



## AIRPORT GOVERNANCE AGENDA

*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

Cache la Poudre Training Room, Platte River Power Authority  
2000 E. Horsetooth Road, Fort Collins

Zoom webinar link for remote viewing: <https://fcgov.zoom.us/j/93213057662>

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, Dalton Kelley, Ginny Sawyer

### PURPOSE:

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

3:30-3:40	Welcome and Agenda Review
3:40-4:00	Presentation
4:00-4:45	Discussion.
4:45-5:00	Wrap-up and Next Steps

Next Meeting:  
December 16, 4-5:30pm

Attached:  
Presentation  
Notes from August 12 meeting



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**Airport Governance  
Special Committee**

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**October 10, 2024**



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

3:30-3:40 Settle and Review Agenda

3:40-4:00 Presentation

4:00-4:45 Questions and Discussion

4:45-5:00 Wrap up & Next Steps

**Next Meeting:**  
December 16, 4-5:30pm

**Direction Sought:**

1. Does the Committee have a preferred governance structure they would like to pursue? If so, which?
2. What additional questions do Committee members have?

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**Follow-Up**



Committee requested additional information on the following two scenarios:

- 1. Amending current IGA:
  - a. How could Board be modified board (to achieve good stewardship, limit liability, provide consistency to stakeholders)
  
- 2. Forming true independent Airport Authority:
  - a. Makeup of Board
  - b. How financing works, etc.

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# Amend Current IGA

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## Current Airport IGA



- Amended and Restated in 2015
- Cities agreed to continue to jointly own and operate the Northern Colorado Regional Airport
- Created the Northern Colorado Regional Airport Commission (“Commission”)
- Delegated certain authority to the Commission with the goal of easing administration of Airport governance and operations
- Amended in 2016 to further expand Commission authority
- Amended in 2019 to stagger citizen Commissioner terms

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## Amending IGA



### **Grant the Commission More Authority ~ *not viable***

- 2015 updated IGA delegated as much power to the Commission as legally defensible under the Cities’ Charters and Codes
  - Delegation of powers requires guidance and parameters for decisions (ex: approved lease forms)
  - Charters cannot be easily amended and therefore limit delegation of certain powers (ex: real estate transactions)
- Reserved certain powers to the Cities as necessary
- Current structure has left open the question of what body is or should be making guiding policy decisions for the Airport (ex: Airport Strategic Plan)

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## Current Commission Power



- Enter into Airport agreements (leases, service/construction contracts), certain limitations
- Authorize Airport activities
- Adopt/revise Airport rules and regulations, including Minimum Standards
- Develop budgets, reserve policies, propose capital projects within approved Airport Budget
- Expend funds consistent with approved Airport budget, with certain limitation
- Establish Airport rates, charges and fees annually
- Establish Airport service levels
- Develop Airport operating plan, including security and emergency plans
- Direct the Airport Manager in order to provide input to the Loveland City Manager, who ultimately supervises the Airport Manager
- Sign grant agreements, with certain limitations
- Provide recommendations to the Cities regarding Airport policy issues

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## Current Status



### Power Reserved to the Cities – Airport “Policy Issues”

- Airport Master Plan
- Grant agreements not delegated to the Commission
- Approval of grant assurances
- Purchase and sale of real property/structures
- Construction of capital projects, unless within the Commission’s authority
- Approval of the Airport budget
- Approval of any City contributions to and appropriation of the Airport budget

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## Amending IGA



### Reduce/Remove Commission Power

- Allow the City Councils to delegate more authority to the City Managers
- Revise the Commission to be advisory only; results in:
  - Direct reporting relationship between City Managers and their respective City Councils
  - Fewer steps and greater clarity to gain approval of items
  - Leaves the question of what role the advisory Commission plays

### Cities Could Further Evaluate and Adjust City Duties

- Division of responsibilities between the Cities past, present and future
- Are we using each organization most effectively?
- What does delegation to the City Managers include?
  - City Managers and Airport Director

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## Decision-Making Comparison



Necessary Approval	Status Quo	Amended IGA	Authority
Daily Operation	D	D	D
Budget	AC, CC	CC	AA
Leases	D, AC, CC	D, CM or CC	D, AA
Capital Procurement	D, P, CM, AC, CC	D, P, CM or CC	D, AA
Land Acquisition & Disposal (including utility Easements)	AC, CC	CC	CC
IGA and Grant Agreements	AC, CM, CC	CM, CC	AA
D = Airport Director AC = Airport Commission CM = City Managers CC = City Council P = Purchasing Body AA = Airport Authority	5 entities	4 entities	3 entities

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# Forming an Authority

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## Airport Authority



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### Create Airport Authority

- Resolution/Ordinance, IGA, Certificate, Bylaws

### Transfer Airport assets and liabilities

- Assignment and Assumption Agreement
- AOC and ASP
- Transfer contracts, real property, and personal property

### Airport Authority start-up

- Financial systems and controls
- Employees
- Required services

### Adopt Key Documents

- Recycle existing policies and adopt new policies
- New contracts



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## Create Airport Authority



- Resolution/Ordinance: Adopted by both Councils creating and naming the Authority and appointing Board members
- IGA: Address operational logistics, such as
  - Level of cooperation and ongoing financial responsibility
  - Assignment of Airport assets and liabilities
  - Retention of Airport employees
  - Co-sponsorship for FAA grants
- Certificate: Issued by Colorado Division of Local Government
- Bylaws adopted by newly appointed Board members

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## Transfer Assets and Liabilities



This would include addressing:

- Assignment and Assumption Agreement: Required by FAA
- New Airport Operating Certificate: Approved by FAA
- New Airport Security Program: TSA requirement
- Assign Contracts and Agreements: This can also be addresses in the IGA
- Transfer Real Property: transfer by warranty deed to the Authority
- Transfer vehicles, Equipment, and Personal Property

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## Airport Authority Start-Up



### Establish Financial Systems and Controls

- Obtain federal employer identification number, Unique Entity ID (formerly DUNS)
- Set up new bank accounts and transfer funds from existing airport accounts
- Adopt a budget and submit to DOLA
- Adopt a Statement of Investment Policy and establish investment account (e.g., COLOTRUST)
- Adopt a signature policy
- Hire insurance broker and purchase insurance

### Hire Employees

- Negotiate employment agreement with Executive Director
- Hire Airport employees
- Adopt Employee Handbook
- Issue credentials, keys, purchasing cards, etc.

### Provide For All Required Services

- Law enforcement and first responders (police, fire, medical)
- Finance, admin, legal, HR
- Other outsourced services (landscaping, janitorial, maintenance, etc.)

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## Adopt Key Documents



### Recycle Pre-Existing Airport Policies

- Schedule of Rates and Fees
- Rules and Regulations
- Minimum Standards
- Airport Land Use and Design Standards
- Airport Development Guide

### Adopt New Policies

- Strategic Action Plan
- Delegation of Authority
- Purchasing and Procurement Policy
- Code of Conduct
- Airport Business Plan

### New Contracts for Services

- Negotiate and draft any new contracts and agreements for professional and other services

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## Direction and Next Steps



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Does the Committee have a preferred governance structure they would like to pursue? If so, which?

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What additional questions do Committee members have?

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A large blue graphic with a white horizontal band in the center. The band contains the logos for Northern Colorado Regional Airport, City of Fort Collins, and City of Loveland. Below the logos, the text "THANK YOU!" is written in large, white, bold, sans-serif capital letters.

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# 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***

Francis welcomed everyone at 1:38. The purpose today is to 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.

Dan heard key themes from the Councilmembers – see page 14 of the memo.

### ***Determine timelines and future meeting cadence to achieve outcome. Identify any potential needs for Executive Sessions for planning purposes.***

Proposed next meeting dates, cadence to be determined.  
Will be Oct 10 at 3:30-5:00 and Monday, Dec 16 at 4:00-5:30

Jackie nominated Jeni Arndt to be Chair. Julie seconded. Jeni Arndt accepted. Rod asked if Jeni is OK having Ginny Sawyer facilitate future meetings and Jeni said yes.

### ***Discussion***

- Review Governance Report provided by Dan Reimer and clarify any related questions.
  - o Specific Questions from previous meeting:
    - Examples of the other airport authorities across Colorado and how they function.
    - Would the Authority take over the real property?
    - Would the Authority still answer to a Board of Directors?
    - Any known financing implications.

Dan – airport attorney based in Denver for 25 years. Many airport issues arise from governance. He talked with elected officials from both cities; memo reflects this work.

***Examples of the other airport authorities across Colorado and how they function.***

See memo for detail.

Legislation – Colorado Airport Authorities Act (1960's) is the governing legislation. Dan serves as Counsel for Grand Junction Regional Airport Authority, Greeley Weld, Telluride, Centennial. Previously Jefferson and Adams 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. RM Metro (Jeff Co directly), Adams County manages.

See Memo, as requested at last meeting.

Dan – what we created was more of an advisory body to the cities, not a true authority under the Colorado Public Airport Authority Act. Cities still owned the real estate. In Colorado, the real estate is transferred to the Airport Authority.

Julie – Are any of current authorities set up with 2 municipalities that are sponsors? Dan: 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. The cities are independent entities. Assets are conveyed/transferred to the new Airport Authority (AA)– it is a created political subdivision. Airport Authorities are common throughout the US. There are tax structure nuances.

Francis – how does airport board composition go?

Dan – It's not consistent. Originators retain their appointment authority, conflicts rules. Elected/appointed, etc. vary. Professional staff don't usually sit on Board. Some power is delegated to professional staff. Central Service costs must be accounted for (HR, Legal, Finance support). They can do on their own or continue to contract with the originator entities.

Jeni – could you have additional appointees? Could CSU/Larimer/Windsor be included?

Dan – doesn't know about CSU. If other municipalities were part of local agencies, then maybe. They have to be co-sponsors on federal grants. Other political subdivisions may not like the liabilities with only one member, for example, on the Board. There is flexibility but you could be watering them down if too many.

***Would the Authority take over the real property?***

Francis –Can cities offload liability?

Dan – 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. Cities already enjoy immunity.

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. Didn't work very well when Space airport was subsidized by City/County.

Jeni – what if the Airport doesn't meet obligations?

Dan – if 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.

Francis – if AA is created, is it solely responsible for contracts and disputes?

Dan – yes. 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.

Jeni – If we want to attract commercial and we need a tower, if CDOT and FAA are done giving funding, who would invest in that?

Jackie – at the Airport Commission Subcommittee, Jared from DBL went through sequences to get federal financing for them to pay 100%. Starts with 100' runway – FAA. Jared to present to Airport Commission. Money would be there, hinging on commercial flights, even 1 or 2 a day.

Dan – 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.

Jeni – is it designed as working authority vs other boards she and other Councilmembers sit on?

Dan – Airport Authority makes their own decisions, set policy, all of it. In terms of appointments to the Board, you find local bankers, business people, 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. Grand Junction – remarkable people in community.

Jeni – are there politicians on the Airport Authority Boards?

Dan – It can be apolitical. Pendulum can swing on this. Originators retain the power of appointment; can remove those they appointed and appoint themselves. May want people with relevant experience.

Jacki – who pays Dan's fees?

Laurie – finances come through City of Loveland Legal; grants.

Jackie – If we get enplanements to 10K, are we eligible for funding (?)

Francis – airport improvement grant - \$150 – Avelo two years ago – got \$1M formulary funds.  
It's a 2-year delay in receiving the funds

Carrie – Cities are obligated to FAA now. If Airport Authority is formed how would it work?

Dan – 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 – they agree in perpetuity. Still researching if we have any assets.

Jeni – you have to think a lot before starting an airport.

***Would the Authority still answer to a Board of Directors?***

Dan – yes. Sponsoring members stand it up. That entity is responsible, with all the powers. Would make key decisions. May be touchpoints along the way, gather all elected officials from 2 entities once per year to talk about it. The Board executes agreements, policy documents.

Jeni – How many employees does the Airport Authority in Grand Junction have?

Dan – 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.

Francis – Greeley/Weld has 8. They also are tied to fixed based fuel. Their janitorial are employed by Airport Authority. One person focuses on Payroll. He can find out specifics. They are general aviation only. – no terminal to keep up.

Dan – most reply upon outside support or from originators.

Jackie –Considering that there is immunity on an accident on the property – what about getting sued for poor management? Does that overflow to cities?

Dan – 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.

***Any known financing implications?***

Dan – the Airport Authority is a separate legal entity; can seek loans, has all financing tools available.

Jeni – What is the average size of Airport Authority Board?

Dan – typically 5-9 members on the Board.

Jacki ---wants to think about special districts.

Dan – These are present in California. Examples in memo. He is not a special district lawyer.

The legislature could create an independent entity but it has not been done here

Jeni – the special district could levy taxes.

Jeni- What about tweaking the IGA? What would Jacki think about next meeting to discuss IGA tweaking or now?

Jacki- wants everyone to hear the presentation first re: physical tower. Different revenue model.

Jeni – hopes staff could offer a review of choices

Jacki- asked for Dan's advice.

Dan – 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 recommend to 2 city councils., so everything goes to Councils. That was previously done.

Jacki – may be too much.

Dan – “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.

Jeni – 16 elected officials are tasked with making very minute decisions.

Jacki – with elected officials there are shifting perspectives based on elections.

Julie – Since we are bringing up commercial flights, is this the right time to look at governance?

Jacki- if you can get the proper runway specs and a tower, etc., the community could want to fly between Oakland, Utah, etc. Our public and residents could enjoy routes.

Julie – commercial flights failed 2 times – Jacki: believes the failure was due to lack of tower.

FAA would pay for commercial tower if wider runways and commercial flights reached a certain threshold.

Jacki – Avelo went out when fuel prices rose and Allegiant went out with safety concerns.

Julie – thinking about attracting a larger airline with more financial stability. Her constituents may not like commercial air.

Jeni –She sees the reasons to go to an Airport Authority, to run the general aviation airport, taxis, helicopters, new tech. Cities would maintain power.

Julie – does it concern Loveland?

Troy – he doesn't think so.

Julie – Loveland did annex it historically.

Rod – Loveland would still do Land Use under either scenario.

Francis- Airport follows development master plan as it builds out. If Airport Authority or special district forms, or stayed the same, it would still stay in taxing and development under Loveland – as fire, etc.

Dan – Some say commercial service is very technical and dynamic in the industry. If you had business-minded directors with experience, maybe they would work better with airlines, develop incentives, learn more about electric options, air taxi, etc. If cities are committed to making it work, having an independent entity focus on it would create momentum.

Dan - Verti Ports-advanced air mobility. I.e. top floor of parking structure downtown; urban air mobility taxis. Need to consider where the industry is going. Front Range – was rebranded to Air and Space Port.

Jacki – FAA considers this commercial.

Jeni – personal opinion – at next meeting: requested detailed governance model based on Airport Authority, if possible.

Troy – What is leaning? Airport Authority, continue, commission on steroids, buy FoCo out?

Julie – leaning toward taking what we have and improving it via IGA adjustments.

Troy – 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.

Jeni – 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 her goal. Souped up Commission model doesn't seem to help.

Jacki- wants more detail on how the functioning airports got to where they are now. Wants it to be functioning business.

Jeni – depoliticization is her goal. Politicians don't know/have enough time and expertise to really make these decisions. Grateful to appointees.

Troy – 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 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.

Jeni – further business? Meet at PRA on Oct 10.

Thank you for attending. Jeni adjourned 2:52pm.