

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
November 20, 2013**

APPROVED – 12/16/13

MEMBERS PRESENT: Jeff Munger (Chairman)
Bill Keogh (Vice Chairman)
Jeff Schulman
Alan Newman

MEMBERS ABSENT: Gene Palombo

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Heather Kendrew, Director of Engineering & Maintenance
Robert McEwing, Director of Planning & Development
Nic Longo, Accounting Office Assistant
Ryan Betcher, Marketing

OTHERS PRESENT: Rich Goodwin, Assistant CAO, City of Burlington
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Bill Keogh called the meeting to order at 4:05 PM and facilitated the meeting until the arrival of Chairman Jeff Munger. The agenda was approved as submitted.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 EXECUTIVE SESSION

Executive Session was convened at the conclusion of the regular meeting.

4.0 CONSENT AGENDA

4.1 Minutes: October 15, 2013

MOTION by Jeff Schulman, SECOND by Alan Newman, to approve the consent agenda and the minutes of 10/15/13 as presented. VOTING: unanimous (3-0)[Jeff Munger not present for vote]; motion carried.

5.0 FINANCIAL REPORT

The financial report was postponed until the arrival of Rich Goodwin. Upon his arrival Mr. Goodwin reported the following:

- Profit & Loss statement is good for this time of year and better than the prior year.
- Enplanements are driving the major buckets for revenues. Marketing is paying dividends with enplanements. Future reporting will show calendar year and fiscal year figures (year-to-day this year and year-to-date last year).
- Trends are looking better.
- Year-to-date revenues are picking up momentum.
- Debt coverage ratio this year is 2.44 (2.10 last year). With winter months the number will fall because there will be fuel costs and such. Reporting in the future

will show debt coverage by month and prior year to see the trend and current status based on the season.

- Restricted funds are shown in the report. Bond reserves invested in AAA securities are producing interest income.
- Northfield Savings Bank will no longer be used for a line of credit to pay for federally approved AIP at 4% because the city's rate is 2%.
- The GAN reserve is no longer required so \$300,000 can go into the airport cash account.

MOTION by Jeff Schulman, SECOND by Alan Newman, to accept the financial report and place the information on file. VOTING: unanimous (4-0); motion carried.

6.0 ACTION NEEDED

6.1 Resolution: Lease – SMS Realty (Pete's RV)

6.1.1 Board of Finance Memo November 10, 2013

6.1.2 Draft Lease SMS Realty

MOTION by Jeff Schulman, SECOND by Alan Newman, to adopt the resolution and memo relative to SMS Realty (Items 6.1, 6.1.1 & 6.1.2) and place the items on file.

DISCUSSION: Bob McEwing reported five acres of airport property behind Pete's RV on Williston Road is leased to the RV business for storage of vehicles at a cost of \$3,300/month (\$33,900/year). A gravel road is being built by Pete's RV to connect the parcels. Airport staff is also working with SD Ireland to clean up their portion of property.

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

6.2 Resolution: Modifications to Gate 11 Boarding Bridge

6.2.1 Board of Finance Memo November 15, 2013

MOTION by Jeff Schulman, SECOND by Alan Newman, to adopt the resolution and memo relative to Gate 11 Boarding Bridge (Items 6.2 & 6.2.1) and place the items on file.

DISCUSSION: Heather Kendrew explained the need for a boarding bridge to fit the A320 aircraft used for the Atlanta flight. The airline apologized for the modification, but stressed the bridge is needed. The original cost of the bridge was \$635,000. There is now approximately \$1 million invested in the bridge (typical cost is \$900,000). There is money in the budget for the modifications.

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

6.3 Resolution: Purchase Three Parcels under AIP-98

6.3.1 Board of Finance Memo October 31, 2013

MOTION by Jeff Schulman, SECOND by Alan Newman, to adopt the resolution and memo relative to land purchases under AIP-98 (Items 6.3 & 6.3.1) and place the items on file.

DISCUSSION: Staff noted the sellers were on the list of properties included in the FAA land acquisition program.

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

6.4 Resolution: Temporary Ground Lease – Enterprise Rent-A-Car

6.4.1 Board of Finance Memo November 25, 2013

MOTION by Alan Newman, SECOND by Jeff Schulman, to adopt the resolution and memo relative to the temporary ground lease with Enterprise Rent-A-Car (Items 6.4 & 6.4.1) and place the items on file. VOTING: unanimous (3-0)[Jeff Munger not present for vote]; motion carried.

6.5 Resolution: Temporary Ground Lease – Hertz Rent-A-Car

6.5.1 Board of Finance Memo November 25, 2013

MOTION by Alan Newman, SECOND by Jeff Schulman, to adopt the resolution and memo relative to the temporary ground lease with Hertz Rent-A-Car (Items 6.5 & 6.5.1) and place the items on file.

DISCUSSION: There was discussion of the lease rate per foot (\$.70/foot). Ryan Betcher explained the rate was negotiated and is based on operating cost of the space (the space does not generate revenue and the airport does not do any maintenance on the lot). The lease is month-to-month so the airport has the ability to change the terms. Alan Newman suggested contacting Pomerleau for comparisons on land leases.

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

6.6 Resolution: Finance and Purchase of Vehicles and Equipment

6.6.1 Board of Finance Memo November 15, 2013

MOTION by Jeff Schulman, SECOND by Alan Newman, to adopt the resolution and memo relative to the purchase of vehicles and equipment.

DISCUSSION: Heather Kendrew explained Rich Goodwin advised the city can finance the package at 2%. There was mention of the six to eight weeks lead time needed to draft a resolution, include the item on the Airport Commission meeting agenda for approval, forward the material for inclusion on the Finance Board meeting agenda for approval and then go to City Council for approval.

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

6.7 Approval: E-cigarette Policy

Heather Kendrew stated staff is recommending a ban on e-cigarettes in the terminal building to avoid being in violation of state statute which prohibits use of lighted tobacco products in public buildings.

MOTION by Alan Newman, SECOND by Jeff Schulman, to approve the E-cigarette policy and place the item on file. VOTING: unanimous (3-0)[Jeff Munger not present for vote]; motion carried.

7.0 COMMUNICATION/DISCUSSION

7.1 Air Service Update

Staff reported:

- Allegiant Air will begin affordable air service to Orlando February 19, 2014 (166 seat aircraft). Ticket sales have been strong for the new service. Staff is investigating how many tickets were purchased by Canadian travelers. The airline operates very lean and wants to offer international flights which at this point in time is not possible at Burlington Airport.
- US Air/American merger and the cutbacks at DCA resulted in US Airways giving up 44 slots at the Washington airport. Staff is working with the airline on the matter. If a Washington slot is lost then another location, such as Charlotte, or a larger plane will be requested.

7.2 Enplanements

Enplanements for October are up 6.27% due to marketing, the Atlanta flight, and improvement in the economy. Enplanements are up nationally as well.

Alan Newman suggested airports of similar size to Burlington Airport and facing similar challenges form a group of chief executive officers to share points of view and do peer reviews of the business. Gene Richards agreed with the concept, but noted the demands of the current work load on staff do not allow time to pursue the idea at this point. Mr. Richards said he intends to contact two directors of aviation living in the area to discuss airport issues. Heather Kendrew commented there are email groups that discuss various airport topics. Staff does compare air service and airline use agreements with other similar airports, such as Portland, Syracuse, Rochester, Albany, and Savannah. Enplanement information for airports is maintained by the FAA and is available online. Alan Newman suggested airport comparison information be included in the reports to the Airport Commission. Jeff Schulman added the enplanement and fare information are useful reports to compare last year to projections this year, and comparing five airports to determine how Burlington Airport is tracking in comparison would be interesting. Staff will work on a list of different airports and fares for the next meeting.

7.3 Fare Comparison

No report.

7.4 Signage for Cell Phone Lot

MOTION by Bill Keogh, SECOND by Alan Newman, to direct staff to provide a report on enhancing signage to alert the public to the location of the cell phone lot. VOTING: unanimous (4-0); motion carried.

7.5 Monthly Staff Reports for Commissioners

The following information will continue to be provided:

- Finance Report and subcomponents: profit & loss, trend analysis, debt coverage, cash position
- Enplanements including summary of comparable airports (annually) and month-to-month enplanement report
- Air Service Report (verbal report at meeting)
- Fare Comparison Report
- Director's Report
- Project Update Report (high level report schedule, budget, significant problems) [Note: project update report can be included in the consent agenda; questions by the board will be addressed.]

7.6 Update on Accounts Receivables Aging Report

Nic Longo was commended for his work with the past due accounts. Alan Newman suggested changes since last month should be noted in the accounts receivables report, especially reduction in the 90 day aging.

8.0 DIRECTOR'S REPORT

Gene Richards report:

- Projects are on schedule.
- *Burlington Free Press* is paying \$15,000-\$17,000 for media centers and charging stations at the north and south concourses in exchange for two years of free advertising.
- Calming serenity scenes are on the television screens. Eventually people will be able to touchscreen for airline and booking information.
- Work on the restaurant space is ongoing (discussions include a bar and deli).
- Meetings with South Burlington on tax issues have been positive and working toward resolution.
- A settlement with Heritage is hoped for by the first of the month. Heritage increased fees for aircraft space from \$450 per month to \$200 per night which has upset users.
- TSA pre-check area will begin November 25, 2013 at the south concourse.

9.0 COMMISSIONERS' ITEMS

9.1 Taxi Licensing Board Report

Discussed in Executive Session.

10.0 ADJOURNMENT

The regular meeting was adjourned and Executive Session convened at 5:28 PM.

Next meeting is Monday, December 16, 2013 at 4 PM.

“To Do” List from 11/20/13 Airport Commission Meeting:

1. Staff will work on a list of different airports and fares for the next meeting.
2. Alan Newman suggested changes since last month should be noted in the accounts receivables report, especially reduction in the 90 day aging.