

## MINUTES

The annual and monthly business meeting of the Nashua Airport Authority (NAA) was held at SNHU Campus, 79 Perimeter Road – Room 137, Nashua NH on Wednesday, January 15, 2020.

Chairman Woods called the meeting to order at 6:04pm.

### ROLL CALL

**Present:** Chairman Woods  
Vice Chairman Law  
Treasurer Heath  
Director Duquette

### PUBLIC INPUT

None

### OFFICER ELECTIONS

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

**SECONDED BY** Vice Chairman Law

**MOTION CARRIED**

### MINUTES

**MOTION BY** Vice Chairman Law to accept the November 20, 2019 public minutes.

**SECONDED BY** Secretary Duquette

**MOTION CARRIED**

### TREASURERS REPORT – November 2019 and December 2019

Treasurer Heath reported that we are continuing a positive bottom line. The revenue numbers are a little weaker than we expected as well as the expenses, so we are coming out on the positive side.

**MOTION BY** Chairman Woods to accept the November 2018 and December 2018 financial statements as presented pending audit.

**SECONDED BY** Secretary Duquette

**MOTION CARRIED**

### TIE-DOWN RATES

Airport Manager Chris Lynch discussed the rates currently in place at surrounding airports. Chairman Woods and Airport Manager Chris Lynch discussed the last increase in 2014 and concluded to increase the rates by 10%. Non-Electric tie-downs will be increased to \$55.00 and Electric tie-downs will be increased to \$83.00. This increase will take effect on July 1, 2020.

**MOTION BY** Secretary Duquette to increase tie-down rates per month. Non-electric tie-downs will increase \$5.00 and electric tie-downs will increase \$8.00 per month effective July 1, 2020.

**SECONDED BY** Treasurer Heath

**MOTION CARRIED**

## **AUDITOR REPORT**

Mr. Matthew Murray of Vachon Clukay presented the FY2019 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 reduce prior year receivables recorded as current year revenues related to the airport improvement grants, to capitalize government surplus property acquired, 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 the prior year the Airport Authority was not required to have a Single Audit conducted. Total federal expenditures for the Authority were \$182,878, which is below the \$750,000 threshold requiring a single audit.

**Exhibit A (Statement of Net Position) page 1** – The Authority's cash decreased from the prior year by \$88,000 and the investments increased \$86,500. Overall balances remained consistent with the prior year, which is mainly due to the Authority having less in the way of federal aviation grant activity, which requires the Authority to contribute towards 5% of the cost of the project. The Authority's other significant change related to its current assets is the decrease in the due from other governments of \$181,500, which is mainly attributable to the Authority in the final stages of the groove and seal project as well as the paving project at the end of fiscal year 2018. Tied directly to the change in year end receivables is the Authority's change in its accounts payable, which amount to a decrease of \$197,200 over the prior year.

- The capital assets had a net decrease of roughly \$1,100,000 resulting from additions of the federal airport improvement programs of roughly \$170,400 and equipment acquired through the government surplus program of \$156,200; less depreciation on capital assets in service of roughly \$1,422,000. 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 \$300,000), which remained relatively consistent with the prior year (\$5,000 decrease). 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 \$588,100 for 2019 and \$594,500 for 2018 if the Authority had not been required to implement the provisions of GASB Statements #68 and #75. (Decrease of \$6,400 from the prior year)

**Exhibit B (Statement of Revenues, Expenses and Changes in Net Position) page 2** – The operating revenues for the current fiscal year decreased by \$40,500 which was mainly attributable to the decrease in registration fees for aircrafts.

- The operating expenses, decreased by \$162,300 from the prior year, however it's important to note this is mainly attributable to the required work on the Airport Master Plan as part of one of the federal aviation grants. Had this work not been required in either year the operating expenses would have experienced an increase from the prior year by \$35,000, with the majority of this related to repairs and maintenance work, largest individual amount was the fuel farm maintenance.

- The Capital contributions decreased in the current year by \$541,500 and accounted for roughly \$349,300 in revenue. The decrease from the prior year is directly related to the Authority being in the final stages of various federal aviation grants in the prior year (runway groove and seal and the pavement maintenance project). The related expenses for these capital contributions do not show up until the capitalized assets have been placed in service. Depreciation expense experienced an increase of roughly \$87,300, which is mainly the result of completing the pavement maintenance project and placing it in service.
- An item to keep a close eye on is how the Authority's operations performed. In the current year the operating loss was mainly offset by depreciation expense (\$13,000 loss without depreciation). This can be seen on Exhibit C (Statement of Cash Flows) top section titled Cash Flows from Operating Activities. The Authority had negative cash flows from operating activities in the current year, for the second year in a row. The majority of this relates to the Authority being required to update its Master Plan as part of one of the Airport Improvement Grants. Cash outflows related to this for the year amounted to \$132,500, without this the Authority would have had positive operating cash flows of \$27,900.

### **COMMUNICATIONS**

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

11/19/2019 - Diamond-M Investment Properties – Lease Extension Request

12/10/2019 – Boire Field Condo II – Lease Extension Request.

### **REPORTS**

#### **TOWER REPORT**

Chairman Woods reported for the month of December 2019 the traffic count was 6,410 operations which is up 607 (10%) operations from December 2018. Overall, total operations for the year are 79,446; up 15,535 (24%) for the year.

#### **AIRPORT MANAGER'S REPORT**

Airport Manager Chris Lynch reported on the following topics.

##### Recent events

- None

##### Upcoming events

- The Commemorative Air Force will be coming to KASH next June! This tour stop will feature the B-29 Superfortress "FIFI" and the Consolidated B-24 Liberator "Diamond Lil". They are planning on arriving here on Monday June 8<sup>th</sup>, with show dates 6/10/2020-6/14/2020 and they will depart KASH on Monday June 15<sup>th</sup>.

##### Other items of interest

- Dave Heath, Matt Caron and I have met with Dan Weeks (Revision Energy). We are looking into the possibility of installing a 1 megawatt solar array at the airport.
- I presented the NAA CIP list to the City of Nashua Capital Improvement Committee. We are seeking \$211,000 (5% matching funds) for two of our upcoming projects.
- NAA has received the matching funds from the City of Nashua for the SRE project. Thank you!
- G&C has approved the Design Only project for the RWY 14 End taxiway and ramp project (Gale Associates representative will discuss).

AIRPORT ENGINEER'S REPORT

Nik Ippolito appeared on behalf of the airport's engineering consultant, Gale Associates, Inc.

DESIGN ONLY - Pavement Maintenance Phase II (NHDOT No. SBG-12-20-2019)

This project is to design and bid a project to reconstruct taxilanes between hangars located on the north-west side of the Airfield (Runway 14 end).

Estimated Project Funding:

FAA Share (90%):	\$189,000.00
State Share (5%):	\$10,500.00
Local Share (5%):	\$10,500.00
Total Project Cost:	\$210,000.00

Project Status:

- NHDOT/BA has issued a grant offer to the Airport for a design-only grant. This grant was signed and returned to NHDOT by October 25, 2019.
- NHDOT/BA notified Gale and the Airport on December 16th that the grant to fund this project did not make it into the December G&C agenda. The next G&C Meeting is to be held on Wednesday, January 8, 2020 at which time NHDOT/AD will process payment.
- Gale will be preparing a reimbursement package with a signature date of January 9th per NHDOT/BA request. This will be the only reimbursement on this grant, and the Project will be closed out following this reimbursement.

Recommended Actions:

- None.

CONSTRUCT ONLY – Pavement Maintenance Phase II (NHDOT No TBD)

This Project is to reconstruct taxilanes between hangars located on the north-west side of the Airfield (Runway 14 end.)

Estimated Project Funding:

FAA Share (90%):	\$3,263,400.00
State Share (5%):	\$181,300.00
Local Share (5%):	\$181,300.00
Total Project Cost:	\$3,626,000.00

Project Status:

- Gale is preparing to submit new grant application packages for this project to NHDOT/BA for inclusion in the state's Block Grant for 2020. The application is due by April 1, 2020 to NHDOT. All applications are due to the FAA by May 1, 2020. At that time, the FAA will determine what projects have priority.
- Continental Paving, Inc. is the low bidder on the project. They have indicated that they are willing to honor their bid price for this project until August 2020. Contingent upon the availability of discretionary funds, construction may be scheduled for this summer/fall.
- At the time this project was scoped, it was not anticipated that Gale would be required to administer a second grant. Gale's services to administer a second grant should be added by supplemental agreement to the original contract. The estimated cost is \$7,800, or \$390.00 to the local share.

Recommended Actions:

- Please discuss and provide authorization for Gale to prepare the supplemental agreement for additional grant administration services.

## **COMMITTEES**

None

## **OLD BUSINESS**

Solar – Airport Manager Chris Lynch, Treasurer Dave Heath, and Matt Caron have met with Dan Weeks (Revision Energy). We are looking into the possibility of installing a 1-megawatt solar array at the airport. Currently, we have yet to find a suitable location. Treasurer Heath thinks it is a good thing to do; but understands our obligation to the FAA.

## **NEW BUSINESS**

Land Lease Extension – Diamond-M Investment Properties (11 Perimeter Road) request to exercise the 20-year lease extension option on the current lease.

**MOTION BY** Secretary Duquette to approve the lease extension request of Diamond-M Investment Properties (11 Perimeter Road) for 20-year extension of their current lease with current terms.

**SECONDED BY** Treasurer Heath

## **MOTION CARRIED**

Land Lease Extension – Boire Field Condo II (109 Perimeter Road). Wes Liu is requesting a new lease be written effective June of 2024 and the current terms remain in effect. Chairman Woods recalled a conversation with Judge McLaughlin regarding the leases. He requested the leases not be rewritten for the leases were created with several parties including city council to meet all requirements. Shane McLaughlin commented that the lease language is consistent throughout all leases and all have an escalating clause. He strongly urges the board to fulfill the lease extension request. Treasurer Heath and Vice Chairman Law have requested to review the current lease over the next month. Tabled until next month.

## **DATES TO REMEMBER**

None

## **NAA ACTION ITEMS**

None

## **PUBLIC INPUT**

Jeff Barsoian, Queen City Aero Club, is asking the Nashua Airport Authority to install WiFi connections out at the Hotel and India Ramps for the ability to install security in their aircraft due to the theft that occurred several months ago. Airport Manager Chris Lynch will be looking into this request.

Pat Shine, Queen City Aero Club, is asking about unleaded gasoline being offered at the airport. Greg Lison, Infinity Aviation, explained that due to the small demand and the shelf life of unleaded gasoline, the cost isn't justifiable.

**MOTION BY** Treasurer Heath 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** Secretary Duquette

**ROLL CALL**

Chairman Woods – yay  
Vice Chairman Law – yay  
Secretary Duquette - yay  
Treasurer Heath – yay

**MOTION CARRIED**

**MOTION BY** Chairman Woods to adjourn from non-public session and seal the non-public minutes.

**SECONDED BY** Secretary Duquette

**MOTION CARRIED**

**ROLL CALL**

**Present:** Chairman Woods  
Vice Chairman Law  
Secretary Duquette  
Treasurer Heath

**MOTION BY** Chairman Woods to adjourn the public session.

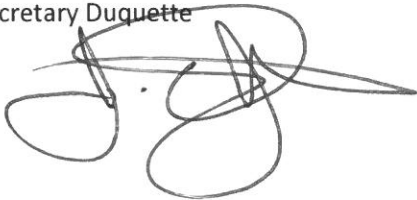
**SECONDED BY** Secretary Duquette

**MOTION CARRIED**

The next meeting is scheduled for February 19, 2019

SEE ATTACHMENT FOR ATTENDEES LIST

Secretary Duquette

A handwritten signature in black ink, appearing to be 'S. Duquette', written over the printed name 'Secretary Duquette'.