

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

**July 24, 2018, 5:00PM**

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

Present: Airport Commissioners: Chair - Robert Rosenbaum, Clarence "Trip" Barnes,  
Richard Knabel, Richard Michelson, Donald Ogilvie,  
R. Peter Wharton, Kristin Zern,  
Airport Staff: Ann Richart- Manager, Water/Wastewater – Mike Eldridge,  
Dukes County: Ann Metcalf – Acting Treasurer;  
Others: Geoff Wheeler,  
David Mackey - Anderson Krieger Airport Counsel  
Tenants: Fred Fournier, Brion McGroarty, Connie McHugh, Peter Rogers,  
Helene Schaeffer, David Schwabb,  
Marni Lipke – Recorder  
Press: Landry Harlan – Vineyard Gazette, Lucas Thors – MV Times  
\* 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 5:00PM.

• Due to an unanticipated communication Chair Robert Rosenbaum determined that an Executive Session was necessary with respect to threatened litigation pertaining to the Airport Laundromat because an open meeting may have a detrimental effect on the litigating and negotiating position of the Commission.

• **MR. RICHARD KNABEL MOVED TO ENTER EXECUTIVE SESSION AT 5:02PM TO RECONVENE IN OPEN SESSION, TO DISCUSS STRATEGY WITH RESPECT TO THE LITIGATION BY AIRPORT LAUNDROMAT, THE CHAIR HAVING 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 AIRPORT MANAGER ANN RICHART, AIRPORT COUNSEL DAVE MACKEY BY PHONE AND RECORDING SECRETARY MARNI LIPKE TO BE PRESENT THROUGHOUT; MS. KRISTIN ZERN SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS: MR. TRIP BARNES—AYE, MR. KNABEL—AYE, MR. RICHARD MICHELSON—AYE, MR. DON OGILVIE—AYE, MR. PETER WHARTON—AYE, MS. ZERN— AYE, MR. ROSENBAUM—AYE.**

\* Mr. Mackey joined the meeting by phone and attested he was alone.

• **MR. OGILVIE MOVED TO RETURN TO OPEN SESSION AT 5:16PM; MR. KNABEL SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS: MR. BARNES—AYE, MR. KNABEL—AYE, MR. MICHELSON—**

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**AYE, MR. OGILVIE—AYE, MR. WHARTON—AYE, MS. ZERN— AYE, MR. ROSENBAUM—AYE.**

III. CONSIDER WASTEWATER USE RATE

Action

- The Finance and Budget Subcommittee reviewed the wastewater rate issues.
- Federal Aviation Administration (FAA) grant assurances required that Airports could not subsidize non-aviation costs with aviation revenue. Consequently charges had to cover expenses and the FAA had to be satisfied that the Airport was on the path to full reimbursement.
- Treatment Plant expenses (operating, as well as capital amortized over 20 years at \$370,000 per year) were divided by the number of gallons treated resulting in a rate of \$0.08 per gallon (\$0,08/g.). (Staff costs for general Airport maintenance were not included.) Gallons were measured both by water usage (going in) and wastewater usage (going out). (Some tenants had grandfathered abatements such as car wash recycling, or Laundromat private well.)
- In general other Island treatment plant rates were about \$0.03/g. but the difference was that cost was spread over a much wider user base than the roughly 67 Airport users.
- The difficulty of balancing FAA regulations against the impact of the steep rise on tenant businesses prompted the Subcommittee to refer the matter to the full MVAC.
- At the time the new rate was imposed, the MVAC was concerned about recovering about \$1,700,000 in revenue lost to rates that had not been raised for 15 years. In addition the Airport was facing State deadlines on Plant upgrades. Several Commissioners failed to understand the impact of the rise on tenant finances and now declared their intention to admit and rectify the mistake. In contrast to confusing press reports implying the MVAC was considering raising the rates again, this meeting was actually called to consider moderating the raise.
- Tenants spoke of the hardship the 800% rise had caused and stated relations with the former MVAC Chair had left them frustrated and reluctant to engage. The MVAC acknowledged the importance of the Business Park as an integral part of Airport finances and hoped to re-establish good relations with the tenants—Land Use Subcommittee Chair Peter Wharton pledged to attend all future Tenant Association meetings.
- The MVAC considered a number of alternatives, all with the understanding that full reimbursement was mandated in the reasonable future:
  - a gradual rise from \$0.03 in 2017 to \$0.08 in 2019;
  - ascending rates which encouraged conservation and reduced flow or descending rates which discounted for large flows;
  - periodic review and adjustment;
  - setting clear dates in the interest of tenant information and transparency.
- The Plant was very close to capacity during the busy summer season but conversely needed to maintain minimal flow during the winter fallow—which was supported by a new flow modulator. The planned expansion of the Business Park in the near future was another factor.
- **MR. ROSENBAUM MOVED:**
  - **TO RESET THE WASTEWATER FLAT RATE AT \$0.03 PER GALLON,**
  - MR. KNABEL MOVED TO AMEND THE MOTION TO \$0.03 PER GALLON IN 2017; \$0.05 PER GALLON IN 2018; \$0.08 PER GALLON IN 2019; THERE WAS NO SECOND;

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- **RETROACTIVE TO JANUARY 1, 2017 ALL PREVIOUS PAYMENT TO BE CREDITED TO EACH ACCOUNT,**
  - **RATE TO BE REVIEWED ON AN ANNUAL BASIS WITH EFFECTIVE CHANGE AS OF JULY 1ST OF EACH YEAR;**
- MS. ZERN SECONDED MOTION PASSED: 5 AYES, 0 NAYS, 2 ABSTENTIONS MR. BARNES, MR. OGILVIE** due to conflict of interest, after a discussion on recusals.

II. CONSIDER AMENDED FISCAL YEAR 2019 (FY19) BUDGET Action

The Budget had been reformatted to separate operating expenses from capital accounts.

- The MVAC noted that the above action was a \$196,790 loss of revenue to the FY19 Budget for a net remaining operating revenue of \$391,606.
- Revenues included Passenger Facility Charges (PFCs), grants, bonds to cover the Airport 5% capital shares, etc. Most capital project were 95% covered by FAA and Massachusetts Dept. of Transportation – Aeronautics (MassDOT-Aeronautics) grants, with the exception of the demolition of the well house (see 5/10/18 Minutes p.3 #VII). The MVAC emphasized that debt did not indicate poor management, and was a common tool in businesses to amortize large costs, such as mortgages and improvements. It was noted that a previous reserve of \$3,000,000 was due to years of infrastructure neglect.
- The \$18,000 drop in airfield revenues (landing fees, reflected actuals versus projected figures. General Aviation (GA) was mostly fuel; Non-Aviation delineated the Business Park; Terminal was Airline leases, restaurant rent, and Transportation Safety Administration (TSA) revenues; Aviation reflected hangar rents. (The Terminal roof was repaired in 2017.)
- The MVAC was covered under the Dukes County Directors and Officers insurance.
- Legal fees had risen.
- Vehicle maintenance was sometimes performed by Airport staff and sometimes by contract.
- **MR. KNABEL MOVED TO APPROVE THE MARTHA'S VINEYARD AIRPORT FISCAL YEAR 2019 AMENDED BUDGET AS PROPOSED; MR. PETER WHARTON SECONDED; MOTION PASSED: 5 AYES, 0 NAYS, 2 ABSTENTIONS—MR. BARNES, MR. MICHELSON.**

IV. CONFIRMATION OF NEXT MEETINGS:

Airport Manager Ann Richart was organizing a joint MVAC/Dukes County Commission/County Advisory Board (CAB) tour of the Airport's planned capital improvements, followed by a brief discussion.

- AG Governing Training – 9:00AM-12N, Friday, July 27, 2018
- Finance Subcommittee - 3:30PM, Wednesday August 1, 2018
- Dukes County Commission - 4:30PM, Wednesday August 1, 2018
- Outreach Subcommittee - 3:30PM, Thursday August 2, 2018
- Land Use Subcommittee - 3:00PM, Friday August 3, 2018
- **MVAC - 2:00PM, Thursday August 9, 2018**

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V. CALL FOR MOTION TO ADJOURN

**• MR. OGILVIE MOVED TO ADJOURN AT 6:25PM; MS. ZERN SECONDED;  
MOTION PASSED: 6 AYES, 1 NAY-MR. MICHELSON, 0 ABSTENTIONS**

**Appendix B: Documents on file:**

- Agenda (2 p.) 7/24/18
- Sign-in Sheet 7/24/18
- Martha's Vineyard Airport Fiscal Year 2019 Budget Proposed (5 p.)

Minutes approved 8/9/18