

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

February 8, 2018 2:00PM

**Martha's Vineyard Airport Commission Conference Room
Notice of Such Meeting Having Been Posted as Required by Law**

Present: Airport Commissioners: Acting Chair - Richard Michelson, Clarence "Trip" Barnes,
Donald Ogilvie, Robert Rosenbaum, R. Peter Wharton,
Kristin Zern,
Airport Staff: Ann Richart- Manager, Geoffrey Freeman – Assistant Manager,
Water/Wastewater – Mike Eldridge,
Others: Matt O'Brien – McFarland Johnson,
Ted Rosbeck – Airport Business Park Tenant, Geoff Wheeler,
Press: Joanie Creato – 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 2:01PM.

II. APPROVAL OF MEETING MINUTES FROM JANUARY 11, 2018 Action

MR. TRIP BARNES MOVED TO APPROVE THE JANUARY 11, 2018 MINUTES AS AMENDED; MR. DON OGILVIE SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.

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

• Transportation Safety Administration (TSA) Trailer Lease Action

This was a new trailer for the TSA (rental rate included water/electricity hook-up). Management was working to repurpose the old trailer. In keeping with Management recommendation:

• MR. BARNES MOVED TO ENTER INTO A SIXTY (60) MONTH LEASE OF THE TRAILER AND LOT AT RENTAL RATE \$29,000 PER YEAR, WITH THE EXPECTATION THAT THE MARTHA'S VINEYARD AIRPORT COMMISSION WILL HAVE A SUITABLE OFFICE SPACE IN THE TERMINAL TO OFFER GOVERNMENT SERVICES ADMINISTRATION (GSA) AT THE END OF THAT PERIOD; MR. BOB ROSENBAUM SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.

• Peter Rogers Hangar "C": Lease Renewal Action

The current lease (at 38¢/sq. ft.) would expire April 10, 2018 and allowed a 20 year renewal. In keeping with Management recommendation:

• MR. ROSENBAUM MOVED TO APPROVE A TWENTY (20) YEAR LEASE RENEWAL FOR HANGARS UNLIMITED "HANGER C" AT THE CURRENT RATE OF \$0.56 PER SQUARE FOOT PER YEAR; MS. KRISTIN ZERN SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.

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IV. FINANCE SUBCOMMITTEE REPORT (See documents on file.)

- Authorization to Issue Revenue Anticipation Note (RAN) Action
- Dukes County approved the Airport RAN so the County Treasurer will put it out to bid, and if all goes well the Airport should receive \$450,000 by March 1st.
- There were four action items being addressed.
 - 1) Airport Business Park (MVABP) tenant Hinckley filed for bankruptcy so Airport and Martha's Vineyard Savings Bank (MVSAB) attorneys were in contact about the building (which was now an Airport asset) as well as about Airport claims such as over \$50,000 in rent arrears, (lease was terminated and water was turned off due to building leaks). The MVSAB had until February 26th to decide what action to take. Provided the lease was released a Request for Proposal (RFP) would go out and the lot be leased at Fair Market Value (FMV).
 - 2) Katama Airport ordered its fuel through the MVY Airport and due to management issues was now two delivery payments in arrears. MVY Airport Management contacted the Town of Edgartown, who owned the Field, and promised the arrears would be paid.
 - 3) Management was working on contingency plans in case of revenue shortfall. These would include increasing revenues (e.g. see below: #VI), but also prioritizing spending and projects for possible postponement.
 - 4) Airport Laundromat owed about \$100,000 in wastewater fees and had sent a check for less than \$20,000 with a letter stating the charges were calculated at the old rates. The Airport responded with a letter stating they were in default of their lease. Management would keep the MVAC informed of any further action on either side.
 - The Laundromat was the major active challenger of the new wastewater rates; other tenants were working with staff to address their invoices. There were one or two other laundromats on the Island. Airport Laundromat owners had not contacted Management regarding payment plans despite constant outreach. In addition they only paid wastewater rates, since they were grandfathered with their own well water.
 - The Airport carried about \$344,000 in unpaid receivables of which \$211,000 was in water/wastewater arrears, making them a factor (but not the largest issue) in cash flow problems. The Finance Committee was working with management to address problems such as taking the above actions and drafting a receivables umbrella policy.
 - Staff had entered all leases into the Veoci information management software. This was a powerful tool that would show a wealth of information (expiration, receivables, square footage, etc.) and would need constant updates and data input as a regular part of staff duties.
 - Management directed staff to take meter reading at the end of each quarter and water/wastewater invoices to be issued on the 21st of the following month.

V. OUTREACH/PUBLIC RELATIONS (PR) SUBCOMMITTEE REPORT

- Approval of Communication Plan (See documents on file.) Action
- The MVAC commended the Plan which encompassed the 2018 year, and would be implemented mostly by Ms. Zern as her passion and her contribution, as well as Ms. Sue Silk (see 1/11/18 Minutes p. 3 #V). The Committee was talking to other airports in the region, some of whom had no PR plans or hired firms. Collaborations might include:

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- aviation based scholarships,
- partnering with Cape Cod Community College (CCCC);
- promoting continual shows with the Cape & Islands Artists Association.
- **MR. ROSENBAUM MOVED TO APPROVE THE MARTHA'S VINEYARD AIRPORT OUTREACH PLAN AMENDED AS OF FEBRUARY 6, 2018; MR. OGILVIE SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS.**

VI. AUTHORIZATION OF CONTRACTS (See documents on file.)

- Award of Ground Transportation Management Contract Action

The current parking honor system was losing valuable Airport revenue and limited Airport's ability to manage parking. Management put out an RFP for comprehensive ground transportation which had three proposals from two firms. Management recommended awarding the bid to LAZ Parking Limited of Boston as fairly industry standard.

- Boxes and barrier arms would be installed at the entrances and exits of all lots, an important distinction from those not recommending barrier arms and falling back on the honor system or additional enforcement labor.

- The Airport would pay for the installation of the equipment at \$114,000 per year, amortized over the five-year contract making it initially revenue neutral (i.e. stable current net revenue ~ \$87,000). The next contract should be much more lucrative (estimated income \$180-200,000). The Airport would continue to be responsible for paving, painting, electricity, etc. and would also be responsible for equipment maintenance and supplies.

- The \$19,800 annual management fee would include all parking lots including General Aviation (GA) and regulate front curb traffic (Uber, taxis, private drop-off, buses, etc.) during busy hours, eliminating the current (and substantial) West Tisbury Police expense. It would also manage taxi contracts relieving staff workload.

- Regularizing the system would allow equipment to be programed to accommodate various contingencies such as short-term restaurant parking, use of the Island Club Card discount, first half hour free, overnight parking, out of state, seasonal, etc. The firm would research a rate analysis that the MVAC would consider and approve. For example the MVAC could start with current rates and change them incrementally.

- Mr. Barnes suggested an alternate year round parking offer. Ms. Zern cautioned that the Airport should be careful how the change was presented to the public.

- In keeping with Management recommendation:

- **MR. ROSENBAUM MOVED TO THAT THE MARTHA'S VINEYARD AIRPORT COMMISSION AWARD A FIVE (5) YEAR MANAGEMENT CONTRACT TO LAZ PARKING LIMITED, LLC WITH AN ANNUAL MANAGEMENT OF \$19,800 PLUS ANNUAL ESTIMATED COSTS TO THE AIRPORT, INCLUDING EQUIPMENT PURCHASE OF \$114,334 AS PROPOSED; MR. OGILVIE SECONDED; MOTION PASSED: 5 AYES, 0 NAYS, 1 ABSTENTION—MR. BARNES.**

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VII. MCFARLAND JOHNSON PROJECTS UPDATE – *Matthew O'Brien, PE*

(See 1/11/18 Minutes p.4-5 #VII & p.8 Tasks.)

The flow chart had been updated as requested.

- Archeology Phase 1A was targeted for April 2018 completion at which time the Airport would know whether Phase 1B would be required.
- McFarland Johnson was performing due diligence (office research, visual photos, ground penetrating radar) on the old Navy dump to be completed in May 2018 for environmental hazardous materials (hazmat) release determination (minor clean up, leave as is, whole remediation, etc.)
- The airfield showed an enormous amount of priority habitat but Natural Heritage agreed that a seven acre corner of the existing MVABP should not need a permit, and consequently a letter was sent to the Executive Office of Environmental Affairs asking permission to move forward.
- The well decommissioning should also be completed in May 2018. McFarland Johnson was hoping for a pass from Coastal Zone Management (CZM) on bats.
- At that point the Airport Layout Plan (ALP) would have to be updated and the process would move to the National Environmental Policy Act (NEPA) and Federal Aviation Administration (FAA) release, which takes about six months; so that *if* all goes well some lots could be ready in late November or December.
- Nicholas Catt's continued to pay rent on his vacant lots.
- The Airport was reminded that this release encompassed all current MVABP lots, where there was no evidence of formal release.

VIII. WATER/WASTEWATER/FACILITIES UPDATE (See documents on file.)

- The company installing the heating/ventilation/air conditioning (HVAC) at the Wastewater plant had ordered the unit but not the controls, and was now asserting he had not given the correct price. McFarland Johnson was gently reminding him with (documentation) that this was the agreed price, and they expected that the company would come around to taking responsibility. Airport Manager Ann Richart pointed out this example of the valuable oversight work included in the McFarland Johnson project costs. The delay had not so far harmed plant operation.
- Tile was going up and electrical installations were in process in the departure restrooms with an end of February completion goal at which point they would move to the arrival restrooms with a target for end of April completion (see below: Tasks). This job required constant advocacy and oversight from McFarland Johnson.
- The Water/Wastewater/Facilities staff spent the last month finishing off loose ends, on the wastewater plant, Terminal, Business Park, and water distribution. The Department owned a propane generator serviced by a South Shore company and the Department participated in the Airport's emergency shut down drills.
- Water/Wastewater Operator Mike Eldridge included Ms. Christina Colarusso and other staff in State Water Reporting to expand their training.

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IX. MANAGER'S REPORT

Ms. Richart would go with McFarland Johnson to advocate a smooth process for the MVABP issues, but while she was there she would also respond to a letter from the Vineyard Transit Authority (VTA) to FAA Representative Mary Walsh (with copies to the Congressional Delegation) requesting an exemption from the FMV policy. Unfortunately FAA policy was very clear that:

- any land not used for aeronautical purposes had to be rented at FMV;
- any FMV exemptions for community benefit had to be on land that could not be rented at FMV to any other tenant and since there was a MVABP waiting list the VTA lot did not qualify;
- any FMV exemptions for community benefit could not include other government agencies and the Airport rented at FMV to other government agencies such as Dukes County.

Ms. Richart would also discuss the issue with the Congressional Delegation when she was in Washington, DC next week.

- Mr. Barnes expressed strong disagreement, maintaining that for the greater benefit to the community the Airport should do its best to cooperate with the VTA. Other Commissioners (and Ms. Richart) acknowledged VTA importance and value, expressed their support for electric buses and solar power and could voice their own opinions to the public, but they also noted clear FAA policy:

Section 17.15A

“When the use does not directly support airport operations a sponsor may not provide land at less than FMV rent. Accordingly, the airport must generally be reimbursed at fair market rent for airport land used for road maintenance or equipment storage yards or for use by police or other government departments.”

Ms. Richart further explained that it was up to local authority to comply with FAA regulations and there was no process for appeal of exemptions, consequently to grant the VTA request would jeopardize future FAA grants, subsidies etc. It was not the purview of the MVAC to raise funds for the VTA, especially as FMV rent was the source of the local contributions to the huge capital needs facing the Airport (see above p.2 #IV).

- There would be a Hearing in District Court over the ongoing Airport Fuel Service (AFS) case 12:00N – 2:00PM, Tuesday, February 27, 2018 followed by a possible MVAC training.
- Depot Corners was expecting its building permit shortly, breaking ground this month with the goal of being up and running in May.
- Hopefully, the March meeting would be the annual re-organization, and might include training for any new commissioners. Staff was working on drafting charters for each subcommittee on information flow and responsibilities.

X. CHAIR'S REPORT

There was no response from Chair Myron Garfinkle, Ms. Richart and Acting Chair Rich Michelson were meeting as needed. The MVAC re-considered its vote to form another

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Committee (see 1/11/18 Minutes p.6 #X) in terms of:

- current committees' workload,
- possible overlap with the Land Use Committee, and
- new MVAC configuration.

• MR. PETER WHARTON MOVED TO DEFER ACTION ON THE PREVIOUS REQUEST FROM THE CHAIR TO FORM A MARTHA'S VINEYARD AIRPORT BUSINESS PARK SUBCOMMITTEE UNTIL AFTER THE NEW ANNUAL MEETING; MR. OGILVIE SECONDED; MOTION PASSED UNANIMOUSLY 6 AYES, 0 NAYS, 0 ABSTENTIONS.

XI. ITEMS NOT REASONABLY ANTICIPATED BY CHAIR - None

XII. PUBLIC COMMENT

Airport Business Park tenant Mr. Ted Rosbeck reported and proposed that several tenants were interested in getting two or three independent appraisals to judge the accuracy and method of establishing FMV. This might increase tenants' comfort level, especially those whose leases were coming up for renewal, allowing them better understanding of and participation in the process. The MVAC was interested in helping tenants/clients where possible and

- would keep lines of communications open and thanked Mr. Rosbeck for his attendance;
- reported appraisers had to be State certified, and in this case were usually Airport experienced;
- noted procedures for countering appraisals and suggested tenants take it up with Ms. Richart.

XIII. CONFIRMATION OF NEXT MEETING - 2:00PM, THURSDAY, MARCH 8, 2018

XIV. CALL FOR MOTION TO ADJOURN

• MR. ROSENBAUM MOVED TO ADJOURN AT 3:41PM; MR. OGILVIE SECONDED; MOTION PASSED UNANIMOUSLY.

Appendix A: Tasks

- Mr. O'Brien – post bathroom upgrades before, during and after pictures on website.
- All – report to Court House to be sworn in.

Appendix B: Documents on file:

- Agenda 2/8/18
- Sign-in Sheet 2/8/18
- MVAC January 11, 2018 Meeting Draft Minutes (8 p.)
- MV Airport Staff Summary re: TSA Trailer Lease Amendment 1/31/18
- MV Airport Staff Summary re: Hangars Unlimited "Hangar C" Lease Renewal 1/31/18
- MVY Airport Finance Committee Meeting January 31, 2018 Meeting Summary
- MVAC Outreach Committee Changes Approved as of 2/6/18 Meeting & Changes of MVAC Chairman, Draft MVY Airport Outreach Plan First Steps 2018 (4 p.)
- MV Airport Staff Summary re: Award of Ground Transportation Management Contract 2/8/18
- MV Airport Water, Wastewater, and Facilities Departments February 2018 (3 p.)

Minutes approved 3/8/18