

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.
Andrea N. Planzer
Jeannette D. Topham

AIRPORT COMMISSION MEETING

January 14, 2014

The meeting was called to order 4:03 PM by Chairman Daniel W. Drake with the following Commissioners present, David C. Gray, Sr., Andrea N. Planzer and Jeanette D. Topham. Vice Chair, Arthur D. Gasbarro participated remotely by phone due to geographical distance.

The meeting took place in the 1st Floor meeting room at the Public Safety Facility, 4 Fairgrounds Rd.

Airport employee present was Thomas M. Rafter, Airport Manager.

Also present was Attorney David Jenkins from Legal Counsel's office.

Ms. Topham made a **Motion** to enter into Executive Session, to reconvene in Open Session, to: a) conduct strategy with respect to collective bargaining where if held in open session, may have a detrimental effect on the bargaining position of the Commission; b) to discuss strategy with respect pending litigation on a personnel matter. The Chair has determined that an open session may have detrimental effect of the litigation position of the Commission; c) to consider the purchase, exchange, lease or value of real property and to discuss pending litigation for Gatto vs. Town. The Chair has determined that an open session may have a detrimental effect on the negotiation/litigation position of the Commission; d) to review Executive Session minutes of 8/28/12, 9/18/12, 12/4/12, 12/11/12, 2/26/13, 4/23/13, 5/28/13, 8/27/13, 9/10/13, 9/24/13, 10/8/13, 10/22/13 and 11/12/13 for possible release, and 12/10/13 for review and possible release; and e) to discuss strategy with respect to pending litigation with respect to the completion of the GA Building. The Chair has determined that an open session may have detrimental effect on the litigation position of the Airport Commission. **Second** by Ms. Planzer and **Passed** by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Mr. Gray – Aye
Ms. Topham – Aye
Ms. Planzer – Aye

Open session reconvened at 5:10 PM.

Mr. Jenkins was no longer on the phone.

Airport employees Noah Karberg, Environmental Coordinator, David Sylvia, Training & Compliance Officer and Ashley Christ, Business Manager joined the meeting.

Mr. Drake announced the meeting was being recorded.

Mr. Drake asked for comments on the Agenda. Hearing none, the Agenda was approved.

Ms. Topham made a **Motion** to approve the 11/26/13 Minutes. **Second** by Mr. Planzer and **Passed** by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
David C. Gray, Sr. – Aye
Andrea Planzer – Aye
Jeanette Topham – Aye

Mr. Drake reported the 12/10/13 Minutes were not finalized.

Ms. Topham made a **Motion** to ratify the Warrants of 12/18/13 and 1/8/14. **Second** by Ms. Planzer and **Passed** by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Andrea Planzer – Aye
Jeanette Topham – Aye

David C. Gray, Sr. – Abstained

Public Comment

None.

Pending Leases & Contracts

Mr. Rafter noted the **GJ Smith Bunker Parcel Lease** is still pending as Legal Counsel has not yet provided their comments on the proposed revisions. Additionally, Mr. Rafter added, there is an open question as to the use of the lot proposed in the response to the RFP vs. the use of the lot in the draft Lease indicating the change of use may not be allowable per the Procurement Laws.

Mr. Drake suggested reviewing the 1/14/14 email from Rod Allred of Turn Key Storage, an associate of GJ Smith Inc. to keep the process moving forward while waiting for Legal Counsel's comments.

The email reviewed the items previously discussed at the 11/26/13 Commission Meeting:

- In lieu of annual CPI increases, a constant 3.5% annual increase. After discussion the Consensus of the Commission, subject to Counsel's approval, agreed to the annual 3.5% increase for the first 15 years and the then current annual CPI for any renewal term.
- Delay of Lease payments six (6) months from Lease signing date. After discussion, mostly on the needs for consistency, the majority consensus of the Commission was that lease payments would begin when lease is signed.

- Utility investment reimbursement from future tenants tying in to improvements. Mr. Allred indicated it was approximately 1400 feet for a water connection and slightly less for power. Discussion led to the Commission expressing its view that any future Request for Proposals for additional tenants wanting to utilize the utility would be required to pay a portion of the cost to the Lessee making the initial investment. Any existing tenants should be approached as well. Mr. Rafter agreed to confer with Legal Counsel and the Water Company on how utility sharing has or can be handled.
- Lessee requests that all structural improvements above ground remain property of the tenant. After brief discussion it was agreed, noting at the end of the term, the Commission may require to tenant remove all structures and restore lot to pre-build condition.
- Required environmental inspection prior to Lease signing be at the at landlords expense. Mr. Rafter noted the study was completed by the Airport already and will provide a copy.

Discussion moved to exterior lighting both in the sense on local ordinance as well as FAA requirements with Mr. Allred agreeing to comply with any requirement.

Mr. Rafter presented amendments to two (2) Mass DOT Grants for approval:

- **Runway 6/24 HIRLS, Airfield Guidance Signs, Wind Cone and Segmented Circle** - Mr. Rafter indicated this is an extension of the date only to process the final payment.
- **Re-Align and Widen Taxi Connector** – Mr. Rafter indicated the change is to accommodate the change order of the repainting of the Runway 15/33 taxiway edge lines.

Mr. Gray made a **Motion** to accept both MassDOT Grant amendments, noting the correction needed to the Airport Manager’s name on the Runway 6/24 document. **Second** by Ms. Planzer and **Passed** by the following roll-call vote:

Chairman Drake – Aye
 Vice Chair Gasbarro – Aye
 Mr. Gray – Aye
 Ms. Topham – Aye
 Ms. Planzer – Aye

An Assumption of ATM Lease from **Santander Bank (aka Sovereign Bank/Nantucket Bank) to Blue Hills Bank** – Mr. Rafter explained the Assignment will continue the lease on a month-to-month basis until the ATM spaces are placed out to bid as required. Ms. Topham made a **Motion** to approve the Assumption of the ATM Lease. **Second** by Ms. Planzer and **Passed** by the following roll-call vote:

Chairman Drake – Aye
 Vice Chair Gasbarro – Aye
 Mr. Gray – Aye
 Ms. Topham – Aye
 Ms. Planzer – Aye

An Amendment to the **World Fuel Services** Contract for the purchase of aviation fuel supply to extend the 1/31/14 expiration date to 2/28/14 to accommodate the re-advertisement of the RFP. **Motion** made by Ms. Planzer. **Second** by Mr. Gray and **Passed** by the following roll-call vote:

Chairman Drake – Aye
 Vice Chair Gasbarro – Aye
 Mr. Gray – Aye
 Ms. Topham – Aye

Ms. Planzer – Aye

Pending Matters

021213-2 Air Traffic Control Tower (ATCT) Rehabilitation:

- **RFQ Status** - Mr. Rafter reported receiving comments from the FAA on the draft Request for Qualifications (RFQ) for Architectural/Engineering Design and Construction services. Their comments are being incorporated before sending to Chief Procurement Officer for review.
- **Flat Roof Building** – Mr. Rafter reported using the existing FBO as temporary FAA offices during the ATCT rehabilitation.
- **Reimbursable Agreement for Preliminary Design Services for Temporary (Mobile) ATCT** - Mr. Rafter presented the Reimbursable Agreement with the FAA for the preliminary design of the mobile ATCT. Mr. Rafter indicated the funds are in place and this agreement guarantees the Airport will reimburse the FAA for this portion of the project. **Motion** by Ms. Topham to approve the Reimbursable Agreement. **Second** by Ms. Planzer and approved by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Mr. Gray – Aye
Ms. Topham – Aye
Ms. Planzer – Aye

062513-3 Noise Abatement – Mr. Rafter presented the Noise Complaint summary for December reporting a total of four (4) complaints, two of which were out-of-corridor.

070913-1 TON Memorandum of Understanding (MOU) – Mr. Rafter reported meeting with the Chief Procurement Officer on two occasions to discuss the parameters but does not have any hard copies changes to present as yet.

Finance

111213-2 Fuel Revolver/100813-1 FY2015 Budget Revision - Mr. Rafter reported receiving verification earlier in the day from Legal Counsel and Dept. of Revenue (DOR) that excess revenue from the FY13 Fuel Revolver can be transferred to the Operating Budget through a positive Annual Town Meeting (ATM) vote.

Mr. Rafter recommended leaving \$50K in the Fuel Revolver (FR) as seed money for FY15 and through Town Meeting transferring the remaining funds of approximately \$219K to the FY15 Operating Budget. Mr. Rafter reminded the Commission the FY15 Budget was adopted with the intent to amend once the status of the FR was clarified. Mr. Rafter explained the \$50K seed money would cover the first delivery of fuel in FY15. **Motion** by Ms. Planzer to approve Mr. Rafter’s recommendation. **Second** by Ms. Topham and **Passed** by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Mr. Gray – Aye
Ms. Topham – Aye
Ms. Planzer – Aye

011414-1 Audit Management Letter – Mr. Rafter reported receiving the draft Audit Management Letter and we have provided comments. At the Audit Committee meeting held earlier in the day, Mr. Rafter was pleased to hear Airport Revenue is accurate but work needs to be done on our Assets ledger, Capital and Receivable side. Mr. Rafter attributes the findings to miscommunications, change of personnel and re-alignment with the Finance Department at the beginning of the Fiscal Year; but adds significant improvement has occurred as the year progressed.

Mr. Drake noted having made a statement at the Audit Committee meeting that the findings mentioned in the in the Management Letter could have been addressed much sooner than FY13 should the prior audit firm had been more thorough. Mr. Drake added the Auditor did mention they were pleased with the Airport's current procurement process and agreed to interview Mr. Rafter and the Chairman during next year's audit.

011414-2 FY14 Quarterly Update – Mr. Rafter presented the FY14 second quarter update which he will present to the Board of Selectman at their 1/22/14 meeting. Mr. Rafter indicated although the report shows a surplus of approximately \$700K over FY13 for the same period, due to timing of some transactions being posted, the surplus is more like \$500K over last year and is before any subsidy from the Town or Retained Earnings.

011414-3 Recap of 1/7/14 FinCom Meeting – Mr. Rafter indicated the FinCom expressed concern over applying all of FY13 Retained Earnings towards the Budget. Mr. Rafter explained by managing the budget closely we will hopefully not have to use all of it reminding the Commission in the FY13 budget, we had applied \$1.3 in Retained Earnings, but actually used \$320K.

The other concern expressed by FinCom was predicting the FAA approval of the Passenger Facility Charge to produce \$600K of income. Mr. Rafter did explain if the application is not approved, the Airport will have to ask the Town for a subsidy but added not ever hearing of an application that was not approved.

011414-4 Warrant Approval Procedure Change – Mr. Rafter explained as part of the Audit Management Letter recommendations, the approval procedure for the signing of the Warrant will include a table of the batch totals so that each Commissioner will note which batches were included the Warrant is reviewed. This is to identify any batches that may have been added after some signatures have been obtained. Additionally, the time period for reviewing the Warrants will be shortened to one day to alleviate batches being added.

Ms. Topham requested receiving the Warrant schedule.

011414-5 Airport Cooperative Research Program (ACRP) Grant Funding Proposal – Mr. Rafter explained the ACRP works under the Transportation Research Board which falls under the Academy of Science and is funded through the FAA with approximately \$20M per year. The FAA solicits Problem Statements from airports and if the statements are applicable for multiple airports, the FAA will rank priority and solicit consultants to study and address possible solutions. The FAA has currently issued an RFP for which Mr. Karberg would like to submit a proposal for.

Mr. Karberg presented the RFP for ACRP- 02-50 'Driving Benefits from Alternative Aircraft-Taxi Systems noting Nantucket currently ranks #10 in longest average aircraft taxi out times, due to delays at destination airports. Mr. Karberg explained the benefits of research and development of an alternative aircraft taxi system would be fuel savings to the airlines and noise and emissions reduction for airports.

Mr. Karberg feels this is a good opportunity for Nantucket to participate in conjunction with the Carbon Neutral program. The funding if awarded would be \$300K over the next 18 months. Mr. Karberg further explained this stage of the program doesn't implement the technology. It is looking at ways to evaluate the technology to develop specific defensible benefits. Mr. Karberg requests the Commission approval to participate in the program.

Mr. Drake read the letter prepared and addressed to Christopher Jenks, Director of the Cooperative Research Programs at the Transportation Research Board approving Mr. Karberg participation. Mr. Rafter interjected he encourages Mr. Karberg to participate as long as it does not hinder his other duties and is authorized by Procurement. Mr. Gray made a **Motion** authorizing Mr. Drake to sign the letter. **Second** by Ms. Planzer and **Passed** by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Mr. Gray – Aye
Ms. Topham – Aye
Ms. Planzer – Aye

022613-2 Master Plan & Sustainability Program Update – Mr. Rafter reported meeting with Jacobs to review the Master Plan draft submittals on the forecast analysis, financial analysis and noise work tasks. Mr. Rafter and Jacobs concurred the work done on the financial analysis is incomplete and Jacobs will review with the sub-consultant to revise. Mr. Rafter also asked Jacobs to revise their forecast analysis to include the impact of Jet Blue on the Boston market.

The next Advisory Working Group meeting will take place sometime in February. The Draft Meeting Summary of the November 12, 2013 meeting was provided along with the comments from some of the group members including suggestions to revise the Airport's Mission Statement.

Mr. Rafter noted he is drafting a Business Plan which he hopes to present at a near future meeting.

Manager's Update

Other Project Updates

- **Passenger Facility Charge (PFC)** – Mr. Rafter noted the Airline comments submitted are included in the packets. A draft PFC Application is expected from the consultant in the next few days.
- **Runway 6 PAPI** installation is complete.
- **Runway 15/33 REILS/PAPI** installation is still pending.

RFP/Bid Status

- Carbon Neutral Proposals are due January 17th.
- RFQ for Air Traffic Control Tower is being finalized.
- Engineering Proposals have been received and are being evaluated.
- Aviation Fuel Proposals are due January 24th.

Operations

- **Airport Town Meeting Articles** include the Operating Budget, Capital Expenses, Budget Transfers, Fuel Revolver, rescinding of unneeded Borrowing Authorities, Collective Bargaining and the Home Rule Petition (HRP) to remove the cap on the Fuel Revolver. Mr. Drake interjected the HRP may not be needed if the State Legislation has passed.
- The Accounting Offices have moved over to the new building. The FBO staff will move later in February.

- MassDOT has notified the Airport of some available funding for equipment; however, the equipment must be on site by June 30, 2014. Mr. Rafter spoke with the Town Treasurer on the timing of the borrowing who indicated there shouldn't be a problem. Grant applications are being prepared to submit to MassDOT.
- Mr. Rafter handed out changes made by Legal Counsel on the Taylor Hangar Lease Assignment to Marine Lumber, addressing the Probate concerns from the original document. Mr. Drake noted the Commission initially approved the Assignment at their October 30, 2013 meeting pending receipt of the Estate paperwork. Mr. Drake suggested the changes be reviewed and held until the next meeting.

Mr. Rafter gave an update on the status of the GA Building punch list noting the lighting sensors have been adjusted and are working well. Mr. Rafter noted the Contractor has only 45 days to complete the punch list and has asked the Architect to update the list and advise how many days are left. Mr. Rafter added the value of the punch list items not complete within the 45 days will be deducted from the final payment.

Statistics

Mr. Sylvia reviewed the November 2013 statistics:

- Operations for November were 7,532, down 12.66% compared to last November 2012 at 8,624
- Enplanements for November were 7,717, down 8.95% compared to November 2012 at 8,476
- Freight for November was 150,133 lbs, down 10.74% from November 2012 at 170,008 lbs.

Mr. Drake requested only fiscal year statistics be reported beginning with January's presentation.

Brief discussion took place regarding boat traffic noting the Steamship Authority indicates the slow ferry is down 2.1% but the fast ferry is up 11.5%.

Sub-Committee Reports

None.

Commissioner's Comments

None.

Public Comment

None.

Having no further business, Ms. Topham made a **Motion** to adjourn. **Second** by Mr. Gray and **Passed** by the following roll-call vote:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Mr. Gray – Aye
Ms. Topham – Aye
Ms. Planzer – Aye

Meeting adjourned at 6:51 PM.

Respectfully submitted,

Ashley Christ, Recorder

Master List of Documents Used

1/14/14 Agenda including Exhibit 1

11/26/13 Draft Minutes

GJ Smith Inc. Lease Building Plans

1/14/14 Email from Allred to Christ; Subject: TurnKeyStorage – Nantucket – Airport Lease Agreement

MassDOT Standard Contract – “Re-Align & Widen South Apron Taxiway Connector”

MassDOT Standard Contract – “Replace RW 6/24 HIRLS, Airfield Guidance Signs, Wind Cone”

Assignment of ATM Lease – Santander/Sovereign bank to Blue Hills Bank

Page 2 of the 11/2/13 Commission Minutes referencing World Fuel Services Contract Amendment

FAA Non-Federal Preliminary Design Reimbursable Agreement re Mobil Air Traffic Control Tower

December Noise Complaints

1/9/14 email from Roselli to Christ; Subject: Response to Management Letter

Management Letter Response #2

Draft 2 of the Town of Nantucket Management Letter dated 6/30/13

FY2014 2nd Quarter Update a/o 12/31/13

1/24/13 Draft letter from Drake to Jenks re ACRP 02-50 Alternative Aircraft-Taxi System

ACRP 02-50 RFP dtd 11/26/13

ACRP Power Point Presentation

11/12/13 Master Plan Working Group Draft Meeting Summary

Working Group Comments emails

Cape Air PFC Comment letter dtd 12/30/13

Island Airlines PFC Comment Letter dtd 12/31/13

Assignment & Assumption of Taylor Hangar Revised (Handout)

November 2013 Statistics