated Weather Observing System (AWOS) - Update AWOS map and description to include the new AWOS at Dakota Hill.
- Section 5.3 Charts and Directories - Update reference to the frequency of airport directory updates from typically every other year to every year.
- Update any grammatical error or typos in previous version.

Jeff Forrest made the MOTION to approve the revisions made to the Division Programs and Procedures Manual and Robert Olislagers seconded.

The MOTION carried unanimously.

11. REMOTE TOWER PROJECT UPDATE

Bill Payne said that the FAA NextGen Office released the Request for Information (RFI) in December of last year, to solicit vendors for the Remote Tower Project at Northern Colorado Regional Airport. The initial deadline for the RFI was January 18th, but has since been extended to February 10th. Bill went into detail about the remote tower concept, for those who weren't familiar with it. He said there is currently one system in the world that is certified and it is located in Sweden. Bill also briefly explained the steps that will take place once the vendor is selected. He said that once the system is installed and certified for use, the system will be turned over to the airport and will be operated as a Non-Federal Control Tower. This means that the air traffic controllers will be employees of the airport. Bill anticipates this taking about two years to accomplish. The Board had questions about the cost of operation and maintenance, as well as liability. Bill said the majority of the cost of this system will be paying for the controllers and the liability will fall on the cities, once the system is turned over to the airport. David Ulane added that CAO is working to get remote towers to be eligible for inclusion into the Federal Control Tower Program, so that the cost burden and liability will not be with the airports.

12. LEGISLATIVE ISSUES

David Ulane outlined a memo with proposed legislative positions of the Board for their consideration, along with a draft resolution that articulates these positions. This year's resolution addresses the following topics, some of which carry forward from last year:

- Multi-year FAA funding (carry over)



- Passenger Facility Charge (PFC) modernization (new)
- FAA flight officer qualification rule (new)
- Air traffic control privatization (carry over)
- Seaplane access to state waters (carry over, but not in last year's resolution)
- Support aviation vehicle license plate (new)

David has obtained DEN's position on key legislative items, as well CAO's input, all of which are reflected in the summary. He expects that representatives from NBAA, CABA and AOPA will also share their views at today's meeting and doesn't expect them to be in direct contravention to any of these positions. Joe Rice stated that he would like to have more information on the PFC topic and Ann Beardall agreed. Robert Olislagers was able to give the Board some information

about PFC's, as well as the flight officer qualification topic. David invited Dan Reimer to speak about the importance of PFC's and how they are used at DEN. Dan stated that the City and County of Denver is very much in favor of either an increase or de-cap of PFC's. David added that while the Division does not engage with airports on PFC's, large hub airports that collect PFC's are required to forgo a portion of their Airport Improvement Program (AIP) federal funding, which is reallocated by the FAA to smaller airports. Past proposals to eliminate or raise the PFC cap included provisions that would have redirected some or even all AIP funding from larger commercial

service airports to smaller General Aviation (GA) airports not eligible to collect them, which would benefit many Colorado airports. Leo Milan said that the resolution enables David to communicate what the Board's positions are on the various topics listed. David added that he has been asked by the CDOT Government Relations team and the Governor's Office that if there is a specific piece of legislation that the Board desires to support or engage in, that we coordinate with both of those entities. Joe Rice made the MOTION to approve Aeronautical Board Resolution 2017-01 and stipulate that the Division can provide letters about each particular item contained in the resolution to the appropriate entities, and that we do coordinate our positions with CDOT Government Relations and the Governor's Office. Joe added the caveat that we understand that CDOT may take a different position on certain legislation items and the Board's positions are not contingent on CDOT's approval. Ann Beardall seconded the MOTION.

Robert Olislagers made a MOTION to amend the language on the PFC portion of the resolution to read: "WHEREAS, PFC's are one of the most efficient local funding mechanisms for commercial service airport infrastructure, the Board supports modernization of the existing PFC program to help Colorado's commercial service airports meet their burgeoning infrastructure needs; and". Jeff Forrest seconded the MOTION.

Both MOTIONS carried unanimously.

13. BOARD ELECTIONS

Kaitlyn Westendorf said that Statute mandates that the Board elect three officers annually. Those positions are the Chairman, the Vice-Chairman and the Secretary. Robert Olislagers made the MOTION to re-elect the same officers that served in 2016 for 2017, which are Ray Beck as Chair, Ann Beardall as Vice-Chair and John Reams as Secretary. Joe Rice seconded the MOTION.

The MOTION carried unanimously.



14. ANNUAL BOARD MEMBER CONFLICT OF INTEREST STATEMENTS

In accordance with CAB policies, every Board member shall make disclosure each January of any interest held by his or her immediate family which might actually or potentially conflict with his or her duties. Each Board member was provided a personalized disclosure, ready for review and signature.

15. PROPOSED CALENDAR

The next meeting will take place on Wednesday, March 8th at 1:00 pm at the Division offices in Watkins and will include the 2017 Grant Hearings. The following meeting will take place on Wednesday, May 10th at 1:00 pm at the Division offices in Watkins. Joe Rice stated that he will probably not be able to attend the March meeting and may not be able to attend the May meeting in person, as well.

16. OTHER MATTERS BY PUBLIC & MEMBERS

Joe Rice said that at the last CAB meeting in December, there was a presentation on Essential Air Service (EAS) and a majority of it was about the pilot shortage. Joe would like to hear more about the EAS program itself, so he is requesting that to be a topic at a future CAB meeting. Joe added that today at noon, the Aerospace and Defense Caucus will be meeting at the State Capitol and anyone is welcome to attend. Robert Olistagers said that public meetings for Metroplex are being scheduled throughout April.

17. ADJOURNMENT

The meeting adjourned at 11:31 am.

