



**MINUTES**  
**Airport Advisory Commission**  
**December 16, 2008**

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

**COMMISSIONERS ABSENT:** Joel Miller

**NON-VOTING MEMBERS PRESENT:** None

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

**CITY STAFF PRESENT:** Mark Earle, Director of Aviation  
John Faulkner, Asst. Director, Planning & Development  
Kelly Jackson, Airport Public Affairs Administrator  
John McGinley, Asst. Director, Ops & Maintenance  
Neil Ralston, Airport Planning & Development Manager  
Gisela Shanahan, Asst. Director, Finance & Administration

**CITY STAFF ABSENT:** Tom Marrese, Asst. City Attorney

**GUESTS PRESENT:** Levi Anstine, COS Analyst  
David Gwisdalla, Tetra Tech, Inc.  
Wayne Heilman, Gazette  
Mary McElderry, COS Sr. Accountant

**Next meeting is Tuesday, January 27, 2009.**

**1. APPROVAL OF THE NOVEMBER 25, 2008, MINUTES:**

Chairman French asked for approval of the November 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 – Neil Ralston**

Neil Ralston presented the following land use items:

- ◆ Item #1: CPC CP 00-00032-A1MJ0
- ◆ Item #2: AR CP 08-00639

Commissioner Patterson 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** – The decrease in enplaned passengers from November 2007 to November 2008 is down 21.1% which leaves us a year-to-date number of 3.1% below the first eleven months of the 2007. Two factors contribute to this: 1) we have had a significant amount of seats that were removed from the market unrelated to the recent capacity cuts and 2) load factors are lower than last year which is attributable to the general economic conditions. This is being experienced nationwide at all airports and is a factor of leisure traffic not expending the same amount of funds on things such as flying. Additionally, we are reading and hearing a lot about corporate travel departments scaling back significantly. When you look at the numbers on a nationwide basis, there has been about a 9.7% decrease in enplanements in the US domestic market. It is not just the smaller airports being impacted by this; Chicago O'Hare saw a 12% decline, Midway 14.6%, Houston International 19% and Tampa 12%. Commissioner Boone asked how much of the 21% is due the decline in seats available. Gisela explained that if you look at the Summary of Airline Seats Available, the number of seats declined by 13.6% so it leaves about an 8% delta. Every airline across the board is planning an additional 8% capacity reduction in the first and second quarters of 2009. These reductions have not been announced.
- **Landed weight** – is down 17% for the month of November compared to 2007 and down 2.2% year-to-date. This reflects changes in equipment. The American Eagle Chicago flight was in the market this time last year as well as the Comair Cincinnati flight. We will start to see these roll out of our reports beginning in December through March, one by one. These have been skewing our numbers a bit as we evaluate what the impact is from each of those situations. Midwest and ExpressJet withdrawals from the market are also unrelated to the fuel and economic situation and represent about 33% of the decline in

enplanements. If we factored those out we would have seen closer to a 14% reduction in enplanements instead. Commissioner Patterson asked about American's load factor drop off by 10% and why this was down so much in the month of November? Gisela replied that they didn't sell as many seats in the market. Commissioner Patterson asked if this was the same for Frontier as well. Gisela said yes. The number of seats stayed static, but sales of the seats were lower. Mark Earle noted that American has only MD80s in the market so if they pull an MD80 which is close to 136 passengers, it affects them more quickly. The other airlines that have smaller aircraft can pull out in smaller units and manage the loads better.

- **Freight and Mail** – down 40.7% for the month and 9.1% year-to-date.
- **Aircraft Operations** – down 16.8% for the month and 6.8% year-to-date. GA operations have a significant impact on this number. They draw quite a large portion.
- **Load Factors** – They are lower than last year, however more than half of our airlines' load factors are above the system loads for that airline. For example, Continental, Allegiant, Lynx, Northwest and US Airways all have loads that are significantly higher than their system wide loads. Lynx year-to-date loads are at 66.3% here and 62.4% for the month, system wide. When you see the 54%, it's not as dramatic, but it's still higher than the system loads at 53.6%.
- **Airline Seats Available** – down 13.6% for the month and 1.3% year-to-date. The drop is more on the enplanement side than seats available.
- Commissioner Timm asked if we have any discussions with Frontier about their rates. The price is well over \$200 – \$300 more out of COS than Denver. It's fine if you're a business traveler, but many families use this as their vacation airline and are driving to Denver because of the rate difference. Mark Earle replied that we discuss rates but we don't have a lot of leverage to work with. When it comes to controlling what they'll charge in a market, airlines do what they want. It's not just Frontier, but everyone. Regarding the fare differential between originating out of here vs. Denver, the original concept was that Frontier was willing to subsidize the link segment of the flight by as much as \$200 - \$300, leaving a differential of \$100 to 200 dollars that would go into the fare. They were willing to do this to increase feed into the mainline flights operating at the hub. We may be seeing some of that willingness to subsidize erode due to the environment that Frontier is now in. Commissioner Timm noted that their load factor is so poor that they'd be picking up a lot more in their load factors vs. pulling some of the flights out of the Springs. Mark Earle said staff will continue to track this. In smaller markets near the major hubs there has always been a tendency to cherry pick business passengers with more premium pricing.

#### → Finance Report – Gisela Shanahan

- **Obligations vs. Budget / Expenditures as Compared to the Budget** – 10.5% below the budget for the first eleven months. We're continuing to see the savings generated by efficiency and other measures that were put into place about mid-year as we started to implement plans as we saw the decrease in traffic. We continue to hold several personnel vacancies open as a cost savings measure. Repairs and Maintenance – we have deemed some not as critical and have delayed which created a savings. We also saw savings due to the runway being closed last year. We're now seeing some of the savings being achieved from portions of Taxiway Echo due to the rehab. Advertising is related to a late

in the year selection process. Equipment and Capital Outlay - this is vehicle and other large equipment purchases that we have either deferred to eliminated after reviewing our budget in relation to the revenue.

- **Actuals vs Actuals / Expenditures Compared to 2007** – We are running 1.5% below our 2007 level of expenditures. Again the same cost saving measure that we've implemented is what's helping us realize the savings.
- We did not prepare a bullet summary because the financial information just came in yesterday, the revenue isn't in and there haven't been any significant changes in the projects since the last meeting.

## → **Operations and Maintenance - John McGinley**

### **Operations**

- Ops is currently working on some new requirements that just came out from TSA that have changed a lot of procedures on how we manage the badge process. This is something being done nationwide and is a result of several audits the TSA has done over the last year or two. Some of the new procedures will affect the Advisory Commission as badge holders. With the new procedure we'll be doing background checks every two years. One of the things we'll be seeing out in the field is a change in the escorting regulations. Whether you're escorted or have an ID, you'll have to go through some sort of background check. We're currently evaluating the new procedures and once we come up with a policy, we'll give you a better briefing as to how we will precede with this.
- For those of you that have flown out recently, you may have been approached by a TSA staff person conducting surveys. Colorado Springs is about 1 of 50 airports in the country that has been selected as a beta site about some new signage. This includes the fixed signage at the checkpoint and the LCD signs. They are trying a new uniform color approach and are getting feedback from the public as to what they noticed. They are also asking for recommendations from the public as to what they experience through the checkpoint and what travelers might need some guidance on. This will continue for another couple of weeks. Once the survey is complete, we will share the results with the Advisory Commission. Commissioner Patterson asked if we get any reimbursement for having to implement the new TSA procedures. John noted that we have to absorb the costs. Mark Earle stated that our Rates and Charges do not increase at the same rate of the increase in operating costs from TSA. We handle this through budget management.

### **Maintenance**

- The parking revenue system was up and running before Thanksgiving. We ran into some problems with the AVI which were mostly transparent to the users of the system.
- Maintenance staff is working with the contractor to install the new seats in the terminal building. This project will be complete before Christmas. The contractor is doing the installation and assisting us with moving the seats to the terminal building and then our staff is placing the seats in the concourse area. Power for the seats won't be complete until late February.
- We have been busy with snow removal and to date have had five events in which we had to mobilize our equipment. This last snow was the easiest because the temperatures and

moisture content were so low, we primarily had to broom the runway. The previous snows were wetter and icier.

- We had a problem that arose in the late summer/early fall, the supplier for Potassium Acetate experienced a strike and current Potassium Acetate we use is on shortage. An alternate product is being used that is significantly more expensive. For the last three years, we were spending \$2.36 a gallon on Potassium Acetate and the alternate chemical is upwards of \$8.50 a gallon. We are using chemical as sparingly as we can, and working hard to broom off surfaces to keep the braking action where it needs to be. The strike has ended and we think the Potassium Acetate will be available in February. Through a grant from the FAA and the International Research Foundation, we have been able to stretch our budget by receiving 4,500 gallons of the LithMelt for free. We are now using a chemical called NX360. We're continuing to do the best we can with the current pricing situation. Commissioner Patterson asked if the alternate chemicals will cause any problems with ASR? John noted that the chemicals we're using are ones that the industry has been bragging about that would prevent ASR but due to the price, it's not used that much. LithMelt and the other product are easier to deal with on pavement wear.

### **General Aviation**

- Spoke with Jessie and Aaron today. They indicated that it's a slow part of the year with not a lot happening right now.
- We are continuing to work with AAEE on the LASP. This rule will be finalized in February. Aaron, Jessie and Dick Janitell noted that we have about six to eight aircraft on property that would fall within the new 12,500 regulatory requirement.

### → **Planning and Development – John Faulkner**

- **VSR** - No current project in the works. We are waiting for some funding to continue with another segment of the road.
- **Roadway Signage** – Staff has been reviewing different font sizes and looking at the impact. We are also looking at the different speeds and areas of the airport to see where the signs would be to be sure they are readable. We are also checking the reflectivity of the background. The original design was a paint product and many of the signs won't have lighting so we wanted to check to see if a vinyl product with more reflectivity would be a better option. We hope to begin installation in the spring.
- **Interior Signage** – We have a prototype that we just had repainted and a pinstripe applied. We are awaiting an internal meeting to review the sign and determine if it's the paint and font that we want to use.
- **Old Terminal Remediation and Demolition** – We've been notified by the contractor that they cannot hold bids and will have to rebid in the spring if we determine we want to tear the building down. Right now we have an interested tenant on the building and should hear back by the end of the year. Commissioner W. Miller asked how real this potential candidate is. John said that we are the leading contender. Commissioner Patterson asked if this would cause any problems with the jetCenter. John didn't think so. Chairman French asked if we have an agreement with the jetCenter. John said we have to figure out what to do with the hangar and then the lease will be agreed to by both parties. If we can get the interested party's decision by the end of the year, then we can work on the jetCenter lease.

- **Defense Access Road Design and Construction** – We met with CDOT this week to discuss the new alignment. There is a traffic consultant that has been hired by COPT and they've evaluated the impact of the realignment on the future Proby/Powers grid separated interchange. They feel very strongly that the plans can work together. We presented this material to CDOT and we're hearing that they were fairly impressed on the analysis and they don't believe there will be many comments. We've also started a little of the environmental analysis. We met with open space advocates and they seem to be in agreement. The realignment actually increases the amount of protected grass so this was encouraging and something the open space advocates will like. The realignment seems to be well received this far and we hope to get the environmental process completed in the spring and begin design work in 2009 with construction in 2010.
- **Taxiway E Rehab** – All of the work has been completed except for the painting. We need warmer temperatures for the painting. The FAA will come for a walk through in a few days. We are ahead of schedule and hope to open in the next week or two.
- **Canopies** – The contractor has done some additional work on the main beam. They thought they had everything fixed but we saw some leakage. They want us to do a water test to be sure its fixed.

Commissioner Timm commented that he's seen the Game Crossing sign on the east side and wondered if this is appropriate for this area. Mark Earle said we'll look into this.

#### → **Director's Report – Mark Earle**

- The economic crisis is deepening as well as the airline crisis. We're still trying to be proactive in managing our expenses and revenues to make sure we can keep up with the crisis. It's been working well. A big part of this is going to be air service. In January, we'll have a full report for you on our air service development efforts, some of the tools we use and some of the analysis. We have some online tools that we use; one is from Sabre Airline Solutions that provides us with a terrific tool for tracking some of the opportunities that we have. We'd like to show this to you and how it works. We'll also dissect some of the earlier methodologies that we've used so you can see what we do behind the scenes. As you know, the airlines expect us to keep specifics of air service development discussions confidential. To ensure that we have input from our elected officials and the community, we share all details of our efforts with the Mayor the Chair of the Airport Advisory Commission, and we share what we can with the full Commission. We feel, though, that the full Commission should have a general understanding of our methods and procedures. The report next month will provide you with that information.
- John Faulkner is working on finalizing the COPT agreement and hopes to have it completed in another week or two. We are also finishing up lease negotiations for a number of projects on the GA side of the airport.

Commissioner Patterson asked what is happening with the Museum on the west side. Mark explained that they are beginning to bring in more of the public by hosting events and private tours. You'll probably see them continue to do this over the next six months to a year. They are in the process of completing the development of the concept with their planning consultant. Once this is done, they'll become very active in going out to the community to raise funds. It was never intended to fund this privately. The concept has been the same from the beginning – to develop the commercial aspects of the project first,

and then exercise on option on adjacent land for the development of the museum which will raise funds and operate as a non-profit.

**5. OTHER BUSINESS**

None

**6. CHAIRMAN'S COMMENTS**

- On Jan. 27 there will be another Safety Meeting after the Commission meeting from 6:00 - 9:00 pm in the East Terminal Unit.

**AIRPORT STAFF ACTION ITEMS**

<b>Action Item</b>	<b>Assigned To</b>	<b>Status</b>
Check into the Game Crossing sign rules	John	

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