

Commonwealth Of Massachusetts
MARTHA'S VINEYARD AIRPORT COMMISSION
FINANCE AND BUDGET SUBCOMMITTEE MEETING
July 10, 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

Non Participating Commissioners: Richard Knabel

Airport Staff: Ann Richart- Airport Manager, Joan Shemit-Business Manager (recorder), Denise Tawa – Airport Executive Assistant (recorder)

Dukes County Staff: Ann Metcalf – Dukes County Treasurer

I. CALL TO ORDER

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

II. MINUTES - Approved the Minutes from June 6, 2018

PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, 0 ABSTENTIONS.

III. FINANCIAL RESULTS TO DATE

* Estimated balance of \$620,000 total in the bank

* Approximately \$475,000 of May/June Avfuel deposits are not reconciling with the new FBO Software (Total Aviation) and therefore have not been properly allocated yet. The software developers are working on getting it fixed going forward.

* ROSENBAUM strongly recommends forgoing LAZ parking management fees for now. METCALF will setup a fund to track the revenue.

* We will receive a monthly net sum minus the 18% fee from Vector.

ROSENBAUM recommends moving MEPA reimbursement (\$67,667.09) to a reserved account. OGILIVIE made a motion, WERTHWEIN seconded.

All in favor 4-0-0

IV. FY19 Budget Amendment (to include COLA)

* METCALF will change budget line name from unpaid bills to prior fiscal year.

* Several lines are over budget and could be recalculated.

* WERTHWEIN we have a surplus prior to capital. We should prepare for the CAB meeting to show a balanced or surplus budget. Capital expenses can be separate.

Drop FY17. Add FY18 best guess. Lump capital projects together to see what surplus would cover

V. CASH FLOW PROJECTIONS FOR FY19

* RICHART added amended column - Non-Aviation properties amended based on experience and expiring leases. Wastewater revenue zeroed out. Water revenue based on actual collection. Wages slightly lower. Propane increased due to ARFF building usage and rate chart used for billing. Reduced municipal rates now being used. Professional & Technical Services reduced - many moved to capital projects. Legal and professional contract projections adjusted.

VI. RATE SETTING REVIEW

ROSENBAUM researched a state-wide study of wastewater rates, arriving at \$0.03 / \$0.04 per gallon – which were at the high end of the results.

We would need to review what impact this would have on the tenants, and review the cash flow with several repricing scenarios. Our facility is small but expensive because we do not have the 1000s of clients that most facilities have.

WERTHWEIN commented that we would be subsidizing the tenants again if we drop rates. This is not a good strategy if we are reacting to one tenant. Subsidizing returns to potential violation of grant assurances.

WHARTON we need a realistic feel of what market rate our costs are and our potential allocated use is, per the leases that are already in place. Consider adjusting allocation amounts and more efficient options.

OGILVIE how do we get out of the reduction? What is our strategy for getting back up to rates that cover our expenses?

RICHART at the time the rates were approved, there was a proposed gradual increase in rates, but that was turned down for going straight to the full rate

METCALF we would need to correct the invoices to what they will be billed at

RICHART invoice the current amounts at \$0.03, and credit past usage at \$0.05/gal

We have the assumption that new leases would include a sink & toilet. Usage has to be a consideration. Airlines have sued over subsidizing non-aviation

WHARTON will not support a decrease in rate to \$0.03/gal without finding a way to increase back to breakeven or increasing somewhere else to make up for shortfall

OGILVIE/WERTHWEIN based on tenants usage either up or down – we need to find a way to return to a breakeven rate, not subsidizing

ROSENBAUM motion to adjust Wastewater rates to \$0.03/gal and consider applying retroactively.

OGIVLIE abstain – representing hangar tenants

No second. Motion fails.

WHARTON let's present this to the full MVAC to decide, then vote on the budget

VII. ITEMS NOT ANTICIPATED BY CHAIR

ROSENBAUM would like to add a budget allowance for bad debt

VIII. CONFIRMATION OF NEXT MEETING August 1, 2018 AT 3:30PM

IX. ADJOURNMENT

Rosenbaum motion to adjourn / Wharton second. Adjourned 5:45pm

