

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of August 30, 2012

Co-Chairs Councilor Karen Paul and Chief Administrative Officer (CAO) Paul Sisson convened the initial meeting of the Committee at 7:36 p.m. on August 30, 2012 at the Hamilton Room of the Burlington International Airport. Present were Mayor Miro Weinberger, City Councilors Paul and Vince Dober, Airport Commissioners Jeff Munger, Bill Keogh, Gene Palumbo and Jeff Schulman; Director of Aviation Gene Richards, Airport Planning Director Bob McEwing and Chief Airport Engineer Heather Kendrew; citizen members Ed Colodny, Ernie Pomerleau, Louise Stoll, Jane Knodell, Megan Rodriguez of Congressman Welch's staff; Ted Brady of Senator Leahy's staff; Mayoral Assistant Mike Kanarick; JetBlue Representative Ann Beland; South Burlington City Manager Sandy Miller; Winooski Mayor Michael O'Brien and Staff/Counsel Joseph McNeil.

Co-Chairs Paul and Sisson welcomed the Committee and indicated that it had been established pursuant to a resolution of the Burlington City Council following a recommendation from Mayor Weinberger's Administration. The attendees then introduced themselves and the Committee was broken down by appointed members, ex officio members from South Burlington and Winooski and Congressional Staff participants and Airport staff/Committee staff-Counsel.

Mayor Weinberger made introductory remarks, indicating that he and his Administration were heavily invested in the work of the Committee. He emphasized that he had spent 9 years as an Airport Commissioner and it was this service that was the genesis of his becoming Mayor. He stated that the Airport was a critical asset for the City of Burlington and the entirety of northern Vermont. He noted that although the Airport has recently experienced some tough

times, he believes the corner towards prosperity is being turned. However, he believes it is necessary to have an intense focus upon the potential of the Airport in order for it to become an even greater asset to our region. He stated he was aware of the Airport's impacts upon its neighboring communities but he believed it could grow in a responsible manner while simultaneously being an excellent neighbor. It is his hope that the work of this Committee and the recommendations it ultimately makes will produce the same sort of excitement about the future of the Airport that was noted by JetBlue at the time it began to provide service to Burlington.

Following the Mayor's remarks, Councilor Paul acknowledged her and CAO Sisson's appreciation to each committee member for their willingness to work on this plan and stated there is a wealth of transportation expertise in the room. The Co-chair presented the Powerpoint given to the participants as a way of introducing the charges of the committee as set forth by the Council resolution. One of the points in the presentation was the question of a non-disclosure agreement by committee members. She asked Counsel whether he felt it necessary for the Committee members and participants to sign confidentiality agreements in order to do the work of the Committee. Mr. McNeil responded that he did not believe that was a necessary step at this time, but could be revisited if the Committee was dealing with proprietary information from any source. Councilor Paul also asked the Committee to consider whether it wished to further utilize the Airport consultant that certain members of the business community had engaged or instead wanted to have a fresh start with its own consultant. Finally, she asked whether the representatives of the Congressional delegation would prefer to be voting members or non-voting participants in the Committee's work. Mr. Brady spoke for all and indicated a preference not to

be voting members because of the utilization of federal funds and the presence of federal regulations at the Airport.

Co-Chairs Sisson and Paul handed out an informational piece entitled *Airport Strategic Planning Committee, Organizational Meeting, August 30, 2012* which included agenda items, the Committee's charge, the Committee's timeline and future scheduling. The seven points of the Committee's charge were accepted by the Committee and it was agreed that at the end of its work the Committee would make recommendations on each charge.

Commissioner Schulman suggested and the Committee members agreed that it would be helpful to receive from Airport Management a report indicating its perception of the current status of each of the seven charge items. Aviation Director Richards agreed to make a report on such items at the next meeting of the Committee, indicating with specificity where he considered the Airport already strong and where improvements are believed necessary.

Ernie Pomerleau stated that a number of business community members had privately engaged and funded an analysis of the present and potential future of the Airport by Aviation Consultant Steve Baldwin. This so-called "White Paper", dated May 22, 2012 was distributed to the Committee members. There was consensus that this report should be carefully read and that Mr. Baldwin should be asked to come before the Committee to inform it of his work before any consideration was given to utilizing a different consultant.

Ed Colodny requested that the Committee members be provided a listing of all individuals who would be working with the Committee as ex officious, and suggested that it was typical for ex officious to have voting status. City Manager Miller and Mayor O'Brien both indicated that they would like to have voting status on the Committee. Mayor O'Brien indicated

be voting members because of the utilization of federal funds and the presence of federal regulations at the Airport.

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that he would be present at certain meetings and that City Manager Deccaureau would be otherwise present.

Councilor Dober suggested that the Committee look at all aspects of the Airport's current major projects and that it do so following a "gap analysis format." He suggested that subcommittee assignments be made to cover each specific project with defined assignments and set timelines for completion. He suggested that the subcommittees continue going until completion or until a "blocker" is hit which requires full Committee consideration.

Jane Knodell asked whether the "White Paper" covered all aspects of the Committee's charge. It was agreed that this question would be discussed once all members had opportunity to read it and the Committee had heard Mr. Baldwin's report.

Ernie Pomerleau indicated that the report acknowledges the Airport as the regions number one economic driver. He stated that the White Paper compared BTV with five other airports of similar size with regard to marketing, strategic planning, economic analysis and governance, though Ernie suggested that it would probably make sense to put the governance question aside for the time being. He indicated a belief that the data developed and synthesized in the report would be most helpful to Committee members. He emphasized that the White Paper was a very significant study. An important conclusion that it reached was that BTV's cost of enplanement was comparatively low. Ultimately, it concluded that BTV was an excellent airport but still had great room for significant improvement.

Mr. McNeil advised the Committee that simultaneously with its work the Airport was developing a proposed revenue bond issue to refinance its 1997 and 2002 revenue bonds as well securing permanent financing for the last expansion to the Airport parking garage that has been financed on an interim short term basis. He noted that the pricing of these bonds is scheduled to

occur in the first week of December, and that this will be preceded by a rating session with Moody's and Fitch in October. He noted the importance of consistency of both data and forecasts so that the rating agencies were not confronted with conflicting information. He stated that as a part of this financing there is being developed a forecast by Riccondo & Associates which is a necessary part of the sale of bonds. This report should also be reviewed by the Committee.

Mr. Colodny stated that he would like Gene Richards' report to identify the three or four top priorities facing the Airport and would also like to know if the Airport Commission concurred with Management's analysis. It was pointed out that through a variety of circumstances the current members of the Airport Commission are just beginning their period of service. However, Commissioner Schulman stated that he believed this was the Commission's role and would look forward to this type of analysis.

It was noted that the State of Vermont Agency of Transportation's representative to the Committee would be Mr. Chris Cole, the Director of Planning for AOT. Commission Chair Jeff Munger suggested that it was very important that a representative of the Vermont Air National Guard be a member of the Committee because of the Guard's significant role at BTV. It was agreed that this oversight should be corrected and the Guard requested to provide a Committee member.

It was agreed that the Committee would meet every other Thursday commencing September 13, 2012 until its work was completed, and that the Committee goal was to be complete by the end of calendar 2012. It was noted that there would also have to be opportunity provided for any members of the public who desired to do so to address the Committee at its

meetings. It was agreed that Mr. Baldwin would be requested to speak to the Committee either on September 13 or September 27.

Mayor Weinberger stated that he particularly appreciated the participation of South Burlington and Winooski and he pledged better communications with both communities. He stated that it was his desire for the communities of Burlington, South Burlington and Winooski, as well as BTV, to survive and thrive into the future. He stated that although of necessity the Committee was created by resolution of the Burlington City Council which has the ultimate fiduciary responsibility for the success of the Airport, Burlington cannot form its priorities for BTV in a vacuum and he desires that the Committee be well aware of the need for a positive relationship between the Airport and its neighbors into the future. He indicated that this would be particularly the case with regard to the 140-150 properties that the City has recently purchased.

City Manager Miller stated that South Burlington appreciates the Mayor's remarks and was similarly interested in the communities and the Airport surviving and thriving into the future. He emphasized his community's desire to fully participate as a voting member in the work of the Committee. Mayor O'Brien also emphasized this desire. The Co-Chairs stated that they would meet and discuss this issue with the Mayor prior to the next meeting and would amend the Council's creating resolution if appropriate.

There being no further business to discuss at this meeting, the meeting was adjourned at 8:35 p.m.

Joseph E. McNeil,
Committee Clerk

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Approved
9/27/12

Meeting of September 13, 2012

Co-Chair Councilor Karen Paul (Co-Chair Paul Sisson was sick) convened the second meeting of the Committee at 5:37 p.m. on September 13, 2012 at the Hamilton Room of the Burlington International Airport. Present were Co-Chair Paul, Committee members Vince Dober, Jeff Munger, Jeff Schulman, Ernie Pomerleau, Louise Stoll, Jane Knodell, Ann Beland, VTANG Col. Dan Finnigan and (sitting in for Chris Cole) Matt Lang of VTAOT. Also present were South Burlington City Manager Sandy Miller, Winooski Mayor Michael O'Brien and Katherine (Deac) Decarreau, Airport Commissioners Gene Palumbo and Bill Keogh; Airport Staff Gene Richards, Bob McEwing and Heather Kendrew; Staff/Counsel Joseph McNeil.

It was first agreed that the Airport Director's update would be deferred until the next meeting to accommodate the presentation of Mr. Steven Baldwin of Steven Baldwin & Associates. Thereafter, on motion of Pomerleau/Stoll the revised minutes of the meeting of August 30, 2012 were approved.

Mr. Steve Baldwin then reported on his work concerning the Airport on behalf of the business community, he indicated that he had been engaged for approximately 18 months. He noted that Airport management is really more of a science today; that management must occur within the universe of a high degree of regulation under FAA criteria. He indicated that his firm is in the business of making airports more effective. He stated that his background included a B.A. degree in Aviation Management and an M.B.A. He noted that he had been New York's Director of Aviation Services for several years prior to the creation of his consulting firm.

In April of 2011, he was consulted by nine or 10 Chittenden County business people with the overall question of what can be done to help the Airport survive and thrive into the future. He stated that he advised that it was first necessary to step back and benchmark the Airport's status with regard to comparable facilities.

Mr. Baldwin stated that they carried out meetings with important stakeholders, did a significant degree of comparable analysis and then made recommendations.

He advised the Committee that employment for airports in the United States is now second only to employment for Walmart. The industry currently covers 9.2 million jobs directly or indirectly with \$365 billion of annual payroll. He noted that BIA comprises 8% of the national airport GDP.

Mr. Baldwin advised that BIA is a vibrant airport that is absolutely essential for successful business to be carried out in this region. He observed that, for example, IBM delivers two large truck loads of material to BIA every single day for delivery to New York City and the international market.

The work accomplished for BIA included peer airport review, surveys, interviews, factfinding and analysis. It also involved conversations with IBM, Green Mountain Coffee Roasters, Dealer.com, Airport management and State of Vermont Representatives. Mr. Baldwin noted parenthetically that Dealer.com personnel average 80 trips per month from BIA.

By way of comparable airports, the firm looked for small hub airports (10,000 to 2 million in annual enplanements) that also have a military presence, a significant snow removal responsibility and also function as a tourist destination as well as a business origination function. He noted that there were 5,500 public airports in the U.S. of which 72, like BIA, would constitute a small hub origin and destination airport. By way of comparisons, the firm contrasted

BIA to the Portland, Maine jet port, Bellingham, Washington, Dane County (Madison), Wisconsin and Harrisburg, Pennsylvania. He observed that the Portland jet port was a particularly well managed facility with increasing annual enplanements; that it was primarily a business origin airport; that it now includes service by both Southwest and JetBlue; that it has the most affordable prices in the New England region and has recently been awarded an LEED Certificate for its environmental awareness. He stated that Dane County did particularly well with airport concessions, especially food sales, and also was a military joint use facility. Harrisburg, Pennsylvania has a very diversified business climate with Hershey's Chocolate and other major businesses headquartered there. Bellingham, Washington is the fastest growing airport in the country, largely serving a Canadian population from the Vancouver area (similar to BIA's service to Quebec) and transporting them by Allegiant Airlines to Las Vegas and is presently enlarging from 23, 000 sq. ft. to 800,000 sq. ft.

By contrast to the comparable airports, BIA is doing better than average with regard to enplanements. Its leasing structure is on the light side of what the market could reasonably bear, leaving room for increased rates and charges by BIA. Every passenger using BIA generates approximately \$19 for the Airport which is at the low end of the spectrum. By contrast, Harrisburg generates approximately \$37 for the airport from every passenger. It was noted that the average length of stay by vehicles in the Airport garage is three to five days. Consequently, even a modest increase in parking rates would have a measurable impact on revenues. Mr. Baldwin noted that the Portland Jetport has a much steeper cost relationship with the airlines servicing it, and that Burlington could make significant improvements here. It was noted by staff and Commission members that it has been the philosophy of the Airport for many years to attempt to keep the cost to airlines as low as possible at BTV in order to attract and retain service

by as many carriers to as many markets as possible. Mr. Baldwin stated the belief that the Airport's charging structure could be increased without significant risk of attrition.

It was reported that BIA is particularly light in the amount of effort it makes in the now critically important area of direct marketing to airlines and other potential airport tenants. In the last reporting period, BIA had expended \$25,000 of a budgeted \$80,000 for marketing. By contrast, Manchester, New Hampshire expends nearly \$800,000 annually on marketing and a similarly sized airport in Akron, Ohio expends \$1.2 million. The consultant believes that a major expansion in this area will be necessary for BIA to maintain and improve its status into the future. Mr. Baldwin emphasized, however, that such marketing work must be sophisticated. There must be a large capacity to do data mining and a complete awareness of the intricacies of airlines operations and considerations.

The importance of successful marketing was emphasized with Mr. Baldwin relating to the group the information he had received in his conversations with IBM personnel. They indicated that their people regularly fly from Albany and Manchester rather than Burlington because they simply cannot get efficient flight segments (time of departure/return) from BIA to get them where they need to go across the United States for business purposes. By contrast, Green Mountain Coffee Roasters reported that they very much liked service from BIA though they also their own corporate jet from the Airport.

Mr. Baldwin indicated that his company conducted a thorough "SWOT" analysis with regard to BIA. SWOT analysis involves examination of strengths, weaknesses, opportunities and threats, and represents the type of analysis typically carried out by major corporate entities before making critical decisions. He emphasized that Burlington's strengths were the convenience of using the Airport, the quality of its infrastructure, the cooperativeness and

hardworking nature of its staff and its unmet potential. Its major weaknesses are its lagging business indicators, its lack of experienced leadership, its lack of a marketing plan and a strategic plan, and its very complicated governance structure. With regard to opportunities, there is much to be gained by focusing upon the needs of business operations in northwestern Vermont, the advantages gained by strengthening strategic partnerships at the local, regional and state levels, the potential to attract new business and the possibilities of separating BIA from its competition. The threats to be BIA include an ever changing aviation landscape, competition with other airports in the region, the lack of financial risk diversification, problems caused by lack of airport leadership and ultimately a failure of the region to understand the importance of the Airport's success to business success generally.

The key findings of the consultant were that the Airport is currently in fine condition physically, has a very hardworking staff, fared better than many other U.S. airports during the most recent recessionary period and has strong business support into the future. However, the consultants believe that the Airport will not be able to prosper into the future without a formalized, well implemented marketing plan, an air service development plan, a robust economic development program and a well thought out succession plan for airport management.

By way of marketing needs, it was pointed out by Commission Chair Munger that National Life Insurance, the big insurance company located in Montpelier, had for some period of time mandated that its personnel not fly from BIA, but instead fly from Manchester or Albany. Mr. Baldwin stated that the airlines are very aware of every aspect of an airport's operation and are particularly interested in whether they will be able to sell all of their available seats in connection with any service that they provide.

Commissioner Schulman inquired whether in fact 640K enplanements was not a pretty good showing for an airport serving a region of this size, and asked about the relationship between fees and service levels in the industry generally. Once again, however, Mr. Baldwin indicated his belief that there is an existing margin for fees/revenues to be enhanced at BIA without a significant increase in the risk that service will be lost.

Co-Chair Paul inquired concerning how frequent airports visit their airlines in order to maintain service. Mr. Baldwin responded that in his experience, the best approach for airports to take was to act like you don't have the service and are trying to get it. In short, never become complacent about what you have because the industry is so dynamic. He also stressed that airport representatives should never visit with an airline without first being fully informed as to all pertinent facts. He noted that the airlines pay particular attention to "PEDEW", passengers per day each week, in making decisions about where to provide service. He also noted that 90% of airline business is derived from 10% of the travelling public, so airlines are particularly alert to meeting the needs of business travelers who are constantly flying. BIA's traffic pattern is somewhat different, with leisure travel constituting 60% and business travel 40%.

Mr. Baldwin indicated that of all of the Airport's immediate needs, the discussion of governance could probably be deferred to the end of this strategic planning effort. He also indicated that he did not believe the profile of the Airport seriously supported the notion of privatizing the Airport.

Interim Manager Richards indicated that while there may in fact be some "leakage" from customers in this area using other airports, everything that he has seen suggests that the best future for the Airport will be derived from better marketing to capture additional utilization from

the Province of Quebec as well as continuing to market Vermont to Ontario and Toronto via the arrangements with Porter Airlines.

Commissioner Keogh inquired as to Mr. Baldwin's view of the pay rate necessary to attract a quality long-term Airport Manager to BIA. Mr. Baldwin indicated that the best strategy for the Airport might well be to try to attract a seasoned "second in command" professional from a larger facility. He indicated that the pay range should be in the area of 140K-160K to recruit the type of candidate the Airport needs.

Co-Chair Paul thanked the Committee members once again for their willingness to serve and emphasized the importance of the work the Committee is doing. She noted the value of this meeting and indicated that the Committee is doing its work without any predetermined ultimate answers. Ms. Paul also indicated that with regard to the voting status of the representatives from Winooski and South Burlington, she had consulted the Mayor and the City Attorney. It will be necessary to amend the creating Resolution to make this voting status clear, and this will be done promptly.

The next meeting of the Committee will involve an overview from Interim Manager Richards and Committee consideration of whether the engagement of a consultant would be necessary/helpful to the task.

There being no further business to discuss at this meeting, the meeting was adjourned at 7:35 p.m.

Joseph E. McNeil,
Committee Clerk

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of September 27, 2012

Co-Chairs Councilor Karen Paul and Interim CAO Paul Sisson convened the third meeting of the Committee at 5:40 p.m. on September 27, 2012 at the Hamilton Room of the Burlington International Airport. Present were Co-Chairs Paul and Sisson, Committee members Vince Dober, Jeff Munger, Jeff Schulman, Ernie Pomerleau, Louise Stoll, Ann Beland, VTANG representative Adam Wright for Col. Clark, Ed Colodny (by telephone), Sandy Miller and Michael O'Brien. Also present were Winooski City Manager Deac Decarreau, Airport Commissioners Gene Palumbo and Bill Keogh; Airport Staff Gene Richards, Heather Kendrew and Ryan Betcher; South Burlington City Councilor Roseanne Greco, community members David Deslauriers and Brad Worthern and Staff/Counsel Joseph McNeil.

Co-Chair Paul indicated that the Burlington City Council had taken official action to add City Manager Miller and Mayor O'Brien to the Committee as voting members.

On motion of Jeff Schulman and second by Louise Stoll the agenda for the meeting was approved.

A public forum was then convened by the Co-Chairs. Mr. Deslauriers requested that the Committee be provided full information concerning the procedures which are being followed by the Airport with reference to the residential properties that are being acquired and ultimately moved or demolished. He also indicated that he and the neighborhood would appreciate an increase in the utilization of police/security forces in the area to better protect against the "nefarious activities" which are taking place there. He indicated that an increase in safety and security for that area would be generally helpful.

After a correction from Sandy Miller to the effect that his previous remarks related to the desire that both the Airport and the South Burlington community survive and thrive, the minutes of the meeting of September 13, 2012 were unanimously approved on motion of Vince Dober and second by Sandy Miller. It was also noted that the correct reference should be to Lt. Col. Dan Finegan.

The Committee next agreed to change the order of the agenda to first hear the Airport overview from Interim Director Gene Richards and then turn to discussion of the presentation made at the previous meeting by Steve Baldwin.

Gene Richards began by indicating how excited and proud he was to be serving as Interim Director of Aviation. He noted that the remarks he was about to make were reflective of his individual thinking and had not been formally sanctioned by the Airport Commission or anyone else.

He noted that his first concern as an Airport Commissioner was that the Airport's financial house was not in order. The Airport was falling short of its coverage obligations under its bond resolution and that needed immediate attention. He indicated that he and his fellow Commissioners cut the Airport operating expenses by \$1 million and met coverage requirements. He also indicated that he and the other Commissioners had a concern that they were not receiving the Airport's financial statements in a comprehensive, understandable manner.

He stated that as Interim Director he is proud to say that required coverages have been met for the last 36 months and are now being exceeded. Additionally, with the able assistance of Assistant CAO Rich Goodwin, the financial reporting is complete and easily comprehended.

His second major area of concern related to the large percentage of the Airport's agreements and leases that were unsigned. He stated that at present, by very hard work on the

part of all concerned, 92% of the Airport's leases are now both signed and reflective of market rates. However, he remains concerned about weaknesses that still exist with regard to airline leases. In answer to a question by Ed Colodny, he stated that signed airline leases have not existed since 2006 but that now significant efforts are underway to correct this deficiency as quickly as possible. He advised Mr. Colodny that the rates and charges have been adjusted on an annual basis and that the airlines have been paying the adjusted charges.

Mr. Richards emphasized that Airport safety is a number one priority at BIA and he is proud to say that the field side of the Airport is in amazingly good shape. However, there are existing issues on the terminal side. He noted that a major effort is being made to fill in unleased space, noting that this was a particular need in the FAA building area. However, he noted the tremendous improvements that are about to occur with respect to quality, aesthetics and rates with the arrival of "Skinny Pancake" on the premises. He also noted that Hudson News was making a major reinvestment at the Airport and establishing an area dedicated to the sale of Vermont products. He said the mantra of his leadership will be not to allow any space to sit empty if it can be utilized by paying tenants.

He noted that attention to financial controls is now much greater. For example, the Airport had been paying \$250,000 annually for WIFI services which it is now able to provide without cost.

With regard to the airlines, Mr. Richards indicated that there is a great need to correct a current climate of concern caused by not providing timely information, not providing updated financial obligations in a timely manner and having to backfill for them and generally not treating the airlines with sufficient attention as a most valued tenant.

Mr. Richards also indicated that the Airport could be doing a much better job in the area of marketing. He stated that this was an area that has not been aggressively managed on behalf of BIA. He indicated that the Airport is now intent on increasing its enplaned seats, the people using the Airport and the space available for overnight stays on or near the Airport property.

Mr. Richards handed out three documents for review by the Committee. The first is entitled *BTV Marketing Efforts Fall 2012*, the second is a magazine entitled *Airport Business, August/September 2012*, and the third document is a projection of airline fees for FY2013 and a spreadsheet showing "BTV Contribution to Airline Rates, Historical From 2006 to Budgeted 2013."

Mr. Ryan Betcher then spoke. He emphasized the huge potential for additional marketing that exist in Quebec and Canada. He noted that the Airport was about to place significant advertising in the 80 cars of the Montreal metro green line which he estimated will be seen by approximately 2million people per week. He also emphasized that the Airport would be working to increase customer utilization from the Montreal south shore and the Sherbrooke area. He noted that the Airport's website was being completely redesigned to be more interactive, complete and user friendly. He observed that the Airport has received additional revenues approximating \$300,000 by modernizing its leases and attempting to fill empty space. In nearly every case, the guaranteed minimum will be significantly higher than current rates.

Mr. Richards stated that the Airport also was asking for contributions from all of its users and gave the example of a \$2,000 value contribution of sanitary soap from the company that provides janitorial services. He noted that an RFP is being prepared for a pub and grill format restaurant to occupy the space now utilized by the current restaurant tenant.

Mr. Betcher and Mr. Richards observed that the Airport was also concentrating upon “little but important” matters such as making sure that its flight status display boards are accurate and that all boards are working. Co-Chair Paul noted her frustration from time to time with such boards not working at all or being inaccurate.

Mr. Betcher stressed that additional free seating and concessionaires are being planned for the north concourse and that BIA will soon install 50 new electrical outlet and USB port opportunities for those using the Airport in order to provide a better experience. They indicated that they were looking to the range of improvements made by JetBlue at Terminal 5, JFK as examples of what can be accomplished. He noted that an “App” entitled *Fly BT* was also being created to make the relationship between BIA and its customers more interactive.

Messrs Richards and Betcher informed the Committee that BIA has received a \$450,000 US Department of Transportation Development Grant which it intends to utilize to help secure airline service from BIA to Atlanta and/or Charlotte, both of which are believed to be necessary in that Atlanta is #10 and Charlotte is #12 in terms of the destination of passengers flying from BIA. They noted that the initiation of this service has almost occurred before and that Delta Airlines seems to remain very interested in providing it. Co-Chair Paul asked whether \$450,000 was a large of sum in this regard. She was advised that it was more like a small push that would not be able to subsidize either route, but might provide incentive for it. It was observed that both Delta and US Airways are signed on to the Grant. Mr. Betcher observed that BIA is the largest market in the northeast area without service to Atlanta and Charlotte .

Mr. Richards stressed that the Airport is also making a major effort to improve its rate of collection of funds owed to it.

In terms of the condition of Terminal Side facilities, it was stated that there was much room for improvement. For example, the terminal is currently experiencing 42 separate roof leaks; that the roof is in terrible condition and needs to be replaced. This will cost approximately \$700,000 but will occur within the next 90 days. Mr. Richards emphasized that this project was called out as a necessity by Airport staff approximately two years ago, but that the Commission deferred it (mistakenly in retrospect) as a part of its budget cutting efforts.

Gene Richards also told the Committee that the Airport has not been as good a neighbor to South Burlington as its host community as it ought to be. He emphasized the need for much better, more proactive communications between Airport and South Burlington officials, but also stressed that Mayor Weinberger has adopted this as a major effort. Mr. Richards stressed that the same improvement in communications was needed between BIA and Winooski.

The \$5 million grant for housing acquisition was explained. It was stressed that these funds cannot be used for anything except the house program, but in this context there is opportunity to improve the Airport's impact on South Burlington. He noted, however, that the plan for demolition is now on appeal in Vermont Environmental Court and no resolution has yet been ordered. There is vandalism in the neighborhood that the Airport is attempting to deal with, still without sufficient success. In response to a question from Mr. Deslauriers, Mr. Richards indicated that security or law enforcement personnel are dispatched upon receipt of complaints, but the ultimate solution is the receipt of an order from the Court to remove the abandoned buildings.

The tax dispute with the City of South Burlington was mentioned to the Committee as well as the appeal process now under way with regard to South Burlington's stormwater utility.

Mr. Miller observed that South Burlington believes more data is needed from the Airport and that the current year and three prior years are in dispute.

Co-Chair Sisson asked if there was a vision of what the White Street triangle will look like eventually. Mr. Richards responded that the Airport was currently caught in the middle between owners who do want to sell their properties and the City, which doesn't want the Airport to purchase more houses. In answer to a specific question from Roseanne Greco, Mr. Richards stated that 55 houses have already been purchased that BIA would like to remove, and that its plan moving forward is to purchase approximately 2 homes per year.

Sandy Miller stated that it has been hard for the community to visualize exactly what is going on and what the area will look like after the project is completed. He stressed that there is a need to jointly visualize the past, present and future of that area.

Mr. Richards publicly thanked Mr. Pomerleau and the other involved business interest for funding the study accomplished by Mr. Baldwin which has been most helpful. Mr. Dober stressed the need for the Committee to focus on where the Airport has historically been and where it plans to go for the future.

Mr. Richards also noted his belief that the Committee should look at the governance of the Airport, even if it is the last of the tasks accomplished. He stressed his strong belief that both governance and marketing need to change and that BIA simply cannot afford bad management in the future. Ernie Pomerleau offered substantial kudos to Gene Richards for moving the Airport forward so far, so fast.

Ed Colodny expressed the need for the Airport to truly come to grips with the absence of airline lease agreements. He stressed that it is very important to understand whether the airlines themselves were dragging their feet or there were structural issues in BIA management that

prevented attention to this critical task. Ann Beland indicated that from the perspective of JetBlue, communication between BIA Management and the airlines has been bad, and needs much improvement. She stressed that the airlines would also prefer to have signed operating agreements rather than operating on a month to month or year to year type basis.

Heather Kendrew discussed the Projected Airline Fees handout and noted that the Airport was currently receiving about \$48 per square foot for terminal expenses where it could justify charges of \$68 per square foot. She also noted that while the Airport was receiving approximately \$6.21 per enplaned passenger, it could justify charging up to \$9.57 based upon cost actually incurred. Mr. Miller indicated that he saw a need to have extensive conversation about this handout and the effects that would exist at the Airport if it was attempting to recover its full measure of expense. Co-Chair Paul asked for clarification of the Airport's pattern vs. national averages, but Ms. Kendrew responded by indicating that there were so many individual variance that it was not reliable to look at averages.

Commissioner Munger observed that according to trade publication statistics, enplanements in the Montreal airports were showing substantial declines. He observed that BIA must be doing a number of good things to be maintaining its Canadian utilization.

Mr. Richards stressed that while the Airport currently has fewer people flying on many flights, we need to attract utilization of larger aircraft servicing more people. He indicated his belief that if such aircraft were available at BIA the enplanement numbers would be much higher because the market exists.

Mr. Richards indicated that based upon his recent attendance at a conference of airline executives in Washington, DC, he believes the Committee would do very well to hear from the Boyd Group before deciding what consultant to engage if it was going to follow this course. He

stated that the Boyd Group appeared extremely knowledgeable and had indicated a willingness to come to Burlington. This notion was also endorsed by Mr. Munger. Mr. Colodny indicated that the Airport would also do well to hear a presentation from Howard Mann at InterVISTAS of Washington, DC.

Ms. Paul stated that one of the Committee's charges was to consider all of its options with regard to regionalization, governance and marketing, and that it intended to do so without preconceived results.

Mayor O'Brien stressed that from what he had heard, the Airport needs to be considerably more aggressive in renting the available space that it has. He wondered what proportion of the increase in revenues that was reference was derived from increased rental space as opposed to increased charges.

The Committee then thanked Mr. Richards and his staff for the presentation and noted that staff obviously had been working hard and effectively to improve the Airport.

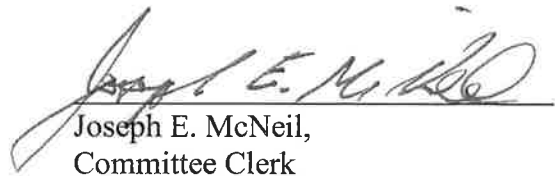
Committee members then turned their attention to agenda item #4 which is a discussion of the report delivered by Steve Baldwin and a determination as to what to do next. Ernie Pomerleau indicated that as he saw the situation, there were two questions before the Committee. The first was whether it would be wise for the Committee to engage a consultant and, if the answer is yes, the second question is what consultant to use. He emphasized his belief that utilization of a consultant was absolutely necessary to help the Committee determine the best future course for BIA. As to who the consultant will be, he suggested that either the full Committee or a subcommittee hear presentations from all those who were referenced before deciding to go forward.

Mr. Richards stressed that the Airport does not have a significant budget to cover consulting services even though he concurs they are needed. He emphasized that it always prudent to spend \$10 if the result of doing so will produce \$12. Mr. Colodny stressed that airport consultants need to be closely controlled in order to avoid large expense but that the Airport and the Committee need the metrics that such consultants would provide in order to avoid simply floundering. Louise Stoll, Vince Dober and Mayor O'Brien all agreed on the necessity for a consultant, but Mr. Dober stressed that maybe there ought to be delay on consideration of governance issues.

Mr. Miller indicated that he was well passed consideration of whether a consultant was needed and instead focused on the best way to develop an RFP that includes a very tightly controlled scope of work and absolute drop dead deadlines for performance. Co-Chair Paul reinforced this position and noted that the Committee is supposed to be finished its work by early in 2013. It was agreed that Mr. Richards would put together an RFP draft with help from the Co-Chairs, Mr. McNeil and others and ultimately circulate it to the Committee members for their review and approval.

Mr. Deslauriers suggested that the Committee also converse with the 25 top business flyers from BIA, asking them specifically what their needs are.

There being no further business to discuss at this meeting, the meeting was adjourned at 7:45 p.m.


Joseph E. McNeil,
Committee Clerk

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of October 18, 2012

Co-Chair Councilor Karen Paul convened the fourth meeting of the Committee at 5:45 p.m. on October 18, 2012 at Conference Room #1 of the Burlington International Airport. Present were Co-Chair Paul, Committee members Jane Knodell, Chris Cole, Vince Dober, Jeff Munger, Jeff Schulman, Ernie Pomerleau, Louise Stoll, Ed Colodny, Ann Beland, Sandy Miller, Michael O'Brien and and Col. Joel Clark. Also present were Counsel/Staff Joseph McNeil, Congressional Representatives Ted Brady from Senator Leahy's Staff and Megan Rodriguez from Congressman Welch's Staff. Airport Staff members Heather Kendrew, Bob McEwing and Ryan Betcher were present as was Airport Commissioner Bill Keogh, South Burlington City Councilor Roseanne Greco and South Burlington resident David Deslauriers.

On motion of Sandy Miller and Jane Knodell the meeting agenda was approved unanimously.

Co-Chair Paul then convened the public forum. Mr. Deslauriers informed the Committee of an event that had occurred on Delaware Street where one of the properties acquired by the Airport and now vacant required a police response because the door was left open and a burglary was taking place. Mr. Deslauriers indicated that in his view too many acquired houses remain not sufficiently secured and unsafe. Airport staff mentioned that the premises were opened on this occasion in order to accommodate a request from the South Burlington Board of Civil Authority to conduct inspections in connection with pending tax appeal.

On motion of Vince Dober and second by Jeff Schulman, the minutes of the meeting of September 27, 2012 were unanimously approved.

Co-Chair Paul indicated that the meeting scheduled for last week was postponed to this date because too many Committee members had unavoidable conflicts that prevented their attending. She emphasized the importance of this particular meeting, and indicated a desire to hear from each and every member of the Committee regarding their viewpoint as to what the Airport needed to do to survive and thrive, and also to elicit each member's viewpoint with regard to what surviving and thriving means for the Airport. She said that in short, the Committee was attempting to both define and give guidance as to what a successful thriving Airport would look like into the 21st Century.

Co-Chair Paul also indicated that developing the Committee's views with regard to surviving and thriving was critically important for the development of the RFP for consulting services, as it will have a bearing upon what the consultant takes into account. She indicated that the intent was to get the RFP out by Monday or Tuesday at the latest. In this context, she indicated that on Thursday, October 25, 2012, the Bond group from Denver, Colorado would make a presentation to the Committee. The Committee will also most likely hear a presentation from Intervistas of Washington, D.C.

Vince Dober was first to speak as a Committee member. He distributed a handout and grading matrix which summarized the Committee's charge and the parameters of Airport operations, specifically delineating strategy focus items such as maintaining and increasing flights and destinations, effective property management, marketing and communication and maintaining and increasing good passenger experiences, together with reference to the topics to be utilized, the action plan to be developed and the individuals responsible, as well as a recommended timeline.

Jane Knodell indicated that as an academic and economist, she believed that the primary focus should be on improving financial practices as job number one and marketing as job number two. She noted that the Airport must be recognized as having a very large and important financial and cultural impact upon the community, but that its core element must be its financial health.

Co-Chair Paul stated that the Airport is indeed challenged financially. She observed that its physical plant is very strong but questioned whether it is being used to its maximum potential. She observed that utilization of space seems to be a bit disjointed.

Ed Colodny noted that some Airport issues such as TSA efficiency simply cannot be solved by the Strategic Planning Committee. He cautioned the Committee not to get too far down into the weeds, but to remain focused instead upon primary objectives.

Chris Cole noted the need for stability both with regard to revenues management and governance, and that they needed to be in sync with each other.

Ed Colodny addressed his concept of surviving and thriving. He stated that in order to survive, the Airport would need to break even in its operations, covering its day to day expenses, but having nothing left over to invest in tomorrow's needs. He stressed the importance of surviving, keeping what we have and making sure that those entities that are feeding the Airport's needs at present be satisfied, so that services are maintained. Ed made it clear that he was not addressing the question of governance in this articulation.

With regard to thriving, Ed stated that the number one obligation is to make sure that any surplus is not allowed off the Airport to assist with any other municipal need. Instead, surplus funds should be utilized to increase the service and the demand that supports air service. He emphasized that profitability of their operations is a key ingredient in decisions made by airlines

to stay and/or to expand service at airports. He stated that it was critically important for the Airport to understand what it can do to assist in the profitability of the airlines serving Burlington.

Mr. Colodny also concentrated on the type of services that the Airport could offer as a destination for the non-traveler. He made specific reference to food services that in many situations incent the public to come to an airport. He emphasized that it is not necessary to go way outside the box of traditional services in order to create a thriving airport.

Jeff Munger observed that the Airport has lost 1,600 seats in September as a result of smaller aircraft and fewer planes being available despite load factors of 85-86% of capacity. He indicated that in his mind one of the largest questions is what can the Airport do to fight against the current economic setting for airlines in order to maintain and expand service?

Ann Beland indicated that there were lots of reasons why service does not grow and sometimes contracts. She said that this is particularly true where fuel prices were high and costs of operations are high. She suggested that the Airport could do a much better job with regard to its marketing effort. Additionally, she stated that the Airport has not been as transparent as it should be with its airlines in the area of predictability and rising fares. Noting particularly that back billing for a year and a half is not helpful, and that surprise is never a good thing for airlines.

Ed Colodny noted that airlines have a finite number of aircraft, and they look to deploy them in markets that produce the highest degree of profitability. He observed that revenue maximization at lowest possible cost is the driving force, and that short haul markets are the most costly while long distance markets are the most profitable. Unfortunately, Burlington has many short haul markets such as New York and Philadelphia. He emphasized that airlines look

very carefully at their actual yield per passenger leaving an airport and suggested that it was imperative for Airport representatives to have regular meetings with carriers so that they understand fully the actual yield on passengers leaving BTV.

Louise Stoll asked Ed Colodny what are most profitable non-aviation activities that an airport could be involved with. Ed suggested that the Airport start with tremendous emphasis on food concessions. He made reference to Pittsburgh Airport which is of a different size than Burlington, but which took great advantage of opportunities for non-aviation related revenues. He also noted that the Airport could do a much better job with concessions inside the security area that need not be labor intensive, giving the example of massage chairs. He noted, however, that each airport has different opportunities and that close work with marketing people is essential.

Jeff Schulman noted that capitalizing on potential parking revenues ought to be a significant part of the marketing effort. He also reminded the Committee of the advice received from Steve Baldwin to treat existing airlines like we do not have them at the Airport. He observed we should not be so intent on reaching for the stars that we forget the existing planets; that we should be very pleased about the options for travel we now have from Burlington and that we should not lose this leverage, making every effort to retain it.

Ed Colodny recommended that the Committee and the Airport pay close attention to flight statistics that track flights and review what passengers think. He observed that although Burlington overall had good ratings result, it was lowest in the area of amenities and on-time performance by airlines. He observed, however, that on-time performance is not really within the Airport's control.

Jeff Munger observed that issues such as weather in D.C. and New York can have significantly deleterious impacts upon Burlington. Both he and Ed Colodny agreed, however, that Burlington does a great job in cleaning its air field of snow and ice.

Sandy Miller stated that in his view, the work of the Committee must include the needs of the larger surrounding communities, with concentration on tactical as well as strategic objectives such as discerning what we do well, what we could do much better, etc. He emphasized the need for the Airport to be smart, passionate and compassionate putting the right people in the right places with strong hands on the tiller, a good eye for detail and great communication skills.

In response to a question from Karen Paul as to what he perceives the Airport does well, Mr. Miller indicated he was not completely sure, but he was confident in saying that the Airport does not currently communicate as well as it could. He made reference to the effort to acquire South Burlington houses, which he believes was not coordinated well at all.

Ernie Pomerleau emphasized that the Committee needs to pay attention to all of the matrix and be aware that the operation of the Airport is something like a mobile with action and reaction. He emphasized that he saw the cup as half full, with many good things being done but also problems such as leakage. He emphasized that the Committee should inventory what's good at the Airport, why it is good and what improvements are necessary to prevent backsliding.

Vince Dober stressed that although much good is happening here, we also need to contend effectively with high costs, limited seats and reduced numbers of passengers.

Ed Colodny emphasized two areas that are currently problematic. The first is that airline carriers are subcontracting short haul routes to commuter airlines, many of which are in significant financial trouble to the point of bankruptcy. The second caution he offered was that it could be a mistake for this Airport to place too many of its eggs in the Canadian service basket.

He stressed that even though the Airport is obviously now competitive for that market, and that Canadian business accounts are up to 40% of revenues, over reliance upon the Canadian market may be a long-term weakness. He stressed that all things considered, the Airport could be most healthy if it could thrive on business from this immediate market area.

Vince Dober noted how the Plattsburgh Airport was essentially positioning itself for the Canadian market. Mr. Colodny observed that we should be careful about the impacts of a discount carrier and that it would be better for all the airlines serving the Airport to have profitability.

Ted Brady emphasized that from the standpoint of the congressional delegation, the question is how to provide the best service at the lowest possible prices to Vermonters. He emphasized that service to the Canadian market is by no means to be discounted but that from a governmental standpoint, good service at affordable prices to the residents and businesses of this market is regarded as successful.

Michael O'Brien noted the need to explore the advantages and disadvantages related to increasing the size of the Airport's offerings. He stressed the need to fully understand who it is that we are presently serving and what level of service we are providing. He noted anecdotally that a flight he arrived on had to wait out on the Airport perimeter because the gate was not ready for the plane's arrival, even though it did not seem the Airport was excessively busy at the time.

Co-Chair Paul specifically asked Ann Beland her perception of the issues that prevent the Airport from thriving. She responded by indicating that there were not sufficiently regular meetings with the airlines; that responsiveness to their concerns was not adequate and that generally there was not enough being done to make communications as seamless as possible.

Jeff Munger and Ed Colodny both emphasized the need to be speaking directly to the main line airlines and letting them speak to their subcontracting carriers.

Col. Clark stated that from the Air Guard perspective, cooperation with the Airport and community relations particularly with respect to runways and traffic were of critical importance. He stressed that the Guard's relationships with the Airport were very good. He also stated that from his perspective as a Committee member, the goal should be to make the Airport the airport of choice for this area.

Sandy Miller indicated that the question was too complex to answer in full, in a few minutes, but that the key ingredients were communications, predictability and transparency. In answer to a question from Mr. Colodny as to whether South Burlington actually had "skin in the game", Mr. Miller answered that there were many South Burlington dollars in the game with regard to land use patterns, taxes, stormwater utility fees, etc.

Mike O'Brien indicated that overhead flights were part of life in Winooski, but it was imperative that the adverse impacts be reduced whenever possible. He stated that although it's the impression that the Airport functions well presently, he cautioned the group that earlier and earlier morning flights either arriving or departing would have adverse impact upon community relations in Winooski.

After such comments from Sandy Miller and Mike O'Brien, Co-Chair Paul asked both, on behalf of the cities they represent on this Committee, if their municipalities want the Airport to be financially successful. Mr. O'Brien responded in the affirmative and Mr. Miller said he believed that indeed the City of South Burlington does want the Airport to be financially successful just not at any price. That price he said would include addressing the effects the Airport has had on its adjacent neighborhoods.

Co-Chair Paul also pointed out that much could be done to assist the traveler who is delayed at Burlington; that there is not currently much to do to occupy one's time inside the security area in particular.

Joseph McNeil emphasized the importance of the Airport as an economic driver to the region and its indispensable role in the maintenance of the region's economy.

Chris Cole made a similar observation. He noted that the Airport was critical to the economy of northern Vermont and emphasized the absolute importance of its remaining a stable entity both financially and operationally. He asked rhetorically whether it was a good plan that one municipality, namely the City of Burlington, bear such a large degree of responsibility for the sustainability of the Airport. He stressed his view that the Committee really needs to think in terms of the best management possible and the best governance structure for the future of the Airport.

Jeff Schulman and Louise Stoll both emphasized that the Committee should not lose sight of the success the Airport has had and is still having. Louise indicated that she would like a more robust discussion about the relationship of the Airport to the Canadian market.

Ed Colodny stated that the physical plant of the Airport was first class but that the physical plant was not being fully utilized as it ought to be. He noted that there are 10 active gates for the 33 flights a day which left a significant margin for enhancement. He observed that connections are geared to the scheduling hub airport. Ann Beland concurred that the schedules were designed to meet up with connections at hubs.

Ernie Pomerleau stressed that what the Baldwin report accomplished for the business community was a serious study, and that the Airport was determined to have many strengths but

also significant room for improvement. He emphasized the significance of the fact that no one from the Airport had talked to Dealer.com as a large marketing error.

Jeff Munger emphasized that the distribution at the Airport is currently 60% leisure travel and 40% business travel, and that the Committee should keep this in mind as it considers the future.

Karen Paul emphasized that the RFP for consulting services would go out early next week and that the Committee would hear from the Boyd Group next Thursday, as well as inviting Intervistas to address the Committee. It was also agreed that there would be a governance discussion by the Committee in early December and that in as much expertise as can be brought to bear on the subject would be helpful. Chris Cole emphasized that it was important to do this with full awareness of the financial aspects. Karen Paul emphasized that the month of November would be spent hearing from consultants and receiving and analyzing the RFP with December allocated to the governance issue.

These minutes should be considered to be supplemented by the boards prepared by Ryan Betcher noting the points of discussion as the meeting progressed.

As the time had reached 7:40 p.m. and the Committee was promised two hour meetings, the meeting was then adjourned.

Joseph E. McNeil,
Committee Clerk

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BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of October 25, 2012

Co-Chair CAO Paul Sisson convened the fifth meeting of the Committee at 5:40 p.m. on October 25, 2012 at the Hamilton Room of the Burlington International Airport. Present were Co-Chairs Karen Paul and Paul Sisson, Committee members Jane Knodell, Vince Dober, Jeff Schulman, Ernie Pomerleau, Louise Stoll, Ed Colodny, Sandy Miller and Michael O'Brien. Also present were Counsel/Staff Joseph McNeil, Airport Staff members Gene Richards, Heather Kendrew, Bob McEwing and Ryan Betcher.

The meeting agenda was first approved unanimously.

There were no speakers at the public forum.

The minutes of meeting of October 18, 2012 were approved upon motion of Ed Colodny and second by Ernie Pomerleau with the group noting the thoroughness of such minutes.

The Boyd Group was then asked to make its presentation and this was accomplished by Mssrs. Jeff Potter and Dan Kohn. Mr. Potter indicated that he had 28 years of experience in the aviation industry, rising to become the Chief Executive Officer of Frontier Airlines as well as prior positions relating to fleet and passenger forecasting. Dan Kohn noted that he had been with Boyd for 1.5 years and previously with both Northwest Airlines and Delta Airlines.

Boyd emphasized the dramatic changes occurring in the aviation industry, particularly with regard to consolidation of air carriers. They indicated that historically, the aviation industry has been "somewhat irrational" with decision making centered on the development of market share. However, recent changes in the economy have created more financial discipline. This has been principally caused by the tremendous increase in fuel costs. Additionally, capacity

reductions to control demand have given the airlines more pricing power than has previously been the case.

They also noted the gradual exit of 50 seat aircraft from the industry inventory because they are not economically feasible. The trend is to build 90 seats and up.

They observed that industry consolidation has not yet completed its course. They predicted that a merger between US Airways and American was likely.

With regard to air service development at airports, they emphasized the importance of direct conversations between airport officials and the home office of airlines. They cautioned strongly against relying only upon conversations with officials based at a particular airport. In this regard, they advised that the Airport should understand that retention of existing business is job one and of critical importance. They spoke to how Frontier expanded service as a result of direct conversations with communities and how Burlington currently has strong service to primary hubs which every effort should be made to preserve.

Boyd cautioned the Committee that it should be acutely aware that the available seats at BIA have been reduced by approximately 10% over the past year. Attention should be paid to preventing further erosion, but it should be accomplished with an awareness that this is simply not a problem unique to BIA. They mentioned that between 2005 and 2012 there has been approximately 13% of shrinkage in capacity throughout the US.

They cautioned the Committee not to expect much by way of increase in "long haul" service because such service does not typically cover its cost. However, it is their view that significant opportunities for BIA do exist. They gave examples such as service between Burlington and Atlanta/Burlington and Charlotte. They noted Burlington's grant for this purpose

and the strong consideration given recently by Delta to commencing service to one of these markets.

Boyd emphasized that BIA should want to be in the middle tier of airlines' service lists, and should want to do everything possible to avoid being in an airline's bottom 25. They emphasized that it is critically important for BIA to be "in the conversation" with airlines and that it is imperative that BIA identify and establish a communications link with the person in the home office assigned to consider BIA.

They emphasized, however, that load factors have become a critical determining factor for profitability. Whereas previously an airline might have been satisfied that it could make money with load factors as low as 65%, anything below 80% is now regarded as not good.

Boyd recommended that BIA not disregard low cost carriers like Allegiant and Spirit. They recommended that such airlines be spoken to regularly since they believe BIA would support direct service to southern hubs.

They emphasized the important value of the Airport's \$450,000 grant and, in answer to a question from Jane Knodell, suggested that it could be utilized for risk abatement/profitability for an airline willing to take on Atlanta or Charlotte service from BIA. However, Mr. Colodny noted that the subsidy amount was really not that great and Jeff Schulman noted that it certainly was not enough to turn a bad idea for service into a good one.

Boyd emphasized additionally the importance of a successful management team search, marketing efforts and attention to governance issues.

Ernie Pomerleau asked Boyd how BIA should develop a success model and for advice concerning what should be considered success. The Boyd representatives responded by stating that the first responsibility should be to clean up any and all existing operational and marketing

deficiencies in order to intensely concentrate on preventing erosion of service. This is particularly critical if mergers continue to occur and oil prices remain high. They recommended that BIA get out in front of others with regard to aggressive marketing and that it also should make efforts to develop alternative revenue streams. Boyd stated that BIA clearly has a need for talent that can combine marketing in an air service development in a way that is knowledgeable of airline operations and profitability models.

Boyd also recommended that BIA develop a good understanding of any leakage it is experiencing and that it have conversations with large travel companies such as Apple Vacations which are able to package leisure travel at very good prices.

Boyd also emphasized that BIA should concentrate its efforts on having excellent communications with the main line legacy carriers, and that this is particularly the case in the current environment of frequent bankruptcy filings by subcontracting carriers.

In response to a question relating to governance models from Vince Dober, Boyd indicated that there are all kinds of governance models that work successfully. Those that work most successfully avoid redundant layers of governmental oversight.

There being no further business to come before the Committee, the meeting was adjourned at 7:20 p.m.

Joseph E. McNeil,
Committee Clerk

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of October 25, 2012

Co-Chair CAO Paul Sisson convened the fifth meeting of the Committee at 5:40 p.m. on October 25, 2012 at the Hamilton Room of the Burlington International Airport. Present were Co-Chairs Karen Paul and Paul Sisson, Committee members Jane Knodell, Vince Dober, Jeff Schulman, Ernie Pomerleau, Louise Stoll, Ed Colodny, Sandy Miller and Michael O'Brien. Also present were Counsel/Staff Joseph McNeil, Airport Staff members Gene Richards, Heather Kendrew, Bob McEwing and Ryan Betcher.

The meeting agenda was first approved unanimously.

There were no speakers at the public forum.

The minutes of meeting of October 18, 2012 were approved upon motion of Ed Colodny and second by Ernie Pomerleau with the group noting the thoroughness of such minutes.

The Boyd Group was then asked to make its presentation and this was accomplished by Msrs. Jeff Potter and Dan Kohn. Mr. Potter indicated that he had 28 years of experience in the aviation industry, rising to become the Chief Executive Officer of Frontier Airlines as well as prior positions relating to fleet and passenger forecasting. Dan Kohn noted that he had been with Boyd for 1.5 years and previously with both Northwest Airlines and Delta Airlines.

Boyd emphasized the dramatic changes occurring in the aviation industry, particularly with regard to consolidation of air carriers. They indicated that historically, the aviation industry has been "somewhat irrational" with decision making centered on the development of market share. However, recent changes in the economy have created more financial discipline. This has been principally caused by the tremendous increase in fuel costs. Additionally, capacity

reductions to control demand have given the airlines more pricing power than has previously been the case.

They also noted the gradual exit of 50 seat aircraft from the industry inventory because they are not economically feasible. The trend is to build 90 seats and up.

They observed that industry consolidation has not yet completed its course. They predicted that a merger between US Airways and American was likely.

With regard to air service development at airports, they emphasized the importance of direct conversations between airport officials and the home office of airlines. They cautioned strongly against relying only upon conversations with officials based at a particular airport. In this regard, they advised that the Airport should understand that retention of existing business is job one and of critical importance. They spoke to how Frontier expanded service as a result of direct conversations with communities and how Burlington currently has strong service to primary hubs which every effort should be made to preserve.

Boyd cautioned the Committee that it should be acutely aware that the available seats at BIA have been reduced by approximately 10% over the past year. Attention should be paid to preventing further erosion, but it should be accomplished with an awareness that this is simply not a problem unique to BIA. They mentioned that between 2005 and 2012 there has been approximately 13% of shrinkage in capacity throughout the US.

They cautioned the Committee not to expect much by way of increase in "long haul" service because such service does not typically cover its cost. However, it is their view that significant opportunities for BIA do exist. They gave examples such as service between Burlington and Atlanta/Burlington and Charlotte. They noted Burlington's grant for this purpose

and the strong consideration given recently by Delta to commencing service to one of these markets.

Boyd emphasized that BIA should want to be in the middle tier of airlines' service lists, and should want to do everything possible to avoid being in an airline's bottom 25. They emphasized that it is critically important for BIA to be "in the conversation" with airlines and that it is imperative that BIA identify and establish a communications link with the person in the home office assigned to consider BIA.

They emphasized, however, that load factors have become a critical determining factor for profitability. Whereas previously an airline might have been satisfied that it could make money with load factors as low as 65%, anything below 80% is now regarded as not good.

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They emphasized the important value of the Airport's \$450,000 grant and, in answer to a question from Jane Knodell, suggested that it could be utilized for risk abatement/profitability for an airline willing to take on Atlanta or Charlotte service from BIA. However, Mr. Colodny noted that the subsidy amount was really not that great and Jeff Schulman noted that it certainly was not enough to turn a bad idea for service into a good one.

Boyd emphasized additionally the importance of a successful management team search, marketing efforts and attention to governance issues.

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BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of November 15, 2012

Co-Chair CAO Karen Paul convened the sixth meeting of the Committee at 5:43 p.m. on November 15, 2012 at the Hamilton Room of the Burlington International Airport. Present were Co-Chairs Karen Paul and Paul Sisson, Committee members Jane Knodell, Jeff Schulman, Louise Stoll, Michael O'Brien, Vince Dober, Chris Cole, Bob Rusten for Sandy Miller, Ann Beland and Ed Colodny. Also present were Counsel/Staff Joseph McNeil, Airport Staff members Gene Richards, Heather Kendrew, Bob McEwing and Ryan Betcher. Airport Commissioner Bill Keogh and South Burlington City Council Chairperson Roseanne Greco were also present.

The meeting agenda was first approved unanimously.

There were no speakers at the public forum.

The minutes of meeting of October 25, 2012 were approved upon motion of Vince Dober and second by Jane Knodell.

The meeting began with a update from Aviation Director Richards concerning progress towards completion of the 2012 Airport Revenue Bond and an indication that the Committee would be receiving a future presentation on a public/private partnership governance model.

Mr. Richards then introduced Michael Wheet and Adam Whiteman from Frasca & Associates, LLC. He indicated that Frasca has been a general consultant to the Airport over the last three years. Additionally, Mr. Wheet was the principal investment banker that dealt with the Airport's revenue bond issues dating back to the first in 1997. He stated that Frasca has been of tremendous assistance to the Airport with regard to both its internal and external operations, and

that the Airport was in much better shape as a result of Frasca's efforts. He indicated that this was particularly true with regard to the development of a better working understanding of its financials during a period of time where there was a disconnect in transparency and understanding between Airport officials, including the Commission and the City financial administration at City Hall.

Mr. Michael Wheet and Mr. Adam Whiteman then made a presentation on behalf of Frasca. Michael indicated that he is both an attorney and an investment banker by background, also noting that his former company was involved as lead underwriter on Burlington's previous Airport revenue bonds and that he had the responsibility to shepherd that process to market. Mr. Whiteman is an analyst by background with concentration on the aviation industry. He was a principal analyst for Moody's Investment Services for over 20 years with a concentration on review of airports, so has great experience in the analysis of airports' strengths and weaknesses.

It was indicated that Frasca & Associates are actually a woman owned financial advisor, the only woman owned airport financial analyst company, in the US. The principal owner, Doreen Frasca, has been responsible for leading more than \$20 billion in financings at more than 60 US and international airports. She was the former head of the Airport's Group at Merrill Lynch. Frasca's headquarters is in New York City but also has offices in Washington, DC, Atlanta and San Francisco. The company offers assistance with financial issues and day to day operational issues at airports, and has been doing so since 1997. Its primary focus has been on securing optimal debt solutions and pricing for financings, attempting to help its clients manage financial risk, assist clients in receiving the strongest possible credit ratings and negotiating the best possible terms for the real estate holdings of airport clients. Frasca indicated that in

addition to Burlington it does similar work for airports across the country. They made specific reference to the airports at Detroit, Pittsburgh and San Diego.

They spoke concerning regionalization of airport governance and indicated that there were a myriad of models that have been used. However, their experience has taught them that the exercise is really one of division of political responsibility. The biggest difficulty confronted in a regionalization consideration is the allocation of outstanding debt and the limitations caused by federal statutory and FAA regulatory restrictions on the diversion of airport revenues. They emphasized that there has been a mixed bag of experience based successes and failures with regard to regionalization efforts.

Chris Cole inquired whether it was not disadvantageous thing for one community in a region to shoulder the complete responsibility for the debt structure of an enterprise like an airport when the advantages of its presence and operations benefit an entire region and, in this situation, an entire state. Frasca emphasized that the most important analysis was whether the facility was being well run and taking full advantage of the marketing and financial opportunities available to it.

Ed Colodny observed that from his business perspective, it would be better for the Airport to make sure that its current house was in order before launching a deep consideration of other governance structures.

Frasca also emphasized its work with BIA concerning the full funding of the Airport's debt service reserve fund, achieving full compliance with bond covenants after a failure by the Airport to meet coverage requirements, the development of industry acceptable airport financial statements and the preparation of more easily understandable airport budgets. Currently, in addition to providing consulting assistance regarding the impending bond issue, Frasca is

working with the Airport with regard to enhancing its concession agreements, particularly its rental car, food and beverage concessions; reestablishing executed airline use agreements, developing appropriate cash flow projections and assisting the Airport in developing industry standard information for the Airport's website.

Frasca noted that in general across the US, rating agency outlooks for the airport sector range between "stable" to "negative" based primarily upon the combination of airline consolidation, weak economic conditions and uncertainty over continued federal funding. They noted that at present, smaller airports such as Burlington were among the weakest sector of the airport industry, with significant concerns on the part of rating agencies such as Moody's and Fitch concerning such airports' liquidity and financial flexibility. They made note that while Fitch continued to rate BIA at the lowest level of investment grade, Moody's presently rates BIA at the highest level of "junk bond" status. They noted that BIA is the only publicly owned airport in the US that does not possess an investment grade rating from Moody's, and that there is significant, on-going and critical work that must be accomplished with Moody's to fundamentally change its view of BIA and restore its historic credit rating. They emphasized, however, that even Moody's has acknowledged that the Airport has accomplished a great deal in the last couple of years with regard to issues such as transparency, liquidity, meeting its debt service coverage and other bond covenants and generally improving its financial condition and its ability to explain it in a manner which reflects industry standards. The biggest task for the Airport will be to sustain these improvements for a sufficient period of time for analysts to believe that "a new normal" has been achieved.

A general discussion ensued among Committee members concerning what should be the primary focus of the Airport's attention. Frasca indicated a belief that the Airport was now concentrating on and securing success in appropriate areas.

Co-Chair Paul then distributed a projected timeline for the balance of the Committee's work with the stated expectation that its work and recommendations should be completed by the end of February, 2013.

She indicated that the next order of business would be a presentation to the Committee from High Star Capital concerning potential advantages of public/private partnership. Committee members suggested that it would be helpful to have Frasca present for this presentation and for subsequent Committee discussion about it.

There being no further business to come before the Committee, the meeting was adjourned at 7:30 p.m.

Joseph E. McNeil,
Committee Clerk

200030/72

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of December 13, 2012

Co-Chair CAO Paul Sisson convened the seventh meeting of the Committee at 5:46 p.m. on December 13, 2012 at the Hamilton Room of the Burlington International Airport. Present were Co-Chair Karen Paul, Committee members Jane Knodell, Jeff Schulman, Louise Stoll, Michael O'Brien, Vince Dober, Sandy Miller, Ann Beland and Ed Colodny. Also present were Counsel/Staff Joseph McNeil, Airport Staff members Gene Richards, Heather Kendrew, Bob McEwing and Ryan Betcher. Airport Commissioner Bill Keogh and South Burlington City Council Chairperson Roseanne Greco were also present, as were Michael Wheet and Adam Whiteman of Frasca & Associates, LLC.

The meeting agenda was first approved unanimously on motion of Karen Paul and Louise Stoll.

The Committee deferred on the acceptance of the minutes of the November 15, 2012.

There were no speakers at the public forum.

The Committee then received a presentation from Mr. Emmet McCann and Mr. Tim Reynolds of High Star Infrastructure Corporation concerning the topic of public/private partnerships for operation of public airports.

High Star indicated that its principal efforts involved raising capital for major projects in the United States and the world. They stated that they were currently in the process of finalizing in San Juan Puerto Rico the first fully integrated public/private partnership of a public airport in a decade.

They stated that the genesis for their work is derived from being involved the finance and operation of some 83 ports in the United States, including the major US ports at Baltimore, Maryland and Oakland, California.

From their perspective, a well-structured public/private partnership would involve an agreement with a public entity to operate a public facility such as an airport for a period of 30-50 years in exchange for some combination of up front capital payment and annual rental payments to the public entity. In exchange, the private partner would have exclusive management responsibility for the facility, its contracts, its personnel and its capital assets for the duration of the contract period. They pointed out that typically such a partnership does not involve the fee simple sale of the public assets, but merely the leasing of them for a substantial period of time.

They indicated that the major advantage to be gained by the public entity in addition to the financial payments was first class management with expertise relating to contracting, route development, etc. They noted that it was imperative that the public/private partnership agreement be most carefully drafted to have specific detail covering all aspects of anticipated operational, capital development and financial details. They noted that with regard to San Juan, the arrangement calls for a \$615 million up-front payment together with annual payments thereafter. The name of the entity in San Juan is Aero Star.

Jane Knodell asked whether the employees at the facility remain public employees the answer was that they become employees of the private entity. They noted that a carefully crafted agreement would involve an appropriate balance between regulation/contractual obligations on the one hand and freedom of movement for the private manager on the other.

Tim Reynolds then spoke to the major objectives of the process being as follows:

1. Complete understanding of long term goals and objectives between public entity and private partner.
2. Reasonable and manageable expectations on both sides so that a true partnership exists.
3. Complete commitment to the success of the project particularly with regard to the revenue sharing arrangement.
4. Ultimately, a win win relationship that reflects “a reasonable and understandable alignment of interests.”

Mr. Reynolds gave an example of how such an arrangement could go bad, with specific reference to parking arrangements at Chicago being not clearly thought through.

Aviation Director Richards asked High Star why Burlington would want to do something like this. They responded by indicating that they did not feel they were currently in a position to report on any analysis specifically relating to Burlington Airport, but instead were commenting generally on this type of arrangement and what it can achieve in appropriate circumstances. They indicated that much study would be necessary before a determination could be made that BIA would be an appropriate facility for this type of arrangement. They emphasized that they put great weight on such considerations as the continuity of management; the opportunity to grow roots and enplanement revenues because of their knowledge and connection to the industry; a continuous awareness of what’s important to passengers using airport facilities such as having food and retail in the right places; wise decisions regarding the utilization of capital assets and that this all be accomplished without degradation of security, safety, etc.

High Star pointed out that this type of an arrangement involves an exception to the normal rules and regulations that apply to publicly owned airports that preclude the diversion of

aviation derived revenues to other public purposes. They noted that specific FAA advance approval would be required concerning nearly every aspect of the partnership and that the private partner would need a “part 139 licensure.”

Ed Colodny asked whether the financial obligations created on behalf of an airport operating in this manner are joint and several between the private and public partners. The answer was that it would depend on the type of agreement that was structured. High Star saw its major strength as being able to enhance commercial revenue development and to maximize the efficiencies available through expert control of operating expenditures, keeping a focused eye on the bottom line at all times.

Jeff Schulman asked about specific governance relationships in the San Juan deal. The answer they are still being determined.

High Star also emphasized that it believes another strength it has is that on the basis of its financial experience operating and financing US ports it would anticipate being able to secure an investment grade rating for any financing at BIA.

Ed Colodny asked who were High Star’s major competitors in this arena. The answer was Morgan Stanley, Goldman Sachs, OP Trust, Veravall (a Spanish company) and McLory.

Karen Paul noted that the work on the partnership in Puerto Rico has already consumed 2.5 years, giving an indication of the amount of up-front due diligence that could be expected were BIA interested in this format.

Michael O’Brien inquired whether BIA would be regarded up front as an attractive market for this type of relationship and once again High Star noted that they haven’t proceeded that far with any analysis of BIA except to believe that there seemed to be significant opportunity for BIA to develop as an O&D market. They noted that with regard to Puerto Rico, JetBlue’s

commitment to a substantial concession agreement that was “balanced, fair and enforceable” was a very positive factor as was excellent political leadership that was committed to make the project be successful. They noted that a great deal of money had been spent in advance to most carefully evaluate the risks and benefits to both sides of such a proposed venture.

Ed Colodny asked High Star what it was looking for typically in terms of return on investment. They indicated that, given the risks they typically absorb, they would like returns in the low teens and would typically like a 50/50 debt to capitalization ratio. They noted that High Star is ultimately a fund that is part of portfolios such as the pension portfolio of the State of Oregon. It was formally a part of AIG but has been independent for approximately 14 years. Its interests in airports as an operating aspect is relatively new to the company.

As of this juncture, High Star was thanked for its presentation and its representatives left the meeting. Committee discussion ensued. The Co-Chairs indicated that Michael Wheet and Adam Whiteman of Frasca had been just most recently very helpful in securing the Airport revenue bond. They indicated that it might be very helpful for the Committee to hear Frasca’s take on the presentation that was just made.

Adam Whiteman indicated that he found the presentation interesting in that the High Star representatives seemed to stress exactly the same factors for success as those that the SPC and Airport Management, as well as Frasca have been indicating are essential for BIA’s future.

Michael Wheet noted that there are essentially three options for publicly owned airports, namely public operation in the form of a single governmental entity or a regional authority; private operation or some combination of the two. He noted that governance changes tend to be made when there is a desire to limit risk or a need to enhance efficiency. He stated that the

question for the SPC is whether BIA was itself capable of securing the listed objectives with good management and assistance to guide it.

Adam Whiteman noted that there is a major difference between operational environments at US airports and those elsewhere because of the direct involvement of the federal government in finance and regulation.

There was then a general discussion about the Committee's views concerning the best management structure for BIA into the future. Jane Knodell and Ed Colodny both pointed out that private management doesn't always mean the best management. Louise Stoll indicated a strong preference towards continuing to operate as a public entity but with a strong, independent governing commission that reduced a number of governmental layers. She asked for examples of very well run airports and was advised by Adam and Michael that both Dulles and National Airports in the DC area are particularly well run. She asked further about well-run airports that are approximately the same size as Burlington and Frasca made mention of Orange County, California and Augusta, Georgia with Orange County Airport being a department of county government and Augusta being managed by a strong governing commission.

Jeff Schulman emphasized his continuing concern about a single governmental entity bearing 100% of the financial risk for a facility that is at least regional if not of statewide significance.

Gene Richards noted that with more concentrated authority there may be opportunity to more effectively deal with existing demands and distractions such as taxi regulation and police services. Sandy Miller noted, however, that for a public entity "distractions" will never cease, that it is just a factor of public existence that there are a range of issues to be dealt with.

Louise Stoll noted that there is no way that an entity with as broad a responsibility mandate as the Burlington City Council will ever truly have sufficient time to run an airport. Her belief is that a more independent Airport commission is a governing methodology that should receive serious consideration from the SPC. Co-Chair Paul noted that it was the charge of the Committee to look at all governance models. Gene Richards stated that it would be very helpful to receive a more detailed and formalized review of the pluses and minuses of various governance formats from Frasca at the next meeting. The Committee agreed.

Jane Knodell requested that the Committee be given copies of the Fitch & Moody's ratings analysis in connection with the most recent bond issue as well as the Official Statement that was prepared for that issue.

The next meeting was set for January 10, 2013.

There being no further business to come before the Committee, the meeting was adjourned at 7:40 p.m.

Joseph E. McNeil,
Committee Clerk

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

Meeting of January 10, 2013

Co-Chair Councilor Karen Paul convened the eighth meeting of the Committee at 5:30 p.m. on January 10, 2013 at the Hamilton Room of the Burlington International Airport. Members present were Co-Chair Paul Sisson, Jane Knodell, Jeff Schulman, Louise Stoll, Michael O'Brien, Vince Dober, Jeff Munger, Sandy Miller, Chris Cole, Ernie Pomerleau and Ed Colodny (by telephone). Also present were Counsel/Staff Joseph McNeil; Airport Staff members Gene Richards, Heather Kendrew, Bob McEwing and Ryan Betcher; Airport Commissioners Bill Keogh and Gene Palumbo. South Burlington City Council Chairperson Roseanne Greco and Bill Porter, Ted Child, Brad Worthen, Brian Sprague and John Briggs. Adam Whiteman from Frasca & Associates, LLC was also present.

The meeting agenda was first approved unanimously on motion of Sandy Miller and second by Louise Stoll.

There were no speakers at the public forum.

The Committee then dealt with the minutes of the November 15, 2012 and December 13, 2012 meetings. Chris Cole raised a question about the meaning of the term "BIA" in the minutes and whether it was separate and distinct from "BTV." Mr. McNeil indicated that they were the same and that the minutes would be consistent on that point. Sandy Miller noted that he had made a request on behalf of South Burlington to receive the Frasca report that will be discussed this evening in advance for discussion with his City Council and posting on the South Burlington website. He noted that this request was neither noted in the minutes nor complied with. Mr. McNeil stated that the minutes would be amended to reflect this request and would attempt in the

future to make sure that such requests by members are met. With the minutes so amended, they were approved unanimously on motion of Louise Stoll with second from Chris Cole.

Mr. Adam Whiteman of Frasca & Associates then made a presentation to the Committee concerning governance options. His PowerPoint presentation had been distributed to Committee members in advance and additional copies were made available to those present so that they could follow along with him. Adam noted that the SPC had been created by resolution of the Burlington City Council on recommendation of Mayor Weinberger. The Committee charge was to develop a strategic plan to strengthen the Airport and ensure that it remains a major economic driver for the State of Vermont.

Mr. Whiteman stated that per the Committee request, Frasca had analyzed four options for airport governance. The first was to maintain the status quo as a City department with an advisory Airport Commission. The second was to create a strong, more independent Airport Commission but still ultimately within the jurisdiction of the City. The third was to create a new regional airport authority consisting of representatives from Burlington, perhaps the State of Vermont and perhaps other local jurisdictions impacted and assisted by the Airport. The fourth option was privatization, involving the sale or lease of the Airport to a private entity in exchange for a capital payment and/or annual revenue stream to the City of Burlington.

Adam noted that nearly all of the commercial airports in the United States are publicly owned and are operated under several different models, namely operation as a governmental department or unit under the auspices of a city, county or state; operation as a distinct airport authority reporting to an appointed governing board, or operation as a consolidated authority which may also include other facilities such as port and mass transit operations.

With regard to regional authorities, Adam noted that they are either created initially because of a belief that the form represented the best type of governance for the particular airport or in order to meet coordinated economic development goals. The alternative reason for creation of regional airports has been to implement perceived operating efficiencies, eliminate deficiencies created by single ownership and to meet other political or structural objectives. Often, the benefits cited from regionalization are the removal of local political considerations, streamlined decision making, the perception that there is an increased ability to attract and retain a more professional staff at competitive compensation levels and the opportunity to allow for the inclusion of all affected jurisdictions in the operation and management of the facility.

Frasca's outline presented the historical background of several regional authorities and their operating history as well as noting that privatization has not been a major activity within the United States because of available financing for airports from the federal government, restrictions on the use of sale proceeds and federal grant dollars and the desire on the part of governmental entities to maintain ownership and operation of prestige assets. He did note that privatization in the US has sometimes involved private party financing of particular facilities such as the international terminal at JFK that was privately developed at a cost of \$950 million and then involved in a lease transaction. He also noted that FAA involvement and approval is required in connection with any privatization, with the FAA having a very detailed list of necessary aspects.

Adam then proceeded to comment more specifically on each form of governance. For each form, he presented a "SWOT Analysis" which noted the strengths, weaknesses, opportunities and threats for each type. With regard to preserving the status quo, he noted the familiar structure and the history of the Airport. He also noted that no changes in enabling

authority would be necessary to continue this form of operation. As weaknesses, he noted that the Commission has no direct power over Airport management; that the Airport benefits the entire region but administrative and financial responsibility rests solely with Burlington; that commingling City financial operations with Airport revenues poses credit concerns and at least more recently the Airport has lacked management continuity. For opportunities, he noted that the City's new accounting package allows for better financial management; that the Airport's comparatively low cost structure provides opportunities for new air service and that revenue opportunities also exist from negotiating new business relationships. As for threats, he cited the Airport's pattern of credit deterioration which has not been rectified and a loss of air service resulting in part from a lack of management oversight.

Michael O'Brien asked for the reason why the City changed from the stronger commission form of government to the present status of advisory commissions. Mr. McNeil answered that as he recalled, the thought in 1999-2000 was that authority, responsibility and accountability was diffused to the point that "everybody's business was nobody's business" and that the creation of a true chief executive officer in the Office of the Mayor and an absolute policymaker for the entire City in the City Council would help to eliminate those concerns. Mayor O'Brien asked whether the operation of the Airport had been generally successful or unsuccessful prior to this conversion. Mr. McNeil stated that the Airport had generally operated on a successful basis between its creation in the 1920's and 2000 under the commission format, and that the governance changes took place throughout all City operations and were not motivated primarily by a perceived need to change the Airport's status.

Gene Richards noted that the current Mayor has been very knowledgeable of and helpful to the securing of necessary changes in Airport operations, capitalization, borrowing needs and revenue enhancement.

Chris Cole stated that while this help from the Mayor is obviously advantageous, it is not necessarily a good idea to design a governance structure on the basis of the status quo because mayors come and go, and some are more helpful and supportive than others. He spoke to his ten-year management of CCTA and the benefits he believed were attained by the organization because it had representation from all the communities receiving and impacted by its services who elected to join. He noted that at its commencement in the early 1970's it served only four communities and it has had great expansion between that time and the present. Both Sandy Miller and Mayor O'Brien commented that as former CCTA Commissioners they felt that its governance structure worked very well for its members. They did note differences in budgetary authority between CCTA and the Chittenden Solid Waste District. In answer to a question from Ed Colodny, Chris Cole indicated that the financing model of CCTA, which is based upon property, taxation was common in New England although not so in the rest of the country.

Frasca then covered the option of re-creating a "strong commission" governance format. Adam noted that under this form the City of Burlington would remain the legal owner and operator of the Airport, but the commission would be reconstituted in a manner more consistent with its historical role as having extensive responsibility for all aspects of Airport management. Under this model, for example, the Commission rather than the Mayor would appoint the Director of Aviation. Adam further noted that there were two models under which this format of a strong commission could operate. Under the first, the Airport's finances would be entirely segregated and controlled by the commission. He noted that there would have to be a plan to

develop adequate cash reserves and borrowing capability that could be implemented at the time of the transition from the status quo. Future Airport funding would continue to come from AIP grants and PFC revenues, together with revenue bonds for capital improvements and contract revenues. Under this format, the Commission would approve the annual budget, would supervise the annual audit of the Airport and would approve all contracts subject to overarching City policies. The alternative would be to continue to run the Airport's finances through the City's financial department and to continue the periodic reliance of the Airport on City finances for short-term liquidity. Under this structure, budget and audit approval would remain with the City Council and the City Council would approve contracts. The Airport Director would continue to be appointed by the Mayor with the approval of the City Council.

Mr. Whiteman outlined the implementation schedule for such a change in format that would involve alterations to the City charter which would require City Council, voter referendum, legislative and the Governor's approval. It was estimated that it would be essentially impossible for this process to be completed prior to July of 2014.

In terms of the SWOT Analysis for a strong commission, its perceived strengths were streamlined administration, direct staff accountability to the Commission and the potential decrease in the politicization of Airport operations. Its perceived weaknesses were the time necessary to build up the appropriate cash reserves; its continue credit linkage to the City of Burlington and the City's responsibility to effectuate the transition to more significant commission authority. Its opportunities were as an interim step towards further governance changes such as regionalization which may be more administratively and legally complicated; the possibility of short-term, results-oriented change and an enhanced credit rating. The threats

were the uncertainties of voting outcome and the length of time necessary to build up appropriate reserves.

Adam Whiteman then covered the legal implementation steps that would be necessary for the creation of a regional authority, including the amendment of the Burlington City charter through a process of City Council consideration, referendum approval by the Burlington voters, legislative passage and approval into law by the Governor. He noted that there would also most likely have to be general legislative authority granted for the State of Vermont to become a partner in the enterprise with Burlington and the other participating municipalities. He observed that FAA approval would also be necessary for securing an airport operating certificate by the authority.

With regard to Frasca's SWOT Analysis, he indicated that the estimated strengths for the regional authority would be streamlined administration, direct accountability to the authority board and no direct linkage to the City of Burlington's credit. As for weaknesses, Frasca observed that it was uncertain as to how many potential authority members would either want or be able to contribute towards the authorities necessary financial reserves. In answer to a question from Chris Cole, Adam Whiteman estimated that to best enhance its credit rating, the regional authority should build up and maintain reserve sufficient to cover at least 365 days of operations. He also noted that other weaknesses were the perception/reality of loss of City control; the need to determine the methodology and amount of appropriate reimbursement to the City of Burlington for its investment; and the prospect of increased politicization as regional priorities were debated. For opportunities, he mentioned the possibility that authority members could share in financial responsibility, the potential reduction in Airport property tax liability and the possible improvement in the Airport's credit rating. Timing issues and uncertain vote outcomes

were listed as a threat to the authority approach, as well as uncertainty as to the rapidity reserves are built up and the method for determining member contributions is developed and implemented.

Mr. Whiteman also made reference to his outline with regard to privatization, but did not spend a great deal of time on this option because of the Committee's discussion at the last meeting.

Much Committee discussion followed concerning the advantages/disadvantages of status quo, strong commission and regional authority formats. Commissioner Keogh noted that under existing authority it was legally possible for the City Council to re-delegate aspects of governance to the commission, as had already occurred with regard to the authority to enact Airport rules and regulations and to administer personnel issues. Mr. McNeil confirmed that this was indeed allowable under the "governance" charter changes of 2000, but that where specific changes were made in the City charter such as Mayoral appointment of the Aviation Director, these changes could not legally be altered by City Council resolution.

It was also noted by Mr. McNeil that there was less permanency to a re-delegation by resolution which would be subject to change from year to year than would be the case with a charter amendment which requires the process outlined from City Council to legislative approval.

Commissioner Keogh also noted that the regional authority model could provide for weighted voting based upon established criteria for its member communities.

Ed Colodny observed that whether the entity running the Airport was the City Council, the Commission or a regional authority, it was impossible to think that political considerations would be removed from the arena, but would in fact always be present.

Co-Chair Sisson asked Mr. Whiteman how long it would likely take for FAA consideration and approval and bond holder approval to be gained in a transition to a regional authority. Adam indicated that bond holder approval would probably be the more complicated and time consuming process, but it was hard to figure that either approval would be gained in less than a year's time. Louise Stoll noted, however, that the FAA process was often subject to the influence of a state's congressional delegation and can be either quite fast or quite slow depending upon the political pressure applied. She therefore noted the importance of achieving a buy-in from the congressional delegation for whatever direction was ultimately determined.

Ed Colodny asked whether the Airport would likely need to be renamed if it became a regional authority but Adam noted that in most situations the name of the facility has remained the same despite a governance conversion.

Jeff Schulman wondered what the actual standards for approval by FAA and bond holders was likely to be. Adam responded that the FAA would be primarily interested in making sure that grant assurances and safety were not adversely impacted. The bond holders would want to make sure that their credit risk was improved or remained the same as opposed to being diminished.

Mayor O'Brien noted that from what he has been hearing, it seemed that reversion to a stronger commission format might be the best approach, at least in the short term, because it would involve the least amount of legal change and necessary approvals. He observed that the Airport did appear to grow and develop without major problems under this format between the 1920's and 2000. He indicated that in connection with such a change, he would like the City of Winooski to be granted a seat on the Commission because of the Airport's impacts on that City. He noted, however, that Winooski would most likely not be in a position to make a significant

financial contribution to the development of the Airport's cash reserves. He also noted that he was intrigued by the possibility of the State of Vermont becoming a member with Burlington and perhaps other communities in a regional authority, and thought this option was worth exploring in greater detail.

Vince Dober observed that in his judgment, the City of South Burlington has the most to gain or lose depending upon the form of governance that is ultimately decided upon and the enabling authority.

Sandy Miller emphasized that he would not feel empowered or comfortable in taking a position concerning the alternative formats until he had an adequate period of time to discuss the various options and the ramifications thereof with his City Council. He noted that "the devil would be very much in the details" of whatever charter changes or other enabling authority was constructed, and that South Burlington would definitely want to be significantly involved in the consideration, crafting of such legislation.

Co-Chair Karen Paul wondered whether it was truly an appropriate comparison to look at the transit authority as a model for the Airport, particularly with reference to such issues as taxation authority. It was agreed there were both similarities and differences.

Ed Colodny wondered about the capital needs of the Airport over the next five years. Gene Richards and Bob McEwing indicated that, at least as of the present, no major capital indebtedness was in contemplation during this timeframe that could not be covered by either the \$3.5 million received annually in federal AIP funds or the \$3 million received annually from passenger facility charges. Gene Richards noted that there would most likely continue to be some marginal revenue losses between now and next June, but thereafter he anticipated significant revenue enhancements from Airport operations. Mr. Colodny followed up by

observing that it did not seem that a change in governance structure was necessary in the near term to improve needed access to capital.

Chris Cole, however, noted that the Committee should not be blinded by the present lack of need and find itself in a future situation where it has not fully considered its options for the future, and have to act precipitously. He believes that it is important for the Committee to use this opportunity to fully vet the alternative structures and to carefully select that which best meets present and future needs, including the spreading out of risk.

Jane Knodell made reference to the original "White Paper" which provided the incentive for the creation of the Committee. She urged that the Committee not overlook the need for those responsible for the governance of the Airport to also be fully informed as to the needs of the Vermont economy. She urged that the Committee adopt a governance structure that would best support economic development on a regional basis and be clear about who has the responsibility and who has the accountability.

Ernie Pomerleau stated that although there was not sufficient time left at this meeting, he felt it was imperative for the Committee members to "get 10,000 feet above the detail" and fully discuss which of the options is best for Airport governance, Airport development and overall economic development for the region and the State. He also wondered whether it was imperative that new permanent management for the Airport be on board to assist with this analysis. He noted that if the governance structure was to change, significant attention would need to be paid to fair investment recovery for the City, but that the City could not expect to be earning a return on dollars that were provided by the US government.

Gene Richards noted that this was a historic opportunity to deliberate as to the types of decisions and types of business relationships that have historically harmed the Airport in order to

prevent such history from repeating itself. He indicated he has lots of ideas as to changes that ought to be made and that are being made at the Airport, but feels a large need for this process to conclude by further insulating the Airport from risk that it now must absorb.

Co-Chair Paul indicated that this represented a good transition point for the next Committee meeting which will involve hopefully a full discussion of the members' views concerning the best option to select for the future. She noted also that if there were any on-going questions for either Adam Whiteman or Gene Richards prior to the next meeting, such questions should be channeled through the Co-Chairs for answer. Bill Keogh then complimented Adam Whiteman on the thoroughness of his presentation and materials. Vince Dober noted that he would like to have a better understanding of why the City felt it necessary in 2000 to change from the commission form to the present form, and why a switch back would represent an improvement at this juncture.

Co-Chair Paul noted that the Committee also had to deal with the outstanding RFP for consulting services. She stated that there had been four bidders who had bid prices ranging from \$60,000 to \$126,000 of cost, while the Airport was hoping for bids in the range of \$30-50,000. She observed that as presently constituted, the City could not afford the bid cost and needed to develop an alternative. Mr. McNeil noted that it was legally necessary to preserve a level playing field among the bidders so that none were disadvantaged by a change in protocols.

Ernie Pomerleau suggested that a subcommittee be created to deal with this problem, focusing upon available revenues, the timing of the program and the Committee's priorities, suggesting that perhaps the governance consideration could be deleted from the scope of work. Sandy Miller and Chris Cole both observed that the subcommittee also ought to develop a ranking methodology to evaluate the proposals. Jane Knodell, Ernie Pomerleau, Louise Stoll,

Jeff Schulman, Sandy Miller, Jeff Munger and Chris Cole agreed to serve as the subcommittee with assistance of the Co-Chairs and Committee staff. Mr. Colodny observed that if there was not at least \$50,000 worth of work made available, no skilled consultant was likely to be interested.

The next meeting was set for January 24, 2013 at 5:30 p.m.

There being no further business to come before the Committee, the meeting was adjourned at 7:30 p.m.

Joseph E. McNeil,
Committee Clerk

200030/72

BURLINGTON INTERNATIONAL AIRPORT
STRATEGIC PLANNING COMMITTEE

MEETING OF JANUARY 31, 2013

The Airport Strategic Planning Committee meeting for January 31, 2013 was convened by Co – Chair Paul Sisson at 5:45 PM at the Hamilton Room of the Airport. Present were committee members Karen Paul, Paul Sisson, Vince Dober, Chris Cole, Jeff Munger, Jane Knodell, Louise Stoll, Ann Beland and Jeff Shulman. Also present were staff members Joseph McNeil, Gene Richards, Bob McEwing, Heather Kendrew and Ryan Betcher, Commissioner Bill Keogh, South Burlington City Council Chair Rosanne Greco and BFP reporter John Briggs.

Upon motion of Vince Dober and second by Louise Stoll the meeting agenda was approved.

There were no speakers at the public forum.

Upon motion of Vince Dover and second by Jeff Schulman the minutes of the meeting of January 10, 2013 were approved.

Chris Cole reported on the deliberations of the subcommittee that was appointed to review the RFP and responses. He noted that the proposals were substantially in excess of the available budget and that consequently there should be a motion made to reject all of the bids. He also reported the subcommittee's view that the final adoption of the SPC should be put off until a new Director of Aviation was on board. Finally, he noted that the question of future Airport governance could be separated from other SPC considerations and continue to proceed to the point of a recommendation

Mayor O'Brien asked what the implications would be a putting off the strategic plan adoption process until a new director is on board. He asked how much the work of the committee would be delayed. Paul Sisson indicated that the committee would extend its time until completion of the Committee's work, assuming the Committee agreed with the delay. Karen Paul agreed that the Director should be on board before the SPC report is finalized, but that the work of the Committee should not stop. She believed that the governance consideration should continue and that there was more work generally concerning of the strategic plan that the committee could accomplish on it's own.

Louie Stoll asked what it would take to change the governance of the airport. Joe McNeil stated that it would require either a resolution for a nonpermanent type change or a charter change process for a change with more permanency. Vince Dober indicated that the Committee should stay focused upon governance in the short term. Gene Richards noted that we should look at the changes that have already occurred since the Committee convened and concentrate upon matters yet to be accomplished. Vince suggested the Committee should take out the original list of charges from the City Council and check it against the progress made. Mike O'Brien agreed and said the committee should step back and develop a new game plan for itself.

Luis Stoll asked Gene Richards to explain the big changes that have occurred since the Committee began its work. Gene indicated that much has been accomplished in terms of financial management and record keeping; that marketing is about to be enhanced with the addition of a marketing person and a more aggressive advertising plan; that enplanements should be helped. Especially in the long term, with the new Delta service to Atlanta and that significant assistance was now being given to the Airport by the Mayor's office. Louise said all these points were excellent, but not representative of the contents of a strategic plan. She thinks it is imperative that the committee decide its position and make recommendations concerning the Airport's future relationship with the Mayor, City Council and municipal governance structure, as well as its relationship with the State of Vermont and neighboring communities.

Jane Knodell observed that the Committee has, however, identified strategic issues and can identify them for the consideration of the new Director and the Airport Commission. Vince agreed with Jane that it made sense to proceed to the creation of a plan.

Chris Cole and Paul Sisson both recommended a focus on governance in the short term, and then a concentration on the charge issues would make sense. Chris stated that the Committee had still not made even a preliminary report to the mayor concerning governance nor received the benefit of the Mayor's thoughts on this issue. Louise agreed on the process of consideration, indicating she was not sure there was even yet any consensus on the Committee as to the best Airport governance structure for the future.

Vince expressed the belief that the Committee should be listing the expectations that should be present for the Airport and that it should contrast or compare those expectations with those typically present in an airport of Burlington's size. He noted that there had already been some great commentary with regard to marketing and increased enplanement needs.

Jeff Shulman emphasized that the Committee ought to be putting forth its vision for the future and should indicate what it believes is necessary for the Airport to both survive and thrive. He stated this was his view of a strategic plan. Jane Knodell indicated that the Committee should start with a vision statement, reference the goals of the Airport and then speak to practical steps that could be taken to achieve the goals. Chris Cole noted that it would be helpful to have the assistance of a facilitator with regard to the development of the strategic plan. There was general consensus that Adam Whiteman would be an excellent facilitator for the group and Gene Richards stated that once negotiations were completed concerning the continuation of Frasca's a contract Adam would be made available to assist the Committee.

The committee then heard from Mr. Guy Rouelle who is a Division Director of Airports for the Vermont Agency of Transportation. Guy presented a proposed organizational structure for a partnership between the Airport and the State. He noted that there were many potential advantages to be gained through cooperation and partnership, particularly with regard to economies of scale, equipment sharing, maintenance facilities, finances, block purchases, including the purchase of fuel and perhaps enhancing the opportunities for FAA grants as well. The committee was interested in exploring these potential sharing advantages.

Jeff Schulman asked whether an advantage of partnership with the state could well be the reduction or elimination of taxes paid by the airport. Joe McNeil explained the statutory standards for taxation all of land owned by one municipality but located in another. Gene Richards observed that he saw the potential for reduced expenses and enhancement of revenues in several areas including such items as electrical use savings and SMURF funding. Chris Cole stated that Vermont has been very aggressively using SMURF funding for energy improvements. Mr. Rouelle handed out a report on containing these possible savings for the consideration of the Committee.

Louise Stoll asked what the downsides of a partnership with the State might be. Karen Paul recommended that the committee revisit the analysis performed by Adam Whiteman. Chris Cole indicated that it would be possible to have both the new partnership with the State and participation by other all interested municipalities.

On motion of Vince Dober and second by Jeff Monger the Committee voted to region reject all of the RFP bids.

It was agreed that the next meeting of the committee would be February 21 at 5:30 PM and that the committee would work on both a governance recommendation and the draft vision statement.

On motion of Vince Dober and second by Chris Cole the Committee voted to adjourn the meeting at 7:40 PM.

Respectfully submitted,

Joseph E. McNeil, Clerk

200030/72

Sent from my iPad

Burlington International Airport
Strategic Planning Committee
Meeting of March 7, 2013

The Airport Strategic Planning Committee Meeting for March 7, 2013 was convened by Co-Chair Karen Paul at 5:15 PM. Committee members present were Karen Paul, Michael O'Brien, Ann Beland, Louise Stoll, Jane Knodell, Ed Colodny (by phone), Eernie Pomerleau and Jeff Schulman by Skype (from Israel). Also present were staff members Joseph McNeil, Gene Richards, Heather Kendrew, Ryan Betcher and Steve Gregg. Frasca & Assoc. principal Adam Whiteman was also present, as was South Burlington City Councilor Roseanne Greco.

The agenda for the meeting and the minutes of the January 31, 2013 meeting were approved.

There were no speakers at the public forum.

Co-Chair Paul indicated that the purpose of this meeting was to try to accomplish a SWOT analysis and to look at the draft mission and vision statements, items one through three on Adam Whiteman's outline. She indicated that Adam would serve as facilitator for the meeting.

Adam and the Committee members then outlined the Airport's strengths as follows:

1. Experience of the staff
2. A generally positive airport/airline relationship
3. The airport terminal facility and other infrastructure are in great shape.
4. The airport is a major economic driver for northern Vermont.
5. The airport has good accessibility.
6. The airport has a good customer base with 1.8 million people within one hour and 5.8 million people within two hours if Montréal island and metro area are included.
7. The airport's association with the Vermont Air National Guard with the Guard providing crash, fire and rescue services.
8. The airport has enjoyed relative stability and decent diversity of air carriers.
9. The airport's parking garage is an excellent facility and an excellent revenue generator.
10. The airport relationship with the City of Burlington as its owner is a positive relationship.

11. The excellent connection to bus service with Greyhound's terminal being right at the airport.

Mr. Whiteman and Committee members then identified the weaknesses of the airport as follows:

1. Two separated TSA locations to reach airport gates.
2. Public relations and marketing have not been as robust as could be the case.
3. There is insufficient staff capacity for the responsibilities exercised by the airport, with existing staff talented but over-burdened. .
4. The lack of an executed airline use agreement creates uncertainty and risk.
5. The governance relationship between the airport and the City of Burlington is overly complex and multilayered.
6. The airport's limited liquidity and its non-- investment-grade bond rating stress the airport's ability to access major financial markets at reasonable cost.
7. The uncertain financial and regulatory relationship between the airport and the City of South Burlington create risks.
8. The airport's historic political hesitancy in raising rates and charges to sufficient levels is problematic.
9. The lack of a permanent, stable management team.
10. The lack of a direct access to the airport from interstate 89.
11. The lack of a fully healthy mixture of FBO's at the airport.
12. The lack of recreational activities available for stranded passengers at the airport.

Mr. Whiteman and the Committee members then referenced the Opportunities for the airport, which included:

1. The expansion of its customer base through more aggressive marketing.
2. The preservation of its existing customer base through the same method.
3. Improving the governance structure of the airport.
4. The presence of additional airport land available for development.
5. The potential to save operational costs in areas such as taxes and public safety services.

6. The advantage that might be gained through cuts in federal funding to competing smaller airports.
7. The additional revenues that could be gained by smart development of the airport's industrial park and other properties.
8. The potential to work more closely with travel agencies to make Burlington a destination.

Mr. Whiteman and the Committee members then spoke concerning the threats that existed with regard to prosperity at the airport, as follows:

1. Competition from proximate airports including Plattsburgh, Manchester, Albany and Montréal.
2. The airport's credit rating deterioration and its continued limited financial flexibility.
3. The rapid rise in airline ticket prices.
4. The relatively slow population growth in Vermont.
5. Legislative changes in Canada which might reduce taxes and fees for flying from Canadian airports.
6. Noise issues relating to the airplanes flown by the Air National Guard and late night commercial service into the airport. .
7. The possible loss of federal revenues from the US aviation program as a result of budget cuts.

Co-Chair Paul then passed out the draft of the mission and vision statements. She asked the committee members to look at these documents carefully between now and the next meeting, and to offer suggestions at the next meeting for improvement.

Co-Chair Paul indicated that the next meetings of the committee would be on March 21, April 4, April 18 and May 2, with a final meeting planned for May 16, at which the committee's work would be completed and its final recommendations made.

The meeting was adjourned at 7:15 PM.

Respectfully Submitted,

Joseph E. McNeil, Clerk

Burlington International Airport
Strategic Planning Committee
Meeting of March 21, 2013

The Airport Strategic Planning Committee meeting for March 21, 2013 was convened at 5:45 PM at the Burlington International Airport by Co-Chair Karen Paul. Present were committee members Ann Beland, Michael O'Brien, Karen Paul, Paul Sisson, Louise Stoll, Pam McKenzie, Jeff Schulman, Ed Colodny (by phone), Ernie Pomerleau and Chris Cole. Staff members present were Joseph McNeil, Gene Richards, Heather Kendrew, Ryan Betcher, Adam Whiteman, Bob McEwing and Airport Commissioner Bill Keogh.

Approval of the minutes of the March 7, 2013 meeting were deferred.

Co-Chair Karen Paul welcomed new South Burlington City Council President Pam McKenzie to membership on the committee and Pam in turn indicated her pleasure in serving on the committee.

Mr. Dan Casey spoke at the public forum and thanked the committee for its hard work.

Co-Chair Paul thanked committee member Jeff Schulman for his dedication through participation in the last meeting from Israel during the early morning hours.

Karen Paul then indicated that with significant assistance from Adam Whiteman, the seventh draft of the committee's report had been prepared. It was distributed. The report is dated May 16, 2013, which is the expected final meeting date for the committee. Mr. Whiteman noted that the report now contains a recitation of the committee's charge from the Burlington City Council together with the participants in the process. He also noted that with regard to the SWOT analysis, several of the listed items could occur in more than one category or could straddle the lines between the categories. Committee members agreed.

The committee members went through the draft report page by page, and generally approved its format and contents. It was agreed that the draft report would be incorporated into the meeting minutes.

Director of Aviation Gene Richards reported that the airport was very active in its efforts to maximize the advantages possessed by the airport both with regard to convenience and price. He made particular mention of the new Skinny Pancake restaurant facility and noted that its initial business volume has been twice what was anticipated.

Airport Planning Director Bob McEwing urged the committee members to pay particular attention to the existing Airport 2030 Plan as it is crafting its Strategic Planning Committee findings and recommendations.

Director Richards noted that there was a good dialogue occurring now between the airport and South Burlington with regard to the issues that had been dividing the two entities.

Committee members spoke to the need for the plan to have a decent glossary of the terms that they have now become accustomed to using, but which may not be familiar to the public.

Co-Chair Paul indicated that because of the DBA dinner scheduled for April 4, the next meeting of the committee would be held on Tuesday, April 9. She also indicated that the topic of airport governance would occur again on April 18. She emphasized the importance of this meeting in terms of making a governance recommendation.

Co-Chair Paul also noted that a presentation to the Burlington City Council of the committee's work and its recommendations might occur on May 20, 2013. If this could not occur, such report would occur at the regular June meeting of the City Council.

Director Richards reported that Ryan Betcher had emerged as the best candidate of many for the marketing position at the airport, and that he had accepted the position. He was congratulated by the committee members. Mr. Richards also pointed out that there was a very strong candidate who spoke French fluently, and that it was his intention to call her back to see whether an arrangement could be worked out for her to also work on behalf of the airport.

There being no further business to come before the committee, the meeting was adjourned at 7:33 PM.

Respectfully Submitted

Joseph E. McNeil, Clerk