

SPECIAL COMMITTEE ON AIRPORT ACTIVITIES

February 21, 2001

5:30 PM

Chairman Pariseau called the meeting to order.

The Clerk called the roll.

Present: Aldermen Pariseau, Pinard, Shea, Thibault

Absent: Alderman Vaillancourt

Messrs: K. Dillon, T. Clougherty

Chairman Pariseau addressed item 3 of the agenda:

Airport financial update to be presented by Kevin Dillon, Airport Director --

Mr. Dillon stated what you are receiving is an analysis of the airport finances for the first six months of FY 2001. The first column is the FY 2001 budget, which would be representative of the entire year's budget. The middle column is our December performance, and the last column is how we are performing year-to-date. It's the first six-month's performance in that last column. As you can see we are pretty much on target with all of our revenues. The one revenue source bringing in a lot more money than expected is the automobile parking revenue. We should end the year at about \$13.7 million worth of revenues. That's \$1 million over and above what we budgeted. As a result we should end the year in terms of total revenues at \$28.9 million, thereabouts. In terms of the total revenue, you have to add in what are some of the restricted accounts, our interest income, the PFC, and customer facility charges. The interest income is the interest we would have on, for example, our bond accounts. It also represents interest that would be received off of the PFC account, where we actually hold those PFCs.

Alderman Thibault asked what is PFC.

Mr. Dillon replied it stands for Passenger Facility Charges. We get \$3 for every departing passenger at the airport. That gets levied on the airline ticket. You also have Customer Facility Charges. That's \$2.25, which we get per rental car per day, which comes to the airport as a direct charge. When you add all of those things in, the operating revenue plus our restricted account revenue, we should end

the year with a total income of approximately \$38 million. In terms of expenses, again we are relatively on track in most areas. We will be coming in under our expense budget. In salaries and wages for example, we feel that we will end the year at \$3.1 million versus the \$3.6 million that was budgeted. A lot of the savings we are seeing are in health insurance, as well as a number of positions that were budgeted that we have not put on line at this point in the year; an attorney's position and an internal auditor. That is something we will be doing for the second half of the year. We also have some considerable savings in terms of overtime. While we've had a fairly standard snow season, we have not experienced the ice events we've had in the past. The removal of ice is usually what causes an airport to incur a lot of overtime. In terms of the Purchased Property Services, the biggest savings there is in law enforcement costs. We are coming in considerably under budget in terms of what we had originally budgeted. Again, some of that is related to overtime that we are not incurring for law enforcement. Some of it is related to management contracts we had budgeted for environmental services at the airport, where we had a company on retainer, but we have not had a need for their services this year. As a result, we are going to be coming in at about \$1.5 million under budget for our Purchased Property Services.

In terms of supplies and materials, we will probably end the year at about \$800,000. The majority of those savings, approximately \$100,000 under budget, are related to the fact that we did not have to purchase as much chemical this year in terms of icing.

Alderman Shea asked does your budget end at the same time ours does, in June.

Mr. Dillon replied in the affirmative.

Mr. Dillon continued so the chemical is where we have about a \$100,000 savings because we haven't experienced the icing that we have had in prior years. In terms of the reimbursement to the City of Manchester, we should be right on target. We are waiting for those charges to come back in, for example, where we get charged back from the legal department, human resources and some other charges. We should end the year at approximately \$13 million for our total operating expenses. We'll be about \$2 million below what we had budgeted. For our debt service, we budgeted about \$15 million. In reality, it should be coming in at about \$14 million. We should end the year with a total expenses of about \$28.9 million. When you take that away from our income, we should have a net income of about \$9 million at the end of the year.

On motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted to accept the Manchester Airport Appropriation Budget FY 2001 Forecasted Analysis as submitted.

Chairman Pariseau addressed item 4 of the agenda:

Status of the Highland-Goffe's Falls School ventilation issue --

Mr. Dillon stated the Clerk is distributing a final report that we received from Conway Engineering. As you recall, the last time we discussed this topic, the airport agreed to hire an independent engineering firm to review the ventilation system for the Highland-Goffe's Falls School. This was as a result of the complaints that we received from some of the parents at the school. The engineering company found that one of the ventilation units was not operating properly. They have referred the matter to the Highway Department. Tim Clougherty is here to answer any questions. The Highway Department has agreed to go in and make the necessary repairs and adjustments. It's not really a repair, but a balancing of that particular unit was off. In terms of the overall findings of the system, the engineering firm found that the system does meet code for when it was installed in the building. There is not an issue of it being substandard as it relates to code. They did, however, recommend some enhancements to the system, which are included on the second page of their report. The most significant enhancement they recommended was that we replace the diffusers. At the time the system was installed, we used a standard type diffuser that was available back then. There is a better diffuser available today that will redirect the flow of the air so that it balances better in the classrooms. Even though the system did meet code with what was installed, the airport has agreed that we will pick up the cost of this enhancement to the system. You will see in the report it was estimated to be \$15,000 for that particular item. In reality, we just got the bid in and it came in just under \$10,000. The airport is going to pay for it. The Highway Department is going to see that the work is actually completed in the school.

There are two other recommendations in the report, and keep in mind that these are not code recommendations but enhancements to make the system better. One involves the use of ceiling paddle fans. In consultation with the Highway Department, we've rejected this as an item to be done. Typically you find ceiling paddle fans in residential applications. We do not believe it would be a wise use to put paddle fans in a school environment. There is also a recommendation that freestanding electronic humidifiers should be installed throughout the school in order to increase the moisture content, in terms of the humidity in the school. Again, in consultation with the Highway Department, this is something we do not feel is necessary nor would it be a wise item. I also believe that the Highway Department received confirmation from the Health Department that installing the humidifiers would not be in the best interest of the school. I think, with this report, it closes out the issue of did the system meet code. I do believe with the

rebalancing of one unit as well as the enhancement that the airport has agreed to undertake, that should clarify and take care of all the problems that were incurred.

Alderman Pariseau asked could we refer those last two items to the Committee on Joint School Buildings.

On motion of Alderman Thibault, duly seconded by Alderman Shea, it was voted to refer the last two items in the Conway Engineering report, which were rejected as recommendations, to the Committee on Joint School Buildings.

On motion of Alderman Shea, duly seconded by Thibault, it was voted to accept the Conway Engineering report regarding Highland-Goffe's School.

Mr. Dillon asked can Tim Clougherty comment on one other issue. He's been having the conversations with the Health Department, and I think they provided him with some information today.

Engineer Clougherty stated the Health Department has been on top of this issue as well as the airport and the Highway Department. I had a verbal conversation today with Tim Soucy from the Health Department. While their report is not 100% and has not been released yet, he confirmed to me that what will most likely be found in the report is that there are no indoor air quality problems at the school. There are some minor issues that will be identified in the report, but nothing too major as far as he was concerned. I don't want to speak for the Health Department, but that is basically what you will find in the report.

Alderman Thibault asked the experts in the field who you have talked with, they feel there is no problem with the air quality system, is that what I heard.

Engineer Clougherty replied I don't want to speak for the Health Department. I would reserve judgment until they actually produce their report, but I am very confident that's what you will find in the report based on conversations I've had with them today; also based on some observations by the engineering firm the airport has consulted with.

Chairman Pariseau addressed item 5 of the agenda:

Brown Avenue/Airport Road project update --

Mr. Dillon stated to bring you quickly up to speed, I think the last time we met I had indicated that we continue to try and advance the intersection improvement project at the airport and on the entrance airport roadway to enhance capacity. As part of that project we are also looking at the widening of Brown Avenue from

Gosslers Road to the airport entrance. There are nineteen homes that we're going forward with purchasing. Out of the nineteen we have already purchased twelve and are still in talks with the remaining five. We do believe we will be able to make those purchases without any issues. However, as it relates to the work at the intersection of Brown Avenue and Airport Road, as I have indicated in the past, there are a number of homes we need to acquire for that project as well. This board up here depicts all of the homes that were involved with that roadway work. The homes outlined in red are ones we felt we are getting to a point where we would have to move forward with an eminent domain proceeding. At that time I had indicated to the Land and Buildings Committee that we were going to try and work on it for another two months to see if we could come to agreement with some of them. We have reached agreement with this one, this home we're pretty close and probably will not result in an eminent domain, but we'll be taking a strip of property and it looks like it will be under mutual agreement. These three homes however, we are at a point close to \$2 million away in terms of value. These folks are asking some extraordinary prices for those homes. At this point we will probably move forward and make a recommendation to the Land and Buildings Committee that they schedule a hearing for a finding of public necessity to move forward with an eminent domain proceeding. We are continuing to work with the remainder of Brown Avenue on both sides of the brook. We are working with homeowners that are located in this area to give them better access to Brown Avenue and potentially consolidate the roadways that are back here to bring them out to one single entry point onto Brown Avenue. We're also doing the same thing on the other side, to the north of the brook in cooperation with the community. There is a committee of five community members working along with the airport, and we are hopeful that within the next 45-60 days, we will be able to present the plan to them for consolidation of the streets and then bring it back to the Aldermen for review.

Alderman Pariseau asked what do the green blocks on the chart represent.

Mr. Dillon replied the green blocks on the chart represent homes that have already been acquired and we've been able to work out the acquisitions. The yellow blocks represent homes that have already been bought and demolished.

Alderman Pariseau asked are any of the green ones going to be relocated or are they going to be demolished.

Mr. Dillon replied ultimately they would all be demolished. We have no relocations out of this.

Alderman Thibault asked in view of what is going on with the State, the new road that will be coming into the airport, how important will this project be at that point, or will it be important.

Mr. Dillon replied a lot of the work we're doing on the airport is certainly essential to tie into the layout for the State. This becomes very important to us even though that project is still moving ahead. It is going to be at least four to five years before that comes on line, so we will need these capacity increases on Brown Avenue. A lot of the work that is being done with the nineteen homes that would be to the north of this area, the airport has undertaken really at the request of the community. While we believe we probably could have struggled through with Brown Avenue as it stands today, it wouldn't be the best situation for the neighbors. At their request we pursued the ability to acquire through the FAA and were able to get that. This is critically important to us as to how that intersection works. We really need to have this done.

Alderman Thibault asked no matter what happens with the new access road, this will always be an add on, it will help the airport. Is that what we are saying? Even for the people in South Manchester area, they will always have an access.

Mr. Dillon replied we definitely need this. When the new roadway comes on line we are expecting traffic to drop on Brown Avenue. Anyone coming from the East and some sections of the South will still always come in on Brown Avenue.

Alderman Thibault stated that is a good point, thank you.

Alderman Shea asked where Goffs Falls Road comes into Brown Avenue, those houses on the East Side of Brown Avenue, would you point that out on the chart....

Mr. Dillon replied that's not on this drawing, just give me a minute to pull out another drawing. I think this may make it a little clearer.

Alderman Shea continued, now on the East Side of Brown Avenue, do you plan on taking all of those homes.

Mr. Dillon replied no. Unfortunately, the only ones that the airport is acquiring are the homes on the West Side.

Alderman Shea asked so you are acquiring all of them from Goffs Falls Road, south to the brook.

Mr. Dillon replied in the affirmative. We pick up with this, what is considered a second project, to the South of the brook. The pink blocks represent the homes relating to the widening of Goffs Falls Road. We are acquiring all of those. The ones in green are the ones related to that eminent domain. The ones in blue we have not been able to get permission from FAA to use airport funds. However, what we have done is approached a private foundation, MRIF, and they have offered to purchase these homes. They have already reached agreements with a number of these homeowners. They are now proceeding to others. Although, a lot of the folks in this area would like to see rezoning for commercial purposes to maximize the value; however, the remaining community in this area is pretty much against that.

Alderman Shea mentioned that they have speed bumps now at the Executive Health Club.

Mr. Dillon stated we have made some significant improvements to the parking area at the Executive Health Club. As soon as that work is completed there will be major improvements.

Chairman Pariseau addressed the presentation made by the Londonderry Board of Selectmen last night. We just got copies of the minutes of that meeting. It's my position that I don't think it necessary to bring outside individuals to handle any meetings that we as a City or the Town of Londonderry might have. I think this Committee is capable of working with those people in Londonderry to resolve any concerns that we have. I think we should invite the people from Londonderry to our next meeting.

Alderman Thibault stated I agree and added we could bring the Londonderry people into this Committee. We could then refer anything that comes out of that meeting, including the Londonderry situation, to the Board of Mayor and Aldermen, and thus expedite what we are trying to do. If you need a motion I will make it.

Alderman Pinard stated I talked with Kevin about Tom Colantuono getting involved. I think that at this early stage Mr. Dillon should be in contact with Tom, so we don't upset the apple cart. Down the line maybe this Committee could meet with the Londonderry Board at one of their meetings. What do you think of that, Kevin?

Mr. Dillon replied unfortunately there was some press coverage today in which Councilman Colantuono's name was mentioned as possibly mediating this meeting. I do think it would be appropriate if I got in touch with him and advised him that at this point the issue has been referred to the Special Committee on

Airport Activities to make a decision as to whether a subsequent meeting would be necessary. I would suggest that an invitation be extended to the two representatives from Londonderry who requested that meeting to attend the next meeting of the Special Committee on Airport Activities. Certainly, I think they can put their issues on the table at that meeting. My own personal opinion on this issue is that for the types of issues they are looking to discuss, it would be much more appropriate to make sure that is done through this Committee and the Board of Mayor and Aldermen versus any outside intervention.

Alderman Thibault stated I appreciate Councilman Colantuono wanting to get involved, if he does. I think that if this Committee would work with the Londonderry Committee to come up with a solution, then if we need Councilman Colantuono to come in and advise us what the State might want to do, then it would be appropriate. I think we can handle it on our own. I agree with the Chairman.

Chairman Pariseau stated I think it would be a beginning for open dialogue.

On motion of Alderman Thibault, duly seconded by Alderman Pinard, it was voted that the Special Committee on Airport Activities would meet with the people of Londonderry and advise the Board of Mayor and Aldermen on the results. Further the Special Committee on Airport Activities will be the lead group in dealing with the Londonderry concerns relative to the Manchester Airport.

Chairman Pariseau stated I would also suggest that a letter be sent to Marty Bovie and Dr. David Wallace, or just Mr. Bovie, telling of this Committee's decision, and that we would be willing to invite them to the next meeting in about two months.

Alderman Thibault suggested also sending a letter to Councilman Colantuono stating that this Committee is looking into the Londonderry issue and if we run into problems.....

Chairman Pariseau said I don't want to get involved with the State issue.

Alderman Thibault asked is Mr. Bovie the Chairman of the Londonderry Board of Selectman.

Mr. Dillon replied the Chairman in Londonderry is Andy Greco. I would suggest that you send a letter to Mr. Greco with copies to the Town Councilmen. I would certainly work with the Clerk's office if you felt it appropriate. Draft a letter.....

Chairman Pariseau asked who heads up the Airport Authority Commission.

Mr. Dillon replied the Chairman right now is Mike Denton. He is one of the Londonderry representatives on the Airport Commission.

There being no further business to come before the committee, on motion of Alderman Pinard, duly seconded by Alderman Shea, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee