

**BURLINGTON INTERNATIONAL AIRPORT
BOARD OF AIRPORT COMMISSIONERS
MINUTES OF MEETING
October 15, 2013**

APPROVED – 11/20/13

MEMBERS PRESENT: Jeff Munger (Chairman)
Bill Keogh (Vice Chairman)
Jeff Schulman
Alan Newman

MEMBERS ABSENT: Gene Palombo

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

OTHERS PRESENT: Rich Goodwin, Assistant CAO, City of Burlington
Bill Ellis, City Attorney
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Chairman Jeff Munger called the meeting to order at 4:11 PM.

1.1 Agenda

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

2.0 PUBLIC FORUM

There were no comments from the public.

3.0 EXECUTIVE SESSION

MOTION by Bill Keogh, SECOND by Jeff Schulman, to go into Executive Session to discuss pending litigation where premature public knowledge would place the City of Burlington at a substantial disadvantage, and to invite airport staff in attendance and the city attorney to attend. VOTING: unanimous (4-0); motion carried.

Executive Session convened at 4:12 PM.

MOTION by Bill Keogh, SECOND by Alan Newman, to adjourn Executive Session and reconvene the regular meeting. VOTING: unanimous (4-0); motion carried.

Executive Session was adjourned and the regular meeting reconvened at 4:38 PM.

4.0 CONSENT AGENDA

4.1 Minutes: September 16, 2013

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve the consent agenda and the minutes of 9/16/13 as presented.

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

5.0 FINANCIAL REPORT

5.1 Financials

Rich Goodwin reported the following:

- The airport (and city) is 90 days into the fiscal year.
- Revenues year-to-date for the first 90 days are \$4.2 million. The annual budget is \$18.4 million. Revenues are slightly better than this time last year.
- Parking revenues are \$1.464 million. The budget is \$6 million.
- Peak demand and highest enplanement is anticipated in the last quarter of the fiscal year.
- Fuel budget is \$150,000, but zero expense is shown because there was a substantial inventory. (Gene Richards commended Heather Kendrew for effectively guiding the fuel inventory. The airport is prepared for the worst case scenario.)
- October marks the 40th month the debt ratio has been held at 1.40 or higher. Presently, the debt ratio is 1.74 for the first 90 days.
- Profit year-to-date is \$1.3 million excluding principal payments on debt. Profit for the year needs to be \$5.6 million and revenues need to be \$18.5 million.
- The trend analysis shows the airport is \$75,000 better than last year for the first 90 days into the fiscal year. Big revenue generators include terminal, concessions, car rental, and landing fees.
- Enplanements for August and September are good compared to last year (up 8% compared to the average of 6%). The trend for the first 90 days is good. (Gene Richards mentioned the positive results of the marketing and advertising effort.)
- In the first 90 days about \$1.2 million has been expended on federally approved AIP projects that are multi-year projects. The budget is \$12 million. For reference, the city's budget is \$60 million excluding the airport.
- For the first time in the airport's history, there is investment in reserves (this is required by the bond covenants). There is \$1.9 million in AAA government securities. The money will be used to pay off debt. Per the new city policy, investment of up to \$5 million/year in AAA securities can be made. Any department in the city can borrow money from the city at 2% for enterprise funds.

Rich Goodwin completed review of the financials for the first 90 days of the fiscal year. Monthly financial reports for the airport will be provided. A financial package for every city department and every fund is being compiled. High level reports showing revenues and expenses will be produced.

Alan Newman asked about taxi fees being over by \$20,000. Mr. Goodwin explained the annual fees are paid in the first quarter. Mr. Newman asked Mr.

Goodwin if he had any budget concerns. Mr. Goodwin said there is no concern with what is on the profit and loss statement. Cash-on-hand for the airport is light.

Jeff Schulman asked where unrestricted cash-on-hand is found. Rich Goodwin said the number will be on the balance sheet with unrestricted cash and cash-on-hand. Future reports will show parking revenue and cash-on-hand (days on hand).

There was brief discussion of the application of PFC funds and debt coverage.

MOTION by Bill Keogh, SECOND by Jeff Schulman, to accept the financial report presented by Rich Goodwin and place the information on file.

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

5.2 Accounts Receivables Report

Nic Longo reported in the past 30 days he has contacted many vendors and has been working with the City Clerk/Treasurer Office to clear older invoices and accounts. Information on what is owed and who is paying is being researched in order to collect on accounts. JetBlue has paid. Delta pays for their smaller airlines. Delta does not dispute the amount owed by the company. United pays half the landing fee while the company flying the plane pays the other half.

Jeff Munger noted Delta owes \$510,000, half of which is over 90 days. It appears Heritage owes \$93,000. Gene Richards assured that Mr. Longo is bringing the situation under control and is finding out what is owed before trying to collect. Good progress has been made and will continue to be made in the next 30 days. The new contract with airlines will not tolerate late/nonpayment. There will be penalties. Rich Goodwin pointed out prior to Nic Longo the airport has not had anyone aggressively managing A/R accounts due to lack of manpower to do the follow up. Also, there is now a database with all receivables owed, contact names, and numbers.

6.0 ACTION NEEDED

6.1 Resolution: Frasca & Associates Contract

6.1.a Frasca Board of Finance Memo

MOTION by Bill Keogh, SECOND by Jeff Schulman, to adopt the resolution and memo relative to Frasca & Associates (Items 6.1 & 6.1.a) and forward the information to City Council.

DISCUSSION: Staff confirmed the correct amount in the contract at \$11,000.

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

6.2 Resolution: Greyhound Lease Renewal

6.2.a Greyhound Board of Finance Memo

MOTION by Bill Keogh, SECOND by Jeff Schulman, to adopt the resolution and memo relative to Greyhound (Items 6.2 & 6.2.a) and forward the information to City Council. VOTING: unanimous (4-0); motion carried.

6.3 Airport Commission Annual Report

MOTION by Bill Keogh, SECOND by Jeff Schulman, to approve and sign the annual report of the Airport Commission. VOTING: unanimous (4-0); motion carried.

The report will be presented to City Council at the 11/4/13 meeting.

7.0 COMMUNICATION/DISCUSSION

7.1 BCDC Briefing

Staff briefly explained to the Airport Commission the involvement of Burlington Community Development Corp (BCDC) with airport buildings and the anticipated release of the hangar building occupied by Heritage. BCDC did not use the rent money received over the years to maintain the building and there is now significant maintenance required (estimated \$350,000 - \$500,000 in repairs). The airport is the entity that should receive the rent revenue and maintain the buildings and tenants, not BCDC. The airport can do a better job of maintenance and make a positive cash flow from the space. Staff will keep the board informed on the matter.

7.2 Enplanements

Enplanements for August and September are good compared to last year - up 8% compared to the average of 6%.

7.3 Fare Comparison

Information on fares was provided to the Airport Commission.

8.0 DIRECTOR'S REPORT

Gene Richards reported the following:

- Much effort has been made to communicate with area residents and groups and listen to their comments about the airport.
- Kevin Dorn will be officially hired as the new city manager in South Burlington at the next South Burlington City Council meeting. Airport Commissioners are urged to attend.
- A contract with *Burlington Free Press* has been established for a media center in the north and south concourse with iPads and charging areas. *BFP* is covering the cost. Delta has a charging area as well.
- There have been many compliments on the friendliness of the airport and airport staff.
- There are mega projects ongoing at the airport, all on tight schedules.
- The wildlife plan required by the FAA will be complete before the January 15, 2014 due date.
- Discussion is ongoing with Burlington Telecom for a room similar to what Comcast was to provide at the north end of the terminal.

- A newsletter for the South Burlington community and airport partners will be produced quarterly or more frequently if possible. The newsletter will be distributed and added as an insert in the South Burlington paper.
- Meetings with local rotary clubs, GBIC, and the Chamber have been held to provide information on the airport.
- The city attorney researched the airport insurance issue and advised on current insurance needs for the present and if F35 aircraft are on site.
- Air National Guard provides fire coverage for the airport which is a savings of millions of dollars for the airport/city. Losing the Air Guard would be a significant adverse impact to the airport and the area.
- Grant assurances from federal grants received by the airport require making the airport available for military aircraft. Not supporting the F35 program is in violation of the grant assurances.

9.0 COMMISSIONERS' ITEMS

9.1 Taxi Licensing Board Report

Gene Richards will attend the next meeting of the Taxi Board to discuss taxi issues.

10.0 ADJOURNMENT

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

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

The meeting was adjourned at 5:59 PM.

Next meeting is Wednesday, November 20, 2013 at 4 PM.

RScty: MERiordan

“To Do” List from 10/15/13 Airport Commission Meeting: None.