

**Commonwealth of Massachusetts**  
**MARTHA'S VINEYARD AIRPORT COMMISSION**  
**FINANCE AND BUDGET SUBCOMMITTEE MEETING**  
**April 5, 2019 at 3:30 PM**

**MVAC Chambers**

Notice of Such Meeting Having Been Posted as Required by Law

Present:

Subcommittee Members: Chair- Richard Knabel, Don Ogilvie, Geoffrey Wheeler, Norm Werthwein, Peter Wharton

Airport Staff: \*Geoffrey Freeman- Airport Assistant Manager, \*Joan Shemit- Business Manager, Kevin Brennan – Property Manager, Denise Tawa (recorder)

Other: Ann Metcalf- County Treasurer, Matt O'Brien- McFarland Johnson (skype)

\*Arrives late or departs early

**I. CALL TO ORDER:**

The Martha's Vineyard Airport Finance and Budget Subcommittee meeting was called to order at 3:32 PM.

**II. MINUTES:**

**March 12, 2019 Finance Committee**

WHARTON made a Motion, WERTHWEIN Seconded with advised changes.

**APPROVED 4-0-1 Knabel Abstained due to absence**

**III. FINANCIAL REPORTS REVIEW:**

WERTHWEIN gave a summary of February results, operations actual bottom line was a \$14k deficit, forecast for February was \$5k deficit. The non funded capital x was on forecast at \$26,843.70. Cash balance projection was \$403K with actual balance being \$436K. Projections look reasonably and consistent. The forecast for April's net operations is a \$53K deficit, capitol x \$86k deficit. The forecast for May's net operations is \$12k deficit and a capitol x \$269k deficit. The forecast for June's net cash flow for operation's is \$316k with a capitol x deficit of \$83k. Summarizing YTD for expenses is \$216k deficit. Unfunded Capitol cost YTD is showing at a \$450k deficit. Both January and February came in very close to forecast. Fuel sales will not come back to full effect until July due to the runway closure. Managed oversight is recommended on fuel expenses for June as prior years shows a substantial net. Fuel delivery for the Katama airfield will not be going through the airport and they will be dealing directly with AvFuel. The \$23k outstanding invoice for Katama has been deemed uncollectable.

**IV. MCFARLAND JOHNSON UPDATES:**

- a. **Obstruction Study-** Originally asked for an estimated cost of \$285k for the project within that value. O'BRIEN scoped out 5 companies and received back quotes from 4. The company would do multiple flights and map the entire air space and provide a document that meets the FAA standards for GIS. The document will provide all the obstructions required to clear to provide a safe airspace. O'Brien got the FAA to agree to fund an FAA study. McFarland will

be subbing out to another firm, the firm then will sub it out to a local Massachusetts Disadvantage Enterprises. The study will need to be performed when trees have their leaves. The study can be done in FY2020 with the goal being September. We don't need to commit until we acquire the grant. O'Brien reached out to the FAA to secure funds of \$385k for the project which would include: Aerial project surveyor \$70k and McFarland \$100k would complete the obstruction aerial phase. Anticipating that this would be 95% funding. Clearing obstructions would be reimbursable.

- b. **Traffic Study-** MVC and The Massachusetts Department of Transportation Highway Division asked the Airport to look at the intersection of Edgartown West Tisbury Road & Airport Road and the intersection of Barnes & Edgartown West Tisbury Road intersection. McFarland went out and scoped the cost of the study and is estimating with all the quotes being received it will be approximately \$85k. Hoping to start data collection in June of the transportation counts with a budget of \$5k. The whole project is believed to be eligible for reimbursable at 95% in the next FY. O'Brien is proposing a public outreach option to being more proactive with putting colored flyer inserts in the local papers, a PowerPoint presentation posted on the website, and a video walk through in the terminal to show the congestion and what needs to be corrected. The estimated of cost is \$40k. O'BRIEN says we could wrap it into the grant for the Obstruction and Traffic study and other CIP projects under contract for a 95% reimbursable.

**OGILVIE Made a Motion, WERTHWEIN Seconded, for Recommendation to MVAC for a Submission of a Reimbursable Grant for the Obstruction Study, Traffic Study, and Public Relation projects. 5-0-0 APPROVED**

- c. **WWTF Project-** The Airport received a permit in 2016 to improve the current process (treatment elements) of the facility to continue to stay in compliance. McFarland designed the project and they used preliminary permit level estimates to obtain a revolving SRF (state revolving fund) for the \$2.5 million project. McFarland submitted the application for the fund, and then asked the State Legislative for authority to borrow \$2.5m. The 100% completed design process came out at as an estimation cost of \$3.5m. McFarland deferred the loan and reapplied for \$3.5m which was approved last October. The conflict now being that we have approval for \$3.5m but only authorized to take \$2.5m. The project will take a year to complete. We still need to bid the project to know exactly how much it will cost. Before June 30<sup>th</sup> O'Brien will tell state legislature we will take the \$2.5 million and within the year of the project work on getting approval for the additional \$1 million by submitting an amendment for the full authorization of \$3.5 million.
- d. **Water System Alternative-** O'BRIEN discussed different approaches to reduce monthly/yearly water cost with the Oak Bluffs Water Dept. As of now the Airport is paying 300%-400% more than any rate that is offered. The Town of Edgartown Water Department has made an offer at a much lower rate to sell the

Airport water. There would be upfront cost that we could negotiate into the rate. WHARTON recommends that the commission revisits a Full Rates and Charges Study as there is a potential for savings. During the mean time FREEMAN states we need to renegotiate with Oak Bluffs. The committee will take it under advisement.

**V. UPDATE ON BUSINESS PARK LEASES-** BRENNAN summarized the leases and total annual revenue, and broke it down into the monthly cash flow. A handful of Tenant's are in the rears with a total of \$89,435.68. Phone calls and follow up on outstanding invoices has been having positive results.

**VI. FY2020 BUDGET DISCUSSION:** The airport needs to revise the 2019 budget, line by line and give to the county no later than June. Same issue with the FY2020 budget.

**VII. UPDATE ON CONTROLLER SEARCH-** The search continues.

**VIII. Items Not Anticipated**

**ALTERNATIVES FOR THE AIRPORT TERMINAL-** OPTION A: Leave as is. Cost would be associated as HVAC system is coming to term and the coolant is phased out. Very little funding is available for this option. OPTION B: Approach A, protect and improve, keeps the majority at its current conditions but improves the TSA holding area, TSA requirements, Airline offices, baggage collection, and circulation in front of the terminal. Approx. cost \$15-\$22M. The next option would be to keep the center corridor and reconstruct from there. The final option would be to tear down and rebuild. O'BRIEN recommends to meet the current demands and improve the functionality of the building and believes Approach A should be considered. FAA, TSA, and MASS DOT all offer funding. O'Brien would use \$30k between now and the end of FY19 that could be used from the MEPA project line.

**AIRPORT MANAGERS SEARCH UPDATE:** OGILVIE gave a quick update on the Airport Managers search. It is narrowed down to 4 with one being local. They will be interviewed on April 22, 2019 and be giving an airport tour to the day before. A Chamber of Commerce island tour is being worked out.

**CONFIRMATION OF NEXT MEETING DATE AND TIME:**

May 5, 2019 3:30 PM

**ADJOURNMENT:** 5:23 PM