

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
April 23, 2014**

APPROVED – 5/12/14

MEMBERS PRESENT: Jeff Munger (Chairman)
Bill Keogh (Vice Chairman)
Alan Newman [left 5:13 PM]
Jeff Schulman [arrived 4:06 PM]
Gene Palombo (via teleconference)

BTV STAFF PRESENT: Gene Richards, Director of Aviation (via teleconference)
Robert McEwing, Director of Planning & Development [left 5:27 PM]
Heather Kendrew, Director of Engineering & Maintenance
Nic Longo, Accounting Office Assistant
Ryan Betcher, Marketing

OTHERS PRESENT: Rich Goodwin, Assistant CAO, City of Burlington
Tim Shea, Heritage Aviation
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Chairman Jeff Munger called the April 23, 2014 meeting to order at 4:03 PM.

1.1 Agenda

MOTION by Bill Keogh, SECOND by Alan Newman, to approve the agenda with the addition of Item 5.5 Bid Opening. VOTING: unanimous (4-0)[Jeff Schulman not present for vote]; motion carried.

2.0 PUBLIC FORUM

None.

3.0 CONSENT AGENDA

3.1 Minutes: March 24, 2014

MOTION by Bill Keogh, SECOND by Alan Newman, to approve the consent agenda including Item 3.1 - Minutes of March 24, 2014 as presented. VOTING: unanimous (4-0)[Jeff Schulman not present for vote]; motion carried.

4.0 FINANCIAL REPORT

Rich Goodwin reported:

- Three-quarters of the fiscal year is complete and revenues year-to-date are \$14.1 million which is $\frac{3}{4}$ of the budget.
- Expenses are trending high due to winter expenses.
- Operating profit at $\frac{3}{4}$ of the fiscal year is about \$4.7 million (\$3.4 million for the debt load so there should be positive cash flow).
- Per the trend analysis year-to-date revenue comparison shows revenues are up \$400,000 over the prior year for the first nine months. Terminal concessions are \$150,000 better than the prior year. Car rentals are up as well.

- With the customer facilities charge \$4 is collected for every car rental of which \$2 is paid toward the bond payment and \$2 is paid to capital for car rental. There are separate bank accounts so balances can be better tracked.
- Debt coverage score is 1.90 at nine months into the fiscal year. Last year at the same point the score was 1.50.
- The aging report will be updated because there have been some write offs (Champlain Auto).
- Accounts Receivables for AIP are trending flat for the last month. The goal is to be below \$1 million. A meeting is scheduled with airport staff in May to discuss how to better project cash flow so the airport does not have to borrow money short term.

There following was mentioned relative to the finance report:

- Alan Newman asked about over time. Heather Kendrew stated maintenance contracts are up due to allocated versus budgeted costs.
- Mr. Newman mentioned enplanements and the significant number of cancellations. Rich Goodwin confirmed enplanements would have been higher if flights were not cancelled in January, February and March.
- Jeff Munger asked about regulatory and bank fees being budgeted at \$20,000 and year-to-date being \$98,000. Rich Goodwin will investigate and inform the board via email.
- Chairman Munger asked if the debt coverage number could increase. Mr. Goodwin said this is possible now that winter expenses are over. Gene Richards asked if there would be an impact on the debt score with an adjustment on the money from Heritage. Mr. Goodwin said the money coming in is cash flow, not debt coverage.
- Jeff Munger asked about unapplied payments. Nic Longo explained United set up an ACH payment for 10 months and paid \$187,000 which should not have happened. The account will be reconciled by the end of the fiscal year.
- Bill Keogh asked if the city school budget issues could impact the airport. Rich Goodwin said not likely though Moody's does look at the city as a whole.
- The lag between outlay of cash by the airport and reimbursement by the state and FAA was noted. Rich Goodwin will do a flow chart of A/R for AIP. There was mention of different types of borrowing (GAN or RAN) and the financial status and relationship between the city and airport.

The Airport Commission commended Nic Longo on the positive results in reconciling outstanding accounts and collecting money due to the airport.

Gene Richards mentioned the airport has not paid in the last year for the art displayed in the terminal. Mayor Weinberger wants the airport to pay \$2,500 this year and budget \$5,500 next year for artwork. Options to support art without including a line item in the budget include:

- Find a sponsor for the arts;
- Have the airport receive a percentage of the proceeds from the sale of the art pieces by the artists;

- Allow artists to donate their works for display at no cost.

Following further discussion the Airport Commission agreed to follow the suggestion of the Mayor with regard to supporting City Arts.

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

Jeff Schulman asked if there are any ‘red flag’s that should have been seen with the school budget so the airport does not make the same missteps. Rich Goodwin will prepare some points for the next meeting.

5.0 ACTION NEEDED

5.1 Grant Acceptance

5.1.a Board of Finance Memo re: FAA Grant Acceptance AIP-99

5.1.b Resolution: FAA Grant Acceptance

MOTION by Bill Keogh, SECOND by Jeff Schulman, that the resolution for FAA grant acceptance AIP-99 be adopted.

DISCUSSION: There was discussion of the language of the resolution being reviewed by city legal counsel prior to adoption to ensure consistency with state law and city procedures. Bill Keogh said he was not comfortable approving the resolution without legal review first.

The following was noted:

- **The language is boiler plate. The airport is preparing the paperwork to reduce costs. Staff goes through the due diligence required by the city.**
- **The resolution must be submitted by the FAA deadline or the opportunity for the grant is lost.**
- **The lawyers will be reviewing the documents and if there are any substantive changes the documents will be returned to the Airport Commission.**
- **The project has been reviewed by the FAA and the funding has been approved. Now the paperwork must be submitted.**
- **The phrase “15% +/-“ means the FAA grant may be adjusted upward a maximum of 15%. The phrase “appropriate process” means the contracts must be approved and proper accounting codes met.**

Jeff Schulman called the question. There were no further comments.

VOTING: 4 ayes, one nay (Bill Keogh); motion carried.

Bob McEwing reported the deadline for applications to the FAA is May 1st. Projects are weather dependent and must be done during the Vermont construction season. There are two projects that need grant applications and approval of the resolutions by the Airport Commission, perhaps by telephone or email due to time constraints.

5.5 Bid Opening

Bill Keogh stated the Airport Commission should be invited to bid openings. Bob McEwing will notify members of opening dates.

6.0 COMMUNICATION/DISCUSSION

6.1 Vermont Air National Guard Joint Use Agreement

Heather Kendrew reported there is a joint use agreement with ANG which exchanges use of the runway by the Air Guard with crash fire rescue service provided by the Guard. Term of the agreement is five years.

6.2 Project Update Report

Staff reported:

- Jet Bridge #11 is in operation
- Taxiway Bravo and airfield construction will begin in May
- Three projects are ready to go out to bid

Jeff Munger asked about the solar roof project. Heather Kendrew said the contract with Burlington Electric is nearly complete. Staff is working through the process with Encore.

6.3 Air Service Update

Staff reported:

- Schedule changes for summer will be made in May
- JetBlue 4th flight will return
- Allegiant and United will offer more frequent service
- Staff is presenting at the Allegiant conference in Las Vegas

6.4 Passenger and Operational Statistics

The Airport Commission received a handout showing data on passenger and operational statistics in the new format.

6.5 Fare Comparison

The Airport Commission received a handout on fare comparison showing a 'snapshot in time'.

6.6 Upcoming Bid Openings

6.6.a Air Carrier Apron Project: AIP-100, April 25, 2014 at 1 PM

6.6.b Update Security System: AIP-101, May 1, 2014 at 1 PM

7.0 DIRECTOR'S REPORT

Gene Richards reported:

- Staffing update:
 - Ryan Betcher has taken a position in Myrtle Beach. Mr. Betcher was a great employee of the airport and instrumental to the team.
 - Sarah Steves in Operations entered air traffic control school.

- Work continues on South Burlington litigation, agreements with airlines, relationship with Heritage and the Air Guard, and staffing replacements due to turnover.
- Skinny Pancake is not moving forward with renting the restaurant space. Staff is investigating breaking the space into smaller units.
- A wedding was held at the airport with great success.

8.0 COMMISSIONERS' ITEMS

8.1 Taxi Licensing Board

Bill Keogh reported relocating the taxi administration downtown is still under review by the city. Section 54, paragraph 276 of the city charter delegates the responsibility to the airport to appoint the taxi board so there is no resolution giving the Airport Commission authority to appoint the taxi board.

9.0 ADJOURNMENT

Next meeting is Thursday, May 15, 2014 at 4 PM.

MOTION by Bill Keogh, SECOND by Jeff Schulman, to adjourn the meeting.

VOTING: unanimous (4-0)[Alan Newman not present for vote]; motion carried.

The meeting was adjourned at 5:35 PM.

“To Do” list from 4/23/14 Airport Commission meeting:

1. Jeff Munger asked about regulatory and bank fees being budgeted at \$20,000 and year-to-date being \$98,000. Rich Goodwin will investigate and inform the board via email.
2. The lag between outlay of cash by the airport and reimbursement by the state and FAA was noted. Rich Goodwin will do a flow chart diagram of A/R for AIP.
3. Jeff Schulman asked if there are any ‘red flag’s that should have been seen with the school budget so the airport does not make the same missteps. Rich Goodwin will prepare some points for the next meeting.