

# Dutchess County Airport Operational and Financial Assessment



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December 2013

  
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# Section 1: Executive Summary





## **Executive Summary**

### **1. Introduction**

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Dutchess County ("Dutchess" or the "County") retained Steven Baldwin Associates to conduct an independent and objective assessment of the operational and financial conditions of the Dutchess County Airport (the "Airport" or "POU").

The County undertakes this project recognizing the importance of the relationship between the Airport and its surrounding community<sup>1</sup>, as well as recognizing the need for the Airport to operate to its fullest potential.

The County's intent in undertaking the operational and financial assessment of the Airport is therefore to maximize the Airport's efficiency and effectiveness while continuing to ensure the highest levels of safety and customer service; our assessment and subsequent recommendations are made with this intent as the motivating driver.

The assessment consisted of several tasks analyzing the Airport's operation, with the highlights including:

1. **Meetings with stakeholders**—those with an interest and investment in the outcomes of the assessment—to create a Project Team and to define specific tasks of the work scope
2. Conducting a **comparable analysis** of the Airport to other facilities deemed similar
3. Devising and conducting **surveys** of Airport tenants and users, and then analyzing the results
4. Supplementing and complementing the survey with additional **in-depth interviews** of selected tenants, past and present
5. Analyzing the operations and efficiencies of Dutchess Aviation, **the County-owned and operated FBO**
6. Reviewing and analyzing **the entire organizational and operational structure** of the Airport

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<sup>1</sup>Dutchess County Airport (POU) is a key transportation resource for the County of Dutchess and the Hudson Valley. According to the 2010 statewide economic impact analysis, Dutchess County Airport has an annual economic impact of \$44 million and accounts for a total of 150 full- or part-time jobs.



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After conducting these work tasks, Steven Baldwin Associates ("SBA") issued seven key findings from its operational and financial assessment, along with seven related recommendations from these findings.

### 2. Summary of the Assessment's Component Tasks

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Below is a summary and highlights of the assessment component tasks.

**1. Meeting with stakeholders.** As background for the assessment, and to determine the specific components of the assessment, SBA met with stakeholders in an initial set of input meetings as the project began. At the kickoff meeting the members of the Project Team were determined; the members included the County Executive; the Deputy County Executive Chief of Staff; the Commissioner of Public Works; the Deputy Commissioner of Public Works; the County Attorney; the Senior Assistant County Attorney; and the Deputy Commissioner for Strategic Planning and Economic Development.

SBA also conducted on-going meetings, etc. to gather input and report out progress of the assessment during the several months of the project timeline.

**2. Comparable Analysis with Similar Airports.** To better understand the Airport's management practices, SBA conducted an analysis to compare and contrast POU with airports deemed by the Project Team as similar. The final five airports chosen from an initial field of 13 were:

- Danbury Municipal Airport (Danbury, CT)
- Lawrence Municipal Airport (Lawrence, MA)
- Reading Regional Airport (Reading, PA)
- Southern Wisconsin Regional Airport (Janesville, WI)
- Waterbury-Oxford Airport (Waterbury, CT)

Information gathered from these airports provided input for SBA and the Project Team on how these airports are managed and operated. Key findings from the comparable analysis included: Dutchess County Airport operated with the most full-time employees; the Airport was the only one to have members on its advisory committee who were also tenants at the airport; the Airport was the only one to provide its own FBO services.



**3. Tenant and User Surveys.** SBA conducted a survey of both tenants and users which provided some key insights from these important stakeholders, especially from tenants. The survey, which was administered via email and on the County website, had more than 120 responses, primarily from tenants of the Airport, but also from travelers/users and members of the community. Analysis of results included several key findings detailed in the main body of this report, but the most important findings were that, in general, most tenants reported being satisfied with the space they rented and with the overall management of the Airport. The one major exception to this was a clear request for improved and expanded water and sewer capabilities in the hangars.

**4. In-depth Tenant Interviews.** To support and complement the survey, SBA also conducted in-depth interviews with four aeronautical-based tenants: two current tenants and two former tenants. Key insights from these interviews highlighted areas where the Airport is vulnerable to losing tenants. Specific issues included need for improved water and sewer services; concerns regarding airport location and access via highways, etc.; limitations in ability to for larger operations to grow; and the loss of a long-time FBO tenant (i.e., Richmor Aviation).

**5. Analysis of the County-run FBO.** Currently, Dutchess County exercises its proprietary right, as owner and operator of the Dutchess County Airport, to provide services such as fueling and aircraft storage to users; this is accomplished under the name Dutchess Aviation. Operations of this nature are referred to in the industry as Fixed-Based Operations ("FBO") and are almost always for-profit organizations.

Given this, SBA conducted an in-depth, pro-forma analysis of Dutchess Aviation the only FBO currently at the Airport. As noted in the comparable analysis, Dutchess County is the *only* facility that also operates its own FBO; all other similar airports surveyed employed privately-run FBOs.

This being the case, SBA conducted an evaluation of Dutchess Aviation analyzing management practices, sales, staffing, and other facets of its operation. SBA also conducted an analysis of Dutchess Aviation's revenues and expenses for 2012, separate from the Airport's overall budget; upon completion of the analysis, SBA determined that the County-run FBO was generating a deficit of more than \$300,000.

**6. Complete Organizational Review.** During the entire timeline of the project—which ran approximately from May 1, 2013 through November 15, 2013—SBA conducted a



complete review of many if not all of the Airport's organizational structures. The body of this report details many findings and insights from this organizational review, but one key insight we would like to note here which affects the Airport in many ways: a lack of an overall branding strategy, as well as a lack of an overall marketing plan to support a branding strategy and to increase awareness of the Airport and its offerings.

### **3. Summary of the 7 Key Findings and Recommendations**

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The following summarizes the findings and recommendations of the assessment. Each recommendation aims to improve the efficiency and effectiveness of the Airport and maintain its overall sustainability.

#### **1. Airport Advisory Board**

- **Finding:** Committee structure, meeting times, member qualifications, powers, etc. are unclear and sometimes represent conflicts of interest.
- **Recommendation:** Dutchess County should amend the resolution that creates and details its Airport Advisory Board to: enumerate clear qualifications of members and eliminate conflicts of interest; change meeting frequency from quarterly to monthly; and increase the powers of the Board to make recommendations on lease agreements, RFPs, hiring and termination of personnel, and other sensitive management issues.

#### **2. Airport Marketing Plan**

- **Finding:** Dutchess County does not currently have an adequate and actionable standalone Marketing Plan.
- **Recommendation:** Dutchess County should develop an actionable standalone Marketing Plan that will aid in giving airport stakeholders direction concerning future Airport pursuits. This plan should involve participation from the surrounding governments and communities that have a vested interest in the Airport.

#### **3. Airport FBO: Dutchess Aviation**

- **Finding:** Dutchess County's owned and operated FBO, Dutchess Aviation, is significantly challenged in terms of achieving profitability, and it is also challenged in offering the full suite of FBO services necessary to achieve profitability.



- **Recommendation:** Dutchess County should prepare a Request for Proposal (RFP) to solicit a privately-run FBO. Details that should be considered are included in detail in Section 2, but primary considerations include: 1) decommissioning Dutchess Aviation and relinquishing fuel sales to the new operator; and 2) do not preclude establishing a second FBO in the future.

#### **4. Airport Water and Sewer Services**

- **Finding:** Through the survey and interview process, SBA learned that current tenants see "water and sewer" as an issue in serious need of repair. Consequently, the lack of water and sewer lines going to the Airport, especially the hangars, has been very likely detrimental to attracting new businesses.
- **Recommendation:** Dutchess County should initiate a water and sewer feasibility analysis. The aim should be to bring public water lines to all tenants of the airport, as well as identify any grants available to the County to accomplish this.

#### **5. Real Estate Development**

- **Finding:** Per the Airport's business plan, several parcels of land exist that could be leased to either aeronautical or non-aeronautical tenants. This land is currently vacant, but could play an important role in bringing additional revenue to the airport in the future.
- **Recommendation:** As per the Airport's business plan, Dutchess County should utilize this land either by actively marketing the land on its own or by enlisting the services of a local real estate firm.

#### **6. Airport Tenant: AAG**

- **Finding:** AAG is an important tenant to the success of Dutchess County Airport. Through the one-on-one interviews with tenants, SBA discovered that although the company is satisfied with Airport management and staff, they do have some issues and concerns regarding the facility, particularly regarding water and sewer services as well as the lack of a skilled work force.
- **Recommendation:** Although the current lease of AAG does not expire until 2022, Airport management should be actively engaged in talks with AAG concerning facility improvements, expansions, and other opportunities which will keep them satisfied and wanting to continue their operations at Dutchess County Airport



## **7. Airport Operations**

- **Finding:** The facility maintenance of the Airport is currently the responsibility of Dutchess County via its existing resources (e.g., workforce, facilities, equipment, etc.).
- **Recommendation:** The County should continue to maintain the Airport because 1) this was the norm of each of the five airports in the comparable analysis; 2) the County has the resources to continue to maintain the Airport; and 3) tenants and users alike view the County's upkeep of the Airport and its facilities very positively.

## **4. Next Steps**

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The Project Team, in conjunction with other key policymakers and stakeholders, should review these recommendations in detail and develop an Action Plan moving forward to implement the recommendations, which are summarized below:

### **Recommended Action Plan**

1. Amend legislation defining membership, duties, and powers of the Airport Advisory Board.
2. Develop an Airport-focused Marketing Plan.
3. Prepare an RFP to solicit a privately-operated FBO.
4. Initiate a water and sewer feasibility analysis.
5. Market the existing several parcels of land to either aeronautical or non-aeronautical tenants.
6. Engage in talks with the Airport's tenant AAG concerning facility improvements, expansions, and other opportunities in order to keep this tenant satisfied and prevent AAG from moving to Waterbury-Oxford, Connecticut.
7. Continue to maintain the Airport's facilities, but consider relinquishing Part 139 certification in order to save costs on ARFF services.

Having conducted and concluded our operational and financial assessment of the Dutchess County Airport, and having accumulated significant and intimate knowledge of the Airport's operations, conditions, strengths, and challenges, Steven Baldwin Associates is available to assist Dutchess County to execute any and all of the items on recommended action plan and implement the subsequent solutions.



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It has been a privilege to work with Dutchess County and the Project Team on this assignment. We look forward to a continued positive relationship with the County and the Airport as you move forward to act on the recommendations enumerated in this final report.

# Section 2: Body of Report





## **1. Introduction**

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Dutchess County (the "County") commissioned Steven Baldwin Associates ("SBA") to conduct an independent, objective operational and financial assessment of the Dutchess County Airport (the "Airport" or "POU"). The purpose of the assessment was to provide the County with recommendations with supporting data that will assist the County with developing a long-term plan for the Airport's future management and sustaining business models.

This assessment required a review of several components of the Airport, including:

- Management Practices
- Strategic Marketing Plans
- Business Models
- Tenant Relationships
- Fixed-Base Operations
- Facility Maintenance Activities
- Air-Side and Ground-Side Leased Facilities and Owned Facilities
- Financial Record Keeping

This final report provides an overview of the project in its entirety, and makes recommendations regarding the future of the Airport.

Work on this study commenced on May 1, 2013. At that time, SBA undertook an initial tour of the Airport to become acclimated with the facilities and environment and to meet Airport staff. SBA also conducted a kick-off meeting which included be introduced to the Airport's Project Team: the County Executive; the Deputy County Executive Chief of Staff; the Commissioner of Public Works; the Deputy Commissioner of Public Works; the County Attorney; the Senior Assistant County Attorney; and the Deputy Commissioner for Strategic Planning and Economic Development.

As background for this report, the tasks that SBA completed were agreed upon between the County and SBA, and included:

1. Project Kick-Off
2. Data Collection
3. Airport Operational Review (*Deliverable*: "Airport Comparable Analysis")
4. Airport Financial Review (*Deliverable*: "Airport Financial Analysis")
5. Sale of Aviation Fuel by County and Potential FBO Expansion (*Deliverable*: "FBO Issues and



- Options Pro-Forma Analysis")
6. Cost Center Allocations/Rates and Charges
  7. Final Report (*Deliverable*: "Final Report and Recommendations")

Moreover, during the initial meeting between SBA and the Project Team, it was agreed that SBA would also conduct a User/Tenant survey to provide the Project Team with additional information and insight concerning the Airport. In summary, a total of three on-site meetings with the Project Team were conducted in addition to six on-site Airport visits, where the consultant team met with Airport staff and tenants.

The remainder of this document details SBA's interactions and findings.

## **2. Keys to Success for General Aviation Airports**

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To evaluate performance of a General Aviation ("GA") facility such as Dutchess County Airport, several items need to be considered. Most GA facilities consider the following five primary indicators to gauge their performance:

- Annual operations
- Ratio of revenues vs. expenses
- Ability to attract new tenants
- Fuel sales
- Number of based aircraft
- Comparison of rates and charges

Additional secondary performance indicators that are also frequently utilized by airport management include:

- Community perceptions
- Economic development
- Non-aeronautical revenue generation
- Capital improvement program
- Marketing plans

A requirement the FAA has of all airports receiving federal monies is that they be as financially self-sustaining as possible. Larger, commercial service airports are typically capable of sustaining themselves entirely. This is because these types of airports often face little to no competition and



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have a reliable/predictable revenue stream in the form of passengers and air carriers utilizing the facility. As airports decrease in size—especially airports that do not receive any sort of air carrier service—and instead rely on general aviation for aeronautical revenue, generating enough revenue to cover costs is often difficult.

The National Plan of Integrated Airports System ("NPIAS") is designed by the federal government to include airports which are deemed vital to air transportation in the United States. There are more than 3,000 airports in this system plan, which range in size from large hub airports (such as John F. Kennedy Airport in New York City) to smaller general aviation airports; this is the category Dutchess County Airport is in. More than 2,500 of the 3,000 NPIAS airports are General Aviation airports. These airports primarily provide air service to smaller communities throughout the United States, and are utilized by a range of aircraft including medical helicopters, law enforcement, business jets, and recreational aircraft.

Often, and certainly in the case of Dutchess County Airport, there is a high level of competition within the areas that these airports operate. For example, consider the 25-mile radius surrounding the Dutchess County Airport. Within that radius there are six airports where small, general aviation aircraft can land and refuel. And of those six, three can accommodate aircraft ranging up to large, corporate aircraft; however, there is only one airport within that radius (i.e., Stewart Airport) that runs commercial flights.

This high level of competition often makes it difficult for managers of GA airports to rely on aeronautical revenue to meet expenses. Industry-wide, it is common for local governments to subsidize facilities such as POU. This is becoming more common across the nation, in municipalities and counties alike, as difficult economic times continue; in many cases, this necessary subsidy from local governments has also brought with it community resentment toward the airport .

According to FAA Master Records, Dutchess County Airport ranks third among GA airports in the state of New York in terms of total operations (i.e., takeoffs and landing) and total based aircraft.

Of course, each airport is situated in its own individual circumstances. Notable unique attributes of Dutchess County Airport include:

- Proximity to a major metropolitan area (i.e., New York City)
- Ability to accommodate large corporate jets
- Advanced navigational aids



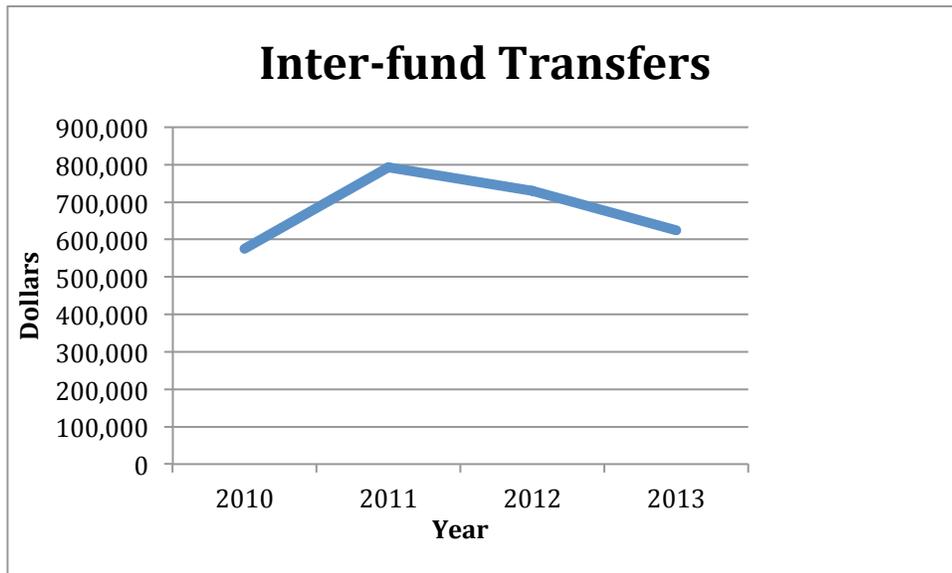
- Airport Rescue Firefighting Service

### 3. Reasons For Initiating the Study

Dutchess County Airport, like many similar GA facilities across the nation, is facing challenges concerning revenue generation and expense reduction. Furthermore, at the onset of 2013, the County was placed into a position it had not experienced in recent times: the privately-run FBO, Richmor Aviation, left the premises after 30 years of business, leaving Dutchess Aviation (the county-run FBO) as the only Fixed-Based Operator on the premises. Richmor Aviation had provided a variety of services, including aircraft maintenance, flight training, air charter service, aviation refueling, pilot lounges, and aircraft catering. Upon Richmor's departure, these services did *not* cease at the Airport as several Specialized Aviation Service Operations (SASO's) exist on the Airport; however, Richmor undoubtedly brought with them clientele they had established over the years, as well as their based aircraft and positive industry reputation.

The figure below, **Figure 1: Inter-fund Transfers**, shows the stream of inter-fund transfers from the County to the Airport over the last five years. An inter-fund transfer represents the amount of annual operation deficit incurred by the airport, and ideally should decrease, if not end, over time. The Airport's goal should be to attain financial self-sufficiency; although this is often not achievable, the Airport should work to minimize its cost to the taxpayers as much as possible.

**Figure 1: Inter-fund Transfers**





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The scope of work outlined in the RFP solicited by the County in December 2012 confirms the concerns spoken to above. The RFP called for an operational and financial assessment of the Dutchess County Airport to be performed. Certain points were emphasized in the RFP, in which the County requested specific recommendations. These points of emphasis included:

- Whether the facility maintenance of the Airport should remain the responsibility of Dutchess County
- Whether the County should continue to sell aviation fuel through its FBO
- What are the current FBO services as they relate to revenue stream, and whether the County should expand FBO services in the future
- Consideration of property development
- How to reduce the subsidy currently provided to the Airport by the County

During the initial kick-off meeting with the Project Team, these points of emphasis were reiterated to SBA.

### 4. Current General Aviation Airports

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As stated earlier, there are thousands of airports open to the public in the United States. These airports, though not often in the public eye, are an invaluable resource and provide vital services to their respective communities. These airports are often utilized for medical flights, business travel, aerial firefighting, law enforcement, and disaster relief—in addition to providing a place for recreational owners to operate their aircraft. These airports can be privately owned, but those included in the National Plan of Integrated Airports System which are eligible for federal funding, are usually owned by some form of government entity (e.g., County, Municipality, State or Public Authority) as the FAA has a strong preference for government rather than private ownership. This preference is primarily because of the powers that governments enjoy—such as levying taxes and taking property by eminent domain, for example—which is important in the event that the airport needs to be subsidized to remain solvent or needs to acquire land to expand. For purposes of this study, SBA focused on General Aviation airports similar to Dutchess County.

A majority of GA airports comparable to Dutchess County Airport are typically:

- A department within a larger governmental organization; or
- A division within a department of the governmental organization (typically the department of public works or transportation).



It is not within the scope of this final report to discuss each governance model in depth, but rather speak to how on-airport management is generally conducted. For the purpose of this report, there has been no discussion of the County relinquishing ownership of the Airport; SBA has presented below possible ownership scenarios which are common throughout the industry.

**County-Owned and County-Operated**

Per the FAA order 5190.6 B, any owner of a facility has a proprietary right to provide certain aeronautical activities exclusively, including management of all airport property; however, the owner must do this utilizing their own employees. Currently, Dutchess County exercises this right in that all property management is conducted through the County and by its employees. County employees provide basic services, including Airport management, airfield maintenance, and facility maintenance, which is common industry-wide.

What differs from airport to airport is the airport manager position itself. Larger GA facilities tend to hire a professional airport manager to handle the day-to-day needs of the airport; other airports rely on personnel who do not necessarily have any professional aviation experience, but who are familiar with the general maintenance requirements of the airport.

**County-Owned and Privately-Operated**

Another practice known throughout the industry is for the owner of the airport to hire a company to manage the airport. In many cases, direct management of the airport is granted to a private FBO who handles staffing and maintenance of the airport in addition to providing the Fixed Based Operator services. Professional airport management companies also exist which can provide a range of services including management, maintenance, and Airport Rescue Firefighting (ARFF) services.

**County-Owned and Authority-Operated**

A third practice in the industry is for a County to lease the Airport and transfer the Airport's operating certificate to an independent Airport Authority. This is often seen in places where the airport lies in more than one jurisdiction and where it is beneficial to have members from the surrounding community vested in the operation of the airport.



## **Summary**

It is not uncommon for government airport owners to designate the airport as a department or division within the overall organization; nor is it uncommon for the government owner to perform certain functions at the airport such as management, maintenance, and even conduct sales of aircraft products. This will be more evident in the following sections of this document where we analyze other airports similar to Dutchess County Airport. However, it is important that these facilities are operated efficiently and effectively, as to not burden the local community by needing a large tax subsidy. Later in this paper, we provide further analysis concerning the elimination of tax subsidies, as well as the level and quality of services that an owner/operator provides.

## **5. Project Process**

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To fulfill the requirements of the RFP, SBA performed several tasks, some in unison and some sequentially, in order to break down the issues at hand. The following subsections below describe each task and the main insights of each.

### **5.1. Data Collection**

An initial tour of the Airport was conducted in May 2013 in order to obtain an overall perspective of the physical aspects of the Airport. Accompanying SBA on the tour were the Interim Airport Manager and the Acting Commissioner of Public Works. Primary fact-findings from this meeting included:

- The number of current tenant occupancies and the presence of a short waitlist for T-hangar occupancy
- Review of parcels for potential development sites for future businesses, to include either/both aeronautical and non-aeronautical
- The presence of a "bail fill" on Airport property which carries a payback of capping cost of over \$200,000 per year and is a line item in the Airport expense budget
- Lack of water and sewer lines at the Airport

In addition to the fact-finding tour, initial data was collected from a variety of sources for analysis. Data collection came from the Federal Aviation Administration (FAA), Dutchess County online resources, and the Dutchess County Airport archives, among other sources. The data collected included:



- Air traffic operations records dating from 2003–2012
- Airport budgets for the past five years
- All tenant lease agreements
- A 2011 County-completed Airport Financial Report
- Previous Richmor Aviation lease agreement
- Legislation establishing the Airport advisory board
- Rates and charges
- Airport minimum standards
- Airport Business Plan
- Airport Master Plan
- Fuel sales by volume, including both present and historical data

## **5.2. Comparable Airport Analysis**

To better understand current practices relating to Airport management at Dutchess County Airport, SBA performed an analysis comparing several components of POU (e.g., total operations, airport size, geographic location, etc.) with five airports, chosen from an initial pool of 13, which were deemed comparable with POU. The airports included for the analysis were:

- Danbury Municipal Airport (Danbury, CT)
  - A competitor with POU with similar aircraft operational statistics
- Lawrence Municipal Airport (Lawrence, MA)
  - An airport with similar operational statics and size (in terms of acreage and runways) to POU
- Reading Regional Airport (Reading, PA)
  - An airport also with similar operational statics to POU
- Southern Wisconsin Regional Airport (Janesville, WI)
  - A county-owned airport with one full-service FBO; this airport operated at a deficit in 2012
- Waterbury-Oxford Airport (Waterbury, CT)
  - A competitor with POU which has attracted many corporate users desired by POU

SBA issued a questionnaire to the airport manager of each airport included in the study. Additionally, SBA conducted an interview with each manager to complement and support the questionnaire. Information gathered from these airports provided input for SBA and the Project Team as to how these airports are managed and operated compared to POU.



Insights of important significance from the Comparable Analysis are presented in the following sub-sections.

5.2.1. Airport Organization and Staffing

A primary difference between Dutchess County Airport and the comparable airports surveyed was the organizational structure, particularly pertaining to an oversight group. Out of the five airports surveyed, three had airport commissions overseeing the operation, while two operated under airport authorities. All of the oversight groups had certain decision-making powers and met on a monthly basis. Additionally, the composition of the groups varied greatly from that of Dutchess County Airport—specifically, none of the groups (whether commission or authority) had members who were also tenants of the airport. The table below, Table 1: Comparable Analysis Overview, provides details into each comparable airport's organization and oversight group.

Table 1: Comparable Analysis Overview

Airport	Owner	Full Time Employees	Oversight Group
Danbury	City	5	7-member Airport Commission
Dutchess	County	11	12-member Advisory Board
Lawrence	City	3	9-member Airport Commission
Reading	Authority	8	7-member Airport Authority Board
Southern Wisconsin	County	6	5-member Public Works Commission
Waterbury-Oxford	Authority	3	11-member Airport Authority Board

Note that the owner of each airport in the study provides its own employees for management and maintenance of the airport. ***Dutchess County is unique in this comparison in that, in addition to management and maintenance of the Airport, it provides FBO services (e.g., fueling, de-icing, parking, etc.). That is, POU is the only airport of those surveyed that acts as an FBO and provides services directly to the public***

Staffing at the airports included in the analysis varied with Lawrence Airport reporting only three full-time staff, while Dutchess County Airport reported 11 full-time employees (out of an allotted 13 possible). Positions common among all of the airports were an Airport Manager and Maintenance



Foreman. With the exception of Southern Wisconsin, each of the airports relied upon the use of interdepartmental staff or contracted services, which mainly were received in the form of administration functions.

5.2.2. Airport FBO

As noted above, the most noticeable difference between Dutchess County and the comparable airports was the operation of the FBO. Each of the comparable airports elected to utilize privately-operated FBO services, while Dutchess County, as the owner of the Airport, elects to provide fueling and other aircraft services. This is not uncommon as only across the Hudson River at Orange County Airport, County employees carry out FBO services as well. The main differences between the private FBOs in the study and the County-operated Dutchess Aviation are listed in the table below, **Table 2: Privately-operated FBOs v. Dutchess County-operated FBO.**

Table 2: Privately-operated FBOs v. Dutchess County-operated FBO

Privately-operated FBO	County-operated FBO: Dutchess Aviation
➤ Facility management is focused on FBO operation only	➤ Facility management is focused on airport management which includes FBO operation
➤ Staff trained and focused on FBO operation	➤ Staff cross-trained on various airport duties including FBO operation
➤ Provides aircraft maintenance and charters services	➤ Provides fuel only
➤ Assumes economic risk and reward	➤ Operational loss is covered by inter-fund transfers, which reduces incentive to maximize profit
➤ May have other locations, which serves to strengthen market and service delivery	➤ Has only the Dutchess County location
➤ Provides private investments	➤ All-public funding

Assigning performance expectations and responsibilities to airport tenants plays a major role in the efficiency and effectiveness of the overall airport operation. Both Danbury and Lawrence Airports reported success in promoting the concept that FBOs should be self-sufficient with regard to



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maintenance of all equipment and leasehold facilities, and direct fuel farm ownership. As a result, these airports reported fewer personnel, maintenance, and supply costs.

**5.2.3. Financials**

SBA also examined financials among the airports to highlight any major differences. Financials were also analyzed to determine strong and weak revenue streams. Additionally, expenses were analyzed to highlight differences between facilities. The table below (and continued on the following page), **Table 3: Rates and Charges**, looks at each airport's individual rates and charges as well the airport’s five-year capital improvement program.

**Table 3: Comparable Analysis of Rates and Charges; and 5-Year Capital Improvement Program**

	Lease and Rent Revenue	Landing Fees	Fuel Flowage Fees cent/gal	Capital Improvement Program 2013-2017	Notes
<b>Danbury</b>	\$575,000	None	12.5 ¢	\$12,336,105	State of CT Aircraft Registrations Charge FY 2012-2013 \$52,000, which goes to the community where the airport is
<b>Dutchess</b>	\$1,976,209	Weight-based for turbine aircraft	15 ¢	\$5,792,000	Fuel fee comes from tenant fuel farm occupant
<b>Lawrence</b>	\$523,969	Weight-based with max of \$96.00	5 ¢	\$5,599,921	CPI adjustment every three years



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	<b>Lease and Rent Revenue</b>	<b>Landing Fees</b>	<b>Fuel Flowage Fees cent/gal</b>	<b>Capital Improvement Program 2013-2017</b>	<b>Notes</b>
<b>Reading</b>	\$2,035,700	0.82 per 1000 lbs. of gross weight	7 ¢	\$4,500,000	Each lease varies based on type of operation; typically, rents are increased based on the CPI and/or scheduled appraisals. Rent is negotiated based on appraisals.
<b>Southern Wisconsin</b>	\$346,616	\$1.75/1000 lbs. for revenue-generating aircraft and aircraft over 12,500 lbs.	8 ¢	\$12,044,308	None
<b>Waterbury-Oxford Airport</b>	N/A	Weight based for revenue producing aircraft; FBO keeps 25%	13 ¢	\$19,257,895	State owns tie-down space for \$90/month

Non-aeronautical revenue is as important to an airport’s financial well-being as is aeronautical revenue. Each of the airports included in this analysis had multiple sources of non-aeronautical revenue, whether it was a restaurant, industrial park, or other businesses surrounding the airport contributing to the overall coffers of the facility. Danbury and Reading Airports reported that non-aeronautical revenue accounted for more than 46% and 66%, respectively, of the total revenue brought in by the airport. However, non-aeronautical revenue for Dutchess County Airport makes up only a minor percentage of total revenue.



#### **5.2.4. Airport Infrastructure**

Airport infrastructure is key when accommodating the needs of existing clientele, or attracting new business to the airport. The expectations of airport users include an adequate airfield and runway length, hangars with water and sewer availability, adequate security, fire protection, and reliable snow removal and fuel operations. Waterbury-Oxford Airport, which had by far the largest number of jet aircraft, demonstrated the best understanding and accommodation of the needs of their airport's users.

#### **5.2.5. Operations**

Having safe, efficient, and effective airport operations is imperative for any airport. For this to occur, there must be sufficient staff who are adequately trained and equipped to handle the various unique circumstances that airports encounter. Airport management is tasked with ensuring that the airport can, at a minimum, meet state and federal regulations. However, management must also be cognizant of the expenses associated with the operation of the airport, as it is generally the goal of all airports to be as self-sufficient as possible.

Airport operations encompass a variety of tasks, including but not limited to:

- TSR part 1540 requirements
- CFR part 139 requirements, if applicable
- ARFF
- Field inspections
- Aircraft parking
- Lighting
- Snow removal
- Wildlife mitigation

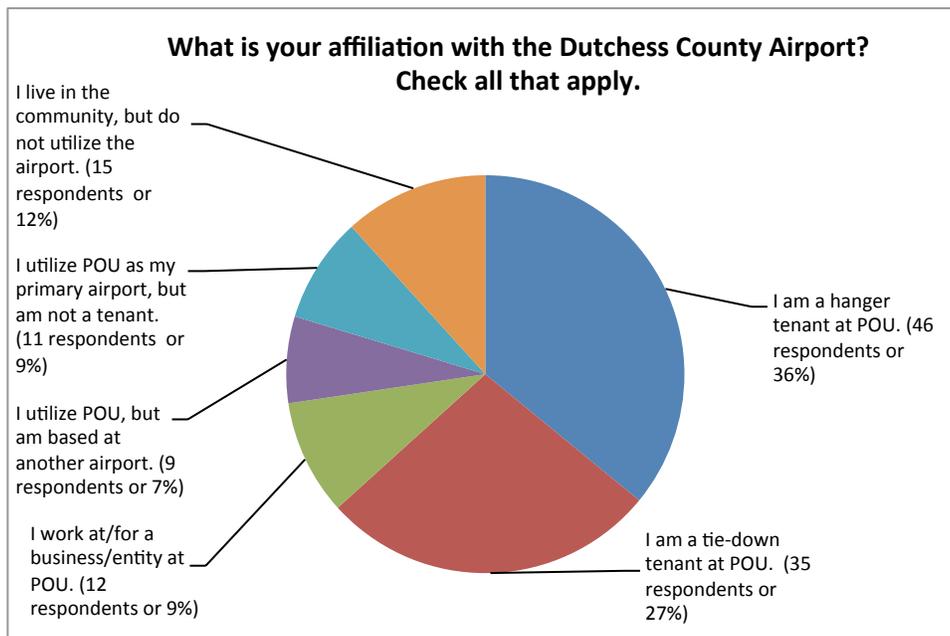
Each of the airport's operators in this study either has some or all of these responsibilities. As stated earlier, the budgets of the airports do not permit a lot of compartmentalization of departments; therefore, employees at these airports generally perform a variety of overlapping tasks such as snow removal, field operations, ARFF, vehicle maintenance, and wildlife mitigation. Often, however, as per the agreements, FBOs will take on tasks such as snow removal and pavement maintenance of their respective leaseholds upon the airport's request.



### 5.3. Tenant User Survey and Tenant Interviews

As a requested addition to the original project scope, SBA conducted a survey of Airport tenants and users. The survey was aimed at soliciting how people felt about different aspects of the Airport, including: rented space, quality of services provided, quality of facilities, and overall impressions of the Airport. The figure below **Figure 2: Affiliation of Survey Respondents**, illustrates the background affiliation of the tenants and users who responded to the survey.

**Figure 2: Affiliation of Survey Respondents**



The survey remained online for a total of three weeks during the end of July and running into the beginning of August 2013. More than 120 responses were received, most of which were from Airport tenants; as such, a wide range of samples of all tenants was collected. Presented below are the primary insight taken from the survey responses.

#### Tenants: Representative Survey Responses and Summary

- Need for more adequate restroom facilities (i.e., water and sewer services).
- A majority of tenants are pleased with their rented space and the management of the airport



- Tenants are primarily satisfied with County-operated FBO
- Rates and charges are comparable to surrounding airports
- Convenience was a significant factor in choosing POU

**Users: Representative Survey Responses and Summary**

- A majority of users are satisfied with the facilities at Dutchess County Airport
- A majority of users stated that the County-run FBO services are adequate
- Rates and charges are comparable to surrounding airports

**Community: Representative Survey Responses and Summary**

- Questions were asked of community members concerning their overall impressions of the Airport, awareness of Airport services, and awareness of Airport events. Only a small sample (14 of the total respondents) responded to this portion of the survey and results were nearly split on every question.

**Interviews**

In conjunction with the Tenant/User Survey, SBA conducted in-depth interviews with two current tenants and two former tenants. Details concerning the interviews are presented in the table, **Table 4: In-depth Interviews with Tenants**, below.

**Table 4: In-depth Interviews with Tenants**

<b>Tenant</b>	<b>Business</b>	<b>Comments</b>
<b>Aeromechanical Owner</b> (Current Tenant)	Aircraft Maintenance	<ul style="list-style-type: none"> <li>➤ Satisfied with facility</li> <li>➤ Majority of business is from non-based aircraft</li> <li>➤ Customer loyalty common in line of business</li> </ul>
<b>Associated Aircraft Group Manager</b> (Current Tenant)	Helicopter maintenance	<ul style="list-style-type: none"> <li>➤ Would like to have water and sewer services</li> <li>➤ Access to the Airport not ideal</li> <li>➤ Have been pursued to relocate</li> </ul>
<b>Millbrook Aviation Owner</b> (Former Tenant)	Aircraft brokerage/charter	<ul style="list-style-type: none"> <li>➤ Relocated to Stewart International Airport stating that the company had outgrown the space at Dutchess</li> </ul>
<b>Richmor Aviation</b> (Former Tenant)	Full-service FBO	<ul style="list-style-type: none"> <li>➤ Enjoyed tenancy at POU</li> <li>➤ Could not renegotiate a new deal with the County to stay</li> </ul>



5.4. FBO Pro-Forma Analysis

As stated previously, Dutchess County Airport personnel currently operate the only FBO at the Airport. As mentioned briefly in the comparable airports section of this report, FBOs are often for-profit, privately-operated businesses that provide a variety of aviation services and specialize solely in the FBO niche of the industry.

Since the Airport's FBO does not fit this model, it was crucial to the study to separate the FBO portion of the Airport's operation from the rest of the operation and budget in order to accurately analyze financial and organizational efficiency and effectiveness. To accomplish this analysis, several items were analyzed, including: historical fuel sales, sales of aviation products, hours of operation, staffing, and associated expenses.

Upon completion of the analysis, SBA determined that the County-run FBO was itself generating a \$300,000 deficit per year. The table below, **Table 5: Dutchess Aviation Financials**, illustrates the findings.

Table 5: Dutchess Aviation Financials

FBO Revenues (2012)	Dollar Amount
Sale of Avgas	\$458,001
Sale of Jet Fuel	\$647,705
Sale of Aviation Oil	\$2,436
Catering	\$692
Nightly Tie-Downs	\$402
Misc. Aviation Supplies	\$203
<b>Total Revenue</b>	<b>\$1,109,439</b>
FBO Expenses (2012)	Dollar Amount
Pro-rations including loss of rent	\$45,728
Labor and Fringe Benefits	\$438,923
100 LL Fuel for Resale	\$394,897
Jet A Fuel For Resale	\$510,500
Debt Service on Fuel Vehicles (Average)	\$20,879
Misc. Products and services for Resale	\$1,160
<b>Total Expenses</b>	<b>\$1,412,087</b>
<b>DEFICIT FOR 2012</b> <b>(Difference Between Revenue &amp; Expenses)</b>	<b>(\$302,648)</b>



## **5.5. Financial Analysis**

This report was written based on the County's goals of 1) eliminating the deficit at the Airport in an effort for it to become as financially self-sustaining as possible; and 2) to position the Airport as both a transportation resource for the region, as well as a source for increased opportunities for economic development.

Prior to completing this final report, SBA conducted a Pro-Forma Analysis of the FBO which addressed the FBO cost-center on its own. This report revisited the FBO operation, but additionally looked into several other financial aspects of the Airport. These aspects included:

- General practices and procedures regarding financial management at the Airport
- Property management
- Contractual services/costs
- Aeronautical vs. non-aeronautical revenue
- Operational rates and charges (e.g., landing fees, fuel flowage fees, etc.)
- Rent
- Reliance on general fund tax revenue
- Overall financial performance
- FAA AIP grant collections
- FBO financial performance
- Management of the Airport's capital program and associated costs
- Other issues

With the additional knowledge gained through visits and document collection, SBA evaluated the Airport's present financial standing and looked at options for the short-, medium-, and long- term. This was accomplished through:

- Comparing and contrasting POU with similar-sized, competing airports;
- Looking at industry best practices through utilizing the Airport Cooperative Research Program (ACRP), which reaches out to airports nationwide to obtain data and is funded by the FAA; and
- Utilizing the FAA database for operational statistics, as well as past and future funding amounts for capital improvement projects.

Findings from this Pro-Forma Analysis white paper included the following:



- Upon removing the FBO and its associated costs from the balance sheet, SBA discovered that the “Airfield Cost Center” was nearly at break-even—and is well within reach of the break-even point, given that the necessary adjustments are made.
- Analyzing the 2013 adopted budget for the County shows that the largest category of expenses, by far, is personnel services (which accounts for 38% of total expenses). This "personnel services" expense includes employee salaries as well as all benefits including insurance and retirement contributions. It is important to note that part of the reason the category is such a large percentage of total expenses is because the County operates its own FBO and needs staff to run it. By comparison, a comparable airport such as Danbury Municipal Airport (which was one of the five airports selected for the comparable analysis) has a much lower cost of personnel services because it can maintain a smaller staff since it has several privately-operated FBOs at its facility. The salary comparisons between Dutchess County and Danbury Municipal Airports are illustrated in the table on the next page, **Table 6: Salary Comparisons between Dutchess County and Danbury Municipal Airports**.



Table 6: Salary Comparisons between Dutchess County and Danbury Municipal Airports

Dutchess County Airport with one County-operated FBO		Danbury Municipal Airport with several privately-operated FBOs	
<i>Position</i>	<i>Salary</i>	<i>Position</i>	<i>Salary</i>
Airport Manager	\$101,234	Airport Administrator	\$88,842
Maintenance Supervisor	\$64,583	Assistant Airport Administrator	\$70,720
Mechanic II	\$53,341	Administrative Assistant/Senior Secretary	\$65,998
Line Service Supervisor	\$51,259	Airport Equipment Operator II	\$53,185
Mechanic I	\$46,771	Airport Equipment Operator II	\$51,292
Mechanic I	\$44,665		
Mechanic I	\$40,781		
Mechanic I	\$39,312		
Account Clerk	\$39,026		
Account Clerk	\$39,026		
Line Service Attendant	\$36,674		
Line Service Attendant	\$36,674		

**Rates and Charges**

- Per the survey results, a majority of the Airport users/tenants utilize POU for recreational flying. Additionally, the tenants were asked about what prompted them to use POU, and the plurality of respondents answered "convenience." These two statistics indicate that the majority of flyers are utilizing small GA aircraft that can use almost all of the airports in the region because of their small size. If rates and charges are not competitive with other competing airports in the region, the potential for losing these tenants could increase. Results are illustrated graphically through the figures and tables on the pages below.



Figure 3: Primary Use of Airport

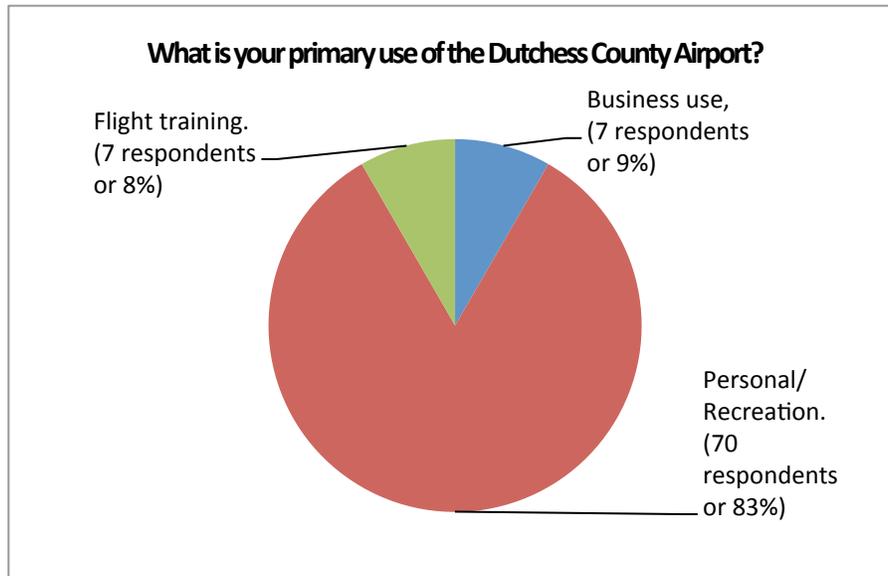


Figure 4: Reasons for Choosing POU

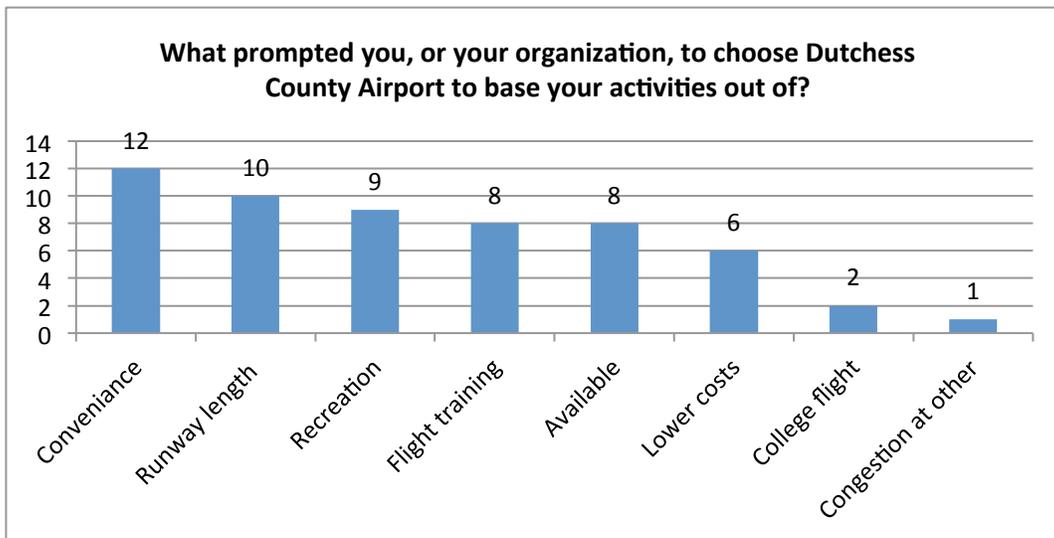




Table 7: Comparable Analysis of Rates and Charges - Hangars and Tie-Down

	Distance from POU	Tie-Down	Conventional Hangar	T-Hangar
Dutchess County Airport	N/A	\$85/mo. paved; \$55/mo. grass	\$1,050; \$665/mo. for ranch hangar	\$400 -\$420 /mo.
Sky Acres	9	\$110/mo. paved; \$70/mo. grass	N/A	\$335/mo.
Orange County	21	\$85/mo.	\$1,050	\$420/mo.
Stewart International Airport	14	N/A	\$650	N/A
Kobalt	13	\$45/mo. grass	N/A	N/A

6. Common Practices

Pursuant to the title of the RFP (i.e., "Operational and Financial Assessment"), SBA analyzed industry best practices, particularly management practices, to give Dutchess County guidance and strategies moving forward. Discussed below are common industry-wide financial practices.

6.1. Airport Finance

Typically, financial management of general aviation facilities (such as POU) is undertaken by the Airport Manager. The Airport Manager prepares the annual budget, submits financial reports throughout the year, recommends rates and charges, and develops the airport's multi-year capital improvement plan. To support the Airport Manager, a staff of one to two is typical. Additionally, some financial work may be outsourced to a private contractor or be given to another department if the airport is part of government organization. In almost all cases, the Airport Manager's decision are overseen by a supervising body such as a department head or airport board which may have the final say on certain financial matters such as rent increases and lease approvals.



Unique to Dutchess County was the operation of the FBO, which is also overseen by the Airport Manager. Airport Managers are typically concerned with the above listed items (e.g., annual budgets, financial reports, rates and charges, and five-year capital improvement plan) and their goal is to be financially self-sustaining as possible; conversely, FBOs are generally operated in a standard business fashion where the goal is to generate a profit.

## **6.2 Revenue Sources**

Revenue generated at GA airports (such as POU) is often small and in many cases is supplemented with intergovernmental aid. As stated previously, airport management's goal should at minimum be to recover all expenses with airport-generated revenue thereby avoiding the need for intergovernmental funds. Revenue sources tied to airports in the same category as POU typically include:

- Hangar and tie-down agreements
- Terminal rents
- Agricultural land leases
- Fuel flowage fees
- Landing/ramp fees
- FBO service
- Industrial park leases

## **6.3 Capital Improvement**

For general aviation airports, funding comes from primarily five sources: Airport Improvement Program Grants (AIP), state funding, local funding, bonds, and airport revenue generation. It is the responsibility of airport management to submit to the FAA, annually, a five-year capital improvement plan. This plan should address anticipated needs of the airport to continue to operate in a safe and efficient manner.

The FAA funds 90-95% of AIP-eligible projects, with the State of New York and the local airport equally funding the balance.

Prior to receiving federal monies, the airport must guarantee that it will comply with FAA "Grant Assurances," typically for a length of 20 years. These assurances require that the owner/operator of the airport adhere to certain standards as a condition of accepting federal grants.



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Typically, grants do not cover revenue-generating projects, for example: parking garages, construction of an airport restaurant, etc. However, some exceptions are made for fuel farm and hangar construction. Typical AIP eligible projects include:

- Runway construction/rehabilitation
- Taxiway construction/rehabilitation
- Apron construction/rehabilitation
- Airfield lighting and signage construction
- Land acquisitions
- Planning studies
- Removal of hazards
- Weather observation stations
- ARFF vehicle acquisition

### 7.0. Findings and Recommendations

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In the operational and financial assessment project undertaken here, SBA examined the operation of the Dutchess County Airport in its entirety. After careful review of the current operating practices of the Airport, in conjunction with the consideration of future expectations and demands, SBA has developed seven major recommendations for the Dutchess County Airport based on key findings.

#### 1. Airport Advisory Board

- **Finding:** Each airport in the comparable analysis had some form of an oversight board, committee, or commission. These governing structures all differed in composition, meeting frequency, function, and powers of authority. In the case of Dutchess County, however, the airport board was the most loosely defined and operated. SBA made several efforts to comprehensively understand and map the composition, appointment process, duties, powers, frequency of meetings, and content of meetings of POU's Airport Advisory Committee; however, we found that in several cases Airport staff and some committee members themselves were uncertain about these matters. The study team found the level of responsibility and engagement of the policy boards at peer airports to be much higher and more productive than at Dutchess County Airport.
- **Recommendation:** Dutchess County should amend the current Airport Advisory Board resolution/legislation by changing or adding several key components to:



- Provide a clear mandate regarding responsibilities of the Airport Advisory Board.
- Enumerate clear appointment qualifications, with a clear stipulation that disqualifies anyone who has a conflict of interest.
- Change meeting frequencies to a minimum of six per year; furthermore, any recast board should initially meet on a monthly basis.
- Clarify that advisory level responsibilities should be given to the board to discuss and make recommendations on sensitive Airport documents such as lease agreements, request for proposals, and the hiring/termination of key Airport personnel.

## **2. Airport Marketing Plan**

- **Finding:** Dutchess County does not currently have a current Airport-focused Marketing Plan.
- **Recommendation:** Dutchess County should develop an Airport-focused Marketing Plan that will aid in giving Airport stakeholders direction concerning future Airport pursuits. This plan should involve participation from the surrounding governments and communities that have a vested interest in the Airport. Items to consider for inclusion in the Marketing Plan include the following:
  - Advertising strategies to solicit new tenants, which would include aviation businesses, non-aviation businesses, and individual tenants;
  - Techniques for Airport management to remain competitive with Airports in the surrounding region;
  - Benchmarks to measure overall success and success in specific areas;
  - Development of a brand strategy to establish a more recognizable identity for the Airport;
  - A partnering and cost-sharing agreement between Public Works and the Department of Economic Development regarding the promotion/development of property on the Airport.

## **3. County-operated FBO: Dutchess Aviation**

- **Finding:** Dutchess County's FBO, Dutchess Aviation, is significantly challenged in terms of achieving profitability, and it is also challenged in offering the full suite of FBO services necessary to achieve profitability. Additionally, the County-owned and -operated FBO



most likely deters other FBOs from attempting to invest and establish themselves on Airport property (as seen by the departure of Richmor Aviation), as fuel sales represent the largest revenue generator.

- **Recommendation:** Dutchess County should prepare a Request for Proposals (RFP) to solicit a privately-operated FBO. Benefits that can be realized from contracting-out FBO services include:
  - Access to an already-established network of clients and industry contacts;
  - Private investment, which would free Dutchess County from onerous financial obligations and investments;
  - Management personnel who are experts in the FBO line of work;
  - Better marketing for POU.

It is also very important to consider the following when soliciting and contracting a privately-run FBO for the Airport:

- 1) Any viable agreement with a quality FBO should include in the negotiation process ***the decommissioning of the County-run FBO***, Dutchess Aviation, including ***the relinquishing of fuel sales and other line services*** to the new operator.
- 2) The County should not take any actions that would preclude the establishment of a second FBO at the Airport in the future.

#### **4. Water and Sewer Services**

- **Finding:** Adequate water and sewer service is an important commodity to any airport. Thus, the lack of water and sewer lines going to the Airport has been very likely detrimental to attracting new businesses. Additionally, through the survey and interview process SBA learned that current tenants see "water and sewer" as an issue seriously in need of repair.

Hangar facilities built today, especially those intended to house many aircraft types including high-end corporate jets, are primarily designed to include deluge fire systems, which require the availability of large quantities water. Additionally, any business wanting to move onto the Airport, especially manufacturing or food businesses (such as an Airport restaurant), are going to need quality water and sewer services.



- **Recommendation:** Dutchess County should initiate a water and sewer feasibility analysis. The aim should be to bring public water lines to all tenants of the Airport. A feasibility analysis would also identify any grants that the County may be able to receive to conduct this project.

## **5. Real Estate Development**

- **Finding:** Per the Airport's business plan, several parcels of land exist that could be leased to either aeronautical or non-aeronautical tenants. This land is currently vacant, but could play an important role in bringing additional revenue to the Airport in the future.
- **Recommendation:** As per the Airport's business plan, Dutchess County should utilize this land either by actively marketing the land on its own or by enlisting the services of a local real estate firm. (NOTE: If "Recommendation #2: Marketing Plan" is accepted, it would be beneficial to include real estate development into the overall marketing plan.)

## **6. Tenant: AAG**

- **Finding:** AAG is an important tenant to the success of Dutchess County Airport. Through the one-on-one interviews with tenants, SBA discovered that although the company is satisfied with Airport management and staff, they do have some concerns regarding the facility. Primarily, the lack of water and sewer services was a significant concern. Additionally, the lack of a skilled work force residing in the area causes AAG to have to hire employees from outside the area; moreover, many AAG employees commute from Connecticut, where Waterbury-Oxford Airport's FBO, Keystone Aviation, is actively pursuing the company to relocate.
- **Recommendation:** Although the current lease of AAG does not expire until 2022, Airport management should be actively engaged in talks with AAG concerning facility improvements, expansions, and other opportunities which will keep this tenant satisfied and wanting to continue their operations at Dutchess County Airport rather than at another facility, particularly Waterbury-Oxford.

## **7. Airport Operations**

- **Finding:** The facility maintenance of the Airport is currently the responsibility of Dutchess County via its existing resources (e.g., workforce, facilities, equipment, etc.). The RFP



specifically asked if facility maintenance should remain the responsibility of Dutchess County.

- **Recommendation:** We recommend that the County continue to maintain the Airport because: 1) this was the norm with each of the five comparable airports analyzed; 2) this is also the best course of action given the County's available resources; and 3) according to the survey and interviews SBA conducted, tenants and users alike viewed the County's upkeep of the facility very positively.

It is important to note that cost reduction opportunities exist if the County chooses to relinquish the Airport's Part 139 Operating Certificate; this is because Part 139 requires Aircraft Rescue Firefighting Services which have costs associated with training and vehicle operation/upkeep.

## **8. Next Steps**

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The Project Team, in conjunction with other key policymakers and stakeholders, should review these recommendations in detail and develop an Action Plan moving forward to implement the recommendations, which are summarized below:

### **Recommended Action Plan**

1. Amend legislation defining membership, duties, and powers of the Airport Advisory Board.
2. Develop an Airport-focused Marketing Plan.
3. Prepare an RFP to solicit a privately-operated FBO.
4. Initiate a water and sewer feasibility analysis.
5. Market the existing several parcels of land to either aeronautical or non-aeronautical tenants.
6. Engage in talks with the Airport's tenant AAG concerning facility improvements, expansions, and other opportunities in order to keep this tenant satisfied and prevent AAG from moving to Waterbury-Oxford, Connecticut.
7. Continue to maintain the Airport's facilities, but consider relinquishing Part 139 certification in order to save costs on ARFF services.

Having conducted and concluded our operational and financial assessment of the Dutchess County Airport, and having accumulated significant and intimate knowledge of the Airport's operations, conditions, strengths, and challenges, Steven Baldwin Associates is available to assist



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Dutchess County to execute any and all of the items on recommended action plan and implement the subsequent solutions.

It has been a privilege working with Dutchess County and the Project Team on this assignment. We look forward to a continued positive relationship with the County and the Airport as you move forward to act on the recommendations enumerated in this final report.

# Appendix A: Glossary of Terms





**APPENDIX A:  
Glossary of Terms**

**Airport Cooperative Research Program ("ACRP"):** Research program sponsored by the FAA that conducts studies on various aviation industry matters.

**Aircraft Rescue Firefighting ("ARFF") Services:** A requirement of services for all CFR Part 139 certified airports, required for air carrier operations.

**Airport Improvement Program ("AIP"):** An FAA program which provides grants for planning and development to airports included in the National Plan of Integrated Airports System (NPIAS).

**Based Aircraft:** Aircraft that are permanently established on airport property.

**CFR 14 Part 139 ("Part 139"):** Per the FAA website, 14 CFR Part 139 requires the FAA to issue airport operating certificates to airports which do the following:

- Serve scheduled or unscheduled air carrier aircraft with more than 30 seats;
- Serve scheduled air carrier operations in aircraft with more than nine seats, but less than 31 seats; and
- The FAA Administrator at the Airport requests to have the certification.

**Code of Federal Regulations ("CFR"):** Defined by the U.S. printing office as permanent and general rules published in the Federal Register by the departments and agencies of the Federal Government.

**Consumer Price Index ("CPI"):** Defined by the Department of Labor Statistics as a program which produces monthly data on changes in the prices paid by an urban consumer for a representative basket of goods and services.

**Federal Aviation Administration ("FAA"):** The branch of the federal Department of Transportation responsible for the regulation of airports and overall safety of the national aerospace system.

**Fixed-Based Operator ("FBO"):** A sales and/or service facility located at an airport. Definitions vary based on airport minimum standards, but operations typically include the sale of fuel.

**General Aviation ("GA"):** All civil aircraft and aviation activity except for airlines (certified) and military. Includes recreational, flight training, and corporate flying.



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**General Aviation Airport ("GA Airport"):** Defined by the FAA as the remaining airports that are not designated as either commercial, cargo, or reliever.

**Minimum Standards:** Standards unique to an airport that ensure safe and efficient operations.

**National Plan of Integrated Airports System ("NPIAS"):** Includes airports designated by the FAA as being significant to the National Air Transportation, which entitles them to AIP funding.

**POU:** The three-letter designator for Dutchess County Airport assigned to the airport by the FAA. The designator references the city of Poukeepsie where the Airport is located.

**Transportation Security Administration ("TSA"):** A branch of the federal Department of Defense, which is responsible for the safety and security of transportation systems in the United States.

**Transportation Security Regulations ("TSR"):** Federal regulations enforced by the TSA.

