



# Agenda

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**AIRPORT ADVISORY BOARD MEETING  
SANTA FE MUNICIPAL AIRPORT  
121 AVIATION DRIVE  
BUILDING 3002B  
APRIL 7, 2016 - 4:00 PM**

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF AGENDA
4. APPROVAL OF MINUTES FROM March 3, 2016
5. INTRODUCTION OF NEW BOARD MEMBER
6. INFORMATION/DISCUSSION/ACTION:
  - a. Terminal Construction Update (Mary MacDonald)
  - b. State of the Airport (Cameron Humphres)
  - c. Budget Request (Cameron Humphres)
  - d. Air Services Development Update (Cameron Humphres)
7. MATTERS FROM STAFF
8. MATTERS FROM COMMITTEE
9. MATTERS FROM THE CHAIR
10. CITIZEN'S COMMUNICATION FROM THE FLOOR
11. NEXT MEETING: THURSDAY, MAY 5, 2016
12. ADJOURN

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**SUMMARY OF ACTION  
AIRPORT ADVISORY BOARD  
SANTA FE MUNICIPAL AIRPORT  
121 AVIATION DRIVE, BUILDING 3002B  
THURSDAY, APRIL 7, 2016, 4:00 PM**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
<b>CALL TO ORDER</b>		<b>1</b>
<b>ROLL CALL</b>	<b>QUORUM</b>	<b>1</b>
<b>APPROVAL OF AGENDA</b>	<b>APPROVED</b>	<b>1-2</b>
<b>APPROVAL OF MINUTES MARCH 3, 2016</b>	<b>POSTPONED</b>	<b>2</b>
<b>INTRODUCTION OF NEW BOARD MEMBER</b>	<b>POSTPONED</b>	<b>2</b>
<b><u>INFORMATION/DISCUSSION/ACTION</u></b>		
<b>TERMINAL CONSTRUCTION UPDATE</b>	<b>INFORMATION/DISCUSSION</b>	<b>2-4</b>
<b>STATE OF THE AIRPORT</b>	<b>INFORMATION/DISCUSSION</b>	<b>4-5</b>
<b>BUDGET REQUEST</b>	<b>INFORMATION/DISCUSSION</b>	<b>5-9</b>
<b>AIR SERVICES DEVELOPMENT UPDATE</b>	<b>INFORMATION/DISCUSSION</b>	<b>9-10</b>
<b>MATTERS FROM STAFF</b>	<b>NONE</b>	<b>10</b>
<b>MATTERS FROM COMMITTEE</b>	<b>INFORMATION/DISCUSSION</b>	<b>10-11</b>
<b>MATTERS FROM CHAIR</b>	<b>INFORMATION/DISCUSSION</b>	<b>11</b>
<b>CITIZEN'S COMMUNICATION FROM THE FLOOR</b>	<b>INFORMATION/DISCUSSION</b>	<b>11-12</b>

**NEXT MEETING**

**THURSDAY, MAY 5, 2016**

**12**

**ADJOURN**

**ADJOURNED**

**12**

**AIRPORT ADVISORY BOARD  
SANTA FE MUNICIPAL AIRPORT  
121 AVIATION DRIVE, BUILDING 3002B  
THURSDAY, APRIL 7, 2016, 4:00 PM**

**1. CALL TO ORDER**

The meeting of the Airport Advisory Board was called to order by Chair Stephen Ross at approximately 4:00 pm, on Thursday, April 7, 2016, at the Santa Fe Municipal Airport, 121 Aviation Drive, Building 3002B, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT**

Stephen Ross, Chair  
Chris Ortega, Vice Chair  
Simon Brackley  
Troy Padilla

**MEMBERS ABSENT**

Mike Szczepanski, Excused  
Bud Hamilton, Excused  
Eleanor Ortiz, Excused

**OTHERS PRESENT**

Cameron Humphres, Airport Manager  
Becky Casper, Airport Administration  
Mary McDonald, City of Santa Fe  
Jeff Miller, Signature Flight  
Dominic Cordova, Signature Flight  
James Brogan, Enterprise  
Mark Ray, Arroyo Capital  
Ron Krohn, Retired  
Larry Wilson, United Airlines  
Steve Merlan, AASF  
Steven Bunch, Skyland Aircraft  
Bob Wood, Tower Manger  
Mark Hermeline, JSM  
Mr. Kaiser  
Mr. Dawson  
Elizabeth Martin, Stenographer

**3. APPROVAL OF AGENDA**

**MOTION** A motion was made by Mr. Brackley, seconded by Mr. Ortega, to approve

the agenda as presented.

**VOTE** The motion passed unanimously by voice vote.

**4. APPROVAL OF MINUTES  
MARCH 3, 2016**

**MOTION** A motion was made by Mr. Ortega, seconded by Mr. Padilla, to postpone approval of the minutes until the next meeting in order to allow the Board members to review the minutes.

**VOTE** The motion passed unanimously by voice vote.

**5. INTRODUCTION OF NEW BOARD MEMBER**

Chair Ross stated that three new Board members have been appointed by the Mayor and approved by the Council. The names of the new members are Bud Hamilton, Mike Szczepanski and Eleanor Ortiz. He is does not know if they were informed of the meeting today. We will show them as excused.

**6. INFORMATION/DISCUSSION/ACTION**

**A. TERMINAL CONSTRUCTION UPDATE**

Ms. McDonald said we are more or less proceeding on schedule. We are preparing for the rearrangement of the TSA screening station on Monday night after the last flight has taken off. The workers will stay until it is completed so that it will be ready for the next morning. We are progressing through all of the other aspects of renovation including the counter top replacements and new restrooms. Lisa Van Allen has her counter up and running. Her brand new counter surface is on it's way. We started out with \$851,500. We have processed two change orders. They total just under \$50,000. The majority had to do with plan changes for the United Airlines office. The balance of the money was used mainly for changes to the passenger secured area. We had to close off the door to kitchen and we added a hand washing sink per code.

Mr. Padilla said thank you Mary for all the hard work. Regarding the restaurant, when we first looked at this we were told about the secure door and that the general public would be able to get vouchers to go eat in that secured area.

Ms. McDonald said they were hopeful about that. It was discussed but security at airports has changed. There are new rules and TSA would not let us do that.

Mr. Humphres said when airports have TSA on site, TSA will allow people who are not passengers to go into the secure area but it has to be done through a badge

issued by the airport or the airlines can provide a gate pass. The gate pass is at the will of the airlines and if they have time to process it. They go through the same checks the passengers do. With the size of the area we don't think people will be interested in going in there but if they do want to they have to ask the airlines.

Mr. Padilla said you had a lot of pilot groups who used the restaurant frequently. With that space not available it would be nice for them to have a place to come to the airport to meet.

Mr. Humphres said we do have the pre security food area that is open to the public. It has a bit more space than in the terminal area.

Mr. Merlan said we need a place where twelve people can sit and talk to each other on Saturday mornings.

Ms. McDonald said the counter you see now will be replaced by a nicer counter. Lisa's plan was get away from the booths and have tables that are a bit smaller with four chairs just off to the side. Jon had an idea that just outside the gate there would be a glass panel set into the wall and an area that is more protected. There would be room there for a group of twelve.

Mr. Merlan said good, when will that happen.

Ms. McDonald said towards the end of construction. Early to mid May.

Mr. Padilla asked the new arrival gate, is that where that is going to stay.

Ms. McDonald said there will be some changes for safety.

Mr. Padilla said he was talking about what is currently inside. It seems that now that it is sitting in the middle there is less space than before.

Ms. McDonald said we will still be tweaking it. There are still some adjustments to make. It just went on line last week. There is some advantage to the passengers being on both sides of the rollers. The reason the overhead door is not more into the corner is the configuration of the old building.

Mr. Padilla said he just observed six arrivals and it is a problem. We did this for the convenience of the passenger and this time we missed it.

Ms. McDonald said it is an improvement over what we had.

Mr. Padilla said it is still chaos. This project goal was short term solutions to improve their experience.

Ms. McDonald said we are hopeful about obtaining monies for expansion in the future.

Mr. Ortega asked the Legislature approved another \$800,000, has that changed anything foreseen for further terminal improvements.

Mr. Humphres said the State Legislature approved and the Governor signed a grant of a bit over \$800,000. That is great news. Troy has hit on one of the issues of the terminal building. There are a lot of operational issues left. It is going to take expansion to solve those. One of the things we will do is sit with the Airport Master Plan and determine how best to use that money. His view is use the money and leverage it against grant money. He is hopeful we can turn it into more money then we can start really addressing the issues.

Ms. McDonald said the City has received that grant. Next month we will be close to competition.

## **B. STATE OF THE AIRPORT**

Mr. Humphres said when he came to the Airport he had ideas and talks with Jon and one of the first things he wanted to do when he came here was get the 30,000 foot level understanding of the Airport. What is working and what was not and our future. We did an audit to see where we are regarding the operation of an Airport. All of the things he is going to tell the Board are issues we can deal with and are solvable but we want to get them out on the table. First is safety. FAA regulatory requirements are not all in compliance. Airports are certified under FAA Part 139. There are lots of requirements. When he looked at this Airport's compliance it was not great. There are things we need to work on. He is not saying this Airport is not safe, but we are not meeting the letter of the regulations. Our Wildlife Management Plan is out of date as an example. We have required training that has not been completed. The Airport Emergency Response Plan needs to be updated and there are other items. The Airport is safe but we need to make sure everything is complete.

Mr. Humphres said the other part of the FAA is financial. The Airport Improvement Plan. Grant Management is pivotal in how much money we will get and can get in the future. Grant Management is done spottily at best. We need to get better. There are requirements. Some are out of date. Our EPA regulations Storm Water Plan is out of date. We have no way of taking all our lease agreements at the Airport and knowing who needs to pay what when and to have the ability to bill them. We have a system in the City but that is based on revenue and expenditures. Airports are operated as a business. We need receivables and payables and tenant agreements. We don't have the systems to do that. Lease agreements are out of date. We need to renew or issue RFPs to renew. We are making improvements to the terminal but even after this construction it will not meet our operational requirements.

The Station Managers for airlines do not have room for offices at the terminal. This building is not a long term solution. We would be hard pressed if another airline came here and wanted to start operating. It would be challenging room wise.

Mr. Humphres said runway 220 is starting to unravel. There is a poor surface on the runway. We keep patching it and keeping it safe but it is requiring a great deal of maintenance. It needs to be reconditioned.

Mr. Humphres said these are all things we can do, but it is going to take resources and personnel. That brings me to the next agenda item.

### **C. BUDGET REQUEST**

Mr. Humphres said this Airport has been understaffed for decades. We are very lucky to have our two maintenance people. Becky has been here for six months. He cannot even imagine that this Airport has been running with this short staff for this long. These issues are not due to neglect or oversight of staff. The staff are heros. They have done an exceptional job. We have stayed afloat by their sheer will. They can only take so much. We have submitted a budget request to increase staff. We are looking for an Operations Manager who would be responsible for all our requirements and who would make sure we are always in compliance. We are asking for an additional maintenance member and we will move one of the existing maintenance staff to Supervisor. We will move Becky's position to a Manager and add a custodian. This is a tough pill to swallow in the midst of budget deficits. We have worked out a way to pay for the staff without asking the City for additional money. The City is currently subsidizing the Airport by \$500,000 a year.

Mr. Humphres explained that he and staff found some additional revenue streams that will cover the cost of the staff internally. We are also telling the City we can be financially independent from the City if we get the support we need to create our own revenue streams. That is the route he feels we should be taking. The FAA says Airports should be financially independent and self sufficient as much as possible.

Mr. Humphres said he wanted the Board and attendees to be aware that these are not all of the issues, but there is a clear path forward to address things. We need manpower. We made a strong case with Brian and Adam with the City and have a good chance to have our request granted but he encouraged the Board and others to support him.

Chair Ross asked can you let us know when those budget meetings are happening and what the issues are so we can go and support you.

Mr. Humphres said of course.

Mr. Bracklery asked is the Airport an enterprise fund.



Mr. Humphres said yes.

Mr. Brackley said the budget is \$2 million with a \$500,000 subsidy. How long has that subsidy been going on.

Mr. Humphres said a long time. They make up for the lack of revenue to cover expenses. That \$500,000 is for operations and maintenance and the capital fund.

Mr. Brackley asked is the parking a separate operation.

Mr. Humphres said no, we get part of the revenue. The Parking Division manages our parking. They take 30% of the revenue and we get 70%.

Mr. Brackley said this is going to be a hard sell and the timing could not be worse. But it is up to all of us to make everyone aware of the status and importance of the Airport to educate the Governing Body as to the importance and status. We are going to have to get all hands on deck. It may be time for a learning session about what is going on out here. They need to understand. We talked about this at the last meeting. He thinks it is incumbent on all of us to inform the decision makers.

Mr. Humphres said he appreciates that and has had positive feedback from the Mayor, Brian and Adam. Becky worked very hard at producing a budget covering those costs by generating more revenue. It is not dreams, we can generate it. We are not asking for more money.

Mr. Brackley said the Chamber has been vocal on how Santa Fe compares to other cities. This is the opposite. We need to have safe staffing at this facility.

Mr. Humphres said for an Airport this size the national average is twenty staff. Even with the addition of this staff we will not be staff loaded.

Mr. Ortega said this is stuff we have talked about a lot over the last few years. I have some questions to ask you to prepare you for the questions you are going to be getting.

Mr. Padilla said the questions he is going to ask may help you.

Mr. Ortega said what about PFCs.

Mr. Humphres said we submitted a PFC application, the passenger fee. The overwhelming majority of the airports in the United States collect these fees. They had some issues about the application and kicked it back to us. He and the Manager met and they asked us to submit another application. He thinks that by mid Summer we will be collecting.

Mr. Ortega asked what is the status of the American Airlines lease renewal and the recuperation of the monies they owed.

Mr. Humphres said we are working with a consultant on airline lease agreements. They are doing a great job. They are coming out in person the 28<sup>th</sup> and 29<sup>th</sup> of this month. We'll have the final to the airlines by mid summer. United and American.

Ms. Casper said she is working on a letter to American. They paid 60% of their fees and we are working to get the balance.

Mr. Ortega asked regarding the parking, is the 30/70 split already happening.

Mr. Humphres said it is self pay and there are going to be people who abuse that. The majority don't. The Police Department was told they could not write parking citations out here. We are back to writing them now.

Mr. Brackley said that grace period was to give the public time to adjust to the situation.

Mr. Humphres said the Police Department said they will come out and look the area over. We may look at having staff do that if we have an offender that we need to deal with right away.

Mr. Ortega said there has been some discussion in the past that year that we were losing a revenue opportunity because of taxi cabs and shuttles.

Mr. Humphres said one of our mandates is to be as financially sufficient as possible. There are a number of ways we can handle it. He has been talking to Noel the Parking Director. He worked as a Parking Director at an airport in the past. He had a couple of ideas such as canvas all the companies and tell them if they want to operate at the Airport they have to get licenses at the Airport and pay a fee but how do you get to the Uber drivers. Another way is to have everyone who comes into the commercial area pay a fee like a toll road. He is not suggesting one direction or another yet. He is in the information gathering stage now.

Mr. Ortega asked of those four things which have been incorporated into the budget request

Mr. Humphres said the PFCs. There are lease agreements out there that are not paying. The collection on the agreements we have has been put into the budget. Also we are paying overtime now with maintenance needs. With additional staff we save some on overtime.

Ms. Casper said the updated rates and fees for airlines are included.

Mr. Ortega asked what about tie downs.

Ms. Casper said we looked at potentially increasing tie down fees. We decided on a moderate increase of \$12 a month in the budget. That is still lower than the other airports in the state.

Chair Ross asked with all of that, how much money do you make up.

Mr. Humphres said we don't increase the money from the City but we are covering staff increases.

Chair Ross asked what percentage of the \$500,000 is for capital.

Ms. Casper said \$186,000.

Chair Ross said the problem at City hall is not the capital budget but operations.

Mr. Humphres said we should not be going to the city for capital either.

Mr. Padilla said on the parking, he knows there is a split. Have you done an evaluation of revenue. Now we have the City involved and new pay stations. What does that revenue look like. Has it gone up.

Mr. Humphres said it has gone up but not just due to the pay stations. A lot of people were less honest with the envelope process. They put a lot of empty envelopes in. The machines are smarter than that. It is easier to catch the people who are not paying. We also have more passengers. Passenger numbers are up.

Mr. Padilla said we have a solar plant, sewer plant, shooting range and a storage area of cars all on Airport property. How is the City dealing with that and how are you approaching that.

Mr. Humphres said the FAA says that on the airfield side you cannot charge more than the cost to maintain it. When you move outside of the fence, FAA says you have to get fair market value for the utilization or sale of property. The FAA does not make any distinction between private and government except for the military. On the Airport property we have a solar farm, an impound lot, a shooting range and a sewer plant. We are getting revenue from the solar farm from a lease agreement. The Airport did an appraisal on the shooting range and the impound lot and now we need to go back to the police and say they need to pay for the facilities. The Waste Water Treatment Plant, we have to sit down with them to do a land sale or they are going to have to rent the property. He has made the City Manager aware of that. We have an FAA obligation to charge fair market rent. They can withhold monies if we don't do that. We are paying for services.

Mr. Padilla asked is that accounted for in the budget.

Mr. Humphres said no, but it is part of his long range plan.

Mr. Brackley said the City is doing a review and assessment of all their land. Could there potentially be land out here that is transferrable or sellable.

Mr. Humphres said Matt O'Reilly was in his office today and they talked about that very issue. What lands do we need to acquire and what land is not of use to us. We are talking about it.

Mr. Brackley said Uber is still an emerging technology. Before we start putting sensors in cars let's think this through. Uber is very aggressive in recruiting drivers but they have a tremendous turnover rate.

Mr. Humphres said it is very complicated. Parking is a difficult thing. The easiest way to solve it is a ticket spitter and everyone who comes in takes a ticket and everyone pays on the way out. However, in that net you also catch people dropping off Grandma for 10 minutes.

Mr. Humphres said he will make sure everything is vetted out completely.

#### **D. AIR SERVICES DEVELOPMENT UPDATE**

Mr. Humphres said he is amazed at the questions he gets about air service. People have definitive views of service. The number one question is when is Southwest coming. My response is that Southwest will come as soon as this City has grown to 1 million people and we are in a place where we are able to have eight 737s flying in and out. The Board, the City and Jon took a great first measure in contracting with Sixtel to do an air service study. It says 80% of the people that live within the area who could be flying out of Santa Fe are going to Albuquerque. We can do better and attract more of those people to fly out of Santa Fe. Airports like Santa Fe that are not a hub have higher ticket prices. There are challenges. We are taking that data and putting together a presentation for airlines and taking it to the Jump Start Conference in June in Denver. It is like speed dating for airlines. He hopes to talk with four airlines, maybe more. We have a great story to tell here and there are things we can do to attract the airlines. Chris in Taos has hired consultants to help develop air service in Santa Fe. It is the airport that is closest to his resort. It will effect his bottom dollar. Randy Randall is on board. Simon recognizes that. We have a pool of key stakeholders to work together.

Mr. Humphres said the State has \$200,000 budgeted for marketing per airport per year and we are not taking advantage of that. We need to get these people together and bring their marketing dollars to us so we can double it. We have not done

that. It is just one of the tools we are working on. We are starting to have meetings with key stakeholders regarding how we can help the airlines. About 60% to 65% of passengers are flying into our market. The way we increase demand is that we market Santa Fe. We can go into those communities and market in those areas. It does not have to be traditional marketing. We can use creative ideas on the tourism and business side. We can work with the film industry to see what can we do to make that stronger.

Mr. Humphres said we get our passengers from Denver, Dallas, LA, Phoenix and 5<sup>th</sup> or 6<sup>th</sup> is Chicago.

Mr. Padilla said he hears about Chicago a lot.

Mr Humphres said Chicago gets you east coast.

Chair Ross said that all sounds good.

## **7. MATTERS FROM STAFF**

None

## **8. MATTERS FROM COMMITTEE**

Mr. Brackley said he felt he had to bring up the issue of the Letter to the Editor in the newspaper this week regarding customer service at TSA. He has had two other complaints about customer service. It is of concern that we give our flyers and travelers exemplary service.

Mr. Padilla asked has anyone heard anything from TSA on this.

Mr. Humphres said the article in the Santa Fe New Mexican was about a woman flying out of here. She was a selectee which means the TSA has to do more screening. They are required to close the check point and for the supervisor to be there and monitor the screening. They let the ten others behind her go ahead and get screened but they could not get their screening process completed of the selectee before American flew out and she was left here. He sent a letter to the TSA supervisor in Albuquerque and asked them to look at the situation and maybe come out and do some education out here. They have not responded to him yet. They did say they cannot tell him any more information but this particular individual was selected for a particular issue. They then have an obligation to screen in this manner. We need to remember that the reason TSA is there is to make sure the wrong people or objects do not get on the airplanes. He feels strongly that we should not leave anyone behind because we could not get them through screening. If contraband materials are present we leave the passenger off the plane. People who should be on the plane should not be left behind.

He made that point clear with TSA.

Chair Ross asked is that protocol to shut down an entire gate.

Mr. Humphres said it does happen at other airports. However, closing one gate in Albuquerque does not stop screening. The fact that we only have one screening gate is a problem. We have taught our passengers here to wait until the last minute to go through security. We are now telling them in a variety of ways to go to the gate as soon as possible.

Chair Ross asked if we are able to expand the terminal and have two gates that would alleviate the problem.

Mr. Humphres said yes.

Mr. Brackley said he has heard it said that Santa Fe is a training site for TSA.

Mr. Humphres said every airport is a training site for TSA. We owe it to our passengers to have a great experience. There is no indication that she should not have traveled.

Mr. Padilla said he has a good story. We had a customer who came in on a private plane. He forgot his wallet. He went with the customer to TSA at 10:00 am and put them together. The TSA agent said not a problem and gave him a certain time to be there and put him on phone with TSA for specific questions. He showed up on time, they asked the questions and he made flight. He called Troy and thanked him. So we know TSA will work with passengers when they can.

## **9. MATTERS FROM CHAIR**

Chair Ross said he will get in touch with the three new Board members.

## **10. CITIZEN'S COMMUNICATION FROM THE FLOOR**

Mr. Krohn said he had served on this Board for three years. We are at a positive point at this Airport. We have a new Board and leadership and new leadership at the Airport, a Mayor who is supportive and support at the State level. The outlook is optimistic. The Letter to the Editor shows us that the big challenge we have out here is public perception. People go to Albuquerque because this is what they are reading about us. There should be a response to the newspaper by Cameron or TSA. It is warranted at this point. Maybe meet with the with Business Editor.

Mr. Kaiser said he received a tax bill on his building this year. What is the change. It is applicable to all the buildings on the property.

Chair Ross said it is City property.

Mr. Humphres said he will check into it. The airport is in the City limits. He will have to ask.

Mr. Padilla said he knows of other leases that have been taxed and have been paying tax. The tax is on the building and not the property.

Mr. Dawson asked does that mean that every building on the property will be taxed.

Mr. Padilla said in the new hangers there is a tenant there that received a tax bill. He assumed this is something new and he paid it. He is in a private T hanger.

Mr. Dawson asked are the buildings on City property taxed by the County.

Mr. Padilla said this is new and will be a big thing.

Mr. Hermeline said we are getting taxed a higher rate.

Mr. Padilla said in past he did receive a nominal tax bill. There was a time that the tax assessor came out here to measure. It was about eight years ago but nothing was done about it. This will be something that every local tenant on the Airport will have to deal with.

Mr. Brackley asked Cameron, can you contact the City Attorney and check on this.

Mr. Humphres said he will check with them.

Chair Ross said we will find about that for next month and have a report back.

**11. NEXT MEETING: THURSDAY, MAY 5, 2016**

**12. ADJOURN**

The meeting adjourned at 5:45 pm.



Stephan Ross, Chair



Elizabeth Martin, Stenographer