

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

March 8, 2018 11:00AM

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 by phone*, Robert Rosenbaum,
R. Peter Wharton, Kristin Zern,

Airport Staff: Ann Richart- Manager, Geoffrey Freeman – Assistant Manager,
Denise Tawa – Assistant to Airport Management,
Beth Tessmer - Property Manager
Water/Wastewater – Mike Eldridge, Christina Colarusso,

Others: Matt O'Brien – McFarland Johnson,
David Mackey - Anderson Krieger - Airport Counsel
Norm Werthwein –Finance Committee, Walter Vail,
MVABP: Wayne Guyther – Hinckleys, Brion McGroarty – True North,
Judy Klumick, Keith Musinski – Black Sheep,
Ted Rosbeck – Island Pools, Danny Whiting – 8 N. Line Rd.
Marni Lipke – Recorder

Press: Landry Harlan – Vineyard Gazette, Joanie Creato – MVTV,
* 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 11:09AM. Acting Chair Richard Michelson announced for the record that Commissioner Don Ogilvie was joining the meeting by speakerphone and consequently roll call votes were required.

II. APPROVAL OF MEETING MINUTES FROM FEBRUARY 8, 2018 Action

MR. BOB ROSENBAUM MOVED TO APPROVE THE FEBRUARY 8, 2018 MINUTES; MR. MICHELSON SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. MICHELSON—AYE, MR. PETER WHARTON—AYE, MR. OGILVIE—AYE, MR. TRIP BARNES—AYE, MS. KRISTIN ZERN—AYE, MR. ROSENBAUM—AYE.

III. ELECTION OF CHAIR AND VICE CHAIR Action

The Dukes County Commission had still not appointed the MVAC vacancies so the MVAC discussed three reorganization options:

- hold elections now and revisit them if necessary;
- call an extra meeting after the Dukes County Commission appointments;
- hold the election at the April MVAC meeting.

MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

2

- **MR. OGILVIE MOVED TO VOTE AT THE CURRENT TIME; MR. ROSENBAUM SECONDED; MOTION FAILED: 2 AYES, 3 NAYS, 1 ABSTENTION: MR. OGILVIE—AYE, MR. WHARTON—NAY, MR. BARNES—ABSTAIN, MS. ZERN—NAY, MR. ROSENBAUM—AYE, MR. MICHELSON—NAY.**

The Commissioners discussed options and actions with Counsel Dave Mackey if the County failed to appoint Commissioners such as a possible April Annual MVAC Meeting.

- **MR. WHARTON MOVED TO CALL AN EXTRA MEETING TO HOLD ELECTIONS AFTER THE DUKES COUNTY COMMISSION APPOINTMENTS; MR. MICHELSON SECONDED; MOTION PASSED: 5 AYES, 0 NAYS, 1 ABSTENTION: MR. OGILVIE—AYE, MR. WHARTON—AYE, MR. BARNES—ABSTAIN, MS. ZERN—AYE, MR. ROSENBAUM—AYE, MR. MICHELSON—AYE.**

IV. DISCUSSION OF REQUIRED STATEMENT OF FINANCIAL INTEREST

Financial disclosure statements had been distributed and would be due at the next meeting.

V. DISCUSSION AND REVIEW OF DRAFT COMMITTEE CHARTERS

(See documents on file.)

These charters were drafted to define purviews, set bylaws, delineate roles, and make sure there was no overlap with other Committees. The MVAC discussed a number of issues.

- Non-Commissioner Committee members served in an advisory capacity and were non-voting.
 - There was some discussion on the current practice of the MVAC Chair as a member of all Committees. Mr. Michelson preferred that the Chair attend but not deliberate or vote.
 - Each Committee could decide whether the Manager could vote.
 - Committee membership was limited to two commissioners which, with the Chair, was just under a quorum, and consequently although subject to Open Meeting Law, other Commissioners were discouraged from attending.
- Commissioners would review drafts for further discussion.

VI. EXECUTIVE SESSION

• To Consider Issues Related to the Lease Value of Real Property, To Discuss Strategy with Respect to the Litigation of the Award of the Lease for Airport Business Park Lot #33, To Discuss Strategy with respect to the Bankruptcy Litigation of H. N. Hinckley & Sons, Inc., To Discuss the Lease of Airport Laundromat, Inc. To Discuss the Lease of Martha's Vineyard Regional Transit Authority, and To Reconvene in Open Session; The Chair Has Determined that an Executive Session is Necessary Because an Open Meeting May Have a Detrimental Effect on the Litigating and Negotiating Position of the Commission. Action

- **MR. MICHELSON MOVED TO ENTER EXECUTIVE SESSION AT 11:52AM TO CONSIDER ISSUES RELATED TO THE LEASE VALUE OF REAL PROPERTY, TO DISCUSS STRATEGY WITH RESPECT TO THE LITIGATION OF THE AWARD OF THE LEASE FOR AIRPORT BUSINESS PARK LOT #33, TO DISCUSS STRATEGY WITH RESPECT TO THE BANKRUPTCY LITIGATION OF H. N. HINCKLEY &**

MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

3

SONS, INC., TO DISCUSS THE LEASE OF AIRPORT LAUNDROMAT, INC. TO DISCUSS THE LEASE OF MARTHA'S VINEYARD REGIONAL TRANSIT AUTHORITY, AND TO RECONVENE IN OPEN SESSION; THE CHAIR HAS DETERMINED THAT AN EXECUTIVE SESSION IS NECESSARY BECAUSE AN OPEN MEETING MAY HAVE A DETRIMENTAL EFFECT ON THE LITIGATING AND NEGOTIATING POSITION OF THE COMMISSION AND TO INVITE THE AIRPORT MANAGER ANN RICHART, AIRPORT ASSISTANT MANAGER GEOFF FREEMAN, AIRPORT COUNSEL DAVE MACKEY AND RECORDING SECRETARY MARNI LIPKE TO BE PRESENT THROUGHOUT; MR. WHARTON SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. OGILVIE—AYE, MR. WHARTON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MR. ROSENBAUM—AYE, MR. MICHELSON—AYE.

• MR. ROSENBAUM MOVED TO RETURN TO OPEN SESSION AT 1:49PM; MR. WHARTON SECONDED; MOTION PASSED UNANIMOUSLY: 6 AYES, 0 NAYS, 0 ABSTENTIONS: MR. OGILVIE—AYE, MR. WHARTON—AYE, MR. BARNES—AYE, MS. ZERN—AYE, MR. ROSENBAUM—AYE, MR. MICHELSON—AYE.

* Mr. Ogilvie left the meeting at 1:49PM.

The meeting reconvened at 2:05PM after a brief recess.

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

A. Heathland Realty Trust Request to Combine Lots Action

This lease included a 20-year renewal clause exercised in 2015. The lot was previously split between 30A and 30B with lower rent, but as an old non-standard lease it included a provision allowing the lot to combine the two parcels. The lot was not appraised at FMV since the lease provision established the rent. In keeping with Management recommendation:

• MR. BARNES MOVED TO EXECUTE THE HEATHLAND REALTY TRUST LEASE ADDENDUM WHICH WILL COMBINE BOTH PARCELS INTO ONE TO BE CHARGED \$0.9423 PER SQUARE FOOT PER YEAR (ANNUAL RENT OF \$73,499.40); MR. ROSENBAUM SECONDED; MOTION FAILED: 3 AYES, 0 NAYS, 2 ABSTENTIONS—MR. BARNES, MR. MICHELSON.

- MVAC Bylaws required that motions be passed by a majority of sitting Commissioners, as opposed to a majority of those present.

B. Consider Concept for new Tin Hangar Sublease Action

True North would go before the Martha's Vineyard Commission (MVC) and Edgartown Zoning Board of Appeals (ZBA) to request subleasing the Tin Hangar to Black Sheep, with a change of use from restaurant to café/retail—tables provided for those wishing to eat on the premises. This was a preliminary request for support. The MVAC discussed:

- current successful Black Sheep store in Edgartown and the need for more space and scope;
- seasonal service from spring possibly to New Years;
- no need for structural changes;
- protocol on voting preliminary support.

MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

4

In keeping with Management and Land Use Subcommittee recommendation:

• **MR. WHARTON MOVED TO DIRECT THE MANAGER TO PREPARE A LETTER IN SUPPORT OF TRUE NORTH'S RETAIL CONCEPT AND APPROVAL OF A SUBLEASE PENDING APPROVAL BY OTHER JURISDICTIONS AND COMPLIANCE WITH MARTHA'S VINEYARD AIRPORT COMMISSION'S STANDARD LEASE PROVISIONS AT THE APPROPRIATE TIME; MS. ZERN SECONDED; MOTION PASSED UNANIMOUSLY: 5 AYES, 0 NAYS, 0 ABSTENTIONS.**

VIII. FINANCE SUBCOMMITTEE REPORT

(See documents on file.)

A. Adoption of Accounts Receivable (A/R) Policy Action

• **MR. MICHELSON MOVED TO APPROVE THE ACCOUNTS RECEIVABLE POLICY AS PROPOSED: MR. WHARTON SECONDED: MOTION PASSED UNANIMOUSLY: 5 AYES, 0 NAYS, 0 ABSTENTIONS.**

The Airport was on a sound financial footing although there were cash flow issues related to the proliferation of projects caused by previous negligence, i.e. the Airport Rescue and Fire Fighter (ARFF) building, wastewater treatment plant repairs, renovation of the main runway, and drainage/flooding issues on Martha's Vineyard Airport Business Park (MVABP) roads. As was normal for businesses many of these timing gaps between expenditure and grant reimbursement could be resolved with long and short term borrowing, such as the recent \$450,000 from the Revenue Anticipation Bond (RAN) (see 2/8/18 Minutes p.2 #IV) and consequently the Airport applied for a Bond Anticipation Note (BAN), a precursor to long-term borrowing.

- The final closeout of the original ARFF grant (~\$450,000) was expected in mid April and Ms. Richart requested the FAA reconsider some of the non-qualified spending on the project, in hopes of receiving further reimbursement—possibly \$3-400,000.

- The FAA mandated that airports charge total costs (including capital) for any services provided to tenants. The up-front expenditure for mandated wastewater treatment plant repairs/improvements was covered by the rise in wastewater/water rates amortized over a 20 year period, similar to buying a house and paying a mortgage. However, rates were not likely to drop in the future since, the Plant would require constant maintenance and upgrades—although hopefully not as serious as the current work after years of neglect.

- The Finance Committee reviewed the complex fuel purchase, sale and accounting protocol as an important cash source.

- The Airport Laundromat was \$119,000 in arrears for wastewater charges and, in keeping with the above approved of A/R policy, had been notified that they were in violation of their lease.

- Current cash flow problems were being remediated by additional revenue (see below: #X) and prioritizing expenditures.

IX. OUTREACH/PUBLIC RELATIONS (PR) SUBCOMMITTEE REPORT

The first newsletter was printed and the Committee continued to implement the Communications Plan (see 2/8/18 Minutes p.2-3 #V) with social media, schools, scholarship organizations, aviation career path research, etc.

MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

5

X. AUTHORIZATION TO APPLY FOR AND ACCEPT MASSACHUSETTS DEPT. OF TRANSPORTATION (MASSDOT) GRANTS (See documents on file.) Action

The MassDOT Aeronautics grant for the bathrooms was initially turned down, however some residual end-of-grant-year funds became available and Ms. Richart reapplied and added the parking lot equipment capital expenditure. Consequently, the Airport had been granted funding for the bathroom project, which was almost complete allowing for quick reimbursement; and for partial installation of the LAZ parking equipment (see 2/8/18 Minutes p.3 #VI)—a double windfall in that it would immediately raise parking revenue by reducing amortized capital expenditure payments. All work had to be done by June 30, 2018 but both projects were schedule for April 30th completion. In keeping with Management recommendation:

• MR. ROSENBAUM MOVED TO AUTHORIZE MANAGEMENT TO APPLY FOR AND ACCEPT TWO MASSDOT GRANTS:

- \$128,000 TO INSTALL PARKING LOT MANAGEMENT REVENUE CONTROL EQUIPMENT,

- \$288,000 FOR THE BATHROOM UPGRADE PROJECT;

MR. MICHELSON SECONDED; MOTION PASSED UNANIMOUSLY: 5 AYES, 0 NAYS, 0 ABSTENTIONS.

XI. MCFARLAND JOHNSON WORK UPDATE

- The Massachusetts Environment Protection Agency (MEPA) agreed with the proposed approach to endangered species mitigation, however the new land development required access to State roads, which would need approval from MassDOT Highways—hopefully at their March meeting.
- The historical/archaeological search found nothing, so the Airport was awaiting the final report.
- TetraTech (chosen for Airport familiarity and cost efficiency with other projects) found documentation of a Navy dump and would proceed with test pits and ground penetrating radar.
- The well de-commissioning Request For Proposal (RFP) would be sent out in April with demolition in May. A survey of the well house would be in the historic/archeological report.
- Bathrooms were ahead of schedule, with departure bathroom target at the end of March (except for punch list items) at which point they would start the arrival bathrooms.
- The MVAC pressed Mr. Matt O'Brien for a date for new MVABP lot RFPs. If all went well McFarland Johnson estimated December 2018, but could not guarantee the timeline. Prospective tenants had been informed and understood the situation.

XII. WATER/WASTEWATER/FACILITIES REPORT (See documents on file.)

- The facilities crew was performing a lot of annual maintenance during this low-flow period. The Massachusetts Dept. of Environmental Protection was satisfied with the Treatment Plant progress. Plant permits were for 15 years requiring engineering and financial analysis for renewal, and upgrades were constant as more contaminants requiring elimination were discovered.

MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

6

- The Department was also working on:
 - water audits at the tenants' request,
 - the annual statistical water report;
 - updating and coordinating the water/wastewater emergency response plan;
 - supporting various ongoing Airport construction projects.
- Ms. Richart commended and the MVAC applauded Mr. Mike Eldridge and his team for their excellent work.

XIII. ASSISTANT MANAGER'S REPORT

- Assistant Airport Manager Geoff Freeman and McFarland Johnson walked the airfield to:
 - judge the condition of airfield and assess runway painting after the winter weather, and
 - plan initial phasing for main runway reconstruction (logistics, closures, timings, etc.).
- Interviews for an operations specialist were in process.
- Mr. Freeman and Financial Administrator Joan Shemit attended a Dispatchers and Schedulers trade show, where they met and networked with other airports, as well as AvFuel and other product vendors. The Airport received a lot of good feedback for their service.
- More formalized training was being developed for summer ramp crew and support staff.
 - Advertisement for seasonal workers started last week in the Vineyard Gazette, MV Times, Facebook, aviation schools and the Martha's Vineyard Regional High School job fair (interns were also welcome) however housing remained a problem.
- Staff finished the planning stages for an Islandwide mutual aid mass casualty drill on March 25th, which would be advertised in the press to allay any public alarm.

XIV. MANAGER'S REPORT

XVI. ITEMS NOT REASONABLY ANTICIPATED BY CHAIR

The West Tisbury Building Inspector required the departure tent (referred to as the circus tent) be brought up to code. A series of meetings with airlines and stakeholders generated a list of requested improvements including: structural engineering, sprinklers, heating/ventilation/air conditioning (HVAC), seating and amenities. The tent was a temporary measure instituted as Transportation Safety Administration (TSA) equipment and requirements encroached and occupied departure lounge space. The target was to accommodate departure passengers, airlines, and airfreight needs more comfortably until a major terminal improvement project in 2023/4. This request was for a study to determine what needed to be done.

- The MVAC discussed postponing the work to avoid piecemeal improvements. However Commissioners familiar with the tent described difficult, unsafe, crowded conditions, especially when flights were delayed or in bad weather. The situation could be further exacerbated by the good news that another airline had expressed interest in service to Martha's Vineyard.

• **MR. MICHELSON MOVED TO AUTHORIZE MCFARLAND JOHNSON TO REVIEW THE DEPARTURE TENT FOR A SCOPE OF WORK TO BRING IT INTO CODE AND ADDRESS OTHER NEEDS; MS. ZERN SECONDED; MOTION PASSED: 4 AYES, 0 NAYS, 1 ABSTENTION—MR. BARNES.** (Mr. Barnes suggested the tent was adequate and the company experienced in providing tents for weddings and other events.

MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

7

- An electrical generator station (under various company name iterations) leasing undeveloped space (height restrictions, no structures, services or access) requested a renewal—previous lease expiration 2014 at \$0.16 per sq. ft.. Negotiations concluded yesterday, and the Airport stood to receive about \$130,000 including back pay on the old lease.
- **MR. MICHELSON MOVED TO APPROVE A NEW LEASE WITH NRG CANAL AT \$0.315 PER SQUARE FOOT PER YEAR IN ACCORDANCE WITH MANAGEMENT NEGOTIATIONS; MR. ROSENBAUM SECONDED; MOTION PASSED UNANIMOUSLY: 5 AYES, 0 NAYS, 0 ABSTENTIONS.**

• The MVAC discussed the H.N. Hinckley & Sons bankruptcy situation in Executive Session. Mr. Wayne Guyther of Hinckleys and Mr. Ted Rosbeck were in negotiations for Mr. Rosbeck to take over the lease and make the Airport whole for back rent. Mr. Rosbeck asked the MVAC for preliminary approval contingent upon Martha's Vineyard Savings Bank (MVSb) and Court actions. However, the MVAC (on advice of Counsel David Mackey) referred to the complexities of the legal situation and were unwilling to take a preliminary vote without more information. Mr. Rosbeck stated they had received information including a Purchase and Sale (P&S) agreement six months ago, pointing to a serious problem with communications. The MVAC was sympathetic to Mr. Rosbeck but declined to take action. Mr. Rosbeck expressed passionate frustration and left the meeting. Mr. Barnes also expressed similar anger. Chair Michelson stated Mr. Barnes should have recused himself from the conversation.

* Mr. Barnes left the meeting at 3:53PM.

Mr. Guyther was not expecting approval just an indication of what do next. The MVAC referred him to Manager Ann Richart (who unfortunately was going on vacation) but the Airport was willing to extend MVSb decision deadline if needed and was willing to work with Mr. Guyther to move the process forward.

XV. CHAIR'S REPORT – Tabled

XVII. PUBLIC COMMENT - None

XVIII. CONFIRMATION OF NEXT MEETING - 2:00PM, THURSDAY, APRIL 12, 2018

XIX. CALL FOR MOTION TO ADJOURN

- **MR. ROSENBAUM MOVED TO ADJOURN AT 3:58PM; MR. WHARTON SECONDED; MOTION PASSED UNANIMOUSLY.**

Appendix A: Tasks

- Ms. Richart – contact Depot Corners re: construction start.
- All – Marni review tape on RAN.

Appendix B: Documents on file:

- Agenda 3/8/18
- Sign-in Sheet 3/8/18

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MARTHA'S VINEYARD AIRPORT COMMISSION MEETING
March 8, 2018

8

Appendix B: Documents on file (cont.):

- MVAC February 8, 2018 Meeting Draft Minutes (6 p.)
- Facilities, Construction and Real Estate Committee Charter Draft (2 p.) 3/2/18
- Personnel Committee Charter Draft (3 p.) 3/2/18
- Finance Committee Charter Draft (2 p.) 3/2/18
- Community Outreach Committee Charter Draft (2 p.) 3/2/18
- Martha's Vineyard Airport Commission Account Receivable Policy March 8, 2018
- MVAC Finance Committee Report March 8, 2018
- MV Airport Staff Summary re: Heathland Realty Trust Lease Combination 2/28/18
- MV Airport Staff Summary re: True North Holdings Request for Support of Concept 2/28/18
- MV Airport Staff Summary re: Authorization To Apply For And Accept MassDOT Grants 3/8/18
- Mackey/Anderson Kreiger letter re: County of Dukes County – Audit Letter (2 p.) 3/8/18
- MV Airport Water, Wastewater, and Facilities Departments March 2018 (3 p.)

Minutes approved 3/28/18