

BFAC/Airport Finance Group

Minutes of Meeting – October 10, 2014 at Town Hall

Arthur Malman, Chairman of Town of East Hampton's Budget and Financial Advisory Committee (BFAC), called the meeting to order at 11AM.

The following members of the BFAC/Airport Finance Group were present: and Frank Dalene, Peter Wadsworth, Bonnie Krupinski, and Arthur Malman; Toni Somerstein, Munir Saltoun, Tom Twomey, Mike Diesenhaus, David Gruber, Pat Trunzo, III and Gene Oshrin could not attend.

Attending the meeting by invitation was Kathee Burke-Gonzalez, Councilwoman and Board liaison for the BFAC and for the airport and Jemille Charlton, Airport supervisor. Attending the meeting by invitation was Jeff Smith of the Eastern Regional Helicopter Council. Also present was Cindy Tuma of Sound Aircraft which had recently brought two actions against the Town on airport matters, copies of which had been distributed by email to all members.

Mr. Malman invited both Mr. Smith and Ms. Tuma to join the group at the conference table to facilitate the discussion. Mr. Smith did join, but Ms. Tuma preferred to remain in an audience chair but did, as she had done at all the past meetings she had attended, joined in the discussion at the meeting.

Minutes of the last meeting had been previously distributed and were approved. The attached agenda had been previously distributed.

Councilwoman Burke-Gonzalez reported that the Town was signing a contract with the new engineering firm and a first assignment will be tree cutting and that Sound had brought two actions against the town. She also reported that the contract had been signed for the 4/22 repair as a taxiway and work would be beginning. Bonnie Krupinski stated that the asphalt work needed to be done by the time the local plants closed in December but tree cutting could proceed all winter, especially since the contractors were less busy at that time of year.

Making available a group of the vacant Industrial Road lots to a developer interested in building several buildings over a number year as an integrated modern development to be leased to multiple tenants was discussed. Such an alternative would be among those to be discussed with an experienced commercial broker who would have an exclusive as we have been discussing. The group was willing to consider recommending selling an option to a qualified developer with a staggered takedown at fair market values of individual parcels and wanted to check with the Legal Department on how this would dovetail with RFP requirements.

Jemille Charlton reported on the preliminary conversations with Hertz and Enterprise on rental car parking and he would try to reschedule a meeting with the Hertz regional manager. Bonnie Krupinski, and Peter Wadsworth would join that meeting. He noted that Avis also sometimes brought cars to the airport parking area.

Peter Wadsworth reported on further considerations regarding putting paid parking in place as soon as possible.

Arthur Malman reported on his preliminary meeting with a pilot representing a group that might want to build hangers at the airport. The general outline of the proposal would be similar to those previously undertaken by aircraft owner groups on land leased at the airport. A new wrinkle was the request that any lease be subject to a put back to the town for some measure of the unamortized costs of the hangers if the airport were closed to type A and B aircraft. The group suggested that the Town Attorney be consulted to see if it was even possible for a current board to bind a future board to a buy back.

Finally it was noted that rents for land for additional hangers (which since they were for aeronautical purposes would not be subject to FAA FMV considerations of comparable commercial property) would supply some but not a very large source of revenue for the airport but would satisfy a request from local pilots now using tie downs.

The balance of the meeting was devoted to an exchange of ideas with Jeff Smith on various financial considerations for airport users of jets, seaplanes and helicopters and related matters. He felt that peak pricing for landing fees would be workable and would be preferable to his group over restrictions such as slots.

Peter Wadsworth discussed adding a "gas boy" unit to the fuel farm, similar to what the town and village are installing in their new joint fueling facility, so that FBO's accessing the farm would have swipe cards that would automatically record the fuel they take and lead into an automated billing system. Jemille Charlton and others were very much in favor of such a system which was also favored by the Town's Budget Officer, Len Bernard and discussed installing the system on the present farm. Bonnie Krupinski supported the general idea but cautioned that the renovated farm should be designed first lest the gas boy bought for the present farm not work with a renovated facility.

There was a discussion of increases in helicopter operations in 2014 over 2013. Jeff Smith pointed out that he had data that indicated that there may have been some inadvertent overstatement in the 2014 operations count because of the methods used to keep track of them. Jemille Charlton reviewed the procedures being followed, noting that the present location of the airport management office, at ground level and without a full 180 degree view, made accurate counting difficult, especially in the summer months when numerous aircraft were on the ramp blocking his view. He also described the areas that were not being fully seen by the existing array of Vector cameras and discussions about adding three additional cameras. Finally he described the manual methods used to cross check raw Vector data with other records to make counts more accurate. He confirmed that these were the same procedures followed with the same number of Vector cameras for the last few years.

Jeff Smith reiterated that these methods could lead to inaccuracies. However while Arthur Malman agreed that there could have been miscounts of the absolute numbers of operations, he pointed out that, since the methods were the same over recent years, it would be fair to assume that similar miscounts would have occurred in prior years so that year to year comparisons of relative operations levels should still be generally valid. Moreover since aircraft owners are billed and pay for landings, it is fair to assume that if HTO were overbilling, for significantly over counted landings, owners would have disputed many bills—but that is not the case. By contrast, if there were undercounting, aircraft owners would not be billed and it is safe to assume that few if any complain that they are not being billed. Jeff Smith was asked to submit his own data to us so that we might better understand the problem. [a copy to be attached when received]

Jeff Smith indicated that there had been a FOIL request for operations data and believed the airport manager had given tower records to the town attorney

Arthur Malman recounted some discussions with other non-locally based commercial users of the airport and that a WAAS system had been suggested to assist helicopters landing at steeper angles and through low clouds. There would be no new hardware or software but just an iterative process with the FAA to work out specific approaches.

Jeff Smith indicated to Jemille Charlton the specific FAA official with whom to get the process started and offered to assist with it. It appeared that the cost to the Town might be several thousand dollars for outside engineering consultants but that helicopter operators might contribute to it. [Tom Twomey pointed out subsequently, that, based on his experience with the WAAS system for fixed wing aircraft at HTO which has been in effect for some time, the cost to the Town would be nominal beyond the time of airport personnel in getting a helicopter WAAS established]

The group discussed the fact that, given that the expense of acquiring and maintaining the larger aircraft landing at HTO was tens of millions of dollars, the imposition of an after curfew fee that currently could be around \$125 was largely irrelevant to the owner. Instead a curfew fee of \$5,000 for the first post curfew landing, \$10,000 for the second, \$20,000 for the third etc. might be appropriate.

The meeting adjourned at 1:30 PM after having the next meeting set for 10 AM on Friday, October 31st at Town Hall.

Respectively submitted, Arthur Malman