

AIRPORT GOVERNANCE NOTES

Monday, July 8, 2024
2:00-3:00PM

Mayors: Jeni Arndt and Jacki Marsh
Councilmembers: Troy Krenning and Julie Pignataro
City Managers: Kelly DiMartino and Rod Wensing
Staff: Ryan Malarky, Francis Robbins, Ginny Sawyer, Brian Waldes, Laurie Wilson, Amanda Worrell, Kate Morgan, Sarah Kane, Francis Robbins, Katherine Morgan

Welcome and Introductions

Francis Robbins, Acting Airport Director, welcomed everyone and outlined some of the current governance challenges which include delays in decision making and invoice and contract logistics.

Discussion

- Confirm Purpose (*Reach a Recommendation to present to respective Councils regarding the Governance Structure for the FNL Airport.*)
- Review previous Airport Governance Report and identify any outstanding questions and/or needed information.

Discussion points included:

- The lack of authority of the Airport Commission to pay bills, tap into grant funding, state infrastructure improvements, etc. The Commission can be a roadblock for both City Councils to approve items.
- The Commission is comprised of elected officials who are not subject matter experts and who turnover frequently with elections.
- The goal is for the two cities to be working together to maximize funding potential (for example, the current IGA does not allow for debt financing).
- The City of Fort Collins' Charter does not allow the Airport to be an Enterprise, however, Loveland's Charter does. Suggestion was to have Loveland's Charter control in the interim, to get to an Enterprise situation down the road.

- Another model could be an Airport Authority with the cities establishing the levels of involvement they have (i.e. City and County of Pueblo). The Authority would have to craft bylaws, governance structure, etc. and the cities would transfer ownership to the Authority.
- Creating a District was also mentioned although this would potentially require a vote.

Attendees requested more information about having other jurisdictions at the table in this conversation, such as Larimer and Weld County, Windsor, Timnath, Firestone, CSU, and others. Want to ensure a solution that would function the best for the residents of Northern Colorado. Others mentioned it could be a large economic driver in terms of attracting high-tech aviation businesses.

Attendees asked for examples of other airport authorities across Colorado and how they function. They also discussed DIA's announcement of a "URA-like" aviation industry surrounding the airport. Questions came up as to all regional governments' involvement in that process.

In summary: the group would like to look at the best way to leverage assets and funding potential for the airport and understand the liability/risk, staffing, and regional engagement opportunities? What is the process and timeline? Want more information on authority vs. utility enterprise, in the short and long term.

Determine timelines and future meeting cadence to achieve outcome

The group would like a follow up meeting (and regular monthly cadence of meetings) to include Dan Reimer, Special Counsel to Cities on Airport Matters (from DSR, LLC). Other entities such as the County and other jurisdictions could be invited, even if just to listen. The group is in a work session stage and not at the point to accept public comment, however, stakeholders and others can reach out to the individual attendees at will. When the group is at a decision point, then the public could be invited to provide comments.

The consensus was that Loveland and Fort Collins enjoy partnership on the Airport and want it to be good for Northern Colorado.

Adjourn



AIRPORT GOVERNANCE MEETING

NOTES

Monday, August 12, 2024
1:30-3:00PM

In Attendance:

Mayors: Jeni Arndt and Jacki Marsh
Councilmembers: Troy Krenning and Julie Pignataro
City Managers: Kelly DiMartino and Rod Wensing
Others: Carrie Daggett, Brian Waldes, Laurie Wilson, Francis Robbins, Katherine Morgan, Dan Reimer, Max Valadez, Sylvia Tatman-Burruss, Sarah Kane

Welcome and Agenda Review

Purpose:

- Determine 1-3 governance models the Committee would like staff to further analyze and report back on at next meeting.
- Three goals to achieve as the options are evaluated: 1. Good steward for regional asset FNL infrastructure. 2. Limit liability of airport sponsors to acceptable level. 3. Consistency for staff and stakeholders (community) /Clarity to stakeholders on policy direction, day to day operations, etc.

Confirm next meeting dates:

Oct 10 at 3:30-5:00

Dec 16 at 4:00-5:30

Mayor Marsh nominated Mayor Arndt to be Chair. Committee Member Pignataro seconded. Mayor Arndt accepted. Confirmed Ginny Sawyer to facilitate future meetings.

Discussion

Reviewed Governance Report provided by Dan Reimer. See memo and report for detail.

Specific Question focus -

Airport Authorities:

- Colorado Airport Authorities Act (1960's) is the governing legislation.
- Jefferson and Adams County disbanded their Authorities; the communities didn't have the level of authority they wanted.
- Grand Junction was created in late 60's and is still in existence. City of Grand Junction and Mesa County, operating by IGA. Each has 3 appointments.
- Either a city or a county can create separately, or two political entities get together.

- In Colorado, the real estate is transferred to the Airport Authority.
- Airport Authorities are common throughout the US.
- Cities would never stop being co-sponsors. Every new grant has to get Cities to approve as co-sponsors and resolution of approval. Obligation to serve as co-sponsors never goes away. Grant agreements usually have 20-year life, tied to the useful life of the improvement (snow plow). City of Boulder now in this. Some grants never expire.
- The Airport Authority is an eligible sponsor to apply for grants from FAA, other transactions from TSA, Colorado Aeronautics, loan from State infrastructure bank, etc.
- the Airport Authority is a separate legal entity; can seek loans, has all financing tools available.

Airport Authority Board:

- Not consistent. Elected vs appointed, etc. vary. It can be apolitical. Pendulum can swing on this. Sponsoring members stand it up and retain the power of appointment; can remove those they appointed and appoint themselves. May want people with relevant experience.
- Professional staff don't usually sit on Board although some power is delegated to professional staff.
- If other municipalities joined they might have Board seats They would have to be co-sponsors on federal grants.
- Other political subdivisions may not like the liabilities with only one member on the Board.
- There is flexibility but you don't want too many seats.
- Airport Authority makes their own decisions, set policy, etc. In terms of appointments to the Board, look for local bankers, businesspeople, those who work in hospitality industry, tenants at airport (risky), retired pilots, people with a knowledge about finance, managing large assets, multi-year budgets, communications.

Liabilities:

- Landowners have certain liabilities. Co-sponsors/originators could still be named as parties in event of an accident. Sovereign immunity from torte – injury/slipped on ice – in Colorado, there is a very specific list of areas where sovereign immunity is waived. Accidents on the runway or in parking lot – immunity has not been waived. Cities are immune for a lot of accidents.
- In terms of fiscal responsibility – the cities don't backstop the debt, don't have obligation to subsidize the Airport Authority. Mesa County and Grand Junction don't give Airport any funding.

- If Airport Authority (AA) are out of money/bankrupt, they disband. The originators would be responsible for “figuring it out.” Someone has to pick up the pieces & steward the resources due to FAA requirements. That’s why cities are co-sponsors.
- Airport Authorities can contract/sue and be sued, as an entity. Party executing the contract is the AA distinct legal entity. Contracts are not signed by cities.

Miscellaneous Questions

- Tower and Future Operations: At the Airport Commission Subcommittee, Jared from DBL went through sequences to get federal financing for them to pay 100% of tower costs. Starts with 100’ runway. Jared to present to Airport Commission. Money would be there, hinging on commercial flights, even 1 or 2 a day.
- Who pays Dan’s fees? Finances come through City of Loveland Legal; grants.
- How many employees does the Airport Authority in Grand Junction have? 60 employees approx. in Grand Junction. Jackson has 120. Depends on what do you do in house, i.e., fire, janitorial staff. Various choices are made. Greeley/Weld has 8. They also are tied to fixed based fuel. Their janitorial are employed by Airport Authority. One person focuses on Payroll. They are general aviation only – no terminal to keep up.
- Considering that there is immunity on an accident on the property – what about getting sued for poor management? Does that overflow to cities? Poor management decisions are brought to FAA first. There are grant assurances. Anti-trust or constitutional deprivation. The Airport Authority is the sponsor – if a complaint is filed, the Airport Authority will be responsible for addressing. The Co-sponsors may have some liability or responsibility but in practicality, not much.
- What is the average size of Airport Authority Board? Typically 5-9 members on the Board.
- What about special districts. These are present in California. Examples in memo. The legislature could create an independent entity, but it has not been done here. The special district could levy taxes.
- What about tweaking the IGA? Next meeting to discuss IGA tweaking.
- Asked for Dan’s advice. Status quo or status quo + Commission. Could expand powers of Commission, or lessen them. The other option is to get rid of commission structure and amend to have advisory body. Or have intermediate step where contracts go to another entity, then they make recommendation to both Councils.. It’s a “Neither fish nor fowl” problem. Commission has some powers but not all. Some dissatisfaction from cities, staff and Commission. Doesn’t get to the root problem: entity is not truly independent nor dependent.

Committee Member general thoughts:

- 16 elected officials are tasked with making very minute decisions and with elected officials there are shifting perspectives based on elections.
- Commercial flights failed 2 times –belief that failure was due to lack of tower. FAA would pay for commercial tower if wider runways and commercial flights reached a certain threshold. Avelo went out when fuel prices rose and Allegiant went out with safety concerns.
- Thinking about attracting a larger airline with more financial stability. Constituents may not like commercial air.
- Can see the reasons to go to an Airport Authority, to run the general aviation airport, taxis, helicopters, new tech. Cities would maintain power.
- Request for detailed governance model based on Airport Authority, if possible.
- Airport Authority, continue, commission on steroids, buy FoCo out?
- Leaning toward taking what we have and improving it via IGA adjustments.
- Leaning toward not continuing to do what we're doing. Adjust IGA with staff input.
- Someday Airport Authority might be ideal, but more difficult hurdle to clear.
- Can we bring back 2 scenarios? FNL is at pivot point. Want to look at 20-year governance model, in addition to what we could agree on if we amend IGA? More expertise closer to the FNL is goal. Souped up Commission model doesn't seem to help.
- Politicians don't know/have enough time and expertise to really make these decisions. Grateful to appointees.
- Could tweak IGA to back out the elected officials from sitting on the Board? Look at subject-matter experts. Rely upon staff. Commission doesn't currently have expertise embedded.

Francis Robbins summarized – this group wants more info about 2 scenarios at next meeting:

1. Amend current IGA of how we could modify board make up and powers, (to achieve good stewardship, limit liability, provide consistency to stakeholders).
2. Forming true independent Airport Authority, makeup of Board, how to run financing, etc.



AIRPORT GOVERNANCE MEETING NOTES

Special Joint Committee to discuss, evaluate, and make a recommendation regarding alternative modes of governance at the Northern Colorado Regional Airport.

Thursday, October 10, 2024
3:30-5:00PM

PURPOSE:

Follow-up on previous meeting requests related to an amended IGA and creation of an Airport Authority. Determine next steps.

The options before the group were to expand the current Commission's power, amend the IGA, or look at developing an Airport Authority.

There was a question regarding any potential workload increase and which City Manager would these powers be delegated to, by essentially creating a new department. City Manager DiMartino responded that ideally it would be a partnership between the two City Managers (Loveland and Fort Collins).

Dan Reimer elaborated on the 4 major steps to creating an Authority: Create the Airport Authority, Transfer the assets and liabilities (the FAA has to be involved), Set up and start up, and Develop key documents. These steps are all doable and considerations include: Support services can be contracted (i.e. legal and HR) or provided by the Cities; existing documents could be cut over to the new Authority; some new policies would need to be adopted; and a 12-18 month minimum timeframe would be anticipated.

In response to a question, City Manager Wensing replied that the candidates for the Airport Director position are very aware of the process and prepared to support it.

Dan Reimer Clarified that the Authority would need start-up money to pay bills and money would be transferred to the Authority in the interim and that the co-sponsors of an Airport Authority would have the power to undo it but would have to make provisions to "pick up the pieces."

Mayor Arndt asked the committee their preference. Julie Pignataro, Mayor Marsh and Mayor Arndt said they'd prefer the Authority due to the expertise of staff to run it, etc.

If other entities/jurisdictions were invited to be partners, they would also absorb liability, in addition to having a vote. Telluride has three jurisdictions, and the City and County of Greeley are involved in their Airport, as examples. One challenge is an entity only getting one vote for the amount of liability they'd take on. No one entity would get a majority. Typically, Authorities appoint 5-9 members to the Board (i.e. 4 for each city plus 1 at-large, if 9) and 7-9 is ideal due to the amount of work, subcommittees, etc. Regarding Board terms, they are usually 4-year terms; some have term limits.

With mention of potential interest from Windsor or Larimer County there was discussion of the necessary future commitments. Regarding other entities being interested, City Manager DiMartino suggested this could be brought up at the Regional Elected Officials Meeting on October 16 as an update of the committee's work. If partners are interested, they can reach out. Julie Pignataro will mention this at the Oct. 16 meeting.

Airport staff stated the creation of an Authority would involve paperwork, much of which they're already doing and that they appreciate the policy clarity and streamlining of administrative tasks an Authority would offer. The Airport Commission is scheduled to talk about Airport Governance during their November meeting.

City Manager DiMartino thought it would be helpful to look at the timeline and for the City Councils to approve resolutions to support the process moving forward. Councilmember Pignataro suggested not having a Council Work Session until this committee finishes its work and then the Work Session could then be a package of timeline, schedule, work plan and state the conclusions of the committee.

Public input: A mention that the Authority model is well used in other areas and it works; would be a huge step forward. The Loveland Chamber representative noted they would be pleased with the forward movement.

For the December 16 meeting, City Manager DiMartino suggested more depth of recommendations, leading toward a Work Session in January. City Attorney Daggett noted this group was originally charged with a formal recommendation.

There were requests for both startup costs and information on options to deconstruct the Authority.

Mayor Marsh mentioned the November 7 Ribbon Cutting for the Airport Terminal.

Dan Reimer alerted the committee to the importance of eligibility of Authority Board members as conflicts of interest are very prevalent in this space and it's important to be up front because the governing board has fiduciary requirements. Dan will provide samples that work well in other places as well as bylaws of the existing 4 airport authorities in Colorado, and Jackson, WY and samples of who sits on the board.

In response to a question, it was clarified that an Authority is subject to Open Meetings laws, CORA requests, and the like, since it is considered a political division under the State statute. Members who serve on the board are unpaid, although they can be reimbursed for eligible expenses.

It was noted that sponsor entities have to agree on the governance up front and these details that would be addressed in an IGA.

It was also noted that the Airport Director would not be on the Board. They would be an employee of the Authority and have an employment contract with the Authority, etc. The Chair of the Board would run the meetings. There would be a ledger of actions brought to the Board each month, and some other items would be handled by the Director.

Ginny Sawyer summarized:

Use the Regional Elected Officials meeting on October 16 to update regional entities. At December 16 meeting of this committee bring a roadmap to recommend and use the same information for each Council to review details on what an Authority would mean for each City. Provide a timeline.

Meeting adjourned at 4:40 p.m.

Next Meeting:

December 16, 4-5:30pm



AIRPORT GOVERNANCE SUBCOMMITTEE NOTES

Special Joint Committee to discuss, evaluate, and make a recommendation regarding alternative modes of governance at the Northern Colorado Regional Airport.

Monday, December 16, 2024

4:00-5:30PM

Mayors: Jeni Arndt and Jacki Marsh
Councilmembers: Troy Krenning and Julie Pignataro
City Managers: Kelly DiMartino and Rod Wensing
Others: Carrie Daggett, Brian Waldes, Laurie Wilson, John Kinney, Francis Robbins, Katherine Morgan, Dan Reimer, Dalton Kelley, Ginny Sawyer

Meeting Notes:

Time: Meeting started at 4:03 pm and adjourned at 4:45 pm

Chair: Mayor Jeni Arndt

Key Attendees:

- Mayor Jeni Arndt
- Mayor Jackie Marsh
- Councilmember Julie Pignataro
- Councilmember Troy Krenning
- John Kinney, new Airport Director
- Francis Robbins, outgoing Interim Airport Director
- Other attendees included City staff from Fort Collins and Loveland, local stakeholders, and interested community members, including 11 online viewers.

Meeting Highlights:

1. Introduction of New Airport Director:

- Mayor Arndt welcomed John Kinney as the new Airport Director and thanked Francis Robbins for his service and interim role. Francis Robbins' next role will take him to Bangor, Maine.

2. Review of Airport Authority Progress:

- Ginny Sawyer presented a review of prior meetings. The group expressed interest in pursuing the creation of an Airport Authority and using the same slide deck to seek support from both Fort Collins and Loveland Councils.

- A timeline was discussed, with the target start date for the Authority being January 1, 2027. This will require a new Intergovernmental Agreement (IGA), transfer of assets/liabilities, Airport Authority start-up, and adoption of key documents. Financial considerations are important.
- The Division of Local Government (under DOLA) will issue the certificate recognizing the Airport Authority as a political subdivision.

3. Council Support and Scheduling:

- Fort Collins Council will have a work session on January 28, 2025, and Loveland has a Study Session tentatively scheduled on February 11, 2025, to discuss support for the Airport Authority.

4. Resolution and Ordinance Discussion:

- It was clarified that Fort Collins would need to use an ordinance to formally create the Authority but a resolution would be initially needed to move forward with this committee's recommendations, etc. Loveland needs a resolution of support.
- Discussion on the timing of the creation and transition process:
 - 12 to 24-month timeline was discussed. Staff preferred a 24-month timeline to ensure a thorough process, while some members expressed concerns about prolonging operational issues.
 - It was determined that this process will be set on a 24-month timeline based on the number of tasks with various entities involved, budgetary considerations, steps to take regarding board member qualifications and selection, etc.
 - The Subcommittee thought it would be best to have each City Council give guidance on whether to keep this Airport Governance Subcommittee meeting as needed, or have staff come to the full Councils at various milestones in the process.

5. FAA and Governance Considerations:

- The FAA and other federal/local partners will need clear documentation on who will be in charge during this interim period. The transition must be carefully coordinated with federal regulations and agencies like TSA.
- The federal government operates on a different fiscal year than the Cities, and FNL is forecasting a grant at the end of 2025, so a longer timeline will be better in that regard.

6. Next Steps and Recommendations:

- There was consensus to draft a resolution for the creation of the Airport Authority, which would be included in the work session materials for both Councils.
- Members agreed that the staff should continue working on the IGA development and that its work should be reported back to the Councils as needed.
- Staff was tasked with preparing a draft of the resolution for review and with adding more details to the presentation slide deck.
- No additional meetings of this Airport Governance Subcommittee need to be scheduled at this time.

7. Final Comments:

- Mayor Arndt expressed gratitude for the collaborative effort and the initial survey, noting that the team is well-prepared for the next steps.
- The committee decided to proceed with drafting a resolution, with an understanding that the timing and details would continue to evolve based on Council support.

Meeting Adjourned: 4:45 pm