

MINUTES

The monthly business meeting of the Nashua Airport Authority (NAA) was held at Daniel Webster College, 20 University Drive, Eaton Richmond Center, Room 100, on Wednesday, November 16, 2016.

Chairman Rosenblum called the meeting to order at 6:02 pm.

ROLL CALL

Present: Chairman Rosenblum
Secretary Scheifele
Director Woods
Director Duquette

Vice Chairman Cushing-Adams was not present at tonight's meeting due to a family illness.

PUBLIC INPUT

Alderman Schoneman noted that Vice Chairman Cushing-Adams was not able to attend tonight's meeting due to a family illness.

Roger Matthews noted that the December 10, 2016 Special Board Meeting notice states that the purpose of the meeting is to review the two Alpha Ramp tie downs and instead should read that the purpose of the meeting was to review five Alpha Ramp tie-downs.

OCTOBER 2016 MINUTES

MOTION BY Secretary Scheifele to accept the October 2016 NAA meeting minutes as presented.

SECONDED BY Director Woods

MOTION CARRIED (16-073)

TREASURERS REPORT – October 30, 2016

Chairman Rosenblum presented the Treasurer's Report for October 2016.

A comparison of actual income and expenses to budget for the month showed fuel flow fee income came in about \$2,800 over budget. We've started to receive the income from the new lot leases which totaled \$1,200, bringing actual revenue about \$4,300 over budgeted revenue for the month.

Expenses were generally under budget. Total expenses for October were \$40,000 where we had budgeted \$39,708 for the month. Our year-to-date net income is \$28,535. However, after the addition of our share of the costs for two upcoming project expenses, and after the \$47,000 contribution from the City, we have a shortfall of \$29,000 year-to-date after planned capital expenditures.

MOTION BY Chairman Rosenblum to accept the October 31, 2016 NAA financial report pending audit.

SECONDED BY Director Duquette

MOTION CARRIED (16-074)

AUDITOR REPORT FOR FYE 6/30/2016

Matthew Murray of Vachon Clukay & Company PC presented the auditor’s report for the fiscal year ending 6/30/16.

Mr. Murray related that this was the fifth year that he has worked on the airport’s audit. Included in the audited financial statement package is a governance communication, which is required at the end of every audit. This communication reviews any new GASB standards that apply during the year. This is the area in the report where notes of any difficulties encountered with management or any other employee during the audit would appear, and where comments would be included if there were any material weaknesses or deficiencies noted during the audit. There were no such issues for fiscal year 2016.

The only significant adjustments that were made for FY16 were specific to the FAA grants and bringing the cash basis accounts payable and receivable to accrual basis and capitalizing grant expenditures. This was also the first year that NAA did not require a single audit. Under the new audit threshold, which increased from \$500,000 to \$750,000, the single audit was not required. That had to do with the dollar level of projects in process, and the winding down of two major projects during the year.

NAA received an unqualified opinion on the financial statements for fiscal year 2016, which is the highest opinion you can get on financial statements. As compared to last year, NAA reported a net increase in its cash and investments balance of roughly \$259,000. You will see a deficit on the statement of net position of roughly \$4,700 related to the new GASB 68 guidance on cost sharing pension plans that are running a projected deficit. If the Authority was not participating in this plan, the Authority’s unrestricted net position would be \$375,200. It is important to note that the New Hampshire Retirement System’s actuaries have recommend a decrease in the discount rate (used to calculate pension liabilities) from 7.75% to 7.25%. This means that the actual net pension liability figure is going to increase for FYE 6/30/17.

On the Statement of Revenues and Expenses, year over year operating revenue increased by roughly \$21,700, which was attributable to increased aircraft registration fees received from the State of NH. One of the airport tenants purchased a new jet during the year. The income from this fee increase was offset by a decrease in rental income and miscellaneous revenue, which is primarily attributable to the lighter winter. Operating expenses decreased by about \$109,500 year over year, which can be attributed to decreased wages and employee benefits. Other operating expenses were consistent with the previous year. Changes in non-operating revenue and expenses reflect the timing of project activity. Most of the \$1.182 million loss reported for FY2016 represents depreciation expense. This year, the Authority reported the largest positive cash flow from operating activities since 2008.

MOTION BY Chairman Rosenblum to accept the Auditor’s report dated 6/30/2016 as presented

SECONDED BY Secretary Scheifele

MOTION CARRIED (16-075)

COMMUNICATIONS

Nashua Beautification Committee

Carolyn Choate spoke on behalf of the Nashua Beautification Committee regarding the use of the lot at the corner of Charron Avenue and Pine Hill Road for a beautification project and perhaps the drive-in area by the end of the runway on Charron Avenue. She suggested a bulletin board type sign for the drive-in area to post airport related messages on. She also noted that the Committee would maintain this area.

Chairman Rosenblum noted that the NAA had a marketing committee look at solutions for that those areas. There was a question as to whether the City was going to put an additional right hand turn lane on that corner of Charron Avenue, but we are still waiting to hear more about that. Airport Manager Bourque noted that the land on the corner of Charron Avenue and Pine Hill Road was purchased with FAA funds for the purpose of excluding people [from the runway protection zone]. He also noted that the city owns the parking area on Charron Ave, and while NAA maintains it, this parcel is not part of the Airport's leased land.

Chairman Rosenblum informed Ms. Choate that the NAA Board would be happy to work her and the Beautification Committee in the future.

REPORTS

TOWER REPORT

Chairman Rosenblum reported that there were 4,700 tower operations for the month of October 2016. That is a decrease of 700 operations as compared to the same month last year. For the month of October 2016, operations were down 13% while year to date operations are up by 10%.

AIRPORT MANAGER'S REPORT

- Wildlife activity on the airport has been light with a single reported bird strike.
- We have received a favorable recommendation from the Nashua Conservation Commission and approval from the Nashua Zoning Board of Adjustment for the removal of trees on Charron Avenue which will allow the VOR-32 approach to be utilized at night. We will be meeting with the contractor and a member of the Conservation Commission to ensure the stipulations of the Conservation Commission are carried out.
- AOPA will be announcing their four 2017 sites for their Regional Fly-In in early December and sadly, Boire Field was not selected. We will continue to dialogue with AOPA in the hopes of hosting a future event.
- Our 2016 Christmas Charity Drive is underway. We are looking for donation items for the Nashua Children's Home which will be collected at our office and donated on behalf of the Boire Field Community.
- The FAA has cancelled the NDB-RWY-14 approach. It is no longer available for use as of 11-10-2016.
- Today, Chairman Rosenblum and I met with representatives from Southern New Hampshire University to discuss the parcels that were previously leased by Daniel Webster College.
- We have begun working with an attorney and their Indianapolis affiliate as a creditor in the ITT/ESI bankruptcy case. The deadline for filing is January 30, 2017.
- The Nashua Airport Authority is scheduled to appear before the City of Nashua Capital Improvements Committee on January 9 at 6:00 pm. We will be requesting from the City of Nashua our airport sponsor share of the Pavement Reconstruction project as well as the Runway 14/32 Grooving, Sealing and Marking project.
- A group of New England airport managers, restaurants and FBO's have partnered to invite the flying public to participate in the New England Flying Gourmet Challenge. Participants will fly to each of eight participating airports to have lunch and snap a picture to post on Facebook. Participants get a t-shirt and are entered to win tickets to Rockin' Ribfest in 2017.

Director Duquette asked Airport Manager Bourque which locations were chosen for the 2017 AOPA fly-ins, and asked why Boire Field wasn't chosen. Airport Manager Bourque responded that the closest airport to

Nashua that AOPA chose was Groton, CT. The Nashua airport's location is further north than AOPA wanted to go for a New England Region fly-in, and our single runway is a limiting factor. In conversations with AOPA, they have indicated that the single runway limitation can be mitigated by showing that the airport would be able to handle over 500 aircraft for such an event.

Secretary Scheifele asked for more detail on the meeting with SNHU. Airport Manager Bourque responded that the meeting was held with the SNHU Vice President and their Associate Director of Procurement. He indicated that SNHU wanted to look at the parcels before deciding on how to move forward with the former Daniel Webster College (DWC) leases with NAA.

Chairman Rosenblum noted that the NAA leases with DWC involve a hanger, the tower, the aviation center land, and two vacant lots. SNHU has agreed to take over the DWC agreements as of September 15, 2016. They have assured us that they will be bringing the rents current from that date. They will also pay the rent going forward through June 2017 under their Licensing Agreement with the ITT/DWC Bankruptcy Court.

Airport Manager Bourque noted that the SNHU representatives indicated that if the two vacant parcels will not bring any value to their students, they may decide to discontinue leasing these parcels. These lots are next to the tower building where we hold the Boire Field Movie Night.

Chairman Rosenblum noted that the SNHU representatives had discussed some possible future uses for the DWC campus. Some were aviation related and some were not.

Secretary Scheifele brought up the current financial situation with the City of Nashua as reported in the Nashua Telegraph. The City is going to be cutting services to manage its budget. At the same time, the Airport is going to be asking the City for capital funds. These meetings are open to the public, and he urged the NAA audience to represent the Airport's interests at the City meetings.

AIRPORT ENGINEER'S REPORT

Erik Strand spoke on behalf of the airport's consultant, Gale Associates, Inc.

There are three projects in progress:

Airport Master Plan – Governor and Council pushed their consideration of this project from this month's meeting to December 7, 2016, so technically this project doesn't have funding yet. Mr. Strand suggested that the NAA start getting a Master Plan Committee together so they can hit the ground running when the funding comes through.

32 End Runway Reconstruction and Maintenance – The Governor and Council moved this to their December 7, 2016 meeting as well. So, we technically don't have the funding for this project yet. In preparation for the funding, Gale Associates has prepared construction contracts and notice of awards for Continental Paving so that they can get a jumpstart and be ready to go when the warmer weather hits in April/May. Mr. Strand suggested that the Board authorize Gale Associates to issue a notice of award to Continental Paving. Gale Associates would advise the Board to make the award contingent on receipt of funds. Gale will not send the award letters until the funding is in hand. Once Continental returns the construction contracts, you would forward them to the Airport's attorney for the legal sign off, and then forward them back to Gale so that work on the project could start.

Sometime in February 2017 we will start to talk about a pre-construction meeting. Whereas the project is going to have an impact on the tenants at the Runway 32 end we would have to set up a way to coordinate with them. There could be user meetings set up with Continental Paving to go over the impacts of the project as it progresses. Mr. Strand indicated that he was providing the Board with the estimates for the three

alternatives for the project, and suggested that a decision on an alternative would be needed soon so that changes in contracts can be worked out with Continental Paving and NHDOT.

Director Woods indicated that he would like to see an additional alternative for leaving the pavement as is on the Alpha ramp tie downs. Mr. Strand indicated that the pavement on the Alpha ramp is beyond its useful life and is becoming a FOD issue with the large cracks in that area. Chairman Rosenblum asked Mr. Strand to prepare fourth alternative of leaving the pavement as is.

There was discussion about the scheduling of a special meeting on the pavement project as well as the regular December meeting.

MOTION BY Director Woods to reserve the December special meeting as the site evaluation only and not to include a vote on an Alpha Ramp alternative at this meeting.

SECONDED BY Director Duquette

MOTION CARRIED (16-076)

MOTION BY Director Woods to cancel the December 10, 2015 special meeting until a time and date can be chosen so that all five of the Board members may be present.

SECONDED BY Director Duquette

MOTION CARRIED (16-077)

Chairman Rosenblum stated that the new date for the Special Meeting would be announced on the Nashua Airport Authority's website.

Runway Groove and Seal Project

Gale has prepared a draft scope for the proposed project. NHDOT had some minor comments, but in general they were happy with the scope. The cost of the project is about \$705,00 which is in line with what was submitted in the CIP process. To meet the April 1st deadline for submission of the project, the Board would need to make a final decision in December 2016.

Mr. Strand indicated that a more formal copy of the project costs could be obtained from the Airport Manager. But by his recollection, the grooving of the runway would cost about \$115,000, the sealing of the runway would cost about \$140,000, and remarking would cost about \$100,000. And then there are some project incidentals.

A discussion of the pros and cons of runway grooving followed. Mr. Paul Taylor, who operates a based corporate jet discussed how a grooved runway improves the performance of Mr. Taylor's aircraft, enabling him to take on more fuel and weight. Mr. Taylor pointed out that of all the neighboring airports, the ones that do not have grooved runways are airports that are not generally considered to be healthy and growing. Mr. Taylor explained in his opinion, this type of improvement will attract continued service with his type aircraft.

There was also discussion exploring the possibility of having deicing capabilities at the airport. Erik Strand of Gale Associates explained that there currently is no designated area at the airport for deicing services. The drainage system does not meet the requirements for deicing recapture. Any of the deicing material that goes on the ground must be recaptured, stored, and then legally pumped and either disposed of or reused. This is something that is being looked at as part of the Master Plan.

COMMITTEES

Long Range Planning Committee

Director Duquette explained that Chairman Rosenblum, and Alderman Schoneman and himself will be working on formally developing a strategic long-term plan. All the capital improvement needs that we have been talking about will be part of this planning.

OLD BUSINESS

Perimeter Place Investment Lease Extension

Chairman Rosenblum spoke with the Mayor about the extension of the Nashua Airport Authority Master Lease, which comes up for renewal in 2047. Chairman Rosenblum will be sending the Mayor a letter about the request to extend the Airport Authority lease until 2067. This will be important when we begin to address tenant lease renewals.

Snow and Ice Control Plan

Secretary Scheifele reported that the Snow and Ice Control Plan is done. This plan is posted to the NAA website.

Capital Improvements Committee (CIC)

A presentation to the City of Nashua CIC is scheduled for January 9, 2017.

PUBLIC INPUT

Dave Wilkie requested painting of the lines in the inner ramp taxiway stripe as the marking can't be seen well at night. Airport Manager Bourque indicated that the stripe was repainted this summer, and that he will look in to why the paint reflectiveness has faded.

DIRECTORS COMMENTS

Director Woods – While I appreciate the input about the grooving project, at this point I am still not convinced that this is a good way for us to spend our resources at this point.

Secretary Scheifele

The Nashua Airport Authority Bylaws require us to maintain a motion numbering system. Maintaining this numbering system is a bureaucratic and administrative ordeal. I have talked with the City Attorney, and the maintenance of these motion numbers is not required other than in our Bylaws. Next month, I'll bring forward a motion to amend the Bylaws to eliminate the need for motion numbers.

Director Duquette

Director Duquette asked if the Board would have to go back in to non-public session to follow up on some of the personnel and operational matters that were discussed in non-public session last month.

Chairman Rosenblum

Thank you everyone for coming. We had some good conversation back and forth on different projects. We will find a date for the Special Meeting. We will also find a new date for the December Board Meeting, as it is currently scheduled during the week of Christmas and there are some schedule conflicts.

MOTION BY Chairman Rosenblum to adjourn the public session and move to non-public session to discuss a personnel matter pursuant to RSA 91-A:3 II(a)

SECONDED BY Director Duquette

Roll Call Vote

Present: Chairman Rosenblum, Yes
Secretary Scheifele, Yes
Director Woods, Yes
Director Duquette, Yes

Absent: Vice Chairman Cushing-Adams

MOTION CARRIED (16-078)

MOTION BY Secretary Scheifele to adjourn to from non-public session and seal the non-public minutes

SECONDED BY Chairman Rosenblum

MOTION CARRIED (16-079)

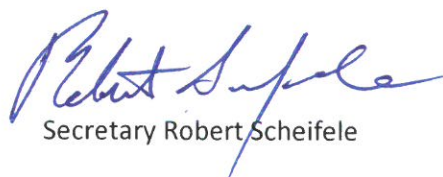
MOTION BY Director Duquette to adjourn the public session

SECONDED BY Chairman Rosenblum

MOTION CARRIED (16-080)

The next meeting will be held on Tuesday, December 13, 2016

SEE ATTACHMENT FOR ATTENDEES LIST


Secretary Robert Scheifele