

Minutes
Bradley Board of Directors
Bradley Board Room
Thursday, September 16, 2010
9:00 a.m.

Members Present: Chairman Caren Kittredge, Commissioner Joan McDonald, Scott Kaupin, Commissioner Jeffrey Parker, Michael Long and Steve Wawruck.

Members Absent: None

- I. Chairman Kittredge called the meeting to order at 9:08 a.m.
- II. Chairman's Comments
Chairman Kittredge reviewed the agenda for the meeting and noted a quorum. The new Director of Marketing and Development, Mr. Luis Perez, was introduced, as well as Department of Transportation Commissioner Parker. Chairman Kittredge thanked the members of the Board for 100% compliance on financial reporting, as required by the Office of State Ethics. A request has been received from the Transportation Strategy Board (TSB) asking the Board to provide comments to them relative to their strategic development. Information from the current TSB report dated January 2007 was distributed.
- III. Approval of Minutes – June 17, 2010
Mr. Kaupin made a motion (Seconded: Commissioner McDonald) to approve the minutes from the last Board meeting. Voice vote—motion passed, with Commissioner Parker abstaining.
- IV. Reports
Eric Waldron provided a general update on the Airport's operations. Mr. Waldron discussed Airport preparations during hurricane season. Mr. Waldron noted that the annual FAA Part 139 inspection was held beginning July 12, 2010. It is a rigorous three day annual process, which the Airport successfully completed. A moment of silence was observed on Saturday, September 11, from 8:46 a.m. to 8:47 a.m. Mr. Waldron advised that an Honor Flight for World War II veterans is scheduled for Saturday, September 25, with USAirways providing transportation for veterans to visit the World War II memorial in Washington, D.C. Space and Aviation Day, which is an annual event held at the Airport and sponsored by the Bradley Family Day Organization, was held on August 14. Mr. Waldron said approximately \$50,000 will be donated by that group this year to their designated charity, the Hole in the Wall Gang Camp. Mr. Waldron gave an overview of marketing efforts. Mr. Waldron said that by the end of November, there will be approximately 60 additional flights per week which will be approximately a 9% increase in total flights. This includes JetBlue, Frontier, and additional flights by incumbent carriers. Mr. Waldron said that on August 26, a media event was held at the Airport in conjunction with GE Aviation and American Airlines; Bradley is the site of the first-ever Required Navigation Performance (RNP) or public flight path in the U.S. created by a private company. The event received much national media coverage. With regard to terminal enhancements, Mr. Waldron said that the temporary wall at the upper level doorway between the older and newer sections of the terminal has been

removed and the Paradies Shop has been relocated to the former “Daisy the Cow” location. A Dunkin’ Donuts cart is expected to be in place in the former Paradies location on or about October 1. Mr. Waldron then discussed ongoing projects. The second phase of Perimeter Road reconstruction will begin next week with an additional one mile of the roadway reconstructed from the entrance to the Connecticut Fire Academy to a location just north of its intersection with Russell Road. The road will remain open during the construction. Repairs to Runway 1-19 will be made at the same time; the runway was closed during the summer due to shifting pavement caused by excessive heat. The closure did not impact air carrier operations. Mr. Waldron said the Airport has received an “Other Transaction Agreement” from the Department of Homeland Security in the amount of \$2.8 million which will fund security enhancements at the Airport. A project to relocate the airfield lighting vault will begin tomorrow and is expected to take approximately one year to complete, Mr. Waldron said. By December 1, four drains and pads will be replaced on the ramp. Mr. Waldron asked Mr. David Bassett, Federal Security Director for the TSA at Bradley, to discuss the opening of the new A2 checkpoint which will feature Advanced Imaging Technology (AIT) machines. Mr. Bassett gave an overview of the equipment, including its history, safety, and privacy issues. The press roll out is scheduled for October 5 and demonstrations will be held next week. Chairman Kittredge asked Mr. Waldron to advise the Board when the demonstrations would be held in the event any would like to observe the equipment.

Mr. Mark Daley reported that the annual audit of the Enterprise Fund is being conducted and is due to be completed by October 30. Mr. Daley discussed the financial aspects of the incentive program. Standard and Poor’s is looking at Bradley’s credit rating; this is done annually. Last year, the Airport received a negative outlook. Benchmarking efforts are being worked on and results should be available in the next few months, and will be included in the Board’s report. Mr. Daley presented and reviewed the monthly financial report. Parking budgets have been adopted. Parking operations are estimated at \$17.5 million for gross receipts against \$21 million in costs with an approximately \$4 million shortfall (which is the responsibility of the parking operator). A proposed rate reduction for Lot 4 has been approved with the daily rate going from \$7 to \$6 and the weekly rate going from \$42 to \$36. Mr. Daley said the Customer Facility Charge (CFC) is up and running and was sufficient to offset what otherwise would have been a significant shortfall in total operating revenue. The Board report is through June 30 for FY 2010, but is a draft at this time. Total operating revenue was \$54.8 million which is 0.3% under budget. The shortfall in revenue is due to concession activities, including rental cars, terminal and other concessions. Landing fees are also well below budget. As Mr. Daley stated previously, the revenue shortfall is offset by CFC, which is \$2.2 million year to date. Total operating expenses, year to date, are \$38.2 million or 8.3% below budget. Mr. Daley said the bottom line budget is fairly close with a shortfall of approximately \$400,000. Mr. Daley noted the increase in per person concessions which went from \$7.04 in June 2009 to \$7.86 for June 2010 - an increase of 11.7%.

Mr. Luis Perez provided an update on marketing and route development. Mr. Perez said that the addition of new service will help stabilize fares at the Airport, as competition will increase. Mr. Perez discussed new/additional service: Frontier will begin service to Milwaukee on September 27; Delta will begin service to Washington Reagan National and Las Vegas on October 31; USAirways will begin service to LaGuardia on October 31; Delta will begin service to Raleigh-

Durham on November 1; JetBlue will start service at Bradley on November 17 with flights to Ft. Lauderdale and Orlando; Southwest will add a new flight to Ft. Lauderdale, increase flights to Orlando from two to three daily and resume seasonal service to Tampa in November; and American Airlines will increase its daily Miami flights from one to two in November. Television and radio ads have begun and will run over the next few months to promote new service. Mr. Long asked about the recent media coverage of Bradley's high fares and said the Airport needs to attract more business market destinations. Mr. Perez advised that he has been working with many local and regional economic development groups, and that an increase in airline competition will be reflected in the fares. Mr. Perez said he is working with the airlines to increase the quality of service at Bradley (i.e. more non-stop flights).

Mr. Robert Bruno introduced the consulting firm of Urban Engineers who gave a presentation on the plans for Terminal B. A summary of this project was previously e-mailed to Board members. A concept has been chosen (Option 4); this will be the first step in the schematic design phase which will take approximately nine months. This information will be used to formulate future projects. At this time, it is projected that Terminal B will be demolished in 2013. If conditions warrant, Mr. Bruno said the overall schedule can be accelerated. A copy of the consultant's presentation will be forwarded to Board members.

Chairman Kittredge distributed draft copies of the Strategic Plan to Board members and gave an overview of the document. She asked that Board members provide comments with the hope that the final document can be voted on at the next Board meeting, which is scheduled for Thursday, October 21, 2010. A deadline of October 1 was established for comments, which are to be sent to Mr. Waldron with a copy to Chairman Kittredge.

V. Executive Session

On a motion by Mr. Kaupin (Seconded: Mr. Wawruck), the Board went into Executive Session to discuss the audit review and financial issues at 10:30 a.m.

The Board came out of Executive Session at 11:50 a.m.

VI. Adjourn

Commissioner McDonald made a motion (Seconded: Mr. Wawruck) to adjourn the Board meeting at 11:51 a.m.

Respectfully submitted,

Caren Kittredge
Chairman