

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
September 22, 2014**

APPROVED – 10/27/14

MEMBERS PRESENT: Jeff Munger (Chairman)
Pat Nowak
Jeff Schulman
Alan Newman

MEMBERS ABSENT: Bill Keogh

BTV STAFF PRESENT: Gene Richards, Director of Aviation
Heather Kendrew, Director of Engineering & Maintenance
Robert McEwing, Director of Planning & Development
Kelly Colling, Director of Airport Operations
Nic Longo, Accounting Office Assistant
Erin Knapp, Marketing

OTHERS PRESENT: David Conger, Dubois & King
Jon Lenwohl, Stantec
Nicholas Schieldrop, Taxi Driver
Barbara Marden, UVM student
Anna Schultz, UVM student
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER

Chairman Jeff Munger called the meeting to order at 4:05 PM. Introductions were done.

2.0 AGENDA

MOTION by Pat Nowak, SECOND by Jeff Schulman, to approve the agenda as presented. VOTING: unanimous (4-0); motion carried.

3.0 PUBLIC FORUM

Nicholas Schieldrop said he is a taxicab driver licensed in Montpelier, St. Albans, and Vergennes and requested permission to hang an information poster about the Vermont Independent Taxicab Alliance in the taxi booth at the airport for the month of October. The poster encourages people to inquire about the group's decals. The purpose of the alliance is to organize independent taxi drivers to create a union because fleet owners are taking over the business and the alliance wants to see independents survive.

Gene Richards will check with the city attorney to see if there are any ramifications to allowing the poster to be put up on airport property. Mr. Schieldrop left a poster with Mr. Richards.

Alan Newman asked Mr. Schieldrop about his position on Uber. Mr. Schieldrop said Uber operates in 170 cities and local services will not be able to challenge them because technology has changed. Uber is competition, but must be accepted. There are lawsuits being filed against them though. Mr. Schieldrop said he does support Uber's claim to the right to operate their business, but personally will not be affiliated with them.

4.0 CONSENT AGENDA

4.1 Approval of Minutes: August 18, 2014

4.2 Fare Comparison

MOTION by Jeff Schulman, SECOND by Pat Nowak, to approve the consent agenda as presented including approval of the August 18, 2014 minutes as written, and to take the action indicated.

DISCUSSION: There was discussion of the fare comparison report. Jeff Schulman observed the gap is narrowing. Gene Richards concurred, noting the reason is not just rate, but convenience, too. There was discussion of travel by Canadians in winter. Bob McEwing explained weather, economy, and the value of the dollar at the border all influence travel by Canadians. Gene Richards added the experience at TSA has an impact. Having to arrive two hours before the flight is challenging. Gene Richards said the marketing campaign in Canada by Burlington Airport has been effective. Jeff Munger noted Canadian airports are putting pressure on the Canadian government to get rid of taxes so the airports can be more competitive. There was brief discussion of the new road being built north of the border. Progress is slow because funding has dried up, but the road is almost done to Pike River. There were no further comments.

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

5.0 FINANCIAL REPORT

There was discussion of the debt coverage ratio. Heather Kendrew explained a tax payment was made in August which drove up expenses. Also, the methodology was changed on the calculation because funds from the customer facilities charge (CFC) are now in a new account. Gene Richards will ask Rich Goodwin to review the numbers with staff and send an explanation to the Airport Commission.

The trend analysis was reviewed. Jeff Munger noted the CFC in August 2014 is well below the number for August 2013. Heather Kendrew explained the difference is due to when the information was entered on the books. Total revenue is up for the year so far. Car Rental and Concessions are the same situation. Nic Longo said the procedure now is to enter the information when the transaction occurred. It was noted accounts in the Bad Debt Account will be written off next year. The Airport Commission inquired about the settlement with Heritage. Gene Richards will provide details of the settlement in writing to the Commission.

MOTION by Jeff Schulman, SECOND by Alan Newman, to table action on the Finance Report pending further information from staff. VOTING: unanimous (4-0); motion carried.

6.0 ACTION REQUIRED

6.1 Office Space Lease, 1252 Airport Drive

Nic Longo explained the plan to rent office space in the building at 1252 Airport Drive shared with the FAA to individual companies because efforts to lease the entire space have not been successful. The company of Capes and Powers is interested in leasing office space. The company does networking work at the airport. The lease is under legal review and will be approved before being presented to the Airport Commission and City Council. Rates will be settled as well. Gene Richards added the building is costing money to heat and maintain. Staff is requesting permission to execute the lease. Alan Newman asked if there are any limitations on who can rent the space other than operation of a legal business. Gene Richards said the FAA space cannot be accessed. There was continued discussion of the lease rate and term, and the amount paid by the FAA for the space (government rate).

MOTION by Jeff Schulman, SECOND by Alan Newman, to support the office space lease as presented. VOTING: unanimous (4-0); motion carried.

6.2 Financial Officer Position

Gene Richards briefed the Airport Commission on the plan to create a financial officer position at the airport to report to the Director of Aviation. Minimum qualifications would be CPA level. The position is being discussed with the CAO Office. Approval has not yet been given. The airport needs the position to ensure checks and balances. Presently the airport is heavily dependent on the downtown office for financial services. The airport pays \$180,000 for staff service in the downtown office. There should be some cost savings by having the position at the airport. Heather Kendrew has assumed the financial duties at the airport in addition to her engineering duties, but this is too much and cannot continue indefinitely.

MOTION by Jeff Schulman, SECOND by Jeff Munger, that the Airport Commission endorses the concept of a senior level financial officer position, CPA minimum, at the airport.

DISCUSSION: Alan Newman said he is not 100% convinced a strategic level financial person is needed given the limited confines of the airport. More information is needed. Jeff Schulman explained the endorsement is to help advance the conversation with the city and once the position is approved it is assumed a proposal will be provided to the Airport Commission for evaluation. Alan Newman felt the focus should be on how to generate more revenue and not toward administration. Gene Richards assured the airport administration is “lean and mean”. There is worry about wearing out the team because there is so much to be done. Someone to do the checks and balances is needed so history does not repeat itself with the airport. Jeff Schulman added the airport needs financial awareness for every decision and it is inefficient to call downtown and hope to speak to the right person and get the right information.

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

7.0 COMMUNICATION/DISCUSSION

7.1 Airport Housing Project Update

Jon Lenwohl, Stantec, gave an update on the management of the house removals by the airport. The following was noted:

- To date 91 properties have been acquired.
- Of the 91 properties, 57 have been through the environmental assessment process and are ready for disposal.
- There are 34 houses for which the environmental assessment is not yet complete.
- All houses will be ready for removal by April 2015 and be removed between April and October, 2015.
- Advertisement will be done for interest in relocating the entire structure or deconstruction (reuse of materials or tear down). There will be a bidding process. The house must be removed and the site restored to a safe condition (i.e. foundation removed and backfilled).
- Gene Richards is explaining the plan to South Burlington City Council.
- The cost is included in the various AIP projects.

Pat Nowak confirmed South Burlington City Council is aware of the plan. The neighbors have asked that the removal be done in a fair manner to residents and with the least disruption possible and the area restored to grass. South Burlington applied for a grant from Regional Planning to plan the streets in the residential area (i.e. Airport Drive being one-way or dead-end). The committee includes a position for an Airport Commissioner from Burlington. South Burlington City Council and the residents are excited to see what will happen with the area and want a great entrance to the airport while maintaining privacy in backyards. More information will be forthcoming about the planning committee.

Gene Richards noted South Burlington City Manager, Kevin Dorn, suggested dividing the project into three zones and focusing on one area to remove houses and restore to grass then moving to the next area to eventually bring the area back to park like conditions.

Alan Newman pointed out the opportunity to reuse space in an urban area and urged contacting Marty Leoni, an innovative architect in Burlington, on ideas for reuse of the area. Gene Richards noted the 2030 plan should be reviewed to see what is projected and what can be done. The thoughts of the neighbors on how the airport and the neighborhood can coexist must also be considered. Pat Nowak agreed there is an education piece on what could happen and what residents are comfortable with in their backyard.

The Airport Commission will select a Burlington Airport Commissioner to serve on the Chamberlin Neighborhood/Airport Planning Committee.

7.2 Project Update

Staff reported:

- Terminal and cargo apron projects are proceeding well and are on schedule.
- Security upgrade in the garage is on schedule to be done by the end of December, 2014. Cables for the cameras and the new card readers are being installed. There will be minimal disruption to security.
- Transition of management of projects when Heather Kendrew leaves will be fairly seamless because other staff members have been working on the airport projects with Ms. Kendrew.

7.3 Air Service Update

Staff reported the meeting with Delta was very good. Delta is happy with the Atlanta route and Burlington Airport. Load factor is in the 90s. Having more marketing of the Atlanta route would likely increase demand. Staff is also working on new routes. An announcement may be forthcoming.

7.4 Passenger and Operational Statistics

Staff reported enplanements are down due to cutback to three flights by United and a 10% cutback by JetBlue. Year-to-date enplanements are up (very close to the number last year).

8.0 DIRECTOR'S REPORT

Gene Richards reported:

- The FAA inspection went very well. Kelly Colling and Heather Kendrew and their teams did an amazing job. Favorable results are anticipated when the report is received.
- The conference in Atlanta was very informative on changes in the aviation industry.
- South Burlington Business Association held a meeting at the airport with 120 attendees. The Boys & Girls Club fashion show will be held at the airport in the spring. The airport works well with the community.
- The airport will assume internal advertising on October 1st and needs to sign the contracts.

9.0 COMMISSIONERS' ITEMS

9.1 Taxi Licensing Board Report

Taxi report from the City Attorney's Office has been received. Transition of taxi administration from the airport to downtown is anticipated around January 1st.

10.0 ADJOURNMENT

Next meeting: October 27, 2014 @ 4 PM.

MOTION by Jeff Schulman, SECOND by Alan Newman, to adjourn the meeting.

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

The meeting was adjourned at 5:50 PM.

RScty: MERiordan

“To Do” List from 9/22/14 Airport Commission meeting:

1. Gene Richards will check with the city attorney to see if there are any ramifications to allowing the Vermont Independent Taxicab Alliance poster on airport property.
2. Gene Richards will ask Rich Goodwin to review the debt ratio numbers with staff and send an explanation to the Airport Commission.
3. The Airport Commission inquired about the settlement with Heritage. Gene Richards will provide details of the settlement in writing to the Commission.
4. The Airport Commission will select a Burlington Airport Commissioner to serve on the Chamberlin Neighborhood/Airport Planning Committee.