

DRAFT MINUTES

EASTERN SLOPE AIRPORT AUTHORITY ANNUAL MEETING January 9, 2020

6:00 pm American Legion
Bradley Street, Fryeburg, Maine.

At 6:00 pm, Chairman Don Thibodeau called the quarterly meeting of the ESAA Board of Directors to order with the following present: Carl Thibodeau, Fred Packard, Steven Steiner, Ron Briggs, Ed Bergeron, Thomas Holmes, Eric Meltzer, Dave Sorensen, Gene Bergoffen, Airport Manager Dave Cullinan, and Recording Secretary Krista Day.

Approval of the minutes of the October 10, 2019 Quarterly Meeting

Mr. Meltzer moved, seconded by Mr. Briggs, to adopt the minutes from October 10, 2019 as written. The motion carried unanimously.

Committee Reports

I. Executive Committee

Chairman Thibodeau explained that the transient hangar project continues to move forward at a steady rate. They are planning to request bids in March or early April. Mr. Thibodeau commended Matt O'Brien of MJ for the fantastic work he has done putting together the different grants and funding sources.

In regards to the Solar Project, Chairman Thibodeau noted that they had met with DIRIGO solar earlier that day.

When looking at a potential timeline for construction on the project, Mr. Thibodeau noted that they are hoping to begin this summer, but if not, next summer. He added that currently they will be paying \$3,000 if they complete work this summer and next summer it would go up to \$5,000.

The minimum annual lease revenue will be \$37,500 with an additional 2% per year. In a good case scenario, revenue would be \$60,000 a year and best-case scenario would be \$90,000 of revenue per year.

Mr. Thibodeau noted that they had added a hold harmless clause. He does not see any showstoppers in terms of this project coming to fruition. The Authority would only be agreeing to an option to lease at this time.

Mr. Holmes asked if DIRIGO was the actual developer. It was determined that they are.

In regards to the repairs to Lyman Drive, there is nothing new to report. The Town Manager of Fryeburg has been furnished with the engineer's estimate of cost and will be applying for a Northern Borders grant to help finance the project.

When discussing progress of the Hiram property sale, Chairman Thibodeau noted that they plan for the appraisal to be completed in February. The plan would then be to go back to McFarland-Johnson to get the go ahead from the FAA. It was noted that the potential buyer of this property owns the land all around it.

II. Finance Committee

Mr. Bergoffen moved, seconded by Mr. Briggs, to approve the proposed 2020 budget that includes a range of total revenues of around \$190,000, total expenses around \$146,000, and a net operating income of around \$43,000.

Mr. Bergoffen explained that he and Bob Edgeworth, the bookkeeper, worked on how they can better estimate inflow and outflow of funds during the different times of the year. While they tried to spread it quarterly, they focused on the year end results. He stated that he was very comfortable with the proposed budget.

Mr. Bergoffen reviewed that the main sources of income are fuel sales, hangar leases, the funds from the Mulford Fund, and the Town contributed revenue of about \$30,000 a year.

There was a discussion regarding the overall feeling that asking the smaller towns for monetary support is not cost effective as they require so much financial information in order to even be considered.

In regards to income from fuel sales, there is always the risk of the economy going down, but the Board is hopeful.

The hangar leases appear to see no major changes and the Mulford Fund looks positive for 2020 as well.

Mr. Thibodeau added that they are still owed approximately \$8,000-9,000 for reimbursement for the Apron/Nelson lawsuit. However, it is not included in the budget for this year.

Mr. Bergoffen reviewed the two capital accounts from which they draw funds. These include the major maintenance account and the long-term project account.

There was discussion regarding the way fuel is accounted as an asset instead of an expense. This was suggested by the accountant.

There was discussion regarding using NBT bank out of New York for construction financing of the Hangar Project. It was determined that NBT provided lower interest rates and closing cost than the other banks.

The motion carried unanimously.

Mr. Bergoffen reviewed the different funding sources that were going to be utilized for completing the hangar construction. These included the FAA, EDA, Northern Borders, the State of New Hampshire, State of Maine, USDA, and a construction loan through NTB. He reiterated that because all of the matching requirements are different for all of the sources, Matt O'Brien had put together a very detailed spreadsheet for them.

Mr. Bergoffen noted that they would create a new separate transient hangar construction account so that they could expend and receive funds for the project. He noted that currently the bookkeeper is paid between \$8,000 and 9,000 a year for basic bookkeeping, and there will be \$25,000 needed to support additional work for the project.

The timeline for the project was discussed. Advertisement for bids in March and apply for the FAA grant around May 1, 2020 with a construction start in late September.

It was stated that the engineering alone for this project was over \$400,000.

There was discussion regarding the issues with the tree clearing at the Runway 14 approach and the MEDEP action. This resulted because the ESAA did not apply to MEDEP for a permit to cut and only filed an intent to cut with the forest service. The total costs including fines and permits is going to be about \$30,000. The Authority intends to see if the Mulford Fund will be able to grant \$30,000 this year to cover the cost .

Mr. Holmes inquired as to how much of the land that was cut was private vs. airport land. It was determined that approximately 2 acres was private land and the other 5 acres belongs to the airport.

Mr. Bergoffen stated that the audit had been completed and the IRS 990 form had been filed and that the ESAA is in compliance.

III. Marketing Committee

Mr. Meltzer noted that he and Barbara Gleason intend to meet soon in order to solidify some dates for potential 2020 events. He noted that he would be working with Dave Cullinan to find a good date for the Wings and Wheels event so that they are not in competition with the any other major events like last year's Whitefield Airshow.

Mr. Cullinan noted that the Civil Air Patrol will hold an information meeting at the airport on January 21, 2020 at 6:30 pm.

It was stated that the STEM Committee will be doing Young Eagle Flights again in the spring.

The Authority is looking to put together some smaller weekend events to bring the community to the airport.

IV. Election of Executive Committee officers and election of directors

Mr. Sorensen moved, seconded by Mr. Bergoffen, to re-appoint Eric Meltzer, Steven Steiner, Ken Richardson, and Ron Briggs to three-year terms on the ESAA Board of Directors. The motion carried unanimously.

Mr. Sorenson moved, seconded by Mr. Briggs, to re-appoint members of the Executive Board as follows: Don Thibodeau, President; Carl Thibodeau, Vice-President; Gene Bergoffen, Treasurer; Ed Bergeron, Secretary; and Eric Meltzer, Airport Liaison. The motion carried unanimously.

Mr. Bergeron announced to the Board that he will be resigning from his position on the Board and as Secretary in June of this year. He noted that the Board needs to start thinking about who will take over as secretary sooner than later so that they could learn the details of the position.

It was discussed that Conway will need to appoint someone to finish the six months that are left in his term. There was discussion and interest in looking into whether the new owner of the Conway Scenic Railroad would be interested.

V. STEM Aviation Committee

Mr. Bergeron explained that he and Frank Lund, treasurer of the Aviation Academy have opened a bank account for the academy at TD Bank.

The Academy now had a Board consisting of Eric Meltzer, Rick Hiland, John Saxby, Frank Lunn and Mr. Bergeron. They have completed the first draft of their bylaws and established a start-up budget of \$65,000. With this budget they intend to purchase two planes and upgrade them so they are in FAA compliance with ASDS-B requirements.. This budget also includes the cost of \$7,000 for insurance and \$2,200 for the hangar lease at the airport.

They have \$5,000 in the bank account currently and will be looking for grants, donations, and fundraising to raise the rest. The last option Mr. Bergeron mentioned would be utilizing crowd source funding.

He noted that once the academy is up and running, members will pay annual dues, rental fees for the airplanes, and for flight instruction. The charge from the ESAA is that the Academy is self sustaining.

VI. Facilities and Operations Committee

Chairman Thibodeau noted that Town Manager of Fryeburg, Katie Haley is planning to apply for the Northern Borders Grant to fund the reconstruction of the access road to the airport.

Mr. Bergoffen noted that they also planned to re-do the sign to the airport and install a new sign board below that was more aesthetically pleasing.

Mr. Bergerson noted that for transparency reasons, he would continue to distribute the minutes from the Executive Committee meetings.

VII. Questions and comments from board members.

Chairman Thibodeau wants the Board to start thinking about how the ESAA Board should function in the long term. He noted that all members of the EC are older and the positions that they hold require a considerable amount of time. It is the hope of the Executive Committee that by the end of 2020, they will have a solid strategic plan on how the ESAA will move forward.

Mr. Steiner stated that he is be willing to approach the smaller towns such as Eaton to see if they would be interested in supporting the airport, especially with the planned extension of the runway.

Mr. Bergoffen added that he will be presenting to the Town of Fryeburg a proposal for a longer lease. He added that they need at least 40 years for the Solar Farm.

Dave Cullinan stated that he believes the Board should take a real strategic approach to Oxford County as it was time for a significant increase in their contribution.

Mr. Sorensen thanked the Executive Board for having done a tremendous job volunteering and the ESAA had come a long way over the last few years.

Mr. Thibodeau stated that he had met with an individual who is interested in one of the hangars he has for sale. However, what this person really would like to construct a hangar himself that meets his needs. He noted that this is the third request he has had recently regarding building private hangars at the airport. He noted that the Authority should be planning locations for construction of new hangars.

Mr. Briggs inquired as to whether there had been any assessment done of the property in regards to potential uses of the land. It was determined that planning will be done in 2021 when the Authority is required to put together a vegetation management plan.

VIII. Adjourn

The meeting adjourned at 7:40 pm by the power of the Chair.

The next ESAA Quarterly meeting will be on April 9, 2020. The Executive Committee meets the third Thursday of every month. Next meeting February 13, 2020 at Green Thumb Farms at 9:00 AM.

Respectfully Submitted,

Krista Day
Recording Secretary