

## MINUTES

The meeting of the Nashua Airport Authority Committee on User Fees and Business Development was held in the conference room of the Nashua Airport Authority building, 93 Perimeter Road, Nashua, New Hampshire at 6:00pm on Monday, July 26, 2004.

Chairman Britton called the meeting to order at 6:05pm.

### ROLL CALL OF COMMITTEE MEMBERS:

- |   |                                    |
|---|------------------------------------|
| 1. Chairman Fred Britton – present          | 6. Robert Philpott – absent        |
| Vice Chairman Vice Chairman Moore – present | 7. William Krivsky - absent        |
| 3. Griffin Dalianis – absent                | 8. Allan Fuller – arrival @ 7:45pm |
| 4. Frank Waller - present                   | 9. Shane McLaughlin – present      |
| 5. Greg Lison - absent                      | 10. Todd Whitney – present         |

Chairman Britton recommended Susan Lambrou (Wings Pilot Shop) as a potential new member of the committee.

MOTION BY Vice Chairman Moore to add Susan Lambrou to the committee.

SECONDED BY Shane McLaughlin

MOTION CARRIED.

### CHAIRMAN COMMENTS

Chairman Britton wants to keep the meeting on track and wants the meeting to follow the agenda as closely as possible. He would like to target 8:00pm as an adjournment time.

Frank Waller thinks the airport needs collective input from the general users of the airport. Mr. Waller is interested in the members of the authority's views on the new parallel runway project as well as moving the taxiways. Mr. Waller thinks a fee structure can not be reached until the requirements of the airport are understood.

Chairman Britton noted that he is looking forward to the Airport Engineer's input.

Manager Rankin noted that public meetings will be held probably beginning in September and the process will probably last one year.

Vice Chairman Moore feels this committee needs to know how the Board wants to proceed with the runway/taxiway project before they can make informed decisions concerning fees.

Chairman Britton noted that he is not be sure as to when the Airport Authority will make a decision as to which option for the project will be pursued. Presently the Board is bound to follow the Master Plan.

Arnold Stymest (Gale Associates) noted that the study is based on the operation of the airport and not funds coming into the airport.

## PUBLIC COMMENT

None at this time.

## MINUTES

June 28, 2004 meeting

Chairman Britton informed the committee that if the full Board of the NAA meets before the next committee meeting, the full Board will accept the minutes as happened with the June 28<sup>th</sup> meeting.

Shane McLaughlin supports the current procedure.

## COMMUNICATIONS

MOTION BY Chairman Britton to accept a spread sheet concerning fuel flowage for AvGas and Jet Fuel from 1995 through May 2004 presented by Shane McLaughlin and to discuss this information under New Business.

SECONDED BY Vice Chairman Moore

MOTION CARRIED.

Other communications include the overview of legislative actions as prepared by G. Moore, and the Revenue Source Information data sheet as presented by Roy Rankin.

Chairman Britton asked that the agenda be changed to discussion of NEW BUSINESS in order to allow Manager Rankin to speak out of turn due to time constraints.

Manager Rankin briefly explained page 1 (revenue) of the spreadsheet that covers FY2002 through FY2004. Manager Rankin spoke to each year individually.

Vice Chairman Moore asked if there were any delinquencies in land lease payments. Mr. Moore also asked if there was any information available as to the number of tie-downs available and the number rented. Manager Rankin replied that the land leases are all current and that the information on tie-down numbers is available at the office. The new tie-down ramp is not included in any of the current information and will not be available until mid to late fall.

Shane McLaughlin asked why the land lease in FY03 was less. Manager Rankin explained that was due to the brick hangar not being rented for most of the year.

Frank Waller asked what the highest year for aircraft registrations at the airport had been. Manager Rankin replied FY04.

Vice Chairman Moore noted that fuel flowage and registration fees and snow removal fees seem to show a variance more than the other line items. Vice Chairman Moore also inquired as to how the registration fee amount was calculated.

Manager Rankin explained that it was based on the number of aircraft based at the field and also on the age of the aircraft. Although we might consistently have the same number of craft on the field, the fee would decline each year due to the aging of the craft.

Chairman Britton asked if there was any way to market Boire Field to encourage more aircraft (in particular jets). Frank Waller informed the committee that the State of NH has placed us in a precarious position whereas the registration fees in this state are much higher than neighboring states. It is near to impossible to compete when registration fees are so much higher.

Shane McLaughlin asked if the snow plowing fees are a “wash” with the amount of payroll, fuel, etc... Manager Rankin replied that the only times plowing is an economic liability is if the storms occur during a weekend that would require overtime.

Vice Chairman Moore questioned the interest earned and how the monies were invested. Manager Rankin will provide this information at a later meeting.

Manager Rankin summarized page two of the spreadsheets (expenditures) for FY2002 through FY2004. Most of the expenses are utilities and vendors over which there is little or no control.

Shane McLaughlin asked if Manager Rankin feels there will be a dramatic increase in expenditures in the next twelve months. Manager Rankin replied that he has already been made aware of a large project to repair the fuel farm that has been mandated by the DES.

Frank Waller agreed that the fuel farm projects mandated by the DES will be extremely expensive.

Vice Chairman Moore explained his overview of legislative history concerning the Nashua Airport, with particular interest in bond issues. He discussed the enabling legislation which allowed the Authority to go to the City of Nashua for funds. He wrapped up his comments by stating the purpose of his presentation was to explain ways that the Authority could obtain funding other than raising rates and fees on the airport.

Vice Chairman Moore provided a legislative handout and explained the items under each tab and the purpose for each.

Frank Waller asked if the Authority had the ability to bond without the approval of the City. Vice Chairman Moore said that his understanding was that they could and City would have to guarantee funds for the bond.

Shane McLaughlin said he believed that bonding for the capital improvements would be the best approach. That way it spreads the payments over a time period and 2004 dollars in 2014 would be less due to inflation. He also said that if the Authority was going to proceed in this manner they should start talking with State Aeronautics and local delegates first to bring them up to speed. He also stated that it would be important to strategize the plan before going forward.

Todd Whitney asked if the \$200,000 bonding authority was particular to Nashua or to all airports in the state. Vice Chairman Moore said that it was particular to Nashua as stated in the enabling legislation.

Chairman Britton talked of his time as an alderman and how he saw the funding change on the airport from requesting only a few dollars to becoming totally self-sufficient. There has been a change in attitude in that the alderman felt the airport is operating well and on to the next problem. He thinks that if we are to go back to the City for funding it may take a certain amount of work.

Frank Waller asked about commercial bonding, Vice Chairman Moore said that the legal ramifications on obtaining the bonds can be costly. Frank also said that the bonding for the first fuel farm was a bond by previous Chairman La Bombard on a personal bond.

Shane McLaughlin provided a handout on fuel flow revenue and sales for the previous nine years. First he wanted to express his thanks for the spreadsheets provided by the Airport Manager's Office within two days of asking. He said that the conclusions were his and he was totally responsible for them. His attempt was to provide information that could be broken down for easy understanding for others to form their own conclusions. Shane said that he would like to obtain monthly totals to provide additional information and possible trends. He said the trending overall from 1995 to 2003 has been very flat especially in Avgas. Jet Fuel sales had a significant drop in 2001, but returned in 2002. Did 9/11 perhaps have a significant impact on the sales?

Frank Waller spoke on how he forecasts sales. He also said that newer turbine aircraft are much more efficient and require about 50% of the fuel that the older aircraft required. Aircraft that go away for maintenance for two months will have an impact on sales. He feels that AvGas sales have remained fairly constant; however the college changed their requirement for fuel which resulted in fewer sales. The design of new aircraft will continue to be more fuel efficient.

Frank Waller stated that if the runway was longer the aircraft that are based here could go out with more fuel. He thinks that if the runway was longer more jets would use Nashua.

Chairman Britton acknowledged Allan Fuller joined the meeting at 7:45 pm.

Frank Waller then discussed the concept of tankering fuel, and how contract fuel sales affect his profit margin.

Chairman Britton said that he was aware of some conversation that Allan had with Carol reference moving and lengthening the runway. Allan said he had talked with Carol and has asked to be present the next time the FAA gets together to discuss the project. He said Carol believed that the current data did not reflect the need for additional length and width. If the airport elected to do either that additional cost would be borne by the airport.

Additional discussion on fuel flow figures and then Chairman Britton wrapped up the discussion of Shane McLaughlin's presentation.

**PUBLIC COMMENT:**

Peter Volhiem asked if adding another 1000' of runway would bring in another larger group of aircraft that would require more fuel.

Frank Waller said that a new breed of aircraft would have requirements that must be adhered to. He said that another 500' would suffice and the width was adequate.

Mike Zompetti said that many factors will affect the performance and carrying a great amount of fuel adds to the performance characteristics.

Vice Chairman Moore asked that if there are 20 jets based at Nashua what the business community they serve is. If the airport considers bonding in the future to serve these aircraft, then the public will want to know what companies the airport would be serving.

**ACTION ITEMS:**

Was the first fuel farm bonded or a private loan.

Shane requested fuel sales date based on a monthly basis.

Vice Chairman Moore said that he will need additional information, but has to go back to his notes to see exactly what he needs.

Chairman Britton said he was pleased with the progress of the committee, and felt that they would be able to go back to the full board with recommendations. He said the next meeting would include the business review by Bill Krivsky.

**ADJOURNMENT:**

Motion to adjourn Vice Chairman Moore, seconded by Frank Waller at 8:15.

Next meeting will be at 6:00 pm on August 30, 2004.

Respectfully submitted,

Fred Britton  
Chairman