

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
March 30, 2015**

APPROVED – 4/30/15

MEMBERS PRESENT: Jeff Munger
Bill Keogh
Pat Nowak
Alan Newman
Jeff Schulman [arrived 4:48 PM]

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Accounting Office Assistant
Marie Friedman, Financial Advisor
Kelly Colling, Director of Operations
Erin Knapp, Marketing
Amanda Hanaway-Corrente, Director of Engineering &
Environmental Compliance
Travis Mott, Airfield Foreman

OTHERS PRESENT: Rich Goodwin, Assistant CAO, City of Burlington
Ronald D. Bazman, FAA
David Conger, Dubois & King
Nicholas Schieldrop, VTA
Liliane Coosenan, citizen observer

1.0 CALL TO ORDER

Jeff Munger called the meeting to order at 4:05 PM.

2.0 AGENDA

There were no changes to the agenda.

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the agenda as presented. VOTING: unanimous (4-0)[Jeff Schulman not present for the vote]; motion carried.

3.0 PUBLIC FORUM

Nicholas Schieldrop from Shelburne asked why South Burlington and not the City of Burlington issues the liquor license to Skinny Pancake at the airport, suggesting perhaps that South Burlington should be issuing taxicab licenses rather than Burlington since South Burlington has had a taxicab ordinance since 1958 though the state law is violated because there was never a referendum before South Burlington City Council. Gene Richards explained the land for the airport is owned by the City of Burlington and portions are taxed by South Burlington per state statute (i.e. commercial and residential real estate owned by a city entity within South Burlington). The liquor license is issued to the vendor (Skinny Pancake), not the airport.

The Airport Commission suggested Mr. Schieldrop discuss his issue with South Burlington City Council. Mr. Schieldrop noted his group (VTA) is moving forward with

municipalities and legislators toward having a single taxicab license issued by the state as was the practice from 1910 to 1927.

4.0 FINANCIAL PACKAGE

Rich Goodwin reported:

- Year-to-date revenues are at \$12,483,000 two-thirds through the fiscal year which is \$70,000 less than last year at the same time.
- Expenses year-to-date are \$7.8 million which is less than last year.
- The trend analysis shows revenues down by \$70,000, but the major revenue streams are doing better by about \$200,000. In FY2014 there was a revenue stream of \$100,000 (grant) that does not exist this year and PFC revenues last year were \$140,000 more than this year.
- Debt coverage score is 1.68 (on par with the prior fiscal year).
- Federal AIP outstanding receivables are under \$1 million which is a good number.
- Cash and investments are at \$14 million. The airport can use \$200,000 in savings, \$486,000 in the prepaid account, and \$1.9 million in the CFC account. The amount owed to the Burlington sweep account is \$1.9 million. Per the March 19, 2015 report the amount owed by the airport to the city was \$900,000.

Gene Richards said there will be challenges with the house removal program which will require expenditures that will be reimbursed over time, and the airport still must meet the requirements of the city so provisions are in place to not spend any money the airport does not have and not to take risks. Rich Goodwin mentioned the authorization the airport has for a \$5 million grant anticipation note (GAN) which might be used. The interest is fully reimbursable for federal AIP projects.

There was discussion of areas to watch (debt service, cash-on-hand or number of days cash-on-hand, operating maintenance reserves). Rich Goodwin recalled at one point the airport only had one day's worth of cash on hand and now is at 155 days. The ideal is 200 days to get an upgrade of the airport's rating by Moody's. Having a debt coverage score of 1.75 and a multiplier of two and 175-200 days cash-on-hand is the goal. Gene Richards cautioned there may not be enough growth next year to make the revenues because there are other issues the airport must address. There was mention of new revenue streams developed by the airport team in the last year and a half (solar energy) and significant capital expenditures that occurred including replacement of two boilers (\$1.5 million with return on investment in less than five years). Alan Newman urged getting a plan in place to know the opportunities, costs, and advantages. Gene Richards assured staff is doing their job well and working very hard, and will not do anything that does not make business sense.

There was discussion of generating revenues from unused space at the airport (i.e. former One Flight Up space). Bill Keogh urged Gene Richards and Alan Newman to meet and provide a recommendation on what to do with the space. Jeff Schulman expressed concern about making a massive investment in infrastructure for rental space when enplanements are decreasing which creates a strain on generating revenue, but conceded

it would be valuable to determine the cost and return on investment for the space so decisions can be made. Gene Richards said staff can draft rough estimates based on current activities, but the airport is not in the position to borrow without bringing in revenues. A space study was done several years ago and \$11 million would be needed for investment. Mr. Richards felt any investment should focus on a hotel by the airport.

Jeff Schulman asked if there are any long range projections being done. Rich Goodwin said the city is starting to project out 10 years with planning. A five year plan could be projected for the airport with the same basic cash and capital assumptions used for the airport refinancing and feasibility study. Alan Newman said a five year plan for direction is valuable. Mr. Richards noted the airport has the 2030 plan, but will likely not meet the thresholds due to declining enplanements. Jeff Munger mentioned getting the state to invest in Vermont's largest airport. Gene Richards suggested a work session be held with the Airport Commission and staff to discuss long range plans and other issues facing the airport. Staff will document some ideas prior to the meeting. Pat Nowak acknowledged the incredible progress by the airport over the years, and having a 'think tank' type meeting to explore ideas would be constructive. Alan Newman suggested having an MBA class take on the airport as a project.

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

5.0 CONSENT AGENDA

5.1 Approval of Minutes: February 23, 2015

5.2 Approval of Minutes: March 10, 2015

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve the consent agenda and minutes of 2/23/15 and 3/10/15 as presented. VOTING: unanimous (5-0); motion carried.

6.0 ACTION REQUIRED

6.1 Land Use Re-Use Contract

Nic Longo explained every five years the list of AIP acquired property in the land use re-use plan must be updated. AIP funding covers the cost of the update.

Bill Keogh requested the Airport Commission see the resolution prior to submittal to the Board of Finance.

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the Land Use Re-Use Contract as presented. VOTING: unanimous (5-0); motion carried.

6.2 Noise Exposure Map Update Contract

Nic Longo explained the update of the current forecast map of 2006-2011. The base year is 2015 projected to 2020. Gene Richards added the update will be a more accurate map for the airport, combining airport and military measurements.

Bill Keogh requested the Airport Commission see the resolution prior to submittal to the Board of Finance.

MOTION by Bill Keogh, SECOND by Pat Nowak, to approve the noise exposure map update contract as presented. VOTING: unanimous (5-0); motion carried.

7.0 COMMUNICATIONS/DISCUSSION

7.1 Accounts Receivable Review

Nic Longo reported the balance in the Hertz Corp. account is expected to be paid by the end of the month.

7.2 Overview of Construction Projects

Nic Longo listed construction projects for the season:

- Air carrier apron, Phase 2 of the nine phase apron program. Work will be at Gate 14 (Delta). Bid opening is April 16, 2015.
- Taxiway Kilo to make a full parallel taxiway system, Phase 1 of a several phased program. There will be no operational disruption. Bid opening is April 16, 2015.
- Improvement of glycol system.
- Home removal program. One company won all three bids (three phases), but only one contract was awarded. The airport wants to ensure the work is done well and will put the balance of the work back out to bid after the first phase is done. A very productive meeting was held with the neighborhood committee. The airport will provide a “neighborhood room” for people in the area of the house removal to use for television, Wi-Fi service, and to be able to get away from the activity.

Gene Richards noted the entire airfield needs to be sealed. The airfield did sustain some winter damage. The construction projects will hopefully provide opportunity for the airport in the future. Staff is asking the FAA for any available funding.

7.3 Marketing Update

Erin Knapp listed the following marketing initiatives:

- Brochures are available on the communication plan for the home removal program with a link to the homepage of the website. Channel 17 video of the neighborhood committee meetings is also available and ads will be placed in the newspaper announcing meetings. Staff is available to answer questions.
- Boys & Girls Club fashion show at the airport set a record in fund raising (over \$100,000). The venue was sold out and the organization wants to rent the airport space again next year.
- The tower has been renovated and now has iPads installed. The space was recently rented for a birthday party.
- The spring BTV newsletter by Seven Days is available.

- Staff will attend the Vermont travel industry conference where the direction of the industry and new technologies will be discussed among other topics.
- North TSA area has been creatively spruced up at very low cost.

Gene Richards noted the airport is at 45% of the threshold for renting and available marketing opportunities. Input on any airport advertising opportunities is welcomed.

7.4 Neighborhood Community Meeting Briefing

Pat Nowak reported on the neighborhood community meeting which was very well facilitated by Gene Richards. Gene Richards commented there is lots of synergy and the day is coming where the airport can move forward with South Burlington to be recognized as an asset and not a detriment.

7.5 Passenger and Operational Statistics

Alan Newman observed per the statistics the year-to-date departing seat capacity is down 7% (8,000 seats) and cancelled seats for the month of February totaled 5,200 seats. Staff noted departing seat capacity if a plane is cancelled is not reflected in the year-to-date disparity of seats and capacity. Staff will include the number of cancelled seats monthly and year-to-date in future reports.

There was discussion of cancelled flights (10% cancelled in February 2015). Gene Richards said improvement is not anticipated. People are driving to other airports to catch other flights if their flight at Burlington is cancelled. There was brief mention of attracting other airlines to Burlington, such as Southwest which already serves Albany and Boston airports.

7.6 Fare Comparison

The Airport Commission review the report comparing fares.

MOTION by Bill Keogh, SECOND by Pat Nowak, to accept the following reports and place the information on file: Accounts Receivables, Construction Projects, Marketing, Neighborhood Community Meeting, Passenger and Operational Statistics, and Fare Comparison. VOTING: unanimous (5-0); motion carried.

8.0 DIRECTOR'S REPORT

8.1 Introduction of New BTV Team Members

Gene Richards made the following staff introductions/announcements:

- Travis Mott was introduced as the new Airfield Foreman responsible for ensuring the airfield is operational at all times. Mr. Mott formerly worked for the City of Burlington.
- Amanda Hanaway-Corrente was introduced as the new Director of Engineering & Environmental Compliance. Ms. Hanaway-Corrente formerly worked for UVM Transportation Research, Stantec Consulting Engineers, and served on the Board of Civil Engineers.

- Kristin Jones is leaving the airport in June to return to her home state. The position will be filled.
- Nic Longo continues to plow success at the airport.
- Kelly Colling hired Stacey DeVille formerly with Heritage Aviation as an Operation Specialist handling fueling fire safety.

8.2 Taxi Update

Gene Richards reported Bob Russin is reviewing the taxi administration process and expects to hire someone soon. Taxi administration could move to the city by the end of the year. The airport will continue to implement standards for taxicabs serving the airport.

9.0 COMMISSIONERS' ITEMS

9.1 Taxi Licensing Board Report

Jeff Munger noted a Taxi Board meeting is scheduled to hear complaints.

10.0 OTHER BUSINESS

Ron Bazman with the FAA invited all to the April 15, 2015 runway safety action team meeting where items of risk and runway safety will be identified and a new action plan will be drafted.

11.0 ADJOURNMENT

Next regular meeting: Thursday, April 30, 2015 at 3 PM.

MOTION by Bill Keogh, SECOND by Alan Newman, to adjourn the meeting.

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

The meeting was adjourned at 6:02 PM.

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