

**MINUTES OF THE
CONNECTICUT AIRPORT AUTHORITY
BOARD MEETING
MONDAY, AUGUST 12, 2013
BRADLEY INTERNATIONAL AIRPORT
ADMINISTRATION CONFERENCE ROOM
WINDSOR LOCKS, CONNECTICUT
1:00 P.M.**

Members Present: Mary Ellen S. Jones, Chair
Michael T. Long, Vice-Chair
Robert J. Aaronson
Charles R. Gray
J. Scott Guilmartin
Matthew J. Kelly
Peter McAlpine (Treasurer's Designee)
Commissioner James Redeker

Members Absent: Brett C. Browchuk
Karen M. Jarmoc
Commissioner Catherine Smith

Staff: Kevin A. Dillon, A.A.E.
Sharon Traficante
Robert J. Bruno
Dan Carstens
Lee-Etta Burdick
Ron Frost
Paul Pernerewski, A.A.G.
Eric N. Waldron, A.A.E., ACE
Jody Slayton

Invitees: Attorney John Stafstrom, Pullman & Comley, LLC

1. **Call to Order:** Chair Jones called the meeting of the Connecticut Airport Authority to order at 1:00 p.m., and noted a quorum.

2. **Approval of Minutes – June 10, 2013:**

Mr. Kelly made a motion (Seconded: Mr. Long) to approve the minutes from the June 10, 2013 Board meeting. **Voice vote – motion passed unanimously.**

3. **Approval of Minutes – June 27, 2013:**

Mr. Dillon stated that there has been a minor adjustment to the minutes than what was previously submitted to the Board and referred the Board to an updated copy in their packets.

Mr. Long made a motion (Seconded: Mr. Kelly) to approve the minutes from the June 27, 2013 Board meeting. **Voice vote – motion passed unanimously.**

4. **Executive Director's Report:**

Mr. Dillon provided a comparison of passenger numbers for Bradley and other regional airports for the month of May and June. For the month of May, Bradley was up 2.3%, Manchester Airport was up 1.7%, T. F. Green Airport was up 7.29%, and Logan was up 2.3%. For the month of June, Bradley was down 0.3%, T. F. Green Airport was up 2.84%, and Logan was up 3.7%.

Manchester Airport has not posted their June numbers yet. Mr. Dillon reported that Bradley is at a point where passenger numbers have stabilized. Once the additional American Airlines service being added on August 27, 2013 and the fall service begin, Mr. Dillon believes there will be additional seats added to the marketplace and we will start to see the numbers rise.

Mr. Dillon reported that there will be a ribbon cutting event to commemorate the American Airlines inaugural BDL-LAX service scheduled for August 27, 2013 at 7:30 a.m. at the American Airlines gate. The speaking program will begin at 7:45 a.m. and Governor Malloy is confirmed to attend. If you would like to attend, please let Mr. Dillon know.

Mr. Dillon reported that JetBlue will begin new service to Tampa and Fort Meyers in October, 2013. Southwest Airlines will also begin three flights daily to Atlanta in November, 2013. In total, these six additional flights will result in a substantial increase in capacity.

Mr. Dillon provided an update on media and community outreach. Mr. Dillon had the opportunity to give interviews to the Airport News on June 18, 2013 and the Hartford Courant on July 9, 2013. Mr. Dillon reported that he met with CEO's in Western Massachusetts on July 16, 2013 and was a guest on The Real Story with Al Terzi which was taped on August 1, 2013. The CAA also hosted an event to commemorate the transfer of the CAA from the DOT at the Sheraton Hotel on July 25, 2013. The CAA will also be hosting a Bradley Ambassador Appreciation Luncheon on August 16, 2013 at the Sheraton Hotel for our volunteers that provide information in the terminal. A freight forwarders luncheon is scheduled for September 19, 2013.

Mr. Dillon reported that he had the opportunity to meet with customs brokers and introduce them to the new Port Director at Bradley Airport which was a nice opportunity to discuss the CAA's desire to enhance cargo services.

Mr. Dillon provided an update on customer service. The stamped concrete project in front of the terminal to fill in those areas that previously had plantings is due to be completed late August and the plantings on Route 75 entrance have been completed for this year.

Mr. Dillon reported that the he is planning to enter into an on-call arrangement with the Dublin Airport Authority. The Dublin Airport Authority does extensive consulting work in addition to managing a number of airports in Ireland as well as concessions in Europe and other countries. Mr. Dillon would like them to conduct an evaluation of Bradley Airport's parking facilities. This task order under the on call would be \$20,000. As part of the establishment of this relationship, the Dublin Airport Authority which is the governing body that controls slots and landing rights in Dublin, has agreed to work with the CAA on air initiatives as well.

Mr. Dillon also wanted to advise the Board that he is currently working with Mr. Joe Kaliko who leads a group interested in Co-generation possibilities at Bradley Airport. They are looking to establish a plant that will create jet fuel, diesel and other fuels. The CAA has agreed to provide them access to information on utilization of the fuels used at Bradley Airport as well as show them potential sites where development might be possible. Mr. Dillon reported that the CAA is also working with the Connecticut Center for Advanced Technology that's exploring a very similar project. Mr. Dillon has encouraged the collaboration of these two groups and will continue to provide information to both groups.

Mr. Dillon wanted to clarify for the Board that as the CAA transitions from the DOT, questions have been raised by the DOT and State under the Administrative Services Agreement regarding an understanding and interpretation of the CAA's interim procurement policy. As you may know, under the Administrative Services Agreement, the CAA continues to utilize some of the services provided by the DOT to process our procurements. The CAA's interim procurement policy was designed to provide guidance on new procurements, contracts, and agreements going forward. Unfortunately, it has been interpreted that this policy applies to all procurements, agreements, and contracts as well. It was explained that the CAA has inherited all current and duly authorized procurements, agreements, and contracts from the DOT and the State and will continue to utilize all contracts, agreements, and procurements until their expiration date, at which point a new contract will be issued once a new procurement process is undertaken, the CAA policy will apply.

Mr. Dillon reported that he would like to move ahead with an arrangement with Mr. Steve Van Beek from Leigh Fisher who is a renowned expert in the aviation industry with a background in board governance. Mr. Dillon would like to bring Mr. Van Beek in for two hours before the September Board meeting to provide a viewpoint of where the aviation industry is, as well as spend some time discussing board governance and board responsibility. Depending on the Board's reaction, Mr. Dillon would like to bring Mr. Van Beek back for a second session at a later date to discuss policies, procedures, and committee establishment.

5. Committee Report: Finance, Operations and Governance – Update on August 12, 2013 Committee Meeting.

Mr. Gray provided an update regarding the Finance, Operations and Governance Committee Meeting. Mr. Reed Risteen from Blum Shapiro made a presentation on the auditing standard No 114 and the auditor's communication with those charged with governance.

Mr. Gray reported that there were several action items that the FOG Committee voted on to bring to the Board for approval.

Action Items:

(a) Resolution 23 - Consideration of and Action Upon Windham Airport Term Sheet with Flightstar, Inc. DBA Flight Design USA.

Mr. Gray noted that Flight Design, Inc. is interested in moving to Windham Airport. Mr. Gray reported that they are currently located in Woodstock, Connecticut and have outgrown their current facility.

Mr. Guilmartin made a motion (Seconded: Mr. Kelly) to accept and approve a Windham Airport Term Sheet with Flightstar, Inc. D/B/A Flight Design USA. **Voice vote – motion passed unanimously.**

(b) Resolution 24 - Consideration of and Action Upon Terminal Facility and Air Service Incentive Program.

Mr. Gray reported that last year the Board had approved a program that ended on June 30, 2013. This year's program would commence on July 1, 2013 and continue through June 30, 2014. Minor modifications have been made to the program. However, in substance, the program remains the same. On page one, the gates available for lease have been adjusted from last year. On page two, Tier 1 service has been amended to delete LAX. On page five, an addition has

been made to add Airline Cooperative Advertising where the airport will match dollar for dollar, up to 100K in airline advertising initiatives that specifically promote their service at Bradley Airport. The advertising campaign must focus exclusively on Bradley Airport service, and not include other competing airports.

Mr. Dillon pointed out to the Board that an adjustment was made to the resolution as a result of the FOG meeting. In the resolution we are changing the language that talks about the Executive Director having the ability to amend the provisions of the program when it is in the best interest of the CAA. Language will be added to this as follows: "and does not cause significant financial impact."

Mr. Dillon noted that on Resolution 23, there was a change that was omitted from earlier discussion that should have been mentioned when the item was discussed. As a result of the FOG meeting, the language will change from "in substantially the form presented" to "substantially in conformance with the Term Sheet."

Mr. Long made a motion (Seconded: Mr. Guilmartin) to accept and approve a Terminal Facility and Air Incentive Program. **Voice vote – motion passed unanimously.**

(c) Resolution 25 - Consideration of and Action Upon CAA Office Space Lease Term Sheet with KCR-Bradley Associates, LLC.

Mr. Gray referred Board Members to the proposal in their packets regarding the lease of office space at 334 Ella Grasso Turnpike, Windsor Locks, Connecticut.

Chair Jones asked if this space would be ready in 90 days. Mr. Dillon confirmed that if the CAA were to enter into the lease agreement by September 1, 2013, the plan is to have the space ready before December 31, 2013.

Mr. Aaronson made a motion (Seconded: Mr. Kelly) to accept and approve a CAA Office Space Lease Term Sheet with KCR-Bradley Associates, LLC. **Voice vote – motion passed unanimously.**

(d) Resolution 26 - Consideration of and Action Upon Exercising the Option Period for Legal services Contract – Pullman & Comley.

Mr. Gray referred the Board Members to a letter from Pullman & Comley in their packets. The original agreement with Pullman & Comley has expired and the CAA is seeking to extend that agreement for an additional two (2) years effective from February 15, 2013 and terminating on February 15, 2015 as well as make the appropriate budget adjustment for those services.

Mr. Dillon added that on Resolution 26, there was a change to the resolution as a result of the FOG meeting. Included in this adjustment was specialty title work which amounted to approximately, \$72,000. Although the CAA originally anticipated the transfer to occur in March, 2013, despite our best efforts, the transfer did not occur until July 1, 2013. This contributed to the need to have Pullman & Comley work on the transition for a longer period. Mr. Dillon is seeking an adjustment to the budget for the additional costs associated with legal services which are approximately \$422,000. However, \$222,000 of this cost has been already allocated to the CAA budget. The remaining \$200,000 of this cost would be allocated 70% to the Bradley Enterprise Fund, and 30% to the GA Working Capital Fund.

Commr. Redeker made a motion (Seconded: Mr. Kelly) to accept and approve Exercising the Option Period for Legal Services Contract – Pullman & Comley. **Voice vote – motion passed unanimously.**

(e) Resolution 27 - Consideration of and Action Upon a Budget Adjustment for Legal Services.

Mr. Kelly made a motion (Seconded: Mr. Aaronson) to accept and approve a Budget Adjustment for Legal Services. **Voice vote – motion passed unanimously.**

(f) Resolution 28 - Consideration of and Action Upon a Budget Adjustment for (a) Insurance (b) Personnel Services.

Mr. Gray reported that the Board authorized a not-to-exceed amount of \$1.3 million for insurance premiums. However actual bids for insurance come in at \$1,314,301.20. Accordingly, the CAA is seeking to approve a budget adjustment of \$14,301.20. Additionally, the CAA is seeking a budget adjustment of \$75,000 to include a salary increase of up to 3% of base salary to eligible managerial and confidential personnel.

Mr. Guilmartin made a motion (Seconded: Mr. Kelly) to accept and approve a Budget Adjustment for (a) Insurance (b) Personnel Services. **Voice vote – motion passed unanimously.**

6. Committee Report: Outreach Committee – Update on August 1, 2013 Committee Meeting.

Mr. Dillon reported that the Outreach Committee met on August 1, 2013. During the Committee meeting, potential changes regarding legislation as it relates to Economic Development Zones was discussed. The CAA staff will make recommendations for the towns to consider. Once the towns are in agreement, the recommendations will be brought to the Board for approval of any potential changes that may be necessary as it relates to Economic Development Zones.

This led into a discussion on how the CAA will conduct its legislative session next year. Mr. Dillon informed the Committee that he is seeking to bring a staff member on board to act as a representative during the legislative process.

(a) Resolution 29 - Consideration of and Action Upon Approval of an Application from the Town of Oxford to Establish an Airport Development Zone – Waterbury-Oxford Airport (OXC) with the exemption of the census tracts from the Town of Southbury.

At the meeting the Committee discussed an action item that is before the Board today. The Town of Oxford applied last October, 2012 a request to create an Economic Development Zone surrounding Waterbury-Oxford Airport. According to the statute, the CAA can seek to create a zone that is within a two mile radius of the airport. The process that follows is that once the request is received, it is submitted to the Department of Economic and Community Development (DECD) for analysis. The analysis has been completed and the DECD has made the recommendation that we move forward with the creation of this zone. In a best case scenario, the creation of this zone will potentially create 1,000 jobs within the first year as well as the potential for ten new businesses.

As part of the process, the CAA is required to notify all of the surrounding towns that could fall within the two mile radius, which has been done. The impacted towns are: Middlebury, Southbury, Oxford, Woodbury, and Naugatuck, Connecticut. Mr. Dillon received questions this morning from Southbury regarding how the zone works and referred the Board Members to a letter from the Town of Southbury. Therefore, he is asking the Board to vote for the approval of the zone, removing the census tracts from Southbury so that their questions regarding how the zone works can be addressed at a future meeting. The CAA will then bring this item back to the Board in September to potentially re-vote the zone, including the Southbury census tracts.

Mr. McAlpine stated that the enterprise zone itself has 80% tax abatement with the Town paying 40% and 40% paid by the State of Connecticut. Mr. Dillon confirmed that the CAA will be administering this program on behalf of the State.

Mr. Guilmartin made a motion (Seconded: Mr. Kelly) to accept and approve an Application from the Town of Oxford to Establish an Airport Development Zone without the census tracts from the Town of Southbury. **Voice vote – motion passed unanimously.**

7. Executive Session:

Mr. Guilmartin made a motion (Seconded: Long) to go into Executive Session at 1:38 p.m. for the purpose of discussing the Keystone Agreement, Roncari Cargo Agreement, personnel matters, as well as a security matter. **Voice vote – motion passed unanimously.**

(a) Discussion of Keystone Agreement (Negotiating Strategy).

(b) Discussion of Roncari Cargo Agreement (Negotiating Strategy).

(c) Discussion of Personnel Matters (General Counsel/Director of Finance).

(d) Discussion of a Security Matter.

8. Action Items:

(a) Resolution 30 - Consideration of and Action Upon the Keystone Agreement.

Mr. Aaronson made a motion (Seconded: Mr. Gray) to accept and approve requested changes to the Keystone Agreement that was originally approved at its March 21, 2013 meeting. **Voice vote – motion passed unanimously.**

(b) Consideration of and Action Upon Selection of a General Counsel for the CAA.

Mr. Long made a motion (Seconded: Mr. Kelly) to accept and approve the Executive Director's Selection of a General Counsel for the CAA. **Voice vote – motion passed unanimously.**

9. Adjournment:

Mr. Long made a motion (Seconded: Guilmartin) to adjourn the Board meeting at 3:02 p.m. **Voice vote – motion passed unanimously.**

Respectfully submitted,

Mary Ellen S. Jones
Chair