

**Commonwealth Of Massachusetts  
County Of Dukes County, S.S.  
MARTHA'S VINEYARD AIRPORT COMMISSION MEETING**

**February 16, 2017 2:00PM  
West Tisbury Public Library**

Notice of Such Meeting Having Been Posted as Required by Law

Present: Airport Commissioners: Acting Chair - Donald Ogilvie, Clarence "Trip" Barnes,  
Richard Michelson, Robert Rosenbaum by remote,  
Christine Todd\*, Kristin Zern,  
Airport Staff: Ann Crook - Manager, Geoffrey Freeman – Assistant Manager,  
Joan Shemit - Financial Administrator,  
Water/Wastewater - Mike Eldridge, Christina Colarusso,  
Others: Brian Smith – McFarland Johnson,  
John Folino, James Hale, Ted Rosbeck – MVBP Tenants  
Press: Joanie Ames – MVTV,  
Marni Lipke – Recorder

\* Late arrival or early departure (see \* in text)

**I. CALL TO ORDER**

The Martha's Vineyard Airport Commission (MVAC) meeting was called to order at 2:00PM. Acting Chair Donald Ogilvie announced for the record that Commissioner Bob Rosenbaum joined the meeting by speaker-phone due to great geographical distance and consequently roll call votes were required.

**II. APPROVAL OF MEETING MINUTES FROM JANUARY 5, 2017** (Action)  
(See documents on file.)

**MR. TRIP BARNES MOVED TO APPROVE THE JANUARY 5, 2017 MINUTES; MS. KRISTIN ZERN SECONDED; MOTION PASSED UNANIMOUSLY: 5 AYES, 0 NAYS, 0 ABSTENTIONS: MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MR. OGILVIE—AYE, MR. ROSENBAUM—AYE.**

\*Ms. Christine Todd entered the meeting at 2:02PM.

**III. FINANCE SUBCOMMITTEE REPORT** (See documents on file.)

Year-to-date Fiscal Year 2017 (FY17) revenues were about \$2,700,000 and expenses about \$2,300,000 leaving about a \$250,000 surplus.

**• Approval of Water/Wastewater Rates** (Action)

Despite a steep rise in Oak Bluffs water rates the Martha's Vineyard Airport (MVY) rates were unchanged since 2004. Six months ago a letter was sent informing tenants of this imminent increase. As good business practice and as required by the Federal Aviation Administration (FAA) the Finance Committee proposed that MVY rates reflect costs retroactive to last quarter

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(October-December 2016) – slightly more than doubling previous rates. The Treatment Plant was at or over capacity during summer months so revenues were also in accordance with State ordered upgrade deadlines in 2018 and 2020.

- Both the Finance Committee and the MVAC expressed concerns about ‘sticker shock’ but Chair Myron Garfinkle felt strongly the rates should not be raised incrementally.
- To avoid a similar situation in the future, rates would be annually reviewed and adjusted as necessary. It was pointed out that tenants had been saving money for the last 15 years.
- Water rates were by allotment, however wastewater rates were charged by the gallon, so that irrigation or car wash water was not counted. There were one or two private wells (e.g. Airport Laundromat) however as a single source aquifer, more private wells were not encouraged.
- Tenant Mr. John Folino requested a letter in writing to master lease holders that could be passed on to subtenants.

In keeping with Finance Committee recommendation:

**• MR. TRIP BARNES MOVED TO APPROVE AND ADOPT THE WATER AND WASTEWATER RATES, RULES AND REGULATIONS UPDATE AND IMMEDIATELY BEGIN INVOICING AT THE NEW RATES, EFFECTIVE WITH THE FISCAL YEAR 2017 SECOND QUARTER BILLING; MR. MICHELSON SECONDED; MOTION PASSED: 6 AYES, 0 NAYS, 1 ABSTENTION: MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MS. TODD—AYE, MR. OGILVIE—ABSTAIN due to conflict of interest, MR. ROSENBAUM—AYE.**

IV. LAND USE SUBCOMMITTEE REPORT (See documents on file.)

• Adjustment to Market Value Policy (Action)

It had been found that some of the older leases were at on third of Fair Market Value (FMV), due to lease language that allowed for annual Consumer Price Index (CPI) increases but not for five-year re-appraisals. Management therefore recommended a policy that whenever such lease holders requested MVAC approval for construction or improvements that such approval be conditional on tenant agreement with lease amendment. To ease the financial impact, FMV would be implemented in 1/3 increments at six, twelve and eighteen months from the date of the amendment. The MVAC asked about a number of issues. (See also below: p.3 & p. 7 #VI.)

- The incremental increase was implemented here because the financial impact was much greater than the water/wastewater rate increase.
- In consideration of proper procedure for MVAC discussion and approval, only tenants renegotiating leases had been informed so far. If approved a letter would go out to tenants.
- Commissioners expressed concern that such a policy would discourage tenant improvements, however it was also noted that in general this was expected as part of the cost of doing business, for example improvements on regular housing increased a family’s real estate tax rate.
- Commissioners also strongly urged Management to inform tenants on the FAA regulations that mandated these increases, whether by informal conversations, Tenants Association meetings or advertisement.
- Similar to the Water/Wastewater updates the MVAC inherited a situation that it was doing its best to rectify.

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In keeping with Management recommendation:

**• MR. MICHELSON MOVED TO ADOPT THE FAIR MARKET RENT POLICY AS FOLLOWS: IT IS THE POLICY OF THE MARTHA'S VINEYARD AIRPORT COMMISSION TO SUPPORT COMPLIANCE WITH FEDERAL AVIATION ADMINISTRATION REGULATIONS BY ENSURING THAT ALL NON-AERONAUTICAL LEASES INCLUDE LANGUAGE TO ADJUST THE RENTAL RATE ANNUALLY ACCORDING TO THE CPI AND EVERY FIFTH YEAR ACCORDING TO A FAIR MARKET VALUE RENT APPRAISAL. THE POLICY WILL BE IMPLEMENTED IN THIS WAY:**

- ANYTIME THE TENANT MAKES A REQUEST TO THE MVAC FOR ANY IMPROVEMENTS TO THE PROPERTY THE RATE AMENDMENT WILL BE TRIGGERED;**
- A FMV RENT APPRAISAL WILL BE COMPLETED – THIS WILL BE THE NEW BASE RENT;**
- THE NEW BASE RENT WILL BE PHASED IN A THREE-STEP PROCESS:**
  - ° STEP 1 RENT WILL BE RENT AT TIME OF AMENDMENT PLUS 1/3 THE DIFFERENCE BETWEEN RENT AT TIME OF AMENDMENT AND FAIR MARKET VALUE RENT,**
  - ° STEP 2 RENT WILL BE RENT AT TIME OF AMENDMENT PLUS 2/3 THE DIFFERENCE BETWEEN RENT AT TIME OF AMENDMENT AND FAIR MARKET VALUE RENT**
  - ° STEP 3 RENT WILL BE FAIR MARKET VALUE RENT;**
- STEP 1 WILL BE IMPLEMENTED AT 1/6 OF THE TIME REMAINING ON THE LEASE (BETWEEN THE TIME OF AMENDMENT AND LEASE EXPIRATION);**
- STEP 2 WILL BE IMPLEMENTED AT 1/3 OF THE TIME REMAINING ON THE LEASE;**
- STEP 3 WILL BE IMPLEMENTED AT 1/2 OF THE TIME REMAINING ON THE LEASE**
- THE IMPROVEMENT REQUEST WILL BE APPROVED CONDITIONED ON AMENDING THE LEASE PER THIS POLICY**
- IF THE LEASE IS RENEWED, A NEW APPRAISAL WILL BE DONE TO SET THE BASE RATE FOR THE RENEWAL PERIOD AND THE RENEWED LEASE WILL INCLUDE THE CONSUMER PRICE INDEX AND FAIR MARKET VALUE RENT APPRAISAL ADJUSTMENTS.**

**MR. BARNES SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MS. TODD—AYE, MR. OGILVIE—AYE, MR. ROSENBAUM—AYE.**

**• Approval of MV Shipyard Request (Action)**

This lease was up for renewal. Prior environmental concerns had been resolved and MV Shipyard agreed not to wash hulls on the premises and to the new lease language noted above. In keeping with Land Use Subcommittee recommendations

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**MS. TODD MOVED TO APPROVE THE MARTHA'S VINEYARD SHIPYARD REQUEST TO CONNECT TO WATER AND ELECTRICITY AND FENCE THEIR YARD CONDITIONED ON THE CONDITIONS LISTED BELOW, AIRPORT MANAGER APPROVAL OF FINAL BUILDING PLANS, AND AMENDMENT OF LEASE CONSISTENT WITH THE FAIR MARKET VALUE LEASE RATE POLICY:**

- NO WASHING OF BOAT HULLS WITH WILL BE PERMITTED;**
- USING WATER TO COOL ENGINES WILL BE PERMITTED;**
- PROVIDE AN ESTIMATE OF WATER USED THAT CAN BE CONVERTED INTO GALLONS PER DAY FOR USE IN DETERMINING WASTEWATER FLOWS TO TREATMENT PLANT TO MEET MA. DEPT. OF ENVIRONMENTAL PROTECTION PERMIT LIMITS;**
- WASTEWATER ALLOCATION TO BE APPROVED BY AIRPORT COMMISSION AFTER DETERMINING VOLUME NEEDED BY MV SHIPYARD;**
- ANY CHANGE OF USE TO BE APPROVED BY AIRPORT COMMISSION;**
- PROVIDE LABORATORY WASTEWATER TEST RESULTS TO DETERMINE WASTEWATER CHARACTERISTICS AND PROVIDE FUTURE TEST RESULTS AS DETERMINED BY WASTEWATER OPERATOR;**
- ANY CHANGE OF USE TO WASH HULL WILL REQUIRE ALL WASHING TO OCCUR OVER A CONCRETE PAD WITH A DRAIN TO AN OIL/SAND INTERCEPTOR. THE INTERCEPTOR TO FEED INTO THE AIRPORT WASTEWATER COLLECTION SYSTEM TO BE FURTHER TREATED AT THE WASTEWATER TREATMENT PLANT; A SHUTOFF VALVE OR PLUG WILL BE INSTALLED AT THE CONCRETE PAD BEFORE THE INTERCEPTOR TO PREVENT STORM WATER FLOW INTO THE COLLECTION SYSTEM WHEN BOAT WASHING IS NOT BEING DONE;**
- THE INTERCEPTOR AND COLLECTION SYSTEM AT THE BOAT YARD NEEDS TO BE DESIGNED BY A MASSACHUSETTS LICENSED ENGINEER WITH SIGNED AND STAMPED DRAWING(S) PROVIDED TO THE WASTEWATER OPERATOR FOR HIS APPROVAL BEFORE INSTALLATION BEGINS;**
- A WATER METER AND FITTINGS SPECIFIED BY THE WATER OPERATOR SHALL BE INSTALLED IN AN APPROVED MANNER FOLLOWING PLUMBING CODES. PROPER MEASURES NEED TO BE TAKEN TO PREVENT FREEZING OF PLUMBING SYSTEM;**
- ANY CROSS CONNECTIONS IDENTIFIED SHALL BE CORRECTED BY MV SHIPYARD IMMEDIATELY OR AS DETERMINED BY WATER OPERATOR TO PREVENT CONTAMINATION OF OUR PUBLIC WATER SUPPLY;**
- ACCESS TO PERFORM WATER AND WASTEWATER SERVICES SHALL BE GRANTED BY MV SHIPYARD;**
- ALL COSTS ASSOCIATED WITH THIS PERMIT SHALL BE PAID BY MV SHIPYARD;**
- FAILURE TO FOLLOW ANY RULES AND REGULATIONS SHALL BE CAUSE TO TERMINATE WATER AND/OR WASTEWATER SERVICE;**

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**MS. ZERN SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MS. TODD—AYE, MR. OGILVIE—AYE, MR. ROSENBAUM—AYE.**

• Approval of Island Foods & Spas Request (Action)

This request included: an addition to their building, adjusting the driveway and relocation of above ground propane tanks. Due to time constraints this request did not go through the Land Use Subcommittee.

• The MVAC asked about Wastewater Treatment Plant capacity, which was critical but possible. All such improvements were monitored by the Water/Wastewater Operator. In keeping with Management recommendation:

**MS. TODD MOVED TO APPROVE THE REQUEST BY ISLAND POOLS AND SPAS SUBJECT TO THE CONDITIONS LISTED BELOW:**

- **PROVIDE AN ESTIMATE OF WATER USED THAT CAN BE CONVERTED INTO GALLONS PER DAY FOR USE IN DETERMINING WASTEWATER FLOWS TO THE TREATMENT PLANT TO MEET MA. DEPT. OF ENVIRONMENTAL PROTECTION PERMIT LIMITS;**
- **ANY ADDITIONAL CHANGE OF USE MUST BE APPROVED BY MVAC.**
- **ALL COSTS OF PERMITTING AND CONSTRUCTION SHALL BE BORNE BY TENANT;**
- **FINAL CONSTRUCTION DRAWINGS SHALL BE APPROVED BY AIRPORT MANAGER PRIOR TO CONSTRUCTION;**
- **EXISTING LEASE MUST BE AMENDED IN ACCORDANCE WITH FAIR MARKET VALUE RENT POLICY PRIOR TO CONSTRUCTION;**

**MR. BARNES AND MS. ZERN SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MS. TODD—AYE, MR. OGILVIE—AYE, MR. ROSENBAUM—AYE.**

V. APPROVAL OF MCFARLAND JOHNSON WORK ORDERS (See documents on file.)

- Airfield Improvements Part B: Engineering, Permitting, Bidding, and Construction Services (Not To Exceed - NTE \$360,000) (Action)
- Federal Aviation Administration (FAA) Land Release Services (NTE \$90,000 (Action)
- Restroom Restoration Planning (NTE \$35,000 (Action)

• Airfield improvement encompassed a number of small projects including: soil surveys, asphalt shoulder removal, rubber removal, striping, repainting taxiway islands, fencing/gate change for the current construction project, etc. The FAA would reimburse 100% of the costs.

• In anticipation of the expansion of the Business Park Land Release would begin the long process of getting FAA approval to release land for non-aeronautical purposes. It was a long-range measure allowing up to three releases of up to three lots each. It was hoped the Business Park study would be completed by the end of 2017.

• The initial traditional airport terminal bathroom upgrade proved too costly so McFarland Johnson was working closely with staff on a more cost effective solution: paying minimal

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consultant fees on codes, procurement, electric fittings, etc. Work would start next week and hopefully be completed in time for the summer season.

• **MR. MICHELSON MOVED TO AUTHORIZE THE AIRPORT MANAGER TO EXECUTE THE WORK ORDERS LISTED BELOW:**

- **THE AIRFIELD IMPROVEMENTS PROJECT INCLUDES RUNWAY 15/33 SHOULDER REMOVAL, RUNWAY 6/24 RUBBER REMOVAL, AND AIRFIELD RESTRIPING. MVAC APPROVED WORK ORDER 3A (SOILS AND SURVEY) IN JANUARY; WORK ORDER 3B WILL INCLUDE ENGINEERING, BIDDING AND CONSTRUCTION ADMINISTRATION FOR THIS GROUP OF PROJECTS; AMOUNT NOT TO EXCEED: \$360,000;**
- **THE FAA LAND RELEASE SERVICES PROJECT WILL INCLUDE ALL THE EFFORT NECESSARY TO SECURE RELEASE OF ADDITIONAL LANDS FROM AERONAUTICAL USE SO THAT THE LAND MAY BE DEVELOPED FOR ENERGY PRODUCTION OR AIRPORT BUSINESS PARK EXPANSION; WHEN THE AIRPORT'S LAND WAS ORIGINALLY TRANSFERRED FROM THE NAVY, THERE WERE CERTAIN DEED RESTRICTIONS IN PLACE WITH THAT AGREEMENT; THIS EFFORT IS TO COORDINATE WITH FAA TO RELEASE SELECTED PARCELS FROM DEED RESTRICTIONS; THE LAND RELEASES WILL REQUIRE FORMAL SUBMISSIONS TO FAA THAT WHICH WILL INCLUDE RESEARCH, APPRAISALS, PARCEL PLANS, AND ENVIRONMENTAL REVIEW; THIS TASK ORDER INCLUDES THREE (3) SEPARATE EFFORTS OF UP TO THREE (3) PARCELS EACH TO RELEASE PARCELS AS-NEEDED WHEN AN INTERESTED PARTY APPROACHES THE AIRPORT FOR DEVELOPMENT; AMOUNT NOT TO EXCEED: \$90,000;**
- **THE GOAL OF THE RESTROOM RESTORATION PLANNING PROJECT IS TO PROVIDE DESIGN AND MATERIAL GUIDANCE TO MARTHA'S VINEYARD AIRPORT STAFF FOR UPGRADES TO THE RESTROOMS IN THE TERMINAL BUILDING; THIS PROJECT WILL ADDRESS THESE ISSUES IN A MANNER WHICH IMPROVES THE PASSENGER EXPERIENCE, BUT ALSO THAT IT BE ACCOMPLISHED WITHIN BUDGET, AND SO AS TO MINIMIZE CONSTRUCTION IMPACTS TO AIRPORT AND TENANT OPERATIONAL NEEDS; THE SUCCESSFUL PROJECT WILL PROVIDE COSMETIC UPDATES TO UP TO (4) PUBLIC RESTROOMS; AMOUNT NOT TO EXCEED: \$35,000;**

**MR. BARNES AND MS. TODD SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MS. TODD—AYE, MR. OGILVIE—AYE, MR. ROSENBAUM—AYE.**

VI. CHAIR/ MANAGER'S REPORT

• Two properties (Lot 20 – Cars Unlimited, Lot 33 Airport Mobil—see 7/26/13 Minutes p. 3 #V) were put out for Request For Proposal (RFP) as the leases had no renewal clauses. There were four responses to Lot 33 all of which exceeded the minimum FMV, a factor that might drive up the FMV rate.

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- It was time for the annual ethics filing and Commissioners were invited to contact the State for assistance if needed.
- Management and the Finance Committee had begun working with Dukes County on the FY18 Budget, with a target of MVAC consideration in April or May.
- The Dukes County Commission would consider two MVAC appointments, (Mr. Michelson and Ms. Todd terms would expire). Mr. Michelson and Ms. Todd applied and there were two other letters of interest.
- The Airport Rescue and Fire Fighter (ARFF) construction project was on target. A webcam had been set up to view the site. The crane arrived today and steel would be delivered next week. So far there were about \$40,000 of change orders that had tentative (but not formal) FAA support.
- The Fixed Base Operator (FBO) crew were going to Tampa for customer service training, and the Martha's Vineyard Chamber of Commerce would also conduct an ambassador training for service staff at the Airport, including rental car companies.
- Management had a great meeting with the Wampanoag Tribe of Aquinnah, who were interested in collaborating on top airport quality. The Tribe might supply access to Indian Affairs grants.
- Ms. Todd remarked that the community at large continued to be less informed about Airport issues. Letters to the Editor, newsletters, web posting, or monthly columns were considered.

VII. ITEMS NOT REASONABLY ANTICIPATED BY CHAIR - None

VIII. CONFIRMATION OF NEXT MEETING - 2:00PM, THURSDAY, MARCH 9, 2017

IX. PUBLIC COMMENT

- Ms. Crook clarified for Mr. Folino that loss of a building due to transfer of lease during an RFP was only at the end of a lease—not a part of the FMV/improvement policy just voted.
- There was a brief conversation on minimum water usage versus commodity buying. Details of the Water/Wastewater rates were available at the Airport Office.

X. CALL FOR MOTION TO ADJOURN

**• MR. MICHELSON MOVED TO ADJOURN AT 3:04PM; MS. TODD SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS; MR. RICHARD MICHELSON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MS. TODD—AYE, MR. OGILVIE—AYE, MR. ROSENBAUM—AYE.**

**Appendix A: Tasks - None**

- Agenda 2/16/17
- Sign-in Sheet 2/16/17
- Crook cover email re: Next Week's Airport Commission Meeting (2 p.) 2/10/17
- FY17 (Unaudited) – All Cost Centers

**continued >**

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**Appendix B: Documents on file:**

- MV Airport Staff Summary re: Water Department Rates, Rules, and Regulations Update 2/9/17 - Martha's Vineyard Airport Water Dept. Rates Rules, and Regulations Draft January 10, 2017 (15 p.)
- MV Airport Staff Summary re: Airport Business Park Market Rate Policy (2 p.) 2/9/17
- MV Airport Staff Summary re: Approval of MV Shipyard Request (2 p.) 2/9/17
- MV Airport Staff Summary re: Approval Island Polls and Spas Request 2/9/17
- MV Airport Staff Summary re: Approval of McFarland Johnson Work Orders 2/9/17

*Minutes approved as amended 3/9/17*