

Airport Advisory Committee
April 23, 2015
Draft Meeting Minutes

Committee in attendance: Joe Alosa, Rick Bartle, Candace Bouchard, Charles Gerhan, Ernie Loomis, Gail Matson, Jim McKay

Staff/Airport Manager in attendance: Carlos Baía, Jay Burgess, David Rolla (Mgr.), Robert Rolla (Mgr.)

Consultant: John Gorham (Jacobs Engineering)

Meeting called to order at 4:35 p.m.

1. Approval of the October 16, 2014 meeting minutes

Motion to approve made by Jim McKay, seconded by Ernie Loomis. Motion passes unanimously.

2. FY 16 Operating Budget

Carlos Baía asked to address the operating budget prior to the capital program. Mr. Baía noted that operational revenues were projected to be down \$36,835 in FY 16 compared to the adopted FY 15 budget. This difference was primarily attributable to the new FBO contract. Mr. Baía reminded the committee that at its last meeting in October, staff had explained that the new FBO contract reflected an environment of diminishing aviation business which was confirmed by the lack of interest in the City's FBO RFP. The result was a contract with a significant reduction in rental revenue going forward. Concord Aviation Services had been paying approximately \$110,000 per year in rental payments under the former agreement, now they would be paying \$44,000. Mr. Baía did acknowledge, however, that the City and the FBO had agreed to an increase in the jet fuel flow fee to \$.26 per gallon from \$.07 which is anticipated to generate over \$20,000 in new fuel sales dollars.

Mr. Baía noted that the tax bill for the airport had increased based on the City Assessor's recent examination of the property further exacerbating the airport's fiscal condition. The new tax bill for FY 16 will be \$44,000. This money is being drawn from the airport fund.

Mr. Baía indicated that the FY 15 budget would show a year-end operating deficit of \$97,269. In FY 16, that budget would end with a deficit of \$89,649. This would eat away at the airport fund balance resulting in a projected fund deficit as of FY 2020.

Rick Bartle asked for further explanation on the revenue items. Mr. Baía noted that due to the airport's leases—of which most still have many years left—the revenue side is fairly predictable with the exception of two items: fuel flow and the airport operators' grant. The latter has declined dramatically as it reflects the number and value of the based fleet at the airport. Whereas in 2009, for example, there were over 100 based aircraft at the airport, the last report from the State indicates that there are now only 64. Mr. Baía stated that the NHDOT officials have informed the City that this loss of fleet size and value is an occurrence common across the state. Many people have forsaken their planes and the difference in values of new planes versus older stock has grown tremendously. Up until a few years ago,

an entry level plane might sell for less than \$200,000 but today a comparable aircraft is nearly \$400,000. This bars entry for many would-be plane owners.

Joe Alosa informed the committee that the federal government is contemplating a change to the 3rd class medical status for pilots which, if adopted, might afford more people the flexibility to get involved in aviation.

Chuck Gerhan noted, however, that the cost of hardware today will outpace any flexibility gained by the proposed changes to the medical classification.

Mr. Loomis inquired as to how the City fared in terms of winter maintenance. Mr. Baía noted that this was the first winter that he didn't receive any complaints about winter snow removal at the airport. Jay Burgess, Public Properties Superintendent, explained that the City came in under budget for winter maintenance.

Candace Bouchard moved to recommend approval of the proposed FY 16 operating budget. Mr. Loomis seconded the motion. Motion passed unanimously.

3. FY 16 Capital Improvement Program

Mr. Baía prefaced his overview of the capital budget by reminding the committee that at the October 2014 meeting, staff had informed the committee that due to the new FBO contract and the projected erosion of the airport fund, the capital program would be significantly curtailed. This proposed CIP program reflects that understanding. Only two projects are proposed for funding in FY 16.

The first is CIP #75 which includes additional dollars to augment FY 15 dollars for the replacement of the Hangar 3 roof. This CIP also includes funds for tree removal.

CIP #468 proposes to start design and rehabilitation of a portion of the taxiway to runway 17/35. This project is proposed to be done in phases over the next three years. John Gorham with Jacobs Engineering noted that the project limits would be from the gas tanks going south in the area that hadn't previously been slurry sealed.

Mr. Gerhan asked if the proposed rehabilitation will also be slurry sealed. Mr. Gorham replied that the project does not presently contemplate that. Such sealing would add to the price. He is willing to look at the option.

Councilor Bouchard moved to recommend approval of the proposed FY 16 capital program. Rick Bartle seconded the motion. Motion passed unanimously.

4. Events at the Airport

Mr. Baía stated that the airport had recently attracted interest for a variety of events including a 5K and Concord 250 programming.

Eric Strand, with the Granite State Airport Managers Association (GSAMA), addressed the committee. He explained that GSAMA is planning a 5k road race at Concord airport on November 7, 2015. The purpose would be to promote aviation, market the airport to the community, and promote STEM

(science, technology, engineering and math). This would be a morning event on the main runway (17/35). They would not close runway 12/30. Mr. Strand stated that GSAMA had received concurrence from FAA to close runway 17/35. Parking for the participants will be at the NHDOT parking lot and they will be shuttled in.

Mr. McKay asked if there was any cost to the City. The answer was no. Mr. Gerhan inquired as to security and the pavement conditions relative to possible injuries to runners. Mr. Gorham with Jacobs noted that they would likely need to highlight areas of the runway that had significant cracks. Mr. Strand explained that if this were a 5k on city roads, they would expect to encounter cracks and potholes so it shouldn't be a significant concern.

Rita Hunt (with NHDOT but representing GSAMA) noted that GSAMA is hiring a race management team that will run the event. That team will inspect the proposed course prior to the event.

Mr. Bartle asked what will be done with aircraft that might land on runway 12/30 during the event, specifically how were they to taxi and where would they park. Ms. Hunt acknowledged that that was an issue that was still being considered and that plans were only preliminary at this point.

Mr. Strand stated that NOTAMS (notice to airmen) will need to be issued and that GSAMA would work with the City on that.

David Rolla stated that he believed this was a great idea that would inject some energy into the airport. He further noted that it would serve as a fundraising effort for airports that don't receive federal aid.

Mr. Alosa inquired about insurance. Ms. Hunt indicated that the event would purchase one-day event insurance. Mr. Baia explained that the City would still need to consult with its own insurance carrier and secure City Council approval.

Mr. Loomis inquired as to whether the proposed date was a typically busy weekend at the airport. Mr. D. Rolla answered that it is not typically busy. Mr. Loomis asked if the State Police may have to pre-position their aircraft should they need to utilize the craft. Mr. D. Rolla explained that they may have to for the fixed-wing aircraft but that the helicopter can take off from virtually anywhere.

Mr. Alosa suggested that GSAMA return to the committee once it had obtained more information and could provide more specific answers to the inquiries posed by the committee. Mr. Strand replied that GSAMA needs assurances now as they have a small window to secure a race management team and seek sponsorships. Mr. Baia explained that if the committee wanted to recommend approval of this request in concept, the City could work with the organizers on the due diligence to have a report placed on the May City Council agenda.

Councilor Bouchard reiterated to the presenters that the committee is simply advisory. They can only recommend and that many of the questions they had today would be ones that Council will have in May.

Councilor Bouchard moved to recommend approval of the GSAMA request for the 5K race contingent on all the relevant details being worked out to the City's satisfaction. Mr. McKay seconded the motion.

Discussion on the motion continued.

Mr. Loomis expressed concern about the possibility of a runner mistakenly going onto the active runway. Mr. Gorham indicated that GSAMA had contemplated closing down both runways. Ms. Hunt, however, stated that such a total closure would be a hard sell to the NHDOT for a non-aeronautical use. She did not see it as likely. Ms. Hunt explained that they could look at proposing the event as an aviation event. The GSAMA representative pledged to come up with an acceptable plan.

Motion passes unanimously.

Kim Murdoch, representing Concord 250, presented material to the committee concerning this year's upcoming events marking this significant anniversary. She noted that Concord 250 is thinking about focusing some of the events on the airport including: airport tours, aviation history chats at the terminal building, scenic flights, and an aerial photography workshop among other events. They are thinking of holding the events in the fall.

Councilor Bouchard asked who was going to organize and lead all those events. Ms. Murdoch explained that Concord 250 provides promotional support but that the events themselves are led by partners who have expertise in the specific areas.

Mr. D. Rolla felt that these events could be positive for the airport.

Councilor Bouchard moved that the committee support the concept of the Concord 250 activities. Mr. Loomis seconded the motion. Motion passes unanimously.

5. Request by the Adjutant General's Office re 45 and 51 Airport Road

Stephanie Milender, Administrator for the Adjutant General's Department, explained the difference between the National Guard and the Adjutant General. The latter, she remarked, is a State agency that is responsible for ownership of all the Guard properties in New Hampshire. She noted that the 5k race discussed by the earlier party would need to be vetted and approved by the Adjutant General due to safety concerns for the Guard's hangar.

Ms. Milender also noted that the Guard also has access to an historian that could assist Concord 250 with its proposed event.

Ms. Milender explained that the current request by the Adjutant General is simply to secure authorization to conduct an environmental assessment and appraisal of the City's properties at 45 and 51 Airport Road. Ms. Milender indicated that if the Adjutant General were to seek purchase of the properties upon completing the aforementioned assessment and appraisal, it would make a formal request to the City at that time.

The Adjutant General is considering this property for a number of reasons including to square off their reservation, to provide more compliant anti-terrorism setbacks, and to meet the 27,000 s.f. threshold for a "readiness center" that, once met, would allow for federal funding of future improvements.

Ms. Milender noted that she was aware of the committee's previous concern with the future of the Civil Air Patrol (CAP). She stated that if the City properties were acquired, the CAP would end up within the fence line of the military reservation.

Mr. McKay asked if the City properties were for sale. Mr. Baía explained that last year both the committee and the Council had supported allowing due diligence on the part of the Adjutant General toward a possible acquisition. The due diligence was never carried out and all previous recommendations and authorizations were ultimately rescinded. Under this new request, if the committee were to recommend authorization for the assessment and appraisal, Council would still need to revisit the matter.

Mr. McKay asked who would receive the funds from a possible sale. Mr. Baía stated that he believed that the proceeds would be deposited in the airport fund.

Mr. Gorham noted that if there are still any grant assurances related to these properties, there is an FAA established process for a sale.

Colonel Donald Davidson with the NH Wing of the Civil Air Patrol explained that the CAP's building at 51 Airport Road is owned by the CAP and has a ground lease with the City. He stated that he had met earlier in the week with Adjutant General Reddel and received his direct assurance that the CAP would be housed on the military reservation should this sale materialize. He asked the committee to ensure that whatever purchase agreement is ultimately recommended contain assurances to protect CAP in the transaction.

Based on what the Colonel heard at this meeting and his recent discussion with the Adjutant General, Colonel Davidson expressed CAP's endorsement of the Adjutant General's request.

Mr. McKay expressed that he still has serious concerns about a sale of this property. Mr. D. Rolla noted that in 2008 the City issued an RFP for development of that site and it was required to have a land lease not a sale. Mr. D. Rolla cautioned that there is very limited land left for commercial development at the airport.

Mr. Baía explained that the RFP in 2008 encountered several challenges: 1) the ground lease provision made it very challenging for the developer to secure financing for the project; 2) the aircraft approach restrictions made site planning for the development of that parcel problematic; and 3) the onset of the recession.

Councilor Matson moved that the committee recommend approval of the Adjutant General's request to conduct an environmental assessment and appraisal—at the State's expense—for the City's properties located at 45 and 51 Airport Road. Mr. Loomis seconded the motion.

6. Congressional Staff Visit to Airport

Mr. Baía explained that officials from Senator Ayotte's staff had recently visited the Concord airport on a fact-finding mission. Mr. D. Rolla and Mr. Baía met with them and explained that one of the primary challenges for the airport is the way that funding is allocated by the federal government. Currently, federal funding priority is given to safety improvements, regardless of whether the need for those improvements can be correlated to any actual instance of accident or near accident. Mr. Baía and Mr.

Rolla expressed that it would be more beneficial to the airport to have a pool of federal dollars that could be used at the airport's discretion within some broadly defined parameters. That might allow the airport to improve its building infrastructure, specifically the terminal building. Under the current funding mechanisms, there is no funding for such improvements and the City would be unable to support this work on its own as there would be little return on investment at the local level. However, it would justify federal funding as it would benefit the flying community and the viability of the national airport network in general.

7. Other business

Mr. Loomis reported that the Airport Users Group has reached out to DRED to consider a plan to attract aviation traffic during the proposed 2024 Boston Olympic Games. This same group is also lobbying the State to secure funding for non-federally funded airports.

Mr. Loomis also mentioned that in 2016, passengers without a "real ID" driver's license will not be allowed to board commercial aircraft in the United States. New Hampshire has yet to adopt the provisions of the "real ID" license. If NH refuses, residents of our state will need to show a passport to travel domestically as well as internationally.

Meeting adjourned at 6:10 p.m.

Respectfully submitted,

Carlos P. Baía