



MINUTES
Airport Advisory Commission
April 22, 2008

COMMISSIONERS PRESENT: Lynn French – Chairman
Dr. Pat Boone
Joel Miller
Wally Miller
Bud Patterson
Dennis Weber

COMMISSIONERS ABSENT: Greg Timm

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

NON-VOTING MEMBERS ABSENT: George Sugars, El Paso County DOT

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

CITY STAFF ABSENT: None

GUESTS PRESENT: Jane Acosta, Sr. Ofc Specialist, COS
Erik Anderson, Intern, COS
Wayne Heilman, Gazette

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

Next meeting is Tuesday, May 20, 2008.

1. APPROVAL OF THE MARCH 25, 2008, MINUTES:

Chairman French asked for approval of the March 25, 2008 Airport Advisory Commission minutes. No objections; minutes were approved as submitted.

2. PUBLIC OR CITIZEN GROUP COMMENTS:

None

3. GENERAL BUSINESS

→ **Land Use Items – Kristine Andrews**

Kristine Andrews presented the following land use items:

- ◆ AR FP 08-00147
- ◆ CPC CU 08-00045
- ◆ AR DP 08-00173 / AR FP 08-00174
- ◆ PPR-08-010

John Faulkner explained that item #3 used to be part of the Old Troy Hill area and we have already met with City Planning on this. This particular item has exceeded the zoning height by ten feet. There is a small area of the parking lot that falls within the APZ 2; however there is no issue with this because it does not contain any habitable structures. Planning is considering the height variance, so the Airport suggests that this item be tabled until we receive a 7460 to decide on a recommendation.

Commissioner Patterson made the motion to approve land use items #1, #2, and #4 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 – Enplanements for March 2008 were 9.1% above March 2007 and 10.2% higher than 2007 year to date. The increase was due to new service additions by ExpressJet and Midwest. Mainline carriers showed a slight 1.7% decrease in March due to 18 departure cancellations by American Airlines. The cancellations were caused by both weather and FAA inspections of MD-80 aircraft. Despite the overall mainline drop in enplanements, both Allegiant and U.S. Airways experienced significant increases of 25.6 and 26.3% respectively.
- Landed Weight –Has increased to 5.5% above March 2007 and 7.6% year to date.
- Freight and Mail – Pounds are 74.3% above March 2007 and up 15.2% for the year. The large increase in March is primarily due to a timing difference caused by the late reporting of cargo information in 2007.
- Total aircraft operations decreased March by 4.2% and are down year to date by 2.9%. Overall airline operations are up but general aviation and military operations are down.

- Average load factor for air carriers in March was 79.6% (up from February) compared to 78.9% for March of 2007. Midwest and ExpressJet also had loads in excess of 70% in March, reflecting spring break travel.
- Airline Seats Available. The number of seats in the COS market increased by 8.2% compared to March 2007, due to the new service from Midwest and ExpressJet. Year to date, seat availability is up 9.9%.

→ **Finance Report – Gisela Shanahan**

- Total earned revenue is currently at 11.6% below budget year to date, a change from February when expenditures were 18% below budget. As the year progresses, the gap between actuals and budget will continue to close. We anticipate spending at the authorized 2008 budget level by year end. Airline revenue is lower than budgeted due to the seasonal fluctuations of our operations for landing fees and actual terminal space rented is lower than the budgeted amount. Terminal concessions are slightly below budget and should move toward the positive side in April. Rental car revenue is below budget due to seasonal factors and a delay in collecting higher ready return space fees. Parking is also a seasonal factor. Other buildings and areas are down due to late fuel excise and sales tax remittances from the State of Colorado.
- Total revenue is 8.9% above 2007 levels year to date. Airline revenues are up due to additional service causing an increase in landing fees collected and terminal space rented. Total terminal concessions are up. Ground transportation is down due to equipment failure. The problem has been fixed and past period revenue will be collected in the next two months. Parking revenues are up due to the increase in traffic. Other buildings and areas are up due to the new hangar rental fees received from Jet Center and ground rent from the COS Owners Association. Other miscellaneous revenues are up due to the receipt of reimbursements from users of our FIDS system and the sale of three Airport vehicles.
- **Expenses** are currently 5.2% below budget year to date compared to 6.5% last month. As discussed last month, we anticipate spending near the authorized limit by year end and expect to see the gap between actuals and budget close as the year progresses. Personnel savings are due to vacancies that will be filled within the next several months. Supply and services savings are due to the timing of purchases. Utility overages are due to seasonal factors related to heating costs during cold winter months. Advertising and insurance expense savings are timing issues. Equipment outlay overages are due to equipment purchased early in the year.
- Expenses compared to 2007 are relatively equal at just 0.1% above last year. Personnel costs are slightly higher due to pay progressions authorized by City Council. Supplies are lower due to timing of purchases. Repairs are higher due to painting of metal surfaces in front of the terminal, the installation of new cameras in the main terminal and replacement of lighting fixtures on the 35L. Parking expenses are higher due to engine repairs on one shuttle and an increase in credit card processing fees. Utilities are higher due to invoice timing and higher costs. Equipment purchases are lower because several large 2007 purchases were made early in the year. We have deferred several equipment purchases thus far in 2008. Debt service is lower due to a reduction in principal and interest costs.
- **Concession revenues** are 2.0% above March 2007 and 3.4% higher year to date. All categories except for advertising and the rental car companies are experiencing higher

sales. Advertising revenue is particularly sensitive to the overall national economic picture. The bulk of rental car customers are business passengers and initial conversations with airlines indicate that our enplanement increase is primarily leisure traffic. Per enplanement revenues are down 6.4% for the month and 6.7% for the year. We continue to work with our concessionaires on the per enplanement revenues.

- Commissioner Boone asked for explanation about Global Signal. John Faulker explained they are the company that leases the cell tower at the Airport and recently added a generator to the system so that they could add Verizon. Commissioner Boone then asked about the flight crew parking. Mark Earle explained that they used to pay a fee for their parking. Due to construction, we moved their parking to the paid lots and stopped charging them a fee. We audit by requesting their flight schedules for verification. Some have complained about this. Eventually, we will shift back to a monthly fee and a dedicated lot for the flight crew. This will help recover the costs for the gate arm and revenue control system. They will be issued a proximity card and usage will be based on the honor system. We have found out that some of the airlines don't reimburse flight crew for their parking expenses.

➔ **Operations and Maintenance – John McGinley**

Operations

- Operations staff has been coordinating with the Thunderbirds for their graduation flyover at the end of May. President Bush will be speaking at the Academy graduation on May 28.
- Troy has been working with John McGinley, Kelly Jackson and Erik Anderson on the CAO conference. This is a group of primarily airport managers. We will be including a seminar by some of the Airport staff. Advanced ASOS training will be held on Tues and Wed of the conference week.
- The test glide slope passed the flight check for the threshold crossing height issue. The FAA confirmed that they can get funds to relocate the glide slope. This relocation should not have any impact to the Airport.
- American has bid out their below wing services. In the past they were using World Wide Flight Services and have now contracted with Airport Terminal Services.

Maintenance

- Staff worked hard to get the Frontier work done. They facilitated the contract for the bag belt modifications. Compliments to the IT staff for all that was done. Commissioner Boone commented that when she and Joel Miller stopped by the Frontier Airlines counter on the way to the AAC meeting that the Frontier counter agent said that Frontier's load factors had been very good since they had started flying out of the Springs.

General Aviation

- We have installed a prototype sign on Aviation Way. If this sign is approved, we'll begin the installation.

- Saturday we held the semi-annual pilot briefing. There were 81 in attendance. Some of the attendees were Dan Rund from the Front Range Airspace Working Group; Forest Service, Pueblo DOS representing the Air Force; and the Colorado Springs Tower. Commissioner French had an interesting discussion regarding UAVs. We received thanks for putting this together. Troy Stover did a great job of setting up for the meeting. The Academy gave a good update and the Academy students are now flying. Last year, Commissioner French was able to put together the Terminal Air Chart and has since received lots of compliments. Dan Rund is developing a program in which training routes are on Google maps. The next meeting will be held Oct 25 from 9-12 in the East Terminal Unit.

➔ **Planning and Development – John Faulkner**

Design and Development

- Interior Signage –The contractors for the interior signage project have presented three concepts. We gave them some good feedback and hope that this project will be completed this year. Mark Earle and Erik Anderson walked the terminal to determine the number of signs.
- Rehab of Taxiway E –Two days ago we received open bids and they look fairly close to the budget. We still don't know if the funds will be available for this project this year. Even though the rehab project has been split into two phases, but we still may not get enough funding. We hope to know the status in May and would begin work before July 1.
- Roadway Signage Project – We may have to close some roads during the sign installation. To alleviate problems, we would try to complete most of the work during the night time hours. The bids have been received and the contractor is Yesco. Our original budget was smaller so we added to the budget for some safety changes.
- Old Terminal Demolition – The contractor found additional asbestos in the ceiling and bathrooms, but they are doing well on this project and should be finished by the end of next week. We selected Jacobs Consultancy for the architect for the demolition of the facility. Jacobs will be putting together a design of scope and we hope to have the terminal down by fall.
- Defense Access Roads – The funding has been allocated for this project. We met with CH2MHill about the scope and fee. Survey work should begin in the next few weeks and we hope to issue a grading contract later this year. Commissioner Patterson asked when the roadways will be active and John Faulkner responded it should be this fall. Commissioner J. Miller asked if the roadway signs would be part of this year's project and Mark Earle noted that the signs will be a separate project.

Construction

- VSR – We spoke with the contractor to put on a lift and we may expand the program if we don't get all of the funding.
- Business Park Planning – CSU has removed the temporary electrical poles in the last 30 days and will be inspecting the infrastructure going in. There is one spot in the storm

sewer that is sinking. This is warranty work and will be repaired. Northrop Grumman will be moving in additional employees in May.

- Drainage Improvement – URS has a contractor that will be fixing and paying for the repairs. Hopefully this will start the first week of May. There may be some additional grading in the pond.
- Canopies/Kiosks – We still have leaks. Unfortunately the sub-contractor is out of business, but there is a new firm on contract to help with the repairs. They will need to reseal some of the areas. We will be turning the kiosks over to the Rental Car Agencies next week. They will pay an increase in rent beginning May 1. Commissioner French asked if the \$370,000 is being held back until the repairs on the canopies were complete. John Faulkner replied that some of the money was, but not all of it. There are some outstanding bills for the cabinet work in the kiosks.
- Commissioner Patterson asked if the repairs on 35R were completed. John Faulkner noted that the runway was closed for an extra day while the work was being done.

→ **Director's Report – Mark Earle**

- We have been fielding questions from all directions about the Frontier bankruptcy. In our responses we have pointed out that Chapter 11 reorganizations are not uncommon in the airline industry and that we've had three carriers go through the process since 9-11 and emerge as stronger carriers. Those carriers, United, Delta and Northwest, are all still in the Colorado Springs market. Questions have been raised about the financial impact on the airport. We've reported that the Frontier bankruptcy has had no impact on the air service side. Frontier had no outstanding debt at the time of the bankruptcy, and has agreed to pay all fees and rentals going forward.
- With the uncertainty in the airline industry, and the possibility of more mergers, the Airport has initiated a contingency planning process. While the airport is currently in great financial shape, we have identified alternatives that we can exercise if the economic environment worsens. Additionally, we are looking at the air service development side of this. Our intent is to closely monitor any potential for mergers or reductions in capacity, and establish the relationships that we need to address those issues if they arise. While we always do this as a matter of course, we will intensify this effort over the next couple of years.
- The marketing agreement between the City and the USOC will be coordinated through the City's public information office. We think there some great opportunities for using the USOC brand at the airport, and will be working with the City to explore this.
- Commissioner J. Miller asked if there has been any discussion from Delta or Northwest about the ticket counter space. Mark responded that we expect they will eventually only use one counter because it doesn't make sense to have them split. This may occur with the gates as well. If so, we would move ExpressJet to the current Northwest gate so that Delta and Northwest could operate from Gates 2 and 4.
- Commissioner Patterson asked about the progress on inbound Proby Pkwy. Mark said that this is an RTA project and is anticipated to go under construction in 2010.

- Street Naming – The Advisory Commission asked us to find additional information on the street naming process for Bud Breckner. The Airport staff recommends that the best road for this purpose is the roadway running north/south between Northrop Grumman and The Aerospace Corporation. It is a prominent roadway that doesn't connect to anything outside the Airport system. This makes the approval process easier as it has less of an impact on outside stakeholders. As for choosing a name, the City limits names to fourteen characters including spaces. Exception may be granted in a case such as this. The recommendation is to choose a name the Commission feels would be the best and then see how the process reacts to it. Commissioner W. Miller mentioned that he had spoken with Bud's son about this, and that the family is honored and will be supportive.

5. OTHER BUSINESS

- Commissioner Boone complimented ExpressJet on their service. She was very impressed.
- Commissioner W. Miller commended the Airport staff on how the Frontier situation has been dealt with. In one week, Frontier announced bankruptcy, and then had a press conference for the start up of there service. On top of that the semi-annual pilot briefing was conducted by John McGinley and Commissioner French. All of this was handled flawlessly.

6. CHAIRMAN'S COMMENTS

- Chairman French asked if the May meeting should be moved due to the Memorial Day holiday. The Commission agreed to move the meeting to May 20.
- Chairman French reminded the Commissioners that it is important to not miss more than three meetings in a twelve month period.
- The tour of the Museum has been moved to June 24 at 1:00 p.m.

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status
<ul style="list-style-type: none"> • Continue street naming discussion; send note to Commissioners asking for their recommendations 	Mark / Kelly	

Chairman French adjourned the meeting at 4:32 p.m.

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