



MINUTES
Airport Advisory Commission
September 23, 2008

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

COMMISSIONERS ABSENT: Greg Timm
Dennis Weber

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

NON-VOTING MEMBERS ABSENT: Dennis Hisey, El Paso County Commissioner

CITY STAFF PRESENT: John Faulkner, Asst. Director, Planning & Development
Kelly Jackson, Airport Public Affairs Administrator
Neil Ralston, Airport Planning & Development Manager
Gisela Shanahan, Asst. Director, Finance & Administration
Troy Stover, Operations Manager

CITY STAFF ABSENT: Mark Earle, Director of Aviation
Tom Marrese, Asst. City Attorney
John McGinley, Asst. Director, Ops & Maintenance

GUESTS PRESENT: Michael Cram, Police
Matt Harrell, Police
Wayne Heilman, Gazette
Mary McElderry, COS Sr. Accountant,
Danielle Scott, COS Accounting Supervisor
Lothar von Wolfseck, American Airlines

Next meeting is Tuesday, October 28, 2008.

1. APPROVAL OF THE AUGUST 26, 2008, MINUTES:

Vice-Chairman W. Miller asked for approval of the August 26, 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 – Neil Ralston**

Neil Ralston presented the following land use items:

- ◆ CPC ZC 08-00127 / CPC DP 08-00128 / CPC PFP 08-00129
- ◆ CPC PUD 05-00040-A2MJ08 / AR PFP 08-000437
- ◆ AR PUD 08-00446 / AR 08-00447
- ◆ CPC ZC 08-001325
- ◆ AR DP 08-00450
- ◆ PPR-08-032
- ◆ PPR-08-035
- ◆ VR-08-012
- ◆ PPR-08-023

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

4. STAFF REPORTS

→ **Traffic Report – Gisela Shanahan**

- **Enplanements** – August 2008 compared to August 2007, our enplaned passengers are down 6.8% and year-to-date we are up 2.3%. The majority of the declines were centered on a couple of airlines due to some changes in their service from last year at this time to this year. American Airlines was still flying their American Eagle Chicago flight last year in August, which discontinued at the end of 2007, which is responsible for the decline in passengers they experienced in August compared to last year. Delta had taken the Cincinnati flight out of the market earlier this year and they have a slightly different mix of aircraft resulting in fewer seats on that route. We had more 737's flying the route last year vs. this year. Additionally, they are flying slightly less than one daily flight to Salt Lake City this year compared to last year. The US Airways Las Vegas flight left the market mid-August and they saw a change in mix of aircraft; this year they are flying more RJ 200s vs. the 900s last year so you have fewer seats in the market to Phoenix. United also saw a significant decline primarily due to another mix in aircraft change; more Dash 8s were flown on the Denver route vs. RJs this year, as well as a decline in the number of flights to Chicago and LA compared to August 2007. The primary driver was not really a loss of service as it was a reduction in the number of seats.

- **Landed weight** – Was down 2% compared to August 2007 and up 5.3% year-to-date with the same contributing factors as the passenger side. Cargo is down 19.4% for the month and .6% for the year. August is the first month in which we are seeing the impact of the discontinuation of the DHL cargo service. DHL stopped flying with Airborne Express at the beginning of August.
- **Freight and mail** - 22.1% decline vs. August of last year. Year-to-date we are .1% ahead of last year. Again, we'll see this number continue to decline because of the discontinuation of the DHL service, which is a nationwide change. They are still trying to work on a contract with UPS. Commissioner Patterson asked if this contract went through, would we get some of the business? Gisela responded that it would not be automatic.
- **Aircraft Operations** – 26.8% decline vs. August of 2007; 7.1% decline year-to-date. The primary driver is GA with a 39.2% decline in GA operations. Speaking with the FBOs and the GA community, in general we attribute the decline to a rise in fuel costs and the state of our economy.
- Average **load factor** for air carriers in August averaged 79.2%. Last year this was a little higher at 82%. This is in tandem with the trend in passenger decline. Year-to-date was 78.3% load factors.
- **Airline Seats Available** – 2.7% decline for August and 5.7% greater than 2007 year-to-date. We'll continue to see the year-to-date number stay flat as we go through the rest of this year. We are holding steady on our service and have not seen any major changes in the fall schedule going through the holiday seasons. We should actually see a slight increase as we go into November.

→ Finance Report – Gisela Shanahan

- **Total earned revenue vs. budget** is 3.1% below the budget. This gap has closed slightly over last month. We expect to be fairly close to budget by year end. Airline revenues are down 3.5% compared to the budget. This is primarily due to the lower frequency that was not anticipated over a year ago when the budget was prepared. Terminal Concessions are up 1.6%; News and Gift category is really carrying the terminal concession area. They are doing very well and we're seeing an increase in the per passenger expenditure in that category. Compared to the budget, terminal areas and public parking are down. This is driven off passenger levels. Passenger levels were forecasted to be greater than they currently are. We're seeing far less utilization of rental car and public parking than what was incorporated into the 2008 budget. Other buildings and areas is up 17.8% and the primary reason for the increase is the additional fuel flowage fees and fuel excise and sales tax rebates we receive from the state. Despite the price of fuel, we actually saw approximately 100,000 gallons more of fuel sold at the Airport for August 2008 vs. August 2007. We haven't received the detail on this from the FBOs yet. Commissioner Boone noted that when she was in S. Dakota that fuel prices were much lower than here and asked if the fuel prices at the FBOs has gone down also. Gisela stated that we do not monitor the prices on a daily basis. There are unconfirmed reports that it has gone down. Neil mentioned that he thinks there has been an increase in the crack spread, which is the difference between the crude and the refined product. Lothar von Wolfseck said that he has seen it drop quite a bit over the last few days. Commissioner Boone then asked if the public parking is down proportionally to the traffic being down or is there another factor? Gisela responded that it's not quite proportional. 2008 was the first year we had a

complete uninterrupted year of parking without any construction. Looking back at the budget, the forecast for the number of parkers was probably a bit aggressive. The budget was prepared in the May through July timeframe last year and at that time the fuel situation and industry crisis was not an issue. Commissioner Boone then asked if moving the rental cars up closer had an affect. Both Gisela and John Faulkner said no. Commissioner Patterson asked with the imminent military population increase will we see an increase in enplanements because of this? Gisela noted that we'll see some increase from business traffic, however there probably will not be much of an impact from family members on leisure travel. Bottom line is 10.2% above 2007. The revenue is very healthy this year over last year.

- **Actual vs. Actual Revenue**, which compares year-to-date: 10.1% below our budget year-to-date. We continue to intentionally either defer or delay certain purchases. We have held various positions open and will not be filling them until we see what revenue in 2009 is doing. Supplies – deferring replenishing our inventory. We're trying to keep this as low as possible. The variance in Repairs and Maintenance will decline. A significant portion of this is an airfield painting contract that will take place in about two weeks. This is a required maintenance issue and cannot be deferred. Advertising will shrink because we have just completed the selection of the new agency but the final correspondence has not been done so we are unable to announce who it is.
- **Expenses** we are 1.6% behind the 2007 year-to-date numbers which is quite remarkable when you think of what fuel supply and other costs have done. This says a lot for what our staff has been doing, especially on the maintenance side in working to keep costs down.
- Gisela explained that Commissioner W. Miller had a suggestion that was presented to Mark for an Airport information sheet The Commissioners are ambassadors for the airport and it will help to have the most accurate and recent information about the airport when answering questions and presenting information to the community. We are planning to send an email with short bullet points, a one page summary, of the most important activities occurring at the airport. We'll distribute this each month. As we roll this out, please give us feedback on what will make it more useful for you. The bullet summary will not be replacing the monthly reports. Commissioner W. Miller commented that he sat at the Rotary Club a while back and was next to a prominent individual that was making comments that were not accurate and very off base. Commissioner W. Miller corrected this individual. It will help to have this information on hand for these types of situations.
- Commissioner Boone asked if Gisela could separate out the Miscellaneous category to include the dollar amounts for each category. This could be done quarterly.

➔ **Operations and Maintenance – Troy Stover**

Operations

- Last week we finished our certification inspection. FAA was out here on Tues and Wed. We received a flawless inspection.
- There is an airshow scheduled for October. Practice will be on Oct. 3 with the show on the 4th and 5th. The gates will open at 9:00 am. Flying will take place between noon and 4:00 p.m. We have two jet acts that might become one. We are looking at an F18 and a C18. In order to do the jet acts, we need to squeeze them in between our carrier operations so we're looking to see what the best timeframe is for this. John O'Donnell is putting this on

and anticipates 10,000 to 12,000 attendees over the two day period. Commissioner J. Miller asked if this is being advertised. Troy indicated that it will be advertised next week.

- The threshold crossing glide slope has been relocated. The shack is in its fixed location and we are waiting for the flight check on the ILS. We hope to have this completed by mid-October. Commissioner J. Miller asked if we know the publication date for this. Troy noted that he has always been told November. There is a P series NOTAM that has a process in which you're allowed to take a shortcut and move the process along. We hope that will occur and that this will be in written format by November 1.

Maintenance

- The airfield lighting control installation has been taking place over the last few weeks and is now substantially complete. This project went really well. This is a very highly technical control system that will allow us to go into the future and can be used if we go into a CATII or CATIII level.
- Maintenance is working on the snow equipment specs for the tow behind runway brooms, snow blower and dry deicing containers for the back of the truck. We hope to have these done and advertised by next month.
- We will have a contractor out here on October 6 doing fog seal on the west runway. They will be painting the runway and the airfield. Additionally, we have some rubber removal that needs to be done. This entire project cost is about \$250,000.

General Aviation

- We had our first meeting with the tenants regarding the Minimum Standards. The meeting went very well and was to discuss the process and how the tenants will be involved. We hope to have the Minimum Standards completed by the beginning of the year.
- The pilot briefing scheduled for September 27 has been rescheduled to November 8. The 302nd was available in September. Alan Gorski will speak from 9:00 a.m. to 10:00 a.m. and then the C130 will arrive. There will be a presentation and tour of the plane. The static display will be near the East Terminal Unit. Commissioner French explained that Dan Rund may also have the Google Earth demo. Commissioner Patterson asked how security will be handled for viewing the C130. Troy explained that we have worked with TSA and will be escorting anyone going out to see the aircraft.
- The McCain rally went very well. Thanks to the Airport and law enforcement staff for a job well done, making this event a success.

→ **Planning and Development – John Faulkner**

- **VSR** - The initial phase of this program is complete. Staff is awaiting additional funding to initiate future phases.
- **Interior Signage** - The Airport received the prototype sign and the committee is currently reviewing the construction methods and the color. Once selection of materials, colors and design have been completed, a construction company will be selected.
- **Roadway Signage** - The majority of the sign location discrepancies have been resolved. The contractor is developing the final mechanical drawings and once they are complete, the Airport will review and approve them for fabrication. Construction of the sign foundations should begin in the next month and installation is anticipated in November.
- **Old Terminal Remediation and Demolition** - Staff has conducted several pre-bid meetings for contractors. Bids for the demolition are due on September 17th. Once a contract is negotiated with the winning bidder, demolition work will begin and staff anticipates that the reclamation work for the site should be complete by the end of the year.
- **Defense Access Road Design and Construction** - A reconfiguration of the northern half of the Defense Access Road (DAR) was identified by the Business Park developer, Corporate Office Properties Trust (COPT), and the Airport has elected to begin agency coordination for the reconfiguration. Staff is pursuing permission from the Department of Defense to continue the design of the southern half of the DAR road, while the reconfigured north portion is being reviewed. The redesign of the northern half of the DAR is not affecting the southern half. The new road alignment should significantly reduce the cost of the future overpass leading into the Business Park.
- **Taxiway E Rehab** - Demolition work has concluded and the contractor has completed placement of the aggregate base material. The contractor was preparing to begin asphalt base installation, but heavy rain delayed their ability to begin. Some repair work on the aggregate base will also be required due to wash outs. Due to an extremely late federal appropriation cycle, this project will be starting approximately two months later than initially anticipated, so construction activity is likely to continue into late December.
- **Business Park** - Staff has met with COPT several times to discuss the revised configuration for the DAR road. COPT believes that the revised road will help improve the marketability of the Business Park.
- **Canopies** - The skylights and downspout are not repaired. There is one area along the two main spans of the skylight that is not draining correctly. The contractor has tried several methods of repair, which have worked and is currently preparing a design to fix these areas. The Airport will evaluate the design and approve/disapprove it before any work begins. Commissioner Boone asked if most of the leaks were from drainage. John noted that they were from poor caulking and where some of the downspouts meet the main canopy.
- **Parking Revenue Control** – We are starting to replace the revenue control system in the parking lot. New pay stations will be going in. Currently we have six lanes active and when

the project is complete, we'll have eleven stations with six automated. This project should be done by November 17. We will also be replacing the AVI readers.

- Rob MacDonald reminded John to be sure and file the DAR road changes with PPACG.

5. OTHER BUSINESS

None

6. CHAIRMAN'S COMMENTS

- We're making plans for a small flight safety meeting in January. Commissioner J. Miller will be checking to see if the C21 can be brought in for this.

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status
None		

Vice-Chairman Miller adjourned the meeting at 4:12 p.m.

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