

Skyhaven Airport Advisory Council

Skyhaven Airport

MINUTES OF MEETING NO. 52

DATE OF MEETING: *Friday July 12, 2011*

LOCATION: *Skyhaven Airport*

ATTENDEES:

Daniel Barufaldi	Peter Bruckner	Brandon Giuda	Dick Jackson
Michael McMahon, Jr.	Kenn Ortmann	Bill Richard	Frank Torr
Ken Weyler	Craig Wheeler	William Bartlett Jr.	Stephen Bourque
Irving Canner	Kelby Ferwerda	Mark Gardner	Bambi Miller
Eric Obssuth	Robert Rhoades		

- SAAC Members in **bold**

8:32am – Meeting called to order by Chair Peter Bruckner

Kenn Ortmann made a motion to accept the minutes of the June 10, 2011 meeting. The motion was seconded by Craig Wheeler. Unanimous.

Standard Topics

Finance Report

Irving Canner, PDA's Finance Director, began the Finance Report noting that his understanding, based on previous SAAC minutes, those certain Committee members had expressed a desire to slightly modify the content of the monthly financial reports. Mr. Canner inquired of the SAAC as to how the Finance Report could be better presented to make it more easily understandable. Peter Bruckner presented a spreadsheet that was devised before PDA took over management of the airport which was a different presentation of the Airport financial data. Discussion continued and in brief, there was a desire to obtain additional information about fuel and utilities. In addition, it was requested that brief review comments be included in the body of the report. Mr. Canner agreed and committed to incorporate these modifications in future reporting.

Mr. Canner then proceeded to review the financial report for the eleven month period ending May 31, 2011. He indicated that operating revenues were ahead of budget by approximately \$34,000, and noted that increased fuel sales had accounted for approximately 90% of the variance. Specific data showed indicated that 21,109 gallons of fuel had been sold year to date, and that was approximately 35% greater than at this time last year. Operating expenses were also greater than budget by approximately \$50,000. Mr. Canner noted that this variance was primarily related to wages and fringe benefit costs (\$21,000) along with the volume of fuel purchased being approximately \$13,000 greater than budget. Mr. Canner noted that in regard to wages and benefits, although slightly greater than budget, the overall level of support was far less than what had been accrued through May 31, 2010.

Finance Report (continued)

Mr. Canner then reviewed the Net Cash Flow Analysis for the eleven month period, noting that there is a net cash outflow of approximately \$264,000 the composition being that related to capital expenditures and the premature payoff of the remaining debt owed to the State of New Hampshire.

There was further discussion about fuel sales and costs as well as aircraft registration fees, the early payoff of the hangar bond debt and the increase in utility costs.

Aeroworks, LLC Update

Eric Obsuth reported that negotiations with PDA are ongoing with the ball in Aeroworks, LLC's court to move forward. Operationally, May was adversely affected by bad weather with June showing some improvement.

Kelby Ferwerda reported a continuing growth in customer base with Aeroworks being the busiest flight school in the state of NH. Mr. Ferwerda pointed out that the new addition of the Aeronca Champ will allow Rochester Aviation to compete in the light sport market. There was some discussion about the demographics of the Rochester Aviation students. Mr. Ferwerda reported that a majority of the students are between the ages of 14 and 18 with another group between the ages of 30 to 40 years.

Peter Bruckner inquired as to the number of based aircraft, to which Stephen Bourque replied there are 67 based aircraft at Skyhaven.

Subcommittee Reports

Daniel Barufaldi explained that he has been unsuccessful in getting members of the subcommittee together recently. Mr. Barufaldi presented drafts of the verbiage for a rack card and a tri-fold brochure. Mr. Barufaldi again requested input from the representatives of Rochester and Dover as well as pictures from the community at large.

Old Business

Item Description

39.1 Property Tax

MTG #39 – Bill Hopper presented a survey conducted by PDA staff of t-hangar rates from local airports. The proposed hangar rate increase will be brought before the PDA Board of Directors at the April 22, 2010 meeting for approval. Peter Bruckner presented a hangar assessment sheet he devised as a tool to gauge the market value of the t-hangars. Also, Mr. Bruckner requested that the PDA defer the decision to vote on a hangar increase for one month. Mark Gardner and Bill Hopper indicated that this request would be brought before the PDA Board. Bill Hopper closed by saying that he would like the t-hangar rate increase, if approved, to be implemented by July 1 to coincide with the fiscal year. Also, the rental rate increase would mean an annual increase of over \$7,500 in revenue toward Skyhaven.

MTG #40 – A draft of the Letter of Agreement was handed out and questions by SAAC Members were addressed. Kenn Ortmann inquired about Para. G which is concerned with tenants making minor repairs to the hangar and doors. Richard Wasson expressed concern that the overhead door at Hangar 5 could have

some safety issues. Stephen Bourque reported that all of the safety and operational issues with the overhead door at Hangar 5 have been dealt with appropriately. Mark Gardner pointed out that the draft Letter of Agreement has already gone before the PDA Board and has been approved, the only new item for discussion is Para. Q, which deals with the City of Rochester's attempt to tax the hangar lessees. Mark Gardner reported that the Rochester City Assessor has approached the PDA with a request for all of the t-hangar tenants for the purposes of taxation. The State AG will have to weigh in to determine if the hangars are taxable. Peter Bruckner indicated that he will have a discussion with the Rochester Mayor and explain how this action will have a chilling effect on tenancy at the airport.

There was some discussion regarding t-hangar rates. Kenn Ortmann suggested that it would appear that any SAAC votes regarding t-hangar rates might be a conflict of interest. Mark Gardner agreed with Mr. Ortmann and indicated that if it came before the PDA Board, that he would inform the PDA Board that two SAAC members are tenants at the airport and the decision to vote or not is theirs to make. Kenn Ortmann made a motion that the rental rate increase as proposed be approved by SAAC, it was seconded by Charles Kinney. Unanimous.

While pointing out that he is a Skyhaven tenant, Kenn Ortmann made a motion that the SAAC recommend approval to the PDA Board with a request that in the letter of agreement, or as an addendum, that there is clarification regarding tenant responsibility with respect to hangar maintenance. It was seconded by Richard Wasson. Unanimous.

MTG #41 – Art Nickless began by discussing the new hangar agreement. He pointed out that the new agreement is nearly identical to NHDOT's agreement, to which there seemed to be little opposition. He discussed the paragraph relating to the maintenance of the hangars and pointed out that there needs to be an underlying responsibility of the tenant when it comes to the maintenance of the hangars. Regarding insurance, Mr. Nickless pointed out that the PDA is not looking for tenants to insure the PDA, but rather indemnify the PDA in the event that the tenant does something negligent. Peter Bruckner pointed out that in the past, despite the agreements in place, NHDOT took care of the maintenance of the hangars.

Kenn Ortmann made a motion to open the meeting to the public for comment. Anthony McManus opened the discussion by pointing out some of the responsibilities of the SAAC, mainly where it deals directly with the community at Skyhaven. Peter Bruckner proposed that an annual or semi annual informational meeting be held for the tenants at Skyhaven, the first of which is to be held this Friday night. Eric Obssuth offered the use of the maintenance hangar for this purpose.

Tenants Steve Morgan, Bob Rhodes and Doug Ferguson commented on the Letter of Agreement and asked questions which were answered.

Bill Beauvais commented that the meeting minutes should be approved and posted in a timelier manner.

There was some discussion about the tax clause included in the new Letter of Agreement.

Jim Dubois asked if the tie-down agreements will be reworded as have the hangar agreements, to which Mark Gardner indicated that they would with respect to the hold harmless agreement.

Art Nickless thanked everyone for being civil and asking reasonable questions and pointed out that PDA has full-time staff dedicated to running the airport and encouraged people to reach out to them with questions and/or issues.

MTG #42 – No Discussion. Kenn Ortmann requested that this item remain on the agenda until the issue of property tax with respect to the T-hangars is resolved.

MTG #43 – There was some discussion about a letter that has been submitted from the AG's office that would suggest that the hangars are not taxable. It was questionable as to whether or not the letter had been sent to the Rochester Tax Solicitor. Kenn Ortmann indicated that he would check into it.

MTG #44 – There was some discussion about the city's ability to tax the tenants of Skyhaven, including Aeroworks, LLC.

MTG #45 – No Discussion.

MTG #46 – Kenn Ortmann reported that in a casual conversation with the Rochester City Tax Assessor recently, he is moving along with the process and a letter from the Tax Assessor stating such will be forthcoming. There was some discussion about who will be responsible for paying the hangar property tax. There was some discussion about the burden of additional tax cost on Aeroworks, LLC.

MTG #47 – There was some discussion about the possible impending property tax on the T-hangars, but no new news. Kenn Ortmann requested of Mark Gardner that he send Mr. Weyler any and all correspondence on the issue.

MTG #48 – Mark Gardner reported that it appears that the city will be going forward with taxing the individual hangar units and the PDA Board of Directors will discuss how to respond at the next PDA Board meeting. Peter Bruckner requested e-mail notification as to the Board's decision.

MTG #49 – Mark Gardner reported that the PDA Board of Directors has been apprised of the situation, but no definitive action plan has been developed yet. Mr. Gardner also reported that it is a matter that will be taken up at the next PDA Board of Directors meeting.

MTG # 50 – Peter Bruckner opened the discussion by requesting that the subject heading be changed from, "T-Hangar Rental Rates and Draft Letter of Agreement (property tax)" to, "Property Tax" to avoid future confusion. Mark Gardner reported that the City of Rochester is determined to go forward with the taxing of the T-hangars. T-hangar tenants will be receiving a tax bill due to the city. When asked about a price range, Mr. Gardner reported that it is his understanding that the tax bills range from approximately \$250 to \$900 per year. Dick Jackson commented that he believes the PDA should be making efforts to protect the airport against these charges and that he hears that tenants are thinking about relocating to other airports. Mr. Gardner responded by saying that there are two conflicting statutes and the issue is not over with yet. There was some discussion about the possible repercussions of a tenant refusing to pay their tax bill.

MTG # 51 - The meeting focus shifted to the recent property tax bills that were sent by the City of Rochester. Mark Gardner explained that the decision to tax the hangars and send out tax bills was solely the decision of the City of Rochester. He also explained that PDA was strongly opposed to the taxation of the hangars and that it was hoped that the matter could be resolved in favor of the Airport in the near future. Mr. Gardner distributed copies of a letter from the NH Attorney General dated July 1, 2010 addressed to Rochester's City Assessor. The letter sets forth the statutory basis as to why the AG's office believes the hangar units at Skyhaven are not subject to municipal taxation. Tenant Paul Fleming requested the help of PDA in scheduling an abatement hearing. Mr. Gardner indicated he would look into that possibility. Tenant John Ricciotti solicited advice from PDA, to which Mark Gardner responded by saying that he could not recommend that they not pay their tax bills. Tenant Jack Meyers suggested returning the unpaid tax bill to the city with a copy of the letter from the AG. Peter Bruckner suggested that it would be prudent not to rush to make a payment on taxes well in advance of the July 1, 2011 due date on account of the possibility that there would be a resolution of the matter before that time.

MTG # 52 – Peter Bruckner pointed out the City of Rochester Tax Assessor's opinion regarding HB2 has been posted on the Skyhavennh.com website and information will be updated on the website as it comes available. Mark Gardner pointed out that even with the recent change to the law, the hangars were not taxable before and after HB2. Bambi Miller pointed out that there is a wide variance between Skyhaven hangar tenants as to whether or not they have elected to pay their taxes at this time. William Bartlett pointed out that the PDA has not taken a position as to whether the tenants should or should not pay their taxes.

New Business

Item	Description
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52.1	<u>New England Aerobatic Club Practice (8/28/2011)</u>
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MTG #52 – Stephen Bourque reported that the NEAC has a scheduled practice on August 28, 2011 at Skyhaven.

52.2	<u>FY2011/FY2012 Capital Improvement Projects (CIP)</u>
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MTG #52 – Peter Bruckner began by pointing out the draft CIP plan through FY 2021. Mr. Bruckner pointed out that with the recent acquisition of the Dupont property to the south of the airport may not require a displaced threshold and possibly only a 200 ft extension to get the desired 4,200 foot runway. Mr. Bruckner also pointed out a matrix created by Jacobs which outlines the five possible options for the runway rehabilitation. Peter Bruckner indicated that Jacobs will be presenting cost estimates for the five alternatives which will be shared with the members of the SAAC. Mr. Bruckner inquired as to the interest of SAAC members in attending a CIP scoping with meeting with NHDOT at the end of July. There was some discussion regarding the benefits and drawbacks of turf vs. paved shoulders. Craig Wheeler asked if the runway reconstruction should be included in the upcoming Skyhaven Airport brochure, to which Dan Barufaldi and Peter Bruckner responded that it should not.

52.3	<u>SAAC Meeting Times/Dates</u>
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MTG #52 – Peter Bruckner took a roll call vote as to whether or not to hold an August SAAC meeting. It was decided the next SAAC meeting would be Tuesday, September 13, 2011.

Miscellaneous

MTG #52 – Mark Gardner passed around a sheet and asked SAAC members to indicate how many tickets to the upcoming Boston-Portsmouth Airshow they might want per the request of PDA Executive Director David Mullen. There was some discussion about Rochester Aviation having an exhibitor booth at the airshow. Mark Gardner offered to connect Kelby Ferwerda with the Airshow sponsors in order to facilitate the set up of a booth. There was some discussion about having the fee for the booth waived by the airshow sponsors.

Public Comment

MTG #52 – None

END OF MEETING: *Adjourned approximately 9:47 a.m.*

NEXT MEETING: September 13, 2011

FUTURE MEETINGS: To be determined

All Meetings take place in the Skyhaven Airport terminal building starting at 8:30 a.m. unless otherwise noted.

Respectfully submitted, Stephen Bourque for Chair Peter Bruckner