

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF SPECIAL MEETING
May 20, 2016**

DRAFT

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

MEMBERS ABSENT: Alan Newman

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Nic Longo, Director of Planning and Development
Marie Friedman, Airport CFO
Erin Knapp, Director of Marketing

OTHERS PRESENT: Erin Deseteou, VT Small Business Acceleration, LLC
Tim McCole, Heritage Aviation

1.0 CALL TO ORDER

Chairman Jeff Munger called the special budget review meeting to order at 1:10 PM on May 20, 2016.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Pat Nowak, 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 BUDGET REVIEW

Gene Richards stated the budget was very difficult and challenging. The proposed budget is very tight and uses all the available contingency. The parking garage is not performing at the level anticipated (\$450,000 less in revenues). The cost of the police contract increased. Salaries are up, but income has not increased. There was no increase in health care costs. Staff is working hard at advertising, rentals, filling vacancies, offering food service pre-screening (hopefully by the end of the year), and bringing new routes to the airport (potential for new service to Denver).

Marie Friedman reported:

- TSA is mandating new security requirements for employees. This will be a financial hit for the airport.
- There are costs in the budget the airport has no control over and other items the airport can control and that is where the budget is being held very tight. Staff must account for all expenditures. Revenue is up .6 over last year which is not sustainable with the added costs.
- The airport is getting an increase from the airlines (rent is increasing to \$62 per square foot).

- The parking garage is down \$425,000 in the budget. There will be a proposal for the garage and for upgrade of the equipment so more can be done with the facility to generate revenue.
- The budget presentation to the Board of Finance will show the cost centers that keep the airport operating and the organization chart showing the staff for the cost centers.
- Fiscal challenges for the FY17 budget include:
 - Finding \$2 million to cut out of the budget.
 - Decrease in garage revenue (\$425,000) which followed a decrease in revenue the previous year for a total of \$700,000 in a two year period.
 - Increase in security expenses for the employee checkpoint mandated by TSA and the increase in police services (\$116,000).
 - Anticipated increase in property taxes (property taxes are 12% of the operating budget).
 - Building rent is down. If there is not a contract in place then the item is not budgeted.
- Key goals of the budget include:
 - Increase cash reserves to eventually reach 200 days cash-on-hand.
 - Bringing in new air service.
 - Debt coverage ratio of 1.40
 - Asset management to maintain facilities in the best shape possible, build the quick turnaround facility, and install the new card system.
 - More will be paid on the bond principal (\$265,000).
 - There will be no impact on the public by the budget cuts. Staff has made deals with vendors for items at no cost, for example artwork and Segways.
 - There are no cuts in staff currently hired, but unfilled positions will not be filled.
 - DPW will be paid \$50,000 for the parking garage management during this transition. They will provide consulting for this fee. All other costs associated with running the garage gated system have been incorporated into the BTV parking cost center line items. By July 1st the parking attendants will be airport employees and members of the union.

There was brief discussion of equipment lease or purchase and replacement schedule for cost effectiveness.

MOTION by Jeff Schulman, SECOND by Pat Nowak, to approve the FY2017 budget with great appreciation of the work of Marie Friedman and the rest of the staff. VOTING: unanimous (4-0); motion carried.

5.0 ADJOURNMENT

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

The meeting was adjourned at 2:12 PM.