



MINUTES
Airport Advisory Commission
December 18, 2007

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

COMMISSIONERS ABSENT: Bob Kudwa

NON-VOTING MEMBERS PRESENT: Pat Boone, Alternate Commissioner
Bud Patterson, Alternate Commissioner

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

CITY STAFF PRESENT: Kristine Andrews, Environmental Specialist
Mark Earle, Director of Aviation
John Faulkner, Asst. Director, Planning & Development
Kelly Jackson, Airport Public Affairs Administrator
John McGinley, Asst. Director, Ops & Maintenance
Gisela Shanahan, Asst. Director, Finance & Administration

CITY STAFF ABSENT: Pat McDivitt, City Attorney

GUESTS PRESENT: Fred Corey, Kimley-Horn
Bob Jones, Kimley-Horn
Dave Elliott

CHAIRMAN FRENCH CALLED THE MEETING TO ORDER AT 3:03 PM

Next meeting is Tuesday, January 22, 2008.

1. APPROVAL OF THE NOVEMBER 27, 2007, MINUTES:

- Chairman French asked for approval of the November 27, 2007 Airport Advisory Commission minutes. Commissioner Breckner corrected the \$25 amount on page 5 to \$25 Million. Minutes will be corrected and were accepted by Commission.

2. PUBLIC OR CITIZEN GROUP COMMENTS:

- None

3. GENERAL BUSINESS

→ **Land Use Items – Kristine Andrews**

Kristine Andrews presented the following land use items:

- ◆ CPC PUZ 07-00344 / CPC PUP 07-00345/ CPC MP 03-00031-AIMJ07
- ◆ AR FP 07-00767
- ◆ AR FP 07-00774 / AR FP 07-00775
- ◆ PPR-07-030

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

4. STAFF REPORTS

→ **Traffic Report - Gisela Shanahan**

- Enplanements – Trends are showing positive and have moved beyond 2006 YTD. November 2007 had an 8% increase over November 2006 and a 1% increase YTD. Many major carriers were also positive.
- Landed Weight – Landed weight in November was 2.6% higher compared to November 2006. At the end of last year, we saw some frequencies drop. YTD we are down 6.6%.
- Freight and Mail – 12.9% down for November and 17.5% down year-to-date.
- Aircraft Operations – 25.4% increase for November and YTD is an 11% increase. GA and military make up a significant component of this increase.
- Airline Load Factors – We removed charters from these numbers, as requested. November 2007 was up at 79.3% and YTD we are 79.2%.
- Airline Seats Available – We removed charters from these numbers as well. This is the first month we see seat availability. We are up 7.6% for November and 4.6% down YTD.

➔ **Finance Report – Gisela Shanahan**

- No financial report was given due to the timing of the meeting.
- Cost per enplaned passenger will be reported in January due to year end figures.

➔ **Operations and Maintenance – John McGinley**

Operations

- We have a new K9 officer that just completed training in San Antonio. Next week, Officer Clint Shum will be working with Grisa, a German Shepard.
- The CSPD Airport Unit won a Partnership award from TSA for integrity, Innovation and Team Spirit. Sgt. Harrell went to DC to receive the award.

Maintenance

- We had a couple of snow events since the last meeting. About two weeks ago, snow started on Friday and continued through Sunday. It was a tough storm to fight due to continuous precipitation. The character of the storm was low visibility with high winds. Our plan worked very well. We are working with Peterson on proper notification of incoming military aircraft during storms. These storms were a great test of our program.

➔ **Planning and Development – John Faulkner**

Design and Development

- Rehab of Taxiway E – We met with the design consultant on the taxiway program. They gave us comments and will provide a 90% design in January. We hope to receive bids in February and begin the initial phase on F to G.
- Roadway Signage Project – The project is ready for bid. Construction should take place next year with signs up in July/August of 2008.

Construction

- Taxiway E Rehab – FAA came out Monday to review the surface. There are still some punch list items to take care of and we hope to have it open next week.
- VSR – This project has been put on a work suspension due to the weather. The contractor will return next spring.
- Business Park Planning –The Corps has been working on the lift station and should be done in the next few days or by the end of January.
- Drainage Improvement – We met with the design consultant. There is some disagreement about the cause for failure. This continues to be a difficult negotiation.
- Canopies/Kiosks – The warranty work is being done on the glass. Mill work and electronics will be bid in January for the kiosks.

→ Director's Report – Mark Earle

Looking forward, I'd like to highlight some of the issues will keep us busy in the new year.

- Marketing – As we've mentioned in the past, we have reached a point where most of the terminal improvements are done and its time to start pushing the effort to market the airport as the most convenient alternative for air travel in the region. Most people understand this; on the other hand it doesn't hurt to remind people that we are constantly working to improve customer service. We'd like to be sure that when someone thinks of our airport, it comes to mind that COS is the easiest option, and that there are hidden costs to driving up the road to fly. There is a price differential and we'll always have to deal with that. However, when you consider all of the costs, such as cost of gas, parking and the time it takes to drive up and navigate through the DIA system, you are better off flying out of the Springs. We've had internal meetings on this subject, and have met with Commissioner W. Miller to discuss the best approach to mounting a campaign in 2008. We intend to make it a positive campaign, and will avoid a direct attack on DIA. We will also continue to do everything we can to close the gap on pricing between the two airports. We've made headway over the last two years, particularly in the 21+ days in advance pricing. We look forward to working on ticket prices with Frontier Airlines, as well as our existing carriers, as we move into 2008. A very big part of marketing effort will be an airport-wide customer service program, including airport and airline employees, rental car companies, parking lot operators, and anyone else who comes into contact with the public. TSA will also be included and has already made great strides in 2007. The program will not be limited to the terminal area, but will also involve the general aviation side of the airport. More details to come.
- The projects we have been working on over the past four years have generated a tremendous amount of work. In addition to the new customer service and marketing initiatives, staff will continue to work on projects such as the business park, the Frontier maintenance hangar, several airfield projects, the ADACG, and the interior and exterior sign projects. We will also continue to work on air service and the efficiency of our airport's financial systems.
- There has been a lot of discussion at City Hall about TABOR impacts on the airport. The airport is required by federal regulation and by City Ordinance to be run as a self-supporting enterprise. However, when it comes to TABOR, there is a unique definition for "enterprise" that includes a cap on revenues from governmental sources at 25 percent of total revenues. The intent of the restriction is to ensure that enterprises are supported primarily from enterprise revenues, and that the use of general fund tax revenues to fund enterprise activities are limited. In the airport's case, our entire operations budget is funded by enterprise revenues. However, a large portion of our capital budget is funded by grants from the Aviation Trust Fund, which has been interpreted historically as a "governmental" source of revenue under TABOR. Accordingly, the airport has been deemed to be "out of enterprise status" in those years where it has been successful in attracting large federal grants from the aviation trust fund that push the "governmental" contribution above 25 percent. During these "non-enterprise" periods, the airport has certain restrictions on the use of its funds that limit its flexibility to respond to business opportunities. In the coming year, the airport, in conjunction with the City, will be looking at the historical interpretation of the definition of airport enterprise under TABOR, and will explore ways to resolve the unintended consequences of the law that have had an impact on managing the assets of the airport.

Commissioner W. Miller asked what specific impact this could have on the airport. Mark noted that in most years, the airport can issue airport revenue supported debt without having to go through the same lengthy public process required when the City issues tax supported debt. As an enterprise, the airport has the flexibility as any private business to issue debt or borrow funds in response to an immediate need or to take advantage of an opportunity. However, under TABOR, when the airport comes out of enterprise status, it can no longer behave like a business and instead has to go through the same process to issue debt or borrow as the City does when it is committing tax revenues—**even though the airport still is required to pay off the debt with its non-tax enterprise revenue.** In a case such as the Frontier hangar project, where the airport had to commit to issuing debt on short notice, we would not have been able to respond to Frontier's RFP had we been out of enterprise status under TABOR. Most who have studied this have concluded that this was an unintended consequence of TABOR.

Commissioner Timm commented that he thought the airport had gone out of enterprise status last year. Mark replied that initial planning numbers indicated that this would be the case, however, the actual numbers came in such that the airport avoided coming out of enterprise status for 2007. For 2008, our current estimates indicate that we will go out of enterprise status by a little more than \$100,000. However, when you figure in projected revenue from Frontier coming into the market (we do not have their schedule yet) we would remain in enterprise status for TABOR purposes.

5. OTHER BUSINESS

- Commissioner Breckner commented that in the past the Defense Mission Task Force (DMTF) thought they needed to do something to offset some bad publicity that the Air Force Academy was getting among other things. I came to you asking for favorable publicity especially with parents coming, new people coming in the summer, graduation, etc. The Airport did that and it was well received by the DMTF and the Chamber. You also mentioned that eventually we would have an updated electronic display which could be used for a message. The DMTF realized we also needed favorable publicity reflecting Colorado Springs as home of Ft. Carson, Shriver, Space Command, etc. Today I noticed the military PSA in the soffit area above the escalators and it is magnificent. I will let the DMTF and Chamber know about this.
- Commissioner W. Miller requested that staff draft a letter from the Commission to the Mayor commending the Colorado Springs Police Department at the Airport with respect to the unit's cooperation with TSA in receipt of a special TSA award.
- Kelly Jackson reported that on Dec 15, SkyWest had a Fantasy Flight for 50 underprivileged kids. A staff member from SKW worked with the Junior League, CPCD, and Premier Helicopter to provide a flight to the North Pole and an evening with Santa. The East Terminal Unit was packed with kids, families and friends, food and gifts. The event went very well. Kevin from SkyWest mentioned that if this event went well, corporate would consider doing this in other locations around the nation as well. Commissioner Weber suggested that we contact the Business Journal to see if they would give this some coverage. Chairman French suggested that we write a letter commending SkyWest that can be sent to SkyWest's headquarters.

6. CHAIRMAN'S COMMENTS

- Presented the Roles and Responsibilities to the Commissioners. Reminded the Commissioners that attendance is very important in order to continue to make recommendations as a commission.
- Recommended that the December 2008 meeting be moved to the 16th. Commissioners agreed to change the meeting date.

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status
Cost per EP presentation	Gisela	
Draft letter to the Mayor commending CSPD on their award and service at the airport.	Kelly	
Draft letter to SkyWest headquarters commending staff on the Fantasy Flight.	Kelly	
Contact Business Journal regarding publicity of the Fantasy Flight.	Kelly	Completed
Update the ethics code for the Commissioner's Roles and Responsibilities packet.		

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

Minutes respectfully submitted by:
Kelly Jackson, Airport Public Affairs Administrator