**Airport Management Advisory Committee**

**Minutes of Meeting – February 26, 2016 at Town Hall**

Arthur Malman, Chairman of Town of East Hampton’s Airport Management Advisory Committee (“AMAC”), called the meeting to order at 9 AM.

The following members of the AMAC were present: voting members, Peter Wadsworth, David Gruber, Pat Trunzo III, Cindy Herbst, Charles Ehren, Bonnie Krupinski, Munir Saltoun, Gene Oshrin and Arthur Malman and non-voting ex officio members, Kathee Burke-Gonzalez, Councilwoman and Board liaison for the AMAC, and Len Bernard, the Town’s Chief Budget Officer. Absent was ex officio member, Jemille Charlton, Airport Director, who was on temporary active duty with the Air Force.

Among others attending were Supervisor Larry Cantwell, Kent Feuerring, the president of the EH Aviation Association and Navin Natarajan of Michael Baker Engineering. Harold Honey, whose flight to NY had been cancelled, and Mike Waibel of Baker Engineering joined the meeting by telephone.

Arthur Malman invited all members of the public to join the discussion and indicated that the main focus of the meeting would be the Baker Pavement report, a first draft of which had been emailed to members.

The attached agenda had been previously distributed.

The minutes of the last meeting were approved as drafted.

The next meeting was scheduled for 9 AM on THURSDAY, March 24 at Town Hall.

Kathee Burke-Gonzalez indicated that last summer’s noise and complaint data were being reviewed by the noise consultants and that a public meeting would be scheduled shortly on their findings.

Kathee Burke-Gonzalez also reported that World Fuel was now the aviation fuel supplier to the town.

She also indicated that Waldbridge Surveying had been engaged by the Town to survey and mark the areas for tree cutting and McLean Associates had been engaged for surveying leased areas and other ongoing airport needs. Arthur Malman asked Mike Waibel if Baker’s chart on tree cutting zones had been completed (taking into account David Gruber’s comment on possibly fewer zones) for use by Waldbridge so that they could start marking areas for the tree cutters’ bids. Mike Waibel indicated that Baker was complete and a copy could be sent to Waldbridge. Peter Wadsworth noted that some trees were outside the Town’s property and Arthur Malman indicated that the cutters would work only on the airport property and then, as a separate matter getting adjacent owner’s permissions or proceeding with limited condemnation of cutting or lighting of the particular trees penetrating the flight paths but outside the airport on private property would be matters for follow up by the Towns of East Hampton and Southampton with their residents.

Kathee Burke-Gonzalez indicated that McLean was working on the engineering for a new fuel farm.

She stated that she was not aware of new developments with discussions by Hertz with the Supervisor about paid parking. Cindy Herbst reported that Enterprise was talking with Jemille Charlton on its needs and Kathee Burke-Gonzalez indicated that those discussions should proceed directly with the Supervisor who was already handling Hertz.

Kathee Burke-Gonzalez gave a short update on pending litigation and reported additional discussions on leasing additional land on Industrial Road for commercial uses and on the airport proper for hangars. She was reminded to follow up with Jemille Charlton on leasing signage along Daniel’s Hole Road and at the terminal and advertising each week in the real estate section of the Star about the leasing opportunities

Arthur Malman asked Baker if there were any further developments on setting up a meeting with the FAA on the permissible height of deer fences at the ends of the runways. Navin Natarajan reported that he had a recent discussion with an FAA employee, who handled these types of matters for the larger area airports, and who indicated that the FAA would require that this type of fencing be below a 34:1 rather than a 20:1 angle. If the Part 77 (34:1) surface is penetrated by the proposed fence, it could be mitigated by providing FAA Approved Obstruction Lights. Baker was asked to clarify that advice with a drawing which would indicate their calculation of the highest fence permitted at HTO at the ends of the runways—and if an 8 foot fence could not be used at those spots, to calculate the highest lower parallel fencing that could be used. Peter Wadsworth stated that his rough calculations with a 34:1 showed that we could have a 10 foot fence and have truck clearance of 13 feet.

After determining the final fence path (utilizing portions of the existing fence where practical) with the AMAC to coordinate with entrances to the new fuel farm, eventual auto parking areas (beyond those of just this summer’s test) and other access requirements, Baker would sketch a fence which would be presented to the FAA for final approval, without any interim meetings at the FAA.

Arthur Malman asked if anyone was opposed to completing the parallel taxiway to the main runway (which was not considered in the Baker paving report since it was not yet paved). While all members support the completion at the earliest practical date, it was pointed out that this should be considered in the overall paving plan.

Navin Natarajan pointed out that work on the parallel taxiway completion should be considered in conjunction with a new additional main runway taxiway bypass (new runway 28 connector) on the northeast of the main runway (which would allow planes landing to avoid having to taxi back on the main runway when planes were backed up waiting to take off) and a proposed new taxiway G (which would allow planes from the executive terminal to more directly access the main runway and terminal with less time taxiing on an active runway). All of these three proposed taxiway additions are shown on the ALP.

As an estimate of construction costs for all three –considering paving alone-- Navin Natarajan thought would be around $2-3 million. He pointed out that Taxiway G would also require significant tree cutting to accommodate its “L” shape. A discussion ensued on whether it could be shortened to a “C” with less paving and less tree cutting and Baker would look at this suggestion. Navin Natarajan and Bonnie Krupinski pointed out that to do these projects in pieces would significantly increase the cost of all three together because of significant costs of mobilizing for each separately. Baker was asked to estimate costs of each of these projects if undertaken at different times and the cost savings if two or more were undertaken simultaneously.

Bonnie Krupinski and Cindy Herbst also pointed out that larger planes often do not taxi on the western end of the parallel taxiway of the main runway since pilots are concerned about wing clearance from an existing stand of trees. Kent Feuerring showed the members a Google maps view that clarified the obstruction from the tree line. Arthur Malman asked that Baker recommend the tree area to be cut so that all aircraft could safely use this section of the taxiway and Waldbridge could also stake out the required areas for the tree cutters to clear at the same time as their major work.

The Baker pavement report had broken out separately the cost of repaving runway 4-22 and Peter Wadsworth noted that it had been engineered for 75,000 lb. Gulfstreams to land on it although these types of aircraft would not be using it. Harold Honey explained that even though they would not be landing on it, they could be taxiing on it and, if so, the stress was even more than a landing. He did note however that the report had assumed that 4-22 would stay at a 100 foot wide runway—its old width—and that the next version of the report could slim it down to 75 feet at a cost savings.

Bonnie Krupinski noted that the assumption for all paving in the Baker report was for a frost depth of about 24 inches but East Hampton has experienced 36 inch frost depths and the next version of the report should use 36 inches for planning and cost estimating.

For 16-34 to be the main secondary runway Navin Natarajan pointed out that there would be a need to remove some of main apron that is now used for aircraft parking and taxiing. Cindy Herbst pointed out that because of limited parking areas helicopters were routinely parking on the grass areas at the end of 16-34 and that removing useable areas of the apron would exacerbate the problem. Gene Oshrin explained that 16-34 was often closed to operations by the tower during the busy summer days because of aircraft parking and taxiing on the adjacent apron.

It was noted that the cluster of houses at the end of 4-22 made its use as secondary runway less attractive. Arthur Malman asked if a sign to pilots taking off indicating that they must make a left or a right turn as is done at some other airports would mitigate this problem and others indicated that they thought it would not help.

Pat Trunzo III stated that the densely populated residential neighborhoods found off the southwest end of the runway are the closest homes to any of the 3 runways, that take offs on 4-22 had severe noise impacts on those residents especially as takeoff operations necessarily involve the highest engine power settings, and that since avgas still contains Tetraethyl lead, and lead is a known neurotoxin, in addition to noise you are raining lead pollution down on those same neighborhoods.   As the recent contamination of the water system in Flint Michigan has made everyone aware, lead poisoning at even minute levels is toxic and particularly damaging to children.  In addition to 16-34 being safer as it is the superior crosswind runway, these added considerations further underpinned the designation of 16-34 as the secondary runway under the 1989 Master Plan--a designation that the Pilots Association at the time supported in writing.

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Baker was asked to review FAA separation requirements so that the Town could get a more definite understanding of the dimensions of the apron areas that would not be used for tie downs or taxiing aircraft if 16-34 were to be the secondary runway.

David Gruber stated that the extant windrose analysis of the ALP and master plan report (and all prior such analyses) shows that 4-22 does not meet the FAA’s 95% wind coverage standard but that 16-34 does (in each case together with the main runway).

Gene Oshrin pointed out that the ALP had taken years and numerous expensive studies to develop and switching the secondary runway from 4-22 to 16-34 would mean starting all over again. Pat Trunzo III stated that since the FAA had agreed in the 2005 settlement not to enforce certain of the grant assurances against the Town after 12/31/14 the Town is not obligated to maintain an up to date ALP. [Special Aviation Counsel has indicated that although the FAA has agreed not to enforce Grant Assurance 29A which would relate to the ALP, the FAA reserves the right to take action if the Town proposes to do something to affect safety and that the airport has an obligation under Grant Assurances 10 and 19 to maintain existing pavements and facilities]

The members discussed alternative sites for additional tie down and aircraft parking in the vicinity of the main terminal and the executive terminal and the costs to connect them with taxiways to the existing runways.

David Gruber stated that he did not think that there was a need for more data (other than the core drilling data currently being prepared), but asked that the next version of the Baker report be reorganized in its presentation to make it more user-friendly and enable us to consider that overall long term repair, maintenance and rebuilding costs associated with each pavement branch of the airport’s paved system (excluding automobile parking areas). Therefore these cost estimates would be presented individually for each runway (showing each of 4-22 and 16-34 as the secondary runway and the costs to reorganize the apron adjoining 16-34), each taxiway (showing alternate configurations “L” or “C” for proposed taxiway G), each apron area, etc.

David Gruber asked that the data, for both existing and proposed pavements, be presented so that we can understand annualized life-cycle costs for each pavement.  This requires that (a) the anticipated necessary expenditures to the date of major reconstruction be timed out on a pavement by pavement basis, (b) following the anticipated major reconstruction the STANDARD lifetime major maintenance expenditures be timed out for the renewed useful life, and (c) an annual normal maintenance budget be provided.

He stated that with this information in hand, it then becomes possible to create, using an array of discount rates and mortgage type amortization/sinking fund formulas, the annualized cost to the date of reconstruction and the annualized cost over the useful lifetime from the date of reconstruction.  It should generally be the case that annualized costs for a given pavement to the date of reconstruction are lower than those post-reconstruction, otherwise it would be preferable to accelerate the reconstruction.  That difference in cost, when discounted to the present, represents the current asset value of the remaining pavement life (not that that is particularly important for a cost analysis).  The sum of the post-reconstruction costs for all pavements, together with annual maintenance, represents the true steady state pavement costs for the airport.  If pavements for which the Town has financial responsibility are put in priority order from highest to lowest, it then becomes possible to see at what point, if any, the pavement costs exceed the anticipated airport free cash flow.  Either projects below, and even near the line, should then be deferred or additional revenues need to be raised so that the true cost of airport operations is supported by the sum of the various airport revenue streams consistent with the goal of financial independence for the airport, requiring neither Town nor FAA subsidies.

Arthur Malman noted after a legal review of the allocation of paving repair obligations in existing leases and a survey of the leased areas, some areas (for example the poor paving around the Hex Hangar) for which there is information in the Baker report, may be found to be outside the financial responsibility of the town but rather an obligation of the tenant.

While Baker had sent only four copies of the present Pavement Report, Bonnie Krupinski asked that members of the AMAC get hard copies of the future Baker reports since electronic copies (especially of fold out color pages) were hard to use in a detailed analysis.

It was noted that the Baker report was using cost estimates merely for paving that excluded drainage, engineering, mobilization, lighting and other items. Baker was asked what we should be using for estimates of these additional items. Pat Trunzo III noted that the airport area was generally sand and so drainage costs would be relatively small. Gene Oshrin added that only the main runway had lighting so there would be no additional costs to build or maintain lighting on the secondary runway. It was suggested by committee members that perhaps a standard of 30% for non-pavement costs should be added for rebuilding or new projects and 15% should be added for repair projects. Baker was asked to consider these percentages but to use what they thought were fully loaded numbers (with a footnote as to their assumption) for the next draft of the report, so that the Town and lay readers could better appreciate the fully loaded costs of various alternatives. Also Baker was asked to identify non-pavement costs such as re-clearing overgrown areas or tree clearing and, again include an estimate for it in the overall paving cost of each sector (again identifying the estimate used in a footnote).

Arthur Malman noted that the lifetime maintenance costs of pavements increase dramatically after they reach less than satisfactory condition as confirmed by the Baker report and asked if we should target higher than maintaining a 70 PCI value for rebuilt or repaired pavements. While Harold Honey discussed various PCI targets, he felt that a PCI of 70-75 would allow HTO to minimize overall long term expenditures.

Because plans are not available for any of the existing pavements Harold Honey pointed out that forecasts were difficult to make [Navin Natarajan was asked to check with the FAA to see if they have construction plans for any of the airports pavements because grant funds were used to construct them].

Harold Honey pointed out that the actual maintenance costs could not be forecast with any certainty and David Gruber asked that only standard estimates were being requested—with the full appreciation by the town that they are likely to be different in practice. Moreover, once more experience is gained and actual proper maintenance data collected, they can be refined from time to time.

David Gruber also noted that since the town had long term borrowing ability, Baker should show its findings assuming that there was no annual budgetary limitation as we are looking to target lowest overall long term costs. Navin Natarajan noted that figures on such an assumption were already in the draft report. From a discussion it appeared that it could cost about $7-9 million to get the airport pavements into satisfactory shape over the near term and that the annual cost of debt service would be around $6-700,000. Len Bernard said that he had previously done his own analysis and came up with similar annual debt service based on a mixture of bond maturities. Arthur Malman asked Len Bernard what he thought the prospects were for the state to allow HTO to use bonding for more than 10 years. Len Bernard said that the prospects were very good and he had based his estimates on the assumption that approval would be forthcoming.

It was felt that such annual debt service could be reasonably covered from airport cash flow, after taking into account litigation expenses, available surplus, and additional sources of revenues from expected new and increased rents and paid parking. It was again noted that interest rates for new bonding were unusually low at this juncture.

Arthur Malman noted that the meeting had many requests for Baker and asked Navin Natarajan to review his notes after the meeting and point out any request that could require a substantial additional expenditure so that we can see if there is a way to cut back on it or restate it to allow it to be done less expensively without a material loss.

The meeting adjourned at noon.

Respectfully submitted

Arthur Malman