

**Commonwealth Of Massachusetts**  
**MARTHA'S VINEYARD AIRPORT COMMISSION**  
**FINANCE AND BUDGET SUBCOMMITTEE MEETING**  
**February 16, 2018 3:00PM**  
**MVAC Chambers**

Notice of Such Meeting Having Been Posted as Required by Law

Present: Subcommittee Members: Chair - Robert Rosenbaum, Donald Ogilvie,  
Norm Werthwein, R. Peter Wharton,

Airport Staff: Ann Richart- Manager,

Dukes County Staff: Noreen Mavro-Flanders – Treasurer, Ann Metcalf-Asst. Treasurer  
Marni Lipke – Recorder

**I. CALL TO ORDER**

The Martha's Vineyard Airport Commission (MVAC) Finance and Budget Subcommittee meeting was called to order at 3:05PM.

- Mr. Bob Rosenbaum expressed frustration with the Dukes County Commission and hoped for professional cooperation in the future.

**II. MINUTES - Approve the Minutes from January 31, 2018**

**III. POLICY FOR INVOICING ACCOUNTS RECEIVABLE**

After a discussion on:

- standard interest charges on overdue accounts and simple versus compounded interest;
- various current leases each dictating its own terms—expiring in the next 2-4 years;
- review of outstanding accounts:

- Hinckley in default/eviction (Management recommends withdrawing from bankruptcy court case, sending a bill, and putting the lot out to bid at FMV);
- Laundromat \$100,000 in water/wastewater arrears - recent payment (\$18,000) challenge at the old rate;
- Katama Airfield in negotiations with Edgartown;
- various tenants on payment plans;

- rent invoicing at the first of each month;
- water/wastewater invoicing on the 21st of the month proceeding the closing quarter;
- water/wastewater charges delineated as part of rent;
- diminishing ability to collect as invoices aged passed 60-90 days.

• The Subcommittee set umbrella policy going forward for all invoicing and new leases.  
Rent invoices to state – Due within 30 days of invoice date, 1.5% late fee interest charged every 30 days unless otherwise specified in lease.

Water/wastewater invoices to state - Due within 30 days of invoice date, 1.5% late fee interest charged every 30 days.

Day 31 rent invoice – current month charges, past month past due plus 1.5% interest due (compounded).

Day 31 water/wastewater invoice – send pleasant reminder letter and/or statement with past due charges plus 1.5% invoice (compounded).

Day 41 rent and water/wastewater invoices – pleasant phone call to tenant with standard message that the account is overdue and at 60 days goes into lease default.

Day 60 rent and water/wastewater invoices – send letter stating tenant is in default of their lease with statement for all past due charges plus 1.5% interest compounded.

- Inform Land Use Subcommittee, Finance Subcommittee and/or MVAC of default.

Payment plans – should be at the request of the tenant.

- Staff was directed to draft appropriate language for letters and phone calls to tenants.

#### **IV. UPDATE ON REVENUE ANTICIPATION NOTE (RAN) STATUS**

• The RAN bid came in at 1.5% with available funds (\$450,000) on March 2nd running to June 29th.

• The \$1,950,000 Bond Anticipation Note (BAN) would take two to three months to work its way through the legislature and would be subsumed by the State Clean Water Trust loan dedicated to the Wastewater plant upgrade.

#### **V. UPDATE ON CURRENT FINANCIALS (See documents on file.)**

• The Airport had about \$167,000 in the bank with \$75,000 incoming revenue. March revenues were estimated at \$225-250,000. February/March draws would include:

- \$350,000 February 22nd warrant,

- \$168,000 owed to Dukes County,

- operating expenses,

- payroll (three periods in March), and

- capital project bills (bathroom, Dellbrook, Jacobs, Preferred Mechanicals (2 bills), legal, rubber removal, etc.).

• Staff was working to submit change order paperwork for the final balance payment (\$474,300 + 90% change orders) from the FAA grant for the ARFF facility—targeted for April grant closeout.

- The Airport was waiting on Jacobs Engineering to file the final FAA grant payment (\$58,000) for the AMPU.

• The Environmental Impact Report (EIR) (\$498,000 – MVY portion \$25,000) was in process and would be billed at spaced intervals of about \$60,000. The EIR was necessary to receive all other FAA/MassDOT- Aeronautics grants.

• The \$12,000,000 (MVY portion \$600,000) Runway renovation was already FAA approved.

• It was clear the Airport had a cash-flow problem based on grant reimbursement timing.

The Committee directed Manager Ann Richart to manage February and March invoice payments as necessary, keeping the Committee informed of any developments.

• Ms. Richart recommended floating bonds to cover shortfalls and reminded everyone:

- the proliferation of capital projects required to keep the Airport certified and operational was due to past neglect;

- within the next few years rental income would increase dramatically as expiring leases were renewed at FMV;

- these problems should be remembered in MVAC meetings when Commissioners asked to give Island businesses a break or raised public relations objections to parking fees.

#### **VI. ITEMS NOT ANTICIPATED BY CHAIR**

**VII. CONFIRMATION OF NEXT MEETING FEBRUARY 28, 2018 AT 3:00PM**

**VIII. ADJOURNMENT** at 4:45PM.

**Documents on file:**

- Agenda 2/16/18
- Where We Stand Prepared By Ann Metcalf 2/15/18