

Minutes
Bradley Board of Directors
Thursday, May 19, 2011
9:00 a.m.

Members Present: Chairman Kittredge, Scott Kaupin, Steven Wawruck, Acting Comr. Redeker, Dep. Comr. Angelo representing Comr. Smith, and Michael Long

Members Absent: Comr. Smith

- I. Chairman Kittredge called the meeting to order at 9:07 a.m.
- II. Chairman's Comments
Chairman Kittredge noted a quorum.
- III. Approval of Minutes – April 21, 2011
Comr. Redeker made a motion (Seconded: Mr. Wawruck) to approve the minutes from the April 21, 2011 Board meeting. Voice vote – motion passed.
- IV. Reports
Mr. Eric Waldron provided a general update on the Airport's operations. He advised that the Airport hosted a VIP operation yesterday when President Obama landed here on his way to give the commencement address at the U.S. Coast Guard Academy. The Airport was closed to flight operations for a total of one hour, which included 15 minutes before and after Air Force One's arrival and departure. The Airport's annual emergency plan review was held on Tuesday, May 17, at the CT Fire Academy. The review is required by Federal Regulation Part 139. Mr. Waldron said that on May 13, members of the Airport's fire department and Troop W, along with paramedics from Hamilton Sundstrand's ambulance staff, were given the Department of Public Safety's "Commissioner's Award" in recognition of their valiant efforts to save a passenger who collapsed at the Airport on November 5, 2010. Those recognized from the fire department were Capt. Richard Sawtelle, Lt. Matthew Atwood, Firefighter Howard Libera, and Firefighter Jesse Peters; and from Troop W: Lt. William Baldwin, Jr., Sgt. William Onusko, Trooper Donald Jones, and Trooper Kevin Conway. Mr. Waldron discussed the return of the remains of a Korean War veteran who had been MIA for 60 years. Mr. Waldron thanked all who assisted for the professional manner in which this was handled. With regard to terminal enhancements and projects, Mr. Waldron advised that the project to replace carpet in the gate and baggage claim areas has begun and should take approximately six weeks to complete. Work continues to progress on the Airport's new concessions (Cask & Barrel, Traveltini, and D'Angelo's), with expected openings during the upcoming summer months. The airfield lighting project is moving forward, Mr. Waldron said, and will necessitate the closure of Runway 15-33 (the Airport's secondary runway) from May 31-June 20, 2011. All regular commercial flights will be using the main runway (6-24). A press release will be sent out within the next few weeks. Regarding the relocation of the taxi holding lot, Mr. Waldron said that paving has been delayed by the weather. It is expected the lot will be moved by the end of this month. Comr. Redeker expressed his thanks to Mr. Waldron for the tour he provided to the Commissioner on Monday, May 16, 2011.

Mr. Mark Daley advised that he would provide a financial update on the FY 2012 budget as well as a summary of the short term airline lease and operating agreement. He said that the lease and the budget are interconnected and asked that negotiation details be deferred to the Executive Session, with the expectation that the budget could be voted on after that. Mr. Daley then presented and reviewed the monthly financial report for the period through March 31, 2011. The total operating revenue of \$41.5 million year to date is 0.1% below budget. Total operating expenses year to date of \$31.9 million are 0.0% below budget. Mr. Daley said the purchasing process is being managed to the budget at this point. Chairman Kittredge commented that this was not a bad result considering that snow costs were included. Mr. Daley said that financials are expected to come in on budget with no surplus. Operating income is \$9.6 million, which is 0.6%

below budget. Net cash flow of \$7.7 million and income before capital contributions of \$1.9 million are above budget in proportion to non-budgeted rental car customer facility charge (CFC) revenue. Mr. Daley distributed copies of the "FY 2012 Operating and Capital Budget Summary" and provided an overview. The total revenue is just over \$70 million, including airline revenue which is budgeted at \$29.3 million, a 3.9% increase from the FY 2011 budget; non-airline revenue budgeted at \$28.2 million, a 4.5% increase from the FY 2011 budget; and non-operating revenue from Passenger Facility Charges at \$12.1 million, based on 2.9 million projected enplaned passengers for FY 2012. Mr. Daley discussed operating expenses, including personal services, which are budgeted at \$16.4 million, a 1.4% increase from FY 2011. No changes have been made to this budget since what was previously presented. Total other expenses are \$27.0 million, which is 3.8% increase from FY 2011. No changes have been made to this budget. Total debt service for all series bonds is \$18.0 million and reflects refunding bond savings. Regarding financial performance, Mr. Daley said that income before depreciation is \$14.0 million, which is an 8.8% increase; cash flow is \$8.8 million, which is a 57.6% increase, and debt service coverage for FY 2012 is 131.2% versus 122.8% in the FY 2011 budget. There is no change in the capital budget from the proposed. Mr. Long asked if the budget had the minimum guarantee factored in with regard to non-airline revenue (parking). Mr. Daley said it did. Mr. Long suggested that the number of off-site versus on-site parking spaces be revisited. Comr. Redeker advised that he has been in discussions with Mr. Waldron concerning the managing and maximizing of the Airport's parking. Mr. Daley then distributed and discussed a summary of the "Short Term Airline Lease and Operating Agreement", which is approximately 95% completed as of this date. The contract is with a signatory airline and establishes a set of affiliates under the contract that are listed and named in the contract. This levels the playing field in terms of landing fees, Mr. Daley said. Regional airlines do not have to have a direct agreement with the State. The term of the agreement is two years, starting on July 1, 2011, and subject to a 30-day termination.

Mr. Waldron provided an update on marketing and route development. Passenger numbers for April year-over-year show a 6% increase, which now makes ten consecutive months of positive growth. The first four months of 2011 show a 9% rise over the same period last year, Mr. Waldron said. On June 24, 2011, Mr. Dean Hill, the Airport's air service development consultant, will be attending the 2011 Jumpstart Conference in Cleveland, Ohio. He is scheduled to meet with between six to nine carriers.

- V. Other Business – Comr. Redeker said he had asked Mr. Robert Bruno to prepare a summary on the roadway signage project to clarify the expenditures and describe what the project encompasses. It was decided that Mr. Bruno would make a presentation at next month's Board meeting.

VI. Executive Session

On a motion by Mr. Kaupin (Seconded: Mr. Wawruck), the Board went into Executive Session at 9:40 a.m. for the purpose of contract negotiations.

The Board came out of Executive Session at 10:10 a.m. on a motion by Mr. Kaupin (Seconded: Mr. Long).

- VII. FY 2012 Budget – Mr. Long moved to approve the FY 2012 budget as proposed (Seconded: Mr. Kaupin). Voice vote—motion passed

VIII. Adjourn

Mr. Long made a motion (Seconded: Mr. Kaupin) to adjourn the Board meeting at 10:15 a.m.

Respectfully submitted,

Caren Kittredge
Chairman