

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
November 28, 2016**

APPROVED – 1/17/17

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

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Marie Friedman, Airport CFO
Amanda Clayton, Director of Engineering &
Environmental Compliance
Kelly Colling, Director of Operations
Rick Brown, Director of Maintenance
Shelby Losier, Administrative Assistant
Alex Gyles, intern

OTHERS PRESENT: Erin Desautels, Vermont Small Business Acceleration
Dave Stiller, Heritage Aviation
Kate Jickling, Seven Days

1.0 CALL TO ORDER

Chairman Jeff Munger called the meeting to order at 3:08 PM on November 28, 2016.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the agenda with the addition of a report on the 11/14/16 South Burlington City Council meeting (Item 7.1.2) and an inquiry on direct bus service from the Burlington Transit Center to the airport (Item 7.1.3). VOTING: unanimous (5-0); motion carried.

3.0 CONSENT AGENDA

3.1 Approval of Minutes: October 14, 2016

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve the consent agenda including the minutes of October 14, 2016 as presented. VOTING: unanimous (5-0); motion carried.

4.0 PUBLIC FORUM

None.

5.0 FINANCIAL PACKAGE

Marie Friedman highlighted:

- Revenues are at 20% of budget (on par with previous year).
- Parking revenue is up \$10,000 from July-Sept. and trending in the right direction. Average occupancy is 60%. The Localvore promotion for parking is being done.

The new system to operate the garage will be in place next year and should make a difference.

- Expenditures are at 20% of budget.
- Property taxes decreased due to the settlement with South Burlington.
- Debt coverage ratio is 2.71 at this time. Debt coverage score at the end of the year is expected to be 1.5.
- AIP receivable is approximately \$3 million as of September 30th. Since July \$2.3 million has been expended on AIP projects and \$1.7 million collected in the first three months of the fiscal year. The airport has used \$1.5 million of the grant anticipation note which will be paid back as AIP money is received.
- As of September 30th \$300,000 was owed to pooled cash, but the airport had \$1.5 million in the international account.
- The audit report is expected in December.
- Airlines at the airport are in the process of signing leases.
- Moody's will do a review of the airport in December.

There was discussion of increasing use of the parking garage and generating more revenue by renting space to businesses and organizations. Gene Richards stated car dealerships, organizations, businesses, the hospital and colleges in the area have all been contacted about using the garage.

MOTION by Bill Keogh, SECOND by Alan Newman, to accept the financial package and place the information on file. VOTING: unanimous (5-0); motion carried.

6.0 ACTION NEEDED

6.1 Environmental Testing for Former Fuel Farm

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve and recommend to City Council for approval environmental testing for the former fuel farm.

DISCUSSION: Amanda Clayton reported the airport is in the process of attaining a SMAC (Site Management Activity Completed designation) for the fuel farm that is no longer in use. The bid estimate is based on the scope of work. The process is reimbursable by the state petroleum cleanup fund after the deductible is paid which the airport has paid. The airport must do the work first and then be reimbursed. Pat Nowak asked about any potential impact on South Burlington. Amanda Clayton assured any plumes from the fuel are well within airport property. Ms. Clayton will set up a meeting with Pat Nowak to discuss the results of the testing and monitoring of the fuel farm. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.2 Janitorial RFP Award/Contract

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve and recommend to City Council for approval the janitorial contract with JaniTech.

DISCUSSION: Nic Longo briefly reviewed the bid ranking process following by the airport and reported six bids were received for the janitorial contract.

The lowest responsible bid was JaniTech. The contract is a 2% decrease from the current contract and includes a livable wage and integrating Global employees as much as possible. Global was the prior contractor for nine years and did an outstanding job. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.3 South Hangar RFP Award/Lease

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve and recommend to City Council for approval the south hangar lease with Mansfield Heliflight.

DISCUSSION: Bill Keogh suggested the name of the person who wrote the memo be on the memo, not just the word “staff”. Nic Longo showed the location of the hangar previously occupied by Commute Air. Mansfield Heliflight will be the master tenant of the building and retain the sub-tenants (general aviation tenants). Mansfield Heliflight will do a commercial air charter, flight instruction, improvements/maintenance, and have spare parts. Bill Keogh and Alan Newman questioned why the Airport Commission is approved a draft contract. Gene Richards explained the contract has been reviewed by the City Attorney’s Office, but not reviewed by the bidder’s attorney a yet. Any substantial changes to the contract would be brought back to the Airport Commission. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.4 Hudson News Lease Amendment

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval the lease amendment for Hudson News.

DISCUSSION: Nic Longo reported the lease amendment includes an increase in the length of term from three years to 10 years with a minimum annual guarantee increase of 3% every other year. Alan Newman questioned why there is not an annual escalator. Gene Richards explained Hudson News installed \$1 million in infrastructure at the airport and made concessions early on (such as having 50% of merchandise be Vermont products), but there can be further discussion with Hudson News about the annual increase. Pat Nowak asked if requiring that half the products be Vermont products could be problematic in the future with post-TSA shopping (i.e. exclusivity issues). Gene Richards pointed out sales increased when Vermont products were added so all are benefitting. Alan Newman asked about the square footage costs. Nic Longo said the concession does not pay by the square footage, only a minimum annual guarantee (MAG).

MOTION TO TABLE by Bill Keogh, SECOND by Alan Newman, to table action on the Hudson News lease amendment until the January meeting. VOTING: unanimous (5-0); motion carried.

6.5 Airline Lease Agreement

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve and recommend to City Council for approval the airline lease agreement.

DISCUSSION: The following comments were made:

- **Bill Keogh commended staff on the superb job with the airline contract. Gene Richards stated Joe McNeil did an outstanding job with the negotiations.**
- **Bill Keogh asked if the document on airport rules and regulations referred to in the contract exists. Gene Richards said the reference is at a legal level.**
- **Bill Keogh asked if the airport can limit the number of flights and timing of the flights per the agreement. Gene Richards said the FAA sets the rules. Flights out of Burlington leave at an early hour and arrive at a later hour in order to make connections with other flights elsewhere.**
- **Bill Keogh asked about the impact on the budget by the lease. Marie Friedman explained with the lease the airport has stability with the airlines. If an airline leaves the allocation in the lease spreads to the remaining carriers. Moody's and Fitch feel it is the gold standard for airlines and airports to have leases.**
- **Pat Nowak asked if the lease terms influenced Allegiant's decision to leave the airport. Gene Richards confirmed Allegiant did not want to sign the lease and a non-signatory airline pays more. Allegiant offers low fares because they do not have leases at airports.**
- **Bill Keogh mentioned the Airport Commission not being involved in any of the lease discussions. Gene Richards pointed out the Airport Commission was kept informed. Staff worked hard to get the best deal possible.**
- **Jeff Schulman and Alan Newman concurred staff kept the Airport Commission informed and provided more detail when asked.**

There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.6. Property Lease

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approve the property lease with Main Street Property Services.

DISCUSSION: Gene Richards said Main Street Property Services is leasing the former office space occupied by the airport administration (1,900 s.f. at \$20/s.f.). There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.7 Greyhound Terminal Rental

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval terminal rental by Greyhound.

DISCUSSION: Nic Longo reported the term with Greyhound is five years which is consistent with the car rentals. The same counter space will be used. Better customer service and staffing is required in the lease. There were no further comments.

VOTING: unanimous (5-0); motion carried.

6.8 Aviatron, Inc. Lease Agreement

MOTION by Bill Keogh, SECOND by Alan Newman, to approve and recommend to City Council for approval the Aviatron, Inc. lease agreement.

DISCUSSION: Nic Longo explained the term of the lease with Aviatron for the 15,000 s.f. building at \$10/s.f. is extended five years with a CPI or 3% escalator whichever is higher. There were no further comments.

VOTING: unanimous (5-0); motion carried.

7.0 COMMUNICATION/DISCUSSION

7.1 Airport Commission Policy File

MOTION by Bill Keogh, SECOND by Pat Nowak, to consider the Airport Commission Policy File and put the item on the next agenda for approval.

DISCUSSION: Bill Keogh reviewed the document that includes charter language for the Airport Commission as an advisory board, meeting parameters, election of officers, minutes, and rules/policies. Pat Nowak suggested outlining guidance on public participation. Gene Richards said the City Attorney will review the document. Changes can be discussed at the next meeting. There were no further comments.

VOTING: unanimous (5-0); motion carried.

7.1.2 Report on 11/14/16 South Burlington City Council Meeting

Gene Richards reported the difficulty continues in dealing with the South Burlington City Manager and some members of the city council on the housing issue despite the extensive effort by the airport to keep everyone informed. It appears information is not being passed on to other council members or misinformation is being propagated. Some members are discrediting the airport and other people are flat out lying especially about the value of their house. The airport has been in existence for 100 years and has helped in South Burlington's successes as well as provide significant support of the tax base. Somehow a small group of people, the core being anti-F35, have been allowed to paint the airport as bad. The people living by the airport chose to live there, not the other way around. The airport is working hard to meet needs, but must abide by what the FAA mandates. This message does not appear to be heard. Gene Richards reaffirmed his commitment to try to work with South Burlington and mentioned Meaghan Emery may have a conflict of interest and should recuse herself.

Pat Nowak said the South Burlington City Assessor has been invited to a city council meeting to discuss valuations. There could be an effect from noise, but there is demand especially in the price range of the houses under discussion. House values have not gone down, but are competitive or to the plus side. Ms. Nowak said she will meet with Kevin Dorn and Helen Riehle to talk about the collaborative relationship with the airport and moving forward.

7.1.3 Inquiry on Direct Bus Service Burlington Transit Center to Airport

MOTION by Bill Keogh, SECOND by Alan Newman, to direct staff to investigate the feasibility of having direct transit service to the airport funded by GMT or shared funding with the airport, and report at the next meeting.

DISCUSSION: Pat Nowak suggested staff ask GMT about the Bridj bus service. There were no further comments.

VOTING: unanimous (5-0); motion carried.

7.2 Construction Update

Amanda Clayton reported:

- The glycol project will be done by Christmas.
- The airport beacon must be updated by May 2017 per the FAA inspection. Cost estimate is \$200,000. Staff is researching possible locations for the new beacon.
- Air Guard project has started demolition of Taxiway Foxtrot.

7.3 Marketing Update and 7.4 Fare Comparison

Shelby Losier highlighted:

- A Localvore coupon for parking is being offered (buy one day of parking and get a second free). A portion of the proceeds will go to Spectrum Youth Center.
- The website is being reorganized to be more user friendly and decluttered.
- Some staff members attended the Williston Rotary meeting which was very positive.
- The committee working on the 2020 airport centennial celebration held their first meeting.
- Flash Mob Step In Vermont performed at the airport.
- The airport hosted weddings, the Lund prom, Alzheimer's Association gathering, and a drone seminar.
- Two wishes have been granted through Make-A-Wish.

7.4 Passenger and Operational Statistics

Nic Longo reported passenger enplanements show a 3.6% increase over the last fiscal year (YTD) mainly due to main line service and larger aircraft. Enplanements are trending up nationally.

7.5 Fare Comparison with New Cost Estimate Calculator

Shelby Losier reported on average fares are \$20 more expensive to drive and fly out of Manchester or Boston.

7.6 Updated Property Inventory

Nic Longo said the inventory of properties owned by the airport is updated each month.

8.0 AVIATION DIRECTOR'S REPORT

Gene Richards reported:

- The Rotary meeting in Williston was very positive. Rotary members spoke highly of the value of the airport even though the town bears the brunt of all incoming flights overhead.
- March 4th is Allegiant's last flight. Allegiant chose not to sign the lease with the airport like the other airlines.
- All airlines at the airport have signed the lease.

- Attendees at the first meeting of the airport 100 year committee offered astounding knowledge and history of the airport. The committee is off to a good start.
- Master Electrician, Corey Jewell, who unexpectedly passed away had vast historical electrical knowledge of the airport. It will be difficult to fill the position so a hybrid approach will be used with contract master electricians and airport employees.
- JetBlue will hold a one hour dream flight and party on December 6th for 50 children from Kamp-Ta-Kum Ta, Ronald McDonald House, and Children's Hospital. Heritage is providing the fuel and de-icing. Vermont Teddy Bear, Turtlefur, and Photobooth are all donors.

9.0 AIRPORT COMMISSIONERS' ITEMS

Jeff Munger asked about the status of the RFP for ground transportation at the airport because the taxi drivers are feeling they are not getting any help. Gene Richards said staff is working on the RFP and did not anticipate how long the QTA is taking. Resources from the QTA were to be used for the Director of Transportation position.

10.0 ADJOURNMENT

Next meeting(s):

- December 5, 2016 – Sound Mitigation Meeting
- December 14, 206 – Land Use/Re-use Public Meeting
- January 17, 2017 – Airport Commission meeting, 3 PM
- February 21, 2017 – Airport Commission meeting, 3 PM

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

VOTING: unanimous (4-0)[Alan Newman not present for vote]; motion carried.

The meeting was adjourned at 5:32 PM.

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