

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF SPECIAL MEETING
June 3, 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
Kelly Colling, Director of Operations
Amanda Hanaway-Corrente, Director of Engineering
& Environmental Compliance
Rick Brown, Director of Maintenance
Erin Knapp, Director of Marketing
Adrienne Morris, Office Manager
Jenna Morrissey, Marketing Intern

OTHERS PRESENT: Dave Stiller, Heritage Aviation
Tim McCole, Heritage Director of FBO Services
Martha Keenan, City of Burlington CIP Manager
Bill Ellis, Attorney, City of Burlington
Charlie Herrick, Green Cab VT

1.0 CALL TO ORDER

Jeff Munger called the meeting to order at 3:03 PM.

2.0 AGENDA

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the agenda with the amendment to advance items 7.8 and 9.1 (taxi update) to Item 4.5. VOTING: unanimous; motion carried.

3.0 PUBLIC FORUM

Introduction of attendees was done.

4.0 EXECUTIVE SESSION

MOTION by Bill Keogh, SECOND by Alan Newman, to go into Executive Session under the provision of 1VSA§313 to discuss legal actions and strategies relative to South Burlington taxes with the finding that premature general public knowledge would clearly place the City of Burlington at a disadvantage and risk in disclosing the negotiation strategy. VOTING: unanimous; motion carried.

Executive Session convened at 3:08 PM.

MOTION by Bill Keogh, SECOND by Jeff Munger, to adjourn Executive Session and reconvene the regular meeting. VOTING: unanimous; motion carried.

Executive Session was adjourned and the regular meeting reconvened at 3:43 PM.

4.5 TAXI UPDATE

Jeff Munger commented that despite years of service on the Taxi Board, involvement in the taxi ordinance rewrite, assisting with the draft interim agreement to allow Uber to operate downtown and at the airport both he and Bill Keogh were excluded from the hiring process for a new taxi administrator. The city ordinance committee is reviewing the Uber agreement and will report by June 29th. There will be three public hearings on the regulations. Bill Keogh added it is a given there will be Uber in the city and issues need to be worked out with respect to existing taxi services. The city will conduct hearings on the taxi ordinance. Per the agreement with Uber, the company will pay \$5,000 for an estimated 10 Uber cars for licensing and fees plus a \$2 pickup and drop off fee for the airport. The city will be monitoring the use of Uber vehicles in the city. There are questions to be answered such as how handicapped riders or extra equipment like skis will be handled. The Taxi Board will testify before the ordinance committee.

Charlie Herrick, Green Cab VT, mentioned the following:

- The new technology employed by Uber or any other company requires that the regulations be rewritten so that anyone using the technology is subject to the regulations. There are problems with the current taxi ordinance.
- The Taxi Administration is requested to extend to 45 or 60 days the allowance that drivers submitting an application in July do not have to pay for a full year and then one month later when the new licensing season begins pay for another full year. Drivers cannot afford to pay two full years at once.
- Confirmation is needed on whether a signature by the taxi business owner is required on applications by drivers and if electronic signature is accepted.

Gene Richard said he will meet with Attorney Gregg Meyer to reaffirm the airport's role with taxi administration. A work session will be held to outline airport policy with regard to taxi service. Taxi Administration belongs in the city, not at the airport.

5.0 FINANCIAL PACKAGE

Marie Friedman reported:

- Profit & Loss statement through 4/30/15 shows revenues at 84% with 83% of the fiscal year complete (10 months out of 12 months). Expenditure are at 77%.
- Parking revenue year-to-date is down \$50,000 compared to last year. Staff is investigating the reason, but feels the gap will widen.
- The airport is moving forward with crack filling, painting, and other maintenance work at the airport.
- Trend Analysis shows consistency in terms of revenue and month-to-month performance.

- Debt coverage ratio was 1.66 at the end of April. The ratio at the end of the last fiscal year was 1.69. Staff wants the debt coverage ratio to be as strong as possible while still getting projects done.
- Accounts Receivables AIP Projects show an increase of approximately \$500,000. The airport will seek reimbursement from the FAA expediently on the housing removal project.
- Cash & Investments are \$14,700,000, most of which are restricted funds.
- Amount owed to the city to reimburse pooled cash is approximately \$455,000.
- The budget presentation to the Board of Finance went well. Staff will email the presentation to the Airport Commission.

Gene Richards explained the need for the airport to have a line of credit to avoid relying on the city. The credit line (\$10 million) will only be used on reimbursable projects. Grants that are received are used for projects.

Mr. Richards commented on the amazing job being done by staff in handling the airport finances. The synergy that has come to the airport team is incredible.

5.1 Parking Garage Financials

Staff is working with Burlington Public Works to further decrease the cost to manage and operate the garage. The amount has been reduced from \$745,000 to \$675,000. Staff is still compiling and analyzing information and will report to the Airport Commission at a future meeting. There was discussion of designating the top floor of the parking garage for long term parking and charging a premium for convenience parking (i.e. closer to the terminal). Amanda Hanaway-Corrente noted a consultant is doing a “leakage study” for the airport that will include parking garage use.

Pat Nowak asked how garage maintenance costs were reduced. Marie Friedman said the maintenance costs for the garage come out of the airport operating budget. Costs were reduced by better managed overtime, reducing rubbish removal costs, improving signage, and decreasing some overhead costs. Gene Richards mentioned Burlington Public Works has been put on notice that the airport will be operating the garage as of July 2016.

5.2 Long Term Debt Breakdown/Deadlines

Marie Friedman reported:

- As of June 30, 2015 the airport paid the balance on the 2003 Series B bond and refunded the Series A bond to 2014 Series A.
- The 2012 Series A & B bonds totaled \$42,770,000. As of June 30, 2015 the amount was paid down to \$38,690,000.
- Per the chart showing principal and interest payments FY2016 through FY2031 the last payment will be made in FY2031 provided no new bonds are issued.

Gene Richards noted starting July 1, 2015 (FY2016) the airport needs to make more revenue or cuts will be necessary.

MOTION by Bill Keogh, SECOND by Jeff Munger, to accept and place on file the April financial report and the long term debt breakdown. VOTING: unanimous; motion carried.

6.0 CONSENT AGENDA

6.1 Approve Minutes: April 30, 2015

MOTION by Bill Keogh, SECOND by Jeff Munger, to approve the consent agenda and the minutes of April 30, 2015 as submitted. VOTING: unanimous; motion carried.

7.0 COMMUNICATION/DISCUSSION

7.1 City of Burlington Capital Improvement Program

Martha Keenan, CIP Manager, reviewed the 10 year general fund capital plan for the city (Year 2016 to Year 2026), noting the following:

- Needs total \$180 million.
- The largest need is road and sidewalk maintenance and enhancements.
- The vehicle fleet has a greater need than facilities. Costs will be reduced as vehicles are replaced with newer models. Most of the vehicles in the fleet are beyond their life.
- Lots of maintenance has been deferred on city buildings.
- Revenues include \$120 million in restricted/allocated funds. Staff is always seeking outside funding sources, such as grants, impacts fees, user fees, and others.
- Shortfall between needs and funds is \$63 million. The city has 2/3 of the funding for needs and must find funding for the remaining 1/3.
- There is a spike in need in 2017-2018 then leveling out.
- Expansion needs for the city include redo city hall park, park improvements, relocating some of the Parks Department at Leddy Park to better address that section of the city, building a fire/police training facility, adding 4.5 miles of sidewalk, upgrading Memorial Auditorium.
- Enterprise funds are supported by their respective fees for service. Enterprise funds for the city include water, waste water, storm water, traffic/parking garages. The airport will be incorporated into the enterprise spreadsheet in the future.
- Sales tax, street capital tax, pennies-for-parks tax all go into the general fund.
- Tax incremental financing (TIF) has \$50 million worth of projects, but none are part of taxpayer burden (are paid through leveraging taxpayer dollars).
- The presentation on the 10 year capital plan is being made to all city departments so there is a general understanding of the city's capital improvement program.

7.2 Airport Commissioners Annual Report Discussion

Gene Richards and Jeff Munger will finalize the report for submittal to City Council.

7.3 BTV Terminal Vision

Amanda Hanaway-Corrente reviewed the following:

- An overview of major projects at the airport in the next three to five years. Costs are high, but most are reimbursable via PFC and CFC funds. The projects line up with AIP projects at the airport.
- Use of space handout that shows new post-TSA space in the 3,000 s.f. Administration Office space which will be reduced to 900 s.f. and relocated to the vacant restaurant space formerly occupied by One flight Up. The space plan will be implemented one step at a time based on demand.

Gene Richards thanked Heritage Flight for the help with the work stations.

7.4 Marketing Update

7.5 Air Service Development Overview

7.6 Passenger and Operational Statistics

7.7 Fare Comparisons

8.0 DIRECTOR'S REPORT

9.0 COMMISSIONERS' ITEMS

MOTION by Bill Keogh, SECOND by Jeff Munger, to table items 7.4, 7.5, 7.6, 7.7, 8.0, 9.0 until the next meeting. VOTING: unanimous; motion carried.

10.0 ADJOURNMENT

Next meeting: July 20, 2015 at 3 PM.

Agenda: Annual organizational meeting
Tabled items from 6/3/15 meeting

MOTION by Bill Keogh, SECOND by Jeff Munger, to adjourn the meeting. VOTING: unanimous; motion carried.

The meeting was adjourned at 5:38 PM.

RScty: MERiordan