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Airport Authority Meeting Minutes of August 12, 2009

Directors present: Alexander, Balzano, Catardi, Leonardi, Petrini, Piscitelli, Scarpati, Weiner, Wishnafski, and Volchek.

Directors absent: DePino, Harris and Murphy.

Others in attendance: Tim Larson, Lori Hoffman-Soares, Diane Jackson, Susan Godshall, Chuck Kurtz, Eric Larson, Eliot Jameson, Chris Donlon, Michael Giordano, Marcia Munro, Chris Goddard, Ken Robinson and Mark Zaretsky.

Mr. Volchek opened the meeting at 4:05 p.m.

1. Minutes of July 8, 2009 meeting

The minutes of the July 8, 2009 meeting were approved with two abstentions.

2. Executive Director's Report

Mr. Larson stated that the state budget is still pending. Negotiations continue between the legislators and Governor Rell.

Mr. Larson presented a draft "scorecard" listing trees that have been removed by property address and town. A new tree removal contract has been entered into off the State contractor list. Mr. Larson is working on obstruction removal at the north end using City bond funds. With cooperation from Town officials, he is beginning to approach individual homeowners in East Haven. He expects to continue tree removal work into September.

The Board discussed the procedure for reclaiming all or some of the displaced threshold of Runway 20. Mr. Kurtz stated that a survey of the obstructions that have been removed will be prepared and submitted to FAA. Mr. Volchek stated that if the straight-in instrument approach is not re-established, Dodge Avenue is no longer considered an obstruction. The straight-in instrument approach has not been in service for approximately 20 years, in part due to construction of houses at the top of Raynham Hill, and it is not a realistic objective. Using the original runway threshold will restore the runway length to 5,600' if this concept is approved by FAA.

In answer to a question, Mr. Kurtz stated that he hopes for a response from FAA within 60 days of submitting the obstruction removal survey.

3. Chairman's Report

Mr. Volchek thanked Marcia Munro for her eight years of service on the Authority and presented her with a Certificate of Recognition. The Board expressed its appreciation to Ms. Munro.

Mr. Volchek welcomed Linda Balzano as a new director and asked her to speak about her interest in the Airport.

Mr. Volchek reported that the North Runway Safety Area is about 85% complete. The construction issue on the Taxiway B project has been resolved, related to closing the runway when work is conducted near the VOR ("Very high frequency Omni Range") station. The contractor will do critical work near the VOR in the evenings and other off-peak times. The cost will be an additional \$160,000 on a project cost of about \$5 million.

Mr. Volchek stated that the Strategic Planning Committee will meet before the September Authority meeting with John DeCoster, Vice President of Trillion Aviation, the firm which is advising the Authority on FBO service at Tweed. Mr. DeCoster will outline the implications of a variety of FBO options. Mr. Volchek stated that the Committee process is taking a bit longer than anticipated in order to have a full understanding of the options.

4. Finance and Audit Committee

Ms. Wishnafski stated that the City funding was received in the amount of \$550,000, so cash flow will be fine through October. The Committee will do a three year budget once the State budget is finalized.

Ms. Wishnafski has asked Ms. Godshall to do a "charter" or charge for the Finance and Audit Committee to clarify its responsibilities. Ms. Godshall noted that the starting point will be the previous Audit Committee's formal list of duties and responsibilities.

5. Staff Reports

a. Ms. Godshall distributed the annual Conflict of Interest forms and indicated that the directors should complete and return the forms at their convenience.

b. Ms. Godshall presented Resolution #304: Approval of Change Order No. 3 to Contract with Empire Paving, Inc. for Runway 20 Safety Area improvements – AIP 33.

Mr. Volchek described the circumstances leading to this Change Order. He asked Mr. Kurtz to review the types of changes. Mr. Kurtz presented the detailed spreadsheet.

The Board and staff discussed questions including the following:

-- Explain what is meant by "benchmark elevation" and "discrepancy in the survey"?

Mr. Kurtz elaborated on the measurement issues.

-- What is the process for negotiating construction change orders?

Most of the change items were bid on a unit price basis. In a unit price contract, the reconciliation of estimated and actual quantities is made near the end of the job. In this case, several errors made the gap between estimated and actual quantities very large. The Board directed staff to make a claim against HTA's Errors and Omissions insurance for costs resulting from their errors.

- Were the City and Town mayors aware that agreeing to keep Dodge Avenue open, as a prerequisite to the Memorandum of Agreement, would be this costly?
No. No one anticipated that avoiding two 3-week closures of existing Dodge Avenue would cost \$481,000.
- What is the FAA procedure for approving additional grant funds, and how much risk is there that an amendment will not be approved?
FAA has approved the Change Order. It is now a question of timing as to when the reimbursement comes through.
- Can the job be finished within the standard FAA funding cap of 15% over the original grant amount?
No, and the magnitude of subsequent change orders is unknown. FAA will only increase an AIP grant by 15% but may be willing to make another grant for a new AIP. In this case, since the entire RSA project is really a single infrastructure improvement, staff hopes that FAA will agree to move some costs for AIP 33 (north end RSA) to AIP 35 (Taxiway B project). If neither of these options is available, the airport could use its annual entitlement funds for this purpose.
- Can certain items not be done?
No. The work is mandated by the DEP permits, FAA standards, utility company specifications and traffic engineering standards.

Board members indicated a preference for change orders to come before the Board sooner. Mr. Kurtz stated that the practice is to seek Board approval once there is a recommended price, but perhaps sizable items should be reviewed earlier.

Board members stated that approval of Change Order No. 3 requires a discussion of how future changes to the project will be funded.

Board members stated that change orders should be negotiated in accordance with industry standards. Mr. Larson reviewed the level of negotiation undertaken to date and stated that the project is professionally and carefully managed. He noted that public sector contracts may not have the flexibility of the private sector.

Ms. Wishnafski suggested that the matter be referred to the Finance and Audit Committee. She will call a meeting within a week to dimension the amount to be funded and develop a plan. The Board agreed to this Committee referral. At the Chair's discretion, action on Resolution No. 304 was tabled.

c. Ms. Hoffman-Soares reviewed other current airport improvements. Painting on the terminal continues. TSA will rent additional office space in the Administration Building; she and Ms. Godshall are working on a lease.

d. Ms. Godshall distributed copies of the monthly Greater New Haven Chamber of Commerce column in *The New Haven Register* called the Regional Outlook. The August column focuses on favorable fares from Tweed to international destinations. Ms. Godshall thanked Mr. Jameson for his help in assembling the data.

e. Ms. Godshall noted that for the first time, the Airport has an agreement with an off-airport rental car company, Enterprise Rent-a-Car. The agreement will close a long-standing area of revenue leakage. The first concession fee has been received.

f. Ms. Godshall stated that a new RFP for taxi service was published, with proposals due on August 31st.

g. Ms. Hoffman-Soares presented the monthly enplanements. The enplanements for July were 2,972, about 150 passengers more than in 2008. The seven-month total for 2009 enplanements is 18,894. System-wide, U.S. Airways regional routes had a load factor of 73%. New Haven's load factor was 62%. However, there were fewer cancellations (5) in July due to the ILS being out of service during construction.

h. Ms. Godshall presented the draft financial statements for June. At the suggestion of the Finance and Audit Committee, the financials will be reviewed by staff of Simone, Macca & Larrow before being put in final form. Ms. Godshall noted that the draft year-end result was better than anticipated at mid-year.

6. **Neighborhood Liaison Committee** - Mr. Larson described a neighborhood issue concerning coyotes. Certain residents believe that coyotes are being harassed by the construction contractor's workers, leading to more coyotes in the neighborhood. Mr. Larson stated emphatically that this is not so. He will address this issue at the next Neighborhood Liaison Committee meeting.

7. Other Business -- None.

The meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Susan E. Godshall
Administrative Director