



MINUTES
Airport Advisory Commission
November 17, 2009

COMMISSIONERS PRESENT: Dr. Pat Boone
Dave Elliott
Joel Miller
Wally Miller –Chairman
Bud Patterson – Vice Chairman
Dr. Chris Thornton
Greg Timm

COMMISSIONERS ABSENT: None

NON-VOTING MEMBERS PRESENT: Randy Courduff, Alternate Commissioner
Tom Hayden, Alternate Commissioner
Dennis Hisey, El Paso County Commissioner
Rob MacDonald, Pikes Peak Area Council of Governments

NON-VOTING MEMBERS ABSENT: None

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

CITY STAFF ABSENT: None

GUESTS PRESENT: Officer Anderson, CSPD
Levi Anstine, COS Analyst
Sgt. Cram, CSPD
Sgt. Harrell, CSPD
Mark Hauschild, Kleinfelder
Anna Marron, COS Intern
Mary McElderry, Accountant
Officer Schumm, CSPD
Officer Strader, CSPD

Next meeting is Tuesday, December 15, 2009.

1. APPROVAL OF THE OCTOBER 27, 2009, MINUTES:

Chairman W. Miller asked for approval of the October 27, 2009 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 indicated that there were no new items to review this month.

- ◆ Item #1: AR PD DP 79-45-A6MJ09
- ◆ Item #2: CPC DP 09-00101
- ◆ Item #3: CPC ZC 09-00106

Staff recommends no objections to all three items. Item #3 from September 2009 remains tabled until we receive the 7460 for the construction equipment they'll use to install their 45' tall antennae.

Commissioner Patterson moved to accept all three items submitted; Commissioner Thornton seconded the motion and it was carried by unanimous vote.

→ **Master Plan / ALP Update – Neil Ralston**

A notice to proceed was issued to our consulting team, Jacobs Consultancy, on October 27. Over the past three weeks, we've been working with the FAA to obtain approval for our plans to acquire new aerial photography, which will serve as our new foundation for our base map. The FAA has some new standards and a new process for approvals so that ALP's and base maps are consistent across the country. We hope to have an aircraft in the air within the next two weeks, but it's contingent upon the FAA's approval and the weather conditions. We also started the inventory phase of the project, which focuses on a significant amount of data collection about existing airport facilities and activity levels. It will take a few weeks to compile this information and submit it to Jacobs.

→ **K9 Presentation – John McGinley**

Going back to August 2009, Lynn French requested a K9 demonstration from CSPD. We are finally able to accommodate the request. Sgt. Harrell gave a brief overview of the program and then Officer Anderson gave a briefing on how the dogs are trained along with a demonstration.

4. STAFF REPORTS

• **Traffic Report – Gisela Shanahan**

- **Enplanements** – For the month we were basically flat at .2% above October 2008, which brings us 8% below last year-to-date. We expect to see November look more like September. November is typically one of our higher traffic months due to the holidays.

- **Landed weight** – For the month we were down 2.3% and 11.2% year-to-date.
- **Freight and Mail** – Up 14.6% for the month and down 9.1% year-to-date. We have seen some recovery in this category over the last couple of months. Commissioner Boone asked why this is up. Gisela explained that we don't have information on that and have not narrowed it down enough to delineate.
- **Aircraft Operations** – Down 15.4% for the month; 1.4% year-to-date. GA flipped on us. We had double digit increases two months ago. We had a significant amount of weather days that affected training operations in October.
- **Load Factors** – Average for the month was 81.1% compared to 79.1% for 2008; year-to-date it was 80.4% compared to 79%. Industry-wide, the airlines here seem to be running significantly higher than the system-wide loads,
- **Seats Available** – 2.3% down for the month; 11.8% down year-to-date.
- US airways will be pulling out of the market on January 4.

→ **Finance Report – Gisela Shanahan**

Due to the meeting being moved up a week this month, we will not be presenting a financial report. Financial data is due the 20th of each month; therefore we have not received information to report for this meeting.

→ **Airport Budget Presentation - Cheryl Schwab**

- Gisela explained that we begin the Airport budget in May with adoption at the end of the year. The process begins by meeting with each department to determine what their needs are for the next year. The airline Rates and Charges are based on what the airlines are required to pay as per their agreement. The agreement has a complex structure of allocations which require us to allocate expenditures to specific cost centers that then determines if it's an airfield cost that affects a landing fee or a terminal cost that falls into the terminal rent. The net revenue is then shared 50/50 with the airlines with 50% going back to reduce their rates and 50% flows into the airport reserves which funds our capital needs.
- This document reflects the Airport's revenue and expense budgets. The revenue budget is shown on the top half of this table, and for each budget line item, we can see the 2008 actuals, the 2009 Budget (as originally submitted), the 2009 Amended budget (which was a process that the City undertook but did not affect the Airport), and the 2010 Budget (as originally submitted).
- The airline revenue budget is forecasted to decrease from the 2009 budget to 2010 by 4.6%. This is due to the fact that many of the rates we will be charging the airlines in 2010 will be lower than in 2009. It's also due to the fact that we anticipate a lower quantity of leased space from our air carriers in 2010, than was leased in 2009. The Airline Use & Lease Agreement was set to expire on December 31, 2009; and although we're finalizing an amendment to extend the lease, the airlines have an opportunity to give back space at the end of the year, which some of them are doing.

- The non-airline revenue is also expected to decrease in 2010, when compared to the original 2009 budget. Public parking and the rental car concessions are forecasted to decrease due to fewer passenger enplanements and overall economic conditions. The other terminal concessions are decreasing for the same reasons and we are seeing decreased in food/beverage, news/gifts, ground transportation fees, etc.
- Our total revenue picture is expected to be about 8% lower in 2010, than was originally budgeted in 2009.
- For our uses of funds, we are seeing an approximate 2% increase in salary/benefits. No salary increases are planned for Airport employees; however, increases in the Police Pension Plan and PERA are driving this category up slightly.
- Operating expenses are forecasted to be about 1% less than what was originally budgeted in 2009. This is primarily due to a decrease in expenditures associated with the Runway Maintenance expenditure account. Instead of contracting out runway painting and paint removal, we are increasingly doing these things in-house, which is reducing our expenditure level.
- Capital outlay is also reduced for 2010. In the 2009 original budget, we had budgeted to upgrade the loading bridge controls on two of our loading bridges; however, the Airport has received approval to fund these upgrades with PFCs, so they are no longer part of the operating budget for 2010.
- Debt service is simply based on the current debt service schedule, which Gisela will discuss shortly. Overall, we are forecasting a reduction of expenditures for 2010 of approximately \$85,000.
- Commissioner MacDonald asked if there was any impact from Ballot Issue 300. Mark explained that we don't know yet. It's dependent on how it's interpreted by City Council.
- In calculating our Rates and Charges, we use a complex model that includes our expenditures. We also take into account the airline schedules, nation-wide macro economic data and then look at our economy. We take this information and generate a passenger forecast for the next year, which drives the revenue calculations. One thing we've done for the past seven years is taken the net revenues and reinvested those dollars into the airport. From a funding viewpoint, we are near completion on all of this. So we needed to reevaluate going forward what the best use of our revenues would be. Taking a look at the macroeconomic picture, one of the things that has been a touch point across airports had been the landing fees. We are at a point in which we are retiring a series of bonds that helped the terminal building and public parking. We are not seeing any relief on the debt side, which creates a burden on the Rates and Charges. For 2010 we have decided to use some of the net revenues from 2009 to pay a portion of the debt service instead of this being folded into the Rates and Charges. This will allow us to be able to reduce the cost of doing business at the airport by about 15%. This is a significant decrease and results in rates that are lower than the 2009 rate. The airlines should see about a 4% decrease.

➔ **Operations and Maintenance – John McGinley**

Maintenance

- We are working with Kelly to install some art walls near Gate 8. We have 3 walls up now and should have the last one up next week.

General Aviation

- John has had some discussions with the tower to put together a pilot briefing at the end of January. We budgeted four of these a year. The last time we put this on we had the C130 unit from Peterson AFB to give a briefing. We are currently speaking with the F16 group from Buckley for a presentation.
- The quarterly Airport Operators Group meeting is tomorrow night at 5pm at the Radisson.
- Minimum Standards – One of the grant assurances we are bound by is that we have to make the airport commercially available to anyone who operates out here. The recommended method that FAA has put forth for establishing some control over this is for the airport to establish a minimum standards program. We started the program voluntarily in 2009 with the idea of providing a baseline or common requirements that anyone would have to comply with in order to operate on the airport. We are looking at Feb 22 to get the program out for public comment. In October we gave direction to the consultant to assemble the present draft. We will receive this back the middle of December. From then until Jan 29 it should be in final form and back to the consultant. December and January I will provide updates.
- Snow Management Program – Troy Stover
Troy Stover and Mark Hill gave a brief presentation about the Snow Management Program at the Colorado Springs Airport.

Commissioner Courduff asked what method is used to convey airfield surface conditions to pilots. Troy explained that there are two methods, one of which we do a physical inspection of the surface and the other is a breaking test with the decelerometer which measures the friction on the pavement. We report the pavement condition through the NOTAM system. This information is also at our snow desk.

➔ **Planning and Development – John Faulkner**

- **Relocation and Reconfiguration of the Operations Communication Center and the Third Floor Administrative Offices** – We are still reviewing some final changes before it bids out. We hope to get bids sometime in the next month so we can begin construction around the first of the year.
- **Checked Baggage System** – We have selected Swanson Rink as the design contractor. The contract negotiations are wrapping up and we're issuing a task order by the end of the week. We hope to have the system designed between now and the beginning of spring so that we can begin construction towards the middle of next year. We'd like to get the new system in place near the end of 2010 or the beginning of 2011. We have continued work with DHS on the grant process and they have notified us that our costs as of this date are now eligible for grant reimbursement; we have not settled on a final grant amount.

- **Reconstruction of Runway 12/30** – We are ready to start interviews for a design firm. This is part of a five year package which includes continuation of our taxiway replacement program on the east side of the airport. We do have funding in place for the design portion of this project, so as soon as we can get a design firm identified, we'll be starting the design of this project so we can start construction over the summer.
- **Interior Signage** – A preconstruction meeting was held just over a week ago. Contract requirements and project schedule were the main sources of discussion. The project is now on the clock and it will be about 120 days until all the signs will be installed.
- **Roadway Signage** – This project is underway and we've begun putting footings in place for some of the larger signs. One sign is already up on the rental car loop. The contractor believes they can complete the project between now and January.
- **Old Terminal Remediation** – We've been allowing Lynx to use the hangar on an itinerant basis. They have another operation scheduled for the first part of December and a couple more after that. The hangar will be used, for the time being, to maintain some Q400's. This is a good use for the hangar. We'll wait until Lynx is done to do any renovation. The current plan is to drop the southern portion of the terminal and leave the warehousing capability to the north.
- **Defense Access Road Design and Construction** – A lot of work continues to happen. We've completed the preliminary design and have met with CDOT and Federal Highways in the last month. The plan was approved and we've been allowed to proceed with final design. We are in the final stages of negotiating the scope of work with CH2MHill. We hope the final design work will begin shortly after Thanksgiving and will extend into early spring. We'll bid the southern portion of the project in the spring to be completed in 2010 and the northern half of the road from Embraer to Proby may be done in 2011. We will look for opportunities to speed this up. With completion of the 30% design, we've been able to review the budget. Since the road was realigned it's now a quarter mile longer and has a much more functional and expensive intersection at Proby now to accommodate a left movement out of the airport exit roads. We are going to have to do some utility lowerings that were not in the scope last year. As a result, we're about \$1.7 million over the funding budget. We've had discussions with COPT about how we can save some money on the project. Mark explained that we use the term budget as the amount of money made available for the project which has been in place for some time. We always knew we'd build more road than initially planned, so we are not over budget.

→ **Construction – John Faulkner**

- **Taxiway E4 and E 5** – On Thursday of last week, the FAA inspected the project allowing us to open the project on Friday. This project was completed a few days early.
- **Rehabilitation of G and H** – The same contractor and TW E4 and E5 and they have used the same effort to work on this project. The concrete is complete and the majority of the asphalt paving for the shoulders done. We're down to grooving, painting and joint sealing. These are weather dependent; however the contractor feels they'll be done by mid-December.

→ **Director's Report –Mark Earle**

Due to the length of the meeting and lateness of the hour, Mark limited his report to answering questions from the Commission.

5. OTHER BUSINESS

John McGinley informed the Commission that there will be a Holiday Travel Tips media briefing on November 18 at 11:00 a.m. Both TSA and the Airport will be available for interviews.

6. CHAIRMAN'S COMMENTS

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status

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