

**MINUTES OF THE
CONNECTICUT AIRPORT AUTHORITY
BOARD MEETING
MONDAY, AUGUST 11, 2014, 1:00 P.M.
BRADLEY INTERNATIONAL AIRPORT – ADMINISTRATION CONFERENCE ROOM
WINDSOR LOCKS, CONNECTICUT**

Members Present: Mary Ellen S. Jones, Chair
Robert J. Aaronson
Charles R. Gray (via phone)
J. Scott Guilmartin
Karen M. Jarmoc
Matthew J. Kelly
Michael T. Long, Vice-Chair
Peter McAlpine (Treasurer's Designee)
Commissioner James Redeker
Commissioner Catherine Smith

Members Absent: Brett C. Browchuk

Staff: Kevin A. Dillon, A.A.E.
Robert J. Bruno
Ron Frost
Paul Pernerewski
Ben Parish
Alex Peterson
Mike Shea
Jody Slayton
Eric N. Waldron, A.A.E., ACE
John Wallace

1. **Call to Order:** Chair Jones called the meeting of the Connecticut Airport Authority to order at 1:04 p.m., and noted a quorum.

2. **Approval of Minutes – June 9, 2014 Board Meeting:**

Mr. Guilmartin requested that the June 9, 2014 minutes be amended to reflect that he was present at the meeting, via conference call.

Mr. Kelly made a motion (Seconded: Mr. Long) to approve the minutes from the June 9, 2014 Board meeting. **Voice vote – motion passed unanimously.**

3. **Executive Director’s Report:**

PASSENGER NUMBERS – May 2014

<u>Airport</u>	<u>May 2014</u>	<u>May 2013</u>	<u>% Increase/Decrease</u>
Bradley	525,374	481,917	+9.0
TF Green	314,005	340,639	-7.8
MHT	191,288	211,469	-9.5
Logan	2,877,233	2,676,301	+7.5

PASSENGER NUMBERS – June 2014

Airport	June 2014	June 2013	% Increase/Decrease
Bradley	500,602	458,004	+9.3
TF Green	308,534	332,925	-7.3
MHT	182,573	213,701	-14.6
Logan	2,938,917	2,823,378	+4.1

Mr. Dillon reported that Bradley Airport's passenger numbers have increased for the tenth month in a row with an increase of 10.6% year to date compared to last year. In comparison, Mr. Dillon stated that traffic at Providence was down 6.8% and Manchester-Boston was down 13% for the same period. Chair Jones asked why Providence and Manchester's numbers were low for the months of May and June. Mr. Dillon replied that this was primarily a result of decreased service by Southwest Airlines. The success at Bradley is a direct result of an improving economy as well as the CAA's continued focus of increasing capacity at the airport.

Mr. Dillon reported on air service development efforts noting that daily nonstop Houston service with United Airlines will begin in October. Mr. Dillon further reported that this past June, JetBlue flights to Washington, D.C. began. The CAA continues to focus on international travel in the hopes of restoring transatlantic service. It is clearly demonstrated that there is strong transatlantic travel within Connecticut.

Mr. Long asked about the potential of service from Cape Air. Mr. Dillon stated that the CAA is currently researching potential service to the Cape and the islands.

Mr. Dillon reported on business development efforts noting that the CAA is working with several Fixed Based Operators on potential hangar development.

Mr. Dillon announced that the CAA has completed the RFP selection process for club space at Bradley Airport and will begin negotiations with the selected company shortly.

Three proposals were received for development at Waterbury-Oxford Airport. Proposals included hangar tie-downs and customs space. Customs processing facility. The CAA began negotiations with the selected company, Keystone, a few weeks ago. The CAA believes it might also be able to accommodate at least two of the submittals.

Mr. Dillon reported that, in the next few weeks, the CAA will issue bids for a self-service fueling system at Windham Airport. The system will sell 100 octane, as well as jet fuel. Mr. Dillon anticipates the system will be up and running well before the end of the year. This system will restore fuel sales to the airport.

Mr. Dillon reported on a potential new concession opportunity.

Mr. Dillon gave a finance update reporting that the financial system development is progressing well. The CAA is on schedule to have the new system in place by the beginning of next year.

Mr. Dillon reported that Blum Shapiro has begun the annual audit with a focus on Bradley, the General Aviation Airports and the Passenger Facility Charge Program. Financial performance continues to be excellent with YTD operating income at \$4.7 million above budget. This is a

reflection of increased passenger activity and a continued focus on reducing operating expenses. The Finance Committee will be reporting on their review of the financials during its Committee report.

Mr. Dillon noted that during July, he, along with Mr. Shea and Mr. McAlpine, had the opportunity to provide an overview of the CAA financial operations to Standard and Poor's. As a result of the review, Standard and Poor's reaffirmed the CAA's A- bond rating with a stable outlook.

Mr. Dillon reported that on July 25, 2014, the State Bond Commission approved the allocation of \$2 million in State bond funds for the General Aviation and Municipal Grant and Capital Development Program.

Mr. Dillon gave an operations and terminal update reporting that during June 16-22, 2014, the CAA partnered with the Travelers Championship Golf Tournament to highlight the annual Tournament in the terminal and to provide a special information and pick-up area for the PGA golf professionals.

Mr. Dillon reported that on July 15, 2014, the State Police were relocated from Terminal B to the new Public Safety Building. The new TSA space in Terminal A was also completed in July and the relocation will be completed by this Friday. Mr. Dillon further reported that the new airfield lighting vault is online. Mr. Dillon noted that all three of these projects were necessary for the Terminal B demolition project to proceed.

Mr. Dillon reported that the contract for demolition of Terminal B was awarded on July 30, 2014 to S&R Corporation of Lowell, Massachusetts.

Mr. Dillon reported that on Wednesday, July 23, 2014, the FAA Runway Safety Action Team (RSAT) met at Bradley Airport to review past year activities. The meeting involved the airlines, tenants, FAA air traffic control and other FAA regional representatives and was a good opportunity to highlight the importance of airfield safety.

Mr. Dillon reported that the CAA's IT department is working on improvements to the Wi-Fi system to enhance system capacity due to an increase in traffic. They are also enhancing the system to allow the CAA to collect brief survey information including traveler's zip codes; purpose of travel: business vs. leisure; email address (with opt in feature for future communication); number of trips per year; and age.

Mr. Dillon reported that the CAA has reached an understanding with both the Army National Guard and U.S. Customs to utilize the Army Readiness Center for diversions. This agreement allows the CAA to move forward with the demolition of Terminal B.

Mr. Dillon provided an update on the general aviation airports reporting that the CAA recently completed a project at Groton-New London Airport to modify the crosswind runway markings to comply with new FAA standards. The nearly \$200,000 project was completed a week ahead of schedule.

Mr. Dillon reported that the re-painting of all surface markings at Groton-New London Airport was completed during July with the assistance of Bradley Airport maintenance personnel.

Mr. Dillon reported that the Annual Part 139 Certification Inspection was conducted at Groton-New London Airport during the last week of July. It was a successful inspection with only minor discrepancies noted.

Mr. Dillon further reported that, at Hartford-Brainard Airport, the new maintenance building is now fully occupied. The construction of this building was completed this past March at the cost of \$4.5 million.

Mr. Dillon gave a government affairs update reporting that he recently met with Senator Murphy along with political leaders of the surrounding towns and representatives of the Bradley Development League to discuss potential rail service between Bradley and the Windsor Locks Train Station. They also discussed bus service from the station to the future Ground Transportation Center at Bradley Airport.

Mr. Guilmartin inquired about specific rail proposals. Mr. Dillon replied that the towns are looking to have double-tracking restored which would allow for a higher level of service. Commissioner Redeker reported that there will be sixteen trains added which will allow for significant access to Windsor Locks and Bradley Airport.

Mr. Dillon reported that a number of Connecticut's federal delegation have signed on to a letter supporting funding of the Contract Tower Program. As the Board may know, the CAA has three airports that are part of the program: Groton-New London, Hartford-Brainard, and Waterbury-Oxford.

Chair Jones asked Mr. Dillon if there has been any progress regarding congressional approval for an increase in Passenger Facility Charges. Mr. Dillon replied that ACI and AAE have a major focus on next year's FAA reauthorization bill.

Mr. Dillon gave an outreach update reporting that the CAA is working with the Veterans History Project associated with Central Connecticut State University and will be assisting them with an event which will be held July 10-12, 2015 to commemorate the 50th Anniversary of the Vietnam War. The event will be held at the Air National Guard and the New England Air Museum. It will include static displays and other activities.

Commissioner Redeker reported that he had a DOT intern working with the CAA's intern on marketing the Bradley Flyer and he expects to report some positive outcomes. **ACTION ITEM:** Chair Jones asked for an update on the Bradley Flyer initiative at the September Board Meeting.

Mr. Dillon discussed the Board meeting schedule, noting that the next meeting will be September 8, 2014 at 1:00pm. The October Board meeting has been scheduled for October 22, 2014 at 1:00pm.

4. Discussion Item:

(a) Overview of ASQ Customer Service Results.

Mr. Dillon referred the Board to the ASQ presentation in their packets. Bradley Airport has undertaken a customer service survey with ACI. The CAA entered into a one year contract with DKMA, the contractor for ACI, at a cost of just under \$38,400. They survey both business and leisure travelers quarterly. Data for the first two quarters is currently being reviewed. Essentially,

airports are ranked on a scale of one to five, with one being the lowest in overall passenger satisfaction.

Mr. Dillon reported that LaGuardia Airport is about to launch a \$4 Billion Capital Program. The CAA would like to approach the Port Authority to discuss a potential partnership with Bradley during this multi-year project.

Ms. Jarmoc asked if Drink Caffeine is the marketing company being used by the CAA. Mr. Dillon replied that it was and they will be used to gauge the effectiveness of the information being collected in the ASQ surveys. **ACTION ITEM:** Mr. Guilmartin asked for details of the contract, and asked that the Board be notified when the contract comes up for renewal.

5. Human Resources and Governance Committee Report.

Mr. Aaronson reported that the Committee met on June 30, 2014 and discussed its mission. He recommended that all committees create a summary that defines their mission. The Human Resources and Governance Committee is expected to deal with performance objectives and achievements, appointment of senior officers, and significant human resource issues. A second area of focus will be an annual review of the CAA enabling statutes. Thirdly, the Committee will annually evaluate completion of organizational objectives and report back to the Board.

The one action item that came before the Committee was to approve the implementation of the managerial compensation study with a caveat that Mr. Dillon needed to do this within the budgeted amount.

6. Economic Development Committee Report.

Mr. Guilmartin reported that the Economic Development Committee met last Friday, August 8, 2014 with Comr. Smith, Ms. Malerba, and Mr. Kelly in attendance. The Committee is currently working on developing a mission statement. The TAC Air proposal was discussed which will be further discussed in executive session. Mr. Bruno has been compiling descriptions of airport-owned properties which are available for development totaling approximately 400 acres. CAA staff will work to identify potential private properties surrounding the airport also available for development. A developer's conference is slated for November, 2014. The next Committee meeting is tentatively scheduled for September 19, 2014 at 1:00pm.

7. Finance Committee Report:

Mr. Gray reported that the Finance Committee met on Thursday, August 7, 2014. Mr. Guilmartin, Mr. McAlpine, and Mr. Gray had a brief discussion on Committee role and mission. Most of the Committee functions are the same, expect that governance issues will now be handled by the Human Resources and Governance Committee. Mr. Gray referred the Board to the action items in their board packets that the Committee would like to move forward on.

Action Items:

(a) Consideration of and Action Upon Approval to Allocate Fiscal Year Capital Improvement Program Funds for the General Aviation Airports – Statewide System Plan.

Mr. Dillon reported that this item involves the CAA's ability to perform a Statewide System Plan and to reallocate funds within the 2014 Capital Plan. The CAA recently completed a project at Groton-New London Airport for safety overrun improvements and was

reimbursed by the Federal Government in the amount of \$419,000. That amount is being allocated back into FY 2014 plan and the CAA would like to use some of these funds for its matching share of a statewide system plan update. The CAA is anticipating that the FAA will approve a grant equal to 90% of this project. The recommendation is that the Board approve the reallocation of these funds.

Mr. Guilmartin made a motion (Seconded: Comr. Smith) to accept and approve **Resolution 2014 – 28 - Voice vote – motion passed unanimously.**

(b) Consideration of and Action Upon Approval of a Term Sheet for the Lease of Space with Meredith Corporation d/b/a WFSB for the Doppler Radar Installation at Bradley International Airport.

Mr. Dillon reported that the CAA is asking for approval of the term sheet and authorization for Mr. Dillon to enter into an agreement with WFSB. The term is for twenty years. It was noted that the CAA has the right to request that WFSB relocate to another area if that parcel is needed for another aviation purpose. In the first five years of the agreement, the CAA would be responsible for the relocation costs. From that point forward, WFSB would be responsible for relocation costs.

Mr. Long made a motion (Seconded: Mr. McAlpine) to accept and approve **Resolution 2014 – 29 - Voice vote – motion passed unanimously.**

(c) Consideration of and Action Upon Approval to Revise Resolution 2014-15, the Bradley International Airport FY 15 Budget, to Highlight Debt Service Coverage.

Mr. Gray reported that Mr. McAlpine requested that a table and accompanying footnote be added to Resolution 2014-15 to highlight debt service coverage.

Mr. Long made a motion (Seconded: Mr. Guilmartin) to accept and approve **Resolution 2014 – 15 (Revised) - Voice vote – motion passed unanimously.**

ACTION ITEM: Chair Jones asked for an Air Service Development update at the September Board Meeting.

8. Executive Session:

Mr. Long made a motion (Seconded: Mr. Aaronson) to go into Executive Session at 2:20 p.m. for the purposes of discussing Air Service Development (Airline Recruitment), Acquisition of Property (Potential Acquisition of Other Airports), Concession Negotiating Strategy (Dairy Queen) Negotiating Strategy for Parking Lot Agreement and Discussion of Negotiating Strategy for Hangar Development (TAC Air). **Voice vote – motion passed unanimously.**

- (a) Discussion of Air Service Development (Airline Recruitment).**
- (b) Discussion of Acquisition of Property (Potential Acquisition of Other Airports).**
- (c) Discussion of Concession Negotiating Strategy (Dairy Queen).**
- (d) Discussion of Negotiating Strategy for Parking Lot Agreement.**
- (e) Discussion of Negotiating Strategy for Hangar Development (TAC Air).**

The Board of Directors came out of Executive Session at 3:38 p.m.

9. Action Item:

(a) Consideration of and Action Upon Approval of a Term Sheet with TAC Air for Airport Development at Bradley International Airport.

Mr. Gray made a motion (Seconded: Comr. Smith) to accept and approve **Resolution 2014 – 30 - Voice vote – motion passed unanimously.**

Ms. Jarmoc asked that the staff begin to focus on the legislative agenda for 2015.

10. Adjournment:

Comr. Smith made a motion (Seconded: Mr. Long) to adjourn the Board meeting at 3:45 p.m. **Voice vote – motion passed unanimously.**

Respectfully submitted,

Mary Ellen S. Jones
Chair