



MINUTES
Airport Advisory Commission
October 26, 2010

COMMISSIONERS PRESENT: Dr. Pat Boone
Dave Elliott
Tom Hayden
Joel Miller - Vice Chairman
Wally Miller - Chairman
Bud Patterson
Dr. Chris Thornton

COMMISSIONERS ABSENT: None

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

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

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

CITY STAFF ABSENT: Mark Earle, Director of Aviation

GUESTS PRESENT: Agnes Blachut, COS Intern
Wayne Heilman, Gazette
Dana Jackson, COS, Sr. Ofc. Specialist
Troy Stover, COS Operations Manager

The November meeting has been cancelled.

Next meeting is Tuesday, December 21, 2010.

- **APPROVAL OF THE SEPTEMBER 28, 2010 MINUTES:**

Chairman W. Miller asked for approval of the September 28, 2010 Airport Advisory Commission minutes; no objections; minutes were approved as submitted.

- **PUBLIC OR CITIZEN GROUP COMMENTS:**

None

- **GENERAL BUSINESS**

→ **Land Use Items – Neil Ralston**

- ◆ Item #1: AR R 10-00407/AR DP 10-10-00408
- ◆ Item #2: CPC ZC 10-00088; CPC MP 10-00089; CPC DP 10-00090; AR FP 10-00409

Airport staff reviewed two new land use items this month; both in the City. As indicated on your summary sheets, staff is not recommending objections to either of these items.

Two items remain tabled from previous meetings:

- ◆ Item #4 from September 2010.
- ◆ Item #4 from July 2010.

Vice-Chairman J. Miller motioned to approve both items; Commissioner Patterson seconded the motion and it was carried by unanimous vote.

→ **Master Plan Update**

- Now that we have received FAA approval, we have finalized the Aviation Activity Forecast documentation and posted it to the “Master Plan Documents and Resources” page on the website for review and download. The Master Plan workflow exhibit on the website has also been updated to reflect current project status. We have continued to advance development of our Facility Requirements analysis. Key elements include facility requirements for the airfield, ground transportation, passenger terminal, air cargo, and general aviation areas to accommodate the demand levels that our baseline forecast anticipates for the year 2035. We refer to this demand level as Planning Activity Level (PAL) 3. Our consultant is working to finalize the facility inventory documentation and is initiating development of the existing conditions drawing sheet, which will be the basis for our new Airport Layout Plan set. All of these drawings will be based on our new aerial photography and corresponding base map that was recently completed as a part of the Master Plan project.

→ **Proby Pkwy Update**

- On target to open up the closed section of Proby Parkway between Powers and Hancock on Saturday, October 30th. Paving, striping, and the installation of traffic control signage is being completed over the next few days. There will also be a press advisory issued later in the week about the re-opening. Emphasis for the next several months will continue to be the construction of the major superstructure for the new interchange at Academy and Proby.

4. STAFF REPORTS

→ Traffic Report – Gisela Shanahan

- **Enplanements** – We saw a change in the direction of traffic numbers. The total was 4.5% less than 2009 bringing the year-to-date 7% decline compared to 2009. We saw some relief from the weather issues we were facing in June, July and August. We had four cancellations in September compared with 11 and 16 in August and July. Additionally, approximately a year ago NW made the shift from the Airbus to an E190 and for a number of months we were comparing to seats that were much greater. Now we are comparing same load factors and same types of aircraft on some of those routes.
- **Landed Weight** – Up 1.7% for the month... There is a 37.6% increase in cargo, which is what is contributing to the upward tick in landed weight. This is related to the change in aircraft type by Fed Ex. Year-to-date we are 1.1% less. This does not correlate to the amount of cargo tonnage that is carried. Landed weight is based on the max landed weight of the aircraft whether it is empty or full.
- **Freight and Mail** – For the month down 4% and year-to-date 0.5% above 2009.
- **Aircraft Operations** – Up 1.7% for the month.
- **Load Factors** – Averaged 82.5% compared to 83.2% for the month in 2009. Year-to-date 2010 averaged 78.1% compared to 76% in 2009.
- **Seats Available** – Down 3.4% for the month and 4.4% year-to-date.

→ Finance Report – Gisela Shanahan

We are at the time of year when landing fees and rates have been adjusted. We experience a bit of a glitch with the airlines in which their accounting systems are off and don't catch up as quickly as they should, so we have a heavier load of reconciliations this time of year. This year it worked in their favor because rates reduced substantially

- In general on the revenue side we reported last month that we were 10% below the 2009 levels and we anticipate for September that 9.4% below, so an improvement of 1.5%. Compared to the budget we were 5.9% below budget. Year-to-date we are anticipating 4.5%. This is also about a 1.5% improvement, which is attributable to airline revenue. We reduced the rates the airlines must pay; therefore we are receiving less revenue. Chairman W. Miller asked if we thought the checks written back to the airlines were too much. Gisela explained, that no we didn't and that its part of the contractual agreement with the airlines. This is spelled out in the contract and negotiated. We believe we have a good structure and we receive positive feedback. Our Use and Lease agreement has been used as a model in the industry. This is a fair formula. We share any net income 50/50. This incentivizes the airlines to be good partners because it brings in more revenue and only applies to the signatory airlines. We do our part by keeping expenses down and they do their part by bringing in traffic. Gisela asked if the format of the reports is sufficient for the reporting, or would it be easier to review the financial picture if the format was changed to more of a financial statement format.

- **Obligation by Type Compared to the Budget** – Nothing new to report, when you look at this compared to previous months. We have timings in most categories that are creating the savings.
- **Expenditures compared to Actuals** - We are basically flat at spending approximately 0.2% below 2009 year-to-date. We do see some increase in supplies which is due to stockpiling some deicing chemicals due to pricing.
- Commissioner Boone asked if we could provide an On-Time report. Gisela explained that Wayne periodically writes about this. Our on-time record is affected by the hubs we fly in/out of.

→ **Operations and Maintenance – Troy Stover**

Operations and Maintenance

- We are getting closer to the snow season and have been prepping the staff with training. We did a dry run on Monday. We have a lot of new staff this year, so we are spending a lot of time to bringing everyone up to speed. We feel confident with our position right now.
- Quite a few of our guidance signs on the airfield are aging and need updating and replacing. We have a PFC project in place to take care of this and bids are being collected right now.
- Jet bridge PLC upgrade is about 35% done. We started in the East Terminal Unit, which should be done soon. Jet bridges 1 and 3 have been done also. This work is ongoing. Scheduling will play a factor into when this project will be done.
- Boeing will be here again with the 747-8 in November. They plan to be here 2-3 days to conduct testing.
- Chairman W. Miller asked about the status of the Minimum Standards. Gisela shared that we are incorporating all comments and once this is complete, it will go out for another round of review and comments.

→ **Planning and Development – Dan Gallagher**

- The DAR project has transitioned from the design phase to the construction phase.

Design and Development Projects

The projects in the design project that will lend themselves to the construction phase and to some review at that same time. They are all in the terminal area and in the same areas. The schedules also line them up in the same area at the same time. We received the Third Floor design documents and at the same time we were looking at the CBIS documents and the screening checkpoint queuing expansion. We found some duplicity in relocating utilities and some scheduling conflicts. For example, for the checked baggage system, we would have to relocate the utilities to build the checked baggage system box; then we'd have to relocate those same utilities with the screening checkpoint expansion for the queuing area. Again, we are working in the same area on the east side of the terminal at the same time. We looked at it from a standpoint of what if we consolidated all three projects. We came up with a potential savings of about 22 weeks, which equates to about \$100,000 in savings of project

management as well as increasing economies of scale, thus creating a much more attractive bid package. The decision has been made that we are going to consolidate all these projects. Keeping the same duration we think we could have a savings in the construction aspect of it, schedule wise with so many projects going on at the same time, we could probably shrink it down. Even keeping that same duration, we are going to be conservative. We are going to push the Third Floor expansion about 90 days to catch up to the CBIS and the checkpoint expansion queuing. We will not be going out to solicit for a design consultant for the checkpoint because it has a lot to do with the CBIS project. We are going to add this into the scope of the CBIS structural project. For the checkpoint queuing, we will be adding 1800 square feet, which will help with line management. Our target is to have the west side of the terminal and the checkpoint queuing functioning by next Thanksgiving. We would be finishing the east side for the checked baggage. The scope will stay the same but the delivery will be different. Vice Chairman J. Miller asked if there'd be any issues combining contracts and Dan explained that we have already vetted this. Commissioner Patterson asked if the CBIS plan is complete. Dan noted that we will be making sure we have the buy-in from the local TSA. Once this is done, we will submit the 30% sometime this week. The structural is in agreement by everyone.

Gisela mentioned that the queuing has not been presented to the Commission. Dan described that just south of Gate 2 and behind Freshens; we need additional queuing space for the checkpoint line. We can build a 30 x 60 box adjacent to the current queuing area that would provide the 1800 sq. feet. This follows along the same line of work and scope that we'd be doing for the CBIS structural. Our schedule had it out that we were looking at procuring design into January and moving on and wouldn't be opening the queuing until Jan 2011. This way we relocate utilities once, build the structural supports now, and target next Thanksgiving to wrap up the CBIS on the west side.

Construction

- **Defense Access Road Design and Construction** – We opened bids which have come in 30% under the engineer's estimates. We cannot leave any money on the table so we are going to build more of the road than initially anticipated. We received CDOT approval last Thursday and the contract went out to the contractor on Friday. We will be issuing another bid to use the remaining 30% and expect to issue a Notice to Proceed on November 8, 2010.
- **Taxiway Hotel** - The demo and the entire base is complete. The new base is 100% complete except for the shoulders. The pavement is about 20-25% complete and is scheduled for completion on December 15, 2010. We were having some issues with the concrete work, but the contractor got it straightened out and hopefully will be finishing up 4-6 days ahead of schedule.
- **Runway 12/30** - We thought we'd hit a duct bank, but found that it was a slab put over a Comm. Line. We had Qwest and their field engineer out; this was resolved with no impact to communication or the schedule. We met with the contractor regarding their completion dates and some of their benchmarks. They brought out some additional milling equipment and the milling was 90% complete on Friday. We are anticipating all mill work to be done in the next two days. The pavement is closer to 30% complete and the scheduled completion is November 16. Grooving and striping will then take place to be completed by January 9.

→ **Director's Report – Gisela Shanahan**

- We began the budget process with Council last week. There were no questions on the Airport budget. This will remain in place until such time as any impacts related to any city-wide initiatives need to be folded into the budget. For example the cost percentage of the employee shares of the health care benefit. We will keep you informed about any changes. The only significant change you'll see to the airport budget will be that the capital projects are not included. We will go back to previous practice and submit appropriation requests as the projects go forward.
- The Gazette will be publishing an article about the 2011 budget.
- We will be meeting with the airline reps on November 2 to review the upcoming Rates and Charges.
- Neil indicated there aren't currently any land use items that need approval at the November AAC meeting, so the Commission may discuss whether the meeting will take place or not. Commission unanimously agreed to cancel the November meeting.

5. OTHER BUSINESS

None

6. CHAIRMAN'S COMMENTS

None

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status

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