



MINUTES
Airport Advisory Commission
October 25, 2005

COMMISSIONERS PRESENT: Stephen Ducoff – Chairman
Bernie Herpin – Vice Chairman
Bud Breckner
Lynn French
Bob Kudwa
Joel Miller
Dennis Weber

COMMISSIONERS ABSENT: None

NON-VOTING MEMBERS PRESENT: None

NON-VOTING MEMBERS ABSENT: Greg Timm, Alternate Commissioner
Jim Bensberg, El Paso County Commissioner
Rob MacDonald, Pikes Peak Area Council of Governments
George Sugars, El Paso County DOT

CITY STAFF PRESENT: Mark Earle, Aviation Director
John McGinley, Asst. Aviation Director, Ops & Maintenance
Bill Keller, Airport Planning & Development Manager
Kelly Koon, Special Projects Coordinator
Gisela Shanahan, Accountant
Cheryl Schwab, Financial Analyst

CITY STAFF ABSENT: Pat McDivitt, City Attorney

GUESTS PRESENT: Wendell Hawkins, Sr. Airport Operations Agent, COS
Posie Brown, Sr. Office Specialist, COS
Wayne Heilmann, Gazette
Brian Towle, TSA
Dennis Portlance, TSA

VICE-CHAIRMAN HERPIN CALLED THE MEETING TO ORDER AT 3:02 PM

Next meeting is Tuesday, November 22, 2005.

1. APPROVAL OF THE SEPTEMBER 27, 2005, MINUTES:

- Chairman Ducoff asked for approval of the September 27, 2005 Airport Advisory Commission minutes. Commissioner Breckner made the motion to approve the minutes and Commissioner Weber seconded the motion. The motion was carried by unanimous vote.

2. PUBLIC OR CITIZEN GROUP COMMENTS:

- No Comments.

3. CHAIRMAN'S COMMENTS

- No Comments.

4. GENERAL BUSINESS

Land Use Items – Bill Keller

Bill introduced Ira Joseph with the City Planning Department and Mark Gephart with the El Paso County. They have been working with Bill on the airport zoning codes. Ira presented information about various airspace overlays. Mark Gephart presented additional information about the zoning and subdivision regulations. Bill, Ira, Mark G and Mark Earle will need to come to agreement on the regulations within the next few weeks.

Bill introduced Posie Brown. She formerly worked in the Operations office and now is working in the Planning and Development office.

Bill reviewed the following land use items:

- ◆ AR DP 05-00809
- ◆ AR DP 05-00784
- ◆ CPC LUM 05-00216 / CPC MP 05-00217 / CPC ZC 05-00218
- ◆ CPC DP 05-00219 / CPC FP 05-00220
- ◆ CPC A 05-00229 / CPC ZC 05-00231
- ◆ CPC ZC 05-00225 / CPC FPF 05-00226 AR PUD 05-00793
- ◆ AR CM2 05-00776
- ◆ PPR-05-013 / PPR-05-14 / PPR-05-15 / PPR-05-16 / PPR-05-17 / PPR-05-18 / PPR - 05-19

- Commissioner Weber motioned to accept the land use items as recommended by Airport staff, subject to confirmation of the location of Item #7. This was seconded by Commissioner Herpin. The motion was carried by a unanimous vote.

5. STAFF REPORTS

→ **Budget Report – Cheryl Schwab**

- Mark opened by noting that the budget process this year has been quite a challenge. Cheryl has been working on the budget since Rick Gorman left. Cheryl has had tremendous support from the operations staff to help cut costs. If you look at how our costs keep rising, when you look at the overall increase in the budget,

we have held the line on costs. This is important because we pass on these costs to the airlines. We have a requirement from the City that we stay financially self sufficient and we will make sure that we do. Once we cover our costs, there is still a tremendous amount of pressure to contain our costs so we can continue to attract carriers and services. In 2006, the Airport's requested budget is a little over \$20.5 million which is a 1.9% increase of the 2005 budget. Cheryl gave an overview of the airport industry and then explained our budget. Mark noted that there are a few areas in which we could create savings if the airport handled the functions rather than the City.

→ Traffic Report – Gisela Shanahan

- September enplanements are lower than August but show a 5.4% increase from September of 2004. The year to date deficit continues to narrow and currently stands at 0.3%. We did have several carriers drop seasonal flights in October, but it is an annual occurrence and we anticipate year to date numbers to hold firm. American Eagle and America West Express continue to increase their local market share.
- Landed weight is up for the month and the difference between 2004 and 2005 continues to close. (2.2% in September as compared to 2.8% for August.) The number of landings as compared to 2004 year to date is 2.6% lower. In general, all of the air traffic statistics are moving in a favorable trend as we near the end of 2005.
- Total aircraft operations are down. Both general aviation and military operations are approximately 5% below 2004 numbers.
- Enplanements per departure continue to rise reflecting the overall increase in load factors.

Industry Notes: Major carrier load factors are up 2.5% over 2004; low cost carriers up 3.0%. Northwest reduced its flight schedule for October and November by eliminating its Pinnacle code share flights out of COS. The announcement was originally temporary but NW announced mid-October that they plan further reductions in January of 2006. No indication of COS will be affected. American eliminated one daily flight to Dallas in October and November – scheduled to resume in December. American announced last week that they will extend temporary reductions into January of 2006 to cut overall costs and conserve fuel.

→ Finance Report -- Gisela Shanahan

- Airline revenue is below budget due to a change in landing fees used to calculate the budget and the actual annual effective rate charged. Also, the number of gates leased by airlines dropped from nine to seven. Rents are down due to a decrease in the amount of space leased to airlines from time of budget preparation.
- We continue to see an increase in terminal concession revenue. The food and beverage concessions are doing very well and the tentative opening of the pre-security restaurants in November will contribute toward an anticipated revenue in excess of budget for concessions.
- Rental car revenue continues to rise. Business and convention traffic has been steady; which are the primary users of on-airport rental car agencies. Public parking revenue will end the year at approximately 10% below budget due to the parking lot construction and higher vehicle traffic number used at time of budget preparation.

- Overall, the year to date revenue has moved in the positive to .5% above budget.
- For expenditures, our actuals are down approximately \$543,270 from what was budgeted, or about 3.6%. Personnel, services, and advertising expenses continue to run well below budget for 2005.

➔ **Operations and Maintenance – John McGinley**

Construction

- We have made it through our concrete allotment. Things are moving briskly now. Between the allotment and weather, the parking lot project is about 4 weeks behind schedule. We will not be able to switch the rental car lot and short-term lot before Thanksgiving. We are aiming to complete this before the Christmas break as long as we do not run into weather problems.
- On Aviation Way we continue to perform utility relocations on the south end. The relocations are being done to facilitate the drainage pipe being installed in that area.
- Gordon Biersch and A&W are planning on a November 12 opening. The manager indicated that he is comfortable with this date and is planning on a VIP reception for November 11.
- Travel Mart will be open this Friday and product is currently being stocked. They do not have their graphics yet and may have to open without signage.
- Interior Remodel – on Monday we relocated the entrance and exit to and from the sterile area to the outport locations east and west of the checkpoint. This has allowed us to conduct work in the central area where the future checkpoint will be located. We will be in the current phase for the next 4 weeks and are scheduled to move the checkpoint back on November 20.
- Taxiway “C” opened October 14 and immediately after opening we taxied a 777 down it.

Operations

- Gary Campbell is the Operations Manager and will be retiring on Friday. He has worked with the airport since 1975.

➔ **Planning and Development – Bill Keller**

- The vehicle service roads project will go out to bid soon to gain advantage of the downturn in pricing. We are anticipating a March 1 – June 30 construction timeframe. This is the roadway from the Fed Ex facility all the way to the north end with a paved surface. It also includes a portion that will come around the southern tip of the golf course which will allow the transition of police, fire or operations staff without having to access an active taxiway.
- Drainage – the airfield drainage issues are still front and center. The detention pond will be another bid project over the winter and is primarily an excavation project.
- We are continuing to work with state and local economic development agencies on the Business Park. Coordination is ongoing.
- We expect to begin design work soon for the Drennan Road resurfacing.
- The runway rehab, 17L/35R, will be reviewed on Wednesday for bid documents to be issued. We anticipate issuing this project out for bid about November 12.
- Taxiway rehab – we received a call from the consultant on this. There is a last minute investigative submittal we will be receiving. The final report will be about 6 volumes.
- The west aviation infrastructure, scope revisions to the taxiway that will serve the central Fountain area are being put together by our consulting firm, URS and should be delivered prior to a task order being issued shortly that will allow them to proceed over the winter.
- Tenant project updates - the ASR 11 is being upgraded on the east side of the airport. This is an FAA project. Rob Martin has been given permission to begin preconstruction

on his hangar development on the north end. The museum is progressing. Commissioner Herpin asked about the status of the SkyWest maintenance facility. Bill noted that they are progressing with their development plans and anticipate going to bid shortly. They expect to have full development plan approval by Thanksgiving.

Chairman Ducoff asked about the status of the compass rose. John updated the Commission that if we paint the rose where it currently is, it will interfere with the Design Group 3 and 4 for Taxiway "C" which means that we could not legally taxi DC 10 and larger aircraft down there. There are a couple options that will work, however we need to figure out which one we want to use.

→ **Director's Report – Mark Earle**

- Terminal renovations – you are starting to get a sense of the new space as we progress through the renovations. Mark will conduct a tour after the meeting.
- Mark showed a small mock up and explained the location of the mosaic mural that will be included in the renovations. We chose to use a broken tile so the mural looks more like an art piece.
- Wright Amendment – Everyone has heard the Southwest announcement. The chances of getting SW into the market have always been higher in Denver. The schedule planners told us how the process worked over time, they went back and forth between Denver and Colorado Springs. Then there was the availability of airplanes; they didn't expect to come to Colorado and when Katrina hit, additional planes became available. Denver has done a great job in reducing their costs, so it made sense for SW to choose Denver. Commissioner Herpin said it was interesting how they changed the business model. Mark agreed and explained how SW has been compelled to do business in the larger airports. As for the air service development at COS, we have never been focused on attracting only 1 low fare carrier. We are constantly communicating with a variety of carriers as well as working with the community. Commissioner Weber asked if there was any discussion about getting the Task Force back together. Chairman Ducoff will check with the Mayor about this. Commissioner Miller asked about the rumor that American will pull out of small airports if the Wright Amendment is repealed. Mark explained that American feels this may impact their service to certain cities which may result in some decreased service.

6. OTHER BUSINESS

- Chairman Ducoff noted that TSA was in attendance and asked the Commission if there were any questions they would like answered. Chairman Ducoff asked Dennis Portlance if he was pleased with the renovations and how they were moving along. Dennis responded that he felt it was coming along very nicely and moving quickly. They are anxious to be in the new area prior to Thanksgiving. Commissioner Weber noted that several things have come up lately about loosening of some of the TSA regulations. Dennis wasn't quite sure what Commissioner Weber was referencing and then stated that he had seen an article in the newspaper about this. Commissioner Weber said he thought it was making the shoe and jacket removal optional and then some of the restricted carry on items being removed from the list. Dennis noted that clippers and some other small items have already been removed from the list, as for coats and shoes; some airports have the trusted passenger program in which participating passengers would not have to remove these items. This is only in some airports that are testing the program which has implemented using biometrics and is a fee based program. The loosening of regulations is still being reviewed. TSA is trying to make it less burdensome for the travelers. Commissioner Kudwa asked if there was a timeline for a

decision on the trusted traveler program. Dennis is not familiar with any decision point at this time. TSA still has some concerns with the program.

- ➔ Election of Officers – Commissioner Weber noted that he and Commissioner Breckner polled the other Commissioners about recommendations for new officers. Everyone agreed they would like to see Chairman Ducoff and Vice-Chairman Herpin continue for an additional year. Commissioner Weber motioned to accept the extension of the Ducoff and Weber seats. Commissioner Breckner seconded the motion. The motion was carried by unanimous vote.
- ➔ Chairman Ducoff thanked staff for writing the letter regarding Powers as a freeway.

7. AIRPORT STAFF ACTION ITEMS

- Improve the updates to the Project Status Report.
- Secure a copy of the airport codes from the City and County for distribution to the Commissioners.
- Ask the Mayor about the status of the Air Service Task Force.
- Bankruptcy impact report back.

Chairman Ducoff adjourned the meeting at 5:08 p.m.

Minutes respectfully submitted by:
Kelly Koon, Special Projects Coordinator