

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

APPROVED – 8/19/13

MEMBERS PRESENT: Jeff Munger
Bill Keogh
Gene Palombo
Alan Newman (via teleconference)

MEMBERS ABSENT: Jeff Schulman

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
Ryan Betcher, Marketing
Nick Longo, Office Assistant
Steven Bell, Student Intern
Benjamin Mace, Student Intern

OTHERS PRESENT: Joe McNeil, Attorney
Karen Paul, City Counselor
Mike O'Brien, Mayor of Winooski
Marianne Riordan, Recording Secretary

1.0 CALL TO ORDER and AGENDA

Chairman Jeff Munger called the meeting to order at 1:09 PM.

1.01 Agenda

MOTION by Bill Keogh, SECOND by Gene Palombo, to approve the following amended agenda and associated documents:

1. CALL TO ORDER and AGENDA

2. PUBLIC FORUM

3. CONSENT AGENDA

3.1 Approval of Minutes: June 12, 2013

4. FINANCIAL REPORT: June 2013. Rich Goodwin (Previously sent to the Commission.)

5. ACTION NEEDED

5.1 Hangar Condo Association - Lease Amendment. Memo to Board of Finance from Ryan Betcher.

5.2 RESOLUTION: Authorization to Amend the Contract with Hangar Condominium Association

5.3 LEASE between the Hangar Condominium Association and the Burlington Airport

6. COMMUNICATION/DISCUSSION:

6.1 Governance: Commission, Karen Paul, Joe McNeil

6.2 Memo from Cmsr. Keogh to the Commission on Governance dtd July 10, 2013

7. COMMUNICATIONS

- 7.1 Airline Update
- 7.2 Enplanement Report
- 7.3 Fare Comparisons

8. DIRECTOR'S REPORT

9. COMMISSIONERS' ITEMS

- 9.1 Taxi Issues

10. ADJOURNMENT Next meeting Monday, August 19, 2013, 4 p.m.

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

2.0 PUBLIC FORUM

The appointment of Gene Richards as the permanent Director of Aviation was publicly recognized.

3.0 CONSENT AGENDA

- 3.01 Approval of Minutes: June 12, 2013

MOTION by Bill Keogh, SECOND by Gene Palombo, to approve the consent agenda and minutes of 6/12/13 as presented. VOTING: unanimous (4-0); motion carried.

4.0 FINANCIAL REPORT

- 4.01 Report of June 2013, Rich Goodwin (previously sent to the Commission)

MOTION by Bill Keogh, SECOND by Gene Palombo, to approve and place on file the finance report of June 2013 from Rich Goodwin previously sent to the Airport Commission.

DISCUSSION: Heather Kendrew noted the financial report has not yet been received due to a software issue (data input not yet complete so the report is delayed). The report will be presented at the next meeting.

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

5.0 ACTION NEEDED

- 5.01 Hangar Condo Association - Lease Amendment (memo to Board of Finance from Ryan Betcher)
- 5.02 Resolution: Authorization to Amend Contract with Hangar Condo Association
- 5.03 Lease between Hangar Condo Association and Burlington Airport
Ryan Betcher explained the Hangar Condo Association indicated an additional five years is needed on the lease in order to sell the condos. The lease was modified to include an initial five year time period with two additional renewable five year terms.

MOTION by Bill Keogh, SECOND by Gene Palombo, to approve agenda items 5.01, 5.02, & 5.03 relative to the lease with the Hangar Condo Association and place the information on file and take the appropriate action. VOTING: unanimous (4-0); motion carried.

6.0 COMMUNICATION/DISCUSSION

6.01 Governance: Commission, Karen Paul, Joe McNeil

There was discussion of the recommendations from the work of the Strategic Planning Committee. The following was noted:

- Karen Paul reported the Strategic Planning Committee (SPC) finished its work June 10th and presented to City Council. One item of significance in the report is the recommended change in the structure of the Airport Commission.
- Gene Richards said with the change the expectation is airport commissioners will be more informed and more involved in the airport business operations to better understand airlines, airline development and development of relationships with airlines. The time commitment will be greater with the focus on the needs of the airport and growth.
- Regarding the timeline of the resolution, Joe McNeil reported the substance was presented to City Council with the report of the SPC. A city councilor has to sponsor and introduce the resolution at a meeting for action by the entire council. There is no time limit per se, but the resolution must be dealt with before the end of the session (March-April 2014).
- Karen Paul noted City Council will meet once in July and once in August and the approach with the resolution should be as methodical as possible and the resolution moved forward.
- Joe McNeil gave a brief history of the function of the Airport Commission and the proposed resolution:
 - Prior to 2000, the Airport Commission oversaw the day-to-day administration of the airport subject to City Council.
 - In 2000 charter changes in effect made the Airport Commission advisory, gave plenary authority to City Council and executive authority to the Mayor.
 - There was a provision that allowed City Council to re-delegate authority to the Airport Commission for passing airport rules and regulations for airport activities and make adjustments with employee grievances.
 - The resolution is a follow up on the re-delegation and enhances the authority of the Airport Commission.
 - The resolution gives day-to-day authority to the Airport Commission except when the city is directed to take property through eminent domain, with the issuance of bonds, or determining wages/salary for positions at the airport.
 - The resolution also creates two categories of reporting (contracts greater than \$200,000 or over two year duration must be reported to City Council) and veto rights (City Council has 30 days to veto a contract).
 - Other recommendations in the resolution include:
 - City of Winooski has a representative on the Airport Commission;

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- In the future the Director of Aviation position is appointed by the Mayor from a slate of up to three candidates vetted and recommended by the Airport Commission;
 - City Council will continue to explore more formalization of relationships with Chittenden County entities and the State of Vermont (i.e. explore the advantages/disadvantages of creating a regional authority).
 - Regarding approval of the airport budget, presently the budget is recommended to the Mayor and approved by City Council. A charter change would be needed to change that sequence. Karen Paul explained how the Burlington Electric budget is handled (City Council relies on the BED Commission to thoroughly review and prepare the budget for approval and then accepts the budget in its entirety). The resolution pertaining to the Airport Commission is an additional step in that direction without requiring a charter change. Alan Newman commented without understanding fully the ability to impact the budget will hinder the ability of the Airport Commission to make decisions. Joe McNeil assured once the operation is under the new regiment more will become clear in terms of City Council relying on the expertise of the Airport Commission, especially if responsibilities are taken seriously and looked at in detail. It could be expected more latitude and reliance would fall on the Airport Commission and ultimately have a bearing on City Council. Rewrite of the charter would be required. Alan Newman clarified what is being said is that as long as City Council controls the budget the Airport Commission and airport are operating at the behest of City Council and the Mayor. Another individual elected to the Office of Mayor could have a different point of view to the current administration. Clarity is needed on where and how financial decisions are made with the new resolution because that is where the “rubber meets the road” at the end of the day. Karen Paul reiterated the resolution is an initial step. City Council may in fact be relieved to have the weight of the airport budget lifted and rely on the five or six qualified members on the Airport Commission with respect to the budget. It is hoped the resolution is passed and movement is made toward a charter change to give the Airport Commission more authority by 2015.
 - Alan Newman confirmed with the resolution the Airport Commission would be responsible for hiring/firing except the Director of Aviation position for which the Airport Commission will submit a slate of three candidates to City Council for consideration. Joe McNeil added with an incumbent Director of Aviation this would not be necessary. Karen Paul noted there are discussions with the Mayor about this. A collaborative effort is wanted. The Mayor right now cares very much about the airport, but that may not be the case with a future mayor and that is why protocol for the Director of Aviation position was wanted. The Mayor wanted to retain authority to make the appointment especially since the Mayor’s Office is responsible for whatever happens. The SPC wanted to “de-politicize” the appointment.

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- Regarding the request by the City of Winooski for a seat on the Airport Commission, Alan Newman asked if the recommendation can be accepted or rejected. Karen Paul stated input on any portion of the resolution is wanted. Joe McNeil explained the request from the City of Winooski for inclusion on the Airport Commission was honored by inclusion in the recommendations. Karen Paul added the issue was not major for the committee members at the table. Ed Colodny made a compelling argument that those at the table should have “skin in the game” and Winooski does not. The SPC felt that having the Mayor of Winooski on the committee was valuable. The SPC wanted to value the neighbors (South Burlington, Winooski). Gene Richards urged keeping in mind the context and the purpose which is to benefit the airport as a business unit. The question is whether the appointment will help or hinder the airport, and not repeat history. Joe McNeil stated the focus was regional and Winooski and South Burlington have been most active with the airport relative to the study committee and that is why the suggestion for membership was included.
 - Bill Keogh referred to the comments in his memo to the Airport Commission on the resolution and noted the \$200,000 threshold with contracts is fine as is Airport Commission involvement with the appointment of the Director of Aviation. The involvement of Winooski on the Airport Commission needs further discussion and begs the question of including other communities, such as Williston and Colchester. Noise impact may not be the reason to expand the membership. Relationships with area communities are important, but the airport has more pressing items needing attention at this point in time. Also, a job description for the position of airport commissioner needs to be drafted.
 - Gene Richards stated constructive, direct, and helpful feedback is needed from the Airport Commission, not distractions or additional tasks for staff. Airport staffing now is lean and needs the support of the Airport Commission. The job description for airport commissioner needs to cover every aspect so the strengths offered by the candidates are known.
 - Gene Palombo stated the SPC was concerned about the present form of the Airport Commission which is advisory, but does seriously consider issues to go to City Council. Joe McNeil stated the SPC suggested there are too many layers of governance impacting decisions being or not being made or reversed if made. The genesis for more legal authority for the Airport Commission is: Administration-Airport Commission-Finance Board-City Council-Mayor-City Council.
 - Karen Paul stated City Council will want to know the vote on the resolution and an explanation of the vote. The SPC felt the process for approval of a \$5,000 grant for the airport, for example, was just too cumbersome and should not need to go to a board for approval. The airport needs to function as an enterprise fund (self-sustaining like a business). Some members on the committee wanted full autonomy for the airport to function. The compromise was the \$200,000 figure for contracts. Staff felt this was reasonable based on past history and it was felt City

Council would agree as well. Jeff Munger spoke in support of a larger dollar figure, citing that many projects involve federal, state and local funding, and to go through the progression for 2% of the project cost does not make sense; the Airport Commission should have the authority.

There was agreement to meet in early August when the full Airport Commission is available and possibly again on the regularly scheduled meeting on August 19th to further discuss the resolution prior to presenting the resolution to City Council.

There was continued discussion of Winooski having a seat on the Airport Commission. The following was noted:

- Mike O'Brien, Mayor of Winooski, said he advocated for a seat for the City of Winooski on the Airport Commission because Winooski does 'have skin in the game' not from a financial impact, but because the flight path is directly over the center of the city. Winooski would like a voting position, but will accept a seat at the table. Regardless of the decision Winooski will continue to be involved.
- Alan Newman pointed out the consideration is what Winooski would bring to strengthen the Airport Commission and who would be the representative, the mayor or an appointee. Mr. Newman stated given the change in the needs of the Airport Commission the talent and skill sets wanted and where this will come from must be defined. The airport is a business with fiscal authority and responsibility and having a long term plan. Being included on the Airport Commission must add value to the airport to make the airport as strong as possible.
- Mayor O'Brien said the representative would be an appointee by the Winooski City Council of which the mayor is a sitting and voting member. The City of Winooski would work with the Airport Commission and look for an individual with the skills the Airport Commission is seeking.
- Gene Richards explained the purpose is to benefit the airport, not necessarily benefit communities or for 'fairness'. Winooski and South Burlington would be pulled to think of the community. The issue is whether being included on the Airport Commission would be a benefit, not a detriment, to the airport. The airport as a business unit must be protected which has not been the case in the past.
- Mayor O'Brien stated with any nomination to a regional entity, such as CCTA or Regional Planning, the community wants a representative to advocate for them as well as the operation of the regional entity. As a member of the Airport Commission the Winooski representative can relay the feelings of the community to ensure all impacts are being considered.

There was discussion of the taxi issue at the airport. Karen Paul reported she suggested to Norm Blais (Chairman of the Licensing Committee) that a separate taxi committee be created and lead by a chairperson with lots of experience in license work. The responsibility will be removed from the airport commissioners serving on the taxi board. Gene Richards stated the taxi structure in place now is

manageable, but the Airport Commission needs to focus on planes, not taxicabs. Bill Keogh pointed out the ordinance will have to be revised with regard to taxi board membership (the current ordinance mandates three city councilors on the taxi committee).

6.02 Memo from Cmsr. Keogh to the Commission on Governance, dtd July 10, 2013

MOTION by Bill Keogh, SECOND by Gene Palombo, to accept the memo from Commissioner Keogh to the Airport Commission, dated July 10, 2013, regarding governance and place the information on file. VOTING: unanimous (4-0); motion carried.

7. COMMUNICATIONS

7.01 Airline Update

Ryan Betcher reported meetings have been held with various airlines. US Airways flights are booking well. Delta flights were decent in June with 74% load factor. July and September/October are expected to be better. Delta is using a slightly smaller aircraft.

Bill Keogh asked if Atlanta as a destination or a hub has been evaluated. Ryan Betcher explained Delta looks at the load factor of the aircraft for connection traffic as well as yields and bookings to determine how flights are performing.

Alan Newman asked if US Air is considering service to Charlotte. Ryan Betcher said US Air is pleased with the existing service. The next step is to look at Charlotte or Chicago. Perhaps after the merger there could be increased service out of Burlington.

7.02 Enplanement Report

Heather Kendrew reported June had the highest enplanement in seven months and the first positive change in a year. It is hoped the trend continues.

Jeff Munger commented on negative feedback he received from people flying Delta (Delta overbooking flights and not accommodating passengers when flights are cancelled). Delta has been fined repeatedly by the FAA for infractions. Gene Richards countered staff is not hearing negative comments on Delta which has taken steps to improve service (new management, providing their staff with merit bonuses, and such). The airport worked hard to get Delta service and does not want to lose it. Jeff Munger noted the airlines collectively made \$24 billion last year so there should not be complaints. Alan Newman echoed the negative comments about Delta cancelling flights, but added all the airlines seem to be cancelling flights very quickly lately and stranding passengers.

7.03 Fare Comparisons

Heather Kendrew reported fares remain consistent with past data (\$120 fare difference between Burlington and Montreal).

8.0 DIRECTOR'S REPORT

Gene Richards reported on the following:

- Staff continues to put forth a phenomenal effort in the operation of the airport.
- The bathroom project is complete.
- Hudson News North & South are both open.
- Discussion and building relationships with airlines is ongoing.
- The marketing plan is coming together locally and in Montreal. The plan being developed is well thought out and targeted. Further discussion can be held in Executive Session because contracts are involved. The current marketing budget of \$350,000 needs to be increased.
- Regarding Heritage, negotiations with Atlantic are off. Airport staff is discussing releasing Heritage on three of the buildings. Heritage contends the airport has liability because the tax notice was not sent in a timely fashion. The airport disputes this position.

Kelly Colling, Director of Operations, reported:

- Staff has been working on maintenance and painting the airfield in preparation of the September inspection (September 9-11, 2013).
- Full scale emergency exercise is July, 2014.
- Work on safety and security tasks is ongoing.

Heather Kendrew, Director of Engineering, reported:

- The jet bridge at Gate 11 is in use by Delta.
- Staff is working on moving Delta to a new section of the terminal to free up Gate 14 for additional seating for JetBlue and potentially a new airline.

Bob McEwing, Director of Planning, reported:

- Aviation Deli owned by Rob Mahoney will locate in the kitchen area of the former One Flight Up restaurant at the airport. The goal is to open in August. The deli will provide affordable meals to staff who now have to leave the airport for meals. Green Mountain coffee will be served by the deli. There will be tables in the mezzanine to attract people to the deli service. Sen. Leahy expressed interest in holding meetings at the deli. The airport helped with some upgrades (fry-olator).

9.0 COMMISSIONERS' ITEMS

9.01 Taxi Issues

The airport will continue to support taxi service until a separate taxi committee is established by City Council.

9.02 Letter re: Available Parking in the Parking Garage

There was discussion of using technology to inform people of open parking spaces in the parking garage. Bob McEwing noted software was installed in the past (very expensive), but did not work well due to the configuration of the parking garage (left and right turn ramps). Gene Richards added there are between

300-600 spaces available daily at the north end of the upper floors of the parking garage. People tend to seek parking closest to the terminal. Blinking signs directly people to parking on the upper floors and the north end of the garage can be installed.

Alan Newman questioned having two checkout lanes in the parking garage opened for late night flights. Heather Kendrew explained the union contract requires staff breaks and not leaving the lane unattended. Mr. Newman asked about using technology to have unmanned checkout booths. Heather Kendrew said a person must be present in case there are difficulties and to avoid loss of revenue. Technology can break down leaving people stuck in the garage. Gene Richards said staff will further investigate the matter.

10.0 OTHER BUSINESS

10.01 Next Meeting/Agenda Items

- August 1, 2013 at 4 PM – Work Session on Governance
- August 19, 2013 at 4 PM – Regular Meeting of the Airport Commission

10.02 Picture of Airport Commission

Approval was given to post pictures of the members of the Airport Commission in the airport terminal.

11.0 ADJOURNMENT

MOTION by Bill Keogh, SECOND by Gene Palombo, to adjourn the meeting.

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

The meeting was adjourned at 2:54 PM.

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“To Do” List from 7/15/13 Airport Commission Meeting:

1. Blinking signs directly people to parking on the upper floors and the north end of the garage can be installed.
2. Staff will investigate the matter of two checkout lanes in the parking garage opened for late night flights and use of technology at unmanned booths.