



MINUTES
Airport Advisory Commission
July 23, 2014

COMMISSIONERS PRESENT: Dr. Chris Thornton – Chairman
Andi Biancur – Vice-Chairman
Steven Janitell
Dave Elliott
Mark Baker
Tom Hayden
Randy Courduff

COMMISSIONERS ABSENT: None

NON-VOTING MEMBERS PRESENT: John Maier – Alternate Commissioner

NON-VOTING MEMBERS ABSENT: Rob MacDonald – Liaison Commissioner
Peggy Littleton – Liaison Commissioner
Jason Harris – Alternate Commissioner

CITY STAFF PRESENT: Dan Gallagher – Aviation Director
John McGinley – Assistant Director of Aviation, O&M
Sam Schneider – Construction Manager
June Eveland – Accounting Manager
Lindsay Rose – Legal Advisor
Kristine Andrews – Environmental Health & Project Specialist
Heather Lenard – Marketing and Communications Manager
Jerry Dimandja – Airport Planning and Development Analyst

GUESTS PRESENT: Russ Moran – Paradies Shops
Kevin Ensor – Short Elliott Hendrickson, Inc. (SEH)
George Murphy – Short Elliott Hendrickson, Inc. (SEH)
Nathan Lavin – Airport Intern

The next meeting is Wednesday, August 27, 2014

I. APPROVAL OF THE JUNE 25, 2014 MINUTES

Chairman Thornton asked whether all commissioners reviewed the June 25, 2014 Airport Advisory Commission meeting minutes. There were no corrections or suggestions and the meeting minutes were unanimously approved.

II. INTRODUCTION OF GUESTS

Nathan Lavin – Airport Intern
Russ Moran – Paradies Shops
Kevin Ensor – SEH
George Murphy – SEH

Dan Gallagher officially introduced Nathan Lavin as the second newly hired Airport Intern. Nathan is from Utah, and will assist the Airport with various projects and initiatives.

III. PUBLIC COMMENT

There were no public comments.

IV. NEW BUSINESS

A. Land Use Review – Kristine Andrews

- **Item #1 – AL-14-003**
- **Item #2 – VA-14-005**

Airport staff reviewed two new land use items in July, both from El Paso County.

Airport staff made a no objection recommendation for both items.

Commissioner Hayden made the motion to accept Airport staff's no objection recommendation for both items, which was then seconded by Vice-Chairman Biancur. There were no objections or suggestions and both items were unanimously approved.

V. STAFF REPORTS

A. Finance and Administration

Traffic Report: May 2014 – June Eveland

A summary of passenger enplanements, seats and load factors for each airline was provided, along with a summary of freight and mail, aircraft operations and landed weight. All monthly Traffic Reports are available at www.flyCOS.com.

Finance Report: May 2014 – June Eveland

- Total Earned Revenue is reported to be 0.7% above budget for the month of May and 3.2% above budget year-to-date.
- Total Expenditures are 0.4% below budget for the month of May and 3.6% below budget year-to-date.

- June Eveland gave a detailed explanation to assist Advisory Commission members in understanding the reasons behind variances within each revenue and expense category. This detailed explanation can also be found within the meeting packet distributed at the AAC meeting.
- Commissioner Hayden asked Airport staff to explain the drastic decrease in “profit” from nearly \$2M and \$1.5M in 2012 and 2013 respectively, to just shy of \$400,000 in 2014. Both Dan and June explained that after bond refinancing in late January 2014, the Airport saved \$2.9M in debt service costs. As a result of this, the Airport does not have to charge its tenants (especially the Airlines) \$2.9M like it has done in the past (i.e. 2012 and 2013), which is the reason why the expected revenue for 2014 is much lower than the previous two years. This strategy makes it less expensive for Airlines to operate out of COS Airport, which will assist in attracting a sustainable amount of air service in the Pikes Peak region. It is not about a lack of revenue, but rather a cost recovery strategy that benefits both the Airlines and the Airport.

B. Operations and Maintenance – John McGinley

- John started his update by calling on Sam Sheesley to brief the Commission members on various TSA updates and initiatives. The following were some of Mr. Sheesley’s key talking points:
 - TSA has undergone an organizational restructuring by reducing the number of hubs it operates throughout the country from 120 to 83. COS was initially a hub for Alamosa and Pueblo. However, it is now a spoke under Denver International Airport.
 - TSA is looking forward to relocating in the terminal building as opposed to renting a facility a few miles away from the Airport. With TSA paying rent to the Airport, this will assist the Airport in diversifying revenue, which would in turn help lowering the airlines’ cost of operating at COS while strengthening partnership with TSA.
 - TSA plans to replace all Rapiscan Advanced Imaging Technology (AIT) machines with the L-3 ProVision AIT scanners, as the former brought about safety and privacy concerns, especially among passengers with hip and knee replacement surgery. L-3 machines use millimeter wave technology as opposed to the x-ray technology that brought about safety concerns. In addition to that, passengers with knee and hip replacement surgery seem to be pleased with L-3 machines. Sam added that TSA plans to install L-3 machines at COS Airport in August 2014, and this installation will have very little impact to daily screening operations.

After his briefing, Sam responded to various questions from AAC members pertaining to AIT machines, TSA screening procedures, TSA’s PreCheck program and other topics.

- John informed the Advisory Commission that the Airport’s new and improved website (www.flycos.com) was launched on Friday, June 27, 2014. He urged everyone to visit the website and provide feedback accordingly.
- The xeriscaping and landscaping work discussed at previous meetings is almost completed. John told the Advisory Commission that weather permitting, this project will be fully completed in early August 2014.
- John also informed the Commission that he is working with the maintenance staff to develop a comprehensive Airport facilities Capital Improvement Plan (CIP) for the terminal building, East Terminal Unit, Cargo building, field maintenance shop building and other facilities on the West side. This plan entails a thorough assessment of all systems, structures and other equipment in each facility. The assessment consists of inventorying all items valued at over \$50,000 and assessing the resilience of the equipment as well as the point at which it is expected to reach end of life and be replaced. The data collected from this assessment will then be used to put together the facility CIP. Commissioner Baker asked whether the Airport has an Asset Management Program or System such

as Building Information Modelling (BIM) to facilitate sustainability and asset management. John responded and said that the Airport currently does not have BIM or GIS or other sophisticated tools utilized for Asset Management. However, the Airport does have an Asset Management program in spreadsheet form. As part of this facility management plan, the Airport envisions upgrading its Asset Management program with more sophisticated tools to manage its assets more effectively and efficiently.

- John informed the Commission that the Airport solicited quotes from various bidders regarding the Premier Lounge project and got a response from one bidder: Art C. Klein Construction, Inc. John told Commission members that the Airport is currently working with Art. C. Klein Construction representatives on negotiating their price quote, and he will keep on giving updates accordingly about this project.

Commissioner Baker asked how the Airport plans on marketing the premier lounge. Dan Gallagher responded and said that through the Regional Business Alliance (RBA), the Pueblo Chamber of Commerce and primary employers with the City of Colorado Springs, the Airport has started marketing Premier Membership Passes at promotional pre-construction prices to various businesses. Passengers who enroll in this membership program are entitled to:

- Unlimited Valet Parking
- Use of the Premium Lane at the checkpoint
- Access to Premier Lounge/Business Center (scheduled to open late summer/early fall 2014)
- Free small black coffee with purchase of \$5 at any SSP Restaurant in COS
- 10% discount at Paradies shops in COS
- Exclusive promotions with ThanksAgain® loyalty program

In addition to that, the Airport will acquire sponsorships for the Premier Lounge to help cover operating costs and minimize the impact on the airlines' cost of operating at COS.

- John told the Commission that the Airport changed its music vendor from Muzak (\$60 a month) to SiriusXM (\$30 a month) to lower some costs as part of an internal budget analysis.
- John also told the Commission that the Air Show preparations are progressing as planned. The Air Show Committee is in the final stages of planning, and ticket sales as well as other information will be provided as we get closer to the event date.
- Finally, John told the Commission that the Air Strip Attack event went very well. John informed the Commission that he spoke with the event organizers, and they were so pleased with the outcome that they are willing to do it again next year. John will provide more information if they do want COS Airport to host this event again next year.

C. Planning and Development – Sam Schneider

Design and Planning Phase Projects:

- Rehabilitation of TWY E, G & H Phase V
 - Phase 2 of this project is well under way and consists of:
(1) the reconstruction of Taxiway E5 outside of the Safety Area of Runway 17L-35R and
(2) approximately a 2,372 Linear-Foot portion of Taxiway E between TWY E4 and TWY E6 for a duration of 110 calendar days.
 - Phase 2 is scheduled to be completed on September 29, 2014, and Runway 17L-35R will remain open during this phase in a back-taxi configuration.
 - The last phase of E, G and H Phase V will begin immediately after the Phase 2 completion for duration of 18 calendar days and will consist of the re-striping of airfield markings on Runway 17L-35R. This phase will require the closure of Runway 17L-35R,

Taxiway F (north of TWY B) and portions of Taxiway E for the entire duration. However, TWY E (south of Taxiway B) to the A/DACG will remain open during this phase.

- Taxiway A – Partial Rehabilitation

- This project will consist of the rehabilitation of approximately 7,000 linear feet of Taxiway A pavement, from TWY A1 to the ARINC taxilane (just south of TWY A4). Key construction elements in this project include: a temporary taxilane construction, asphalt milling, asphalt paving, crack repair and pavement striping.
- In addition to the aforementioned work (base bid work), the Airport intended to include the following additive alternates to the scope of the project:
 - Rehabilitation of Taxiway A2
 - Sealcoat and restriping of Taxiway A, from the ARINC taxilane (just south of TWY A4) to TWY A7
 - Construction of an infield vehicle service road (VSR) between TWY A3 and the ARINC taxilane.
- 3 bids were received on July 10, 2014 and evaluated by Airport staff. Based on high bid results, the Airport will only be able to award the base bid without any of the additive alternates.
- The Airport intends to issue a Notice of Award and contract by July 21, 2014. The Airport anticipates issuing an administrative Notice to Proceed on August 11, 2014, and construction is anticipated to begin on August 25, 2014.

- ETU Offices for TSA

- Art C. Klein Construction, Inc. has completed 90% of the interior wall framing as well as the mechanical work and electrical rough-ins. In addition to that, the installation of drywall is currently under way. The project is to be completed on August 28, 2014, with TSA moving in by mid-September 2014.

D. Director's Report – Dan Gallagher

- Dan started by informing the Advisory Commission that the two City council resolutions discussed over the last couple of months pertaining to the acceptance and execution the CDOT SIB loan as well as the submission of PFC Application #20 were both passed unanimously by City Council. Dan thanked Commissioners for their support with these two council items, and informed them that the Airport will hold an Air Carrier Consultation meeting on August 6, 2014 in which each air carrier will provide written certification of agreement or disagreement with the proposed PFC application. After consultation with the Airlines, the FAA has 180 days to respond to decide on the Airport's PFC application. Dan added that approval of this PFC application will tremendously benefit both the Airport and the Airlines, as the Airport will be able to potentially defease the 2007 Series General Airport Revenue Bond (nearly \$1,000,000 in debt service cost for 2015 budget) and lower airlines' cost of operating at COS.
- Dan briefed the Advisory Commission about his trip to Edmonton, AB, Canada to attend the Airports Council International – North America's (ACI-NA) 2014 Jump Start Marketing and Communication Conference. He told Commissioners that he met with five (5) airlines and was invited for a follow up meeting in late August 2014 with one of those airlines.
- Dan informed the Advisory Commission of an upcoming City Ordinance to establish the 2015 Operating and Occupancy rates for Non-Signatory airlines and other users at COS Airport and asked the Commission for its support via a Letter of Support as Airport staff prepares to present this item to City Council on August 11, 2014.
- Lastly, Dan distributed hard copies of the Request For Information (RFI) recently issued to solicit input from potential Master Developers for the development of the Cresterra Business Park. Dan also responded to questions and comments from Commissioners who reviewed the Airport's recently

issued RFI. Finally, Dan asked whether any commissioner was interested in being part of the Business Park Master Developer selection committee, and both Commissioner Hayden and Vice-Chairman Biancur accepted his request.

VI. OTHER BUSINESS

- Dan informed the Advisory Commission that he received an e-mail from Dr. Pat Boone, former Airport Advisory Commission Chairman, in which she stated that the Airport has not provided her with some form of commendation for her nearly six years of service in the Airport Advisory Commission. Commissioners advised Dan to respond to Dr. Boone and inform her that this issue has been referred to the Airport Advisory Commission, and the latter will assess her request and respond appropriately.
- Lindsay Rose, the AAC's legal advisor, provided commissioners with copies of the revised legislative rules and procedures for the Airport Advisory Commission. Commissioners will review them and provide feedback at the next AAC meeting.
- Lindsay also briefed the Advisory Commission on the Remote Participation Policy, saying that she is working with David Andrews, Samantha Gunther and Eileen Gonzalez from City Council to evaluate current boards and commissions throughout the City and ascertain circumstances in which Remote Participation Policy may be applied. She will disseminate information about her findings when she has some information available for the Commission.

VII. COMMISSIONERS' COMMENTS

There were no comments from other commissioners.

VIII. CHAIRMAN'S COMMENTS

- Chairman Thornton informed the Advisory Commission that the long-awaited meeting between the Airport Advisory Commission (AAC) and the Colorado Springs City Council finally took place the day after the last AAC meeting, on July 24, 2014. Chairman Thornton commented and told the Commission that the meeting was very positive, as both parties discussed commissioners' roles and responsibilities in the AAC as well as facilitating ongoing communication between City Council and the AAC. There were eight (8) people in attendance, namely Chairman Thornton, Vice-Chairman Biancur, and Commissioner Elliott representing the AAC, along with City Council President Keith King, President Pro Tempore Merv Bennett, Councilwoman Jill Gaebler, Councilman Andy Pico and City Council Administrator Eileen Gonzalez from the Colorado Springs City Council. Vice-Chairman Biancur commented by informing the Commission that President Keith King appointed Councilman Andy Pico as the liaison between City Council and the AAC, and Chairman Thornton told everyone that the AAC is scheduled to brief City Council on its new operating procedures in mid-September 2014.

IX. ADJOURNMENT

No further business was presented to the commission, and the meeting was adjourned at 4:50pm.