



MINUTES
Airport Advisory Commission
November 28, 2006

COMMISSIONERS PRESENT: Lynn French – Vice Chairman
Bud Breckner
Bob Kudwa
Joel Miller
Greg Timm
Dennis Weber

COMMISSIONERS ABSENT: Stephen Ducoff - Chairman

NON-VOTING MEMBERS PRESENT: Wally Miller, Alternate Commissioner
Bud Patterson, Alternate Commissioner

NON-VOTING MEMBERS ABSENT: Jim Bensberg, El Paso County Commissioner
Rob MacDonald, Pikes Peak Area Council of Governments

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

CITY STAFF ABSENT: None

GUESTS PRESENT: Michael Civitelli, Operations Manager, COS
Brian Clark, Harper Community College
Danielle Scott, Accounting Supervisor, COS
Lothar von Wolfseck, American Airlines

VICE - CHAIRMAN FRENCH CALLED THE MEETING TO ORDER AT 3:00 PM

Next meeting is Tuesday, December 19, 2006.

1. APPROVAL OF THE OCTOBER 24, 2006, MINUTES:

- Vice-Chairman French asked for approval of the October 24, 2006 Airport Advisory Commission minutes. Commissioner Kudwa made the motion to approve the minutes and Commissioner Breckner seconded the motion. The motion was carried by unanimous vote.

2. PUBLIC OR CITIZEN GROUP COMMENTS:

- None

3. GENERAL BUSINESS

→ Land Use Items – Bill Keller

Bill Keller reviewed the following land use items:

- ◆ AR CP 06-00755 / AR DP 06-00756 / AR FP 06-00757
- ◆ AR DP 06-00799
- ◆ AR FP 06-00828, CPC CU 06-00277
- ◆ PUD-06-013
- ◆ SF-06-031
- ◆ SP-06-024 / PUD-06-014
- ◆ PPR-06-043 / PPR-06-045
- ◆ PPR-06-046
- ◆ PPR-06-047

Commissioner Breckner made the motion to approve the land use items as recommended by Airport staff and Commissioner Kudwa seconded the motion. The motion was carried by unanimous vote.

4. STAFF REPORTS

→ Traffic Report - Gisela Shanahan

- Due to the transfer of ticketing, ground handling, baggage, etc from United to Skywest there has been a delay in the accurate reporting of United passengers for the month of October. We do not have final passenger or landing data and therefore, the reports submitted to Council reflect estimates based on current flight schedules and load factors. October **enplanements** are down approximately 2.4% from October of last year. Year to date enplanements are down 0.7%. Available seats based on maximum capacity were down 10% reflecting the nationwide decrease in capacity. Airlines continue to operate at lower capacity to reduce costs and also sight reduced domestic passenger traffic as a result of the security threats in London that have resulted in carry-on restrictions for liquids. Mesa reduced its flying by 70% in October and ceased its mainline presence at COS as of November 12th.
- **Landed weight** is down approximately 10.4% in October and 6.0% YTD as compared to 2005. Again, this data is based on estimates. We have roughly 8 to 9 fewer daily flights. Reductions include one daily to Atlanta, one daily to Chicago, one daily to Cincinnati, one daily to Dallas, 5 dailies to Denver, one additional to Houston, two alternating to Las Vegas, one daily to Los Angeles, one additional to San Francisco.

- **Freight and cargo** pounds are 10.7% below October of 2005 and down 2.8% YTD. Both passenger and cargo airlines are carrying less freight due to reductions in the number of flights.
- Total **aircraft operations** are down 20.9% for October and 14.8 % YTD. The majority of decreased operations are due to military traffic.
- Average **load factor** for October 2006 is 76.7%, up 1.0% from September and 6.0% from 2005.

→ **Finance Report – Gisela Shanahan**

- Airline **revenue** is 0.5% below budget and 2.0% higher than 2005. The shortfall is due to unanticipated reductions in landing fees caused by fewer flights.
- Concession revenue is at budget; however revenue compared to 2005 is up 7.0%.
- Terminal area revenue is 2.7% above budget.
- Other area revenues are 25.9% above budget. The increase is primarily due to collection of RON fees, which were not budget and the uneven collection of state fuel excise and sales tax.
- There has been a substantial increase in interest income due to higher returns on investments.
- Overall revenue is 5.1% above budget and 6.0% above 2005 revenue.
- For **expenditures**, total obligations are 4.3% below budget. 2006 expenditures are just slightly above 2005 by 0.5%.
- Net operating income is \$7.9M YTD excluding debt service.
- **Concession gross sales** are up 1.6% YTD. There has been a slight decrease in rental car gross sales due to fewer leisure travelers renting vehicles. All other concession revenues are higher.

→ **Rates and Charges – Cheryl Schwab**

Last month, we reviewed the 2007 operating budget, sharing with you our passenger assumptions, and also our assumptions regarding airline and non-airline revenues, and our overall operating expenses. We have also shared with you our non-signatory rates, which are calculated as a result of our budget exercise. With this in mind, what you have before you are the planned signatory rates for 2007.

The landing fees have gone up just slightly from our original 2006 estimate. We were simply able to hold airfield expenses to an amount comparable to 2006; but the anticipated landed weight for 2007 is lower than the original 2006 estimate, and we've also added the Runway 12/30 Seal Coat & Paint project as something that will be amortized to the airlines. These are the main items causing the slight up tick in landing fees.

Terminal rental rates will see a 4% increase in 2007. This is due primarily to increased expenses associated with the terminal building as compared to the original 2006 estimate. We've also added several terminal projects that will be amortized to the airlines.

Loading bridge rental rates will see a 2% increase in 2007. We'll be systematically upgrading the controlling mechanisms in the loading bridges in 2007 and that's what's driving this slight increase.

Shared income is expected to increase by 16% over the original 2006 estimate. This is because the revenues are anticipated to grow at a faster rate than the expenses. The revenue growth is mostly seen in the non-airline revenues.

Even though the individual rates have each gone up slightly, the cost per enplaned passenger (e.p.) has gone just slightly down from our 2006 original estimate. This is due to the changing ratio of signatory airline revenues versus signatory enplaned passengers. The signatory passengers are expected to grow at just a slightly faster rate than the rate at which the airline revenue will grow; this pushes down the cost per e.p.

These rates have been reviewed with our signatory airlines, and we received positive feedback.

→ **Operations and Maintenance – John McGinley**

Operations

- The Ops staff is working with AAEE to produce our CBIET for Security and Driver Training. This involves writing a script and producing video segments for interactive training. AAEE will be in town Dec 11 and 12. The system should be up and running in May.
- On November 29, the TSA kicked off their 311 campaign to educate passengers on current liquid restrictions. 3-1-1 reminds passengers that:
 - All liquids, gels and aerosols must be placed in a 3 ounce or smaller container. Containers must be placed in a 1 quart, clear plastic, zip-top bag and only 1 bag per passenger which is then placed in a plastic bin for screening.
 - As you are aware, the limitation on liquids reflects changes made after the failed terror plot involving the possible use of liquid explosives in London on August 10, 2006. In response, TSA immediately banned all liquids at security checkpoints. The ban was modified on September 25, 2006, after extensive testing showed that small amounts of liquids, gels and aerosols did not pose a significant threat. To promote the program to the COS passengers, the TSA has assigned staff to an information table in front of the screening checkpoint to catch travelers before they enter the checkpoint line and ensure that they are following guidelines. Airport volunteers have also assisted at the table during peak periods. The TSA will staff the information table through the Christmas holiday. The program has proven to be very effective. According to the TSA, the longest wait time at screening through the Thanksgiving holiday was 18 minutes.
- We are gearing up for the predicted snow on Wednesday.

Maintenance

- On the issue of snow, in 2005 Troy Stover began a cross training program to train more staff on airfield snow plowing. We increased our trained head count from 16 to 22. We used everyone during the last snow storm and it was a tremendous help.
- Christmas decorations were put up right before Thanksgiving.

General Aviation

- We are drafting a letter for the west side tenant managers regarding ID badges for the GA community. We'd like to start the badging process in December and have everyone badged by the end of February. The fees for the badge are the same as they are for the rest of the airport; no cost for the badge and \$50 If lost. Fingerprints are not required but we will be running names and personal data through a TSA database. We will be establishing SIDA areas around the Fed Ex and DHL areas. This has been mandated from TSA.
- We will be establishing restricted areas for the cargo carriers. Particulars are being discussed with TSA.
- Upcoming Pilot Training Events:
 - AOPA Safety Seminar – February 7, 2007 at the Radisson from 7:00 to 9:00 p.m.
 - ATC Town Hall meeting – possibly in January 2007.
- Wireless Access Control – we are in process and the project is moving along. Right now we're working on some requests for information. This project should be completed around February.

→ Planning and Development – John Faulkner

- Business Park – Aerospace has almost all of their exterior walls up. You can see the shape of the building and what it will look like. Interior build out will begin next month. Northrop Grumman just broke ground about 2 ½ weeks ago and are doing foundation work now. The City's work is pretty much complete for this year. Utilities are in place; gas, water and electric are out there and the sewer line is under construction by the Corps of Engineers. The City work for next spring will be the roadway.
- Cell Phone Lot – we are going to be doing some redesigning. It is open right now. We have closed off the right most lane to provide a safe merge. The exit road will be changed next year to cut the angle back which will help with viewing oncoming traffic. This project will be done next spring.
- The Entry and Exit roads – we have a consultant for this and have done a walk through. It looks like in some areas we will have some sub-base to rework and will know more in a couple weeks when we receive the test results back. We will be doing some coring to find out how deep down the surface needs to be reconstructed. We should have a good handle on the extent of the work in a couple weeks.
- Taxiway work has been split into phases. We're beginning the design work on the phasing and have had some scope meetings with the FAA to talk about what the project is. We have a consultant on board looking at the design.

→ Construction – John Faulkner

- West Aviation Infrastructure is very close to being done. We are just a few weeks out on final punch list items and painting. The paving and utility work has been done.

Landscaping has been cut out of the project; this may become a separate project in the spring.

- Airport Drainage – On Monday, we started construction on Pond 8 which is part of the Aviation Way project. SkyWest took quite a bit of dirt out of this area for us; the rest of the dirt is being piled on the east side of the security fence. We should have this project done in early spring.
- Canopies and Kiosk – project is underway in front of the terminal. The contractor has done a lot to minimize the impact to the walkways. You may have noticed that a lot of the trees are missing. We have relocated them to another area. The contractor has done a real good job of understanding the obligation of getting people in and out of the building. We are also working with the rental car companies to redesign their outside kiosks.
- Runway – We are at a point in the project where we're getting some of the surface layers done. The entire mainline surface has concrete. We are doing some shoulder work also. We had some issues with the FAA last month on specifications, however this has been resolved. Over the next couple of months we will be doing our final testing. We are hoping for a mid-January finish if the weather cooperates.
- Roadway signage – the project has been designed and we're waiting to get this into a bid document. This will include signage all over the airport which will have a common theme and be a very comprehensive project.

→ **Director's Report – Mark Earle**

- We received a letter from American Airlines expressing appreciation of the Airport and AAC for their support of the DFW/Beijing service.
- Tomorrow you will see an article in the Gazette about the airport being brought out of enterprise status. This is something that is done from time to time based on the amount of revenue we get. Under TABOR you have to take the Airport out of enterprise status in order to keep us in compliance with the City charter. The City TABOR law imposes a 25% threshold for revenues from governmental sources. When it is anticipated that this will occur, the Airport is taken out of enterprise status until governmental revenues drop below the 25 percent threshold. During any such period, airport funds are kept separate from City funds and the Airport continues to operate as a self supporting entity. There is no impact on the use of Airport funds.
- Discussion ensued about the recent articles in the Gazette.
- Mark reminded the Commissioners that the December meeting has been moved to the 19th. Commissioner Breckner suggested that Kelly contact Chairman Ducoff to poll the commissioners on their availability for the December meeting.

5. OTHER BUSINESS

- None

6. CHAIRMAN'S COMMENTS (AS PER VICE CHAIRMAN FRENCH)

- The Mayor's office called looking for a volunteer from the commission to sit on the Asset Naming Board. Commissioner Weber motioned that the Chairman be the representative. Commissioner Breckner seconded the motion. The motion was carried by unanimous vote.

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status
Poll the commissioners re: availability for December meeting	Steve	Complete; meeting will be held on Dec. 19
Correct the spelling on Denny Weber's parking card	Kelly	New card has been ordered
Contact Terry Sullivan to discuss Welcome Signs	Mark	Pending
Tour for Joel and Denny	Kelly	Pending commissioner availability
Distribute Runway Construction Schedule	Kelly	Updates given by John F at each AAC meeting
Business Park Design and Review Committee Report Back	John F	Pending member appointments
Community Recognition Program Policy	Mark	Pending response from Pioneers Museum

Vice-Chairman French adjourned the meeting at 4:35 p.m.

Minutes respectfully submitted by:
Kelly Koon, Special Projects Coordinator