



MINUTES
Airport Advisory Commission
June 26, 2007

COMMISSIONERS PRESENT: Stephen Ducoff – Chairman
Lynn French – Vice Chairman
Bud Breckner
Bob Kudwa
Joel Miller
Greg Timm

COMMISSIONERS ABSENT: Dennis Weber

NON-VOTING MEMBERS PRESENT: Wally Miller, Alternate Commissioner
Bud Patterson, Alternate Commissioner
Dennis Hisey, El Paso County Commissioner

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
Bill Keller, Airport Planning & Development Manager
John McGinley, Asst. Director, Ops & Maintenance
Gisela Shanahan, Asst. Director, Finance & Administration

CITY STAFF ABSENT: Pat McDivitt, City Attorney

GUESTS PRESENT: James Colvin, Merrill Lynch
Wayne Heilman, Gazette
Gary Mancuso, Properties Manager, COS
Keith Meier, Hunn Construction

CHAIRMAN DUCOFF CALLED THE MEETING TO ORDER AT 3:04 PM

Next meeting is Tuesday, July 24, 2007.

1. APPROVAL OF THE MAY 22, 2007, MINUTES:

- Chairman Ducoff recommended a correction to the May 22, 2007 Airport Advisory Commission minutes; Kyle Bryant is from Springs Aviation, not Premier Helicopter and then asked for approval of the minutes with the recommended changes. Commissioner Kudwa made the motion to approve the minutes and Commissioner J. Miller seconded the motion. The motion was carried by unanimous vote.

2. PUBLIC OR CITIZEN GROUP COMMENTS:

- None

3. GENERAL BUSINESS

- **Land Use Items – Bill Keller**

Bill Keller presented the following land use items:

- ◆ CPC DP 07-00184 / CPC FP 07-00185
- ◆ CPC CU 07-00186 / CPC FP 07-00187
- ◆ AR FP 07-00331
- ◆ AR DP 07-00345
- ◆ AR MDP 07-00349
- ◆ AR FP 07-00376
- ◆ CPC CM1 07-00202
- ◆ AL-07-006
- ◆ VR-07-007

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

4. STAFF REPORTS

- **Traffic Report - Gisela Shanahan**

- **Enplanements** for May 2007 are 1.9% below May 2006; an improvement from last month when we were down 6.9% for the month. YTD passenger traffic is 6.7% below 2006 versus 8.1% down last month. The most significant reductions were in United enplanements. United has fewer flights to Los Angeles, San Francisco, and Chicago and in 2006 there was a San Antonio flight added to the market for a short period of time. US Airways was running below 2006 enplanements through April; however, it has begun to exceed 2006 levels for the month of May as it realized new enplanements on the Las Vegas flight it added in May.

May 2007 Air Service Changes

| City | Airline | 2006 | 2007 | Net Change | Reason |
|-------------------|-----------------------|-------|------|------------|-----------------------------|
| Albuquerque | Mesa | 2 | | -2 | Mesa stopped service 10/06 |
| Atlanta | Delta | 1 | 2 | 1 | 757 to 737 and RJ |
| Chicago/O'Hare | United (Skywest) | 4 | 2 | -2 | Demand/CRJ7 to CRJ6 |
| Chicago/O'Hare | American (Eagle) | 2 | 1 | -1 | Demand |
| Cincinnati | (Delta) Comair | 2 | 1 | -1 | Demand |
| Dallas/Fort Worth | American | 7 | 6 | -1 | Demand |
| Denver | United (Mesa/Skywest) | 1/4/6 | 8/6 | 3 | More connection frequencies |
| Houston | Continental | 6 | 5 | -1 | Demand |
| Las Vegas | Allegiant | 1 | 1 | | |
| Las Vegas | U.S. Airways (Mesa) | 1 | 1 | | |
| Los Angeles | United (Skywest) | 4 | 3 | -1 | Demand/CRJ7 to CRJ6 |
| Minn./St. Paul | Northwest | 2 | 2 | | |
| Ontario | ExpressJet | | 2 | 2 | New service |
| Phoenix | U.S. Airways (Mesa) | 5 | 4 | -1 | Demand |
| Salt Lake | Delta (Skywest) | 4 | 4 | | |
| Sacramento | ExpressJet | | 2 | 2 | New Service |
| San Diego | ExpressJet | | 2 | 2 | New Service |
| San Antonio | United | 1 | | -1 | Focus City bust |
| San Francisco | United (Skywest) | 2 | 1 | -1 | Demand |
| Total | | 55 | 53 | -2 | |

- **Landed weight** is down 14.8% (as compared to 17% last month) for the year due to the drop in overall frequencies; however new flight additions are leveling out the drop in landed weight. We now have two fewer daily flights compared to May 2006 along with changes in equipment that reduced overall landed weight.
- **Freight and cargo** pounds are below May 2006 levels.
- Total **aircraft operations** continue to rise and are up 4.8% YTD due to an increase in GA and military traffic.
- Average **load factor** for May was 77.5% (slightly skewed due to ExpressJet) and 76.4% YTD. 2006 load factors were 75.4% for May and 70.6% for YTD.
- **Airline Seats Available.** There were 13.8% fewer seats available in the market in May 2007 as compared to May 2006. America West/U.S. Airways and Continental had the most significant reductions over the past year.

➔ Finance Report – Gisela Shanahan

- Total earned revenue is 3.7% below budget for May. Landing fees, parking and rental cars continue to be the primary factor causing the downward push on revenues. The 2007 budget was prepared using an enplanement total that is higher than we are currently experiencing. Revenue is seasonal and we are still maintaining an annual trend for revenue collection YTD. We will not see the full impact of new service until September. Other misc revenue is up due to reimbursements from tenants that were not budgeted. Interest income is up due to higher returns earned on investments.
- Revenue compared to actual revenue in 2006 is roughly equal. Revenue is remaining stable despite lower enplanements. Non-preferential gate revenue is lower due to a reconciliation issue being resolved with several airlines as some tenants have changed ground service providers.
- Expenses are running 5.0% below budget. The majority of the spending savings are due to lower airfield repair and maintenance costs.
- Expenses compared to actual 2006 expenses are 8.0% higher. Most of the increase is in repairs and maintenance of our fleet vehicles, primarily because of repairs associated with the snow storms in late 2006 (fees paid in 2007). Personnel is up due to increased salaries and benefits and we are experiencing a lower vacancy rate. Supplies is up due to the timing of purchases.
- Concession revenue is 0.7% above 2006 levels. All concessions except for rental cars are up YTD for 2007.

➔ Operations and Maintenance – John McGinley

Operations

- There will be a Mass Casualty Drill held on June 27. We have arranged for 125 volunteers of which approximately 90 will be victims. The others will be press, looters, etc. The drill will be held at the Peterson ARFF training facility. Our goal with this drill is to see if each plan in place is prepared and what may need to be adjusted. The ETU will be used for grieving family members. We will publish the event on the ATIS and will be making pages in the terminal. At this point, we are wrapping up the planning process.

Maintenance

- Troy Stover is putting together a project to replace our computerized lighting system. This current system is dated and has reached the end of its useful life. We are going to be using savings from the runway project to fund the project and are looking at spending about \$4500,000.
- Striping and seal coat – the painting contractor is on site. The taxiway striping is behind schedule because of the runway project. The contractor spent the first week or two touching up paint on the east runway and now we have them spread around the airfield. Once we are done with the striping, we should be doing the seal coating on Alpha.

- Runway- we had to close the runway a couple times last month. We coordinated this with the cargo carriers, air carriers and 302nd. We were able to close the runway in the evenings and in the mornings without any incident or density altitude issues. We are done with all of our punch list items on the east runway and shouldn't need to close the runway for any construction related activities any more.

General Aviation

- For those of you who have used the flight service system recently, the Denver FSS is back up and running since June 18. Per a conversation with one of the supervisors, she said that all of the briefers in Denver have returned from Prescott and are back on site. They are all getting used to a new software system, which is presenting a challenge. One challenge is that many FSS are still in relocated areas. Denver is receiving calls from call centers all over looking for briefings. If you call from Colorado, you should be answered by the Denver FAA, however they are still making adjustments, so it's possible you may be transferred to another location.
- Last Saturday we had the Special Olympics Plane Pull event on the West Side. They raised about \$20,000. The airport put together a team. We participated with the Colorado jetCenter and had a 13 member team plus seven Special Olympians. Our team came in third place; El Paso County Sheriff's was first and SkyWest was second.
- I spoke to Dan Rund with FRAWG about the draft terminal chart. He said it's in the mail on the way to him and as soon as he gets it he'll send out a copy to us. John McGinley will then distribute it to the Commissioners.

→ Planning and Development – John Faulkner

Construction & Design

- Business Park – We are getting to the end of the airport's construction portion. The roadways are finished with Old Drennan and Canadair complete. We are working with the Corps of Engineers regarding the sewer line. There may be some small things to complete by July 1, but the sewer line is the last element of the project. This should be done in about two weeks.
- Cell Phone Lot and Roadways– We made some adjustments to the plan and will be making improvements to the medians. This project will be done at the same time as the entry/exit roadways.
- Roadways – We hope to have the contractor on board by the next AAC meeting. This project should take about 60 days to complete.
- Taxiway Rehab – We received a successful bid and hope to have this project complete by mid-summer. We will start at Foxtrot and go north to 21. Construction should begin at the end of July.
- VSR – Design has been initiated and we are discussing it with the FAA. The design phase should be done about the middle of July.
- Drainage, Pond 8 – We had two outfalls on Pond 8 damaged. The north fall has been fixed. All of this should be completed within 30 days.

- Canopies/Kiosks – The steel beams have been installed. As a result we had lane closures and tried to keep the times convenient to keep the ‘hassle factor’ down. The project is off schedule about 30 days and should be complete August 1st.
- Roadway Signage – We received the draft scope from Carter Burgess. We hope to have this out to bid sometime in late September.

Commissioner Timm expressed concern about the selection of the master developer for the Business Park. He feels that we will lose control over what is brought into the business park which will quickly get into a situation where we will compete with other businesses trying to do the same development outside the business park. Mark Earle responded that City Council initiated this project about nine years ago and understood that there may be some competition with the private sector. Part of the way this is structured it that it was geared towards something that wasn't happening in the market within certain categories at the time in southeast Colorado Springs. One of the concerns they had was that they didn't have an employment center in the south area comparable to what was happening in the northern part of town. The direction they gave my predecessor was to initiate the BP, recognize there would be some competition and to find ways to mitigate this. This is all being done with public/private partnerships. The intent is to have the Master Developer go in and then have individual projects come in and meet the standards of the park.

➔ **Public Affairs – Kelly Jackson**

- Comment Cards – Sign frames and card holders have arrived and will be installed once Mark and Kelly choose locations.
- Special Events – July 10 will be the Midwest Airlines new service celebration and July 19 is the SkyWest Hangar ribbon cutting ceremony.

➔ **Director's Report – Mark Earle**

- Today is Lorne Kramer's last day. Mike Anderson will be Acting City Manager until a new manager is chosen. Lorne has helped lead us through a number of important projects at the airport, including the Business Park. As staff, we'd like to recognize his contributions and give him our personal thanks for a job well done.
- Air Service Development – we are continuing to discuss service with the incumbent carriers. We went to an air service development conference last week and visited with four carriers, three of which are already here and one new one. The process is ongoing and active and we keep the chairman of the Commission fully informed on everything we do as well as the City Manager and the Mayor.
- Budget – As was reported earlier, we are a little behind on revenues, but this is being offset by savings on the expenditure side of the budget. At mid-year we instituted informal controls to ensure that we stay within our means throughout the rest of the year.
- There is a test PSA that has been running on the LCD monitors throughout the terminal building that recognizes and thanks our military citizens. There is a longer, larger format version being developed to go in the soffit area above the escalators. Please take a look at it and let us know what you think.
- Scheduled release of the Marketing RFP has been delayed due to a few minor issues. We are working to resolved these and will keep you posted on our progress.

5. OTHER BUSINESS

- Commissioner Kudwa asked how the TSA scheduling was working out. He noted that one morning when he was here, the lines were just as long as in the past. Mark stated that TSA has had some personnel assignments that have taken staff away from the checkpoints; this is happening to airports all over. They are working on it and we should see some improvements.

6. CHAIRMAN'S COMMENTS

- Thanked Bud Breckner for the Daedellions tour. Everyone appreciated the opportunity.
- Received a note from Carol Jonas-Morrison at Pikes Peak Community College. She has agreed to draft a two year aviation program. This looks very promising.

AIRPORT STAFF ACTION ITEMS

| Action Item | Assigned To | Status |
|--|--------------------|---------------|
| Planning & Development to make a presentation on Airport drainage at the next AAC meeting. | John F | |

Chairman Ducoff adjourned the meeting at 4:10 p.m.

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