

MINUTES

The annual and monthly business meeting of the Nashua Airport Authority (NAA) was held at Nashua City Hall Auditorium, 229 Main Street, on Wednesday, January 16, 2019.

Chairman Woods called the meeting to order at 6:00pm.

ROLL CALL

Present: Chairman Woods
Secretary Scheifele
Treasurer Duquette
Director Heath (via Telecon)
Director Law - arrived 6:05

PUBLIC INPUT

None

OFFICER ELECTIONS

MOTION BY Treasurer Duquette to nominate Chairman Woods to remain as Chairman, Secretary Scheifele to remain as Secretary, Mr. Heath as Treasurer, Mr. Law as Vice Chairman, and Mr. Duquette as Director.

SECONDED BY Secretary Scheifele

Roll Call Vote

Chairman Woods - yay
Director Heath - yay
Secretary Scheifele - yay
Director Law - yay
Treasurer Duquette - yay

MOTION CARRIED

MINUTES

MOTION BY Secretary Scheifele to accept the November 28, 2019 public minutes.

SECONDED BY Director Duquette

MOTION CARRIED

TREASURERS REPORT – November 2018 and December 2018

Director Duquette reported that we are at a deficit for snow removal income. All other income categories are on target. Expenses are \$17,000 under budget which is contributed to the snow removal deficit. Office Manager Susan Clancy discussed the \$4,400 gained on sale of assets. Airport

Manager Chris Lynch reported we will be purchasing new window shades for the control tower. Treasurer Heath discussed the funds used for the purchase of the NPE from Dean Memorial.

MOTION BY Director Duquette to accept the November 2018 and December 2018 financial statements as presented pending audit.

SECONDED BY Secretary Scheifele

MOTION CARRIED

AUDITOR REPORT

Mr. Matthew Murray of Vachon Clukay presented the FY2018 audit.

Governance Communication (required communication to the Members of the Board summarizing the overall audit process for the fiscal year), some of the more important areas covered by the communication:

- As part of the audit process we examined the Authority's internal controls over financial reporting. There were no deficiencies or weaknesses to report as the Authority's records were in great condition.
- The significant audit adjustments required during the current year audit were to remove prior year liabilities recorded as current year expenses (accounts payable and retainage payable), reduce prior year receivables recorded as current year revenues related to the airport improvement grants, and to record current year capital asset additions initially recorded as expenses and record current year depreciation expense.
- There were no Management Recommendations in the current year.

Independent Auditor's Report – NAA received an unmodified opinion on the financial statements, no findings or deficiencies identified.

Similar to FY 16 the Airport Authority was not required to have a Single Audit conducted. Total federal expenditures for the Authority were \$666,028, which is below the \$750,000 threshold requiring a single audit.

Exhibit A (Statement of Net Position) page 1 – The Authority's cash increased slightly from the prior year \$40,000 and the investments increased \$77,000. This was the result of the Authority receiving more in a capital contribution from the City of Nashua towards the Airport Improvement Projects than the prior year and the Authority utilizing the additional revenue from FY 17 for the aircraft registration fees along with a refund from the New Hampshire Retirement System for a medical subsidy which had previously gone unclaimed. The Authority's other significant change related to its current assets is the decrease in the due from other governments \$380,500, which is mainly attributable to the Authority being in the initial stage of the pavement maintenance grant in the prior year, which work was split between the two fiscal years. The prior year receivable related to the pavement maintenance was roughly \$585,100 of the \$635,700 balance. Tied directly to the change in year end receivables is the Authority's change in its accounts payable as well as the retainage payable, which amount to a decrease of \$393,200 over the prior year.

- The capital assets had a net decrease of roughly \$725,500 resulting from additions of the federal airport improvement programs of roughly \$487,300 and equipment acquired through the government surplus program of \$122,200; the majority of which was attributable to the pavement maintenance, less depreciation on capital assets in service of roughly \$1,335,000. This also led to a decrease in the Authority's net investment in capital assets component of net position which represents the Authority's investment in land, construction in progress, buildings and equipment and infrastructure and is not available for future spending.
- The Authority's largest liability consists of the net pension liability (roughly \$305,000), which increased from the prior year by \$70,300. This is a liability which is calculated by actuaries and is

based on assumptions. For more information about the assumptions used and a detailed breakdown of the related deferred inflows and outflows of resources attributable to the net pension liability, see Note 6 to the financial statements which starts on page 10.

- The Unrestricted Net Position, which is the balance available to finance the continuing operations of the Airport increased by \$171,500 to \$283,600. Keep in mind this is net of the Authority's proportionate share of the deferred outflows of resources, deferred inflows of resources net pension liability and net OPEB liability. Unrestricted net position would be \$594,500 if the Authority had not been required to implement the provisions of GASB Statements #68 and #75.

Exhibit B (*Statement of Revenues, Expenses and Changes in Net Position*) page 2 – The operating revenues for the current fiscal year decreased by \$29,500 which was mainly attributable to the refund for several years of medical subsidy that had previously not been claimed from the NHRS and was received in the prior year.

- The operating expenses, increased from the prior year by \$127,200, with the majority of the increase attributable to the Authority's update to the master plan (located in professional services), which was funded 90% by the FAA and 5% by the State of NH. The Authority's other operating expenses were consistent with past years.
- The Capital contributions decreased in the current year by \$821,600 and accounted for roughly \$890,700 in revenue. The decrease from the prior year is directly related to the Authority completing the majority of the pavement maintenance project in the prior year, which accounted for \$1,500,000 of the prior year capital contributions. The related expenses for these capital contributions do not show up until the capitalized assets have been placed in service. Depreciation expense remained relatively consistent with the prior year due to the limited assets placed in service in the current year.

COMMUNICATIONS

Secretary Scheifele reported that NAA received the following communications and all communications will be placed on file at the Nashua Airport Authority office.

01/04/2019 - Prunier & Prolman, PA – 99 and 101 Perimeter Road

01/07/2019 – NHDOT/BOA – Approval of Agreement for Transfer of NPE

01/10/2019 – NHDOT/BOA – Response of Proposed Corrective Action Plan Relative to Hangar Use

01/11/2019 – Prunier & Prolman - Termination of Lease E1463 & E1456 - IPBM

REPORTS

TOWER REPORT

Chairman Woods reported for the month of December 2018 the traffic count was 5,803 operations which is up 2,190 (61%) operations from December 2017. Overall, we are up 12% for the year compared to last year. This is all good!

AIRPORT MANAGER'S REPORT

Airport Manager Chris Lynch reported on the following topics.

Recent events

- None

Upcoming events

- Groove and Seal project – second coat of paint on runway/taxiway markings. Postponed until Spring of 2019.

Other items of interest

- 12/26/2018 – 5010 Inspection with Carol Niewola, NH DOT BoA. We had no deficiencies.
- 01/07/2019 – Met with Viking Roofing representative – requested estimate to replace half of the roof on 97 Pine Hill Road (Brick Hangar). It is leaking and has shingles falling off.
- 01/07/2019 – Met with Pennichuck Water representatives Pete Tedder and Ryan Houle to discuss a water main and easement on the Nashua Airport Property located between Deerwood Drive and Northwest Blvd.
- 01/11/2019 – Met with Vaillencourt Roofing representative – requested estimate to replace roof on Pine Hill Road (Brick Hangar).
- 01/15/2019 – Met with Nashua Fire Department and Pennichuck Water representatives to discuss the installation of fire hydrants along the proposed water main between Deerwood Drive and Northwest Blvd. The Fire Department will be installing 4 new fire hydrants along this easement.
- 01/15/2019 – SummerFun 2019 Committee meeting. We were unable to attend due to an overlap of meetings.
- 01/15/2019 – NH DOT BoA AIP/ABGP Training meeting, etc. This meeting was attended by the board member, and some tenants of the airport. We discussed the NHDOT/BA has for the grant assurances and touched upon the Part 13 complaint. This presentation and audio will be placed on the Nashua Airport website.

AIRPORT ENGINEER’S REPORT

Matt Caron appeared on behalf of the airport’s engineering consultant, Gale Associates, Inc.

Airport Master Plan Update SBG 12-16-2016

Mr. Caron provided a review of the Master Plan project.

- The Airport Layout Plan was submitted for review under the FAA OE/AAA system on July 9, 2018. The FAA approved the ALP on September 17, 2018.
- A Draft Final of the AMPU was posted to the Airport’s website on November 26, 2018 for final public review and comment.
- Additional comments were received by the NHDOT/BA on December 29, 2018. The comments have been addressed.
- Gale is circulating the Airport Layout Plan for signatures. This will be included in the AMPU and hard copies will be provided to the Airport.
- The ALP was executed by the NHDOT on January 15, 2019. The airport will receive a hard copy.

Chairman Woods questioned if we need a motion to accept the Airport Layout Plan. Mr. Caron stated we have motioned acceptance for the chapters as we have gone through the process; however, the NAA can motion for acceptance as needed.

Recommended Actions: None this month.

Pavement Reconstruction and Maintenance SBG 12-17-2016

Mr. Caron provided an update on the Pavement Reconstruction and Maintenance project.

- Project Closeout Documentation and Final Reimbursement Requests have been prepared and sent to NHDOT/BA.
- NHDOT/BA reviewed the final reimbursement and closeout packages and requested some additional information be provided. Specifically, NHDOT/BA needs copies of the Supplemental Agreement No. 2, the Engineer’s Design Report, and evidence that the Airport has implemented a Pavement Maintenance Program. These documents were sent to NHDOT/BA on Monday, January 7, 2019.
- Moving forward, this project will be taken off the Engineer’s Monthly Update.

MOTION BY Director Duquette to authorize Chairman Woods to execute and deliver for and on behalf of the Nashua Airport Authority any contracts with the State of New Hampshire.

SECONDED BY Vice Chairman Brian Law

MOTION CARRIED

Recommended Actions: None this month.

Runway Groove and Seal Project SBG 12-18-2016

Mr. Caron provided an update on the Runway Groove and Seal project.

- Phase I (COMPLETE)– Grooving work on the Runway was completed in five (5) calendar days.
- Phase II (Stoppage) – Sealcoating, Inc. has completed sealing all project areas. The first coat of pavement markings has been installed and the Runway has been re-opened. Per the Contract, the second coat of pavement markings may not be applied until the sealant has cured for 30 days. It is anticipated that the project will be held in a stoppage until the end of summer so that operations are not affected by a second shut-down.
- NHDOT Approval of Change Order No. 1 is still pending. At this time, it is expected that the Project will be postponed until the Spring. During a conversation with Ms. Carol Niewola, NHDOT, she stated this is on her desk for things to do.

Airport Manager Chris Lynch discussed the failure of the pavement markings. This will be address by the sealing contractor this spring. Snowplowing will help remove the peeling paint to prepare for new coating in the spring.

Recommended Actions: None at this time.

Purchase Snow Removal Equipment (SRE) Project SBG 12-18-2018

Mr. Caron provided an update on the Purchase of Snow Removal Equipment project.

- This project has been funded by NHDOT/BA and FAA.
- Milton CAT has agreed to honor their bid price despite the rising costs of steel.
- Milton CAT has reported that the estimated shipping date from their manufacturing facility is 3/22/2019.

Recommended Actions: None at this time.

Pavement Reconstruction and Maintenance Phase II (NHDOT No. SBG-12-20-2019)

Mr. Caron provided an update on the Purchase of Pavement Reconstruction and Maintenance Phase II.

- Gale has prepared a written scope of work for this project and submitted it to the Airport, and NHDOT for approval prior to developing a fee proposal. Once the scope is approved, provide documents for the Airport to obtain an Independent Fee Estimate (IFE). (New SOP for IFE's)
- Gale is progressing through the design of the project. A preliminary Plan Set will be provided to the Authority for review/concurrence before proceeding with full scale design.
- NHDOT/BA has not provided comments on the draft scope of work. Gale will continue to reach out to solicit review comments.

Recommended Actions:

- Please obtain IFE services upon receipt of the finalized Scope of Work/IFE spreadsheet.

COMMITTEES

Master Plan Committee

Chairman Woods stated this was discussed with Mr. Caron, Gale Associates, during the Airport Master Plan update.

OLD BUSINESS

NEW BUSINESS

Land Lease Extension – 99 and 101 Perimeter Road - Andy Prolman of Prunier & Prolman requested to the 20 year lease extension on the two leases as stated the leases.

MOTION BY Joe Duquette to authorize Chairman Woods to sign off on the 20 year lease extension for 99 Perimeter Road and 101 Perimeter Road per the lease extension terms as presented.

SECONDED BY Secretary Scheifele

Roll Call Vote

Chairman Woods - yay
Director Duquette - yay
Vice Chairman Law - yay
Secretary Scheifele - yay
Treasurer Heath - yay

Stein Realty would like to formally assign the leases for 99 Perimeter Road and 101 Perimeter Road to Perimeter 99101, LLC and as soon as the property is closed upon will release Stein Realty of any obligation.

MOTION BY Joe Duquette for Chairman Woods to authorize on the assignment of the lease from Stein Realty to Perimeter 99101, LLC.

SECONDED BY Secretary Scheifele

Roll Call Vote

Chairman Woods - yay
Director Duquette - yay
Vice Chairman Law - yay
Secretary Scheifele - yay
Treasurer Heath - yay

Mr. Prolman found an old lease from IBPM on file with the registry. IBPM no longer has any rights to the property and would like to have this lease terminated by Stein Realty to remove it from the records.

MOTION BY Joe Duquette for Chairman Woods to sign off on the lease termination of IBPM per Stein Realty.

SECONDED BY Secretary Scheifele

Roll Call Vote

Chairman Woods - yay
Director Duquette - yay
Vice Chairman Law - yay
Secretary Scheifele - yay
Treasurer Heath - yay

DATES TO REMEMBER

None

NAA ACTION ITEMS

None

PUBLIC INPUT

None

DIRECTOR COMMENTS

Director Duquette – No comments. Congrats to all the officers.

Chairman Woods – Welcome once again to Brian Law to the Board of Directors. We look forward to working with you for the next five years.

Vice Chairman Law - Introduced himself to the public and discussed his connection and passion to the airport.

Secretary Scheifele - Discussed the meeting at the NHDOT. He is proud to be part of the Nashua Airport Authority and the organization. Thank you Chairman Woods for taking the initiative in putting the meeting with NHDOT together.

Director Heath – Echoed bobs comments and believes communication is key.

MOTION BY Chairman Woods to adjourn the public session to a non-public session pursuant to RSA 91-A:3, (III)(a) The dismissal, promotion, or compensation of any public employee.

SECONDED BY Director Duquette

MOTION CARRIED

The next meeting is scheduled for February 20, 2019

SEE ATTACHMENT FOR ATTENDEES LIST

Secretary Scheifele