

Commonwealth Of Massachusetts
MARTHA'S VINEYARD AIRPORT COMMISSION
FINANCE AND BUDGET SUBCOMMITTEE MEETING
May 23, 2018, 3:30PM
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 - Financial Administrator,
Dukes County Staff: Noreen Mavro-Flanders – Treasurer, Ann Metcalf - Asst. Treasurer
Others: Richard Knabel, Kristin Zern*,
Marni Lipke – Recorder

I. CALL TO ORDER

The Martha's Vineyard Airport Commission (MVAC) Finance and Budget Subcommittee meeting was called to order at 3:33PM.

II. MINUTES - Approve the Minutes from February 16, 2018 and April 25, 2016

- **MR. NORM WERTHWEIN MOVED TO APPROVE THE FEBRUARY 16, 2018 MINUTES; MR. DON OGILVIE SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, ABSTENTIONS AS ABSENT.**
- **MR. WERTHWEIN MOVED TO APPROVE THE APRIL 25, 2018 MINUTES; MR. OGILVIE SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, ABSTENTIONS AS ABSENT.**

III. APPROVE FISCAL YEAR 2018 (FY18) AMENDED BUDGET

(See documents on file.)

- The Subcommittee discussed adjustments totaling about \$400,000 including the Airport share of capital projects. There were three components: personnel, (non-personnel) operating expenses (i.e. repairs, supplies, insurance, etc.), and capital projects. Lines could be transferred within operating expenses and personnel expenses but all aggregate spending/revenue had to be reconciled. The Subcommittee reviewed operating and capital expenditure details.
 - The Subcommittee authorized rounding up to allow some end-of-year leeway.
 - Dukes County Treasurer Noreen Flanders was satisfied with the proposed transfers.
 - It was emphasized that the Airport total FY18 operating budget (personnel and operating) showed a \$724,000 surplus.
 - The FY19 Budget would also have to be amended.
- **MR. OGILVIE MOVED TO RECOMMEND THE MVAC AMEND THE FISCAL YEAR 2018 BUDGET AS FOLLOWS:**
 - **PERSONNEL SERVICES FROM \$2,477,000 TO \$2,360,000,**
 - **NON-PERSONNEL OPERATING BUDGET FROM \$1,945,000 TO \$2,210,000,**
 - **AND CAPITAL PROJECT EXPENSES FROM \$2,167,000 TO \$2,300,000;**

MR. PETER WHARTON SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, 0 ABSTENTIONS.

- There was a brief review of borrowing status.

V. ITEMS NOT REASONABLY ANTICIPATED BY CHAIR - None

- The Subcommittee congratulated Ms. Mavro-Flanders on her retirement and felt it could not be in better hands than Ms. Ann Metcalf.

IV. DISCUSSION OF AIRPORT RATE SETTING (See documents on file.)

- Chair Bob Rosenbaum proposed retroactively dropping Water/Wastewater rates from 8¢ to 3¢/gallon, reducing FY18 revenue by ~ \$231,000 and FY19 by a similar amount.
 - Rates were raised in February 2017 (see 2/16/17 Minutes p. 1-2 #III) but not applied until FY17 third and fourth quarters (see 5/11/18 Minutes p. 3 #V).
 - FAA grant assurances
 - ° required that non-aeronautical revenues not only break even but, in fact, provide a revenue stream to subsidize aeronautical expenses; and
 - ° did not tolerate rate reductions except as graduated changes to soften spikes.

Although total Business Park revenue had to exceed expenses, there was no hard line stating each service must be exactly compensated.

- Members sympathized with tenants and considered the possibility of losing tenants and other impacts/alternatives.
- However they expressed misgivings about reducing revenues by \$460,000 in a closely monitored budget with cash flow and borrowing issues. Management recommended collecting the rates but compensating tenants with Business Park improvements.
- The treatment plant was at capacity during the busy summer months. Management was anticipating adding 2 MVABP lots (3.5 acres each) with minimal water/wastewater needs. Any further expansion would require a costly plant upgrade.

VI. CONFIRMATION OF NEXT MEETING - 3:30PM, WEDNESDAY, JUNE 6, 2018

VII. ADJOURNMENT

- **MR. WHARTON MOVED TO ADJOURN AT 4:30PM; MR. WERTHWEIN SECONDED; MOTION PASSED UNANIMOUSLY.**

Documents on file:

- Agenda 5/23/18
- MVAC February 16, 2018 Finance and Budget Subcommittee Meeting Draft Minutes (3 p.)
- MVAC April 25, 2018 Finance and Budget Subcommittee Meeting Draft Minutes (3 p.)
- Account Description... Budget... Account YTD...Encumbrance...(2 p.)
- MV Airport Staff Summary re: Wastewater Rate Information (2 p.) 5/23/18