

CITY OF WICHITA
WICHITA AIRPORT ADVISORY BOARD

Monday, April 7, 2003 - 3:00 p.m.

Present: Tim Austin, Dion Avello, Bill Calloway, Mitch Faroh, Beth Garrison, Michael Ledy, Jay Swanson, James Thompson

Absent: Charles Bouilly, Dorothy McKay, Dave Murfin, Don Slawson

City Staff: Ernie Garcia, Doug Moshier

Airport Staff: Bailis Bell, Thomas Nolan, Valerie Wise and Jean Zoglman

Chairman Avello called the meeting to order. James Thompson was introduced as the newest member of the Wichita Airport Advisory Board.

Avello asked to discuss a non-agenda item regarding a recent power outage at the airport. The airport is in the high voltage distribution business and buys electricity from Western Resources. In one of the substations by the Post Office, one of the switchgears blew out three big fuses. There is a loop that runs from the Post Office to the terminal building on the west side and back up the east side to the Post Office. If a fault should occur anywhere in that loop, it is possible to switch around it and feed electricity both ways, keeping things going until that one fault is fixed. In this case, the electrical lines on the west side failed when the three fuses went out, affecting all the buildings on the west side to the terminal building, Budget and Hertz, and the parking lot. Airport staff began work on the fuses but was not immediately aware that the standby generator in the terminal building did not switch over as it should. Two flights came in while the lights were out. However, electricity was still on in parts of the building.

Approval of Minutes

Motion by Austin to approve the minutes of the March 3, 2003 Wichita Advisory Board meeting. Motion carried unanimously.

Review of Airport Passenger Facility Charge Funding Application

In 1991 the U.S. Congress approved an exception to the Anti Head Tax Act permitting airports to assess passenger facility charges (PFC) up to \$3.00 per departing passenger to be used for public capital improvements on airports. The purpose of the PFC is to supplement other financing vehicles and to formally give local control to the expenditure as long as the expenditure is eligible for federal funding. The airlines serving U.S. airports collect the PFC's through the ticket sale process and relinquish the funds directly to the airports.

In order for any airport to collect PFC funds, it is necessary for an application to be made to the FAA. The airlines serving the airport are permitted to comment on the projects to be funded as outlined in the application. The FAA may approve or disapprove based upon eligibility.

Wichita Mid-Continent Airport began collecting the \$3.00 PFC charge in 1994 and through three different applications has collected \$14,000,000 of the total \$16,000,000 authorized. The authority to collect will expire in the fall of 2003 when the authorization level is estimated to be reached.

It is now necessary to renew the PFC application in order to continue the funding. A seven-year program to continue the \$3.00 PFC collection was presented to the Board. This program calls for the collection of \$10,600,000 to supplement a total Capital Improvements Plan of \$28,700,000.

The PFC plan generally conforms to the Capital Improvement Plan but does have some flexibility to meet unforeseen needs.

In 1999 Congress allowed airports to charge \$4.50 per departure, but at this time \$3.00 is being requested. Bell stated there is no justification to increase the charge to \$4.50 at this time. It is possible to increase the charge during this seven-year period if necessary.

Motion by Garrison that the Wichita Airport Advisory Board recommends to the City Council acting as the Wichita Airport Authority to adopt a resolution approving the PFC application. Motion carried unanimously.

Master Plan/Terminal Area Planning Project – Status Report

The second meeting of the master plan update was held March 27. Business projections were discussed. The City Manager signed the contract for the Terminal Area Planning Project; the committee has yet to be named. This is an \$800,000 project of which 90% will be paid for with Federal funds.

February 2003 Statistical/Project Report

Total passengers increased 18.20% over February 2002.

Other Business

Avello asked if any rent reductions have been offered to Bombardier. There is concern that if Bombardier is offered rent reductions, Cessna will ask for the same. The Board feels it should be alerted to this possibility.

Swanson moved that the Wichita Airport Advisory Board be advised of what is being offered to Bombardier. Motion carried unanimously.

There was a general discussion regarding security.

Meeting adjourned at 4:00 p.m.