

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
December 16, 2013**

APPROVED – 1/27/14

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

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

OTHERS PRESENT: Rich Goodwin, Assistant CAO, City of Burlington
Tina Lindberg, Mansfield Heliflight
Tim Shea, Heritage Aviation FBO/General Manager
Carl Rimmel, citizen
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Chairman Jeff Munger called the meeting to order at 4:07 PM. Introductions were done.

1.01 Agenda

MOTION by Bill Keogh, SECOND by Alan Newman, to approve the agenda as presented. VOTING: unanimous (5-0); motion carried.

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 CONSENT AGENDA

3.1 Minutes: November 20, 2013

3.2 Project Update Report

MOTION by Bill Keogh, SECOND by Alan Newman, to approve the consent agenda with Item 3.1 - Minutes of November 20, 2013 with the correction that Jeff Munger was present for the vote on the finance report and Item 3.2 - Project Update Report, and to place the items on file.

DISCUSSION: Going forward the minutes will note the time of arrival/departure of members not present at the start of the meeting and the project report will include the budget/cost of each project and the source of the funding.

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

4.0 FINANCIAL REPORT

Mr. Goodwin reported the following:

- The airport is five months into the fiscal year and is on track with the budget.
- Adjustment of the year-to-date encumbrances is needed due to overstatement in the maintenance contract.
- Profitability for the first five months is approximately \$3.5 million which is slightly better than one year ago.
- Landing and parking fees are flat with last year because enplanements are level.
- Debt coverage is good. The score is expected to dip until the end of February due to winter expenditures. Debt service scores by month over a three year period are shown in the report. A score of 1.40 is the minimum wanted by Moody's and 1.25 by the bond holders. The airport has a score of 2.15.
- Moody's is pleased with what the airport has done to date. Moody's agrees that the airport has done more than what was said would be done. In January, 2014 Moody's will be looking at the rating of the airport, the city and Burlington Electric Department. BED and the airport are considered enterprises (self-sufficient businesses) and rated separately to the city. The stability bond was the last formal review of the city by Moody's. BED has a higher rating than the city and Moody's is considering handling the airport the same way. The airport is hitting the coverage score, reserves are where they should be, and the airport is tightly managed. The airport is doing what other airports have not done and is doing it well. Moody's likes the marketing that is taking place.
- Moody's make a mistake in the calculation of cash on hand guidance which should be 90 days, not two to three days.
- The budget reflects revenues and expenditure by month. Performance is gauged year-to-date. There is a list of items to be written off including \$1 million in receivables for the park-and-ride. In 2008-09 the entity was sued for payment, but the entity no longer exists.
- There is \$485,000 in the cash bank account which can be used in the debt coverage calculation for the score. The Airport Commission should consider putting the money in the operating cash account for use. The airport has approximately \$14 million in cash and investments.

Jeff Munger asked about regulatory and bank fees. Rich Goodwin said the fees are trending higher. Refinance was done, but the number seems high. Mr. Goodwin will investigate the matter. Mr. Munger commented car rental is doing well. Mr. Goodwin confirmed rental cars, concessions, and taxi fees are strong.

Alan Newman asked if the Skinny Pancake is generating more revenue and if this is expected to continue. Mr. Goodwin confirmed this. Mr. Newman commented if there were more places at the airport for people to spend money they likely would. Mr. Newman asked for information on revenue from all concessions at the airport divided by enplanements. Jeff Munger will review the report from the strategic planning committee which included the data. Mr. Newman suggested compiling numbers from Skinny Pancake to track what customers are spending. The information will be a useful tool to attract customers and a good selling point when expanding retail venues. Mr. Newman asked if revenues from de-planements are reflected in the car rentals. Bob McEwing said

the number does not include people returning home (and not renting a car). De- and enplanement numbers balance out at the airport.

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

5.0 COMMUNICATION/DISCUSSION

5.1 Air Service Update

Ryan Betcher reported:

- Work continues on the US Airways/American merger cutbacks. Leahy's Office has contacted the airline and will communicate the request from Burlington Airport for two larger planes and a Charlotte hub connection to meet demand.
- Seasonal flights by Porter Air have resumed.
- Alligant is on track for the February 19, 2014 start date.
- Conversation continues with Cape Air regarding service.

5.2 Enplanement Report/Comparisons

Staff continues to compile data on enplanements at comparable airports. Handouts given to the Airport Commission included:

- Spreadsheet showing percent changes in enplanements at other airport compared to Burlington Airport;
- Data on seat counts leaving Burlington, assigned seat miles, revenues, and revenue per assigned seat mile.

It was noted in 2012 Burlington Airport was most profitable for carriers for assigned seat miles. In 2008 there were one million seats and 759,000 enplanements. Airlines are aware cutting capacity and raising fares increases revenues.

5.3 Fare Comparisons

Handout provided.

5.4 Allowable Uses of South Burlington Property

Bob McEwing reported in 2009 a noise land inventory and reuse plan was drafted in accordance with the master plan for the airport. Per FAA regulations pertaining to AIP projects and the provision on noise land disposal, the airport can retain land for airport purposes. If the airport does not need the land the airport must identify what the land was to be used for and the FAA must release the land for sale. The money goes back to the airport to use for eligible airport purposes or the money goes back to the FAA. There are 120 parcels owned by the airport and if the land is not needed for the future of the airport (20 years forward) the airport can sell the land and the money goes back into the airport for an eligible use or the money is returned to the FAA.

Gene Richards stated the residents have been assured the airport will honor its commitment to the neighbors and anything that is built will have a favorable

impact. The airport is aware empty buildings are a problem for residents and that residents do not want to lose any more of the neighborhood and want a buffer between the residences and the airport. The airport cannot eliminate airplane noise, but can direct fumes away from houses. The master plan by the airport is good and the lawsuit brought by George Maille is a disservice to the residents. Gene Richards spoke of the good working relationship with the South Burlington administration and the approach to have staff try to work with the neighbors to find a compromise.

Gene Palombo commented what was said by Gene Richards was positive and reinforcing. Mr. Palombo spoke of the close proximity of the airport and the walkable community in contrast to the high rise buildings being built by highways. Mr. Palombo also mentioned the difficulty in finding affordable housing and the hope that there will be a consensus of the neighbors so the airport plan can move forward. The airport and the neighborhood is a special place that needs to be preserved. There are not many airports like Burlington Airport. Gene Palombo volunteered to help with finding a compromise with the neighbors and the airport.

Alan Newman urged including the community in the airport master plan and getting the community excited about the plan.

5.5 Map of Cell Phone Lot Signage

South Burlington removed two signs for the cell phone lot, one at the entrance and one midway past the parking garage. Staff is working with South Burlington on the matter. A sign is needed at the entrance to the lot at least. An update will be provided at the next meeting.

Bill Keogh mentioned the speed limit sign that is posted indicating 15 mph, but state law says 20 mph is the minimum to be posted.

6.0 DIRECTOR'S REPORT

Gene Richards reported:

- South Burlington received a planning grant from the state. The airport is excited about opportunities to work together. Having Regional Planning involved is beneficial for the airport.
- Negotiations with Heritage are wrapping up regarding the north hangar and Valley Air.
- Negotiations with South Burlington on tax issues are going well. The airport appraisal is done. The intent is to pay a fair value and be a good neighbor to South Burlington.
- The wellness committee supports a healthier, less stressful airport with walking paths and a water fountain.
- Media stations supported by *Burlington Free Press* are in place on the north and south ends of the terminal. There are 10 iPads and 12 charging stations for use free of charge.

- Two serenity televisions are in place from which viewers can book a flight.
- Discussion is ongoing about Burlington Telecom being a possible vendor at the airport.
- If there is room a mamava nursing room will be added at the south end of the terminal.
- TSA pre-check is going well.
- Morale is good with airport employees. People are working hard. A holiday gathering was held at the Windjammer for employees.

Alan Newman suggested the airport offer coat storage where people can leave their coat at the cost of a \$1 per day until their return. Jeff Munger suggested lockers in the parking garage where people can leave their car keys until their return.

7.0 COMMISSIONERS' ITEMS

9.1 Taxi Licensing Board Report

The letter to City Council from the Airport Commission regarding taxi administration at the airport was reviewed.

MOTION by Jeff Munger, SECOND by Bill Keogh, to approve and send the letter to City Council. VOTING: unanimous (5-0); motion carried.

Chairman Jeff Munger signed the letter.

8.0 ADJOURNMENT

Next meeting is January 27, 2014 at 4 PM.

MOTION by Bill Keogh, SECOND by Alan Newman, to adjourn the meeting. VOTING: unanimous (5-0); motion carried.

The meeting was adjourned at 5:39 PM.

“To Do” list from 12/16/13 Airport Commission meeting:

1. Regarding regulatory and bank fees, Rich Goodwin will confirm the numbers.
2. Alan Newman asked for information on revenue from all concessions at the airport divided by enplanements. Jeff Munger will review the report from the strategic planning committee which included the data.