

**Minutes of the
Connecticut Airport Authority
Thursday, January 05, 2012
Department of Economic & Community Development
505 Hudson Street, 4th Floor, Room 466
Hartford, Connecticut
9:00 a.m.**

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

Members Absent: Commissioner Smith, Brett C. Browchuk

- I. Call to Order - Chairman Jones called the meeting of the Connecticut Airport Authority to order at 9:02 a.m.
- II. Approval of Minutes – November 29, 2011
Mr. Gray made a motion (Seconded: Ms. Jarmoc) to approve the minutes from the November 29, 2011 Board meeting. Voice vote – motion passed.
- III. Revision of Regular Board Meeting Schedule for 2012 - Meetings will be held the third Thursday of each month, commencing March 15, 2012. The February 2, 2012 meeting will be held at Bradley International Airport. Mr. Kelly made a motion (Seconded: Mr. Long) to approve the revised schedule. Voice vote – motion passed.
- IV. Review and Approve Board Objectives for 2012 – Chairman Jones asked for input from Board members. Mr. Long suggested adding the word "international". It was decided that the first item would be changed to "...to identify new routes, including European routes, and other revenue enhancements..." Ms. Jarmoc suggested the Bradley Development Zone be included; however, it was determined that the phrasing in the first item: "Engage with area companies and communities..." covered this subject. Ms Jarmoc made a motion (Seconded: Mr. Aaronson) to approve the Board Objectives for 2012. Voice vote – motion passed.
- V. Budget Update – Mr. Mark Daley, Chief of Fiscal and Administrative Services, presented and reviewed the financial report for the period ending September 30, 2011. Total operating revenue of \$15.1 million year to date is 5% above budget. Airline revenue is 6.2% above budget and non-airline revenue is 3.9% above budget. Total operating expenses for the period were \$9.8 million, which is 8.5% below budget. This is the first year of the new airline business model that was adopted last year. Mr. Daley said there is a little surplus heading into the winter season, which is the norm. Concession sales year to date are running about 7% above last year. Mr. Daley explained that, as indicated in the Board Report, spending on a per passenger basis is up 3.9%. September is always the peak month and this September, Bradley set a new record of approximately \$8.30 spent per passenger. Traffic statistics are up and concession venues are improving, which leads to increased passenger spending. With regard to the general aviation airports, Mr. Daley said they are on a cash basis. A report is available through December, but it has not been distributed, as the shared divisions are not fully loaded as yet. The revenue for the first half of the fiscal year is approximately \$900,000, which is at the same level as last year. Revenues are looking good at this time, Mr. Daley said, with expenditures roughly under budget. Mr. Guilmartin asked about the consequences of the parking revenue and expense running at a deficit. Mr. Daley advised that the parking operation is self-contained; the agreement is that all revenues from the parking operation are to cover the garage's debt service (this is explained in the text of the Board Report). It is a deficit to the parking operator. Mr. Guilmartin suggested that

the parking operation be delved into further at a committee meeting. Mr. Gray said this would be added to the Finance Operations and Governance Committee's agenda for their next meeting, which will be scheduled for later this month. Chairman Jones said a budget update would be a standard agenda item going forward.

- VI. Bradley Development League Presentation – Mr. James Hayden, East Granby's First Selectman, and Mr. Patrick McMahon, Suffield's Economic Development Director, presented an overview of the Bradley Development League's initiatives. The League is a consortium of the four towns in which the Airport is located: Windsor Locks, Suffield, East Granby, and Windsor. Topics discussed included the tax credits associated with the newly legislated Airport Development Zone, roadway and railway improvements, and developable land both on and off Airport. Ms. Jarmoc has committed to attending the League's quarterly meetings. Chairman Jones said that the Board would like to assist the League in its mission of driving regional growth. Mr. Hayden responded that the Board would be a partner, along with Metro-Hartford Alliance, in attracting businesses and development.

VII. Committee Reports and Recommendations –

Outreach Committee: Ms. Jarmoc distributed minutes of the Outreach Committee's December 19, 2011, meeting. Topics discussed included talking points and how to be supportive of economic development around the airports. A business tour is planned with the Metro-Hartford Alliance, as well as a travel-related survey for larger businesses. The Committee was given a presentation by Ms. Stacey Doan, Bradley's Marketing Coordinator, and Mr. Matthew Sawyer, Drink Communications. The presentation included a market survey, as well as upcoming advertising efforts to highlight Bradley's new flights. Ms. Jarmoc said it was agreed that the surveys would be delayed and these topics would be revisited at a future meeting. The next Committee meeting is scheduled for Thursday, January 12, at 9:00 a.m. at the Engine Alliance, East Hartford.

Personnel Committee: Mr. Long advised that Committee has not met since the November 10 meeting. At that meeting, it was voted to recommend that the Board seek and retain outside counsel. That was subsequently approved and an RFP was posted and released on December 5. Responses are due January 11, 2012. The review committee consists of Mr. Long, Mr. Guilmartin, Mr. Aaronson, Mr. Gray, Mr. McAlpine, and Ms. Jones (ex officio). Mr. Long said that copies of the responses would be sent out overnight to the committee members; a rating process has been put together. Depending on the amount of responses received, they will be narrowed down and then interviews will be conducted. At the November 10 meeting, it was also voted to recommend the Board authorize the Chair to enter into negotiations with an independent marketing contractor for Bradley International Airport for a term not to exceed one year; this was subsequently approved by the Board and Ms. Jones said she would report on it in Executive Session. The Personnel Committee had also voted to recommend to the CAA that the executive search firms of Spencer Stuart, Boyden Global, and possibly Krauthamer & Associates be interviewed and one selected to conduct a search for the Executive Director. Subsequently, Krauthamer removed themselves from consideration due to a conflict. The two remaining firms were interviewed on December 21 by a committee consisting of Ms. Jones, Mr. Long, Mr. Gray, and Mr. Aaronson. The committee's recommendation will be reviewed in Executive Session.

Finance/Operations/Governance Committee: Mr. Gray distributed a diagram that was presented at the Committee's meeting on December 20, which depicts the budget process. Mr. Daley explained where the budget process was at this time and the steps that would be taken leading up to May 30, which is the Board's deadline to approve the budget for the 2013 fiscal year. Mr. Daley had also given a presentation that outlined all the stakeholders involved in the budget development process. With regard to the need to fund the CAA, Resolution 2012-02: Connecticut Airport Authority Funds and Accounts Established, was introduced. A motion was

made by Mr. Gray (Seconded: Ms. Jarmoc) to approve Resolution 2012-02. Voice vote – motion passed. Mr. Gray said that an informative presentation regarding the Consolidated Rental Car facility (CONRAC) was given to the Committee by Mr. Robert Bruno, Chief of Engineering Services. With regard to the lease approval process, Mr. Gray said he and Ms. Jones met with OPM Secretary Barnes and the Deputy Secretary. A list of pending outstanding agreements was presented with a request for status. OPM has been asked to review some language with the Governor's Office regarding the CAA's authority in these matters. The Keystone lease agreement will be discussed in Executive Session. Mr. Gray said that a meeting of the Committee would be scheduled in January.

VIII. Executive Session

On a motion by Mr. Aaronson (Seconded: Mr. Gray), the Board went into Executive Session at 10:25 a.m. to discuss finance, operations and governance issues, as well as personnel. On a recommendation by Mr. McAlpine, Mr. Daley remained in Executive Session, as did Mr. Waldron, and Ms. Malerba.

Mr. Daley, Mr. Waldron and Ms. Malerba were excused, and Mr. Kelly recused himself from the personnel discussion during the Executive Session.

Mr. Long made a motion (Seconded: Mr. Guilmartin) to come out of Executive Session at 12:20 p.m.

IX. Other Business

Discussion of agenda items for upcoming Board meetings - Standing items will include budget update and committee reports. It was suggested that an airfield tour be added to the February agenda. It was determined that the February 2 meeting would be held at Bradley International Airport. Ms. Jones will not be in attendance and designated Mr. Long to conduct the meeting. Mr. Guilmartin asked that as a matter of course, financial reports or other material should be sent to Board members at least five days in advance of the meeting to allow for review time.

X. Adjourn

Mr. Long made a motion to adjourn the Board meeting at 12:28 p.m.

Respectfully submitted,

Mary Ellen S. Jones
Chair

**Resolution 2012 - 02: Connecticut Airport Authority
Funds and Accounts Established**

WHEREAS, Section (3) (a) (29) of Public Act 11-84 (the Act) empowers the Connecticut Airport Authority (CAA) to manage, direct, establish and control the funds and accounts that comprise the Bradley International Airport enterprise fund and the general aviation airports enterprise fund and the Connecticut Airport Authority fund; and

WHEREAS, Section 12 (f) of the Act provides that the Comptroller may establish such funds and accounts for CAA as may be requested by CAA or as may be necessary or appropriate to effect the terms of any memorandum of understanding or as may be convenient to effect the purposes of the Act, including, without limitation, a fund to support the general aviation airports and a fund for the authority's general operations; and

WHEREAS, the Bureau of Aviation proceeded after adoption of the Act and prior to appointment of the CAA Board members to establish CAA funds and accounts relating to the general aviation airports fund and CAA's general operations fund in order to comply with deadlines related to the establishment of such funds and accounts within the State accounting and financial management system, a custom version of PeopleSoft commonly referred to as "CORE", and to provide for the timely transaction of business by the CAA; and


WHEREAS, the Bureau of Aviation proceeded after adoption of the Act and prior to appointment of the CAA Board members to establish two depository accounts with the Bank of America relating to the general aviation airports fund and CAA's general operations fund in order to achieve workflow and system processing efficiencies and synergies with depository and fund transfer processing procedures in use for Bradley International Airport and to provide for the timely transaction of business by the CAA; and

WHEREAS, the CAA Board now desires to acknowledge the establishment of such funds and accounts as the funds and accounts approved for such purposes under the Act.

Now, therefore, be it resolved that:

1. Bank of America account XXXXXXXX42544 shall be the depository account for CAA's general operations; and
2. Bank of America account XXXXXXXX42557 shall be the depository account for general aviation airport operations; and
3. Fund number 21022 and Special Identification (SID) number 40001 within CORE shall be the designated account code structure for the CAA's general operations; and
4. Fund number 21021 and Special Identification (SID) number 43484 within CORE shall be the designated account code structure for the general aviation airport operations;

Adopted by the Connecticut Airport Authority Board of Directors this 5th day of January, 2012.


Mary Ellen S. Jones
Chair
Connecticut Airport Authority