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Airport Authority Board of Directors Minutes of October 13, 2010

Directors present: DePino, Harris, Leonardi, Markowski, Petrini, Piscitelli, Scarpati, Volchek, Weiner and Wishnafski.

Directors absent: Alexander, Balzano, Murphy.

Others in attendance: Tim Larson, Lori Hoffman-Soares, Chuck Kurtz, Susan Godshall, Eliot Jameson, Mike Giordano, Ken Robinson and Mark Zaretsky.

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

1. The minutes of the meeting of September 15, 2010 were approved unanimously.
2. **Executive Director's Report**

Mr. Larson will advise airport neighbors that milling and paving of the Runway are done and grooving of the pavement will occur for seven nights beginning on or about October 21st. Two residents have complained about noise arising from the project. The grooving machine is not expected to have the deep vibration effect of the pavement roller.

Mr. Larson reported on the "Business Breakfast" at the Quinnipiack Club. Company representatives were asked to return completed surveys on international travel for use in Tweed's air service development activity.

Mr. Larson and Ms. Hoffman-Soares met with airline representatives at a small industry conference last week. He stated that face-to-face meetings are important to build the airline relationship. A possible route to a northern New England destination was explored with a small airline.

Mr. Harris urged that management focus on new routes with broad impact, not an obscure location. He commented that previous Pan Am service to Cape Cod did not catch on in our market.

Mr. Larson reported that staff met today with Connecticut DOT staff to review the Airport Capital Improvement Plan (ACIP). In the course of the meeting, Mr. Larson gave DOT the addresses of owners at the south end who object to obstruction removal on their properties. The State will handle those properties in the future. He will assign the remaining trees on the

north end to The Care of Trees except for trees on the hill to the west of Burr Street, which must be handled separately.

Mr. Larson distributed a summary of the current marketing program and a copy of the Tweed ad from the 2010 Greater New Haven Visitors Guide. The summary includes a pie chart of marketing costs and a table of media distribution, including maximum website and Facebook exposures. Ms. Wishnafski noted that it would be prudent to spend the marketing budget cautiously as it is one of the few discretionary items that can be used to balance the budget if other options are not successful.

3. **Chairman's Report** – (Combined with Strategic Planning Committee Report)

4. **Committee Reports**
Strategic Planning Committee

Mr. Volchek stated that progress on development of a new FBO has been slowed by the Robinson Aviation lawsuit. The Committee is focused on seeking new air service.

Finance and Audit Committee

Ms. Wishnafski stated that the Committee will meet with the auditor when a draft is ready.

She stated that staff is working on several options to close the budget shortfall. If these are not successful, we will have to cut discretionary expenses. Ms. Wishnafski suggested that sufficient funds be reserved to balance the budget, if necessary. Mr. Petrini asked if there is a date certain by which the budget must be revised. Ms. Wishnafski stated that there is no specific date, but we need to keep enough in reserve to cover expenses.

Ms. Wishnafski presented a cash flow report for FY10-11. Adequate cash flow in the second half of the fiscal year depends on receiving the balance of the State subsidy and resolving the budget shortfall with the City.

Community Advisory Board (CAB)

The CAB is co-chaired by Mr. Harris and Mr. Leonardi and met for the first time after the September Board meeting. Mr. Harris stated that the CAB reviewed progress on the Runway Rehabilitation Project. Mr. Leonardi added that the CAB members are interested in the upcoming Part 150 Noise Study and were impressed with the level of technical detail. The Committee is also interested in restoring the warning light on the spire of the Old Stone Church in East Haven. The Authority has committed to pay the monthly electricity charge for the warning light, if one is installed.

5. **Staff Reports**

a. Runway Rehabilitation Project (AIP 36)

Ms. Godshall and Mr. Kurtz updated the Board on construction progress. The airport will be closed for one or two overnight periods for grooving of the new pavement.

Mr. Kurtz noted that we will be adding runway and taxiway signage to the project to conform to FAA requirements. Should this cause the project to exceed the grant amount, FAA will issue a grant amendment. He also noted that restoration of Pig Farm Road to preconstruction conditions would be deferred to the spring. This will require a time extension to the Empire Paving contract but will have no cost impact.

b. Taxiway B Project (AIP 35)

Ms. Godshall reported that a letter was signed to allow a line item transfer in the Agreement with Hoyle, Tanner & Associates for project engineering services, at no extra cost.

c. Airport Manager's report.

Ms. Hoffman-Soares distributed her monthly report. The terminal was painted and cleaned during the 2-day closure for Runway Rehabilitation. Restroom repairs in the terminal will be carried out using an architect retained under State contract provisions to do plans and specifications. A change order proposal was received from Empire Paving for repaving the driveway and widening the sidewalk, which may be postponed to the spring.

d. Enplanement Data:

Ms. Hoffman-Soares distributed the enplanement data and stated that enplanements continue to run 9% ahead of 2009. The load factor was 80% in September.

The Board discussed recent increases in enplanements and the relationship to July and August marketing. Mr. Jameson stated that US Airways fare reductions at the end of June are the biggest factor in increased enplanements. It is his understanding that the lower fares will remain in place for 6 months. The relationship between high load factors and high yield to the airline is not a straight line. "The airline prefers higher fares to more passengers."

Ms. Hoffman-Soares reported that US Airways flights will drop to three per day on two days of the week in January. This is a normal seasonal change and is also attributable to a number of Dash 8 aircraft being taken out of service.

e. Financial Statements:

Ms. Godshall reviewed the Financial Statements for August 2010, noting that both the City subsidy of \$325,000 and the first third of the State subsidy were received.

6. Other Business - None

7. Public Comment

Mr. Giordano asked about a marketing plan for General Aviation so that Tweed can capture more of that activity. Mr. Volchek replied that the Strategic Planning Committee is moving toward expansion of GA services and increased marketing but action has been slowed by the pending litigation. With the permission of the Chair, Mr. Robinson addressed the question by stating that in recent months area airports have opened up more hangar space and reduced prices. He stated that "new construction is no longer profitable in the region." He believes it is better to delay new hangar construction at Tweed by a year or two.

9. Executive Session

Mr. Leonardi moved to go into Executive Session at 5:00 p.m. to discuss a potential settlement in the pending lawsuit, seconded by Mr. Weiner. The motion was approved unanimously. Mr. Volchek invited Ms. Godshall and Mr. Larson to remain.

The Executive Session was adjourned at 5:50 p.m. and the regular meeting was resumed. Mr. Leonardi moved that the meeting be adjourned at 5:51, seconded by Mr. Petri. The motion was approved unanimously.

Respectfully submitted,

Susan E. Godshall
Administrative Director