



MINUTES
Airport Advisory Commission
November 17, 2004

COMMISSIONERS PRESENT: Stephen Ducoff – Chairman
Bernie Herpin
Patsy Buchwald
Ken Chalfant
Lynn French
Dennis Weber

COMMISSIONERS ABSENT: Bud Breckner

NON-VOTING MEMBERS PRESENT: Chuck Brown, El Paso County Commissioner
George Sugars, El Paso County DOT
Greg Timm, Alternate Commissioner

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

CITY STAFF PRESENT: Mark Earle, Aviation Director
Rick Gorman, Asst. Aviation Director-Finance & Admin
John McGinley, Asst. Aviation Director, Ops & Maintenance
Steve Hook, Assistant City Attorney
Erica Hupp, Community Relations Manager
Wendell R. Hawkins, Sr. Airport Operations Agent
Kelly Koon, Customer Service Coordinator
Posie Brown, Sr. Office Specialist

GUESTS PRESENT: Mark Entrekin, Echent LLC

CHAIRMAN DUCOFF CALLED THE MEETING TO ORDER AT 3:05 PM

1. APPROVAL OF THE OCTOBER 20, 2004, MINUTES:

- Commissioner Ducoff asked for approval of the October 20, 2004 Airport Advisory Commission minutes. Commissioner Herpin made the motion to approve the minutes and Commissioner Chalfant seconded the motion. The motion was carried by unanimous vote.

2. PUBLIC OR CITIZEN GROUP COMMENTS:

- Mark Entrekin thanked the commission for all their support of the RTA. It's going to be a great thing to work together and we'll achieve a lot over the next 10 years. Chairman Ducoff asked when the new sales tax would begin. Mark replied that the sales tax would begin as of January 1, 2005. The results of the money coming may not be seen until about late March. There's a lot of preparation before we will begin to see roads improved.

3. GENERAL BUSINESS

Commissioner Ducoff opened by thanking Commissioner Chalfant for his work as the chair. Commissioner Ducoff noted that he would like some general discussion at the end of the agenda about the commission to recertify what the commissioners bring to the commission and what we receive from the Airport staff. Mark Earle recommended this be done under other business.

Land Use Items – Bill Keller

The following land use items were reviewed:

- ◆ Buckslip File No. AR DP 04-00623 and AR CP 00622
- ◆ Buckslip File No. AR DP 04-00628 and AR FP 04-00629
- ◆ Buckslip File No. AR DP 04-00670
- ◆ Buckslip File No. AR FP 04-00657 and AR DP 04-00656

Commissioner Chalfant motioned to accept Airport staff recommendations, seconded by Commissioner Weber. The motion was carried by a unanimous vote.

4. STAFF REPORTS

→ Traffic Report – Erica Hupp

- October enplanements were down 2.4% over last October. This is the 3rd month the enplanements have been down, which is still below the national average. The national average was up 6.2% this month.
- YTD enplanements are still up 2.4%.
- This traffic report supports the continued trend towards RJ usage in our market. We are slightly lower in enplanements and landed weight due to the number of smaller aircraft into the Springs market. Despite this trend, the total aircraft landing is up 7.4%.
- American Airlines experienced the largest decrease in enplanements in October, which was down 20.9%. American was down one flight per day this October vs. last October, which is one reason why the October landed weight is down 30.2%.

- Another reason for the lower landed weight is that American has introduced smaller aircraft into the Springs market, which goes back to the trend of the market using RJ's.
- YTD American's enplanements were down 17.7%.
- Also in October, Mesa saw a large decrease in their enplanements at 19.7%, even though they had one additional flight over last October. Their October landed weight was up 16.3%. Mesa's load factor remains low at 34.3% and the Airport may see a decrease in the number of flights. We will continue to monitor this.
- YTD Mesa's enplanements are down 9.4%.
- The Airport has been closely monitoring Delta Air Lines due to their weak financial condition. So far they have not filed for bankruptcy. This has been heavily influenced by the pilot's union labor concessions. Delta had a very strong October with 20.3% increase in enplanements.

→ **Community Relations - Erica Hupp**

- Holiday decorations are being put up this week.
- Holiday entertainment is being scheduled for the holiday season. An update will be given at next months meeting.

→ **Finance Report -- Rick Gorman**

- The Airport had our 18-month review by Fitch and our bond rating was confirmed at an "A-" stable rating. They did a very thorough review.
- Through the month of September, the Airport's revenues are \$16.1 million vs. \$16.3 in the budget, which is about \$153,000 lower than budget. This is about 0.9% change.
 - Airline revenues were up about \$183,000, of which \$97,000 was due to landing fees. We have a higher landing fee rate that is offset by a lower landed weight.
 - We also have slightly higher rental rates than what we budgeted. We do have a slight decrease in the amount of space being leased. Next year, American Airlines will be releasing one of their gates and lowering some of their ticket counter and office space to more effectively reflect their level of activity.
 - Terminal concessions were virtually flat with revenues about \$17,300 up vs. last year at this time.
 - In the Terminal Area, revenues year-to-date are \$266,700 lower than our budget projections. The biggest contributor is public parking. We're right on track with passenger traffic forecasts and the primary contributing factor is less spending and lower stay duration per passenger than originally forecasted.
 - Interest income is slightly lower, primarily due to lower earning balances. Our cash balances are about the same as last year at this time. The Airport had some long-term

investments that had locked in higher rates reflected in 2003 and these levels were used in our budget forecast. These investments rolled over in 2004 to a lower rate.

- ❑ Airport expenditures are approximately \$1 million less, which is significantly below what we had budgeted. 50% of this decrease is in the personnel area. While this is good for the airlines, it came at a cost of larger vacancy savings.
- ❑ The Airport also saved money in the services area and are currently about \$190,000 less. This is due to less money being spent for consultants primarily in concession planning. We spent a lot of money getting prepared for all the construction work you see taking place now. All of these planning dollars happened last year.
- ❑ Airport advertising expenses are \$217,000 lower than budget primarily due to less spending on TV, radio and print ads. The Airport continues its aggressive cooperative advertising program. This is reflected in the numbers you see.
- ❑ Our equipment category also shows a significant savings. Some of the equipment savings due to lower purchasing levels will be reduced by end of the year purchases. Therefore, the savings reflected in the report will likely be less due to this timing issue.
- ❑ At the end of the day, Airport expenditures are still forecasting to be at \$750,000 lower than our original 2004 budget.
- ❑ Commissioner Chalfant asked if we have a sense that national enplanements are up? Erica had mentioned they were up 6.7%. Commission Chalfant asked if we feel this is tied to lower, less aggressive public advertising? Is this responsible for this impact? Rick indicated that the recent lower traffic is not a reflection of our advertising spending. In his opinion, local economic conditions and the absence of lower fare carriers in our market are the primary contributing factors. He also feels the money should be spent in direct marketing to attract specific airlines rather than to mass advertising to area passengers. His feeling is that passengers primarily make their decisions based on airline ticket costs. Commissioner Chalfant agrees, but was wondering if we are taking this money and investing in the future. Commission Ducoff noted that he and Mark have discussed this and will present a synopsis at a future meeting. There is more than advertising involved.

➔ **Project Development, Design – Rick Gorman**

- Bill Keller has been working hard on the Airport drainage improvements. In the process of designing the Aviation Way project, we had our consultant do a master development drainage plan for the West side, which is Peterson basin. This includes the Peterson AFB, the airfield, and the terminal ramp. An outlet goes to Sand Creek and Fountain near our current maintenance facility. Part of the master development drainage plan is to make sure we retain our drainage and maintain historic flow rates leaving Airport property. Because of the taxiway projects and the West side development, there are many drainage improvements needed.
- Business Park - A second public meeting regarding the development and the impacts of our proposal will be held at Deerfield Hills Community Center tonight at 5:30 PM. Invitations were sent to adjacent property and landowners and the community. Along with this, we are working with our real estate consultant to develop a business model, which

we hope to make a business case to the local development community. We are trying to put the core infrastructure in place so we can evaluate our ability to sell private developers to do business with the Airport. We should have this model by the end of November.

- The rapid deployment facility will be located on the Southwest corner of Runway 17L. With this relocation from the East side to adjacent to the Business Park, this gives us our first anchor tenant. Mark Earle pointed out the location on the map. This new location works really well for the Airport. Commissioner French asked if they'd have taxiway access with the new location. Mark answered yes, which will be less expensive to build and could help funnel the money towards other improvements.

➔ **Projects – John McGinley**

- We are still working on the shell project outside the Boardroom. This project is in the structural steel and precast stage. We have completed installation of steel and precast in the Gate 5A area. On the West side of screening, we just completed precast, and should be done the first or second week of December. We should be done with the East side in Mid January.
- The big news this week is the ETD project. Today was the first day that TSA moved downstairs and started screening bags for America West and Northwest. I spoke with TSA and they said the operation is going smoothly with no major glitches. Over the last three weeks, there have been many adjustments to the new area, with the airlines involved, etc. The end of this week the contractor will leave Colorado Springs, will come back on the 29th and work until December 12th to complete United, American and Delta. We expect to have this project completed by February 1.
- Taxiway A2 on the West side is substantially complete. The paving operation was finished yesterday. They are currently working on the clean up issues.
- Taxiway C – work continues. The contractor is about 75% complete with 15" concrete and has not done any of the work on the shoulders. This project has suffered a couple of delays, which have pushed it into winter. We are hoping to get the runway open by December 15. The contractor is making every effort to complete the entire project in December. If it pushes into January we might have to demobilize the project and finish this in the spring.
- Commissioner Ducoff asked about the status of the East runway. We have met with CH2mHill and are waiting on the FAA to schedule a preliminary design meeting. We should begin demolition and construction in 2006, which should take the entire year. During the project we will need to close the entire runway. Mark Earle explained that it's cheaper to close the entire runway rather than stretch it out and only close portions.
- Discussion ensued about the future ILS on 35R and funding is pending.

➔ **Operations and Maintenance – John McGinley**

- The entrance way no smoking area has been set up and re-signed.

- We've had two winter weather events and didn't get any accumulation. Last weekend we received about ¼" and had to spray de-icer for this. All went well.
- General Aviation – Taxiway A2; already reported.
- Compass rose – John thanked Commissioner French for bringing this up. Investigation showed that the rose was off by about 3 degrees. We have a temporary rose that has been installed on the old ramp. The original rose was put in at Peterson's request and was their responsibility to maintain. We are looking for records that show this responsibility has been transferred.
- Minimum Standards Program – John met with Commissioner French and are currently working on the fueling policy. We'd like to get this complete and back to the Commission in December. We are planning to have open house meetings the week of Jan 10 and 17 to solicit input from the GA community. Commissioner Ducoff asked for notice of the dates for these meetings so they can attend and show support.
- Area map issue – a letter will be drafted this week and distributed.

➔ **Director's Report – Mark Earle**

- Update on the air show - Peterson AFB is having their air show in September and may move it to spring of 2005. The planning is continuing. We are sending Gary Campbell to ICAS along with folks from Peterson. John explained what takes place in the Air Show 101 training at ICAS. Peterson may have their show in May in conjunction with graduation. The target date is June 3 and 4, which is dependent on when the Thunderbirds confirm to come. The Peterson air show will have a significant impact on airline scheduling during the Thunderbird practice day and the actual air show day.
- John O'Donnell also is planning an air show, tentatively in July. He has indicated his desire to include high performance aircraft in his show that would require a larger aerobatic box than his previous shows. The larger box could require the airlines to modify their schedules to accommodate the show. Staff is concerned about the impact on air carriers of having two shows that require schedule changes back-to-back. Staff will discuss the size of the show with John O'Donnell to see if would be willing to scale back his plans. We have met with station managers to let them know about this. The biggest question is whether they can accommodate two shows back-to-back.
- Electrical outlets – we are going to take a look at this as part of the design for the new central core area. This will be addressed during the finish out phase.
- Due to the elimination of a Council meeting during the Christmas Holidays, staff will push back the presentation of a recommendation regarding the establishment of an Air Service Task Force to late February or early March. Staff will contact subcommittee members regarding a meeting schedule within the next few weeks.
- Airport Operators Group – Their original schedule would have had them meeting in late December. Because of this they are taking a look at pushing this off a month and then staying with that calendar. Staff will notify the Commission of the new meeting schedule as soon as it is available. One of the issues that will be discussed at the next meeting will

be the Minimum Standards process. Commissioner Buchwald encouraged attendance at these meetings as they are educational and a great way to meet others in the community.

5. OTHER BUSINESS:

- ➔ Speed limit issue – Discussion ensued about the speed limit on Terminal Drive. Some want it adjusted. Mark agreed that the Airport would look into this.
- ➔ Access to the gates – Commissioner Herpin asked if the Commissioners could get access to the sterile area for purposes of monitoring Airport activity. Mark noted that they could be issued sterile area passes similar to what the concession workers have. Commissioners will still be required to go through screening.
- ➔ Meeting format – discussion ensued around the format of the meeting, schedules for the issuance of agenda packets, the approval process for Commission minutes, and the content of staff presentations. Commission requested that overall Airport load factors be added to the Traffic Report, minutes be completed in a more timely manner and that packets be sent out at least a week prior to the meetings. Commission also asked that all press releases and media alerts be sent to Commissioners. Commissioner Timm suggested that periodic tours be given to familiarize Commissioners with Airport facilities and issues.

6. AIRPORT STAFF ACTION ITEMS

- ➔ Announce date of Airport Operators quarterly meeting for December.
- ➔ Send Airport Alerts to Commissioners regarding any media events.
- ➔ Increase map sizes to 11 x 17.
- ➔ Review electrical outlets by seats as the terminal expansion occurs.
- ➔ Add Airport overall load factors into the Traffic Report.
- ➔ Review speed limits on Terminal Drive.
- ➔ Check into sterile area badges for the Commissioners.
- ➔ Schedule meeting with John O'Donnell to discuss the 2005 air show.
- ➔ Schedule air service subcommittee task force meeting.
- ➔ Complete and send minutes within one week of the meeting.

Commissioner French motioned to adjourn the meeting and Commissioner Weber seconded the motion, which was carried unanimously.

Chairman Ducoff adjourned the meeting at 5:10 p.m.