



**MINUTES**  
**Airport Advisory Commission**  
**July 26, 2011**

**COMMISSIONERS PRESENT:** Wally Miller - Chairman  
Joel Miller - Vice Chairman  
Dr. Pat Boone  
Dave Elliott  
Tom Hayden  
Bud Patterson  
Dr. Chris Thornton

**COMMISSIONERS ABSENT:** None

**NON-VOTING MEMBERS PRESENT:** Randy Courduff, Alternate Commissioner

**NON-VOTING MEMBERS ABSENT:** Peggy Littleton, El Paso County Commissioner  
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  
Kelly Jackson, Air Service Development Analyst  
Mary McElderry, Airport Accounting Manager  
Agnes Blachut, Airport Public Affairs Administrator  
Dana Jackson, Airport Sr. Office Specialist

**CITY STAFF ABSENT:** Gisela Shanahan, Asst. Director, Finance & Administration

**GUESTS PRESENT:** Danielle Scott, Airport Accounting Supervisor  
Alex McKean, RS&H (Reynolds, Smith & Hills)  
Wayne Heilman, Gazette

**Next meeting is Tuesday, August 23, 2011.**

- **APPROVAL OF THE JUNE 28, 2011 MINUTES**

Chairman W. Miller asked for approval of the June 28, 2011 Airport Advisory Commission minutes; no objections; minutes were approved as submitted.

- **PUBLIC OR CITIZEN GROUP COMMENTS**

None

- **NEW BUSINESS**

→ **Land Use Review – Neil Ralston**

- **Item #1 CPC PUZ 11-00076/CPC CP 11-00077/CPC PUD 11-00078/CPC FB 11-00079**
- **Item #2 AR FB 11-00336/CPC CU 11-00080**

Airport staff reviewed two new land use items, both in the City of Colorado Springs. Staff did not recommend any objections to either items and are prepared to make a no objection recommendation to Item #4, which was tabled from May 2011.

Two items remain tabled from a previous meeting (Item #4 from July 2010, and Items #3 from May 2011) which are still active plan reviews, so they cannot be removed.

A motion was made by Commissioner Thornton to approve land use items #1, #2 and #4 per staff recommendation. Commissioner Boone seconded the motion and it was carried by unanimous vote.

- **STAFF REPORTS**

→ **Finance & Administration – Finance Staff**

**Traffic Report – Kelly Jackson**

- **Enplanements** – Down 5.9% for June and YTD down 3.1% - due to service changes, primarily by Delta and Frontier. Delta had one less flight to each of their destinations and Frontier had one less flight per day.
- **Landed Weight** – Down 5.8% for June and down 1.8% YTD.
- **Freight and Mail** – Down 7.5% for the month of June and down 2.5% YTD.
- **Aircraft Operations** – Down 8.1% for June and 18.4% YTD; primarily due to a decrease in military operations.
- **Load Factors** – 85.1% compared to 84.3% for June 2010; 75.3% compared to 76.7% YTD compared to 2010; load factors continue to run strong.
- **Seats Available** – Down 6.8% for June 2011 vs. June 2010; 1.9% down YTD; driven by service frequency and changes in aircraft.

Mark pointed out that nationally the air carriers are cutting back capacity. It is becoming apparent that this is a structural change for the airlines that will be slow to come back. Like other airports, the problem we are having at COS is one of compression. Mark referred to the “Enplaned Passengers” and “Seats Available” chart, explaining that a sharp downturn in capacity in June 2011 coincided with a drop in enplaned passengers during the same period. The loss of capacity at a point in the year when we normally have our highest level of enplanements is forcing more passengers than normal to drive to Denver. Our flights are running near capacity, with load factors in the 80-90 percent range. In the early part of the sales cycle for COS flights, you can find ticket prices at or below DIA prices on most flights. However, as the plane fills up, the last 20% or so of the available seats are sold at a premium. Because of the capacity constraints, COS flights reach this point long before the DIA flights

do, resulting in a significant price differential at the end of the sales cycle. We have spoken with SkyWest, United and Delta about the compression issue. They all recognize that this is starting to occur in our market, and are working with us to add capacity. This is a challenge for the airlines, though, due to the system-wide capacity cuts they've made over the past few years. They are having trouble finding capacity within their systems that they can shift into a market of this size.

Mark referred to the articles (NY Times) that were emailed to the Commissioners; the numbers in the series of articles for how much capacity has been drawn down nationwide are very similar to what Gisela's report showed last month. The article indicated capacity losses of 10-15% in small markets, 18% in medium sized markets, and 2-3% in large markets. The small to medium sized markets have been hit hardest over the last 5 years. It is a challenge that we are all facing, but we are actively engaged with the airlines to address it.

Commissioner J. Miller asked, national trends aside, is the June report exacerbated by cancellations? Kelly responded that it was. Commissioner J. Miller asked if they were cancelling flights for pressure altitude. Mark replied that the cancellations were for a variety of reasons, but primarily for maintenance and weather at Denver and the other hub airports. Whether it's a maintenance or weather issue, once you have a delay, it impacts the rest of the day as that aircraft and crew move through the system. We are working with SkyWest to better understand the maintenance issues that we are seeing. Commissioner J. Miller wondered if the SkyWest maintenance issues have to do with the maintenance base/facility. If you're at a maintenance facility you have to get the plane fixed versus at an out base. Mark replied that we can't quantify that at this point, but that's one of the areas that we are exploring. Commissioner Elliott added that Colorado taxes parts inventory which affects line maintenance. Mark responded that the City of Colorado Springs abated some of these taxes for the SkyWest maintenance base.

#### **Finance Report, Preliminary – Mary McElderry**

- **Earned Revenue vs. Budgeted** – 3.5% below budgeted forecast
- **Revenue vs. Actual Revenue** – 1.6% above revenue earned in 2010 YTD
- **Expenditures vs. Budget** – 6.8% below budgeted forecast
- **Actual vs. Actual Expenditures** – 5.2% below 2010 expenditures YTD

#### **Semi-Annual CIP Update – Mary McElderry**

Mary referred to the Nine-Year Capital Improvement Program (CIP) Worksheet.

#### **2011 Projects Update**

- We have submitted AIP 53 and are still waiting to hear back from the FAA regarding grant funding.
- Fleet Phase IV – we have now received the grant from CDOT (Colorado Department of Transportation) for their portion and PFC 18 (partial funding) was approved on June 22, 2011.

#### **2012 New Projects**

- Airfield Pavement Project – capital project – coming out of airport funds (\$150,000)
- Terminal Renovations – several projects in one: repairs to the connector tunnel that leads to the East Terminal Unit, cooling system in IT/ phones room, replacement of automatic doors at the ticketing level and replacement of jet way carpets on all the gates (\$165,074)

Commissioner W. Miller brought up cracks in walls by the valet office. John replied that some minor repairs have been made, but some of the cracks are more extensive, which will be repaired with this project.

Commissioner Elliott asked if Passenger Facility Charges (PFCs) are collected and retained by the Airport. Mark replied that PFCs are authorized by the FAA, collected by the airlines, and then remitted

to the Airport. Airports apply to the FAA to charge a certain level of PFCs and then apply separately for every PFC project. Airports are required to go through a consultation process with the properties division of each airline. Once the airlines give thumbs up or thumbs down, a final determination is made by the FAA. Commissioner Elliott asked if this funding source was in jeopardy with the current FAA situation. According to Mark, PFCs are authorized through legislation that is attached to the FAA reauthorization process, but there is no current movement to eliminate or reduce PFCs. As it stands, airports can collect up to \$4.50 per segment. We've capped our PFC at \$3.00 because we simply don't need the other \$1.50. The ability to raise the PFC at some point is a nice option to have if we need it in the future. In recent years, there has been a push by larger airports to raise the PFC to \$7.00. If you look at the rate of inflation over time since the PFC was instituted it has lost about 50-60 percent of its overall value from having been level for so long. In the event that the larger airports were successful, we would not change ours from \$3.00 unless we had to, and we don't see a need for it at this point.

- Two PFC projects: Installation of vehicle gates, controllers & wireless ACAMS (\$95,000) and Upgrade crash phone system (\$75,000)
- **2013-2019 Projects**
- Ongoing airfield and fleet improvement projects

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

##### **Operations**

- Ops has been busy with credentialing, background checks and construction coordination with the terminal shell project. Given the location and nature of the construction there is a 100% badging requirement on the contractor.

##### **Field Maintenance**

- With the recent rains, the maintenance staff are presently mowing large fields with tractors.
- Field Maintenance employees are working evening shifts; they are mowing in the safety areas of the runways, performing pavement repairs as well as painting and paint removal.
- Over the past several weeks we have experienced multiple lightning strikes; staff is performing night work on the circuits as well.

##### **Terminal Maintenance**

- Heavily involved with the coordination of the terminal construction project.
- Two weeks ago staff worked on the old ExpressJet belt so that United could move their bag operation to accommodate construction.
- Working on roof leaks.
- Staff coordinated with CSU to replace two meters; power was cut to the terminal building- generators worked well

##### **GA**

- Working closely with Aaron Wood on the Cirrus Owners and Pilot Association Conference – August 11-14; a brochure was distributed. There are approximately 178 registrations with aircraft that will park on the airfield.
- Update on TBM Conference (August 31-September 2) next month.

##### **Minimum Standards Program**

- Through the last public comment process and the meetings that were held with the FBOs and WestPac Restoration, we received 25 comments. We are in the process of responding to the comments and getting them back to the participants.

- Currently the focus is on the permit side and getting in front of tenants to make sure that their concerns are being addressed.
- We are looking at a program adoption date of September 2nd. The adoption process is as follows:
  - The adoption date of Sept. 2nd will be advertised in the local paper
  - The document will be housed in the City Mayor's office, City Clerk's office, the Airport and on the website
- As we meet with tenants we are telling all the property owners to make sure they assist us in getting the word out on the adoption of the program

Commissioner J. Miller asked how we would enforce the Mobile Maintenance piece. John stated that primarily we will be making sure that through the badging process we will know exactly who the person is. The other way is surveillance inspection, interviews with maintenance staff and self reporting.

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

### **Planning Projects**

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

The airport has issued a Notice to Proceed to Art C. Klein Construction, Inc. to commence work on the building expansion and construction elements associated with the CBIS and SSCP projects.

### **Construction**

#### **DAR Project**

Work is under way on the north portion of Cresterra Parkway tie-in, the median and the Air Cargo Road. We are adding 320 ft. of right turn lane into Cresterra and pushing the median back 64 ft. Both gas and electrical utilities have been lowered. We are hoping to open Milton E. Proby Pkwy. to 2 lanes in either direction by August 5<sup>th</sup> with a projected completion date of early September, pending production levels and weather.

#### **Runway 13/31 (Formerly Runway 12/30)**

Successfully re-opened on June 30, 2011; reconciling against liquidated damages with the contractor as a part of the project closeout.

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

- Change in command at the PAFB 21<sup>st</sup> Space Wing – Col. Chris Crawford.
- July Air Show at PAFB next year – preliminary plans.
- Expansion of PAFB – general discussions – will share information with the Commission when we can.
- Air Service - Leakage Study done and completed for the entire Colorado market area – will share information at the next meeting. We continue to meet regularly with airlines that have a potential for adding service to our market. This year, we've met with Frontier, Republic, SkyWest, United, Continental, Delta, Allegiant and American. We've also met with Alaskan and Southwest to learn more about recent changes to their systems. We have follow-on meetings with several of these carriers scheduled before the year is out.
- Downtown is still transitioning with the new form of government and hiring additional staff to fill key positions.
- We have provided in-briefings and airport tours to all but one of the new City Council members. The last briefing is scheduled for mid-September.
- **OTHER BUSINESS**  
None

- **CHAIRMAN'S COMMENTS**

Asked Vice Chairman J. Miller to contact the other Commissioners to see who may be interested in running for Chairman and Vice Chairman.

**AIRPORT STAFF ACTION ITEMS**

| <b>Action Item</b>  | <b>Assigned To</b> | <b>Status</b>                      |
|---|--------------------|------------------------------------|
| Graph to compare NY Times article vs. Gisela's report (June AAC meeting) to Commissioners | Gisela             |                                    |
| Send a City contact list in an organizational chart to the Commissioners                  | Mark               | Organizational chart sent 8/8/2011 |

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