

**BURLINGTON INTERNATIONAL AIRPORT  
BOARD OF AIRPORT COMMISSIONERS  
MINUTES OF MEETING  
February 21, 2018**

APPROVED – 3/21/18

**MEMBERS PRESENT:** Jeff Munger (Chairman)  
Bill Keogh  
Alan Newman  
Jeff Schulman [via telephone]

**MEMBERS ABSENT:** Pat Nowak [due to illness]

**BTV STAFF PRESENT:** Gene Richards, Director of Aviation  
Nic Longo, Deputy Director of Aviation  
Marie Friedman, Director of Finance  
Shelby Losier, Director of Ground Transportation  
Larry Lackey, Director of Engineering & Environmental  
Compliance  
Hanna Lumbra, Administration

**OTHERS PRESENT:** Erin Desautels, Vermont Small Business Accelerators, LLC  
Dave Stiller, Heritage Aviation  
Tim McCole, Heritage Aviation  
Tim Shea, Heritage Aviation  
Tony Speranza, Vermont Flight Academy

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**1.0 CALL TO ORDER**

Chair, Jeff Munger, called the meeting to order at 4 PM on February 21, 2018.

**2.0 AGENDA**

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the agenda as presented. VOTING: unanimous (4-0); motion carried.**

**3.0 PUBLIC FORUM**

There were no comments from the public.

**4.0 COMMUNICATION/DISCUSSION**

**4.01 Heritage Aviation Presentation**

Dave Stiller, Heritage Aviation, stated Heritage employees have owned the company for the past couple of years and 2017 was the best year yet financially. Eleven additional jobs have been created in the Maintenance Department of the FBO. Heritage also fuels airline aircraft and is available for de-icing when needed. Since October 1<sup>st</sup> Heritage has done 1,300 de-icings for an average of nine per day. Heritage had 450 gate calls in 2017 to address aircraft with mechanical issues and inspections to ensure plane safety for flight. Heritage handles all general aviation on the airfield. Small four/six seat aircrafts and turbine powered craft are based at Burlington Airport. The red carpet is rolled out for all, but only the services that are needed are provided. Last year Heritage launched a discount fuel program called “CAA” (corporate aircraft association which are individuals who own an airplane, not part of a fleet or corporation). Similar pricing to that provided

to the large fleets is offered. On the maintenance side there is growth in turbine and jet aircraft. In 2017 planes from out-of-state came to Heritage to be repaired. It is helpful having Pratt & Whitney at Heritage so there is “one stop shop” for the aircraft. A plane came in from California with five and six figure inspections. Maintenance handled 250 different piston planes and 75 turbine tails. Dave Stiller said there is a sense of the potential to develop an economic engine at BTV and not just with Heritage, but aligning with the BTV master plan. Heritage was proud to have the Governor and the Congressional delegation tour the facility, and is proud of the relationship with the Air Guard, Beta Technologies, Mansfield Heliport, and the Tech Center.

Gene Richards stated the relationship with Heritage is very positive and a great partnership. Airport staff does a lot of future planning with Heritage. The company is doing amazing work with flights, businesses, jobs, and goes above and beyond minimal service. Dave Stiller said Heritage strives to be a top tier organization and be a player and partner with the emerging world of BTV.

Jeff Munger asked the cost of fuel for piston and jet engines. Tim McCole said the cost today is \$5.06 per gallon for jet fuel and \$5.48 per gallon for piston fuel (100 low lead). There is a sliding scale for quantity. Heritage is competitive in terms of pricing.

#### 4.02 Vermont Flight Academy Briefing

Tony Speranza, Vermont Flight Academy, said the academy has 15 airplanes and up to 20 employees. The school is the only 141 Program in the state and provides Vermont Technical College with the four year aviation program (Bachelor’s Degree). A career in aviation is in demand. The academy offers a ground school to learn to fly and offers different ratings. Presently there is an opening at the academy for an aircraft mechanic. The academy is working with BTV on the Vermont Aviation Expo, June 9, 2018 from 10 AM to 4 PM, for people interested in becoming an aircraft mechanic or avionics technician. There will be pilots, mechanics, local talent, training and education materials at the expo. The mission is to grow and expand the reach of the school. Vermont Flight Academy supports the Young Eagles Program.

#### 4.03 General Aviation Updates

Nic Longo spoke of the general aviation revenue stream from leases for hangars, fuel sales, ground leases and building leases, and rental rates. FY2017 ground lease fees were \$270,476, building lease fees were \$1,055,755, landing fees were \$71,048, fuel sales were \$115,766 for 100 low lead and \$1,151,416 for jet fuel. Heritage fuel percentage paid to BTV was \$900,000.

Gene Richards said the state is proposing a net neutral fuel increase that will actually be a double increase or more to the airlines. Airlines will pull service out of BTV with this type of impact. The legislature is asked to stop the vote to allow airport staff to better understand the situation and the implications for BTV. Burlington Airport and Heritage were not even contacted when the proposal was being drafted in October. VTrans is contending Burlington Airport is not in compliance with the FAA. Tim McCole added Heritage needs clarity and opportunity before the lawmakers to tell them of the impact to

business. Business will be cut in half. Nic Longo said there is also concern the revenue generated by the airport is being disbursed across the state airports and not coming back to Burlington. Vermont gets over 50% of its transportation funding from the Federal Government.

Jeff Munger will contact Sen. Mazza, Chair of the Transportation Committee regarding the proposal.

#### 4.04 Business Development Update

Nic Longo reported the list of businesses in the memo helped the airport apply for a Small Community Air Service Development Grant (SCASD). The airport has not yet heard if the grant was awarded. The grant may help to secure a direct route to Denver. The Atlanta Delta nonstop flight was due to this grant. The airport was audited and did well so it is hoped this will also help with the grant application.

### **5.0 CONSENT AGENDA**

5.01 Minutes: January 17, 2018

5.02 Financial Package

5.03 Passenger and Operational Statistics

5.04 Construction Update

5.05 Fare Comparisons with Cost Estimate Calculator

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the consent agenda, Items 5.01 – 5.05, as presented and take the action indicated.**

#### **DISCUSSION:**

- **Bill Keogh asked why the runway is being shortened by 1,000'. Larry Lackey explained construction by the Guard on the taxiway is taking place. The airlines are not impacted.**

**VOTING: unanimous (4-0); motion carried.**

### **6.0 ACTION: Approval/Recommendation to Board of Finance and City Council**

6.01 Queen City Kombucha – Building Lease

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the building lease with the amendment to add a limit of 3% escalation on the base rent for two years after which the base rent is increased, and recommend to Board of Finance and City Council for approval.**

#### **DISCUSSION:**

- **Nic Longo said the lease is for 3060 Williston Road. The new tenant manufactures a soft drink called “Kombucha”. The lease is \$10,000 per year for 3,000 s.f. plus \$20,000 in improvements to plumbing and electrical done by the tenant. A couple of months free rent on 2,000 s.f. is being provided because the tenant is doing the improvements to the space. There are other people interested in renting the remaining space in the building.**

**VOTING: unanimous (4-0); motion carried.**

6.02 Taylor Rental – Building Lease

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the Taylor Rental building lease and recommend to the Board of Finance and City Council for approval.**

**DISCUSSION:**

- **Gene Richards said the last tenant in the building had a landscaping business and did not pay rent for a year. The new tenant is doing significant improvements to the property and is a well-established and successful business in Plattsburgh, NY. The 1,716 s.f. ranch house will rent for \$2,500 per month for six months then increase to \$3,600 per month. The lease will be renegotiated after one year. The list of improvements to the property is attached to the lease.**

**VOTING: unanimous (4-0); motion carried.**

6.03 Federal Express (FedEx) Lease Agreement Extension

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the extension of the FedEx Lease Agreement and recommend to the Board of Finance and City Council for approval.**

**DISCUSSION:**

- **Nic Longo explained the extension of the signed agreement contains the same terms and conditions (\$20,000 per year increased in October to about \$50,000 per year plus landing fees). FedEx pays the building lease, ground lease, and landing fees.**

**VOTING: unanimous (4-0); motion carried.**

6.04 Green Mountain Power Lease Agreement

**MOTION by Bill Keogh, SECOND by Alan Newman, to approve the Green Mountain Power Lease Agreement and recommend to the Board of Finance and City Council for approval.**

**DISCUSSION:**

- **Nic Longo said the ground lease is for land adjacent to Green Mountain Power property. The power company plans to put a substation on the parcel. The lease at twenty-two cents per square foot is the justified fair market value and equates to \$15,000 per year. There is an annual escalation in the 50 year lease.**

**VOTING: unanimous (4-0); motion carried.**

## **7.0 SOUTH BURLINGTON SEAT UPDATE**

None.

## **8.0 DIRECTOR'S REPORT**

Gene Richards reported the following:

- Staff is working on various RFPs and is very busy.
- Mayor Weinberger has been working with South Burlington on airport issues. There has not been much communication of late between South Burlington and airport staff.

## 9.0 COMMISSIONER ITEMS

- Bill Keogh asked about the RFP on taxis. Shelby Losier said this will be reviewed in the spring. Staff is focused on the installation of the parking system and hiring employees. There will be a work session at some point to discuss taxis.
- Bill Keogh thanked staff for the copy of the current organizational chart.
- Alan Newman asked about the capacity and utilization of parking in the parking garage. Shelby Losier said the system (electrical, data, prefab) is being installed and then contract negotiations will take place with employees. The airport anticipates the system will be in place in 90 days. Staff is working with the city on long term parking permits for students, commuters at the hospital, and construction workers. There will be a shuttle bus available.

Gene Richards said the airport commissioners will be invited to the training session on the parking system.

Nic Longo gave a brief update on the hotel proposed at the airport. The Airport Commission will be updated and then an application for site plan review will be submitted to the South Burlington Development Review Board.

### To Do List:

- Staff will provide information on the average length of stay in the parking garage and car counts.

## 10.0 ADJOURNMENT

Next Meeting: March 21, 2018 at 4 PM.

**MOTION by Bill Keogh, SECOND by Jeff Munger, to adjourn the meeting.  
VOTING: unanimous (4-0); motion carried.**

The meeting was adjourned at 5:14 PM.

*RScty: MERiordan*