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October 12, 2017

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The Board of Commissioners of the Arapahoe County Public Airport Authority, Arapahoe County, Colorado, held a regular meeting open to the public at Centennial Airport, Control Tower / Administration Complex, 7800 South Peoria St., Englewood, Colorado, located within the County, on October 12, 2017 at 3:00 p.m.

The following members were present:  
Commissioner Doubek, Chairman  
Commissioner Bagnato  
Commissioner Baker  
Commissioner Holen  
Commissioner Huffman  
Commissioner Sieber

The following members were absent, but excused:  
Commissioner Weaver  
Commissioner Sharpe

Each Commissioner was notified of the date, time and place of the meeting and the purpose to which it was called. At least three (3) days prior to the date of the meeting, Public Meeting notices were posted at the Administration Buildings of Arapahoe County, Douglas County, Greenwood Village, City of Centennial; the courthouses in Arapahoe County and Douglas County; and at least three places on the Airport. At least 24 hours prior to the meeting, an agenda was posted on the Authority's website and in the window of the door at the base of the Control Tower/Administration Complex at 7800 South Peoria Street.

Call to Order & Pledge of Allegiance

Chairman Doubek called the meeting to order at 3:05 PM and recited the Pledge of Allegiance.

Public Comment

No public comment.

Amendments to the Agenda

None

Next Meetings

- November 01, 2017 @ 6:30 p.m. – Noise Roundtable Meeting – Ramada Hotel and Suites
- November 09, 2017 @ 3:00 p.m. – Regular Board Meeting – Wright Brother's Room

CONSENT AGENDA

- 1. Approve Minutes of September 14, 2017** **Gwen Balk**  
*Recommendation:* Motion to approve the minutes of September 14, 2017 and authorize the Chair to sign.
- 2. Personnel Committee Recommendation** **Gwen Balk**  
*Recommendation:* Motion to approve the Personnel Committee's recommendations to approve the following:
  1. 2018 Classification Plan effective 12/1/2017 (see attached Exhibit A);
  2. ACPAA Premium Contributions (Allowance) Schedule for the plan year ending 12/30/2018 and renewal of the Group Health and Life plans (see attached Exhibit B); and
  3. 2018 proposed Personnel Budget for inclusion in the 2018 Budget planning process (see attached Exhibit C).
- 3. Key Lime Air Corporation – Reapplication under Airport's Minimum Standards** **Luke Skaffen**  
*Recommendation:* Motion to approve the reapplication from Key Lime Air Corporation and authorize the Chairman and Clerk to sign the associated 10-year Agreement Under Standards.
- 4. SunBorne XVI, Ltd. – Estoppel Certificates related to FBO Lots 12 & 13** **Gwen Balk**  
*Recommendation:* Motion to approve the Estoppel Certificate and authorize Chair to sign.
- 5. Ratification of Third Quarter 2017 Expenditures** **Roxana Hahn**  
*Recommendation:* Motion to ratify Third Quarter 2017 Expenditures in the amount of \$6,090,062.10.

**6. Approval of Consent Agenda**

**Robert Doubek**

*Action:* Approval of the Consent Agenda passed unanimously on a Motion by Commissioner Holen, seconded by Commissioner Baker.

Commissioner Huffman inquired if Key Lime Air Corporation will be utilizing larger aircraft for their charter service. Mr. Olislagers responded that Key Lime hopes to expand their fleet to more aircraft, not larger for charter operations which still falls under the current operating standards.

**BUSINESS AGENDA**

**7. Items Moved to the Business Agenda**

**Robert Doubek**

None

**8. ACPAA Insurance Program Renewals for Year 2017-18**

**Gwen Balk**

*Recommendation:* Motion to approve the Airport Insurance Program for the renewal period from 11/1/2017 through 10/31/2018 in the amount of \$120,005 and authorize the Executive Director or Director of Administration to sign all necessary documents.

Ms. Balk presented information on the Insurance Renewal Program and stated there is less than 1% difference from the previous year's coverage so she recommends staying with all current carriers. She advised the Commercial and Auto policies may fluctuate because the Authority is planning on selling and acquiring equipment in the coming year.

Ms. Balk and Business Support Specialist, Luke Skaflen, fielded questions from the Board.

The motion to approve the Airport Insurance Program passed unanimously on a motion by Commissioner Baker, seconded by Commissioner Holen.

**9. Presentation of the Proposed 2018 Annual Budget and approval of Resolution 2017-06, which sets the meeting date for the adoption of the 2018 Budget**

**Roxana Hahn**

*Recommendation:* Adopt Resolution 2017-06

Ms. Hahn presented the Proposed 2018 Budget and fielded questions from the Commissioners. She advised there is a decrease in the proposed 2018 revenue from previous years due to the decreased fuel flowage fees that go into effect 1/1/2018. She further advised the Airport Authority is anticipating a new loan in 2018 for the new Aviation Community and Administrative Facility that is anticipated to be constructed towards the end of 2018 to early 2019.

Ms. Hahn stated the final adoption of the budget is set for a hearing on December 14, 2017 and the Resolution provides public notice of that Budget Hearing. She then recommended adoption.

Commissioner Bagnato inquired about the new loan.

Mr. Olislagers responded that the loan is with State Infrastructure Bank with an interest rate at 2.5%. He added the interest would not go into effect until the Airport Authority started drawing from the loan.

Mr. Olislagers gave an overview of the proposed Aviation Community and Administrative Facility. He advised he wants to build a structure that creates an open and inviting space to share with tenants and the aviation community. The facility would be located in the main parking lot between TAC Air and Denver jetCenter and offer numerous amenities, such as: a coffee house, conference space, retail, auditorium space, office space, and multiple locations for quiet study. Mr. Olislagers further advised he would like to talk to the community about the details of the facility and receive feedback on how the space can better accommodate their needs. The building is anticipated to be complete by early 2019.

Mr. Olislagers fielded questions from the audience about the proposed Aviation and Administrative Facility.

Commissioner Holen moved to adopt Resolution 2017-06 and authorize the Chair and Clerk to sign. Commissioner Bagnato seconded and the motion passed unanimously.

**10. Establish Jurisdiction to Proceed with Public Hearings**

**Kimberly Bruetsch**

*Recommendation: Advisory*

Ms. Bruetsch stated the Board has jurisdiction to proceed with the Public Hearing. She advised there is one item on the Agenda relating to Centennial Airport's Minimum Standard's revision and notice of the hearing was published in the *Villager Newspaper* on September 21, 2017 and *Douglas County NewsPress* on September 28, 2017. She further advised the notice was posted on Centennial Airport's website and specific written notice was provided to each of the FBO's and other Licensees operating upon the airport with Authority approvals under the Standards.

**11. PUBLIC HEARING - Minimum Standards Amendments**

**Gwen Balk**

*Recommendation: Motion to adopt Resolution No. 2017-07 and authorize the Chair and Clerk to sign.*

Ms. Balk stated the proposed primary changes, additions and deletions would include:

1. Delete Scheduled Air Carrier Activities & related definitions.
2. Setback the fuel flowage fees to pre 1/1/2008 rates to be effective on 1/1/2018.
3. Add Pollution/Environment insurance requirement for FBO's and HFBO's.
4. Revise Air Charter requirements to include reference to DOT 380 Operations.

Ms. Balk clarified that the fuel flowage fees are the fees the FBO's who provide the fueling service pay the Airport Authority.

*Chairman Doubek opened the meeting to Public Comment.*

Rick Ponsa, X-Jet, commented on the addition of the pollution and environmental insurance. He stated the insurance is a significant expense for a smaller FBO and requested more justification on why the insurance should be required.

Ms. Balk responded that there has been fuel spills and pollution in the past that were not covered by insurance and that the Airport's insurers want to know whether our FBO's have such coverage.

Commissioner Holen stated the liability aspect is very essential and believes it is fair that the FBO's acquire adequate coverage. Mr. Olislagers added he is not sure what the premium would be for the pollution and environmental insurance, but believes the reduced fuel flow fees would cover the majority of the cost.

Commissioner Sieber wondered if other options had been discussed, such as the Airport Authority having umbrella coverage and dividing the premium among the FBOs.

Mr. Olislagers responded that if one FBO has an incident, the premium goes up and all the FBOs must pay. He believes that everyone should be held accountable for their own coverage.

*Chairman Doubek closed the meeting to Public Comment.*

Commissioner Holen moved to adopt Resolution 2017-07 and authorize the Chair and Clerk to sign. Commissioner Baker seconded and the motion passed unanimously.

**REPORTS**

**12. Fuel and Operations Report for September 2017**

**Derald Shaw**

*Recommendation: Advisory*

Mr. Shaw stated the following:

- YTD Total Operations: Down 6.1% from 2016 at 247,306
- Monthly Operations September: Up 4.1% from 2016 at 30,612
- YTD Fuel Totals: Up 1.2% from 2016 at 10,054,987
- Monthly Fuel Totals September: Up 5.5% at 1,245,724
- Monthly Jet Fuel Sales September: Up 6.1% from 2016 at 1,198,096
- Monthly AvGas Sales September: Down 8.8% from 2016 at 47,628

- Monthly Market Share for AvGas and Jet Fuel Combined September: DJC: 37.3%; TAC Air: 29.6%; Signature: 24.62%; X-Jet: 8.4%; Heliplax: .1%

Mr. Shaw fielded questions from the Board.

**13. 2017 3<sup>rd</sup> Quarter Land Use Referrals Report**

**Mike Fronapfel**

*Recommendation: Advisory*

Mr. Fronapfel reported there were 27 land use referrals in the 3<sup>rd</sup> quarter. He referenced Centennial Cityscapes, a development of 280 single family homes that was strongly opposed by Centennial Airport and that had been previously denied by the City of Centennial. After Centennial Airport's new 2016 Noise Contours reduced in size, the developers of Centennial Cityscapes requested a zoning change that would permit residential development on their property, but the applicant withdrew their request prior to the City Council meeting. Mr. Fronapfel advised Centennial Airport is still strongly opposed to this development due to its proximity to the airport and that he will keep the Board updated.

**14. Noise Update for September 2017**

**Mike Fronapfel**

*Recommendation: Advisory*

Mr. Fronapfel presented statistics on the September 2017 noise complaints. He stated the following:

- There were 1,178 complaints from 76 households and 43 complaints wanted a response.
- With the top household removed, there were 481 complaints.
- Year-to-Date there are 10,771 complaints from 313 households.
- With the top household removed, there were 4,430 year-to-date complaints.
- There were 1,100 daytime complaints.
- There were 78 nighttime complaints.
- The Top 5 households comprise 80% of year-to-date complaints.
- The Top 1 household comprises 59%.
- Jets led complaints by aircraft type with 64% and departures led operations type by 41%.
- Historically, the airport is in a south flow, but September was an exception being predominately north flow.

**15. Centennial Airport Community Noise Roundtable Update**

**Mike Fronapfel**

*Recommendation: Advisory*

Mr. Fronapfel reported the following notes from the October 04, 2017 Roundtable meeting:

- A few members of the public were in attendance who voiced their concerns about increased military traffic and training traffic over their homes.
- The FAA will attend the November 1, 2017 roundtable meeting to present on Metroplex.

**16. Legislative Report**

**Robert Olislagers**

*Recommendation: Advisory*

Mr. Olislagers stated the FAA had a meeting with US Senator Cory Gardner earlier in the week who also stayed and met with airport staff regarding DEN Metroplex, Privatization of ATC and Reauthorization.

Congressman Shuster has delayed action on the AIRR Act again, but it is unclear whether the House schedule will allow for a vote, and/or if he has a lack of votes.

Centennial Airport would like to support Colorado Aviation Business Association in modifying the Colorado tax code pertaining to the aircraft sales and use tax exemption for Part 135 Operators. Staff is also considering requiring CO Department of Revenue to state where sales tax revenue on fuel comes from or eliminate the sales tax. Federal law requires that the jet fuel sales tax can only go back to airports, but are currently going to Counties and RTD. RTD has collected approximately \$500,000 a year in sales tax revenue from Centennial Airport while Arapahoe County has collected roughly \$30,000 and Douglas County \$5,000 a year.

*Commissioner Huffman departed at 4:48pm.*

**Public Comment**

No public comment.

**Comments from Board or Staff**

Mr. Olislagers stated the FAA has initiated an inquiry into the Single Audit Finding 2016-01 concerning the disposition of a Reserve Fund Account in the amount of \$1,611,898.00.

Mr. Olislagers announced the airport hosted a very courageous boy named Myles, a young cancer survivor and ambassador for the Morgan Adams Foundation, with an entire day of aviation excitement. Myles and his mom started their day flying high above the beautiful mountains of Colorado, followed by a tour of Centennial Airport's Control Tower, a walk through the cabin of Boom's supersonic airplane, and marshalling and deicing a plane. Mr. Olislagers recognized and thanked Deborah Smith, Communications Manager, and her husband Barry for putting this event together and capturing every wonderful moment on camera. Mr. Olislagers also thanked the FBOs and all tenants for opening their doors to events like the Morgan Adams Foundation and amazing kids like Myles.

**Adjournment**

The meeting was adjourned at 5:01 PM.

**Robert Doubek**

**Execution of Documents**

**Gwen Balk**

**Approved:**

  
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Robert Doubek, Chairman