



Austin Airport Advisory Commission

REGULAR MEETING MINUTES

September 14, 2010

The Austin Airport Advisory Commission convened in a regular meeting on September 14, 2010 at 2716 Spirit of Texas Drive, in Room 160 in Austin, Texas.

Board Members in Attendance:

Scott Madole, Dale Murphy, George Farris and Ernie Saulmon

Board Members Absent:

Steven Hart, Robert Torn, and D'Ann Johnson

Staff in Attendance:

Shane Harbinson, Dave Arthur, David Petersen, Joe Medici and Becky Nagel

Others Present:

Chris Coons, RW Armstrong
Kathy Pillmore, Friends of Emma Browning
Jay Carpenter, TXAA
Hilda Carpenter, TXAA
Ken Kooock, TXAA
Richard Hatfield
Jim Schwertner
Cris Ruebush, Pierce Goodwin Alexander & Linville

Welcome & Call the Meeting to Order:

Scott Madole called the meeting to order at 5:20 p.m. Due to the number of citizens signed up, the agenda will be moved around a little to accommodate. Item 4a will be moved to the end of the action items.

1. CITIZENS COMMUNICATIONS: Kathy Pillmore

2. APPROVAL OF MINUTES FOR AUGUST 10, 2010.

No changes were made to the minutes. Motion to approve minutes made by Dale Murphy and seconded by Ernie Saulmon. Motion passed 4-0-3.

The next item of business will be hearing from those wishing to speak on the item regarding **Item 4 c)** the re-naming of GENERAL AVIATION AVE to EMMA BROWNING AVE. This request is initiated by the City of Austin Aviation

Department, to honor Emma Browning, with 100% agreement by the affected property owners.

Kathy Pillmore passed out a brief history about the life of Emma Browning. She is here today for the Friends of Emma Browning. A sign was passed around for signature to be given to the family at the dedication ceremony.

Jay Carpenter announced that TXAA has been working with City staff in order to recognize Emma Browning. The tribute ceremony is planned for October 26, 2010, which would have been Emma's 100th birthday.

Motion to approve made by Ernie Saulmon and seconded by Dale Murphy. Motion passed 4-0-3.

This item is set to go before City Council on October 14, 2010. On dedication day, there will be a fly-over honoring Emma Browning with a few of her old airplanes.

The next order of business is to recognize Richard Hatfield whom has served on the AAAC for over 4 years. He has resigned so that he may serve on the Planning Commission for the City. Richard expressed his appreciate for the Commission and City staff.

Item 4 e) was brought to the table next which is to authorize negotiation and execution of a professional services agreement with PIERCE GOODWIN ALEXANDER & LINVILLE, Austin, TX for expert advisory consultant services for the Austin-Bergstrom International Airport (ABIA) Parking Garage and Rental Car Facility in an amount not to exceed \$1,600,000. Cris Ruebush with PIERCE GOODWIN ALEXANDER & LINVILLE expressed that the company was very excited to have this role.

Shane said we wanted an expert consultant to help us through the negotiation process with the car rental companies to make sure we are protecting our interest (parking is our number one revenue source) and to look over the financing. The question was asked if this agreement was through the final design. Shane said that it would be negotiated in phases. PGAL is primarily an architectural firm with sub-consultants that will provide engineering, aviation and car rental consulting services.

Motion to approve made by George Farris and seconded by Ernie Saulmon. Motion passed 4-0-3.

3. STAFF BRIEFING, REPORTS AND PRESENTATIONS

- a) Planning & Engineering Capital Improvement Project Status Report Presentation was made by Shane Harbinson, Assistant Director, Aviation Department.

Shane Harbinson went over the Planning & Engineering Manager's Report. He explained that they changed the format to make some improvements. We have a new

project manager that prefers access. It's easy to create a report with different categories. Shane touched on the highlights for projects. It was suggested in the future that if a Commission Member has a question about a certain project, they let City staff know in advance and that project can be discussed. There is no need to go over every project in the future.

- b) Finance & Operations Reports Presentation was presented by Dave Arthur, Assistant Director, Aviation Department.

Dave Arthur discussed the Finance and Operations Reports for July, 2010. Enplanements for July 2010 were up over last year by 5.73%. Pushed us up to 2.49% over last year fiscal year to date. Non-airline revenue is running about the same, still basically flat or just a tiny bit under last years revenue. Our overall financial results are still following the same trend as we have all year, basically our revenue is just slightly under budget about 2% fiscal year to date. Our fiscal year ends this month. Our expenses are 10% under budget, primarily our debt service on our variable rate debt is helping keep our expenses down. We've gotten almost free interest over the last year or so which is a good thing. Overall, our financial picture is pretty good. I mentioned last month that we've been working with the airlines on our rates and charges for 2011. I've brought copies of the final rates for 2011. We went back and looked at our expenses after the meeting with the airlines. They always want you to lower your costs and so we did – we found 2 areas we could reduce. Our personnel costs we factored in vacancy savings, we always have vacancies. We have 345 full time positions at the airport and they are never all filled so we run at about a 4% vacancy rate. We've never factored that in to the budgeted rates and charges to the airlines. They asked us to take a look at that and we did. We lowered their cost by that amount. We also adjusted the debt service for 2011. Our forecast expenses for our interest rate – the city suggested we use 2% for our variable rate debt interest rate to be conservative. They're still remembering the shock we had two years ago with the rate spike. We have that in the budget at the 2% rate but we have it in the budget at under ½% rate actual number this year. So we had reduced it to 1% in the original rates and charges package but we came back and said based on what we know that we see no real change coming in the interest rates so we lowered it down to ½% in our forecast for the airlines. That cut their terminal rates down 5% over what we originally projected and their landing fee rate went down 1 cent. Our overall forecast cost per enplaned passenger to the airlines is coming in at \$8.92 as opposed to we were over \$9.00.

- c) GTSA Transactions Presentation was presented by Shane Harbinson, Assistant Director, Aviation Department.

Shane Harbinson discussed the GTSA Transactions for August 2010.
See below for a year-to-year comparison.

YEAR TO YEAR COMPARISON		
SERVICE CATEGORY	AUGUST 2010	AUGUST 2009
TAXICAB	22,475	19,467
LIMOUSINE	1,643	1,521
HOTEL SHUTTLE	2,876	2,854
OTHER SHUTTLE	397	224
CHARTER BUS	0	21
OVERALL TOTAL	27,391	24,087

4. ABIA Action Items

b) Discussion and approval of the revised bylaws as directed by City Council in action taken on July 29, 2010, concerning officer terms.

Shane Harbinson mentioned that the only changes were in Article 4 A, you added a secretary. And in Article 4 C, that is changing it from one year to additional years – changing it to where no more than three years so anyone one as an officer only can be in that position for no more than three years. In Article 5, it’s adding the duties of the secretary in case the Chair and Vice-Chair are not present.

Motion to approve made by Dale Murphy and seconded by George Farris. Motion passed 4-0-3.

d) Authorize award and execution of Amendment No. 1 to a contract with TRANSNORM, INC, Arlington, TX, for the supply of parts and accessories for the Austin-Bergstrom International Airport (ABIA) conveyor belt system, to increase the remaining two 12-month periods of the base contract in an estimated amount not to exceed \$12,500 per year, and increase the remaining three 12-month extension options in an estimated amount not to exceed \$12,500 per extension option, for a revised total estimated contract amount not to exceed \$362,500.

Motion to approve made by Ernie Saulmon and seconded by George Farris. Motion passed 4-0-3.

f) Authorize execution of a construction contract with SISK-ROBB, INC., LEANDER, TEXAS for the ABIA Noise Mitigation Program 2010-2012 project in an amount not to exceed \$798,800.

Motion to approve made by Dale Murphy and seconded by Ernie Saulmon. Motion passed 4-0-3.

g) Approve a resolution authorizing acceptance of grants from the Federal Aviation Administration, the Transportation Security Administration, and other agencies of the United States Government in an amount not to exceed \$30,000,000 to the City of Austin, Department of Aviation, for Austin-Bergstrom International Airport for Fiscal Year 2010-2011.

Motion to approve made by George Farris and seconded by Ernie Saulmon. Motion passed 4-0-3.

h) Discussion and possible action item on City Council Resolution No. 20100624-083.

Motion was made to forward a Resolution from the AAAC to City Council regarding Resolution No. 20100624-083. Motion to approve made by Dale Murphy and seconded by George Farris. Motion passed 4-0-3. Said AAAC Resolution will be scanned and emailed to City Council by City staff.

5. NEW BUSINESS

a) Update on City Council Resolution No. 20100624-083. This item was discussed and action take on Item 4 h).

b) GA T-Hangars Insurance. David Petersen said there was nothing new to report on this item. This item may be deleted from future agendas.

6. OLD BUSINESS

Item a) Status of action items upon which the Commission has made a recommendation to Council. Updates on agenda.

Authorize award, negotiation, and execution of a 60-month requirements service contract through the State of Texas Department of Information Resources cooperative purchasing program with **SUMMUS INDUSTRIES, INC., (MB)** Sugarland, TX, for a Microsoft Enterprise License Agreement (EA) and Software Assurance in an estimated amount not to exceed \$14,827,020. *[Item scheduled to go before City Council on September 23, 2010]*

Item b) Properties Lease Agreements – nothing new to report.

Item c) General Aviation – Shane Harbinson said ABIA is working with FAA to get a MOU for helping with the Ascent Project. It's a big step and estimate it may take up to 3 months to get that agreement executed.

Scott Madole recognized David Petersen for his service to the Commission. David is retiring at the end of October, 2010 from the City.

Item 4 a) Special Election of Officers.

Scott Madole resigned from the Commission due to his obtaining a position with the City of Austin/Aviation Department. A motion was made to appoint Dale Murphy as Chair by Ernie Saulmon and seconded by George Farris. The motion passed 3-1-1.

7. FUTURE AGENDA ITEMS

- a) Special election of officers.
- b) Strategic Plan.

ADJOURNMENT. Motion to adjourn made by George Farris, seconded by Ernie Saulmon. Motion passed 4-0-0. Meeting was adjourned at 7:03 p.m.

Date of next meeting: October 12, 2010