

DRAFT
Commonwealth Of Massachusetts
MARTHA'S VINEYARD AIRPORT COMMISSION
FINANCE AND BUDGET SUBCOMMITTEE MEETING
March 1, 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, Joan Shemit – Business Manager
Dukes County Staff: Noreen Mavro-Flanders – Treasurer, Ann Metcalf-Asst. Treasurer

I. Call to Order

The Martha's Vineyard Airport Commission (MVAC) Finance and Budget Subcommittee meeting was called to order at 3:07PM.
- ROSENBAUM mentioned the correction of his comments in the Gazette

II. Minutes - Approve the Minutes from February 16, 2018

Verbiage needed to be corrected regarding ROSENBAUM frustration
Motion: 2nd:

III. Vote to recommend A/R policy to MVAC

There was never a motion to approve the AR policy as described at the last meeting.
Motion: WERTHWEIN 2nd: WHARTON
A/R policy still to be reviewed and agreed upon includes payment application - should a payment be first-in / last out, or first in / first out.

IV. Review of updated cash flow

V. Review of January financial results (See documents on file.)

VI. Status of Waste Water upgrade financing

• Jan cash flow Budget vs. Actual
line items for Waste Water, Water and Legal/Professional Services were reviewed and need better projections. Expenses in Legal & Prof Services are hard to project. MAVRO-FLANDERS Management tool needs to be good to measure how we're doing. need better information to measure. OGILVIE legal is historically difficult. We can but it's difficult to project. Best we can do is make sure they're legitimate costs and not excessive. ROSENBAUM month and year-to-date help me project. MAVRO-FLANDERS percentages to budget can adjust with the new year as we move forward. Task: Metcalf to continue to work monthly budget percentages to include the additional year.

WERTHWEIN segregate operations and capital projects. We review management on operations - and we review capital separately. I will continue to recommend separating capital and operational.

WHARTON I agree but like to see the combined to see how the MVY share flows through our actual operating budget and get the net effect.

MAVRO-FLANDERS MVY share of the ARFF building (2nd year) has not been taken out yet. Infrastructure transfer might be \$325,000 once amendments are complete

RICHART requested a format with pagination. ROSENBAUM requested another line as net

Electric - discrepancy for not including a better expectation of what new ARFF would cost.

Repair of roadways: \$50k went to the business park drainage

EduComp contract. Office Furniture lines were reviewed.

RICH MICHELSON joined at 3:40pm as an observer and may not deliberate as part of the meeting.

ROSENBAUM OPEB transfer out? MAVRO-FLANDERS not enough money In the account to make that transfer right now. Professional & Technical Services over budget. MVAC agrees to a project - MVAC needs to understand it will affect the budget line. Recommend amend budget to reflect as projects are approved.

ROSENBAUM would like line item recommendations for budget amendments for next meeting? RICHART review of surprise expenses and the need to catch up METCALF to get together calendar year 2018 numbers.

- Review of Fuel Fund 217

MAVRO-FLANDERS explained the fund and how it works

WHARTON questioned the year to date data and inquired where to find fuel fund numbers on the budget. MAVRO-FLANDERS transfers once a month at the end of the month

SHEMIT to distribute fuel sales report - based on gallons sold - for next meeting.

OGILVIE questioned inventory on hand - projection of dollars - cost of inventory on hand

RICHART FBO revenue - FBO is tracked separately to benchmark against other FBOs revenue & airport operations. Better this way for setting / reviewing rates and charges. FBO revenue on operating statement includes non-fuel income.

- Narrative - Where We Stand

METCALF Fan came in - Federal Anticipation Note (Eastern Bank 1.5%)

Review of cash - projections - revenue / expenses

ROSENBAUM - let's talk about capital expenses for March

RICHART \$250k to Delbrook needs to be paid at the closeout with Jacobs & FAA

\$170k estimate from McFarland Johnson = \$120k on cover page / \$253k on p.2 / \$216 on p.3

McFarland Johnson design and construction management 50k / \$120k to contractor (\$170k) Nadeau - paid \$183 to date. \$120 estimated remaining

MAVRO-FLANDERS where is the money coming from? \$226k avail, \$714k estimated to pay. What is the plan to get out

Withhold MJ & lawyers until better options?

RICHART Improvement to WWTP loan from state - DEP -- we did preliminary design, actual design loan still to apply for 2.5m good solid estimate including overage. Full cost will be closer later. A portion of the principal is forgiven.

MAVRO-FLANDERS timetable, 20 years, @ 2.5%. That doesn't help us

RICHART - in part it does - some expenses already paid

METCALF part of how we are going to pay is with the closeout. what % will come back to us?

MAVRO-FLANDERS shouldn't we closeout asap? 2.5m to get approved form MVAC - some of that money is already spent.

ROSENBAUM how are we going to get through March? then April? we need \$250k to get FAA money to closeout

RICHART that's why we need a bridge loan now - our own loan to cover until money comes in

ROSENBAUM BAN can't get until legislature approves DEP 1. reimburse what we've already spent 2. until money comes in from the other loan. Realize we are talking about two different loans. 1. BAN -- not forgivable. 2. DEP/Clean Water -- some is forgivable

Both are long term borrowing

MAVRO-FLANDERS timing

WHARTON 1.9m vs 2.5m, \$600k clean water does not cover anticipated additional expenses.

RICHART phase 1: is HVAC, phase 2: different project

Capital projects - day to day managing of expenses and operating revenue. We seriously need to look at our rates and charges.

MAVRO-FLANDERS expressed concern about cash flow over the next several months.

COMMITTEE asked RICHART to provide them with a plan detailing how the Airport will raise \$400,000 over the next several months to cover projected shortfalls.

COMMITTEE also asked staff to explore ongoing use of long term financing to provide cash for capital projects.

RICHART reviewed past due accounts. The most significant one is Airport Laundromat which is nearly \$130,000 in arrears. COMMITTEE discussed their Accounts Receivable Policy which will include referral of past due accounts to the Land Use Subcommittee with a recommendation for termination of lease. In reviewing the Accounts Receivable Policy the COMMITTEE also decided to add language that details that payments received will be applied to the oldest balance first and that effective April 1, 2018 past due balances will incur a finance charge as listed in the lease or at a rate of 1.5% per month.

MOTION to recommend Account Receivable Policy with addition of language above to full MVAC.

Motion: OGILVIE Second: WHARTON

In Favor: FOUR Opposed: NONE

VII. Items not anticipated by chair

VIII. Confirmation of next meeting March 28, 2018 at 3:30PM

VIII. ADJOURNMENT at 5:29PM.

Documents on file:

- Agenda 2/23/18
- Where We Stand prepared by Ann Metcalf 2/27/18
- Fuel Fund Info prepared by Noreen Mavro-Flanders 2/16/18
- Feb FY18 Feb272018 Meeting Cashflow 2
- ARFF Grant Management Report 1-31-18
- Operating Statement 1-31-18
- Operating Statement with Capital 1-31-18