

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
June 27, 2012**

APPROVED – 7/23/12

MEMBERS PRESENT: Gene Richards (Chairman)
Bill Keogh
Jeff Munger
Jeff Schulman

MEMBERS ABSENT: Peter Plumeau

STAFF PRESENT: Robert McEwing
Tamara Gagne
Heather Kendrew
Ryan Betcher

OTHERS PRESENT: Joe Farnham, Attorney, City of Burlington
Bill Ellis, Attorney, City of Burlington
Marie Fredman, Finance, City of Burlington
Chris Hill, Heritage Aviation
Rheal Gagnon, Heritage Aviation
Steve Magowan, Heritage Aviation
Keith Jones, Atlantic
Kathy DeCarreau, City of Winooski
Brad Worthen
David Roccio
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Chairman Gene Richards called the meeting to order at 4 PM.

1.01 Agenda

MOTION by Bill Keogh, SECOND by Jeff Munger, to accept the agenda as presented. VOTING: unanimous (4-0); motion carried.

2.0 MINUTES

2.01 May 4, 2012

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the May 4, 2012 minutes as presented. VOTING: unanimous (4-0); motion carried.

3.0 AIRPORT FINANCIALS

3.01 May Operating Statements

Tamara Gagne reported the cash position of the airport is slightly higher as of June 27, 2012 than the number shown by the City of Burlington. There are no “red or yellow flags” with the financials to report.

Jeff Munger inquired about an accounts receivables list that was not included as a part of the monthly financials and asked that Tamara Gagne provide an update when available.

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the May operating statements as presented on June 27, 2012. VOTING: unanimous (4-0); motion carried.

4.0 PUBLIC FORUM

4.01 Introductions

Individuals in attendance introduced themselves (see ‘Others Present’). Gene Richards welcomed Kathy DeCarreau, Winooski City Manager, as a supportive partner of the airport.

5.0 OLD BUSINESS

5.01 Communication: Joe Farnham/Bill Ellis, MLS

5.1.1 CAH Hearing – July 3

- The jury found in favor of the City of Burlington for money owed by CAH.
- There is an interim order from the court ruling CAH Airport Parking Services, LLC owes the City of Burlington approximately \$900,000 including interest.

5.1.2 Heritage Suit re: South Burlington

- Ruling from Chittenden Superior Court is anticipated regarding the motion to dismiss.
- City of South Burlington alleges taxpayers need to exhaust administrative remedies before bringing suit.
- Heritage filed an amended complaint and the City of South Burlington moved to dismiss.
- Discovery is halted in the interim.

5.1.3 FAA Inquiry

- Voluminous documentation has been provided in response to the inquiry regarding potential revenue diversion or paying more for services (grant assurances with federal money). The issue is payments to South Burlington and the City of Burlington for operation of the parking garage.
- The FAA contact person in January said the case is being reviewed. There has been no further word to date.

5.1.4 Airport Appraisal

- Memo, dated 6/27/12, regarding the South Burlington assessment to be discussed in Executive Session.

5.02 Atlantic Release

The chronology of events per the Termination and Release of Guarantee was reviewed. Joe Farnham noted the City of Burlington is willing to release M.A.N.A (parent company of Atlantic), but is not consenting to the transfer without a document of the consent. The Airport Commission felt as a courtesy the airport should have been informed that one Fixed Base Operator (FBO) at the airport was assigning assets and operations to the other FBO at the airport resulting in only one FBO at the airport.

Notwithstanding Heritage Aviation has been operating for a year since the transfer. There was further discussion of the responsibility of the airport with regard to supporting FBO functions and the potential liability associated with having only one FBO at the airport. Steve Magowan stated there is good legal argument that notice was not required under the structure of the transaction. Heritage has been a good neighbor. There is no contractual obligation that the entity be funded. From a business perspective the argument could be about a shell company. It is not uncommon for an airport the size of Burlington Airport to have a single FBO. Gene Richards reiterated being a good neighbor means keeping the airport informed. The airport cannot exist without an FBO. Keith Jones, representing Atlantic, stated his client understands how the transaction is perceived and is willing to work to resolution.

MOTION by Bill Keogh, SECOND by Jeff Munger, to table action on the Atlantic release pending a report from legal counsel. VOTING: unanimous (4-0); motion carried.

5.03 Discussion: Porter Airlines and Customs

Robert McEwing gave a brief history of service by Porter Airlines from Canada to Burlington that began in December, 2011, noting the desire by the airline to increase the frequency of flights to four flights per week and have passengers go through customs at the terminal building rather than the Heritage building. The area by baggage carousel #3 in the terminal building was investigated as a potential location. U.S. Customs Services wants the area sealed off and devoted to customs activity and use only. The cost of the arrangement is \$495,000. A revised plan reduced the cost by \$200,000, but Customs was not fully satisfied. Customs is willing to work with Heritage on a procedure. Porter Airlines must also be in agreement. Preclearance in Canada would resolve the situation, but until this occurs an alternate plan must be in place. The Airport Commission will be kept informed.

6.0 NEW BUSINESS

6.01 Communication: Passenger Facility Charge 2012 Application/Airline Consultation Meeting

Robert McEwing reported:

- PFC is the fee assessed passengers boarding airplanes at Burlington Airport. The fee is \$4.50 per passenger.
- FAA approves the PFC and issues a finding.
- Total PFC is \$4.7 million some of which is paid over 10 years through loans.
- PFC application will include:
 - Reimbursement for snow removal equipment
 - Replacement of the terminal roof
 - Replacement of the vestibule at the north end

- Upgrade of the public restrooms at the north concourse
- Replacement of the elevator on the south end with service to the rooftop
- New boarding bridge on Gate 11
- Replacement of the boiler in the main terminal
- There will be a consultation meeting in August to discuss projects and other issues after the consultation package is sent to the airlines in July.

6.02 Airport Taxi Meter Rates

Tamara Gagne reported:

- City of Burlington Taxi Licensing Board is moving forward with the installation of meters in taxis serving the city and the airport and has made a recommendation on the rates for approval by the Airport Commission.
- Following field testing of various rate scenarios, the proposed rate schedule is \$2.50 drop fee, \$7.50 minimum, \$2.00 per mile and \$4 airport fee.
- Two public hearings will be held on the proposed rate schedule prior to presenting the information to the Finance Board and City Council for adoption.
- City Council approved extending the taxi licensing period by 30 days and implementation of taxi meters until September 30th.

MOTION by Bill Keogh, SECOND by Jeff Munger, to support the work of the City of Burlington Taxi Licensing Board and accept the recommendation to move forward with taxi meters and adjusting the taxi rates. VOTING: unanimous (4-0); motion carried.

6.03 Nominations for Chairperson and Vice Chairperson

MOTION by Bill Keogh, SECOND by Jeff Munger, to nominate Gene Richards as Chairman.

DISCUSSION: Bill Keogh stated Gene Richards has been an outstanding spokesperson for the airport and exercises leadership and gumption when appropriate.

There were no other nominations. The nominations were closed.

MOTION by Bill Keogh, SECOND by Jeff Schulman, to nominate Jeff Munger as Vice Chairman.

There were no other nominations. The nominations were closed.

6.04 Election of Chairperson and Vice Chairperson

MOTION by Bill Keogh, SECOND by Jeff Schulman, to vote on the nominations received for Chairman being Gene Richards and Vice Chairman being Jeff Munger. VOTING: unanimous (4-0); motion carried.

7.0 AIRPORT DIRECTOR'S REPORT

A written report was provided to the Airport Commission. Robert McEwing highlighted the following:

- ❖ The new airport magazine, "BTV", is available at the airport.
- ❖ JetBlue will be curtailing direct service from Burlington to Orlando in November, 2012. The route has 85.5% load factor (greater in winter time). It is possible the route was purchased. Frontier Air is interested in serving Burlington with a route to Orlando.
- ❖ The community relations committee consisting of representatives from the Air Guard, airport staff, surrounding communities and the Airport Commission will be meeting to discuss common issues. Gene Richards commented it is not the intent of the airport to fight with South Burlington on issues, but rather to work together. The Airport Commission and airport staff are working hard to keep the airport strong and operating as a business. Individuals are urged to serve on the community relations committee.

8.0 OTHER BUSINESS

8.01 Next Meeting: July 23, 2012 at 3 PM

8.02 Airport Commission Comments

Bill Keogh requested an update on the responsibilities and authority of the Airport Commission. Mr. Keogh stated the Mayor or City Council has the authority to appoint a community relations committee, not the Airport Commission. The matter will be further discussed at the next meeting.

9.0 EXECUTIVE SESSION

9.01 Pending Litigation

MOTION by Jeff Schulman, SECOND by Bill Keogh, to convene Executive Session to discuss pending litigation where premature public knowledge would place the City of Burlington at a substantial disadvantage, and to invite staff and attorneys to attend. VOTING: unanimous (4-0); motion carried.

Executive Session was convened at 5:12 PM and adjourned at 5:36 PM. The regular meeting was reconvened. Jeff Schulman left the meeting at 5:25 PM.

9.02 Action Following Executive Session

MOTION by Bill Keogh, SECOND by Jeff Munger, to support the recommendation from legal counsel to proceed with the appeals process with regard to the South Burlington assessments of property taxes against the airport as deemed necessary and to authorize staff to provide support as needed for the process. VOTING: unanimous (3-0)[Jeff Schulman not present for vote]; motion carried.

10.0 ADJOURNMENT

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

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

The meeting was adjourned at 5:37 PM.

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