



MINUTES
Airport Advisory Commission
January 22, 2013

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

COMMISSIONERS ABSENT: Dave Elliott – Vice Chairman
Tom Hayden

NON-VOTING MEMBERS PRESENT: Andrew Biancur, Alternate Commissioner
Peggy Littleton, 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 McGinley, Asst. Director, Operations & Maintenance
Dan Gallagher, Asst. Director, Planning & Development
Neil Ralston, Airport Planning & Development Manager
Agnes Blachut, Airport Public Affairs Administrator
Kelly Jackson, Air Service Development Analyst
June Eveland, Airport Accounting Manager
John Schulz, Airport Financial Analyst

CITY STAFF ABSENT: Dana Jackson, Planning & Development Analyst

GUESTS PRESENT: Alex McKean, Reynolds, Smith & Hills (RS&H)
Wayne Heilman, Gazette
Russ Moran, The Paradies Shops

Next meeting is Tuesday, February 26, 2013

- **APPROVAL OF THE NOVEMBER 27, 2012 MINUTES**

Chairman Boone asked for approval of the November 27, 2012 Airport Advisory Commission minutes; no objections; minutes were approved as submitted.

- **INTRODUCTION OF GUESTS**

Wayne Heilman, Gazette
Russ Moran, General Manager for Paradies Shops

- **PUBLIC COMMENTS**

None

- **NEW BUSINESS**

→ **Land Use Review – Neil Ralston**

There were no new Land Use Review items for the month of January 2013. Dr. Boone asked whether the email process of reviewing Land Use items during December 2012 worked well. Neil Ralston confirmed that the process worked out well.

→ **Semi-Annual CIP Update – Dan Gallagher and John McGinley**

Dan Gallagher explained the layout of the 9-Year Capital Improvement Plan spreadsheet that was presented to the Commission. The CIP is a living document that outlines the Airport's capital project needs/wants and how to financially accomplish those projects. This document prioritizes projects against the fund balance, which comes from a variety of places such as the FAA, Passenger Facility Charge proceeds, the Colorado Department of Transportation and the Airport's own reserves.

Dan outlined projects related to planning and development between 2013 and 2018. During 2013, the focus is the Rehabilitation of Taxiways E, G and H (Phase IV). The Commission asked about the difference between Discretionary and Entitlement funding from the FAA. Airport staff responded that there exists an Aviation Trust Fund, which is solely comprised of proceeds from the aviation industry. This fund is used for capital improvement projects at airports throughout the entire US. Airports outlined in the National Plan of Integrated Airport Systems (NPIAS), a system of airports identified by the FAA as significant to the air transportation system, are entitled to a certain amount of capital funding every year based solely on traffic at the airport (Entitlements). Discretionary funding is prioritized by projects at airports that increase (1) safety or (2) capacity, and then the list of priority projects cascades from those two main objectives. The Airport is always prepared to request discretionary funding when it becomes available. Due to this preparation, the Airport has historically received significant amounts of discretionary funding in addition to its annual entitlement.

During 2014, it is anticipated that the Rehabilitation of Taxiways E, G and H (Phase V) will occur, in addition to the addition of a taxiway on the west to enhance access to the general aviation community. Terminal apron pavement rehabilitation will be a priority in 2015-2016, further pavement rehabilitation in 2017, and it is anticipated that the west runway, (35L/17R) will be rehabilitated and/or altered based on the Master Plan study. At that time, it will reach its 15th year, which is a typical schedule for the rehabilitation of a runway.

On the Operations side, John McGinley reported there are a number of projects we anticipate completing in 2013. The Airport is in Phase V of a Fleet Replacement program that began in 2006. The program identifies and replaces aged equipment to increase the Airport's capabilities and efficiency. On the airfield side, while various pavement awaits full rehabilitation in coming years, the Airfield Pavement program identifies pavement that requires attention so that it can continue to support the aircraft activity before we receive federal funding in the future. This is an interim pavement

maintenance program, and initiatives include activities like corner cutting. Additionally, we are working to award a contract for a Computer Based Interactive Training System (CBITS). Commissioner Littleton asked what the CBITS is. John responded that the Airport is required to administer TSA and FAA training to badged tenants and Airport staff, and that the content and requirements have increased in past years. This will help the Airport more efficiently meet the training needs. Lastly, the Flight Information System upgrade will be an “in-the-cloud” solution for the flight information available at the airport. All information will be fed from an outside vendor, so we do not need a back-up if our network is down.

Commissioner Courduff asked what the number next to “PFC” is. Staff responded that this identifies which Passenger Facility Charge application is the source of funds for that particular project. Before an airport can collect PFCs to put towards a specific project, it needs to gain approval from the serving airlines and then submit an application to the FAA.

- **STAFF REPORTS**

- **Finance and Administration –**

- Traffic Report – June Eveland**

- **Enplanements** – Up 6.3% for the month; down 0.6% year-to-date. This is primarily due to the Frontier service increase, which was up 79.1% for the month. Delta saw a decrease of 25.7 percent for the month, primarily because of the discontinuation of the MSP service. United saw a slight decrease, month over month, of about 3.3 percent, and this was mainly due to the frequency of the Houston flight. This flight fluctuates seasonally.
- **Seats Available** – Up 10.0% for the month and up 1.2% year-to-date.
- **Load Factors** – 78.9% for the month and 77.0% year-to-date.
- **Landed Weight** – Up 4.5% for the month and down 11.0% year-to-date.
- **Freight and Mail** – Down 0.5% for the month and up 11.0% year-to-date.
- **Aircraft Operations** – Up 26.2% for the month and up 1.7% year-to-date.

- Finance Report – June Eveland**

- **Earned Revenue vs. Budgeted** – Up 2.1% year-to-date.
- **Revenue vs. Actual Revenue** – Essentially flat at 0.1% below, year-to-date.
- **Obligations vs. Budget** – Down 9.1% for the month. The largest variance continues to be personnel services.
- **Actual vs. Actual Expenditures** – Up 0.8% year-to-date.

- **Operations and Maintenance – John McGinley**

- Operations**

- The Airport hired two new Operations Agents and a new Communications Center Dispatcher in 2012.
- Operations focused on creating Standard Operating Procedures (SOP) documents to facilitate in training staff. There were 26 created in the Communications Center and 23 in Operations.
- 2012 was a busy construction year and Ops staff was heavily involved in that process.
- A number of employees took an industry certification test known as the ACE test to improve their knowledge of airport operations and communications.
- On the customer service side, Ops continued to make the badging process smoother and easier for badged individuals. For example, all forms are available online in PDF format. Ops is discussing having badging dates on the west side, but those have been discontinued at this time because of a low turnout.
- The update and revision of the Airport Security Plan was a focus in 2012.

Maintenance

- Maintenance has been busy with work on a trench drain issue on the east side of the airport. Contractors completed that project but Maintenance is busy with carrying it out to completion.
- Maintenance is working on a full-slab replacement at select taxiway intersections.

GA

- A COS Pilot Briefing is scheduled for April 6, 2013 in the East Terminal Unit.

Chairman Boone asked what ACE awards are. John responded that the certifications vary but staff does four days of training on a specific regulatory requirement related to operations, such as snow removal or wildlife mitigation, learns how to apply knowledge about the issue and completes a test related to the information. The certifications require the applicant to learn and understand a large volume of information. Chairman Boone asked whether it would be appropriate to send a letter of recognition. John said that a letter would be appropriate and that the Airport would work to compile the various certifications achieved by staff over 2012.

→ Planning and Development – Dan Gallagher

Design and Planning Phase:

Pond 700 Outfall Drainage Repair

- The Airport has received a 90% complete design submittal from the design engineer for review. Plans and Specifications are planned to be completed and issued for bidding in March 2013. Construction could begin in May 2013 and be completed by August 2013.

Sand Creek Drainage Erosion

- Design for the selected alternative for erosion repairs is under way and is scheduled to be completed by mid to late April.

CSU Service Road

- This project is temporarily on hold pending further coordination with CSU.

Defense Access Road (DAR) Design and Construction

- The Airport has received 100% complete design drawings and specifications from the design engineer for final review of the landscaping and irrigation at Cresterra Parkway. The plans will be issued for bidding in the spring of 2013. Construction could commence by late May 2013 and be completed by August 2013.

Airport Master Plan

- The Airport is working to finalize the Airport Layout Plan with the intention of submitting it to the FAA for review and approval during the first quarter of 2013.

Construction Phase:

Consolidated Terminal Expansion/Renovation Project Summary

- Checked Baggage Inspection System (CBIS)
This project is fully operational in all four screening zones. Final design of the Oversized Baggage Screening Room and Transport Line is nearing completion; the Airport will initiate the process to procure this work in the first quarter of 2013.
- Security Screening Checkpoint Expansion (SSCP)
The new west exit lane and Meeter and Greeter area is anticipated to open January 25th. Work will continue on the final checkpoint configuration.
- Integrated Operations and Communication Center Project
This portion of the Terminal Improvement Project is complete.
- Relocation and Reconfiguration of Administrative Office and Conference Space
The reconfiguration of the 3rd floor Administrative Offices is complete.

Old Terminal Demolition & Remodel and Upgrade of the West Aviation Lavatory Triturator

- Old Terminal Building Demolition
This component of the project is complete.
- West Aviation Lavatory Triturator Remodel and Upgrade
The Lavatory Triturator is scheduled to be completed by early February 2013.

Rehab of Taxiways M & F

- This project was complete in December 2012.

→ Director's Report – Mark Earle

- During the November 2012 meeting, the Commission requested to see the 2012 expenditure on airport marketing/advertising. We are distributing the 2012 Marketing Expenses Summary, along with the 2013 Airport Marketing Plan. Please let us know if you have any questions about either document. Upon review of the 2013 plan, you will notice that there is a line item regarding the issuance of a Request for Proposals to acquire a consultant to refresh the Airport's marketing strategy, to include inbound/outbound passenger marketing, integration of general aviation and business marketing efforts, and an online marketing strategy. Among other things, the online portion of the strategy will include a website upgrade, a social media strategy, and search engine optimization. After the completion of the marketing strategy process, the Airport will seek firms to help with content-creation and other services suggested by the consultant and approved by the Airport.
- Earlier this month, Frontier announced that it would cut service to Colorado Springs. The largest impact will be the discontinuation of service to its hub in Denver. This is due to loss of access to the Embraer 190, an aircraft that is actually owned by Republic Airways and used for the Denver – Colorado Springs hop. Frontier does not have access to an efficient aircraft for the route. Frontier also mentioned that it would discontinue flying its seasonal non-stop routes. The airline is constantly trying to make the best use of its limited Airbus 319 aircraft- even though flights out of Colorado Springs were successful, Frontier identified a marginally better use of the aircraft in a different market and transferred it. Frontier will continue to look for opportunities out of Colorado

Springs and is prepared to make quick changes as opportunities come up. As always, Airport management continues its conversations with other airlines to backfill the Frontier service. Meetings with carriers are scheduled in coming months.

It's important to point out that Frontier's behavior is a symptom of a larger structural change in the airline industry. During the recession, airlines were forced to cut capacity by getting rid of older, less fuel-efficient aircraft. This allowed most airlines to post profits, even during the deepest part of the recession. As the economy recovers, industry analysts believe that the airlines will be reluctant to go back to pre-recession capacity levels and thinner margins.

In this new environment, Airport staff believes that there are a business models that could help distinguish COS from other airports, providing a competitive advantage when it comes to attracting and retaining air service. The model would allow airlines to enter the market and develop routes with minimal risk. We are working with several airlines to validate these concepts, and estimate the potential impact that they could have on service levels at COS. These discussions are confidential at this point; however, staff will share more information when it is in a position to do so.

- The Airport continues to work to recruit applicants to fill the Assistant Director – Finance and Administration – position. We are working with a firm that specializes in aviation recruitment, ADK, to find the right talent.
- An air show committee will be established in the coming months that will be responsible for planning any air shows that occur at the Colorado Springs Airport. All Airport stakeholders will be represented in this committee, which will be comprised of nine individuals representing the airlines, Peterson AFB, the West Side general aviation community and the Airport Advisory Commission and Airport staff. Proceeds from future air shows will go to fund the aviation museums located at COS – the Peterson Air and Space Museum and the National Museum of WWII Aviation.

The Commission voted to have representation in the air show committee. Commissioner Thornton made the motion and Commissioner Courduff seconded. The motion passed unanimously.

- **COMMISSIONERS' COMMENTS**

Commissioner Littleton brought up aviation-related ideas that she saw on her trip to New Zealand, which included an idea to have helicopter rides to Pikes Peak to enjoy a picnic. The Commission and staff discussed the feasibility of this idea.

- **CHAIRMAN'S COMMENTS**

Commissioner Boone thanked Wally and Andi for calling in. She then thanked Wayne Heilman for his thoughtful coverage of the Frontier cutbacks in the Gazette. Commissioner Boone mentioned that the baked goods at NOVO coffee looked great. She asked about the hours of the new concessions, NOVO Coffee and the Bristol Tap Room. Mark Earle responded that there is an on-going conversation with SSP America to establish a closing schedule for Bristol that would keep it open later. The Airport also plans to validate parking for those who come out specifically to eat at Bristol. The details of that program are being discussed.

During the February 2013 meeting we will discuss AAC meeting dates for the end of the year. This will be added to the agenda for February.

AIRPORT STAFF ACTION ITEMS

Action Item	Assigned To	Status
Compile awards received by Airport staff	John & Agnes	
Help create letters of recognition for Airport staff	Agnes	
Include 2013 Meeting dates to the Feb 2013 agenda	Agnes	Added

Minutes respectfully submitted by:
Agnes Blachut, Airport Public Affairs Admin.