

Skyhaven Airport Advisory Council

Skyhaven Airport

MINUTES OF MEETING NO. 48

DATE OF MEETING: *Tuesday, March 8, 2011*

LOCATION: *Skyhaven Airport*

ATTENDEES:

Daniel Barufaldi	Peter Bruckner	Richard Jackson	Sandra Keans
Anthony McManus	Bill Richard	Craig Wheeler	Stephen Bourque
Irving Canner	Mark Gardner	Bambi Miller	Eric Obssuth
John Ricciotti			

- SAAC Members in **bold**

8:38 a.m. – Meeting called to order by Vice-Chair Peter Bruckner.

Bill Richard made a motion to approve the minutes of the January 11, 2011 SAAC meeting. It was seconded by Daniel Barufaldi. Unanimous.

Standard Topics

Finance Report

Mr. Irv Canner, PDA's Director of Finance, presented the Finance Report for the seven month period ending January 31, 2011. Mr. Canner noted that operating revenues were approximately 11% greater than budget primarily driven by increased fuel sales highlighting the fact that fuel sales have totaled 13,961 gallons versus that of 10,970 gallons from the prior year despite a 3.6% increase in the average cost per gallon sold. Fuel sales have totaled approximately \$64,000 year to date with the corresponding cost of goods sold equaling \$47,000. Mr. Canner then indicated that operating costs, excluding the cost of fuel sold, was slightly below budgeted levels and would probably remain so through June 30, 2011. Correspondingly, interest expense was over budget by approximately \$82,000 but Mr. Canner indicated that such variance was directly associated with the early retirement of the bond obligation to the State of New Hampshire with the net result being an actual cost savings of approximately \$25,000 relative to if the bonds were held to maturity.

Mr. Canner then provided the Committee with a broad overview of the current FY 2012 proposed operating budget for Skyhaven Airport. Mr. Canner noted that the key assumptions in formulating the proposed FY2012 budget included: 1) full tenant occupancy, 2) steady state with respect to Aeroworks, LLC and 3) current site staffing. The most significant maintenance item anticipated to occur in FY 2012 was the painting of the runway and taxi-ways.

In terms of the capital expenditures, Mr. Canner discussed the recent purchase (February 2011) of the Dupont property for \$300,000. Other capital additions for FY 2011 included the sewer and water hook-up to the City of Rochester in support of the Maintenance Building.

Mr. Daniel Barufaldi inquired about increasing the operating budget for marketing and promotion to publish a brochure. Stephen Bourque inquired as to how much a brochure might cost and Mr. Barufaldi responded by saying that quality and quantity are certain considerations, but he would estimate the cost to be between \$2,500 and \$7,500. Mr. Anthony McManus indicated that he would take the request before the PDA Board.

Mr. Peter Bruckner thanked Mr. Canner and requested that the budget planning process be added to the April SAAC agenda.

Dick Jackson requested advance copies of the Finance Report going forward and Stephen Bourque agreed to make that happen.

Aeroworks, LLC Update

Old Business

Item Description

38.1 Property Acquisition

MTG #38 – Bill Hopper stated that in recent weeks, a property owner to the south of the airport approached the PDA with an offer to sell and discussions are ongoing. If a deal can be struck, the PDA will work with NHDOT in securing FAA funding to facilitate the purchase in addition to utilizing entitlement funds. Chair Keans inquired about the selling price. Lynn Hinchee replied by saying that the FAA requires an appraisal and a confirming appraisal. Approval from the PDA Board of Directors will be sought at this Thursdays Board meeting to secure the appraisals. Mrs. Hinchee encouraged attendance at the Thursday Board meeting. Mr. Ortmann asked if the operational costs of acquiring the property would be rolled in to the capital cost, to which Lynn Hinchee replied, it would.

Kenn Ortmann made a motion that the SAAC go on record as supportive of acquiring the property to the south of the airport with the understanding that other CIP items will be pushed to later dates because property must be acquired when it is available. It was seconded by Richard Wasson. Unanimous.

MTG #39 – Sandra Keans inquired if here had been any developments regarding property acquisition. Bill Hopper responded by saying that there was a scoping meeting at NHDOT and the process requires two appraisals which are in the process of acquisition.

MTG #40 – Awaiting appraisals (see finance report).

MTG #41 – No Discussion.

MTG #42 – Tony McManus reported that the first appraisal is underway. Kenn Ortmann reported that the appraiser was in his office last week. There was some discussion about the abandoned house on the property which will most likely be torn down. There was some discussion about the RPZ and the portions of it that are on the Dupont property.

MTG #43 – Bill Hopper reported that there appeared to be some reluctance on the behalf of the property owner, but that there appears to still be some interest in selling the property. Anthony McManus added that there still needs to be a second appraisal.

MTG #44 – Bill Hopper reported that the PDA is still awaiting the second appraisal.

MTG #45 – No Discussion.

MTG #46 – Bill Hopper reported that conversations with the homeowner indicate that they are interested in proceeding forward with the appraised value.

MTG #47 – Tony McManus indicated that as far as he knows, it is still under review by the FAA, and the next step would be the transfer of title.

MTG #48 – Stephen Bourque reported that the Dupont property has been purchased. This item will drop off the minutes.

39.1 T-Hangar Rental Rates and Draft Letter of Agreement (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.

39.2 Minimum Standards for Airport Operators

MTG #39 – There was some discussion about the FAA's perspective on through the fence operators. Peter Bruckner presented AOPA's position on through the fence operators and suggested that there be a discussion of minimum standards when the SAAC has a quorum. There was discussion about a recent letter that was sent to former FBO operator Glen Horne requesting that he discontinue maintenance operations at Skyhaven.

MTG #40 – Carol Niewola pointed out two documents which some airports use interchangeably, namely rules and regulations and minimum standards for airport operators. She also pointed out that the FAA discourages through-the-fence commercial aviation operators, but will consider on a case by case basis if it is deemed to be beneficial to the airport. Bill Hopper offered to provide the SAAC with Pease's and Sanford Airport's

minimum standards. Tony McManus suggested that there should be minimum standards to protect the local FBO and to limit liability.

MTG #41 – Peter Bruckner gave a brief summary of minimum standards and how they might be utilized at Skyhaven. Anthony McManus suggested that perhaps a survey of the tenants would be helpful in sizing up the issue. Peter Bruckner pointed out that there is a comments section on the Skyhavennh.com website and comments will be distributed before SAAC meetings for discussion. Kenn Ortmann pointed out that in both Pease's and Sanford's minimum standards there were no mechanisms for through the fence operators to perform work on those airports. Bill Hopper responded by saying that that activity is not allowed at Pease with the caveat that Skyhaven and Pease are different airports. Mr. Hopper went on to say that that type of activity is discouraged at most airports. There was some discussion about aircraft owners working on their own aircraft and it was pointed out that that type of activity is allowed by the FAA. Dick Jackson pointed out that minimum standards could contribute to increased costs at Skyhaven and requested that the FAA Advisory Circular be posted on the Skyhavennh.com website.

MTG #42 – Bill Hopper offered to begin proceeding to draft minimum standards as a baseline for discussion. Mr. Hopper also suggested that a survey be placed on the website for users to express their interest in what the minimum standards might require of commercial operators.

MTG #43 – Bill Hopper again offered to draft minimum standards. Mr. Hopper indicated that there would be a draft available at the next SAAC meeting. Tony McManus brought up that at the last meeting there was discussion about generating a survey to get a feel for what the tenants would like to see in minimum standards. Kenn Ortmann questioned the possibility of a draft before the next meeting with the upcoming Pease airshow and Mr. Hopper indicated that the PDA will give it a try. Dick Jackson discussed the FAA A/C related to minimum standards with respect to granting exclusive rights which can be a violation of grant assurances.

MTG #44 – There was some discussion about what elements should be included in minimum standards for Skyhaven Airport. Bill Bartlett indicated that the PDA can present draft minimum standards for the next SAAC meeting. Peter Bruckner suggested forming a sub-committee to include the current FBO to discuss what the issues are and what should be included in minimum standards. Bill Hopper suggested that the PDA come up with an outline to include important points that minimum standards should include. Mr. Hopper also suggested that there should be a balance between the freedoms that Skyhaven users enjoy and the regulations that protect them and the PDA. Also, Mr. Hopper suggested that rules and regulations should be adopted after minimum standards are drafted. Peter Bruckner made a call for SAAC volunteers for the sub-committee. Kenn Ortmann and Peter Bruckner volunteered and Mr. Bruckner indicated that Eric Obsuth should also be on the sub-committee. Mr. Hopper volunteered either himself or Stephen Bourque.

MTG #45 - Mr. Bruckner made some opening remarks and welcomed everyone to the meeting. Mr. Bruckner introduced Mr. Bill Hopper who explained why minimum standards are being proposed and what they can do for the airport. Mr. Hopper explained that the FAA recommends airports adopt minimum standards in order to create a level playing field and promote safe and efficient operations at Skyhaven Airport.

There was a discussion about minimum standards and the possibility of their adoption at Skyhaven. Peter Bruckner handed out a matrix / spreadsheet outlining areas that minimum standards could cover and for the tenants to provide input.

MTG #46 – Peter Bruckner reported that the Minimum Standards Sub-committee met last week and discussed what activities should be included in Minimum Standards at Skyhaven. Mr. Bruckner handed out a spreadsheet detailing the activities and priorities. Mr. Bruckner reported that the next sub-committee meeting will focus on what services and activities will be permitted and which ones will be required of a full service FBO at Skyhaven. The next sub committee meeting was scheduled for January 11, 2010 at 7:30am, just prior to the monthly SAAC meeting.

MTG #47 – Peter Bruckner summarized the last sub-committee meeting where the effort has been made to remove any elements from minimum standards that are deemed to not be absolutely necessary.

MTG #48 – Dick Jackson made a motion to hold an evening meeting to give the tenants at Skyhaven an opportunity to voice their opinions about the drafting of minimum standards. It was seconded by Bill Richard. Unanimous. Stephen Bourque reintroduced the idea of having a survey on the

Skyhavennh.com website, rather than a night meeting. Sandra Keans suggested that if the tenants have questions, there should be someone to answer them. There was some discussion about a meeting date and Thursday, March 24 at 6:30pm was chosen and John Riccioti offered to have a BBQ to raise funds for the local EAA chapter at 5:30pm. Eric Obssuth offered to hold the meeting at Hangar 5. Daniel Barufaldi suggested getting FAA documentation concerning minimum standards into the hands of the tenants to minimize unnecessary questions. Peter Bruckner requested that PDA send out notices to the tenants about the night meeting, to include pointing them to the Skyhavennh.com website where the FAA documentation, and draft Minimum Standards are posted and to include a phone number for tenants to call if they do not have internet access.

46.1 Election of SAAC Officers

MTG #46 - Sandy Keans moved to postpone the election of SAAC Officers to the January agenda in order to establish by-laws. A subcommittee was formed to establish by-laws for the SAAC by Chair Keans and consists of Sandra Keans, Vice-Chair Peter Bruckner and Kenn Ortmann.

MTG #47 – Peter Bruckner pointed out that the By-Laws should be established before election of officers. This item will be postponed until the February SAAC meeting, and after the adoption of by-laws.

MTG #48 – Peter Bruckner made known the offices that are available, which are Chair, Vice-Chair and Secretary/Treasurer. Sandra Keans nominated Peter Bruckner for Chair, it was seconded by Dick Jackson. Bill Richard nominated Kenneth Ortmann for Vice Chair. It was seconded by Craig Wheeler. Peter Bruckner nominated Sandra Keans for Secretary/Treasures and she declined. Sandra Keans nominated Daniel Barufaldi and he declined. Sandra Keans was again nominated by Peter Bruckner and she accepted. It was seconded by Dick Jackson. Sandra Keans moved that nominations cease at this time and a ballot be cast for the above slate. It was seconded by Peter Bruckner. Unanimous. This item will drop off the minutes.

47.1 SAAC By Laws

MTG #47 – Kenn Ortmann began by requesting feedback from the entire SAAC regarding the definition of a quorum and the wishes of the SAAC as to what will be considered a quorum for voting purposes. Tony McManus pointed out that in the past, a lack of full membership contributed to the difficulties of getting a majority of members for votes, and setting a quorum of less than a majority could open up the SAAC to criticism. There was some discussion about the policy for dealing with members who can't attend meetings. The general consensus, without a vote being taken was that a quorum should be a majority of the body. There was some discussion about a provision for proxy votes.

MTG #48 – Craig Wheeler began with some clarifying questions, the first of which concerned its self with having, "Pease Development Authority" on the cover, which was not included on the most recent draft. The second question centered on the definition of a quorum and how it relates to the number of votes that can be cast. The third question was whether members can be present at meetings electronically, i.e. via telephone. Mark Gardner responded by saying that it is permissible, but not advisable. Mark Gardner pointed out a typographical error in Article 7, Section 1 where, "Secretary" should read, "Secretary/Treasurer". Bill Richard made a motion to approve the By-Laws pending the correction of the typographical change. It was seconded by Daniel Barufaldi. Unanimous. This item will drop off the minutes.

New Business

Item	Description
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48.1 New England Aerobatic Club (NEAC)

MTG #48 – Stephen Bourque reported that the NEAC will return for aerobatic practice to Skyhaven Airport in June [June 18 with a rain date of June 19 and again in August]. Eric Obssuth indicated that he would try to coordinate the Young Eagles event with an open house on the date the NEAC will be practicing. This item will drop off the minutes until the June SAAC meeting.

48.2 Updated DAW Accomplishments

MTG #48 – Stephen Bourque presented a report compiled at the request of the PDA Executive Director listing the various accomplishments undertaken by the PDA with SAAC advice between June 2010 and the present. Peter Bruckner took issue with the certainty that the Minimum Standards will be presented to the PDA Board at the April meeting. Mr. Bruckner went on to say that the Minimum Standards will be brought before the PDA Board only after the SAAC has approved them and they will make all efforts to make that happen.

Miscellaneous

MTG #48 – Daniel Barufaldi inquired as to the interest of the SAAC members to moving toward quarterly meetings. Peter Bruckner suggested possibly moving to meetings every other month which Bill Richard agreed with. Stephen Bourque suggested quarterly meetings and if it was thought that the meetings were taking too long the frequency could be increased. Sandra Keans proposed that after the Minimum Standards meeting they could look at frequency of meetings. Craig Wheeler pointed out that the newly approved By-Laws would have to be amended if the frequency were to change. Dick Jackson proposed a meeting fee or stipend to increase SAAC member attendance at meetings.

Public Comment

MTG #48 – John Ricciotti expressed his gratitude for having a night meeting in order to allow the tenants to attend and foster better communication between SAAC, PDA and the tenants. Peter Bruckner made a motion to adjourn. It was seconded by Bill Richard.

END OF MEETING: *Adjourned approximately 9:30 a.m.*

NEXT MEETING: Thursday March 24, 2011 6:30pm at Hangar 5
 Tuesday, April 12, 2011

FUTURE MEETINGS: Second Tuesday of each month, unless otherwise noted

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

Respectfully submitted, Stephen Bourque for Peter Bruckner