

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF SPECIAL MEETING
May 14, 2015**

APPROVED – 7/20/15

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

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Marie Friedman, Financial Advisor

OTHERS PRESENT: None.

1.0 CALL TO ORDER

Jeff Munger called the special meeting to order at 1 PM.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the agenda as presented. VOTING by roll call: Jeff Munger–aye, Bill Keogh–aye, Jeff Schulman–aye; motion carried.

3.0 PUBLIC FORUM

There was no one from the public in attendance.

4.0 FINANCIAL PACKAGE

4.1 Award Housing Removal Contract #2 to S.D. Ireland Brothers, Inc. – AIP

4.2 Award Housing Removal Contract #3 to R. Parker Enterprises, Inc. – AIP

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the supporting documents and proposed resolution for recommendation to the Board of Finance and City Council with regard to Housing Removal Contract #2 to S.D. Ireland and Housing Removal Contract #3 to Parker Enterprises.

DISCUSSION: The following was discussed:

- Gene Richards explained Dirt Tech won all three contracts for the housing removal project as the low bidder. The bids from S.D. Ireland and Parker were disqualified because they did not meet all the specifications of the bid. Dirt Tech said they did not want Contracts #2 & #3 so the contracts were put back out to bid. Casella was the low bidder, but did not furnish financials and the list of work requested as part of the bid process. To be consistent and transparent with the bid process the Casella bid was disqualified. The bids were then awarded to S.D. Ireland (Contract #2) and Parker Enterprises (Contract #3).
- Bill Keogh asked if a bid bond is required to be recorded. Gene Richards explained Dirt Tech and the project engineer agreed Dirt

Tech did not have the manpower for all three contracts so a bid bond was not triggered.

- Gene Richards stated the bidders know the rules for bids. The Aviation Director and consulting engineer feel the best course of action to get the job done in this instance is to award the bids as recommended. Also, the process is consistent with the practices followed with all bids. All bidders are treated the same. Those who submit bids must comply with the provisions of the bid or the bid will not be opened.
- Gene Richards requested that Jeff Munger and Bill Keogh attend the budget presentation to the Board of Finance.

VOTING by roll call: Jeff Munger-aye, Bill Keogh-aye, Jeff Schulman-aye; motion carried.

4.3 FY2016 Airport Budget

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the FY2016 Airport Budget.

DISCUSSION: The following was discussed:

- Bill Keogh clarified the Airport Commission has no say in the budget. The budget is prepared by the Aviation Director and submitted to the Mayor for approval. Changes to increase the budget require a 2/3 vote of City Council and reduction of the budget is by majority vote of City Council.
- Marie Friedman and Gene Richards highlighted the following:
 - The budget presentation to the CAO Office is May 27, 2015. Staff has 15 minutes to present the budget. A balanced budget will be presented.
 - A realistic, conservative approach was taken with revenues shown in the budget. If contracts were not in place then the revenue was not included.
 - Parking fees were decreased despite past discussion of increasing the rates. Staff will closely follow expenditures. Negotiations are ongoing with Burlington Public Works so the parking garage can produce higher output of profit for the airport and not put the burden of management on the garage users. Staff is also working with a parking garage consultant from Boston on recommendations. The airport is paying a lot of money for management and wants to be sure of a good return. The airport wants to be fair to the city, but protect the airport as well. Presently the management arrangement with Burlington Public Works is month-to-month. The airport pays Burlington Public Works \$50,000 to manage the garage plus a portion of Pat Buteau's and the downtown manager's salary and benefits as well as administrative fees which are not related to staff at the gates of the garage (total sum for management of the garage is approximately \$100,000). Up to

\$250,000 was paid in the recent past so progress in the right direction is being made.

- **Burlington Public Works still has not provided numbers for the garage even though the airport is far into the budget process. Gene Richards said he mentioned the airport taking over management of the parking garage to Chapin Spencer. Airport staff maintains the garage, except the gates, and does all the planning now. Mr. Richards noted he asked Burlington Public Works to work with the airport and include the airport in the process as well as the benefits when making the city garages more efficient. The airport may ask to take over operation of the garage next year and make the operation very efficient. Perhaps three or four individuals will be needed, but not middle management. The cost to operate a parking garage of the size at the airport should be half as much as being spent now.**
- **The same effort being made with the parking garage is being made with renegotiating the police contract down from \$1,014,000 to a goal of \$750,000.**
- **Staff is in the process of negotiating with car rental companies and airlines. Assumptions in the budget were made, but were realistic in revenue productions.**
- **An increase of \$200,000 or 1.1% in revenues is shown in the budget.**
- **Regarding PFC revenue, there is a lag with PFCs and the lower number was shown in the budget. Revenue from the new route to Charlotte is dedicated and use is restricted. There are project approved to use PFC money.**
- **On the expense side restructuring of debt is helping. Debt service will be a half million dollars less than the year before. There will be a one year reprieve and debt service will go up \$350,000. The drivers include the number of employees, number of union employees, cost of living increase at 1.75%, overtime pay based on the assumption of a bad winter or other uncontrollable circumstances, such as cost of utilities and gas due to weather.**
- **There will be 1.0 FTE less in the Administration Office due to restructuring the office and using people differently so overall salaries are not increasing much. Staff tried to budget fairly and assume the worse. There is a lot of deferred maintenance on the airfield and airport facilities so more money was put into the maintenance line item.**
- **The airport has no control on the South Burlington tax which is approximately \$1.6 million.**
- **Staff will continue to build cash reserves. The goal is to have 200 days cash-on-hand to show the bondholders and the city**

that the airport is moving in that direction and will be spending PFC and AIP grant money on projects.

- **There have been discussions of the airport utilizing a line of credit rather than the city to avoid the appearance on the books that the airport is borrowing money from the city and having to use cash reserves for payback. The money is 100% reimbursable by the FAA.**
- **Jeff Schulman said finding the balance of being a good partner and looking out for the best interest of the airport is the responsibility of staff and the Airport Commission. Staff has presented a very responsible budget that works toward that balance.**
- **Bill Keogh requested money be included in next year's budget for government television (Channel 17) coverage of meetings for better transparency of airport meetings.**

VOTING by roll call: Jeff Munger-aye; Bill Keogh-aye, Jeff Schulman-aye; motion carried.

5.0 ADJOURNMENT

Next meeting is June 3, 2015 at 3 PM.

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

VOTING: unanimous; motion carried.

The meeting was adjourned at 1:37 PM.

RScty: MERiordan