

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



William McGrath, Interim Airport Manager
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Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
Sheila O'Brien Egan
David C. Gray, Sr.
Carl D. England, Jr.

AIRPORT COMMISSION MEETING

December 20, 2011

The meeting was called to order at 5:00 PM by Chairman Daniel W. Drake with the following Commissioners present: Vice Chair Arthur Gasbarro, Carl D. England, Jr., and David C. Gray, Sr.

Also present were Interim Manager William F. McGrath, Jr., Airfield Supervisor Jeff Marks, and Administrative Coordinator Yolanda Taylor.

The Meeting took place at 4 Fairgrounds Rd.

Chairman Drake announced the meeting was being recorded.

The Commission Unanimously **M/S/P** approval of the Agenda.

The Commission Unanimously **M/S/P** approval of the December 6, 2011 Minutes.

The Commission Unanimously **M/S/P** approval of the December 28, 2011 Warrant.

Chairman Drake introduced Peter Lamb who serves as an accounting consultant to the Airport.

Public Comment

None

Review and approve FY2013 Capital Budget

Chairman Drake stated the current items on the Capital Budget are

- New Airfield Equipment for \$275,000
- Runway 15/33 safety areas (lighting, fencing) \$1,545,000: It is anticipated the FAA will pay 95%, 2 ½% from the State and 2 ½ % from the Airport. The Airports share will come from entitlement funds.

FAA Entitlement funds of \$1,745,000 are based on annual enplanements.

There is no provision for additional funding for the 15-33 parallel taxiway. If the Airport decides to go forward with this project the Budget may need to be revised.

The Commission Unanimously **M/S/P** approval of the FY2013 Capital Budget.

Review of FY2011 Year End Financial Reports

Peter Lamb of Burk & Lamb, PC, gave an overall view of the internal services they provide to prepare the Airport for their yearly external audit. This includes working closely with the Airport's Accounting staff ensuring everything in order so when the Town's ready to do there Audit everything will be in place.

Statement of Net Assets

Mr. Lamb stated Net Assets for accounting is considered retained earnings. This can get a little complicated trying to bridge between an Enterprise fund, the Municipal Accounting the Town does, and the States free cash calculations. The States free cash is a measurement of what they consider to be surplus.

Chairman Drake asked if free cash is essentially retained earnings. Mr. Lamb responded he doesn't like to put it that way. In the for profit world retained earnings are different from free cash in an Enterprise Fund. An Enterprise Fund does not get the same benefits from the State as a for profit business would get from their retained earnings.

Commissioner England asked what is the significance of unrestricted net assets. Mr. Lamb responded unrestricted net assets doesn't relate to running the Airport.

Vice Chair Gasbarro asked what is the basis for determining the post retirement benefits and why is there a significant increase. Mr. Lamb responded the Town's Finance Department provided that number from their Audit.

Chairman Drake asked Rick Atherton if he ever received the information on how the Finance Department came up with the post retirement benefits amount. Mr. Atherton responded it's the total number of employees times 10% of the total number. Mr. Atherton stated there is a new report available in the Town's Finance Department.

Chairman Drake asked if the current portion is less than a year. Mr. Lamb responded yes.

Chairman Drake asked if Mr. Lamb knew what "Due to the Town of Nantucket General Fund" was. Mr. Lamb responded he has a breakdown of what it is. It could be a missed warrant, missed receipt the Airport has taken in, due to the fact the Airport does not cut their own checks occasionally there is an issue with the Warrant.

Chairman Drake asked where the money came from to pay off the notes the Airport owed. Mr. Lamb responded the money came from previous borrowings.

Chairman Drake asked if the accounts payable for 2011 includes the fuel bill. Mr. Lamb responded yes it does include the amount which is on hold at this time.

Mr. Lamb reported on the Income statement overall the Airport had a good year. Operating revenue is up 21%, Operating expenses stayed flat, however when Mr. Lamb took out the deficit before appreciation it was negative 353 vs. the prior year at 789 but included in the 789 was the OPEB.

Rick Atherton asked under cash flows what are advances from other funds. Mr. Lamb responded that is the gross cash that came in from the general funds.

Vice Chair Gasbarro asked if Mr. Lamb had any concerns or recommendations for the Airport. Mr. Lamb responded there could be better coordination between the Airport Management, the Town, and the Airport Commission.

Rick Atherton asked what is Miscellaneous Revenue. Mr. Lamb responded it is from different grants that the Airport received for some projects that have just been ongoing and never ending.

Forensic Audit

Chairman Drake stated there is no new information to report at this time.

Contracts:

- a. Jacobs Professional Services Agreement: GA/Admin Building Telecom Systems Design \$72,506.00**

Chairman Drake stated this contract is not ready and will need to be postponed to a later date.

Operations Report / Project Updates

Bill McGrath reported:

- The foundation for the FBO/GA bldg is 2/3's complete
- Taxiway RW 33 is progressing
- Mr. McGrath would like to have a privacy wall separating the Manager from his/her assistant in the new GA bldg as it stands now it is just one open space. The Commission agrees.

Chairman Drake stated there are three kitchens in the new FBO/Admin bldg and questioned if there was really a need for a kitchen near the Managers office.

Sub Committee Reports

Vice Chair Gasbarro reported on the Energy/Environmental Sub-Committee. The Sub-Committee along with Jeff Marks met with Peggy Fantozzi who gave a summary report on the permitting and will follow up with another meeting in January. There were also discussions on the Solar Project and the impact the project would have on the proposed location; however there is a site outside the fence which might not have as much impact on the environment. MassDEP is installing an Air Quality Station on the airfield.

Commissioner Gray asked exactly what endangered species are out at the site. Vice Chairman Gasbarro responded that the Committee has not gotten that far.

Commissioner England reported on the Airfield Policy/Facilities/Maintenance Sub-Committee. The Sub-Committee met with Mr. McGrath to discuss whether or not to centralize the airfreight activities into one location; budgeting funds for the maintenance of the new FBO/GA bldg and the construction activities going on in the Cabral building.

Vice Chair Gasbarro stated he is concerned about all the vehicles parking along Old South Rd. Mr. Marks stated that is the Emergency Access Rd for the Airport and the Airport can put up no parking signs. Mr. Marks will look into getting the signs and having his crew install them.

Commissioner's Comments

Chairman Drake reported:

- If the Airport Commission wants iPads the Airport will have to purchase them. Chairman Drake suggests waiting until the next fiscal year.
- Every time an invoice is put on the Warrant and that company has a contract the contract must also be attached to the invoice when it is sent to the Town's Finance Department for payment.
- According to counsel the Open Meeting Law in regard to sub-committees states that if there is more than one member of the sub-committee present the meeting must get posted; the chair or any other Commissioner who is not a member of the sub-committee may attend a sub-committee meeting as a guest with only one of the members present and that meeting would not have to be posted as long as the guest has no vote.
- There may need to be another Commission meeting next week to discuss contracts.
- The Airport needs to think about removing the fuel line located by the Great Harbor Yacht Club.
- January and February Commission Meetings will be held in the SRE building.
- The budget presentation to FinCom has been postponed until February. There is a FinCom meeting scheduled for January 3, 2012 for general discussion of the airport enterprise fund's financial situation.

Vice Chair Gasbarro suggested looking into getting a digital recorder to record the Commission Meetings.

Public Comment

Jeannette Topham asked who is going to occupy the new FBO/GA building. Chairman Drake responded FBO staff, GA passengers, pilots, accounting and administration.

Bruce King asked if there was any progress on the Attorney General's report. Chairman Drake responded he was told by numerous sources it would be issued by December and has yet to see a report.

It was **M/S/P** by the following vote to adjourn into Executive Session to review Executive Session Minutes:

- A) Of March 22, 2011 and June 14, 2011 full release
- B) Of May 10, 2011, August 9, 2011 and November 22, 2011 for full or partial release

Chairman Daniel W. Drake – Aye
Vice Chair Arthur Gasbarro – Aye
Commissioner Carl D. England, Jr. – Aye
Commissioner David C. Gray, Sr. – Aye

Meeting Adjourned at 6:37 PM

Respectfully Submitted,

Yolanda J. Taylor, Recorder

Master List of Documents
12/20/11 Agenda
12/6/11 Commission Minutes
Agreement for Professional Services between Jacobs Engineering and Nantucket Airport Commission
GA/Admin bldg floor plan
Draft financial statement from Burke & Lamb
Executive Session Minutes 3/22/11, 5/10/11, 6/14/11, 8/9/11, and 11/22/11

