



MINUTES
Airport Advisory Commission
October 28, 2008

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

COMMISSIONERS ABSENT: None

NON-VOTING MEMBERS PRESENT: Dave Elliott, Alternate Commissioner
Dennis Hisey, El Paso County Commissioner
George Sugars, El Paso County DOT

NON-VOTING MEMBERS ABSENT: Rob MacDonald, Pikes Peak Area Council of Governments

CITY STAFF PRESENT: Mark Earle, Director of Aviation
John Faulkner, Asst. Director, Planning & Development
Kelly Jackson, Airport Public Affairs Administrator
Tom Marrese, Asst. City Attorney
John McGinley, Asst. Director, Ops & Maintenance
Neil Ralston, Airport Planning & Development Manager
Cheryl Schwab, Finance & Administration Manager
Gisela Shanahan, Asst. Director, Finance & Administration
Troy Stover, Operations Manager

CITY STAFF ABSENT: None

GUESTS PRESENT: Levi Anstine, COS Analyst
Nancy Gonzalez, Paradies Manager
Wayne Heilman, Gazette
Mary McElderry, COS Sr. Accountant
J. Schmeller, Police
Danielle Scott, COS Accounting Supervisor

Next meeting is Tuesday, November 25, 2008.

1. APPROVAL OF THE SEPTEMBER 23, 2008, MINUTES:

Chairman French asked for approval of the September 23, 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:

- ◆ Item #1: CPC CP 08-00145 / CPC ZC 08-00145
- ◆ Item #2: AR FP 08-00489
- ◆ Item #3: CPC CU 83-214-A1MJ08
- ◆ Item #4: CPC ZC 08-137-141 / CPC CP-08-142 / CPC FP 08-143
- ◆ Item #5: AR DP 08-00540
- ◆ Item #6: CPC CU 08-00161 / CPC FP 08-00162
- ◆ Item #7: CPC ZC 08-00159 / CPC CP 08-00160
- ◆ Item #8: CPC PUZ 08-00156 / CPC PUP 08-00157
- ◆ Item #9: PPR-08-040
- ◆ Item #10: VA 08-008
- ◆ Item #11: PPR-08-041
- ◆ Item #12: PPR-08-042

Items 1-10 are submitted with no objections and recommended that Items 11 & 12 be tabled until additional information is available. Numbers 11 & 12 are for the construction of two identical and adjacent office/warehouse buildings approximately two miles north of the airport in the Claremont Business Park just north of Highway 24. These structures penetrate the Notice Criteria the require submittal of 7460 documentation to the FAA. Hammers Construction, the developer, thought that they had received blanket approval from the FAA from some previous 7460s they submitted. After coordination with the FAA, it was determined that was not the case and that new 7460s will be required. Hammers submitted them on October 17, 2008 and we hope to have the determinations back soon and then we can submit them for approval with no objections. Also, flag #8 for further discussion; this item is requesting approval of the concept plan for development of Patriot Park. COPT, the developer, is proposing 98' tall buildings, which will require 7460s and come close to penetrating the floor of the air space surfaces. We're not recommending an objection, but that COPT files a 7460 as soon as possible. COPT has agreed to do this.

Commissioner Patterson asked if #5 is in the clear zone. Neil stated that it's in the APZ but not in the runway protection zone or any areas that we need to protect.

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

4. STAFF REPORTS

→ Traffic Report – Gisela Shanahan

- **Enplanements** – September 2008 compared to September 2007, we are down 14.9% on enplanements. The primary decreases were: American Airlines saw a 15% decrease due to their Chicago flight which was in the market last September and not this year; Delta had a significant decrease due to the discontinuation of the Cincinnati flights and they also have a different mix of aircraft on the Atlanta route. Previously this was flown with 737s with an additional RJ and now we're down to a split week between a 737 and an RJ. Northwest has moved to two CRJ 900s on the Minneapolis route, which was previously flown by A319 and A320s last September. US Airways lost the Las Vegas flight. Additionally, ExpressJet discontinued its service nationwide. About half of the decrease is due to changes such as ExpressJet and Midwest and the other half is due to aircraft changes or reduction in frequency. Year-to-date this puts us .3% above last year at this time. Our projections for year end seem to be on target.
- **Landed weight** – Was down 15.1% compared to September 2007 and up 2.5% year-to-date with the same contributing factors as the enplanements. When you compare enplanements to landed weight and see that they are trending fairly closely, then you know the drop is not necessarily due to a decline in COS passengers, but is related more to a change in aircraft or fewer aircraft. We would be concerned if we saw a very small, flat level of landed weight with a significant decrease in enplanements, this would tell us the passengers are fleeing the market.
- **Freight and mail** - We have the same trend continuing. DHL departed the market in August so this is a significant impact on the cargo numbers. We are down 3.3% for the year.
- **Aircraft Operations** – Aircraft operations for the year are down 6%. General aviation has the biggest decrease in this category. Air carrier traffic is up and air taxi traffic is down. The difference between an air carrier and air taxi is that carriers are identified as 60 seats or greater and taxis are 59 seats or fewer as they can be configured. This is important. If an airline changes the type of aircraft coming into the market down to a 50 seat RJ, then these numbers would move from the carrier to the taxi category.
- **Load factors** for air carriers in September averaged 79.6% and 78.4% year-to-date. These are within a few tenths of a percent of last year's numbers, so loads are about the same level.
- **Airline Seats Available** – 14.6% down for the month and 3.3% up for the year. Enplanements, landed weight and seats all go in the same pattern which indicates to us that the decreases are due to changes in frequency and capacity.

→ Finance Report – Gisela Shanahan

- **Total earned revenue vs. budget** is 2.8% below the budget. Airline revenues are 3.1% below, primarily in the landing fee category. This is due to the capacity decreases we had not anticipated at the time of budget preparation. Terminal Concessions are up 2.3%; Terminal Area is 7.1% below budget and mainly due to public parking. We have seen

quite a bit of decrease in usage in public parking overall. Other Buildings is 13.1% which is due to the fuel and excise tax rebates.

- **Actual vs. Actual Revenue**, which compares year-to-date: is up 6.9% in all categories. Comparing to activity last year, the revenues are doing very well.
- **Obligations by Type/ Expenditures as Compared to the Budget:** We are 10.3% below budget. This number continues to decrease which is a positive trend on the expenditure side. We have intentionally put some measures in place to help keep costs down which helps keep Rates and Charges down.
- **Expenses** – despite rising costs, we have lower expenditures year-to-date. We are .6% below our expenditures in 2007. Operations has been a big help with this by watching inventory levels and purchases.
- A breakdown of Miscellaneous Expenditures was distributed.

Budget Update – Cheryl Schwab

- Each year at this time of year we share our operating budget with you. In April, we begin the process, which ends with City Council approval in the early December timeframe. Right now Council is reviewing our budget and approval is expected in early December.

Page #2; Passenger traffic – for 2009, we are projecting passenger traffic of just over 1,000,000 enplanements. As you know, we've had some carriers leave the market or reduce their capacity and because the industry is still experiencing a great deal of difficulty, we wanted to be conservative with our projections since this drives the non-airline revenue we project.

Page #3 – We are forecasting revenues for 2009 to be just over \$24.36M, which is a slight decrease from 2008. The primary reason for the decrease in the forecast is due to revenues associated with public parking and rental car activities. We are seeing fewer parking transactions. This along with the lower passenger count is driving these two line items down. The airline revenues are forecasted to be up for 2009 about 5% and the Terminal Concessions and other types of revenue are forecasted to be relatively flat.

Page #4; 2009 Expenses – is anticipated to be just over \$21.84M for 2009, which is an increase of less than 1%. The primary factors driving the increase is the cost of medical and PERA benefits, fleet maintenance, fuel, and projected utility increases. The impact of these increases is offset somewhat by capital outlay items and lower debt service.

As a result of these assumptions of traffic and revenue expenses, the airline rates for 2009 will be initially set at \$3.40 per 1000 pounds for landing fees; terminal rents will be set at \$64.87 per square foot and the loading bridges will be \$54,941 annually for signatory airlines.

Our airline representatives have received this information in detail and we will be holding a meeting with them in early November to discuss.

Commissioner J. Miller asked if the \$3.40 is up from 2008. Cheryl noted that yes, it is. Since we are seeing a significant decrease in the landed weight, it is pushing up the landing fee.

Activity Summary – Gisela Shanahan

- This is a new bullet list of current activities in each department and will be updated monthly.

Commissioner Patterson asked about the total passenger count for 2008 vs. the projected enplanements for 2009 and why there was a difference. Gisela explained that the passenger count includes enplaned and deplaned numbers, while the projected total for 2009 is enplanements only.

➔ Operations and Maintenance – John McGinley

Operations

- In the last two months we have been working on a lot of security audits and closing out some items from the certification inspection.
- New security regulations pertaining to aircraft with a maximum takeoff weight of 12,500 lbs and above was recently published in the Federal Register. This proposed rulemaking takes the public/private charter requirements and the cargo requirements for 12,500 and above, and adopts them into one requirement with one big addition. The TSA is now proposing security regulations for aircraft 12,500 and above maximum takeoff weight (commercial or private). The aircraft owner will need to be or designate a security coordinator and put together a program on how they are going to manage the aircraft, run flight crew members through a criminal history background checks, run all passengers through a watch list, submit to audits and provide procedures for checking property on board. We are reviewing the proposed rulemaking and since we already have a security program, there will not be much of an impact to us directly. We will provide comments if needed. Commissioner French asked if this applied to vintage aircraft and John said that it applies to all aircraft 12,500 maximum takeoff weight and above.
- Operation staff is continuing to review the snow program taking into account our current taxiway closures and other factors. While we are preparing for snow, we are also training with the National Weather Service to assist with taking snow accumulation measurements for their dissemination and use.

Maintenance

- Over the last 30 days we have put down a new seal coat on 35L, the west runway was closed for about four days for this.
- We have completed our annual painting of the airfield. This was painting as needed around the airfield.
- We completed rubber removal for the east runway. Commissioner W. Miller asked what the tab was for this. Troy replied that it was \$40,000. Commissioner French asked how many pounds of rubber were removed. Troy said that there are a lot of deposits on the runway since it's a new runway and has a coarse surface. We do this frequently over the year. We also did rubber removal on the west runway.

- The Maintenance Department is also preparing for snow. Yesterday we did a dry run with all the equipment out on the runway.
- The airport computerized lighting control system is up and running and earlier today we completed a walk through with the FAA to close out the project. This went very well.
- We completed an upgrade of the PLCs on jet bridge #2.

General Aviation

- We have a Pilot Briefing on November 8 from 8:30 to noon. The 302nd will bring over a C130. Alan Gorski and the 302nd Airlift Command will be speaking. We are also going to discuss a computer program that will show military air routes. This will be distributed to the participants for free. The 302nd will discuss their low level training missions.
- All commissioners should have received an invitation to the Airport Operators Group meeting on November 12.
- We continue work on the minimum standards. We have surveyed all of the West Side tenants. They are supportive of the program and interested in seeing what the requirements will be. We hope to have this completed by December 31.
- Commissioner Patterson asked how many people attended the air show. John McGinley said it was about 8000 over the two days. This was lower than expected.
- Commissioner J. Miller asked if the ILS testing is complete. John McGinley said that it was and presently in service.

Snow Removal – Troy Stover

Troy gave an overview of the snow removal program. Each year this is reviewed, updated and rehearsed prior to the first snow.

→ Planning and Development – John Faulkner

- **VSR** - The initial phase of this program is complete and we are in the process of closing out this year's grant. We have a project in next year's grant request for some additional funding to initiate future phases and should know what funds are available in January.
- **Interior Signage** - The Airport has received a prototype sign and staff is currently working on color selections, design features and other details. Final selections should be completed by the end of the year and sign installation will begin in the Spring. Mark Earle indicated that the prototype has been very valuable which will save many headaches with the actual signage and installation.
- **Roadway Signage** – YESCO continues to work on the mechanical shop drawings for the signs. We have identified some issues with potential font size that we are working through. Once the drawings have been approved by the Airport, fabrication of the signs can begin. Construction of the sign foundations should begin in November and the project should be completed in Spring of 2009. Mark noted that you'll see some mock up signs along the Cargo Road.

- **Old Terminal Remediation and Demolition** - City contracting has verified the bid for the lowest bidder on the demolition project. The Airport is in position to issue a contract that is within budget for demolition of the building. However, a potential tenant has expressed interest in the old terminal and the Airport is awaiting a final decision from this company prior to executing a demolition contract. The Airport should receive an answer from the interested party prior to the end of the month. Chairman French asked if this has anything to do with the jetCenter. John Faulkner indicated no it doesn't and won't impact what they want to do. Mark noted that the type of use that is coming up would be compatible with the jetCenter and we would integrate the sites as much as possible. Commissioner J. Miller asked if this is part of the Lav facility. John Faulkner said yes and that currently we are using the water heater to meet code for the lav station. Some minor changes may need to be made in the future.
- **Defense Access Road Design and Construction** - As reported last month, Corporate Office Properties Trust (COPT) has identified a reconfiguration of the northern half of the Defense Access Road (DAR). The benefits of the reconfiguration include: 1.) a simplified interchange design at the intersection of the DAR road and Milton E. Proby, which should dramatically reduce the cost, and 2.) better commercial access to the retail pads in the Business Park. In the past month, staff met with the Federal Highway Administration and Colorado Department of Transportation to discuss the new alignment. The team is currently collecting information to update the environmental analysis for the project. Design work will proceed once the additional analysis is complete, which is anticipated to be in late Spring of 2009. Construction of the project would now be complete in the Summer of 2010.
- **Taxiway E Rehab** - Construction of the Taxiway E Phase II program is well underway. The contractor has completed the asphalt sub-base and approximately two-thirds of the concrete paving is also complete. The remaining areas of concrete paving include some of the more complex work, so the contractor anticipates that concrete paving will continue for the rest of October. The next phase of construction includes paving the taxiway shoulders, which are planned to be asphalt. The contractor has identified a shortage of the specific asphalt that is specified for the shoulders by the FAA. The Airport requested a meeting with the FAA to discuss a possible modification to standard. The FAA just recently approved the asphalt standard change. To date, completing the project by late December appears achievable, but a great deal will depend on the November and December temperatures and weather.
- **Canopies** - The contractor has identified a solution to the remaining areas that were previously not draining correctly. It was discovered that some of the water was leaking through the bolts, and following some of the cross beams. The contractor has conducted water tests throughout the entire canopy area and the problems have been largely resolved. Repair crews have been on-site implementing the repairs. Work on the skylight repairs should be completed by the end of October.
- **Terminal Seating** - We are happy with the new table design. Power will be mounted under the tables. These will be five unit seats in the security area with about 10% having power outlets. The manufacturer is about one month late in the production process so we have been able to negotiate assembly into the cost. We should be receiving our first delivery about December 1 and then one delivery per week there after. After the seating has been installed, we will begin the electrical x-ray of the floor to determine proper locations for outlets and hope to have this completed and operational by February. We are increasing the seating by about 100 to help in areas such as Gate 8.

- **Parking Revenue Control** – We have received the equipment and are beginning the installation process. The new system will be automated and allow exit lanes to be open 24/7. This will help late at night when there are fewer cashiers available. The cashiers will receive new registers, which will greatly reduce the transaction time. Chairman French asked if the pay stations will have plenty of lighting to make transactions easier to conduct at night. John Faulkner indicated that they are backlit and should be easy to read in the dark.
- **Red Box and Zoox Concessions** – We are in close coordination with both of them and hope to have the Red Box machine in by Thanksgiving.
- **Bud Breckner Blvd** – We have worked with the City naming committee and they approved the Bud Breckner Blvd recommendation. They have now turned this over to Planning for the implementation of it. Planning has indicated that Blvd is a public street name and the Business Park roads were named private street names because they are not owned specifically by the City. We are working with Planning on this and expect that we'll be able to get it resolved. Private street names are Point, Way, Heights, View and Grove. John Faulkner briefed both the tenants in the Business Park about the name change and they are very supportive of it. There is a Public Notice board on the corner of Canadair and Old Drennan. We hope to wrap this up in the next week or so. We'll then have to change three street signs and two directional signs. Commissioner Timm stated that he received a notification from the Planning Dept and he responded with a message of support. He suggested that the other Commissioners do the same and will forward the email address to Mark Earle.

→ **Director's Report – Mark Earle**

- In this environment, air service is a major challenge to make sure we keep the service we have and look for the very few opportunities for new service. We've always had an active effort and it's involved all of our senior staff members, but we've added to that capability recently. This has been in the plans for a long time. We felt we could do some of this work in house. Gisela introduced Levi Anstine as the new Analyst. Levi has a background with airlines and is familiar with the lingo as well. We have been the nuts and bolts of crunching the information as well as relying on outside consultants to assist and we feel that we can do most of this work in house with Levi's assistance. We will provide you with some of this data as we go along.
- The Advisory Commission is the most important conduit with the community in communicating information back and forth. The quality of this process is dependent on the information we provide to you. About this time each year, we like to do a status check to see how this is working. Mark Earle asked for input from the Commissioners and noted that Kelly Jackson is the liaison. Commissioner Weber stated that in the past, information was not getting to the Commissioners before it was getting to the media. It is much better now. The packets we receive each month have sufficient information in them and don't need to be delivered redundantly prior to the meeting. Hard copies will only be sent to Commissioners Weber, W. Miller and Boone. All other Commissioners will receive the packet via email. Hard copies will still be distributed at the meeting. Commissioner J. Miller said that staff has been very responsive to detail requests. Mark Earle also asked how the Commission feels communication has been in the other direction. Commissioner Weber suggested that maybe the Airport could place an ad in the paper periodically on how to reach staff at the airport and who the players are. Commissioner J. Miller suggested that a customer survey could be done again like it had in the past. Mark Earle said that a "How are we doing?" survey might be a good idea on an annual basis.

Commissioner Patterson said that we should point out the new parking booths to the public. Commissioner J. Miller noted that a price comparison model would be helpful for the public. Mark Earle explained that a comparative piece between COS and DIA can be installed on our website. The customer will then be able to put in mileage, parking, etc. to help calculate the difference between the two airports. Commissioner Weber suggested doing a zip code marketing campaign to capture the Monument market. Commissioner W. Miller informed the Commission that the Airport has selected Real Time Marketing as the new agency. Mark Earle explained that marketing to the community is easy, however the challenge is on the inbound passengers. It's very scattered in a variety of communities and hard to get the message to everyone.

5. OTHER BUSINESS

- Commissioner Patterson asked if we are seeing any change in carrier plans now that the fuel prices are dropping. Mark noted that fuel prices are still higher than the airlines had planned on. What they are doing is cutting capacity by almost 20% with no intention to go back. You'll see this affect pricing. It will probably be about a year before you see the airlines make a turn around.

6. CHAIRMAN'S COMMENTS

None

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status
None		

Chairman French adjourned the meeting at 4:47 p.m.

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