

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
October 18, 2017**

APPROVED – 11/15/17

MEMBERS PRESENT: Jeff Munger (Chairman)
Pat Nowak
Alan Newman
Jeff Schulman [arrived 4:08 PM]

MEMBERS ABSENT: Bill Keogh

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Amanda Clayton, Director of Engineering &
Environmental Compliance
Marie Friedman, Director of Finance
Shelby Losier, Administrative Assistant

OTHERS PRESENT: Erin Desautels, Vermont Small Business Acceleration
Tim McCole, Heritage Aviation

1.0 CALL TO ORDER

Airport Commission Chair, Jeff Munger, called the meeting to order at 4:06 PM on October 18, 2017.

2.0 AGENDA

MOTION by Jeff Munger, SECOND by Alan Newman, to add the financial report as Item 3.06 on the agenda and approve the agenda as amended. VOTING: unanimous (3-0)[Jeff Schulman not present for vote]; motion carried.

3.0 CONSENT AGENDA

3.01 Approval of Minutes: September 7, 2017

3.02 Approval of Minutes: September 25, 2017

MOTION by Alan Newman, SECOND by Pat Nowak, to approve Items 3.01 & 3.02 on the Consent Agenda. VOTING: unanimous (4-0); motion carried.

3.03 Construction Update

Amanda Clayton reported construction projects are on schedule and on budget. Work on Taxiway Golf will be complete in November which will open the full length of the runway. Vermont Air National Guard will also be completing their work on the runway, but may continue with other earthwork. The apron project will be wrapped up by mid-November and the parking garage repairs should be done by November 10, 2017.

Pat Nowak asked for an abbreviated report from VANG. Staff will contact VANG.

3.04 Passenger and Operational Statistics

Nic Longo explained the numbers in the report reflect only two months into the fiscal year. Staff anticipates an increase in seats by 10%. United will be adding a second main

line and Delta will retain their main line year round so an uptick of 20% in seats is expected. There is dependability and less cancelations with main lines and the airport landing fee is based on maximum gross landed weight of the aircraft so the larger the plane the higher the fee.

Alan Newman observed the departing seat capacity went down per the statistics, but the landed weight went up. Nic Longo explained the landed weight includes commercial airlines and FedEx planes. Also, the number of flights for UPS and the U.S. Postal Service have increased. The next report will differential between the types of flights.

Pat Nowak mentioned parking fees for overnight parking. Nic Longo said this is a common practice at the larger airports, but not at Burlington Airport. Pat Nowak asked if the airlines are fine with the terms of the agreement that was signed. Nic Longo confirmed this.

Jeff Schulman noted there have been 1,610 cancellations year to date. Nic Longo said the total FY2018 year to date cancellations include 25 departures (two in July and 23 in August). Staff will further research the numbers.

3.05 Fare Comparisons with Cost Estimate Calculator
For information only.

3.06 Financial Report

Marie Friedman, Finance Director, reported the airport is doing well financially. The auditors have completed most of the site work and hope to issue the audit by the end of November. The audit went well. Parking revenue is down slightly as are enplanements. Revenues for the airport year to date are at 103%. The grant anticipation note for \$7 million was signed. Debt coverage score is high at the start of the fiscal year, but will adjust with anticipated expenditures.

There was brief discussion of setting aside some long term parking spaces once the repair work is complete in the parking garage.

Jeff Schulman asked about property tax reimbursement being in dispute. Marie Friedman said there is no dispute. Bills are set out after August so payments will be coming in.

Alan Newman observed total passenger number is down yet terminal concessions, car rentals, and landing fees are up. Nic Longo explained the landed weights are due to bigger planes landing at the airport. Flight cancellations/delays boost concessions. New concessions have been brought in offering more local, healthy products which has been very successful.

There was discussion of the Customer Finance Charge (CFC) and use of the money that is accrued for airport projects such as the quick turnaround facility. Presently there is \$3.352 million accrued in CFCs for use on airport projects. The quick turnaround facility will not be built until the contaminated soils issue is settled.

4.0 PUBLIC FORUM

Tim McCole, Heritage Aviation, reported Heritage is 100% ESOP (employee owned) and had a successful 2016 plus all the targets for the year will be met in the third quarter of 2017. Thanks are extended to the operation and administration of the airport.

Gene Richards said Heritage is a strong FBO will good business values which is what the airport wants.

5.0 COMMUNICATION AND DISCUSSION

5.01 Hotel

Gene Richards reported the airport is working with real estate attorney, Jeremy Farkas, and Jeff Glassberg from Renaissance Development Co. on the hotel. An update will be forthcoming.

5.02 Terminal Redesign

Gene Richards credited Alan Newman with helping staff think differently about the terminal space. There is a now a very creative plan where TSA is combined on the first floor of the south end of the terminal and then passengers go to a large area upstairs for the airlines and post-security services (restaurants, stores, and such). The terminal building is in good shape, but new escalators and elevators will be needed. The space presently occupied by the National Weather Service will be incorporated into the new design if the weather service relocates. The airport would like the weather service to remain at the airport in a different location. In the interim the lease with the weather service will be extended. Next steps in the terminal redesign include looking at high level cost estimates.

Gene Richards mentioned he has met with TSA about the long lines due to staffing levels and worked with Skinny Pancake on enforcing terms of the lease. Skinny Pancake is making changes to address deficiencies.

5.03 Noise Compatibility Program (NCP) Update

Gene Richards reported the airport is presently in the acquisition program (house removal). The NCP is the document and approval process that must be completed to change from the acquisition program to another mitigation program such as insulation, sales assistance, purchase assurance, aviation easements. The technical advisory committee (TAC) for the NCP held its first meeting and has six months to produce a final document. The FAA has 180 days after receipt of the final draft to review and approve the document. BTVsound.com is the dedicated website for the process.

Amanda Clayton asked what happens if the public wants to keep the acquisition program and the TAC wants mitigation. Nic Longo said public forums are held before starting the process to get input from the public, specifically the homeowners.

Gene Richards mentioned the request from Kevin Dorn that South Burlington have complete control of the program. Staff continues to receive communications from Kevin

Dorn and David Young (school superintendent) on matters and questions that have already been addressed. The communications are now being directed to the City Attorney's Office for response. The airport must report to the FAA and follow the grant assurances. Airlines must have input on any decision that adversely affects them. The airport wants to work with South Burlington, but the program is for the people in the houses, not the politicians. Kevin Dorn wants the politicians to have control of the program. The FAA has stressed that the program is for the people affected and that is why so many have been invited to participate in the public forums.

Gene Richards reported on the noise conference he and Nic Longo recently attended which was very informative and showed there are much bigger problems than those experienced at Burlington Airport. The airport is blamed for the decisions made for the military and by the FAA when the airport has no input to the decisions. The airport is also blamed for decisions made by South Burlington in the past, such as the zoning by the city around the airport.

Pat Nowak asked about the delay in communication back to Kevin Dorn. Gene Richards assured staff has responded to the questions, but the answers do not appear to be heard so the method has been switched to communication between the respective attorneys for the two cities.

5.04 South Burlington School District Communication

Staff reported responses have been sent to three of the four letters received. The fourth letter was just recently received and staff is in the process of drafting a response. Kevin Dorn was copied on the letters. The letters requested data on noise from items not included in the airport studies as well as immediate insulation of the school which cannot be done until the NCP process is complete. The airport met with the FAA and the school superintendent regarding insulation of the school.

5.05 Parking Garage

Staff reported the sealant work will be complete on the south end of the garage by November 10, 2017. The middle section will be done in the spring (2018) and the north end will be done in the summer (2018).

6.0 SOUTH BURLINGTON SEAT UPDATE

Pat Nowak expressed disappointment in the comment about re-examining having a South Burlington representative on the Airport Commission. The airport resides in South Burlington (unusual for a municipality to have a facility within another municipality) so it is a wise choice to have the voice of the community heard. Ms. Nowak spoke against eliminating the South Burlington seat.

Jeff Schulman mentioned the proposal to change the governance structure of the airport being advocated by South Burlington is a problem. Alan Newman added the frustration is the gap between the political people in South Burlington and Burlington. The airport has spent a significant amount of time on something that cannot be changed yet South Burlington continues to push for change. Pat Nowak acknowledged this, noting having

better communication and responsiveness will help. The MOU was to show that everyone was on the same page. Gene Richards stated the relationship with South Burlington has been frustrating despite the amazing leadership from the South Burlington rep on the Airport Commission. The airport continues to offer to work together. There is much potential between the community and the airport and what matters is what can be done together. Litigation is not the answer. Gene Richards said he hopes to see the day again when South Burlington and the airport are working together as they have done in the past.

7.0 DIRECTOR'S REPORT

Gene Richards reported:

- Staff has been talking to surrounding communities on regionalization of the airport. South Burlington should purchase the airport if they want to operate the airport. There is 100 years of management to be reimbursed. The airport is a billion dollar investment. The surrounding communities were thankful to hear the airport's side of the story and many changed their position after that. The resolution presented by South Burlington was mean in the way people were depicted. The airport wants to work with South Burlington, but wants to work with facts and hopes to have positive progress in the future. [Pat Nowak said talking about exploring a broader governance was not a problem, but when backup information was added and some was in error that created a problem for her and was the reason she withdrew her support personally for the resolution, but spoke in support for the city.]
- The noise conference in Savannah, Georgia was very informative.
- The first of five NCP TAC meetings was productive. The next meeting is December 5, 2017.
- Meetings with the airlines were productive. Positive news is anticipated in the next 60 days.
- The airport will share a booth with the state at the International Travel and Tourism Show in Montreal.
- The "change corridor" has a display on addiction, opiates, education, and understanding to help the community get a better understanding of the problem.

8.0 AIRPORT COMMISSIONERS' ITEMS

8.01 Policy File Update

Staff reported the change in the meeting date to the third Wednesday of the month and the start time to 4 PM has been incorporated into the document.

MOTION by Jeff Schulman, SECOND by Alan Newman, to accept the Policy File as presented. VOTING: unanimous (4-0); motion carried.

8.02 Winooski Meeting Debrief

Gene Richards reported on the discussion with the Winooski City Manager and Mayor about the airport and the Airport Commission which is advisory to Burlington City Council. The airport was not involved in the letter from Mayor Weinberger to the

Winooski Mayor. Winooski still wants a governance change and feels they deserve representation, but is not interested in ownership of the airport.

Alan Newman said Winooski is trying to affect a change rather than come to a constructive understanding. Everyone is stuck on the governance issue. Winooski wants to add value to their strategic plan. Their interest is in helping the airport be more regionally focused and if the airport can add value to the process. Winooski understands having a representative on the Airport Commission will not solve their problem. Their conversations should be with Mayor Weinberger, not the Airport Commission.

Amanda Clayton pointed out communities are invited to be stakeholders when the airport master plan is updated, not when their municipal board membership changes.

8.03 Ten Year Strategic Plan

Amanda Clayton stated the 10-Year Strategic Plan is a high level look at what the airport has been trying to accomplish since 2012 (i.e. stabilizing the financial outlook of the airport and long term goals).

Alan Newman asked when comments on what should be included in the strategic plan can be discussed. Amanda Clayton said the master plan needs to be reviewed and updated first. Stakeholder input will be needed to ensure the airport is growing in the right way. There was further discussion of fleshing out the master plan for the next three to five years rather than updating the plan every 10 years.

9.0 ADJOURNMENT

9.01 Next meeting/Agenda Items

- November 15, 2017 at 4 PM
- General Aviation
- Hangar Rental Space

9.02 Adjournment

MOTION by Pat Nowak, SECOND by Alan Newman, to adjourn the meeting.

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

The meeting was adjourned at 5:53 PM.

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