

Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

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Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
David C. Gray, Sr.
Andrea N. Planzer
Jeannette D. Topham

AIRPORT COMMISSION MEETING

December 10, 2013

The meeting was called to order 5:01 PM by Chairman Daniel W. Drake with the following Commissioners present, Vice Chair Arthur D. Gasbarro, Jeanette D. Topham and Andrea N. Planzer.

Commissioner David C. Gray, Sr. was absent.

The meeting took place in the 1st Floor meeting room at the Public Safety Facility, 4 Fairgrounds Rd.

Airport employees present were Thomas M. Rafter, Airport Manager, Ashley Christ, Business Manager, Noah Karberg, Environmental Coordinator and Janine Torres, Office Manager.

Mr. Drake announced the meeting was being recorded.

Mr. Drake noted a minor modification to the Agenda to include consideration of an amendment to the Atlantic Aeolus Lease under the Existing Bunker Lease Review topic. Hearing no objections the Agenda was approved.

Ms. Planzer made a **Motion** to approve the 11/12/13 Minutes. **Second** by Ms. Topham and **Passed** Unanimously.

The 11/26/13 minutes are still pending.

Mr. Gasbarro made a **Motion** to ratify the 12/4/13 Warrant. **Second** by Ms. Topham and **Passed** Unanimously.

Public Comment

None.

Pending Leases & Contracts

Mr. Drake noted the only item is the Atlantic Aeolus Amendment. Mr. Rafter added the Amendment addresses the last lease needed to be reviewed under the **Existing Bunker Lease Review (120412-3)**. The Amendment removes the participation clause and adds Nantucket Energy as a sub-tenant. Mr. Rafter noted a letter will be forthcoming from the tenant to address the last outstanding item of another sub-tenant currently on the lease parcel. **Motion** by Ms. Topham to approve Amendment 2 to the Atlantic Aeolus Lease. **Second** by Ms. Planzer and **Passed** unanimously.

Pending Matters

120412-3 Existing Bunker Lease Review – See above.

021213-2 Air Traffic Control Tower (ATCT) – Mr. Rafter reported receiving Legal Counsel's opinion indicating we must advertise an RFP for design and construction services. Brief discussion concluded the RFP would be advertised by mid-January.

Mr. Drake read an email from Steve Berube of the FAA to Ms. Torres addressing the estimated cost of the project. The e-mail stated the \$1,367,575 cost quoted in the modernization documents covered only the work associated with the conditions assessment report. Asbestos abatement, tower cab modernization, new roof, the addition of an elevator and additional staircase are among the added scope items. Mr. Berube indicated an informal projected total cost of \$3M. It is unsure if this estimate includes The cost of a temporary tower and needs to be verified.

062513-3 Noise Abatement – Mr. Rafter indicated nothing to report.

070913-1 TON Memorandum of Understanding (MOU) – Mr. Rafter indicated nothing to report.

112613-1 Windmill Car Rental Parking Permit Status – Mr. Rafter reported the Board of Selectman discussed approving the public permit up to forty (40) vehicles but are waiting for another document before they take a final vote.

Finance

111213-2 Kopelman and Paige Fuel Revolver Opinion – Mr. Drake reported attending a meeting last week including the Town Manager, Mr. Giorgio of Town Counsel's office, Mr. Roselli of the Town's audit firm and three members of the Finance Department to discuss specific items needed for Annual Town Meeting (ATM). During the meeting, lengthy discussion took place regarding in language of Article 15 from 2013 ATM which states any excess in the fuel revolver shall be transferred to the Airport's Enterprise Fund. Mr. Giorgio feels this language is inadequate to transfer the funds into the Operating Account even though the Operating Account is within the Enterprise Fund. Mr. Giorgio further stated the transfer would be an appropriation and therefore requires an ATM vote of a specific dollar amount authorizing transfer to the Operating Account specifically. The discussion resulted in Mr. Giorgio agreeing to draft a Memorandum for the group to finalize and send to the Dept. of Revenue. Mr. Drake added until determined, his remaining questions will remain unanswered. This result plays into the FY15 Budget process and how the FY13 Fuel Revolver excess of \$274K will be utilized.

Mr. Drake reviewed the options for the \$274K surplus:

- Allocate to FY15 Operating Budget
- Transfer to Enterprise Fund and let it become Free Cash
- Use all or some portion for FY15 Fuel Revolver seed money

100813-1 FY2015 Budget – Mr. Rafter presented the budget for approval subject to a future amendment after the use of the fuel revolver excess is determined. Mr. Rafter noted anticipating a \$21K profit. Addition of the fuel revolver excess will invite discussion on creating a mechanism to repay the Town.

Discussion:

- Mr. Drake suggested consistency on column titles noting the first page shows "Revised Budget FY2015" and the detail pages show "Proposed Budget FY2015".

- Mr. Rafter reviewed the major changes between the TON Proposed budget and the Airport's recommendations:
 - Added conservative Passenger Facility Charge Revenue of \$600K
 - Removed \$228 TON Subsidy from as it appears twice
 - Slight projected increase to Land Rental Income due to new leases.
- Mr. Gasbarro expressed concern over the proposed \$1.4 deficit prior to adding Retained Earnings as it relates to the overall financial position of the Airport. Mr. Rafter pointed out this is the budget, not actual, and has constraints on what can be included.
- Mr. Gasbarro asked for clarification and received confirmation that the Retained Earnings of \$1,464,189 is based on Certified Free Cash.
- The need for the Fuel Revolver noting there is potential for four (4) ATM articles for the Fuel Revolver alone.
- The utility costs of the new GA/Administration Building are a big unknown.

Motion made by Ms. Planzer to approve the Airport Manager's Revised FY15 Budget as presented. **Second** by Mr. Gasbarro and **Passed** unanimously.

121013-2 Recap of TON 12/3/13 Audit Committee Discussion – Mr. Drake expressed concern over two Airport-related matters noted in the October 4, 2013 TON Audit Committee Minutes. The first was continued discussion of the role of Burke & Lamb. The second was the TON intent to take control of accounting for fixed assets. Therefore, Mr. Drake attended last week's Audit Committee Meeting prepared to address the two topics and was satisfied with the Town Auditor, Mr. Roselli's remarks.

Mr. Roselli indicated the use of Burke & Lamb was absolutely necessary in terms of their support role in the Airport's accounting function, in preparation of the FAA audit as well as the TON audit.

In respect to the fixed assets, Mr. Roselli has made a recommendation to use a software program to replace the currently used spreadsheet method to track fixed assets. The Town has purchased the software and the Auditors are assisting in its set up. Both Mr. Roselli and Bob Dickenson, Town Accountant, have assured Mr. Drake the Airport's fixed assets would be identified separately within the software.

Another topic discussed was the Airport's use of the Great Plains software for an accounts receivable (AR) system noting MUNIS' inability to perform adequately the AR function.

Mr. Rafter reported having received the first draft of the Management Letter from the Town Auditor, but hasn't has a chance to review. Mr. Drake added there is a TON Audit Committee meeting scheduled for mid-January to review the draft Management Letter.

121013-1 Bunker Road – Jesse Dutra Landscaping Parcel – Request for NGrid Easement

Mr. Rafter reviewed the request for easement to allow National Grid to bring power to Mr. Dutra's parcel through the outside boundary of the empty lot adjacent to his.

Motion made by Mr. Gasbarro to approve the request for the National Grid Easement to the Jesse Dutra Landscaping parcel. **Second** by Ms. Topham and **Passed** unanimously.

022613-2 Master Plan & Sustainability Program Update – Mr. Bill Richardson of Jacobs Engineering called into the meeting at 5:38 pm to provide a progress report to the Master Plan project.

Mr. Richardson reported:

- Working in-house in finalizing draft of the existing conditions report which included the perimeter survey work.
- Received the draft Noise Report from the sub, KM Chung, and sent a few revisions back
- Updated the existing ALP (Airport Layout Plan) drawing
- Updated the pavement conditions plan
- Conducted site visits for the facility needs task
- Developed the Working Group presentation/agenda and held first meeting
- Conducted vehicle traffic counts
- Attended FAA/DOT CIP (Capital Improvement Plan) Meeting
- Will attend FAA Scoping meeting on selected CIP projects
- Finalizing air service development with sub-consultant
- The next Working Group session is planned for mid-February
- Deliverables on completed tasks should be sent out in draft form next week

Mr. Rafter added the financial benchmarking was started and should be included in the existing conditions report.

Mr. Gasbarro asked if part of the rates and charges comparison would include not only the comparison of similar airports, but the cost of providing services. Mr. Rafter indicated it would.

Mr. Richardson disconnected at 5:45 PM.

GA/Administration Building

Mr. Rafter reported the Certificate of Substantial Completion has been signed by the Airport. The administration office is moving in this Friday, exactly two years after the original general contract was signed.

A construction meeting scheduled for tomorrow to review the monetized punch list has been postponed till next week due to the weather.

Manager's Report

Project Updates

Mr. Rafter reported:

- The FAA Closeout reports for Taxiway Juliet and Runway 6/24 HIRLS projects have been signed.
- The FAA scoping meeting is scheduled for December 16th in Hyannis to go over the upcoming capital projects.
- The User Consultation Meeting for the Passenger Facility Charge (PFC) Application was held on December 3rd. It was a cordial meeting but the Users expressed their concern on the impact as a percentage to the overall ticket price to Hyannis. One questioner asked was if the PFC will apply to tickets sold prior to the effective date of the PFC. It was determined that it would not. One comment made was that the TW Juliet project is mostly beneficial to larger aircraft and shouldn't be included in the PFC application. Cape Air suggested a graduated landing fee structure to which Mr. Rafter explained will be looked at as part of the Master Plan process. Mr. Rafter added the users have until January 2nd to submit comments in writing. December 20, 2013 is the public comment deadline.
- The Runway 6 PAPI installation has been postponed three times due to weather.
- The Runway 15/33 REILS and PAPI is still pending due to paperwork.

- Two companies attended the mandatory pre-bid meeting for the Carbon Neutral Program and both have expressed high interest in bidding as an ESCO. The VOLPE Center provided several “plug-n-play” devices to monitor random pieces of equipment energy consumption. The geothermal system review indicates NGrid will subsidize fixing should it not be part of the ESCO.

RFP/Bid Status

- The Engineering RFQ is advertised. Proposals are due January 9, 2014.
- Two proposals were received for the Aviation Fuel Supply RFP. Both bids were rejected due to mention of cost in the non-price proposal. The current contract will be presented at the January meeting for extension for another month to allow for re-advertisement of the RFP.

Operations

- Mr. Rafter thanked the Staff for the seemingly effortless coverage of recent VIP movement.
- The TON Human Resource Department has forwarded a Position Analysis Questionnaire on behalf of the TON Compensation Committee’s consultant. Mr. Rafter is encouraging all employees to complete it/.

Fuel Sales Statistics

Mr. Rafter provided a Holiday Fuel Sales Comparison for the past three years and pointed out the significant increase to both Film Festival and Stroll events. Mr. Rafter added with the completion of the new FBO facility, the airport can market itself to promote aviation activity with the hopes of selling more fuel.

Staff Update

Mr. Rafter reported Durand Spence has accepted the position of Operations Specialist/ARFF. Mr. Spence was previously a seasonal employee.

Mr. Rafter indicated he would be attending the Wright’s Dinner in Washington D.C. on Friday along with Commissioner Planzer to honor former FAA and NTSB director Marion Blakey.

Sub-Committee Reports

None.

Commissioners Comments

Mr. Gasbarro asked if the GA Building’s sub-contractor’s truck was going to be moved now that the project is finished. Mr. Rafter indicated that was an item he intends to bring up at the next construction meeting.

Mr. Drake reported having a conversation with Walt Spokowsky of Marine Home Center who indicated they were still waiting on information from the Taylor family attorney. Mr. Rafter reported receiving an email from the Taylor’s Estate Attorney explaining the disposition of the Estate. Mr. Rafter responded requesting copies of the documentation. Ms. Torres added speaking with Marine Home Center General Manager and discussed having the attorneys contact each other directly.

Ms. Topham mentioned the John Lawrence Funeral Home will be servicing the Island now that Lewis Funeral Home is closed and are looking for a place to keep a car.

Public Comment

Carol Dunton commented on the move into the GA/Administration Building.

Having no further business for Open Session, Mr. Gasbarro made a **Motion** to enter Executive Session, not to reconvene in Open Session for the purpose of 1) Reviewing executive Session Minutes of 8/28/12, 9/18/12, 12/2/12, 12/11/12, 2/26/13, 4/23/13, 5/28/13, 8/27/13, 9/10/13, 9/24/13, 10/8/13 and 10/22/13 for possible release; and 11/12/13 for review and possible release. 2) To conduct strategy session with respect to collective bargaining where if held in open session may have a detrimental effect on the bargaining position of the Commission. 3) To discuss strategy with respect to threatened litigation with to the completion of the GA Building. The Chair has determined that an open session may have a detrimental effect on the litigation position of the Commission. **Second** by Ms. Topham and **Passed** by the following roll call vote:

Mr. Drake – Aye
Mr. Gasbarro – Aye
Ms. Topham – Aye
Ms. Planzer – Aye

Meeting adjourned at 6:12 pm.

Respectfully submitted,

Janine M. Torres Recorder

Master List of Documents
12/10/13 Agenda
11/12/13 Draft Minutes
Atlantic Aeolus Lease Amendment 2 (Handout)
Email between Torres and Steve Berube re ATCT Project Costs dated _____ (to do) (Read Aloud)
FY2015 Draft Budget
Email between Torres and Jesse Dutra re: National Grid Easement dated 11/26/13
National Grid Grant of Easement for 76 Bunker Road (Dutra)
Holiday Fuel Comparison 2011 – 2013 (Handout)