



**MINUTES**  
**Airport Advisory Commission**  
**January 24, 2012**

**COMMISSIONERS PRESENT:** Wally Miller – Chairman  
Dr. Pat Boone – Vice Chairman  
Randy Courduff  
Tom Hayden  
Steve Janitell  
Dr. Chris Thornton

**COMMISSIONERS ABSENT:** Dave Elliott

**NON-VOTING MEMBERS PRESENT:** Andrew Biancur, Alternate Commissioner  
Peggy Littleton, 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  
Gisela Shanahan, Asst. Director, Finance & Administration  
John McGinley, Asst. Director, Operations & Maintenance  
Dan Gallagher, Asst. Director, Planning & Development  
Dana Jackson, Airport Sr. Office Specialist

**CITY STAFF ABSENT:** None

**GUESTS PRESENT:** Dan Deutsch, Airport Accounting Manager  
Sam Abriani, Airport Intern  
Agnes Blachut, Airport Public Affairs Administrator  
Neil Ralston, Airport Planning & Development Manager  
Rob Schmalz, The Paradies Shops  
Patsy Buchwald, The Paradies Shops  
Holly Ritchie, The Paradies Shops  
Wayne Heilman, Gazette

**Next meeting is Tuesday, February 28, 2012**

- **APPROVAL OF THE NOVEMBER 15, 2011 MINUTES**

Chairman Miller asked for approval of the November 15, 2011 Airport Advisory Commission minutes; no objections; minutes were approved as submitted.

- **PUBLIC COMMENTS**

Patsy Buchwald of The Paradies Shops noted that Colorado Springs General Manager, Rob Schmalz was a finalist for manager of the year at The Paradies Corporate Conference.

- **NEW BUSINESS**

→ **Land Use Review – Neil Ralston**

- **Item #1 AR DP 11-00630**
- **Item #2 CPC PUD 11-00124/CPC FP 11-00125/CPC PUZ 11-00123**
- **Item #3 AR CP 11-00645**
- **Item #4 AR DP 11-00633/AR FP 11-00635**
- **Item #5 AR DP 12-00018**

Airport staff reviewed five new land use items, all in the City of Colorado Springs. Staff did not recommend any objections to any of the items.

One item remains tabled from a previous meeting (Item #4 from July 2010).

A motion was made by Commissioner Thornton to approve all five land use items per staff recommendation; the motion was seconded by Commissioner Hayden; it was carried by unanimous vote.

- **STAFF REPORTS**

→ **Semi-Annual CIP Update – Gisela Shanahan**

Gisela referred to the Nine-Year Capital Improvement Program (CIP) Worksheet. Since the last briefing (July 2011), changes were highlighted in red on the worksheet.

→ **Traffic Report & Finance Report (November) – Gisela Shanahan**

We plan to continue reporting traffic and financial data two months in arrears. It is in keeping with industry standards and will ensure that we have final numbers to report.

**Traffic Report**

- **Enplanements** – Down 12.4% compared to November 2010 which is an improvement from October and 5.7% decline year-to-date. All of the factors are the same as previously discussed which include changes in fleet mix, and in some cases the number of frequencies to certain routes. The biggest influence was Allegiant; we lost 2 frequencies to Long Beach but 2 frequencies to Las Vegas are coming back into the market as of February 12<sup>th</sup>.
- **Seats Available** – Down 10.1% for the month and down 4.8% year-to-date.
- **Load Factors** – 75.2% for the month and 77.0% year-to-date. Loads are stable.
- **Landed Weight** – Down 8.7% and down 3.5% year-to-date.

Commissioner Thornton asked if the military pay a landing fee. Gisela replied that the military does not pay a landing fee at COS; however as of Jan. 1, 2012 commercial aircraft flying military charters will pay a landing fee.

- **Freight and Mail** – Down 6.1% for the month and down 2.9% year-to-date.
- **Military Cargo** – Down 33.5% for the month and up 13.0% year-to-date.
- **Aircraft Operations** – Down 9.0% for the month, primarily driven by military traffic; down 10.7% year-to-date.

#### **Finance Report**

- **Earned Revenue vs. Budgeted** – Airline Revenue is 4.5% below the budget; Terminal Concessions are up 3.1% due to leasing additional building space; Terminal Area is down 3.9% primarily driven by a decline in parking revenue; Other Buildings & Areas are up 20.6% which is due to the fuel sales and excise tax variance; bottom line is that we are 1.6% below the budgeted revenue.
- **Revenue vs. Actual Revenue** – Airline Revenue is up 7.1%; Terminal Concessions up 1.5% primarily driven by terminal rental rates have increased slightly; Terminal Area down 4.4%; Other Buildings & Areas up 15.2%; overall we are up 2.3% compared to 2010.

Commissioner Courduff asked if the landing fee collected from commercial aircraft flying military charters will be included in the airline revenue. Gisela concurred that the revenue will fall under this category in this report. The landing fee category listed in this report pulls several landing fees together; it pulls landing fees from scheduled airlines, diversions, anything that occurs on the GA side and now the ADACG side.

- **Expenditures vs. Budget** – Personnel Services has a significant variance primarily due to vacancies. Bottom line is the expenditures are running 9.0% below the budget year-to-date.

Mark noted a significant change is the City-wide hiring freeze that was in place for about a year has been lifted for the airport. We are able to fill positions when they become available now on a case-by-case basis pending approval from Downtown.

- **Actual vs. Actual Expenditures** – We are expending 4.0% less than in 2010.

#### ➔ **Operations and Maintenance – John McGinley**

##### **Operations**

- Operations is currently in the middle of an annual security inspection; most of this inspection involves the record-keeping system in Operations. Inspectors also get out on the airfield, set off door alarms and walk around without displaying their badges in order to test the system in place. The inspectors conduct regular inspections and surveillance throughout the year. The annual inspection typically goes smoothly because regulatory concerns are addressed and worked out as they come up throughout the year.
- Operations is also working on lowering the gates to the entrances in the east and west parking lots; the target date is February 22<sup>nd</sup>.
- Operations will be assisting with the upcoming Taxiway E, G and H Phase III project.

## **Maintenance**

### **Airfield**

- Field maintenance staff has been working on rubber removal on the east runway and crack sealing on Taxiway A.

### **Facility**

- Terminal maintenance staff continues to work with Development staff on on-going projects, including the renovation of the American Airlines ticket counter/offices.
- The maintenance manager is working on the elevator/escalator contract, which is currently out to bid.
- The escalators are currently being worked on, and will resume functionality by the end of the month.

### **GA**

- We are looking at dates for the next pilot briefing; either February 25<sup>th</sup> or March 10<sup>th</sup>.

### → **Planning and Development – Dan Gallagher**

- We are holding various coordination meetings with all of the stakeholders in order to establish a defined schedule for Taxiway E, G and H Phase III project.

### **Consolidated Terminal Expansion/Renovation Project Summary**

- All structural steel erection and pre-cast panel installation for both the CBIS (Checked Baggage Inspection System) and SSCP (Security Screening Checkpoint Expansion) building structure are now complete. The corresponding concrete pavement is approximately 95% complete. The interior finishes are complete on the west side and are still working on the east side.
- Work is under way for the American Airlines move from the east side to the west side ticket counter.
- The west side has been turned over to our baggage handling contractor; they are 25% complete in zone 1. The two contractors are working simultaneously in order to increase efficiencies and beat the schedule.
- SSCP (Security Screening Checkpoint Expansion) – all of the concrete deck pours are complete. The storefront windows are complete on the west side. The roof and draining installation continues according to schedule.
- The BHS (Baggage Handling System) – The contractor started in December; 60% of the header steel is installed in Zone 1.
- Those who were unable to make the tour should contact Dan and he can provide an individual tour.

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

As we make the transition into the New Year we are evaluating our air service development program and making adjustments where necessary. We will continue with our current incentive program, which has been well-received by the airlines and has had good results. We will also continue to improve the data collection and assessment process to ensure that the airlines have the most up-to-date information available on our market. We will continue to visit with the airlines throughout the year and work closely with their network planning teams to identify opportunities for new service. We are

already seeing a higher level of interest from the airlines this year, and already have a series of meetings scheduled.

The construction process has gone very smoothly thus far. In the early part of this year, construction will be focused on the completion of the baggage screening system and starting up construction of the new screening checkpoint. So far, most of our customers don't even realize the building is under construction. However, as we move into the screening checkpoint area, we will be working in space that we will have to share with our customers. It will be critically important during this period that we constantly communicate with the public and with our tenants. As a part of the screening checkpoint project, we will be adding a premium line that will be used primarily by the airlines for their affinity programs. The line will also be open to uniformed military personnel traveling on orders and their families. This is a Congressional mandate that is still in the rule-making process at TSA, but we are planning ahead so we can accommodate this change.

This project will give us an opportunity to develop new displays throughout the building that feature important icons that represent our community, including the US Air Force Academy, the US Olympic Committee, and the physical beauty of the mountains and surrounding lands. We have been working with the Academy, the USOC and other entities to acquire images for the displays. We will also work with the Chamber of Commerce and EDC to feature the new community branding in appropriate locations in the building.

Later in the year, we will be evaluating our overall rate structure for the airport. We are coming up on the end of our current airline use and lease agreement and will have an opportunity to create new mechanisms that will allow us to reward the behavior of airlines that bring more service into our community. There are strict federal guidelines that ensure that all airlines are treated equally, we will have to maintain a delicate balance that is acceptable to the airlines.

Commissioner Littleton brought up the idea to have a separate lane for active duty military in order to honor those soldiers, if there is room in the new queuing area. Mark responded that one of the practical constraints is that there are only a handful of active duty military passengers on each flight, so dedicating a full line for this purpose would waste TSA screening capacity and negatively impact other passengers. We believe that we can still honor the military and provide a comfortable experience for them in the premium line. As it stands, we do a lot to honor both inbound and outbound troops, and will gladly add the access to the premium line to the program. However, we still have to be careful about the impact that such programs have on other passengers and resources.

Commissioner Miller asked when the airline use and lease agreement would be complete. Mark replied that it would be at least a year long process. It will require a significant effort involving the entire senior staff, as well as our financial advisors and representatives from each of the airlines.

- **COMMISSIONERS' COMMENTS**

Commissioner Miller commended airport staff despite the additional work load particularly over the last year.

Bud Patterson departed from the airport commission which has created a vacancy in the Master Planning Committee. Commissioner Miller appointed Commissioner Thornton to the Master Planning Committee, since he had expressed interest. Commissioner Thornton accepted the appointment.

Robert MacDonald, PPACG Director, reported that the Council of Governments has approved its long range transportation plan. The plan is a critical step in the allocation of nearly \$3B in transportation spending in the region over the next several years. The plan includes improvements along Powers Blvd., I-25 and perhaps some east-west enhancements. It also addresses the potential for passenger rail along the Front Range.

Mark added that, while it has been reported otherwise in the press, the Airport has not taken a position on a route for the passenger rail system. It is not the Airport's place to do so independently. Staff will work with the City and the Airport Advisory Commission first, and then provide input into the overall process.

- **CHAIRMAN'S COMMENTS**

None

**AIRPORT STAFF ACTION ITEMS**

Action Item	Assigned To	Status
Update the commission on the airline incentive package, the data assessment and how it incorporates the federal regulatory guidelines	Staff	Will be briefed during March 2012 meeting when new members will be present.

Minutes respectfully submitted by:  
Dana Jackson, Airport Sr. Office Specialist