

Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

Thomas M. Rafter, Airport Manager
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Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
David C. Gray, Sr.
Sonny Raichlen
Jeannette Topham

AIRPORT COMMISSION MEETING
January 8, 2013

The meeting was called to order at 5:00 PM by Chairman Daniel W. Drake with the following Commissioners present, Vice Chair Arthur D. Gasbarro, David C. Gray, Sr., Jeanette Topham and Sonny Raichlen.

The meeting took place in the conference room at the Airport's Snow Removal Equipment Building, 13 New South (Bunker) Rd.

Mr. Drake announced the meeting was being recorded.

Also, present were Thomas M. Rafter, Airport Manager, David Sylvia, Training and Noise Coordinator, Ashley Christ, Business Manager and Debra Crooks, Finance Assistant.

The Commission **M/S/P** Unanimously approval of the Agenda without an Executive Session.

The Commission **M/S/P** approval of the 12/11/12 and 12/18/12 minutes with Mr. Gray Abstaining from both.

The Commission **M/S/P** Unanimously to ratify the 12/26/12 Warrant and approve the 1/9/13 Warrant.

Public Comment

None.

Pending Leases and Contracts

Mr. Rafter presented four (4) contract documents and one (1) Beach License Request.

- Supply and Install Steel Sump Separator on the JetA Fuel Farm to **Lakes Region Environmental Contractors Inc.**, \$18,945.45, Expiring 3/31/13
- Amendment No. One to **Lakes Region Environmental Contractors Inc.** Contract to perform the Annual Inspection of the Fuel Farm System, extending the expiration date from 12/31/12 to 2/28/13.
- Amendment No. Two to **Architectural Consulting Group LLC (ACG)** Contract for Owners Project Manager Services on the GA/Admin Building, \$40,000 for services performed during November and December, Liquidated Damages stage.

- Amendment No. one to **Briggs Engineering & Testing** Contract for material and soil testing during the GA/Admin Building project extending the expiration date from 11/30/12 to 01/16/14.
- Ack Surf School has requested a license to run their surf school from Nobadeer Beach from June 1, 2013 to September 30, 2013 and be given a dedicated parking spot to park their truck. Mr. Rafter indicated the proprietors have agreed to segregate the school from swimmers. The Beach License Agreement carries with it a \$1,500 Annual Business Fee.

The Commission discussed the ACG Amendment briefly indicating a third amendment will be necessary to cover their work once the project gets started again. Mr. Drake indicated the fee will have to be negotiated.

The Commission **M/S/P** Unanimously approval of all four (4) Contracts and one (1) Beach License Agreement as presented.

Mr. Gasbarro requested if income on Exhibit 1 could be represented in parenthesis instead of (red) color.

Pending Matters

121812-OB1 FAA CIP Projects - Mr. Rafter reported Mary Walsh of the FAA indicated they would approve \$350 - \$400K for the widening of Taxiway Delta in addition to the Master Plan; but that is all they would consider this year in addition to funding the Master Plan.

Ms. Walsh also mentioned a FAA internal working group has been formed to discuss Nantucket issues such as the Master Plan and Control Tower and they will be requesting a meeting in the future.

Mr. Rafter reminded the Commission that any unspent Entitlement money will get rolled into next year.

Finance/Budget

112012-1 FY2014 Budget

Mr. Drake noted only a few adjustments were made to the budget since the last meeting to bring the net loss down to \$304K. Mr. Drake noted the resolution of the Debt Service is still outstanding. Based on projects that have been completed, Mr. Rafter and Ms. Christ have presented to the Finance Department (FD) what the debt service should be. If the FD agrees after it reconciles the affected capital accounts, debt service should be reduced by \$200K which will in turn reduce the net loss to about \$100K. Mr. Rafter added it may be reduced further due to grant reimbursements that should be received on the 6/24 project prior to March, the deadline to reduce debt prior to Town Meeting (ATM).

In reviewing the Debt Service Schedule, Mr. Rafter explained the projects that will remain open are Parking Lot, GA/Admin Building and Ramp extension. Mr. Drake surmised of the \$8M of short term debt, about \$4M will be turned into long term bonds and about \$4M will go away. Mr. Rafter noted the Capital Requests for 2014 will also be reduced to include only the Taxiway D, Airfield Vehicles and the Master Plan items noting the borrowing for the vehicles can be deferred till the next borrowing cycle which would defer the first payment until FY15. Mr. Drake added these projects reduce the FY14 borrowings from \$2,005M to \$1,500M of which approximately \$1.2M will be reimbursed through grants.

Discussion moved to the BOS presentation scheduled for Wednesday night. The new Forecast Summary was produced by the FD from the budget numbers; but, without any warning or explanation, the revolving fund fuel purchases has been reduced by \$377K. Mr. Drake noted this will have a ripple impact throughout the budget because revenue's were not adjusted to reflect the lower capacity of fuel sales. It is believed the adjustment was due to the overall cap on revolver funds; but both the Finance Director and Town Manager were out and an explanation could not be obtained. Mr. Drake felt strongly the report was incorrect and misleading and could not be presented to the BOS. If this report stands, it would increase the deficit to nearly \$700K. Mr. Rafter added the correct back up for the report was not provided.

Mr. Gasbarro expressed his concern over not receiving required information from the FD in a timely fashion and felt the BOS needed to be informed that the delay is not being caused by the Airport. He added the Commission was willing last year to relinquish much of the budget process to the FD and regain control the budget process this year, but it seems the FD continues to make changes without communication and thusly, maintain control.

After brief discussion the Commission **M/S/P** Unanimously to approve the FY2014 Budget as presented by the Airport with the caveat that debt service would be adjusted and the Budget revisited at that time. If an adjustment is required with respect to the revolving fund, that will be submitted for approval at a later date

GA/Administration Building Project Update

Mr. Drake reported on a conference call that took place between the Airport, Legal Counsel, Surety and Surety Counsel at which the Surety advised they would be submitting a list of questions as well as a schedule. The questions were submitted approximately ten days after the call.. A schedule has yet to be received. Mr. Rafter reported the answers to the questions will be submitted to Legal Counsel tomorrow and subsequently submitted to the Surety along with a request to provide a plan for completion as required by the contract. Mr. Drake added some of the elections the Surety will make will require Commission approval, continuing the project with Baybutt, for example.

Mr. Gasbarro emphasized the need for Legal Counsel to reply quickly to the Surety.

Mr. Raichlen suggested making a public statement regarding the status of the building. Mr. Drake asked to postpone that discussion till later in the meeting because it could entail more than the GA/Admin Building.

010813-1 Review and Approve Notice to Proceed for Kobo Utility Construction Corp

Mr. Rafter reported the Notice to Proceed has been prepared to the Contractor, Kobo Utility Construction Corp, to begin work on the FAA Capital Improvement Plan project: Replace Runway 6/24 HIRLS, Airfield Wide Guidance Signs, Wind Cone/Segmented Circle and Approx. 1,500 L.F. of Perimeter Fencing effective January 21, 2013. Materials have begun to be delivered and Kobo has obtained their ID Badges and Airfield Driver's Training. The Project is set to be completed in June but with good weather could finish earlier. With no further discussion, the Commission **M/S/P** Unanimously to approve the Notice to Proceed as presented.

010813-2 Union Negotiation Procedure and Date Discussion

Mr. Rafter suggested a Personnel Sub-Committee be scheduled to discuss strategy for negotiations and establish a negotiation schedule.

After brief discussion, the Commission asked Mr. Rafter to seek Counsel's advice on procedure and plan an Executive Session for the next meeting to discuss.

Manager's Report

Projects Update

- As mentioned earlier the 6/24 HIRLS project is scheduled to begin.
- Mater Plan – Consultant is gathering definitions to establish a scope. A briefing meeting will be scheduled in the near future.
- Energy Conservation – Another tour took place with Northern Energy for non-lighting energy savings but a report on the tour has not yet been obtained from staff.

RFP/Bid Status

- Preparing a response to UPS' Proposal for 143 Old South Rd
- Five Proposals were received for the RFP for a PFC Consultant. The evaluation committee determined the Proposal from McFarland-Johnson to be the most advantageous with a price of \$35K which includes the application process and two years of preparing quarterly FAA reports.
- Bunker Road lots have been advertised. Proposals are due January 21st. In addition, a meeting has been scheduled with Counsel to review issues related to Bunker Rd leases.
- The Gift Shop RFP has been advertised again. Relative to that RFP, an ATM Article has been drafted to seek approval for terminal concession leases to extend up to ten (10) years.
- The RFP for HVAC work in the restaurant is at Procurement for review. Mr. Rafter thanked Mr. Gray for his assistance in developing a scope of work as well as getting half the system to work.

Operations Update

- Mr. Dailey, the Town's Consultant spent a day at the Airport conducting a Fraud Risk Assessment.
- The State's Carbon Neutral RFP will be out this Friday and information is being gathered to submit a response. Mr. Rafter will share the RFP on Friday. The Town's Energy Office has offered to assist as well.

Mr. Raichlen asked if the 6/24 project will necessitate the closing of the runway. Mr. Rafter responded that it may have to be closed for short periods. Work at the runway intersection will be planned at night to minimize disruption.

Mr. Gasbarro asked if Town Counsel assisted in the drafting of the ATM Article to authorize the extension of terminal concession leases. Mr. Rafter responded a template was provided by the Town Manager and the draft article will be reviewed by Town Counsel.

Sub-Committee Reports

None.

Commissioner's Comments

Mrs. Topham asked if Mr. Rafter looked into the FAA's agreement as to their parking spaces, which he reported not having done yet.

Mr. Gray reported hearing of a parking lot scam where vehicles were backing up after receiving a token and passing the token to another driver to get their vehicles out with use of that day's token. Mr. Rafter will look into installing a camera at the entrance, as well as lighting at the exit to address darkness concerns.

Mr. Gray asked about the Taylor hangar. Mr. Rafter responded meeting with the caretaker and to discuss the Airport's concerns, but the letter to the Taylor's has yet to be drafted.

Additionally, Mr. Rafter reported a letter is being sent to Tradewind Aviation addressing their violations to the Airport's Minimum Standards and requesting a meeting

Mr. Gray asked about the Environmental Coordinator applicants. Mr. Rafter reported several applications were received. One applicant appeared to have all the qualifications and will be scheduled for an interview.

Mr. Gasbarro asked if the Master Plan process can be brought to the forefront now that the budget process is winding down. Mr. Drake noted the next planned update meeting with Jacobs was planned for February.

Discussion moved to the need for public outreach to address comments off the street regarding the GA Building Project, the gift shop and the topic of money. After brief discussion a Letter to the Editor from the Commission was determined to be the best option. Mr. Drake will draft a letter and coordinate distribution to the Commission through Ms. Torres.

Discussion moved to and was decided to change the next Commission meeting to January 22nd instead of the 29th to accommodate schedules as well as the potential of needing a vote regarding the GA Building.

Mr. Gray thanked the Operations staff for their participation in Mr. Webb's arrival from Afghanistan explaining the ARFF truck was used to spray the plane upon its arrival. It is the hope of Island veterans that all service people returning home from overseas will be greeted with the same fanfare.

Public Comment

None.

Having no other business, the Commission **M/S/P** Unanimously to adjourn at 5:55 PM.

Respectfully Submitted,

Janine M. Torres, Recorder

Master List of Documents

1/18/13 Agenda, including Exhibit 1

12/11/12 Draft Minutes

12/18/12 Draft Minutes

Lakes Region Environmental Contract

Lakes Region Environmental Amendment One to 9/25/12 Contract

Architectural Consulting Group LLC Amendment One to OPM Contract

Briggs Engineering & Testing Amendment One to 1/17/12 Contract

Ack Surf School Request for Nobadeer Beach License Agreement

FY 2014 Budget

Debt Schedule

FY2014 Airport Enterprise Forecast Summary (Handout)

Jacobs 1/4/13 Notice to Proceed to Kobo Utility Construction Corp.

Draft ATM Article Approval to Award 10 Year Concession Lease Term