

**BURLINGTON INTERNATIONAL AIRPORT  
BOARD OF AIRPORT COMMISSIONERS  
MINUTES OF MEETING  
October 17, 2012**

APPROVED – 11/14/12

**MEMBERS PRESENT:** Jeff Munger (Chairman)  
Bill Keogh  
Jeff Schulman  
Gene Palombo  
Alan Newman (via teleconference)

**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  
Bill Weigle, One Flight Up  
Marianne Riordan, Recording Secretary

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**1.0 CALL TO ORDER and AGENDA**

Chairman Jeff Munger called the meeting to order at 4:04 PM.

Bill Keogh mentioned forming a committee to look at the issue of livable wage as it applies to the airport.

1.01 Agenda

**MOTION by Bill Keogh, SECOND by Gene Palombo, to accept the agenda with the following amendments:**

**Add Item 4.05 – Resolution/Acquisition of Property at 1 Elizabeth Street, South Burlington;**

**Add Item 5.01.5 – Committee to Address Livable Wage Issues as Applies to Airport.**

**VOTING: unanimous; motion carried.**

**2.0 PUBLIC FORUM**

There were no comments from the public at this time.

**3.0 MONTHLY FINANCIALS**

Rich Goodwin distributed copies of the September 2012 financial statements and reported the following:

- Net profit for the first quarter of the fiscal year is approximately \$1.7 million for the airport which is better than the first quarter of the prior fiscal year and where the airport needs to be to meet the annual goal. Enplanements and landing fees are down for the first quarter, but overall revenues are tracking to plan (up 9% for the first quarter).
- Debt coverage score must be 1.25 or greater. The airport has hit this mark for two consecutive years. The score looks attractive in the first quarter. Over the next

- quarter the debt coverage score will drop because there are operational expense increases for snow removal and other winter operations. A debt coverage score in the range of 1.40 is achievable for the airport. Moody's wants a consistent score of 1.40 or greater. Moody's is going to upgrade the rating for Burlington Electric to a level higher than the city as a whole and the airport's financial advisors have indicated it is feasible for the airport to have a higher rating than the city as well.
- Per the requirements of the bond the audited financials for the year should be complete in the near term (next two weeks), the Ricondo feasibility study is looking good and the OS (Official Statement) is also looking good. The airport is moving in the right direction.
  - The Board of Finance approved the airport issuing a revenue anticipation note (RAN) for working capital for capital projects at the airport. The RAN is a line of credit and only what is needed will be used then paid back. City Council must also grant approval. Northfield Bank is interested in making \$750,000 available and Key Bank National is interested in making \$2 million available at 2.5% interest. The airport will not have to rely on the pooled cash of the city. The airport is authorized per the charter to borrow money.
  - Financial reporting will be streamlined and include more detail on line items in next month's report. Staff can view the financials on a daily basis.

Rich Goodwin briefly reviewed the history of bond borrowing by the airport and the requirements of Moody for reserve and cash balances. Jeff Munger asked about the various accounts for the airport. Rich Goodwin explained the PFC account is restricted and has about \$3 million. The amount fluctuates with enplanements and when approved projects are complete. The depository account contains the payments of monthly invoices sent out by the airport. The city sweeps the account each month as reimbursement for paying the bills initially and satisfying payroll. Large bond payments or expenditures are paid by revenue anticipation notes.

Jeff Schulman asked if interest is covered by federal funding. Rich Goodwin explained with a RAN the interest expense goes directly to the airport. With a GAN (Grant Anticipation Note) there is a separate account and the FAA allows interest expense to be reimbursed by PFC. GANs can only be applied to federally approved AIP projects. The airport roof replacement is not a grant and cannot use a GAN for financing. With a RAN airport repairs are viewed as an operating expenditure and not an improvement.

Bill Keogh requested a summary page of budget highlights in next month's report. Vince Dober, City Council, suggested including a trend analysis. Rich Goodwin will also provide a balance sheet and a copy of the Official Statement (OS) and Ricondo feasibility study once complete to show the airport accounts and funding sources.

**MOTION by Bill Keogh, SECOND by Jeff Schulman, to accept the financial report and place the material on file. VOTING: unanimous; motion carried.**

#### **4.0 COMMUNICATIONS**

##### 4.01 Heritage Flight Services

Gene Richards reported a letter from Steve McGowan was received saying Heritage is looking at business plans. Heritage supports FBO, maintenance, and charter services, but is selling its planes because few pilots are doing charter services. There is one out-of-state firm looking at buying the maintenance component, but if this falls through Heritage may have layoffs. Heritage is negotiating with Atlantic regarding FBO services and if that is not successful, Heritage will continue as FBO. Lawsuits involving Heritage and South Burlington are still active.

4.02 Annual FAA Capital Improvement Program Meeting – October 24, 2012  
The meeting with the FAA to go over the FY13 program/projects is 10/24/12. A copy of the program will be emailed to the Airport Commission. The program and minutes of the meeting will be posted on the airport website.

#### 4.03 Freedom of Information Inquiry

A Freedom of Information inquiry was received from the attorney representing the anti-F-35 coalition requesting Act 250 permits from 1972 and zoning documents from South Burlington. Staff has spent a significant amount of time compiling the information. The city attorney advised the expense cannot be claimed.

#### 4.04 Noise Research Project

As part of a study out of Washington, DC noise readings inside and outside of houses by airports will be documented. The consultant will begin the process on October 24, 2012 at Burlington Airport. Noise readings will be done in November.

#### 4.05 Resolution/Acquisition – 1 Elizabeth Street, South Burlington

**MOTION by Bill Keogh, SECOND by Gene Palombo, to adopt the resolution for acquisition of property at 1 Elizabeth Street, South Burlington.**

**VOTING: unanimous; motion carried.**

## 5.0 LEASES & CONTRACTS

### 5.01 Food Service Concessions – Livable Wage

Gene Richards reported the Finance Board approved a livable wage as it pertains to the Skinny Pancake and the contract with the Skinny Pancake. City Council also granted approval.

#### 5.01.5 Committee on Livable Wage for Airport

Bill Keogh stated after discussing the issue of livable wages with Joan Shannon, City Council President, Ms. Shannon recommended forming a committee to forward a recommendation to the ordinance committee on how livable wages apply to the airport. Gene Palombo, Jeff Schulman, and Bill Keogh will be the committee to look at the issue with staff and legal support as needed. Gene Richards noted city attorney, Eileen Blackwood, is well versed on the matter, and city councilors want the opportunity to review the recommendation and want the

ordinance enforced with the intent with which it was set up. The ordinance depicts just the airport and applies to all areas overseen by the Airport Commission including airlines and that was not the intent. Bill Keogh stated the committee will report to the Airport Commission which will report to City Council which will refer to the ordinance committee.

**MOTION by Bill Keogh, SECOND by Gene Palombo, that the Burlington Airport Commission adopt the committee of Jeff Schulman, Gene Palombo, and Bill Keogh to look into the applicability of livable wages for the airport and report the findings to the Airport Commission.**

**DISCUSSION: Bill Keogh explained the purpose of the committee is as it applies to the airport only. Vince Dober stated the information will be helpful to the ordinance committee. There were no further comments.**

**VOTING: unanimous; motion carried.**

#### 5.02 Skinny Pancake Contract

The contract has been signed by all parties, but has not been made official as yet. Bill Keogh opined the telephone meeting was an illegal public meeting and recalled he objected at the start of the meeting. The process did not follow the city ordinance either and therefore is not a legal meeting, said Mr. Keogh.

#### 5.03 RFP-Restaurant

Gene Richards stated an RFP for the restaurant will be sent out approximately October 19, 2012. The current operator is One Flight Up. Response to the RFP will be reported at the next meeting.

#### 5.04 CBP – Arrival Building Contract

Bob McEwing reported Porter Airlines wanted changes in the method of operations with international passengers so luggage will now be available when international passengers clear customs. The luggage will be brought into the customs reception area for pick up. This will be a more friendly approach. Airport ambassadors will be needed to help with the luggage. Also, Porter Air is making arrangements with the car rental companies for vehicles to be at the customs reception area. Passengers will no longer have to come to the main terminal building. Porter Air wanted an ‘arrival building’ for passengers to wait for their ride connection. The lowest cost estimate for a 24’x 40’ building is \$175,000. The state felt the cost was too high. The building is an interim solution while Porter goes through the preclearance process. The issue with using the existing Heritage building is security. Though there is concern about passengers not having a place to wait for their ride, the key is to make sure the cars are there when the passengers arrive. Four flights per week by Porter Air will begin December 15, 2012 and continue through April.

There was further discussion of an international terminal at Burlington Airport. Presently a maximum of 60 international passengers can be handled. There is lots of potential for international flights at the airport.

Rich Goodwin mentioned the “Best Unique Concessions” award received by the airport due to the rocking chairs in waiting areas, free Wi-Fi service, and the observation tower. Comments on the exceptional service at Burlington Airport are being heard. Gene Richards relayed comments, both good and bad, that he is receiving from the feedback cards available at the airport. With the conversion of Continental and United passengers are waiting a half hour for their luggage. Continental and United have been asked to hire other airlines to help with luggage service.

**MOTION by Bill Keogh, SECOND by Gene Palombo, to amend the agenda to discuss Item 7.02 – Taxi Committee at this time with Vince Dober. VOTING: unanimous; motion carried.** Item 7.02 – Taxi Committee (see notes under Item 7.0 – Commissioner’s Items).

## **6.0 DIRECTOR’S REPORT**

### 6.01 Enplanements

The trend with enplanements is level. There are not enough seats (flights) being offered so airline tickets are expensive. August-September was down 1,624 seats. Delta Airlines said they will increase the number of flights to LaGuardia after the first of the year. Flights to Atlanta (Georgia) are still on the list for consideration. The airline consultant (Boyd) will be meeting with Burlington Airport staff the week of October 22, 2012. Critical issues impacting enplanements include:

- The need for a strong economy so people have discretionary money to spend on travel.
- The price of fuel is impacting everything.
- Growth is needed in the number of seats. Marketing cannot be done if there are no seats to fill.
- There is competition with other airlines.
- Enplanements are down 8% for the month and 1.6% year-to-date.

### 6.02 Fare Comparisons

Burlington Airport is competitive with other airlines/airports on fares.

### 6.03 Marketing

Staff reported:

- A demonstration will be done at the next meeting of the new website and travel application showing current flight information. The app is a tool for travel that will provide information or allow people to log a complaint or comment.
- Advertising will be done for one month in subway cars in Montreal in both French and English. Airlines and the airport will be promoted in the

ads. There is a barcode on the poster so information on the airlines or the airport can be scanned into a smartphone.

- Advertising will be done on buses for one month.
- A billboard will be done by Paul Kaza to advertise the airport and flights.
- The combined cost for the updated website and advertising for a month on subway cars and buses is \$13,000.
- Television service through the terminal is being paid by sponsorships.
- There are 200 outlets with USB and phone connections.
- All space at the airport is being considered for marketing opportunities.
- There will be a room for yoga at the west end of the terminal so people can relieve stress while at the airport. Woodline Floors and Able Paint are the sponsors for the room.
- At this point in time no one has expressed interest in the \$450,000 marketing grant. Delta Airlines is interested in an Atlanta route, but has not acted as yet.

#### 6.04 Roof Update

Work on the roof will begin October 22, 2012. The cost of a new roof is about \$700,000. Five layers of old roofing material will be removed and six inches of insulation installed under the new off-white roof which will be energy efficient. The project will take 50 days (weather pending) with a crew of 10 workers each day. Staff is investigating if the insulation for the roof qualifies for an energy savings grant from Vermont Gas and/or Burlington Electric.

#### 6.05 Operational/Building Changes

Staff is negotiating with sponsors to support the yoga room and other changes in the terminal.

### **7.0 COMMISSIONER'S ITEMS**

#### 7.01 Strategic Airport Committee

Jeff Munger reported the meeting of the strategic airport committee was cancelled due to lack of attendance. The meeting was rescheduled to October 25, 2012. The RFP for the consultant will be reviewed.

#### 7.02 Taxi Committee

Vince Dober made the recommendation to the Airport Commission to set a limit of 50 taxi queue permits at the airport. Permits can be backfilled if there are revocations or non-renewals of licenses (attrition) otherwise the process is similar to allocating dock space for boats on the waterfront. Applicants will go through the permit process and then be put on a waiting list until an opening in the queue is available. The taxi industry has been requesting a limit on the number of permits for years. A petition signed by 27 taxi drivers with queue permits has been submitted in support of limiting the number of queue permits. The limit on permits applies only to the airport queue. An individual can still get a taxi license to work in the city. The number of permits was higher three years ago when enplanements were 100,000 greater than presently. The complaint is there are so

many taxis in the queue that drivers cannot make a living. Those who have a queue permit now will be grandfathered and not lose their permit unless the permit is revoked for some reason. The city attorney is investigating the legalities of the process.

Bill Keogh mentioned the Airport Commission needs to appoint the taxi advisory committee to include a taxi business owner, a taxi driver, and four members of the public. It is anticipated there will be some suggestions from the Taxi Board regarding who should serve on the advisory committee.

The Airport Commission will discuss the matter further at the next meeting.

## **8.0 APPROVAL OF MINUTES**

8.01 September 10, 2012

**MOTION by Bill Keogh, SECOND by Gene Palombo, to approve the minutes of 9/10/12 as presented. VOTING: unanimous; motion carried.**

## **9.0 OTHER BUSINESS**

9.01 Next Meeting: November 14, 2012 at 4 PM

9.02 Agenda Item(s) for Next Meeting:

- o Response to Restaurant RFP
- o Demonstration of New Airport Website and App
- o Discussion of Limit on Number of Taxi Queue Permits

## **10.0 ADJOURNMENT**

**MOTION by Bill Keogh, SECOND by Gene Palombo, to adjourn the meeting. VOTING: unanimous; motion carried.**

The meeting was adjourned at 5:50 PM.