

**BURLINGTON INTERNATIONAL AIRPORT  
BOARD OF AIRPORT COMMISSIONERS  
MINUTES OF MEETING  
January 27, 2014**

APPROVED – 2/24/14

**MEMBERS PRESENT:** Jeff Munger (Chairman)  
Bill Keogh (Vice Chairman)  
Jeff Schulman (arrived 4:10 PM)  
Alan Newman  
Gene Palombo (arrived 4:14 PM)

**BTV STAFF PRESENT:** Gene Richards, Director of Aviation  
Robert McEwing, Director of Planning & Development  
Kelly Colling, Director of Operations  
Ryan Betcher, Marketing

**OTHERS PRESENT:** Rich Goodwin, Assistant CAO, City of Burlington  
Joe McNeil, City Attorney  
Jacob Borgeson, USDA  
Fred Pogmore, USDA  
Douglas White, Vermont Flight Academy  
David Conger, Dubois & King  
Marianne Riordan, Recording Secretary

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**1.0 CALL TO ORDER and AGENDA**

Chairman Jeff Munger called the meeting to order at 4:03 PM. Introductions were done.

1.01 Agenda

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the agenda with the renumbering of Item 3.2 (Project Update Report) to Item 5.9.**

**VOTING: unanimous (3-0)[Jeff Schulman and Gene Palombo not present for vote]; motion carried.**

**2.0 PUBLIC FORUM**

There were no comments from the public.

**3.0 CONSENT AGENDA**

3.1 Minutes: December 16, 2013

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the consent agenda including Item 3.1 - Minutes of December 16, 2013 as presented.**

**VOTING: unanimous (3-0)[Jeff Schulman and Gene Palombo not present for vote]; motion carried.**

**4.0 FINANCIAL REPORT**

Mr. Goodwin reported the following:

- Revenues and expenditures are trending as expected.
- Winter maintenance costs have been impacted by the weather.

- Trend analysis for six months shows actual revenues received ahead of last year by approximately \$200,000.
- Enplanements look good. Profit/loss looks good. Debt looks good.
- Debt coverage score for the airport is exceptional and better than Fitch and Moody's expected. Halfway through the year the airport is at 2.5% (required is 1.5%).
- The airport gained 10 points as a result of the refinance.
- The focus over the next 90 days is outstanding A/R for AIP projects (approximately \$3 million outstanding needs to be winnowed to \$1.5 million).
- Cash and restricted cash show approximately \$1 million in the depository account and \$10 million in reserves as required by the bond covenants. There is \$1.5 million invested.

Alan Newman asked about new debt and impact on the score. Rich Goodwin said every \$100,000 in new expenditure equates to 2.5 on the score so an additional \$500,000 in annual debt would be 15 basis points. Though the airport can handle more debt now it is not recommended based on cash flow. Alan Newman observed high-end airport services are being heavily used and asked what can be done to generate more revenue, such as reconfiguring space to create more post-security area. Bob McEwing estimated the cost would be around \$5 million. Gene Richards suggested a work session be scheduled to discuss ideas.

Bob McEwing stated when application for payment for AIP projects is submitted (upon completion of a project) federal funds will be released and bills paid. All are capital projects. In 2010 there was \$23 million in AIP projects and at the end of the year there was \$7.5 million in outstanding receivables.

Jeff Munger referred to the white paper by Steve Baldwin, December 2011, on enplanements, noting Burlington Airport has 18%-20% higher revenue per passenger.

Jeff Schulman congratulated staff on the effort resulting in the bond rating upgrade. Gene Richards urged all to read what Moody's wrote – the upgrade was given, but there is still possibility of downgrade if the right steps are not continued to be made, such as practices with the FAA and the financial relationship the airport has with the city. Staff is working with Burlington and South Burlington to remedy issues and needs the support of the Airport Commission.

**MOTION by Bill Keogh, SECOND by Jeff Munger, to accept the financial report and place the information on file. VOTING: unanimous (5-0); motion carried.**

## **5.0 COMMUNICATION/DISCUSSION**

### **5.1 USDA Briefing**

Fred Pogmore and Jake Borgeson reported on wildlife mitigation, off airport relocation and habitat plan:

- Bird strikes with aircraft are a problem.
- Work continues on the gull hazard at the airport.

- Raptor and owl relocation includes snowy owls and kestrels (small falcon). The snowy owls were at the airport probably due to the arctic vortex and the airfield resembling arctic tundra. The kestrels hunt the edge of the runway area.
- Relocation of the birds has helped avoid bird strikes. There were only two strikes on the airfield in 2013.
- Having USDA personnel monitoring the airfield full time to spot the birds is key. USDA stations personnel at hundreds of airports across the country (as well as war zones such as Iraq and Afghanistan). National Guard Bureau pays 75% of the cost and the airport pays the remaining 25%.
- Wildlife is third on the list of FAA safety concerns. FAA monitors hits at airports. Pilots are obligated to report strikes.
- Wildlife hazard assessment is on-going for deer, birds, and other wildlife on airfields so prevention to discourage patterns and trends can be implemented. The first choice of action is to trap and relocate.

### 5.2 Airport Ambassador Job Description

Kelly Colling explained the proposal to authorize airport ambassadors to write tickets to drivers who park in front of the terminal building. The task fits under the current job description so no increase in wage is necessary. The airport ambassadors have several incidents a day with drivers who insist on waiting out in front of the terminal which is not allowed per TSA rules. Police officers are inside the building working with TSA and may not be available to address the situation when it occurs so providing the airport ambassadors with a little bit of leverage to move people along would be helpful. Airport ambassadors would receive additional training in handling confrontational people and issuing tickets.

Bill Keogh mentioned ensuring there are signs for the cell lot so people know they can wait there.

Jeff Schulman questioned if issuing tickets will solve the problem. Gene Richards acknowledged people will be annoyed by the tickets, but the airport risks a \$10,000 fine each time a TSA agent must deal with the situation. Jeff Schulman commented issuing tickets will show the TSA the airport is taking action, but the tickets will likely create more conflict which seems to go against the role of the airport ambassadors to welcome guests to the airport. Only law enforcement officials should issue tickets. Gene Richards conceded airport operations ideally should be in the welcoming business, not enforcement, but the airport has the responsibility to keep the area in front of the terminal clear of cars. TSA has given the airport opportunity to address the matter before issuing a fine. The airport is obligated to follow TSA rules.

Jeff Munger suggested the parking enforcement officers working for the city handle the matter. Kelly Colling said John King implied there would be cost for the hours of an enforcement officer at the airport. There was brief discussion of the relationship with the airport and the Burlington Police Dept. Kelly Colling

noted presently airport ambassadors can write a ticket, but a police officer must come out to the front of the terminal to sign the ticket. Typically the driver leaves before the police officer arrives. There are two police officers per shift per shift and the officers must assist TSA. Jeff Munger expressed concern about airport ambassadors being put into confrontational situations with the public. Gene Richards reiterated being allowed to issue tickets gives the ambassadors the leverage to push people out of the restricted space. There will be training for the airport ambassadors on handling conflict and using discretion. Mr. Munger commented his experience in traveling to other airports in the country is a police officer is present to ensure airport rules are followed.

Gene Palombo suggested having a trial period and evaluating the results.

Staff will provide proposed language to allow tickets to be issued by airport ambassadors for review and approval before submission to the ordinance committee and city council.

### 5.3 Marketing Plan

A copy of the updated marketing plan was provided (staff will also forward an electronic version). Ryan Betcher reported:

- The majority of the marketing effort is focused on the Sherbrooke/Montreal area.
- Marketing is focused on branding, saving money, and convenient fares at Burlington Airport.
- Staff will address “leakage” areas and getting accurate fare comparisons.

Staff will provide information on advertising results. Gene Richards and Alan Newman will meet to discuss a marketing plan versus a sales plan.

### 5.4 Installation of Flight Information Display System (FIDS)

Staff reported the existing system installed in 2001 is outdated. Eight proposals were received to the RFP and Terminal Systems International (TSI) out of Canada was selected at a cost of \$59,000 for the infrastructure, monitors, and installation plus a monthly maintenance fee. A gate and baggage monitoring system is also included. The large board displays of flight information will be updated. Staff is researching weather tolerant monitors that can be posted outside the building to show flight information.

Jeff Munger asked if the airlines will share the cost of the system. Ryan Betcher said the industry standard is the airport provides the system. The money is in the budget.

Alan Newman commented the information boards rarely show accurate flight information. Ryan Betcher stated the computer system installed in 2001 is not compatible with current systems operated by the airlines. The TSI system will tie into the airlines, but the information is only as accurate as the input.

**MOTION by Kill Keogh, SECOND by Jeff Schulman, to approve the recommendation of staff to award the bid to TSI for the FIDS as noted in the memo, dated 1/27/14, and attached documents. VOTING: unanimous (5-0); motion carried.**

#### 5.5 Air Service Update

Staff reported:

- Alligant Air will begin service 2/19/14. Ground equipment is arriving and training is underway. Schedule changes are being communicated to the airport.
- Burlington did not lose service to Reagan Airport with the US Air merger. Staff continues to work on service to Charlotte.

The Airport Commission commended Ryan Betcher for his hard work on air service and developing a good working relationship with US Air and other airlines.

#### 5.6 City Council Decision on Emails

There has been discussion of using city email rather than personal email for correspondence. The Airport Commission does not have city email addresses. Any business done by email is subject to public scrutiny.

#### 5.7 Enplanement Report/Comparisons

#### 5.8 Fare Comparisons

Handout provided on enplanement and fare comparisons.

**MOTION by Bill Keogh, SECOND by Jeff Munger, to accept the reports on enplanements and fare comparisons and place the information on file. VOTING: unanimous (5-0); motion carried.**

#### 5.9 Project Update Report

Staff reported the sewage receiving building will be operational in February.

Staff will provide a spreadsheet showing projects and corresponding budgets and do a brief update at each meeting.

### 6.0 DIRECTOR'S REPORT

#### 6.1 Update of South Burlington Meetings

Gene Richards reported:

- Meetings have been held with several groups in South Burlington to discuss how to co-exist and be realistic about the operation of the airport.
- Kevin Dorn, South Burlington City Manager, is facilitating meetings to discuss many airport related issues.

- Better communication is needed. The airport must be sensitive to the issues, but the neighbors also have an obligation to participate in a positive manner.
- Zoning by the city could have been better planned so residences are not up to the fence of the airport. A ring of light industry could have been zoned and been a buffer between the airport and residential development.
- South Burlington City Council requested Burlington Mayor Weinberger and Airport Director Richards attend a meeting. It is hoped the meeting will be constructive with active participation and good dialogue.

Gene Palombo said he is meeting with Kevin Dorn to discuss rezoning and a vision for the neighborhood.

#### 6.2 City Council License Committee

The meeting with the license committee about the city handling taxi administration was good. Attorney Gregg Meyer said a three month implementation period is reasonable. Staff will monitor the matter to ensure action occurs in the next three months.

#### 6.3 Aerospace Conference

Several vendors and 250 people attended the recent aerospace conference held at the airport.

#### 6.4 Use of Airport Space

A wedding is scheduled in April at the airport. Staff is doing a survey to determine the possibility of offering daycare at the airport.

#### 6.5 Upcoming Leases with Airlines

Attorney Joe McNeil reported the following:

- Update on the leases with airlines
  - The team is working on determining the right price point to cover costs on both sides (field and terminal) so debt coverage and bond covenants are met.
  - The right balance between cost covering and service loss prevention must be found with the leases.
  - A plan of action and the risks will be defined.
- South Burlington Taxes
  - The issue is working toward litigation.
  - An experienced expert with a good track record is reviewing the matter.
  - More specific information will be forthcoming.
- Heritage FBO
  - Discussions are ongoing. Some aspects have been settled.

Regarding airline leases, Bill Keogh asked about Attorney McNeil's background in negotiations with airlines. Mr. McNeil said he has been involved with

Burlington Airport and airlines since 1970 and did negotiations in 1996 and 2006. In the past there was a Civil Aeronautics Board and costs were set nationally rather than having an unregulated market. Negotiations must find the right balance. Airports cannot subsidize airports at a disadvantage to the airport. Research of comparable airports and charges and expenses is being done. It is hoped an arrangement can be in place by July and recommendations can be made to the Airport Commission. Gene Richards echoed the need for a hybrid that shows the airlines that the airport is providing a good value, but at a price point that does not put the airport out of business.

## **7.0 COMMISSIONERS' ITEMS**

### **7.1 Taxi Licensing Board Report**

The meeting held with the licensing committee to discuss the letter regarding taxi administration being handled by the city was productive.

### **7.2 Airport Opening**

Jeff Munger announced Abu Dhabi International Airport in the United Arab Emirates opened and there is not one American airline carrier.

## **8.0 ADJOURNMENT**

Next meeting is February 24, 2014 at 4 PM.

**MOTION by Alan Newman, SECOND by Bill Keogh, to adjourn the meeting.**

**VOTING: unanimous (5-0); motion carried.**

The meeting was adjourned at 5:51 PM.

“To Do” list from 1/27/14 Airport Commission meeting:

1. Staff will provide proposed language to allow tickets to be issued by airport ambassadors for review and approval before submission to the ordinance committee and city council.
2. Staff will also forward an electronic version of the updated market plan to the Airport Commission.
3. Staff will provide information on advertising results.
4. Gene Richards and Alan Newman will meet to discuss a marketing plan versus a sales plan.
5. Project Update Report - Staff will provide a spreadsheet showing projects and corresponding budgets and do a brief update at each meeting.
6. The meeting with the license committee about the city handling taxi administration was good. Staff will monitor the matter to ensure action occurs in the next three months.