

MINUTES

The monthly business meeting of the Nashua Airport Authority (NAA) was held at Nashua City Hall Auditorium, 229 Main Street, on Wednesday, November 15, 2017.

Chairman Rosenblum called the meeting to order at 6:30 pm.

ROLL CALL

Present: Chairman Rosenblum
Director Duquette
Director Woods

Absent: Vice Chairman Cushing-Adams
Secretary Scheifele

Chairman Rosenblum thanked the previous group for the goodies.

PUBLIC INPUT

None

MINUTES

MOTION BY Director Woods to approve the public minutes for October 18, 2017.

SECONDED BY Director Duquette

MOTION CARRIED

TREASURERS REPORT – October 31, 2017

Chairman Rosenblum reported that for the month of October, our land lease income is more than budgeted due to collection of land lease that we were not anticipating to collect on, fuel flowage fees are ahead due to increased traffic count. For most expenses, we are under budget for the month. We did have an increase on the equipment rental due to transporting equipment obtained by GSA. For year-to-date, 4 months into the year, we have a surplus of \$18,036; we had a projected loss of approximately \$17,000 leaving us a variance to date of approximately \$35,000.

MOTION BY Chairman Rosenblum to accept the October 31, 2017 financial report pending audit.

SECONDED BY Director Woods

MOTION CARRIED

FY2017 AUDIT REPORT

Matthew Murray of Vachon Clukay presented our FY2017 Audit. As part of the audit process we examined the Authority's internal controls over both financial reporting and compliance with Federal awards as the Authority was required to have an audit conducted in accordance with Uniform Guidance (which is more commonly known as a Single Audit) due to the expenditure of more than \$750,000 in federal funds. During the fiscal year ending June 30, 2017 the Authority expended roughly \$1,547,000 in federal funds (on 3 different FAA projects); 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 increase year payables and retainage to actual on the grant projects, increase year receivables related to the State of NH and FAA's share of the grant project expenses, and to record current year capital asset additions initially recorded as expenses.

There were no Management Recommendations in the current year.

NAA received an unmodified opinion on the financial statements, no findings or deficiencies identified.

As stated earlier, the Authority was required to have an audit conducted in accordance with the Uniform Guidance and happily report that there were no findings or compliance issues in relation to the receipt or expenditure of federal funds that were noted as a result of the compliance procedures we performed.

On the Statement of Revenues and Expenses, the operating loss takes into account the depreciation expense. To determine the actual operations of the Authority, minus the depreciation expense, and it is close to an \$8,000 surplus for the year.

The Authority's cash remained relatively consistent with the prior year, however the Authority's investments increased by roughly \$80,600. This was the result of the Authority utilizing the additional revenue from FY 16 and FY 17 for the aircraft registration fees along with a refund from the New Hampshire Retirement System for a medical subsidy it was entitled to. The Authority's other significant change related to its current assets is the increase in the amount due from other governments \$605,600, which is mainly attributable to the Authority being in the initial stage of the pavement maintenance grant and completion stage of all remaining grants in the prior year. The largest year end grant receivable in the current year relates to the pavement maintenance, which accounts for \$585,100 of the year end receivables. 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 an increase of \$622,600 over the prior year.

The Unrestricted Net Position, which is the balance available to finance the continuing operations of the Airport increased by \$116,800 from a deficit unrestricted of (\$4,700) to \$112,100. Keep in mind this is net of the Authority's proportionate share of the deferred outflows of resources, deferred inflows of resources and the net pension liability. Unrestricted net position would be \$446,374 if the Authority had not been required to implement the provisions of GASB Statement #68, which has been applicable since FY15.

The capital assets had a net increase of roughly \$282,600 resulting from additions of the federal airport improvement programs of roughly \$1,571,800 and equipment acquired through the government surplus program of \$32,300; the majority of which was attributable to the pavement maintenance, less depreciation on capital assets in service of roughly \$1,321,500. This also led to an increase 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.

Alderman David Schoneman positively noted on the upswing on the airport's finances and suggested that the airport still reach out to the city to help fund the local share of CIP projects at the airport.

MOTION BY Director Duquette to accept the draft financial report as presented.

SECONDED BY Director Woods

MOTION CARRIED

COMMUNICATIONS

Chairman Rosenblum reported that NAA received two new communications.

10/30/2017 – US Bankruptcy Court – ITT Real Estate

11/03/2017 – Mr. James N. Tamposi, Jr. – Notice of Exercise of Option to Extend Lease Term

REPORTS

TOWER REPORT

Chairman Rosenblum reported for the month of October, traffic count was 5,624; this is up 938 (20%) operations from the previous year. Overall, year to date we are behind about 2%.

AIRPORT MANAGER'S REPORT

Airport Manager Chris Lynch reported on the following topics.

- Recent communications with Nik Ippolito regarding the specs for the upcoming SRE project.
- 10/23/2017 – Informally met with Triant Flouris from Hellenic American University. The financiers and board of trustees for HAU decided not to make any offers for any of the DWC/ITT properties. They believe that owning or developing buildings on leased land is not in their best interest. However, they are still interested in and planning on establishing a collegiate aviation training program at the Nashua Airport in the Spring of 2018.
- 10/24/2017 – NAA's Matt Berube held its annual pre-snow snow plowing meeting. Attendees included: Chris Lynch, Matt Berube, Joe Callahan and Robert Dimeo. Unfortunately, Bob Donadio has a family commitment that precludes him from working for the NAA plowing snow this year. However, as of 11/14, Bob has agreed to plow part-time for us.
- 10/25/2017 – Alderman Dave Schoneman, Chairman Rosenblum, Director Farrell Woods and myself attended HB124 House Ways and Means full committee work session. Committee Chairman Abrami presented an amendment to the full committee which passed to move on to the NH House of Representatives in January.
- 11/02/2017 – Matt Berube and myself met with Michael Legere, Manager of Airport Operations and Facilities at Manchester-Boston Regional Airport. We were given a grand tour of their airport. The tour included their maintenance facilities, ARF Vehicles, airport maintenance vehicles and airport property. A very impressive operation! They are donating some equipment to the NAA which is no longer needed at MHT. Also during the visit, we went onto the runway and got to view a grooved runway. It was good to see the actual product and am looking forward to having the NAA's runway grooved and sealed.
- 11/07/2017 – Met with Carol Niewola from NH DOT BA and Jorge Panteli from FAA. Vice Chairman Cushing-Adams and Director Woods were also present. The meeting focused on FAA Hangar Use Policy in particular aeronautical vs non-aeronautical uses. This was brought about due to a photo taken by Ms. Niewola and the misconception of a hangar being used as non-aeronautical. It was concluded that the NAA is in compliance with the grant assurances and Ms. Niewola will send us a written letter expressing the findings. Director Woods discussed that since we are State Block Grant, the NHDOT BA are the eyes and ears for the FAA. He also discussed that the hangars at the Nashua Airport are individually owned; not owned by the airport.
- 11/08/2017 – Met with prospective new tenant for 99 and 101 Perimeter Road properties. Jay Jacobs currently owns Rapid Machine. This location works for his new adventure. It was

expressed to Mr. Jacobs that since it is property located at the airport, it will need to be used for aeronautical use.

- 11/14/2017 – Met with John Boisvert from Pennichuck Water regarding a potential water main easement from Deerwood Drive to Northwest Blvd. As this project continues, Pennichuck Water will meet and present to the board.
- 11/14/2017 – Zoning Board of Adjustment Hearing regarding a zoning adjustment for 100 Perimeter Road currently owned by Procyon Properties. They are requesting a variance for the use of the building on Perimeter Road. The Gateways Counseling Center will be counseling autistic children/young adult. The variance was approved.
- 11/14/2017 – Met with Sarah Marchant, City of Nashua Community Development Division Director regarding the rezoning of certain properties on Amherst Street. There are numerous zoning requirements on Amherst Street and they are looking to simplify the zoning to avoid unnecessary variance request.

Steve Brouillette commented on the new owners of the DWC campus and the purpose of the space. Airport Manager Chris Lynch commented that the owner of the DWC campus is not the same owner of the property located on the airfield. SNHU will be occupying the Aviation Center and Hangar 85. Office Manager Susan Clancy discussed the details of the auction and the bidders on the campus.

AIRPORT ENGINEER'S REPORT

Nik Ippolito and 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.

A joint meeting of the MPC and SPC occurred on October 30th at the Airport to discuss priorities and potential future improvement projects at the Airport. The potential projects/improvements discussed at this meeting will form the basis for the series of Alternatives Gale will present to the NAA at a future meeting(s).

Gale is currently working on Chapter 5 *Facility Requirements*. This Chapter coincides with the development of Alternatives wherein the Airport's existing facilities are evaluated and future recommendations are determined. At this time, this Chapter is 90% complete. It has been helpful having both committees available to discuss the airport's future.

In addition, Mr. Caron talked with Sarah Marchant, Community Development – City of Nashua. He will be forwarding her the information requested. He has also discovered that the coordinates of the current runway are from the previous runway and this information will be updated in the Master Plan.

Pavement Reconstruction and Maintenance SBG 12-17-2016

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

Continental Paving, Inc. notified Gale Associates on November 9th that they concur with the final pay estimate. Upon receipt of the signed final estimate for payment from the Contractor, Gale will prepare the final reimbursement and closeout report for signatures.

Chairman Rosenblum questioned the hangar door which was damaged during construction. Airport Manager Chris Lynch stated that this has not been fixed. Mr. Ippolito will discuss with Continental Paving.

Recommended Actions:

Review and sign close out documents upon receipt.

Runway Groove and Seal Project SBG 12-18-2016

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

NHDOT has reported that this project was not on the agenda for the November 8th Governor & Council Meeting. This project will appear on the Agenda for the meeting on December 6. Once the grant is approved by Governor and Council, Gale will coordinate with the Authority to execute the Contract with Sealcoating Inc. Once Contracts are in place, the Contractor will provide a schedule for completion of the work. Grooving work may only take place during periods of above freezing temperature; if nighttime temperatures drop below freezing during the window of time available for grooving this year, the grooving may have to be postponed until the spring of 2018. This will be evaluated once the grant is in place.

Recommended Actions:

Execute the Contract between the NAA and Sealcoating, Inc. upon receipt.

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

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

Funding for this project is contingent upon the availability of NHDOT Apportionments from the FAA. Funding is not guaranteed, however, during the scoping meeting, NHDOT committed to provide state apportionment funds to cover the additional costs of acquiring this piece of equipment up to a total cost of \$350,000.00. The estimated project cost exceeds the NHDOT commitment for funding, and Gale has been working with the Airport Manager to solicit the purchase of any available entitlements from NH Airports. It is understood that NHDOT's contributions to the project are again, contingent upon the availability of funds. Gale has coordinated with the Airport Manager on the Scope of Work and Fee for the design of this project. The Airport Authority has not signed an agreement for Gale's services related to this project. Gale will begin preparing bid packages for advertisement.

Recommended Actions:

Review and execute the Agreement between Gale and the NAA for professional services upon receipt.

MOTION BY Director Duquette to authorize the Airport Manager and Chairman Rosenblum to review and execute the contracts for the SRE Project SBG 12-18-2018 with Gale Associates.

SECONDED BY Director Woods

Wes Liu asked if the equipment we are receiving from MHT would be instead of purchasing new equipment. Airport Manager Chris Lynch explained the difference between the two pieces.

MOTION CARRIED

COMMITTEES

Master Plan Committee

Director Woods commented that Mr. Caron of Gale Associates covered the meeting held to discuss the Airport Master Plan. Director Woods stated it is best to place all Alternatives on the AIP to prepare us to move in more than one direction.

Strategic Planning Committee

Director Duquette commented that at this time they are working primarily with the Master Plan Committee. Currently waiting to see where HB124 ends over the next few months to help assist in the direction of planning.

OLD BUSINESS

None

NEW BUSINESS

Mr. James Tamposi, Jr. requesting approval to exercise the option to extend the term of lease E-1454 for forty (40) years to begin May 15, 2022 and terminate May 14, 2062.

MOTION BY Director Duquette to approve the extension on the lease E-1454 as stated.

SECONDED BY Director Woods

Airport Manager Chris Lynch will review the lease to be sure there is no renegotiating with this option to extend on lease E-1454. We will honor the lease as written.

MOTION CARRIED

DATES TO REMEMBER

None

NAA ACTION ITEMS

None

PUBLIC INPUT

Wes Liu expressed the great job being done by the airport staff and board

DIRECTOR COMMENTS

Director Duquette – Happy Thanksgiving

Director Woods – Thank you to Wes Liu for coming up with the HB124 solution.

Chairman Rosenblum – To follow up with Director Woods, thank you Wes for the work done on HB124. It has been approved by the Ways and Means Committee.

Chairman Rosenblum asked the board members if the board should be expanded to 7 members. If so, now is the time to file with legislative to request this change. Director Woods is fine with 5 members as well as Director Duquette.

Wes Liu asked the board about the next member to be appointed, does the member have to be of a certain political party. Director Woods commented that there will be two Democrats and two Republicans; therefore the new member can be of either political party.

Chairman Rosenblum commented that only the back door of the city hall is open at night.

Chairman Rosenblum discussed the possibility of increasing the amount of funds that can be borrowed by the Authority. This increase would have to be approved by the state.

MOTION BY Director Duquette to request from the state for a new bill to authorize an increase in borrowing limit for the Nashua Airport Authority to \$500,000.

SECONDED BY Director Woods

MOTION CARRIED

MOTION BY Director Woods to adjourn the public session.

SECONDED BY Director Duquette

MOTION CARRIED

The next meeting is scheduled for January 17, 2018

SEE ATTACHMENT FOR ATTENDEES LIST


Chairman Michael Rosenblum