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EAST HAMPTON TOWN BOARD

IN THE MATTER OF

EAST HAMPTON AIRPORT FUEL FLOWAGE FEES

May 20, 2014

Meeting held at the Town Hall Meeting Room
159 Pantigo Road, East Hampton, New York

1 A P P E A R A N C E S:

- 2 Larry Cantwell, Supervisor
- 3 Kathee Burke-Gonzalez, Councilwoman
- 4 Sylvia Overby, Councilwoman
- 5 Fred Overton, Councilman
- 6 Peter Van Scoyoc, Councilman

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8 A L S O P R E S E N T:

- 9 Elizabeth Vail, Town Attorney
- 10 Carole A. Brennan, Town Clerk

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1 SUPERVISOR CANTWELL: We have a report from
2 the Budget Finance Advisory Committee, Airport
3 Finance Subcommittee Report #1. Arthur, good
4 morning.

5 MR. MALMAN: Good morning. My name is
6 Arthur Malman. I'm the Chairman of the Town's
7 Budget and Finance Advisory Committee, and I'm
8 here today to report to the Town Board and the
9 public generally the progress we're making on
10 resolving some airport issues, and bringing,
11 hopefully, some good conclusions to the Board
12 later in June, we believe.

13 Our first progress report was a preliminary
14 debt capacity analysis, which was unanimously
15 adopted by our committee. And I want to stress
16 the word "unanimously," because we have a core of
17 members of the Budget and Financial Advisory
18 Committee who work in a whole host of matters.
19 But when we were approached to be involved with
20 the airport, we realized that what we were trying
21 to do was develop financial data for the airport
22 that could be relied upon by all sides.

23 Without addressing any airport policy
24 issues, we wanted everybody to be working from
25 the same data set. And in order to do that, we

1 asked that the committee be expanded for this
2 purpose and include people over the years who
3 have taken various positions on airport matters.
4 So that when we came up with a conclusion, and
5 this one happily was unanimous, we would have the
6 support of all segments of the community behind
7 at least the factual data that we were all
8 working with. And, in particular, I'm going to
9 read some names of people who are familiar with
10 airport discussions, are probably going to
11 recognize, some perhaps not. Frank Dalene, David
12 Gruber, Frank Oshrin -- or Gene Oshrin, rather,
13 Pat Trunzo, Jr., and Tom Twomey. All these folks
14 were on our committee and all unanimous, we
15 agreed with this report. This is our first
16 report.

17 This report tries to set up a financial
18 matrix or an Excel spreadsheet to -- for the
19 Board and the public to use to analyze the effect
20 of various policy decisions that could be made.
21 What we did first was we tried to vet all the
22 financial information existing about historical
23 operations at the airport. And while Peter
24 Wadsworth, who will talk a little bit later, took
25 the lead in this, it could not have been done

1 without really terrific help from Len and
2 Charlene, who were there on every step of the
3 way, because the last thing we wanted to do was
4 develop some data in a vacuum, and then somebody
5 pull out historical data which was different,
6 then we'd have a real mess.

7 This report, which we're presenting now, is
8 the simplest of all cases. It says nothing
9 changes. Everything that's happened at the
10 airport for the last five years pretty much
11 continues as is. The growth in revenue stays the
12 same from various components, the growth and
13 expenses stays the same from various components,
14 so really no changes. But if we pay attention to
15 the airport, how much debt can carry comfortably
16 in order to make the improvements that we all
17 recognize have to be made at the airport, but, I
18 want to stress, made at the airport without
19 expanding the airport.

20 One of our guidelines at the very
21 beginning, we've steck (phonetic) to that --
22 stuck to that, rather, was we're supposed to
23 analyze the airport as it is now, and not with an
24 airport operations expansion. Apparently,
25 there's no support for that.

1 In any event, in the next month, we'll
2 continue our analysis, and then, hopefully, have
3 a menu, if you will, of possible revenue
4 enhancements for the Board to consider, such
5 things as renting extra land at the airport,
6 possibly paid parking, a whole menu. And our
7 hope is, with this matrix that we develop now, if
8 you choose one from column A, and one from column
9 B, and one from column C, we can plug those in
10 and we can see the effect of those changes you
11 want to make.

12 I mean, for example, to make it very easy
13 to understand, right now, we have lots of
14 helicopters landing at the airport, some people
15 think too many. However, every time a helicopter
16 lands, it pays a landing fee into the airport.
17 And most of those air -- most of those
18 helicopters get filled up with gasoline, or jet
19 fuel, actually. So, if we start cutting back
20 helicopters, we're going to cut back revenue from
21 helicopter landing fees and helicopter fueling
22 fees. However, we believe there are other
23 revenue enhancements that we can make that will
24 overcome those, but today we're trying to keep it
25 simple. We're not going to change any sources of

1 revenue, we're just going to keep it the same.

2 So, with that, I'd like Peter really to
3 take over and walk you through our first base
4 case analysis.

5 MR. WADSWORTH: Thank you, Arthur. You
6 know, I'm a little bit in awe of where I stand
7 today, because if anybody had told me in 2002
8 that I'd be representing the committee that had
9 Tom Twomey, and David Gruber, and other airport
10 proponents and opponents on it, and they all
11 agreed on something, I wouldn't have believed it.
12 So we've come a long way.

13 And there are a number of people that need
14 to be thanked. I mean, first of all, you have to
15 start somewhere, so I'm going to thank Larry for
16 reaching out to me over a year ago to talk,
17 before he was even a candidate, announced
18 candidate, to talk about airport finance and how
19 the two sides related to that.

20 I want to thank Kathee for creating these
21 crazy committees, three -- the three-headed
22 monster that made this possible; Arthur, for
23 being a party to that; Frank, Mike, other people
24 in the audience who have been a part of that.

25 And I also have to say that I couldn't have

1 done this if I hadn't spent 20 years on Wall
2 Street and in other -- and on Wall Street and
3 with my own financial advisory firm doing similar
4 kinds of work, and knowing what a corporate
5 financial statement looks like before I went to
6 the Munis reports, which are still Greek to me in
7 many respects.

8 And, again, Jim Brundige, Len, Charlene,
9 couldn't have done it without those three people,
10 because they are a fountain of information. They
11 have cooperated at every step along the way.
12 They've given a lot of time. And, frankly, I've
13 reviewed a lot of the findings with Len and
14 Charlene to make sure that we're not off base in
15 terms of what our assumptions are.

16 So, if I can figure out how to get the
17 screen operating, do I just touch it? Anybody
18 know? John, you've been here before. Can I get
19 a little technical help here from somebody?
20 Anybody know how to operate this?

21 COUNCILMAN VAN SCOYOC: Does he have to log
22 in. Does he have to log it in.

23 SUPERVISOR CANTWELL: Jim?

24 COUNCILWOMAN OVERBY: Jim, yeah.

25 MR. WADSWORTH: Do you know how to do this?

1 AUDIENCE MEMBER: Well, the last time I was
2 here.

3 MR. WADSWORTH: Yeah, you are the man who
4 makes it all happen. Now, everything that's
5 going to be on here -- just give me the password.
6 We gave all of you this. It's a 10-page
7 presentation. I have more copies here for
8 audience members. You want to share? Yeah,
9 that's fine, thank you.

10 And, also, I hope that -- actually, I know
11 that each one of you people have a copy of the
12 actual report in case we have to refer to it.
13 And here's another member of the committee,
14 that's great.

15 So the first page is -- I'm not showing it
16 here, because it's basically parsing the
17 conclusions, the actual written words in the
18 report. It's a summary of what we found out.
19 The Town could generate sufficient cash flow over
20 the next five years from airport operations and
21 properties to pay debt service on 5.1 to 8.5
22 million dollars of additional debt, additional
23 debt, with readily achievable revenue growth, and
24 without FAA funds, and without any revenue
25 enhancement that Arthur alluded to, and I'll also

1 mention at the end of this, which is part of our
2 continuing work, but subject to the assumptions
3 and caveats, of course, herein.

4 So I thought I'd start with the answer and
5 then back up and sort of tell you how we got
6 there a little bit. Sylvia's smiling because she
7 already knows this. But, anyway, we -- you can't
8 do financial projections without scenarios,
9 because no matter what you assume, you're going
10 to be wrong. So we wanted to do two things. We
11 wanted to show a range of realistic and maybe
12 even unrealistic possibilities. And secondly, we
13 wanted conservative projections so that we never
14 overstated profits -- revenues, we never
15 understated expenditures, and, therefore, never
16 overstated debt capacity. So we're working with
17 four scenarios here, labeled confusingly 1, 2A,
18 2B and 3, and I'll explain what they are.

19 The status quo is basically continuing as
20 is, and we used historical growth rates going
21 forward, none of which would have been possible
22 without studying the last five years of financial
23 statements. None of that would have been
24 possible without Len and Charlene, who I guess
25 aren't here, they're busy auditing the books or

1 being audited.

2 COUNCILWOMAN BURKE-GONZALEZ: Len's here.

3 COUNCILWOMAN OVERBY: Len's here.

4 COUNCILWOMAN BURKE-GONZALEZ: Len's in the
5 back.

6 MR. WADSWORTH: There you are.

7 (Laughter)

8 And so, anyway, so basically this is
9 trending on as is, with a slight modification.
10 We've added some money to the cost of
11 maintenance, not enough to satisfy Arthur, but
12 more than has been spent in the past. And what
13 we found, we made no assumptions there about
14 noise abatement restrictions. There are no
15 restrictions, you're just continuing to grow or
16 shrink. The result, eight-and-a-half million
17 dollars worth of debt capacity for capital
18 expenditures, ending fund balance of 1.3 million,
19 as opposed to a starting fund balance of
20 1.6 million. We allowed in every case, including
21 this one, you to spend 550,000 over the five-year
22 period for planning and development costs for the
23 consultants that are here all the time anyway, so
24 -- and I think you only have budgeted 100,000 for
25 outside professional for 2014. So we recognize

1 that might be a little tight.

2 And landing fees, this is the only mildly
3 aggressive assumption. We assumed that landing
4 fees would be increased by 5% a year going
5 forward. We assumed no cost savings, except in
6 the last -- in the last scenario, and I'll
7 explain that later when I get there. And,
8 finally, no litigation costs. And, you know, you
9 can advise yourselves on what you think -- how
10 realistic you think that is, but it might argue
11 for more reserves than we ended up with.

12 Scenario 2A is a 20% reduction in
13 helicopter flights in 2016, presumably as a
14 result of noise abatement initiatives, together
15 with a mandatory curfew, which we found out
16 probably wouldn't have very much effect, because
17 you only have about 2 to 3% curfew operations
18 right now. We assume 50% of those would come
19 within compliance, and the other 50% would
20 disappear, so a very small impact there. The
21 resulting debt capacity drops to seven million,
22 because helicopters are providing revenues, both
23 for landing fees and for fuel purchases, although
24 the latter isn't a big number. And everything
25 else is the same as the first scenario.

1 The next scenario, 2B, is a 50% reduction
2 in helicopter flights in 2016, and then we assume
3 in all these cases, except three, that they
4 continue on the trend line, but from the lower
5 basis. Nothing else changes, but the debt
6 capacity goes down to 5.1 million, and the
7 reserves are a little skinnier, 2.126 at the end of.

8 And, finally, this is the -- well, I'm not
9 going to put a label on it, but you eliminate all
10 helicopters, and guess what, some of your costs
11 go away, at least we assumed that for this
12 purpose. We assumed the cost of the control
13 tower disappears. We assumed that the cost of
14 air scene for flight tracking goes away, and the
15 cost for plane noise, the professional complaint
16 hotline goes away. So we're saving half a
17 million dollars a year, and that's why the debt
18 capacity goes back up.

19 Next slide just talks about how we computed
20 debt capacity. The key measurement here is debt
21 service coverage, and it's simple on the surface
22 of it, but it involved a lot of work to get
23 there. You've got two components. You've got
24 cash flow available. We had to determine cash
25 flow available for debt service, and then, of

1 course, we had to determine the debt service.
2 The debt service is easy, because we plugged it
3 in, and our assumptions were that you could
4 borrow for 15 years at 2% if you do it this year,
5 3% any subsequent year. And since you recently
6 borrowed at 1.8%, 2% doesn't seem like too much
7 of a stretch at the moment.

8 We also kept -- you know, retained the debt
9 service from one -- a little over a million
10 dollars worth of bonds issued in 2009 through
11 2011 for debt service for small airport
12 improvements.

13 Now the cash flow is what the rest of this
14 is all about. The way you get Munis reports, the
15 cash flow is truly cash flow, but not in the
16 corporate way of doing things. In a corporation,
17 you start with an income statement, and then you
18 go to a cash flow statement that backs out some
19 noncash items and gives you actual cash from
20 operations. What you're trying to get to is
21 something called a EBITDA, Earnings Before
22 Interest, Taxes, Depreciation and Amortization.
23 You don't have three out of the four, but you do
24 have interest. So we're trying -- we get cash
25 flow before your discretionary expenditures,

1 which is all of the consulting fees, all of the
2 capital expenditures, and that kind of stuff.
3 And the criterion is that for every dollar of
4 debt service, you want to have \$1.25 of cash
5 flow, minimum. So that gives you a cushion, so
6 that we haven't figured something that's so much
7 of a knife edge, that if you have a bad downturn
8 in revenues, that you have to go to the Town for
9 money. We want this -- we wanted the airport to
10 be self-sufficient.

11 And this is kind of a -- 1.25 number is a
12 number that was used in many, many bond documents
13 that I was a party to as the trigger for the
14 Trustee to step in if you fall below it, so we
15 don't want to fall below it.

16 Okay. Now we're going to go back to how we
17 got these projections, and this means you can
18 stop me when we're get into too much detail and
19 you want to move on.

20 SUPERVISOR CANTWELL: You're getting close.

21 MR. WADSWORTH: You're done?

22 SUPERVISOR CANTWELL: You're getting close.

23 (Laughter)

24 MR. WADSWORTH: Okay. This is -- and I
25 couldn't have done this without the Noise

1 Abatement Committee, and convincing Jim Brundige
2 to do reports along the way. This is a
3 pattern -- obviously, flight volume drives
4 revenues at the airport, because that's what it's
5 there for. So the most -- the most ticklish
6 problem was to figure out what should assume in
7 terms of growth of helicopter flights and jet
8 flights. And if you look at this slide, which
9 gives you all the way back to '98, and peaks out
10 in 2007, you can see to project forward from
11 what's been happening recently is a little
12 confusing. It's not clear what -- whether --
13 because helicopters were growing at the most
14 rapid rate, then jets, then other fixed wing.
15 Well, let's confine it to the last five years.
16 You can see more clearly what's happening.
17 Helicopters are growing actually at 2% over the
18 last five years, jets by 5%, and fixed wing --
19 other fixed wing declining, shrinking by 9% a
20 year.

21 So let's go on to revenues. I'm going to
22 try to hurry it up, Larry, because I can see.

23 SUPERVISOR CANTWELL: You're doing fine. I
24 know you put an enormous amount of effort into
25 this here.

1 MR. WADSWORTH: Well, that's the purpose,
2 it's shows -- you don't care about the numbers,
3 but, I mean, this is -- we did a lot of work.
4 So, basically, what we had to do is tear apart
5 the Munis reports and figure out what the
6 components were. And one of the things that
7 really surprised me is how substantial revenue --
8 what a substantial portion of revenues landing
9 fees were. I did not know that, even though I
10 played around with the financials here for a long
11 time. One of the key reasons is the Munis
12 reports include as revenues all fuel sales, okay?
13 We don't get the revenue from all fuel sales, we
14 get a 15% -- a 15 cent flowage fee. So the
15 actual net revenue that the Town realizes is, you
16 know, 115, \$120,000 today, as opposed to well
17 over a million dollars in landing fees, and then
18 the rest is -- I mean, you can see what the rest
19 is. But, you know, rentals -- rental income is a
20 significant part of the total.

21 The tougher part, and I took out the
22 numbers, because this is an old slide, and while
23 the pattern is true, the numbers weren't exact,
24 so I didn't want anybody catching me up on it.
25 This basically shows you how we got the cash

1 flow, what we took out. And the one thing this
2 really highlighted here in red is the cost of the
3 control tower, which gave -- which caused you to
4 take a hit to cash flow when it was first
5 installed. You recovered pretty nicely from
6 that.

7 And one thing I didn't mention on the
8 previous slide is your debt service coverage
9 today is a little over five times, so you covered
10 debt very well. That would make any rating
11 agency proud.

12 The next slide, I'm not --

13 SUPERVISOR CANTWELL: Back, yeah. Yeah,
14 there you go.

15 MR. WADSWORTH: This is a slide I'm not
16 going to talk about.

17 (Laughter)

18 But this is -- just to let you know what we
19 did --

20 SUPERVISOR CANTWELL: Even Arthur is
21 clapping over there.

22 (Laughter)

23 MR. WADSWORTH: Arthur is, yeah. But,
24 basically, we took -- you probably know that if
25 you've looked at airport financials for a while,

1 that outside professional and subcontracts, the
2 vendors were woven between those two for a while,
3 and you really couldn't tell what was operating
4 expense and what was not. So we had to unravel
5 that in order to build the model in order to be
6 able to project forward, and that's just what
7 this shows.

8 These, if you care to go into it, are the
9 underlying assumptions with numbers attached to
10 them. I think, you know, again, we've reviewed
11 this with Len and Charlene and convinced them,
12 maybe, that it was conservative. Basically, most
13 expenses we expect to grow by 3% a year, not an
14 aggressive number, but employee benefits, 8.4%.

15 I already told you what the helicopter, jet
16 -- what the flight growth was going to be by
17 type.

18 Again, no new sources of revenue were
19 assumed, no FAA funding was assumed, no
20 litigation expenditures were assumed, and we did
21 15-year general obligation bonds.

22 So the only thing left is to tell you why
23 we think this is preliminary, and Arthur already
24 kind of introduced that. There's a concern that
25 we haven't been able to express the numbers, that

1 we may not have the appropriate level of fund
2 balances to address contingencies and nonbondable
3 expenditures. So that's something that we need
4 to work on going forward. I'm not sure we're
5 going to have an answer, it's a very difficult
6 question to answer, but it's a judgment that you,
7 as a Town Board, will have to make.

8 The level of capital expenditures was not a
9 decision for this committee to make. We've
10 looked at different schedules. There's a range
11 that we've looked at from 10 million, which was
12 approved last year, to five-and-a-half, which is
13 bear bones, and the answer is probably somewhere
14 in between. There are probably additional
15 maintenance costs that need to be done on a
16 regular basis that are operating costs, really.
17 And then there's a whole potpourri of revenue
18 enhancement opportunities, increasing fuel
19 flowage, which I think Kathee might be addressing
20 soon, paid parking, and so on and so forth. We
21 could go on.

22 SUPERVISOR CANTWELL: Why don't you just go
23 through that list real quick.

24 MR. WADSWORTH: Huh?

25 SUPERVISOR CANTWELL: Why don't you

1 complete that list real quick?

2 COUNCILWOMAN BURKE-GONZALEZ: Out loud,
3 read it out loud.

4 SUPERVISOR CANTWELL: Complete the list out
5 loud.

6 MR. WADSWORTH: Oh.

7 SUPERVISOR CANTWELL: Yeah.

8 MR. WADSWORTH: Okay. Well --

9 SUPERVISOR CANTWELL: So we and the public
10 have some understanding of the kinds of things
11 we're going to be looking at.

12 MR. WADSWORTH: I understand. We have
13 looked at -- of course, we've talked about the
14 fact that fuel flowage fees at many airports are
15 up around 30 cents, so we can probably.

16 SUPERVISOR CANTWELL: Yeah. We don't
17 necessarily need an explanation of each one of
18 them, but I would like to know --

19 MR. WADSWORTH: Well, they could be
20 increased at a modest level without affecting the
21 cost of fuel to the end user, because prices of
22 fuel have more than doubled since this fuel
23 flowage fee was set.

24 Paid parking is something that's Jim's
25 idea, and I think is a good one to explore, which

1 is at least during the summer, the parking lot
2 fills up, and people start parking along --
3 illegally along Daniels Hole Road. So we're
4 exploring the possibility of a low-cost solution
5 to, if nothing else, assess the demand, but
6 perhaps eventually to generate some significant
7 amount of revenue. And one of the keys to that
8 will be adequate enforcement, because otherwise
9 people are going to abuse the privilege.

10 At the other end of the spectrum, as,
11 Larry, you've sat, along with Tom Twomey, on a
12 commission back in the 1990s that suggested an
13 LIRR stop at the -- on airport property, which
14 would be -- become a transportation hub, and
15 might solve some of the regional parking problems
16 here, long-term parking. Arthur Malman
17 and others have --

18 SUPERVISOR CANTWELL: Again, this is
19 really -- Peter, if I could suggest, I really
20 would like you to list those, so the public has
21 an understanding of what enhancement
22 opportunities there might be that you will be
23 looking at in the future, not necessarily an
24 analysis --

25 MR. WADSWORTH: Don't go any further with

1 it, okay.

2 We know that there's an opportunity to
3 bring some leases up to full market value that
4 aren't, and to, in general, assert more
5 discipline in the way leases are administered, so
6 they're consistent among different leases. There
7 -- we are exploring certain loopholes, if you
8 want to call them that, or opportunities for
9 improvement and landing fees. There may be --
10 we've already eliminated certain -- well, okay.
11 There are other opportunities to increase landing
12 fees.

13 There's a possibility of new hangars for
14 existing tenants at the airport that are now
15 using tie-down space. There are 15 vacant lots
16 on Industrial Road that represent an aggregate of
17 about 30 acres. There's a parcel north of the
18 airport that's designated for airport uses, but
19 not having been used yet. And I think you will
20 continue to hear about a possible solar farm at
21 the airport.

22 That's it. Questions, any? No? Okay.

23 MR. MALMAN: I just want to wrap up with a
24 couple of concepts that some of the public may
25 not be totally aware of. One is the size of the

1 airport. When you go out there, you see a bunch
2 of runways and buildings, but the airport is
3 actually much larger, it's about 600 acres. Much
4 of that acreage is fallow. Much of that acreage
5 is zoned industrial, which is in short supply for
6 the Town. So there are opportunities to use
7 those -- that acreage for other purposes.

8 Another very important concept, which
9 really hasn't been discussed very much, is that
10 everyone pretty much knows at this point that in
11 December, the first group of our grant assurances
12 from the FAA run out, and people think we can
13 have more control over noise when those run out.
14 However, there's a second group of grant -- grant
15 assurances that are possibly even more important
16 to the long-term health of the Town, and those
17 run out in 2022.

18 Right now, there's 600 acres of airport, is
19 almost a silo. Money that is developed there has
20 to stay in there, expenses, obviously, have to be
21 paid by the airport. But in 2022, that changes
22 if we don't take FAA money, and that becomes just
23 a normal Town asset. That's good news and bad
24 news. The good news is that it may become, if
25 the airport is properly run, a very significant

1 source of non-tax revenue for the Town, which is
2 in short supply. The other bad news, and Gene
3 Oshrin and some of the pilots are sitting here
4 saying, "My gosh, if we make money out there,
5 they'll take it and use it for broomsticks and
6 garbage cans, and we'll have an airport that
7 falls apart."

8 So there has to be a little thought given,
9 and we have plenty of time, since we have until
10 2022, to think about it as to how you set this
11 thing up to make sure that the airport is
12 maintained as an asset, and a cash-generating
13 asset for the entire Town.

14 It sounds like what we're doing is thanking
15 everybody, but we want to make everybody aware
16 that we're not sitting in a glass cage here
17 trying to come up with numbers. We've spoken to
18 a bunch of other airports, Westhampton, some in
19 New Jersey, some in Connecticut. We've spoken to
20 various fuel suppliers. There are essentially
21 three FBOs, or Fixed Base Operators, at the
22 airport that are really the face of the airport.
23 There's, of course, Sound Aircraft, which is the
24 biggest, there's Myers Fuel, there's Long Island
25 Aircraft, and we've had all of these folks

1 involved in our discussions, because anything we
2 do is going to impact them. And, quite frankly,
3 they also have tremendous historical knowledge
4 and present knowledge of how the airport operates
5 that we'll ever get.

6 Also in the Town, and he escaped, John
7 Jilnicki was a person we've been, you know,
8 hammering away at for the last few months, and
9 he's been very helpful getting us a lot of
10 information, and will be going forward.

11 And again, also, in the idea of
12 inclusiveness, there are these 600 acres, but
13 they happen to be over a water recharge area.
14 And so we've already been talking to Marguerite
15 Wolffsohn and Kim Shaw about the problems that
16 are caused, or the difficulties and the hurdles
17 that have to be overcome in dealing with land in
18 that area. Even though we have land that may be
19 very valuable, there's a whole Planning
20 Department review that has to be upheld before we
21 get into it.

22 So those are my wrap-up comments. And I
23 think the only other person here is Frank, who
24 might want to say a couple of words about the
25 solar. No? You're shaking your head.

1 SUPERVISOR CANTWELL: We've covered that
2 ground already with Frank. But, Kathee, did you
3 want to say something?

4 MS. BURKE-GONZALEZ: Well, I just want to
5 say, there's 11 members on the committee, six are
6 here today. Some folks walked in when we got
7 started. So I just want to thank Arthur, he's
8 been tremendous. And Peter Wadsworth, Pat
9 Trunzo, Michael Diesenhaus, Gene Oshrin is here
10 as well, and Frank Dalene. And, you know,
11 they've -- all of these folks have brought a
12 wealth of experience. I think we have four
13 attorneys, we have CFOs from corporations, we've
14 got major builders on the committee. The depth
15 of experience and knowledge is incredible. And I
16 have to also say they're also very amusing and
17 crack themselves up at meetings. So it's been --
18 it's been a tremendous ride.

19 And I have to tell you, I got back from my
20 first meeting at the airport when the group first
21 met and I was giddy. You know, it was just
22 incredible how everybody has been working
23 together. And some folks, as Peter said, never
24 thought it would happen, and it's -- I guess I
25 had a thought it would happen, which is why my

1 hand went up and volunteered to take on the
2 airport. And I just want to thank you all for
3 the work you've been doing.

4 COUNCILMAN VAN SCOYOC: I just want to add
5 that, you know, I've sat on this Board, and I'm
6 now in my third year, and this is finally a
7 process that's taking place that we had hoped
8 that would come to pass. And I just want to
9 thank Kathee and everyone on the committee who's
10 been involved, working very constructively to get
11 to the bottom of what the real financial numbers
12 are, find out what our options are. And I just
13 think it's so very important for -- as a Board
14 Member to know where we stand and what our
15 options are going forward, so that we can make
16 the best possible choices for the community. So
17 I want to thank you all very much.

18 MS. BURKE-GONZALEZ: Well said.

19 SUPERVISOR CANTWELL: I would say, first of
20 all, thanks to each one of you, Peter, especially
21 you. I know you're the one that, you know, dug
22 into the details and the finances, and put
23 together, you know, a terrific report, financial
24 report, and thank Len and Charlene for helping
25 you with that, and Arthur for bringing -- keeping

1 everyone together on the committee.

2 I wanted to say two things quickly. Yeah,
3 I'm very encouraged by this process. Kathee, I
4 congratulate you as well for being, you know, the
5 author of these committees and putting those
6 together.

7 You know, I don't -- it's amazing to me
8 that -- and it's a model. I don't want to say
9 it's amazing to me. There's something of a model
10 that's occurred here that is really a terrific
11 statement, I think, and to the credit of the
12 people that are working on this committee. I
13 mean, you know, to take people with such strong
14 opposing points of view and put them in a room
15 together, working constructively to try to find
16 answers and goals is inspirational to me. And
17 it's a credit to the people involved that you've
18 hammered these issues through and come up with a
19 unanimous resolution.

20 I mean, not to throw personalities into
21 this, but, Arthur, you mentioned it. I mean, to
22 think that, you know, principal opponents like
23 Tom Twomey and David Gruber, you know, working
24 together around the same table, agreeing
25 unanimously on a resolution, I don't know that a

1 year or so ago that anyone would have thought
2 that that was possible. And it's to their credit
3 and the credit of this committee that, you know,
4 you've put together an effort and come up with a,
5 you know, common answer that you can agree on,
6 and I couldn't be more pleased that that's
7 happened. It shows what can happen when you put
8 people together who have opposing points of view
9 and truly want to try to find what's best for the
10 community, and I congratulate everyone on the
11 committee for what you've done to this point.
12 Now, that doesn't mean that there won't be blood
13 on the floor on other issues in the future --

14 (Laughter)

15 -- with respect to the airport and
16 everyone won't walk out of the room, but, you
17 know, you've started a new beginning here, and we
18 certainly are going to do everything we can as a
19 Board to encourage you to continue.

20 The other point I wanted to make is this:
21 You know, over the past year, and, you know,
22 listening to both sides with respect to the
23 airport, you know, you get a lot of strong
24 opinions about what can -- what you can and you
25 can't do. And some people held, you know, the

1 conclusion that, you know, the airport would fall
2 apart if you don't take FAA money. This report
3 shows that that's not the case here. Now that
4 doesn't end the argument of whether some time in
5 the future FAA funds should be used or not used,
6 I'm not reaching that conclusion at this point.
7 But, clearly, your financial analysis shows that
8 we can move forward, at least in the immediate
9 and interim future, that we can finance the
10 airport, we can keep it safe, we can make the
11 improvements that are absolutely necessary, and
12 we can do that for some period of time without
13 taking FAA money, which only leaves our options
14 open, which is a good thing.

15 So I personally want to thank everyone on
16 the committee for outstanding work.

17 COUNCILWOMAN OVERBY: Thanks.

18 SUPERVISOR CANTWELL: I think we'll move
19 on, unless there are other questions of either
20 Peter or Arthur. Thank you both.

21 (END)

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C E R T I F I C A T I O N

I, Lucia Braaten, a Court Reporter and Notary Public for the State of New York, certify that the foregoing transcript of the videotaped meeting of the May 20, 2014 East Hampton Town Board was prepared using the required electronic transcription equipment, and is a true and accurate record to the best of my ability.

Signature: _____

Lucia Braaten

Date: December 9, 2014