

**MINUTES OF THE
CONNECTICUT AIRPORT AUTHORITY
FINANCE, OPERATIONS & GOVERNANCE COMMITTEE
TUESDAY, MARCH 18, 2014, AT 1:30 PM
Bradley International Airport
Administration Conference Room
Windsor Locks, CT**

MEMBERS PRESENT:

Charles Gray, Chairman
Scott Guilmartin
Matthew Kelly
Peter McAlpine

STAFF PRESENT:

Robert Bruno
Paul Pernerewski
Michael Shea
Jody Slayton
Sharon Traficante

OTHER BOARD MEMBERS

PRESENT:

Michael Long

MEMBERS ABSENT:

Brett Browchuk

MEMBERS PRESENT BY STATUTE:

Kevin Dillon, CAA

1. Call to Order:

Committee Chairman Gray called the meeting to order at 1:35 p.m.

2. Approval of Minutes: - December 16, 2013.

Mr. Kelly made a motion (Seconded: Mr. Guilmartin) to approve the minutes from the December 16, 2013 Committee Meeting. **Voice Vote – motion passed with Mr. McAlpine abstaining as he did not attend the meeting in December.**

3. Discussion Item:

(a) Discussion of FY 2015 Operating and Capital Budgets – Bradley International Airport.

Mr. Dillon reported that the focus of the meeting is a preliminary review of the FY'15 budget. It was noted that the CAA will be meeting with the Airlines on April 1, 2014 to consider the budget. Ultimately following that Airline Affairs meeting, the CAA will move forward with a final budget which will be brought before the full Board in May.

Mr. Dillon noted that last year when the CAA went through the budget process, it presented a budget that was approximately a 12% increase over the prior year. The airlines accepted the increase and treated it as an investment in the future because they believed that the transition to the CAA would begin to pay dividends.

Mr. Dillon invited Mr. Shea to give an overview of the operating budget. Mr. Shea noted that there were two versions of the budget for discussion. Version 3A showed a full personnel load, full operating expense load, and no allocation change. This budget allowed for 152 positions. Revenues have increased year over year. The second version, 3B, shows five less vacant positions, a cut of approximately \$588K in operating expenses, and changes in personnel allocations between Bradley and the GA airports. There was general discussion about budget process and an overview of personnel costs in relation to the State benefit package and its impact to operating costs.

Mr. Shea also provided a review of the airlines' rates and charges. Mr. Dillon reported that this is a 15% increase over last year. The CPE would be at approximately \$12.12. Today, the CPE is at approximately \$10.50. Mr. Dillon reported that the CAA is proposing to apply an overall credit to the CPE number.

There was general discussion regarding the proposed CPE credit program. Mr. Dillon reported that the goal is to arrive at a comfortable CPE number that results in a level of credit with the full understanding that the CAA will be entering into a new airline agreement. Mr. Dillon noted that there may be revenue sharing provisions built into the agreement, which is fairly common. Mr. Dillon stated that the goal is to set a competitive CPE for the region. T.F. Green's CPE is at \$11.00, and Logan's CPE is at approximately \$13.00.

Mr. Shea provided a detailed review of budget summaries, focusing on operating revenues and operating expenses.

Mr. Gray stated that the CAA has been very conservative in budgeting which is positive.

Mr. Dillon invited Mr. Bruno to provide a review of the 2015 Capital Plan. Mr. Bruno reported a total of approximately \$30 million in capital projects for FY 2015. Bradley will share approximately \$4.6 million. Eighty five percent of the Capital Plan will be funded by other sources including \$2.6 million in Federal grants, a PFC component of \$18 million, and a CFC component of \$4.6 million.

Mr. Guilmartin asked if there is a plan available of Bradley's developable property. Mr. Dillon replied there is a plan of all of Bradley's developable acres that can be shared with Mr. Guilmartin. Mr. Bruno reported that he is currently working to update the Master Plan which he would be happy to share with Mr. Guilmartin and the Board.

Mr. Guilmartin asked for an explanation of the incinerator study and design project. Mr. Bruno replied that the Bradley incinerator is very old and the emissions are in question. This study will reveal whether it is performing as it should in order to meet today's proper incinerator methods. If not, the CAA will research designs or better methods that are best suited for the airport.

Mr. Bruno reported that Bradley's sewer system is very old and the CAA will be conducting a Sanitary Sewer Study that will note any deficiencies and develop a five year plan as to what areas should be repaired.

Mr. Dillon took the opportunity to thank all of the staff at the CAA who worked very hard to try to get this budget where it needs to be, particularly Mr. Bruno and Mr. Shea.

4. Adjournment:

Mr. Kelly made a motion (Seconded: Mr. McAlpine) to adjourn the Committee meeting at 2:55 p.m.
Voice vote – motion passed unanimously.

Respectfully submitted,

Charles Gray
Chair