

MINUTES
BOARD OF AIRPORT COMMISSIONERS
Wednesday, December 17, 2003
5:00 P.M.

PRESENT:

Robert Miller
Gordon Watson
Huck Gutman
Miro Weinberger

John Hamilton
Tamara Gagne
Robert McEwing
Heather Kendrew

Beth Demers, Kelher, Samets, Volk, Rich , Kelher, Samets, Volk

The meeting was called to order by Mr. Miller, acting Chairman, at 5:30 p.m., with all but Mr. Watson present.

MARKETING STUDY:

JJ advised that the findings of the authorized study were presented to him last week and that Kellher, Samets & Volk representatives would provide a brief review. Beth Demers made the flip chart presentation and advised that they had conducted a series of in depth phone interviews with 36 different people who had used either the Burlington Airport or one of the other five competing airports used for the survey.. The objectives of the study were to define whether BTV should commit to systematically market itself, what message, and to whom/where. The conclusions that were reached by this interview process were that price and convenience are the main deciding factors. They also determined that BTV has a positive reputation and is the favored airport in the area, but the perception is that BTV is less convenient and more expensive. Manchester was very well known and associated with SouthWest. K,S &V are recommending a systematic marketing of BTV's facility, accommodations, its affiliation with jetBlue, convenience of location and expanded and new facilities to include the highlight of # of flights, frequencies, etc. to keep Burlington at the 'top of mind'. Beth further advised that every interviewee who had used BTV expressed that when they returned to the Burlington Airport they felt like they were 'coming home'. Targets for these messages is in the fringe areas of the three airports – north of VT/NH border, Rutland, White River/Lebanon, and

southern Quebec. Rich stepped in and offered that the next step would be to reach out to the outlying areas, put together a marketing plan and implementation budget, and bridge the awareness gap. First, K,S & V would proposed a strategic plan with a communication strategy and then public relations plan (radio, direct mail, etc.). Bobby Miller questioned how many of the calls made were to frequent flyers. Beth responded that interviewees were screened and had to have flown out of one of those airports in last year – not necessarily frequent flyers, but had flown at least 3 times

(Bill Ellis, McNeil, Leddy & Sheahan entered the meeting approximately half way through the presentation)

Gordon Watson entered the meeting.

Mr. Miller advised K,S&V that the Commission would take their study and recommendations under advisement. Beth and Rich left the meeting.

AVIATRON/BUILDING SIX:

Aviatron continues to lease Building Six hangar, however, the office area and one half of the hangar is not being used. They have asked for a rent reduction for those reasons. Mr. Hamilton advised that, the Airport needs heated space for its new vacuum sweeper, and proposes to lower the rent by half, with the caveat that the other half of the hangar be available for storage of the sweeper. Current rent is \$2000/mo. The proposed rent would be \$1000 per month.

Motion made by Huck Gutman to accept the proposed rent change.
Seconded by Gordon Watson. All were in favor.

UNITED AIRLINES BANKRUPTCY:

United has asked airports, to whom they owe pre petition debt, to partnership with them as they exit from bankruptcy , by accepting a lower payment. This payment would be paid in one lump sum immediately after accepting the lease to continue operating. This plan is opposed to making a full payment of pre-petition, paid off over the remaining term of the lease. The amount for Burlington is approximately \$13,000 less than the full amount. JJ proposed that the Airport accept the offer, thereby receiving the

money up front, as opposed to partial payments over a three year period. Discussion. JJ feels that this concession would provide for a good deal of good will. Discussion.

Motion by Gordon Watson to accept the proposal offered by United to pay a portion of their pre-petition debt as explained by JJ. Discussion. Seconded by Huck Gutman.. All were in favor.

STORMWATER CONTRACT:

Mr. Hamilton requested approval of the contract to upgrade the stormwater system as part of the general permit requirements. Heather Kendrew presented the particulars as follows: Five bids ranging from \$90, 775.00 to \$218,889.00 were received. The low qualified bid is from Don Weston Excavating for \$90,775.00. This expense will be covered by AIP. This contract will cover three separate projects – #1 convert the existing oil water separator to a sediment separation basin, #2 – replace north outfall structure which has collapsed since it was installed, #3 – rebuild stormwater pond that was done in the 80's – to conform with permit requirements – Mr. Watson asked whether the rules under which we are making these modifications could change again? Explanation by Bobby Miller that the airport may be subject to further requirements when other permits are renewed. The project is AIP eligible which leaves the airport portion estimated at \$3500. Commission discussed why there is such a large difference in bids? Ms. Kendrew responded that it had to do with how each individual contractor was approaching the resolution to the projects. Bobby Miller also indicated that cost may be a factor of contractors not being able to provide sufficient supply for the demand. Discussion.

Motion by Huck Gutman to approve the contract with Don Weston Excavating for the referenced stormwater upgrades and repairs. Seconded by Gordon Watson. All were in favor.

SANTOS AND A.N. DERRINGER

Mr. Hamilton advised that Nick Santos has been operating a flight school as a sub lease out of Building Six. Due to the expansion of the south ramp, his school was conflicting with the air carriers, and it needed to be relocated. A.N. Derringer has been wanting to reduce its square footage area in Building 880. There is ample room on the building 880 ramp for the Santos

aircraft, and both Santos and A.N. Derringer are agreeable in re-allocating the space in Building 880. Both agreements would be month to month. JJ recommends adoption and indicated that there was no loss of income to the airport. Huck Gutman questioned how flight schools are operated as relates to security in light of September 11. JJ responded that FAA is in charge of flight schools and must adhere to whatever rules they impose.

Motion by Gordon Watson to approve the proposed changes. Seconded by Huck Gutman. All were in favor.

JETBLUE SPACE REQUEST:

Jetblue has requested use of the area vacated by American Eagle, as of the first of January, which is adjacent to their current ticket counter area. As is customary, whenever an airline starts new service and/or adds service, a no rent period of time is granted. Three months has been customary. Jetblue has asked for more consideration in order to make the third frequency as viable as possible and would like to ask for an additional nine months of free rent. Discussion. Huck very concerned about setting a precedent. Discussion. Bobby Miller thinks that use of vacant space is acceptable. Discussion.

Motion Gordon Watson to allow the use of the contiguous office and bag make up area rent free for a period of seven additional months starting April 2004, up and until that space is requested or needed for other rental purposes. At said time, jetBlue would be required to pay rental for the space or vacate. Seconded by Huck Gutman. Discussion. Difficult decision as this is after the fact versus a negotiating tool used to bring the flight. Huck offered a friendly amendment to offer additional three months starting April 1, 2004 because they brought new jobs, new service. Gordon Watson accepted the amendment. All in favor.

AVCENTER SOUTH HANGAR:

Mr. Watson made a motion to enter executive session to discuss lease and contract issues related to the FBO Avcenter south hangar. Seconded by Mr. Gutman. All were in favor. The meeting entered executive session at 6:42 p.m. with all parties remaining in attendance. Mr. Weinberger left the meeting at 7:15 p.m. The meeting resumed regular session at 7:32 p.m.

MONTHLY OPERATING STATEMENTS:

Motion by Huck Gutman to approve the **minutes of October 30, 2003**.
Seconded by Gordon Watson. All were in favor.

Motion by Huck Gutman to offer commendation to the staff for a remarkably good calendar year, on the success of the new garage going up rapidly, well designed and within budget, for the dramatic increases in enplanements, public confidence, and satisfied tenants and for the Commission to be on record in thanking JJ, Bob, & Tammy in particular and all of the rest of the employees for their part in making this operation successful. Commission agreed.

Discussion regarding operating statements.

MANAGER'S REPORT:

The manager's report included a review and recap of the past year, touching on the following subjects;

Air Service: 100 years ago today started – everything we do is secondary to air service – fortunate to have that which we do and that service continues to grow – more flights today than pre Sept. 11 (see report)

Land Acquisition: Robert McEwing provided an update on the process of the purchasing of adjacent property for land development or noise purposes.

Capital Improvement Program:

TRAPP:

NOTE:

South End Development: Currently working with Corps of Engineers to select mitigation site for the south end. It has been a very slow process but it is finally very close to a successful conclusion.

The **Commission annual report** has been filed by the Director of Aviation.

MANAGER'S REPORT (cont.):

The **FY'05 budget** process has begun. The Commission will be provided the budget for review at its February meeting.

There being no further business, Mr. Gutman made a motion to adjourn. The meeting adjourned at 8:02 p.m.

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

NOVEMBER 2003

NO MEETING HELD

MINUTES
BOARD OF AIRPORT COMMISSIONERS
THURSDAY, OCTOBER 30, 2003
5:00 P.M.

PRESENT:

Michael Flaherty, Chairman
Bobby Miller
Gordon Watson
Huck Gutman

John Hamilton
Tamara Gagne
Robert McEwing

The meeting was called to order by the Chairman, Mr. Flaherty, at 5:01 p.m. with all present except for Mr. Gutman.

MONTHLY OPERATING STATEMENTS:

Motion by Mr. Miller to approve the **minutes of September 23, 2003** as sent and presented. Seconded by Mr. Watson. All were in favor.

The **September warrant and operating statements** were presented and discussed. Tamara Gagne highlighted several items on the report. No questions posed. Warrant signed in approval.

US AIRWAYS BANKRUPTCY:

Tamara Gagne reported that the USAirways, PSA and Allegheny bankruptcies accounts receivable pre-petition debts have been 'settled'. The Airport received the following for each of the referenced agencies:

US Airways: stock certificates (both common and preferred) in an amount estimated to be 1.5% of the \$67,424 - approximately \$960.00. The Airport will work with the City's financial advisors as to the disposition of those certificates. The accounts receivable balance for pre-petition debt (\$67,424.18) will require write off.

Allegheny: a check (#301578) in the amount of \$1,549.86 equating to approximately 15% of the pre-petition debt of \$10,349. The remainder of that receivable (\$8,799.14) needs to be written off.

PSA: A check (#047584) in the amount of \$1,060.05 equating to approximately 15% of their pre-petition debt of \$7,098.42. The remainder of that receivable (\$6,038.37) needs to be written off.

The Airport may be entitled to additional cash or certificate payments from USAirways on "rejection damages" claim that is filed (a claim for rents that would have been due under the agreement had they continued their operations under their agreement). That claim will not be settled for some time (estimated 3-4 months).

Mr. Miller made a motion to accept the USAirways bankruptcy report and payments and to write off the remaining pre-petition debt amounts. Seconded by Mr. Watson. All were in favor.

AVIATRON:

Mr. Hamilton advised that Aviatron's deal that they were orchestrating to move to a new location has not happened. They are requesting the lease of the facility be extended an additional ninety (90) days, under the same terms. As of this date, there are no potential lessors for that facility. Discussion. Mr. Hamilton further advised that Aviatron has been told that should there be a tenant interested in that space then they would be given 30 days to vacate and turn over premises. Discussion. Commission agreed with allowing them continued use of facility, keeping rents current, and required to leave premises if alternative tenant is found.

SOUTH APRON EXPANSION:

Mr. Hamilton advised that he was seeking affirmation of the contracts associated with the project to construct an expansion of the south apron. The expansion of the south apron is a project which will relocate the existing west perimeter fence to provide for additional aircraft taxi, movement and parking. This project is important and necessary to accomplish immediately to accommodate the third jetBlue aircraft operation. Due to this timing issue, it was necessary to acquire the approval from the Chair and City to start this project. The engineering design services are provided by Edwards & Kelcey, a negotiated contract under the FAA's guidelines for consulting contracts, in the amount of \$89,000. An RFP was issued for the construction contract. Plans and specifications were prepared and bids were opened on 10/24/03. Three bidders attended a prebid conference (Pike Industries, Engineer's Construction Inc, and Munson Earthmoving). One bid was received, from Munson Earthmoving. Their bid has been analyzed, compared with the unit prices contained in the engineer's estimate and they have been determined to be the lowest qualified bidder. Munson was prequalified under the City's contractor prequalification process. The contract amount is \$298,000. All work is eligible for PFC reimbursement and is included as a PFC project in the proposed amendment to the Airport's PFC Impose & Use authority.

Mr. Gutman made a motion to affirm the approval given by the Chairman with regard to the above referenced projects. Seconded by Mr. Miller. All were in favor.

PARKING OPERATIONS & RATES:

Mr. Hamilton indicated a need to discuss the implementation of short term/long term/valet/premium parking operations and rates for the garage once the addition is occupied. He explained that the garage and its new addition would now be used for both long and short term parking. The current fee schedule was established to discourage the use of the facility for long term parking. Therefore, the rate structure requires an

adjustment. The penalty (\$9.00/day over 5 days) for long term will be eliminated. In order to maintain the same level of revenue, it is recommended that the daily rate, \$7.00, be changed to \$8.00 and be assessed to all users, regardless of stay duration. In addition, the Park & Shuttle operation, which will now only serve oversized vehicles, valet, and "by choice parking" will be required to have the same daily rate of \$8.00. Huck Gutman expressed a concern about eliminating the long term as a disincentive and not providing a discounted parking rate for long term. Discussion. In addition to these rate changes, the airport staff is recommending the implementation of a "premium short term parking" area on the first level of the garage. The proposal would be to segregate a portion of the first level, in front of the terminal building to provide for under cover, close and easily accessed parking at a premium rate. The staff also recommends a penalty for parking in excess of one day in this area. Discussion. Huck Gutman agreed with the concept and commented that there should be no parking allowed that would exceed one day. Discussion. Mr. Gutman agreed that there would be no practical way to control the number of hours or days parked in this areas, so recommended large penalties for parking in excess of 24 hours. The recommended amount was \$20.00 per day after the first 24 hours. The staff recommended regular rate is \$2.00 per hour up to \$12.00 maximum for the first 24 hours. The Commission agreed with all recommended changes and rates as discussed.

NORTH RAMP AVIATION:

North Ramp Aviation is the flight school that operates as a sub tenant in Building Six. Due to the south ramp expansion, that sub tenant must move. Suitable area is available in building 880, with aircraft parking adjacent to the customs ramp. This would allow North Ramp Aviation to be a direct tenant to the airport versus a sub tenant. The building lease rent in 880 is \$6.50/sqft and the ramp is leased at \$.29 per s.f.. He will also be required to pay 3% of gross revenues. The lease term will be on a month to month basis. Mr. Miller made a motion to approve the proposed tenancy change. Seconded by Mr. Gutman. All were in favor.

CAH SERVICES/PARK & SHUTTLE CONTRACT:

The Park and Shuttle contract expires in November. Mr. Hamilton advised that he is recommending the extension of the contract on a month-month basis until next summer to provide suitable time in which to determine the level of service that will be required from a Park and Shuttle vendor, in light of the changes dictated with the opening of the garage expansion.

Mr. Gutman made a motion to approve the extension of the Park & Shuttle parking services contract with CAH Services through the end of the current fiscal year (June 30, 2004) in accordance with Mr. Hamilton's recommendation. Seconded by Mr. Miller. All were in favor.

MANAGER'S REPORT:

While the project for **Pratt & Whitney** is on hold, they have asked for the construction expense numbers to be restudied. DEW Construction has been asked to provide a number that can be compared with that formulated by Engelberth.

South End Development: The team visited potential mitigation sites within the watershed boundaries during the day Wednesday. Three different sites were walked and evaluated. Huck indicated that he would like to have the "Engelsbee site" cleaned up as a part of the mitigation process because of its outfall to Blanchard Beach in Burlington, that is currently unusable. Response provided that though this site had been previously researched, it would not qualify because of the State's requirement to remain in the same watershed. The site visits bring the issuance of the CUD much closer to reality.

Robert McEwing presented an update on the **TRAPP** indicating that the garage structure was complete with pre-cast t's and steel and that the architectural pre-cast was to begin this week, working up on all three levels. The goal is to have a significant part of the third level of the garage open by November 17 (in time for Thanksgiving) and the remaining levels open by the second week of December. This aspect of the projects remains slightly under budget.

The **News stand/gift shop** first month of operation has been very successful. There have been many compliments from the public.

At the last moment, the FAA decided to send an inspector for the annual **Far Part 139** certification of the Airport. The Airport has been re-certified to provide scheduled air carrier service.

TSA Security: After notifying the Airport that funds were available for a third police officer dedicated to screening areas, the TSA has altered their position. They will not fund the position, therefore there is no longer a requirement for the position.

The **marketing** survey has begun. Copies of the format to be used are available, if anyone is interested.

Dates to meet with So Burlington regarding the implementation of **off airport car rental** fees are being reviewed.

An oral presentation to the **City Council** will be given on November 17 relating to the status of the TRAPP.

Land Acquisition: The commission was asked to discuss the potential purchase of Gino's, the convenience store directly across from the airport, with a lease back provision.

MANAGER'S REPORT (cont.):

The September **enplanements** were above those of 2002. The Airport is still above projections.

The space vacated by City Line Car, in **Building 3060**, on Williston Road will be leased to a barber and the vacated UVM spaces in that building will be leased to a delivery company.

There being no further business, Mr. Gutman made a motion to adjourn. Seconded by Mr. Miller. The meeting adjourned at 5:50 p.m.

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

MINUTES
BOARD OF AIRPORT COMMISSIONERS
TUESDAY, SEPTEMBER 23, 2003
4:00 P.M.

PRESENT:

Michael Flaherty, Chairman
Bobby Miller
Hinda Miller

John Hamilton
Tamara Gagne
Robert McEwing

William Ellis - McNeil, Leddy & Sheahan

The meeting was called to order by the Chairman, Mr. Flaherty at 4:04 p.m.

Motion Hinda re: minutes. Seconded by Mr. Miller. All were in favor.

Warrant approved as presented.

OFF AIRPORT CAR RENTALS:

Attorney, Bill Ellis reported that he first looked at the off airport car rental issue in 1989, again in '95 and then in February of 2000 where a draft resolution was created to charge off airport users to pay a beneficial fee. Mr. Ellis also advised that over 100 other airports in US are currently charging fees despite that many have opposed such regulation with resulting law suits. Many of these have gone all the way to the US Supreme courts but were upheld as reasonable fees – no airport has lost a case. The resolution that was drafted was based on Portland who has similar charter provisions and had contest/challenge by off airport, but airport prevailed. The amount proposed in 2000 was 6.5% - based on premise that off airport users get less benefit from airport compared to those on airport. Discussion. Bobby Miller questioned status of issue/problem with South Burlington? Bill Ellis advised that the City of Burlington has the charter authority to collect reasonable fees to cover costs to operate the airport and for use of the same. JJ reports that Hertz has put airport on notice that they will be moving off airport due to lack of off airport fees. Federal grant assurances require airports to maximize revenues. Discussion. Mike Flaherty indicated that South Burlington was opposed to it in the past but Chuck Haftner and Jim Condos would be willing to support provided that South Burlington derive revenues. Discussion. JJ advised that the Airport does not need South Burlington approval but would like to gain their support. Anticipated additional revenue potential to the airport is estimated to range between \$50k - \$100k. Mike recommends meeting with So Burlington to discuss their support. Bobby Miller and Mike Flaherty to serve as subcommittee. Discussion.

PROPERTY ACQUISITION:

Motion Ms. Miller to enter executive session to discuss property acquisition, the premature disclosure of which would put the airport at a substantial disadvantage. Seconded by Mr. Miller. All were in favor. Meeting entered executive session at 4:30 p.m.

Meeting resumed regular session at 4:32 p.m.

PIZZAGALLI HANGAR:

FBO Avcenter proposed to construct a hangar for Pizzagalli. Angelo Pizzagalli brought proposal to JJ for review because he felt that the costs were out of line. JJ advised FBO Avcenter that the airport is 'tired' of not being able to satisfy Pizzagalli. Options are for the deconstruction of Building 880 (least favorable) or to have FBO Avcenter give up the North Hangar and allow Pizzagalli to build deconstruct and build in this area. Discussion. Commission recommended that JJ attempt to work with FBO Avcenter. Discussion.

EQUIPMENT PURCHASE:

Mr. Hamilton advised that with the garage addition, a second skid steer is required for snow removal. The low bid is from Hertz First Choice at \$33,585. This purchase is part of the '04 capital budget.

Motion by Mr. Miller to approve the purchase of a new skid steer from Hertz at a cost of \$33,385. Seconded by Ms. Miller. All were in favor.

MANAGER'S REPORT:

P&W hangar request is currently on hold while issues are worked out with their business partners. Best word, at this time, is a one year delay. Communications will continue with them in this regard and the airport will be prepared to keep interest levels high.

South End Development (SED): The airport was quite successful in its meeting with the State regarding a compensation plan for the filling of the wetlands. The airport will continue to iron out issues with the Corp. A meeting in this regard is set for the 29th.

TRAPP continues to be on schedule and within budget. Bob McEwing provided an update on the specific construction components of the project. He cited that 40% of the precast tees are installed, the steel is constructed for the garage vestibule, work started on footings for elevated walkway with the steel for same to be constructed in next couple of weeks, paving complete in car rental area and the sidewalk around perimeter is complete. The design work is well underway for the north terminal expansion. Discussion regarding South Burlington permits and process.

Enplanements: August was down 1.69% compared with August '02. If this trend continues, enplanements will be approx. 542,000, compared with 550,00 last year.

Newsstand/Gift Shop: Of the three proposals submitted, Hudson Group submitted the best proposal to operate the gift shop. They are a well known entity in the industry. World News had done an admirable job. We feel Hudson will do even better. One of the proposers took exception to the contract being issued to Hudson, but has no legal grounds in this regard.

FAR Part 139: Due to lack of personnel, the FAA has informed the airport that the annual part 139 airfield regulatory/safety inspection may not occur. No impact.

Security: The third police officer per shift (the position will be designated for check point response) has been re-instated, now that the cost for the third officer has been agreed to by the TSA. Also, in that light, the airport has agreed to a three minute response time by the so designated officer.

Rene Paquette, one of the five operations specialists has resigned. Doug Wood who has been in a limited position filling the vacancy created by Vern Brosky's call to active duty, will become a full time employee, replacing the vacancy. Employee Vern Brosky returns October 1.

When employee David Solomon was hired into the **journeyman electrician** position, there were no journeyman electricians applying, so he was hired as an apprentice with the understanding that within two years he would need to acquire the journeyman's license. The two years concludes this November. He has been counseled many times in this regard, and has been notified that if he fails to acquire the license at the next testing date in December, he will be terminated.

Winter '03-'04: All snow machines are ready.

Airport Storm Water: The Airport will be conducting tests through out the winter on deicing chemicals to possibly replace Urea, the chemical currently used. In the event that our testing of outfalls violates any State storm water regulations caused by the use of Urea, the airport wants to be prepared to make a change.

MANAGER'S REPORTS (cont.):

The **marketing** survey should begin soon, once the requested information has been received.

The **public art wall** now displays license plates instead of clocks.

United Bankruptcy: United has until December, to accept or reject their airport leases.

USAirways Bankruptcy: USAirways has issued monies in amount of \$2500 for a portion of pre-petition and stock certificates for the remainder of the pre-petition debt owed the airport.

GOODBYE: A special thank you, from this manager, to Hinda, for serving on the commission and providing professional, intelligent advice and direction for the Airport, as well as myself. You'll be missed. Hinda's final requests are for the airport to get wireless internet and to have a design consultant look at the airport signage program and implement a new, comprehensive sign and way finding system.

Mr. Gutman entered the meeting,. Mr. Flaherty left the meeting. General discussion regarding airport, local, industry and state affairs.

There being no further business, Ms. Miller made a motion to adjourn. Seconded by Mr. Miller. The meeting adjourned at 6:05 p.m.

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

BOARD OF AIRPORT COMMISSIONERS
TUESDAY, AUGUST 12, 2003
4:30 P.M.

PRESENT:

Michael Flaherty, Chairman
Huck Gutman
Gordon Watson
Hinda Miller

Tamara S. Gagne
Robert McEwing

Don O'Brien – Manager, Aviatron

The meeting was called to order by the Chairman, Mr. Flaherty at 4:33 p.m. with the above listed present.

AVIATRON:

Don O'Brien addressed the Commission to advise that Aviatron had found a property in Shelburne from which they could operate at a rental rate of \$4.75 and that they have been evaluating all avenues for cost savings. Mr. O'Brien asked for commission consideration for Aviatron to provide a 90 day notice, give up the rent rebate, vacate the premises and assist the airport in any way possible to find a replacement tenant for their leasehold, but to ultimately be released from their lease obligations. Mr. O'Brien further advised that they would like to have the 90 day period start as of September 1, 2003.

Mr. Gutman made a motion to enter executive session to discuss the Aviatron lease terms, the premature disclosure of which would put the airport at a substantial disadvantage. Seconded by Ms. Miller. All were in favor. The meeting entered executive session at 4:45 p.m. Mr. O'Brien left the meeting.

The meeting resumed regular session at 5:02 p.m.

MANAGER'S REPORT (cont.):

Hangar Requests: It appears that the airport may be getting closer to a resolve on this issue. The AvCenter appears to be interested in building a corporate hangar to satisfy local requests and needs with reasonable, competitive fees for the users. A hangar for Heritage is still in discussion due to the requirement of relocating the Condo Association.

South End Development (SED): A meeting with Burlington, South Burlington and the Secretary ANR is being coordinated to determine what compensation plan will work for the wetlands mitigation.

The **TRAP project** is still on target for a November garage opening and continues to be within budget. Huck requested that a plaque be created commemorating this expansion project.

There being no further business, Mr. Gutman made a motion to adjourn. Seconded by Ms. Miller. The meeting adjourned at 5:40 p.m..

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

Motion by Ms. Miller to approve the expenditure of \$20,000 to conduct a survey of area consumers to determine Airport knowledge or need for outreach marketing and to require Yoram Samets to provide a budget figure for plan implementation. Seconded by Mr. Gutman. All were in favor.

NORTHWEST AIRLINK:

Northwest Airlink has submitted their request to allow Continental Express to handle the ticketing, bag make up and aircraft services for their operations at Burlington. Discussion.

Mr. Gutman made a motion to approve the request of Northwest Airlink to relinquish their existing ticket counter space and re-locate to vacant counters within the Continental ticketing area and to allow Continental Express the right to handle the airside and ticket counter operations of Northwest, based on the fact that this request meets the existing airport policy that each air carrier is required to rent their own terminal space. Northwest will be required to pay a 20% gross contract fee on the services provided by Continental. Seconded by Ms. Miller. All were in favor.

MONTHLY OPERATING STATEMENTS:

Ms. Miller made a motion to approve the **minutes** of **June 26, 2003** as presented. Seconded by Mr. Gutman. All were in favor.

A brief review of the June and July operating statements was conducted. There were no specific or outstanding issues discussed. The Commission approved and signed the **June** and **July warrants** as presented.

MANAGER'S REPORT:

P&W has not yet responded to the airports' building proposal.

Final judgement has been received with regard to **City Line Car**. The owner has been ordered to pay all past due rents plus our costs, and is to vacate the premises.

Mr. Gutman made a motion to release Aviatron from its leasehold obligations at its Customs Road facility provided that they become current on their payables by the end of the month and fully paid up at the end of the 90 days and for the airport to have the right, if Aviatron not current at the time, to terminate the lease prior to the 90 days if another tenant is found. Seconded by Mr. Watson. All were in favor.

GIFT SHOP CONTRACT:

In that the RFP'S will be opened August 18, it is requested that the commission authorize the Chair to provide concurrence with management's recommendation, so that a contract start date of September 1st can be realized.

Mr. Gutman made a motion to provide the Chairman, Michael Flaherty the authority to review and approve management's recommendation with regard to gift shop concessionaire contract award. Seconded by Mr. Watson. All were in favor.

MARKETING PROPOSAL:

Commissioner Hinda Miller reported that she had met with JJ and Mr. Yoram Samets to review their proposal to evaluate the marketing needs of Burlington Airport. Mr. Samets proposes to determine whether BTV should commit to marketing itself in a systematic way, to determine what messages would be appropriate and impactful and to determine the appropriate target group for such efforts. These objectives would be met by conducting qualitative research among business and leisure travelers in three regions between Burlington and competing airports (such as Manchester and Albany). Huck reiterated earlier expressions that marketing is not necessary at Burlington. Discussion. How are the interviewed consumers sought and found? Question to be posed to Samets. Commission requested that Mr. Samets be asked to provide an estimate or budget to implement any proposed plan. Huck suggested that southern Quebec and Montreal consumers be used as part of the survey.

JULY 2003

NO MEETING HELD

MINUTES
BOARD OF AIRPORT COMMISSIONERS
THURSDAY, JUNE 26, 2003
4:00 P.M.

PRESENT:

Robert Miller, Chairman
Michael Flaherty
Huck Gutman
Gordon Watson
Hinda Miller

John Hamilton
Tamara Gagne
Robert McEwing

Brian Gloyd – WCAX

The meeting was called to order by the Chairman, Mr. Miller at 4:03 p.m. with Commissioners Flaherty, Gutman, and Watson present.

Mr. Gutman made a motion to change the order of the agenda items to have the appointments handled as the first agenda items. Seconded by Mr. Watson. All were in favor.

Mr. Gutman opened the floor for nominations for appointment of a Chairman for the Commission for the 2004 fiscal year.

Mr. Gutman nominated Robert Miller. Mr. Miller responded that he would not be able to accept the nomination due to personal reasons. Mr. Watson nominated Michael Flaherty. No other nominations were made. The floor closed for nominations.

Mr. Watson made a motion to approve the nomination of Michael Flaherty as Chairman for the ensuing year. Seconded by Mr. Gutman. All were in favor.

Hinda Miller entered the meeting.

Mr. Flaherty nominated Tamara Gagne as clerk of the board. No other nominations were made.

Mr. Gutman made a motion to approve the nomination of Tamara Gagne as the Clerk of the Board of Airport Commissioners for the ensuing fiscal year. Seconded by Mr. Flaherty. All were in favor.

WCAX TV PROPOSAL:

Brian Gloyd, Marketing Manager for WCAX, Channel 3 entered the meeting and presented a proposal for consideration by the Commission. He explained that he and WCAX wanted to initiate a "Fly VT First" campaign that would educate the traveler and address such topics as the fear of flying, competing airports and convenience at Burlington. He further indicated that WCAX is the "best small market news cast" in the country and a top trusted media outlet and that a 30 second commercial, perhaps with Mayor Peter Clavelle providing 'welcoming remarks', would reach tens of thousands of viewers. Discussion. Mr. Gloyd advised that a 30 second morning news commercial would cost \$50 per 30 seconds, \$500 per 30 second evening news commercial and \$200 to \$500 production costs. His recommendation would be to run the commercial(s) for a three month period. Discussion. Hinda Miller asked for samples of commercials produced by WCAX and for WCAX to provide a specific budget/cost for a proposal. Mr. Gloyd left the meeting. Further discussion. Bobby Miller is concerned about having to get and or offer the same to others. Huck Gutman was opposed to such advertising and would be concerned that it would have a negative, rather than positive, effect. Hinda responded that she would support advertising because she feels that BTV is a business and the media should be evaluated for its value, with a decision based on that factor. Discussion. Hinda Miller to follow up on discussion regarding marketing and recommend course of action for the Commission.

SHELBURNE NEWS:

Mr. Hamilton reported that the airport's quarterly "Destination Press" publication requires consideration and approval to continue for another fiscal year. The annual cost is \$12,000. Discussion. Questions were raised as to benefits and readership. Mr. Gutman suggested that if support were to continue for this publication then it should include information about the construction project, status, impact, etc.. Ms. Gagne recommended that, as a minimum, the Commission request a cost accounting of the publication and

information which would include the distribution counts for the past two years.

Mr. Gutman made a motion to continue the support of the Shelburne News publication "Destination Press" at the annual cost of \$12,000 and that a request be made of them to produce an accounting of costs associated with the production and distribution of the publication as well as information relative to the readership. Seconded by Mr. Watson. All were in favor.

MONTHLY OPERATING STATEMENTS:

The **May** monthly operating statements were presented for review. Ms. Gagne provided an update on the receivables. Discussion. Mr. McEwing addressed the AIP accounts receivable report and advised that the greatest AIP receivable related to the land acquisition program. Mr. McEwing further explained that a grant for the land program was due to arrive before the end of the fiscal year and would allow for the airport to file its reimbursement requests and satisfy the accounts receivable in this regard.

Mr. Gutman made a motion to approve the minutes of **April 21, 2003** and **May 29, 2003** as presented. Seconded by Ms. Miller. All were in favor.

TRAPP UPDATE:

Mr. McEwing provided an update on the status of the terminal, roadway and parking project with information on the roadway work, opening of the new garage entrance and exits and terminal exit, as well as information on the contracts that have been bid to date.

VERMONT COMMUNITY LOAN FUND (VCLF):

Mr. Hamilton advised that the sum of \$15,000, at no interest, has been invested with the VCLF for the past three years. This investment is used by the VCLF to provide low interest, small business loans. Discussion. Mr. Gutman recommended that \$10,000 be added to the investment amount. Ms. Miller questioned the motive of the Board to support such an investment. Mr. Gutman responded that this investment is one legal way in which the Airport can help local communities. Discussion.

Mr. Gutman made a motion to increase the investment to \$20,000 with the VCLF for the ensuing fiscal year. Seconded by Mr. Watson. Ms. Miller abstained. Motion passed in favor.

TRASH RFP:

Mr. Hamilton advised that there were four (4) responses to the request for proposals to provide trash and recycling services for the Airport. Those four responders were Gauthier, All Cycle, WSI and Myers with All Cycle providing the low, responsive bid of \$24,752 per year. Mr. Hamilton further explained that the bids included rental fees, pick up fees and land fill fees.

Mr. Gutman made a motion to approve the award of the trash and recycling agreement to All Cycle with a low, responsive bid of \$24,752. Seconded by Mr. Flaherty. All were in favor.

NEWSTAND/GIFT SHOP RFP:

Mr. Hamilton advised that the current contract expires on June 30 and will operate on a month to month. An RFP is expected to be issued in the next two weeks. A discussion as it relates to an increase to the minimum was held.

Mr. Gutman made a motion to issue the newstand and gift shop request for proposals with a minimum annual revenue of \$100,000. Seconded by Mr. Watson. All were in favor.

ABX LEASE ASSIGNMENT:

Ms. Gagne advised that ABX, Inc. has merged with a wholly-owned subsidiary of DHL Worldwide Express B.V.. In connection with the merger, ABX will become an independent company that is no longer affiliated with Airborne. The leased premises will be used by Airborne for its business operations and not by ABX. ABX wishes to assign the lease to another wholly-owned subsidiary of Airborne, namely Airborne Express, Inc.

Mr. Flaherty made a motion to approve the lease assignment request from ABX to Airborne Express, Inc.. Seconded by Ms. Miller. All were in favor.

MANAGER'S REPORT:

JetBlue has announced the acquisition of a new aircraft, the Embraer 190, starting in 2005. This aircraft is a 100 seat "Regional Jet" that is being acquired to fit smaller markets, rather than their original plan of all airbus 320's. Burlington may be a market for it's use. Whether or not it will completely replace the airbus or supplement the Airbus out of Burlington is not yet known. In either case, it should increase frequency, which would be a plus.

The Airport was successful in its legal claim against **City Line Car Company** to receive back rent and evict them from their airport leased space. The judge disallowed their claim for automobile damage, and will order them to pay back rent. It is our goal to collect it in some fashion.

Airport Traffic: Though the enplanement numbers are down very slightly, vehicle parking needs have not decreased and the garage has been at capacity during several times during the past month.

Northwest Airlink has made an RFP request to other air carriers at BTV to ground handle their operation. In addition to the ground handling, they expect that air carrier to handle all other aspects of their local operation – ticketing, flight boarding, etc. and to do so from that air carrier's operation and give up the space that they currently occupy in the terminal. A discussion as to policy in this regard and associated fees is warranted. Discussion.

MANAGER'S REPORT (cont.):

Storm Water Permits: The State of Vermont is not issuing any permits for any water ways that feed into Muddy or Potash Brook until the CFL lawsuit is settled which could affect the south end development.

There being no further business, the meeting adjourned at 5:45 p.m..

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

MINUTES
BOARD OF AIRPORT COMMISSIONERS
MAY 29, 2003
4:00 P.M.

PRESENT:

Robert Miller, Chairman
Michael Flaherty
Gordon Watson
Huck Gutman

John J. Hamilton
Tamara Gagne
Robert McEwing

The meeting was called to order by the Chairman, Mr. Miller at 4:08 p.m.

MONTHLY STATEMENTS:

Statement re: availability of minutes – pledge by Tamara Gagne to have available at the next meeting.

Review of operating statements and full review of updated receivables. Huck Gutman requested that if problems continue with Northwest, then invoices should be sent directly to the A/P office instead of being passed through the station manager. Discussion and questions. Commission approval of operating statements and sign off of **April 2003** warrant.

AVIATRON:

JJ reiterated the request made by Aviatron at the last meeting and advised that financial statements were presented and reviewed at a meeting held with the Chairman. JJ recommended that there be no reduction in their per square foot base but if any abatement is considered then it should be a waiver of related number of months. Discussion. Commission sensitive to business problems, but cannot determine factors that comprise relative loss. Commission noted that Aviatron does not have to be on site and could relocate off site. R. Miller suggests that Aviatron be allowed an abatement of the equivalent of a \$6.00 per square foot rate.

Huck proposed an amendment that would require Aviatron to bring their payables account current and then be able to return to Commission in a year to discuss any further abatement. Discussion. Bobby suggested the waiver of two months rent.

AVIATRON (cont.):

Mr. Gutman made a motion to waive two months rents currently owed, as of January 2003, provided that Aviatron bring account current with other outstanding months payment, keep current for remaining year in order to be eligible to have an additional review of their finances one year from now and must remain current otherwise. In addition, should Aviatron default on its lease payments and legal pursuit for collection be required then the two months rent that have been waived for the purposes of this abatement would be subject to repayment. Seconded by Mr. Flaherty. All were in favor.

FY'04 BUDGET:

Motion Mike Flaherty to approve the FY'04 Operating Revenue and Expense budget as presented and discussed. Seconded by Mr. Watson. All were in favor.

T.R.A.P.P.:

Robert McEwing provided an update on project status by advising that the roadway work is underway with major underground utility work, stormwater systems, electrical cabinets placement complete, employee lot relocated, asphalt being removed, contracted with Park & Shuttle for employee lot shuttle at a cost of about \$9300.00 per month.

JJ reviewed how the project is presented to Finance Board on a monthly basis to present contractor bid results. A tally of bid sheets with a bid summary is prepared and presented to Finance Board each month. The current presentation will reflect \$8,832,600 worth of contracts issued. There have been 225 contractors pre-qualified with about 35 more to go. The summary details entire list of bidders, engineer's estimate, bid award, contract amount and annotation of VT firm.

Phase 1 Terminal Design:

Mr. Hamilton advised that he was seeking Commission concurrence on the architectural engineering contract for the Phase 1 Terminal design. The architectural engineering contracts for the roadway, garage and walkway components were approximately 7% of construction costs equating to \$924,646. The South Concourse Terminal architectural contract was 10% of the construction contracts. Phase 1 Terminal proposed architectural contract is \$456,794 which equates to 12.5% of construction costs.

Motion Mr. Gutman to approve the \$456,794 requested for architectural engineering fees for Phase 1 Terminal improvements. Seconded by Mr. Flaherty. All were in favor.

EXPENSE ITEM APPROVAL:

Mr. Hamilton requested that the approval of annual concrete repairs contract be added to the agenda. Mr. Hamilton then advised that bids were received from two vendors for repair work required on the air cargo ramp, air carrier ramp and Continental maintenance hangar ramp. The low bid was submitted by Contech at a cost of \$34,120.

Mr. Gutman made a motion to approve the expenditure of \$34,120 to Contech for the referenced repair work. Seconded by Mr. Flaherty. All were in favor.

MANAGER'S REPORT:

South End Development (SED): The Corps of Engineers held another coordination meeting at the Airport to review status of the environmental study of the SED. Representatives were there from the COE, EPA, FAA, Vermont ANR along with the Airport and the Airport's consultant. Agreement was reached on a number of issues pertaining to the alternatives and it appears that all agencies are working towards the same goal (except for the EPA representative who has her own agenda). It looks there may be conclusion on an alternative that will result in filling of approximately 8 acres of wetland. The Corps is taking the lead and there will be more periodic meetings to go over the application steps. The Airport will be

(SED): looking more seriously at mitigation sites during the next couple of months and a Mitigation Plan will be submitted to the Corps for their approval.

Pratt & Whitney (P&W) is reviewing the alternatives presented by the Airport for the new hangar. A meeting with City Attorney, Joe Mcneil and City Chief Financial Officer, Brendan Keleher will be held next week to discuss negotiation strategy for the presumed lease of a new hangar.

Airport Revenue Bond Rating: Successful presentations were made in New York to Moody's, Fitch and insurance agencies. The Airport's Baa1 rating was affirmed, which moves to AAA with insurance. Pricing is scheduled for next Monday and Tuesday, with the closing on June 11.

Transportation Security Administration (TSA): The Airport was advised that the screening force at Burlington will be cut by 42%, which would allow for just one lane at one security check point. This is totally unacceptable. The TSA has been advised that a re-evaluation is required, and Senator Leahy has requested, of Admiral Loy, a re-evaluation. An update in this regard should be known soon. Also, effective June 1, the requirement for a fixed post LEO in each screening area has been terminated.

MANAGER'S REPORT (cont.):

Pizzagalli Corporation: Angelo Pizzagalli has approached the Airport with a request to be accommodated with new hangar space on Airport. He has indicated a willingness to construct his own. Discussion. JJ recommends that a meeting be held to discuss Mr. Pizzagalli's requests. Gordon Watson inquired about status of removal of Army Guard hangar and why there is not opportunity to relocate Army Guard in sooner time frame. Discussion. Airport cannot take action with regard to hangar requests until Pratt & Whitney has made decision on the offers that the Airport has presented. Discussion.

Alex Rose has hired a new attorney to continue his plea for more money associated with the purchase of 3060 Williston Road. The Airport has responded that Mr. Rose is not eligible for additional benefits for that transaction. There has been no further response to date.

Evaluation/Reappointment: The Mayor conducted his annual department head evaluation. He inquired as to how many years of a three year appointment would be accepted by me and I requested two, which was approved.

There being no further business, the meeting adjourned at 6:18 p.m.

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

BOARD OF AIRPORT COMMISSIONERS
MONDAY, APRIL 21, 2003
4:00 P.M.

PRESENT:

Robert Miller, Chairman
Hinda Miller
Huck Gutman
Michael Flaherty
Gordon Watson

John Hamilton
Tamara Gagne
Robert McEwing

Ted Corbett – Champs Taxi, Robert Riggen, Gordon Gilbert, Bill Andreski, Don O'Brien
– Aviatron

AVIATRON:

Mr. Hamilton advised that Aviatron has made a request for a rent reduction for the remaining five years of their lease. They have indicated that, as a result, of the September 11 events and current affairs of the airline industry, their business has declined significantly. Mr. O'Brien then addressed the Commission and reiterated his request and provided a written summary reflecting a \$58,400 rent reduction in year one, a \$50,735 reduction in year two, a \$43,035 reduction in year three and a \$35,335 reduction in the last year of the agreement. Discussion. Mr. Gutman questioned whether, if the Commission acquiesced to the requested fee structure, Aviatron would be agreeable to a return to the original terms if their business returns to normal activity. Mr. O'Brien indicated that that could be considered. The Commission posed questions about the business structure, number of employees and other operating questions, including whether Aviatron would be willing to share their tax returns to justify support for the business decline. Mr. O'Brien responded that, with parent company approval, he would provide that information. Discussion. Commission agreed to review the request of Aviatron and would do so upon evaluation of its financial records.

TAXIS:

Mr. Ted Corbett, owner/operator of Champ's Taxi, took the floor to discuss taxi rate and discrepancy issues that he felt needed to be addressed. Mr. Corbett advised that there was a large fare discrepancy between the airport taxi cab operators and the off airport taxi cab operators. He indicated that he represented the taxi cab owner/operators at the Airport and requested that a minimum fare be established. He also requested that the extra person fee be increased. Discussion. Mr. Corbett indicated that some of the operators would like to see a minimum fee of \$9.75 to \$12.00, but that his proposal would be for a \$7.00 to \$7.50 minimum. Additional discussion. Mr. Gutman suggested a

TAXIS (cont.):

minimum rate institution of \$7.50. Mr. Miller recommended that the amount be \$10.00. Discussion. Mr. Corbett requested that the extra person fee be increased to \$2.00 and the minimum rate be \$8.50. Discussion.

Mr. Gutman made a motion to institute a minimum metered taxi cab fare from the Airport at a level of \$8.50 and to increase the extra passenger fee to \$2.00. Seconded by Mr. Flaherty. All were in favor.

Mr. Corbett then indicated that he was concerned about taxi cab operators not having proper zoning permits for conducting their business out of their homes. The Commission advised that Mr. Corbett would have to take that item up with the respective zoning regulators.

PSA OPERATING AGREEMENT:

As reported earlier, USAirways mainline has rejected the lease and operating agreement at Burlington. In order to continue operating, PSA (a wholly owned subsidiary of mainline) asked to take over the operating agreement. Negotiations have taken place. PSA was advised that they would not be able to operate under the original terms of the mainline agreement, which they understood and accepted. A new rates and charges methodology to cover the three remaining years of the ten year agreement was orchestrated for them. The three year rate that is recommended is a landing fee of \$1.75/1000#'s, and a terminal square foot rent of \$43.50. Discussion.

TRAPP:

Burlington City Council, in a resolution, gave authority to either the Chair or Manager to award any and all contracts that support the project, with oversight from the City Attorney and Chief Administrative Officer. The Airport will submit a monthly report to the Board of Finance on status of contracts. A friendly amendment to the resolution was agreed to which states that the Airport will give consideration to awarding contracts to local contractors. The Commission will receive the same monthly report as the Board of Finance. Mr. McEwing discussed the method used for each project component and reviewed the summary format to be used in presentation for the Board of Finance. Mr. McEwing reported that there have been six (6) contracts bid to date with an overall cost savings of \$230,000 over the engineer's estimate. McEwing also advised that the guaranteed maximum price on the garage, roadway and skywalk has been determined.

FY'04 BUDGET:

The FY'04 operating expense and revenue budget was presented for review and approval. Ms. Gagne answered questions raised, including the increase related costs of payrolls, insurances and advertising.

MONTHLY OPERATING STATEMENTS:

The March operating statements were presented and reviewed. A discussion ensued regarding accounts receivables.

Ms. Miller made a motion to write off the balance due from "Hamels" in the amount of \$ as uncollectable. Seconded by Mr. Gutman. All were in favor.

MANAGER'S REPORT:

South End Development (SED): A successful meeting was held with all the regulatory agencies. A follow up to that meeting will be held May 16. There is not a defined date to receive the CUD, but it appears that all parties are on the same road to an agreed upon destination.

Three alternatives for additional space have been presented and discussed with P&W. BCDC is ready to handle the financing.

Airport 2003 Series Revenue Bond: The dates for presentations to the rating agencies and insurers are May 8 and 9 in New York. The closing is scheduled for the week of June 9.

Space Requests: Have met with Angelo Pizzagalli and the AvCenter regarding their desires for hangar space. How that will be orchestrated will depend on the alternative that P&W proposes.

The Chairman of the **House Transportation Committee** invited the airport to their meeting to talk about current state of affairs and the expansion project. Good meeting.

The new **Boarding bridges** at Gate six and nine are in and operating for Northwest and Delta. There are some maintenance items that are being addressed.

General Airline Info: Northwest added a fourth frequency on April 1st. USAirways advised to expect a 737 back on the schedule this summer. United advised to expect a second airbus for the summer. Jetblue hoping for a 3rd frequency this winter. Communications continue with American Trans Air. They are still waiting for the world situation to quiet down. For the month of March, jetblue boardings at Burlington had the highest load factor of all their cities.

MANAGER'S REPORT (cont.):

Parking Revenues: March revenues from the parking garage were the highest ever.

Enplanements: The enplanements for the first quarter of this calendar year were up 4.07% over the historic numbers from this time last year.

Liveable Wage: The new liveable wage published for the next twelve months is \$11.67/hr with benefits, \$13.49 without benefits. The next contract to be impacted by the liveable wage will be the gift shop and news stand.

Mr. Gutman made a motion to enter executive session to discuss airport leases, the premature disclosure of which would put the airport at a substantial disadvantage. Seconded by Mr. Watson. The meeting entered executive session at 6:14 p.m.

The meeting resumed regular session at 6:37 p.m.

Mr. Gutman made a motion to approve the proposed rate structure of \$1.75/1000 lbs landed weight and a \$43.50 per square foot terminal rent rate for air carriers signing the signatory agreement for its remaining three year period. Seconded by Ms. Miller. All were in favor. Commission direction for this rate to be offered to PSA.

Mr. Gutman made a motion to allow the Chairman to discuss and negotiate a lease rate reduction with Aviatron after review of presented financials. Seconded by Mr. Watson. All were in favor.

There being no further business, the meeting adjourned at 6:38 p.m.

Respectfully Submitted,

Tamara S. Gagne
Clerk of the Board

JANUARY 2003

NO MEETING HELD