

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
September 10, 2012**

APPROVED - 10/17/12

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

MEMBERS ABSENT: Alan Newman

BTV STAFF PRESENT: Gene Richards, Interim Director of Aviation
Robert McEwing, Director of Planning & Development
Heather Kendrew, Director of Engineering & Maintenance
Ryan Betcher, Airport Technical Assistant

OTHERS PRESENT: Rich Goodwin, Finance, City of Burlington
Vince Dober, Burlington City Council
Chris Hill, Burlington resident
Michael Bantach, One Flight Up
John Briggs, Burlington Free Press
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Chairman Jeff Munger called the meeting to order at 4:10 PM and suggested the agenda item "Public Input" be changed to read "Public Forum".

Gene Richards announced the next meeting of the Airport Commission will be as paperless as possible. The large screen monitor will be used to display meeting materials.

1.01 Agenda

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

2.0 WELCOME NEW COMMISSIONER: Alan Newman

Mr. Newman was out of town and unable to attend the meeting.

3.0 PUBLIC FORUM

There were no comments from the public at this time.

4.0 MONTHLY FINANCIALS

Rich Goodwin reported the following:

- Per the balance sheet the cash balance is \$115,117 as of June 30, 2012.
- There is \$2.5 million in the Passenger Facilities Charge account which is a Restricted Account for FAA approved projects.
- The sum of the Restricted Airport Prepaid Cash account, GAN, BAN, and Debt Service Fund is \$4.5 million.
- RAN was paid in full June 30, 2012.

- Amount due to other municipal funds is approximately \$900,000, but the airport owes \$0 (zero) to the City of Burlington.
- The unaudited financial performance for the airport is the best in its history which has resulted in the ability to build reserves, achieve the debt service score in FY11 and FY12, and have an attractive level of profitability and less reliance on the City of Burlington for pooled cash.
- The goal for the amount of cash in reserves to be achieved by December 2012.
- Work on consolidation of long term debt is ongoing.
- On the revenue side, revenues were tracking better in July, 2012 than the first month of the last fiscal year.

Gene Richards commented the airport is doing well in an industry that is consolidating which does impact the bottom line. Even though the numbers are down in July for the airport, the month was the best in years. August numbers are anticipated to be good as well. The airport is pursuing a grant anticipation note (GAN) line of credit from the Community National Bank and the Northfield Bank for federally approved AIP projects and a revenue anticipation note (RAN) line of credit between \$2 million to \$3 million for operating expenses. The interest rate for the line of credit is 2.5% for the city. It is hoped this same rate will hold for the airport.

MOTION by Bill Keogh, SECOND by Gene Palombo, to accept the financial report and place the material on file. VOTING: unanimous (4-0); motion carried.

5.0 COMMUNICATIONS

5.01 Status of Bond Issue

Rich Goodwin reported the financing for the airport is on track. The audit must be complete by October 31, 2012 in order to have the audited financials which are necessary to do the financing for the airport. The Recondo feasibility study is finished so the OS can be completed which is required in order to go out to bond.

5.02 Legal Status

Jeff Munger noted the report from Attorney Farnham concerning CAH, Skinny Pancake lease, South Burlington tax appeals, Heritage v So. Burlington case, Maille appeal relative to demolishing houses, and the FAA inquiry.

MOTION by Bill Keogh, SECOND by Jeff Schulman, to accept the report from Attorney Farnham and place the material on file.

DISCUSSION: Gene Richards briefed the Airport Commission on the status of the removal of houses by the airport (Maille appeal). The vacant houses were to be demolished in May and June (permits were secured), but the airport was not able to do this due to the appeal. Act 250 did not vote in favor of Mr. Maille's appeal. The current situation (vacant houses) is bad for the community and the airport's relationship with South Burlington. Mayor Weinberger is working diligently to improve the relationship with South Burlington. The airport maintains the vacant houses and continues to pay taxes. There

are daily inspections because there are frequent break-ins and vandalism. The houses once removed will be replaced with lawn. Mr. Maille can drop his appeal if he desires. The airport proposed building a 25' high concrete wall by Mr. Maille's house as a noise buffer. There may be a building constructed there in the future. A hotel is planned at the north end and a 30' high berm with evergreen trees will be built by the cemetery. Mr. Maille and South Burlington have not heard the noise barrier proposal. Jeff Schulman asked about the CAH case and if there is a settlement. Gene Richards said the attorneys are continuing discussions. Vince Dober asked about the FAA inquiry. Bob McEwing explained the FAA is investigating the funds paid to South Burlington and Burlington Public Works. There were no further comments.

VOTING: unanimous (4-0); motion carried.

5.03 Passenger Facility Charge 2012 Application: Airline Consultation Meeting
Bob McEwing reported the PFC 2012 application is to be reviewed by the airlines for advisory input at the consultation meeting on September 27, 2012. Projects include snow removal equipment, terminal building renovations, taxiway B reconstruction, taxiway G design, reconstruction of the cargo apron, update of NEM-2012, and PFC application costs.

MOTION by Bill Keogh, SECOND by Gene Palombo, to accept the PFC 2012 application report and place the material on file. VOTING: unanimous (4-0); motion carried.

5.04 Porter Airline/Customs Status

Bob McEwing reported there is a three year contract with Porter Air. Flights will be expanded to four per week for the fall, winter, and spring. Summer service will return to two flights a week. Modifications to the customs facility to make it easier for passengers coming to Burlington on Porter Air are coming along well.

Gene Richards observed in order for the airport to be a true international airport and to generate more revenue a customs facility that can handle 200 or more international travelers is needed.

6.0 LEASES & CONTRACTS

6.01 Land Acquisition 2012 – 1 Elizabeth Street

The airport has \$4.6 million from the FAA which is 90% of the cost to acquire the properties in the FY12 land acquisition program. Staff is proceeding with the acquisition of 1 Elizabeth Street which is the first of 14 properties in the program. The community and South Burlington city officials will be kept informed. Bob McEwing mentioned there is the possibility of additional land acquisition money from the FAA this year, but the schedule is very aggressive in that properties would have to go into the program by September 30, 2012.

6.02 Food Service Concessions

Negotiations continue with Skinny Pancake. The month of December is the target date. Hudson News is also involved. Chubby Muffin will be in operation on the first floor of the airport. Seating changes in the restaurant are planned. An RFP is going out for the restaurant. The space will be reallocation to be better used. The plan is to open the restaurant to the public in general, not just travelers, by offering free parking for two hours with the purchase of a meal. Jeff Schulman suggested headphones be available at the tables so the diners can listen to the air traffic controllers.

7.0 DIRECTOR'S REPORT

7.01 Enplanements

Enplanements were down in July 5% from last year, but the month was the highest of the calendar year. Typically July and August are the busiest months. Enplanements at Burlington Airport are up .4% for the calendar year which is not the case for most airports in the country.

7.02 Fare Comparisons

The average difference in fare between Burlington Airport and Trudeau is approximately \$135 (cheaper to fly out of Burlington than Trudeau). About 40% of the travelers at Burlington Airport are Canadians. Canada is trying to make changes to their charges on fares to lower the cost of flying out of the Canada.

7.03 Leakage (to other airports)

Burlington Airport will be doing a report on leakage to other airports to determine where travelers are going and why. The Secretary of Transportation offered to do a report on leakage.

7.04 Air Service Grant

Burlington Airport has an air service grant of \$450,000 for flights on US Air and Delta to Charlotte and Atlanta (can use \$90,000 of the grant for marketing if one of the airlines takes on a route). Discussions with the airlines are ongoing.

7.05 Marketing

A request will be submitted to the Finance Board to approve an assistant marketing position at the airport (two positions are needed eventually). Marketing efforts include promoting the airport's partners and the airlines, using social media for marketing, updating the website, adding signage to clearly identify the airport, parking, and other amenities and services at the airport. Information will be in English and French.

7.06 Roof Update

The terminal roof is leaking in many places. Staff is working on financing for a new roof to be installed by the end of December, 2012 (estimated cost is \$1.5 million). The roof is a reimbursable expense under the Passenger Facility Charge Program and is included in this year's application.

7.07 FAA Certification Inspection

The inspection for FAA certification went well. Burlington Airport staff is exceptional. The airfield is in great shape. A year's worth of logged data will be available next summer. The information is backed up three ways.

7.08 TSA/Staffing of North Terminal

The north terminal is manned by non-TSA personnel at the airport's expense. TSA should be staffing the exit, but argues that the exit is not a dual enter/exit and TSA is not required to provide personnel. Staff is working on language with Sen. Leahy's Office to either speed up the TSA line or make the north terminal a joint enter/exit area so TSA will provide the staffing.

8.0 COMMISSIONERS' ITEMS

8.01 Strategic Airport Committee

Bill Keogh stated it was an oversight not to include all members of the Airport Commission on the Mayor's strategic airport committee.

8.02 Taxi Meters

Bill Keogh reported taxi meters are being installed in all taxicabs that serve the city and airport as of September 30, 2012. A placard listing the fees and cost per mile will be posted in every taxicab.

Gene Richards stated staff is investigating locating the taxi administration office in the taxi area at the airport.

9.0 APPROVAL OF MINUTES

9.01 July 23, 2012

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve the minutes of 7/23/12 as presented. VOTING: unanimous (4-0); motion carried.

10.0 OTHER BUSINESS

10.01 Next Meeting: October 17, 2012 at 4 PM

10.02 Michael Boyd, Aviation Planner

Staff members will attend a forecasting summit in Dallas, Texas facilitated by the Boyd Group. Trends of the industry will be discussed with CEOs from Southwest, Frontier, United, and US Air.

11.0 ADJOURNMENT

MOTION by Bill Keogh, SECOND by Jeff Schulman, to adjourn the meeting. VOTING: unanimous (4-0); motion carried.

The meeting was adjourned at 5:45 PM.