

**NANTUCKET MEMORIAL AIRPORT COMMISSION
LEASE AGREEMENT**

This Lease Agreement executed on the ___ day of February, 2014, by and between the Town of Nantucket acting by and through the NANTUCKET MEMORIAL AIRPORT COMMISSION, an airport commission established agency duly created by the Town of Nantucket, pursuant to the powers contained in Massachusetts General Laws, Ch. 90, Sec. 51DE, hereinafter called the "Landlord", and Emily Air LLC hereinafter called the Tenant, and the Tenant hereby leases the Premises described below in accordance with the following terms and conditions.

In consideration of the mutual covenants and agreements hereinafter set forth, Landlord and Tenant agree as follows:

ARTICLE ONE – Lease Data

Landlord: Nantucket Memorial Airport Commission
14 Airport Road
Nantucket, MA 02554
Attn: Airport Manager
(508) 325-5300

Tenant: Emily Air, LLC
550 Barnstable Road
Hyannis, MA 02601

Premises: 12 Airport Road, Nantucket, MA 02554
8,811 ± Square Feet, As described on Exhibit A1 & A2, attached hereto

Permitted Use: Aircraft Storage, Aircraft Maintenance
Charter & Flight School Operations

Base Rent: \$3,876.84 Annually, or \$323.07 Monthly
as adjusted annually in accordance with Section 3.1

Additional Rent:

Annual Business Fee - Currently \$1,500 per year

~~Amount in Lieu of Local Taxes - Determined annually by Assessor(s)~~

All Applicable Rates & Charges – Determined annually

Bond: \$100,000

Commencement Date: February 15, 2014

Initial Term: Twenty (20) Years

Options to Extend: One – Ten (10) Year

Security Deposit: \$975.00

Initial Public Liability Insurance Coverage: \$1,000,000

Commented [RTH1]: Did we talk about this already in the GJ Smith context? Taxes are payable, generally, when municipal land is leases for commercial purposes. It is taxable to the lessee. However, I am not aware of a law that allows a "PILOT" agreement in lieu of taxes in this situation. Please check with the Town assessor to be sure we're on the same page, please.

ARTICLE TWO - Premises

2.1 Premises. Landlord hereby leases to the Tenant and the Tenant hereby leases from the Landlord, the Premises, as described on Exhibit A attached hereto and incorporated herein, upon and subject to the terms of this Lease. The Parties agree that, notwithstanding the foregoing, the exact location and extent of the Premises are to be mutually agreed to by the Parties, and shall be shown on a formal plan, stamped by a professional engineer, to be produced by Tenant at its sole expense within thirty (30) days of the date of this Lease. The Parties agree to append such plan to this Lease as part of Exhibit A and shall be deemed a part of this Lease.

2.2 Obligations of Tenant. The Tenant shall be solely responsible for obtaining all permits, licenses, consents, and approvals required by applicable federal, state or local laws and regulations and by any governmental body having jurisdiction over ~~applicable to~~ the use of the Premises ~~or~~ and the construction of any buildings and improvements on the Premises which, if permitted by the terms of this Lease and subject to Landlord's prior written approval, Tenant may make undertake. Promptly upon receipt of such permits, licenses, consents and approvals, Tenant shall present a copy of the same to the Airport Manager's office for the file. Landlord may, in its discretion, terminate this Lease without penalty if Tenant shall fail to obtain this Lease is contingent upon Tenant successfully obtaining all such required permits, licenses, consents and approvals ~~for construction~~ within 120 days of the date of ~~execution~~ this Lease. Tenant also agrees to have any construction completed within one year from the date of this Lease.

Commented [rth2]: And if Tenant doesn't finish in that time?

2.3 Condition of Premises. The Parties agree that, notwithstanding anything to the contrary in this Lease, the Premises are hereby leased in an "as is" condition without any express or implied representations or warranties whatsoever, it being expressly understood and agreed that Tenant is solely responsible to confirm for itself whether the Premises are suitable for its intended purpose. The Parties also agree that Landlord is not obligated to install services or facilities in the Premises beyond those now in place.

2.4 Additional Charges ~~Public Utilities.~~ Tenant will be responsible for bringing to the Premises, and for making all connection to, public utilities. All connection charges and other costs incurred for public utilities will be paid for by the Tenant.

ARTICLE THREE – Rent and Other Charges

3.1 Base Rent. –Tenant shall pay to the Landlord, during the term hereof, the Base Rent set forth in Article One, above, such amount to be paid in twelve equal monthly installments, in advance on or before the first day of each month. Base Rent shall be increased, but not decreased, annually based on the change in the federal CPI-W rate as published by the United States Bureau of Labor Statistics, effective on the anniversary of the Commencement Date specified in Article One, above. Further, on each five year anniversary of the Commencement Date, the Base Rent shall be increased, but not decreased, based on the greater of (i) the change in the CPI-W, as described above and (ii) the fair market rental value of the Premises as of such date as determined by an a qualified independent real estate appraiser identified by the Landlord to which the Tenant has no reasonable objection. Tenant agrees that it shall pay all Rent, and Additional Rent as defined below, without any offset or deduction whatsoever.

3.2 Additional Rent. In addition to the Base Rent, the Tenant shall pay annually, as Additional Rent:

- (i) an annual Business Fee in the amount set forth in Article One, above, as it may be adjusted from time to time by the Landlord for all tenants;
- (ii) all taxes, fees and charges assessed against the Premises and the property and any improvements located thereon in accordance with applicable laws and regulations ~~a payment~~

~~in lieu of local real estate and personal property taxes which would have been levied by the Town of Nantucket on the Premises and improvements constructed upon the Premises by Tenant for that tax year; and~~

(iii) such other ~~fees and charges consideration as is~~ may be required to be paid specified by the Nantucket Memorial Airport's Fees and Charges ~~that~~, as the same may be amended from time to time.

The Landlord will bill the Tenant for these amounts annually and the payment will be due within 15 days thereafter.

3.3 Security Deposit. On or before the Commencement Date, as set forth in Article One, above, the Tenant shall pay to the Landlord the amount of the Security Deposit, as set forth in Article One, above, which shall be held by the Landlord, without obligation for interest, as security for the performance of the Tenant's covenants and obligations under this Lease. If the Landlord draws upon the Security Deposit, the Tenant shall, within fifteen (15) days after receipt of written notice, replenish the amount of the Security Deposit held by the Landlord.

3.4 Removal and Restoration Bond. At least ninety (90) days prior to expiration of the Initial Term of the Lease (or any extended term if Article 1 allows for an option to extend the Initial Term and such term is extended in accordance with this Lease), ~~if the then current term has not been extended or otherwise renewed,~~ the Tenant shall post a bond in the amount set forth in Article 1, or if no such amount is so indicated, an amount (i) sufficient to assure the removal of all improvements, if any, installed on the Premises by Tenant and restoration of the Premises to its original condition, ~~such amount to be the amount set (reasonable wear and tear excepted) and (ii) satisfactory to Landlord. Notwithstanding the foregoing, such amount shall forth in Article One,~~ be subject to such reasonable adjustment as the Landlord may determine. Upon expiration of the Lease, except as otherwise directed in a subsequent writing by Landlord, Tenant shall remove all its property and Tenant-installed improvements from the Premises and restore the Premises to its original condition (reasonable wear and tear excepted), failing which Landlord may use the removal and restoration bond for such purpose, and Tenant shall be responsible to pay for any costs incurred by Landlord in so doing in excess of the amount payable under the bond.

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3.5 Late Payment Fee. Any amount due from Tenant to Landlord under this Article Three or otherwise due under this Lease that is not paid when due shall bear and accrue interest at the rate of one and one-half percent (1.5%) per month from the due date until receipt of payment. Any partial payments received on said indebtedness shall be applied first to interest, and then to principal. With respect to any payment of additional Percentage Rent that is determined to be due as a result of an audit, the late payment fee shall be assessed beginning on the date such additional amount of Percentage Rent should have been paid.

Commented [rth3]: Percentage Rent?

ARTICLE FOUR – Term and Extensions

4.1 Term. This Lease shall commence on the Commencement Date set forth in Article One, above and, subject to earlier termination in accordance with the terms hereof, continue for the Initial Term set forth in Article One, above.

4.2 Extension Options. The Tenant shall have such options to extend this Lease as set forth in Article One, above, provided that, (i) at the time of both the exercise and extension of the this Lease, the Tenant is in full compliance with the terms and conditions here and (ii) throughout the term of the Lease, the Tenant has not been in any material default hereunder. The Tenant shall exercise any option hereunder by giving written notice to the Landlord by certified mail, return receipt requested, postage prepaid to Landlord, no later than six (6) months prior to the expiration of the then-current term.

Except as may be otherwise agreed in writing by the Parties in the form of an amendment to this Lease, ~~the terms may not be relevant or applicable, and except as to any further options, all provisions~~ the terms and conditions of the Lease shall apply for ~~the any~~ extended period term, except that the Base Rent for the initial year

of the extension period shall be the Base Rent for the final year of the then-current term, as adjusted as provided in Section 3.1, above, ~~and which amount shall~~ be increased similarly thereafter.

4.3 **Holding Over.** If, after the termination or expiration of this Lease, Tenant shall remain in possession without any express written agreement as to such holding over, Tenant shall be deemed to be a tenant at sufferance from day to day at a daily rental rate equal to two hundred fifty percent (250%) of the Base Rent previously in effect. During such continued occupancy, all other provisions of this Agreement (except as to the term) shall be in effect.

ARTICLE FIVE - Rules and Regulations Governing the Airport

5.1 **Acceptance of Airport Rules and Regulations.** Tenant shall observe and obey all ~~other~~ requirements, rules, laws and regulations promulgated by the Landlord and other ~~appropriate~~-local, state and federal ~~entities, agencies and governmental bodies~~ having jurisdiction over the Nantucket Memorial Airport, including, ~~but not limited to,~~ the Nantucket Memorial Airport Commission, Federal Aviation Administration (FAA), and the Massachusetts Aeronautics Commission. In addition to, and not to the exclusion ~~or in limitation~~ of, all other applicable rules, requirements, and regulations promulgated by the FAA, Tenant agrees to conduct its operations in compliance with the Federal Aviation Regulations, ~~so called,~~ including all amendments hereafter made, ~~as embodied in 49 C.F.R. Part 107, as the same may be amended or superseded from time to time.~~ Tenant further agrees to comply with all fire fighting and safety equipment requirements consistent with the nature of the ~~P~~remises to comply with local codes and fire regulations of the Town of Nantucket and will not take, or fail to take, any action that would ~~or can be reasonably expected to~~ adversely affect the insurability of the Premises or any other portion of the Airport.

(a) Tenant acknowledges the existence of a body of procedures for the abatement of noise caused by aircraft which have been adopted by the Airport and community as of December 1, 1987, as part of a study performed under Part 150 of the Federal Air Regulations. It is further understood that all tenants conducting commercial airlines operations, or general aviation operations, at the Nantucket Memorial Airport are required to comply with those flight procedures as a condition of their tenancy. Each tenant must satisfy the Nantucket Memorial Airport of their continuing compliance no more seldom than once each year prior to lease renewal and at any time that the Airport Commission has reason to believe that non-compliance has occurred. A finding after hearing that the tenant has failed to comply with such flight procedures shall be deemed to be sufficient cause for non-renewal or cancellation of tenant's lease.

(b) Lessee will recognize the importance of federal funding to the Airport under the Airport Improvement Program (or other future program) and will submit to the DOT (whether required by the DOT or not) Form Number 1800-31 on a timely basis with a copy to the Airport Manager's office. This report is for reporting enplanements, from which our Airport receives its federal funding for capital improvement projects. Also, monthly enplanement numbers shall be supplied to the Airport Manager's office within 15 days after the month being reported.

5.2 **Non-Discrimination Assurances.** The Tenant, for itself, its heirs, personal representatives and its successors and assigns, does hereby covenant and agree:

(a) That in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a U.S. Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended;

(b) As a covenant running with the Premises that (i) no person on the grounds of race, color, handicap, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (ii) that in the construction of any improvements on, over, or under such Premises and the furnishing of services thereon, no person on the grounds of race, color, handicap, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (iii) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended;

(c) If the U.S. Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended;

(d) That the breach of any of the above nondiscrimination covenants constitutes a material breach of this Lease and the Landlord shall have the right to terminate the Lease and to re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

5.3 Liability for Fines and Penalties. Should Tenant, its customers, agents, employees, officers or guests violate said rules, regulations or covenants, and should said violations result in a citation or fine to the Landlord, then Tenant shall fully reimburse the Landlord for said citation or fine and for all costs and expenses, including reasonable attorney's fees, incurred by the Landlord in defending against the citation or fine. All such amounts shall constitute additional amounts due under the Lease and shall be paid within fifteen (15) days of Tenant's receipt of notice thereof.

ARTICLE SIX – Use of Premises

6.1 Use of Premises: The Tenant shall use the Premises solely for the purposes set forth in Article One and the activities necessary and incidental thereto, including any additional activities as approved by the Landlord.

ARTICLE SEVEN – Tenant Covenants and Restrictions

7.1 Liens and Alterations: Tenant shall not permit any mechanic's liens or similar liens to remain upon the Premises for labor and materials furnished to Tenant in connection with work of any character performed at the direction of the Tenant and shall cause any such lien to be released of record without cost to Landlord within sixty (60) days of the filing of the lien. Landlord shall not, under any circumstances, be liable for the payment of any expenses incurred or for the value of any work done or material furnished to the Premises or any part thereof, all of which expenses shall be paid by Tenant. Tenant~~but all such~~ shall cause all contractors to carry workers' compensation insurance in accordance with statutory requirements and comprehensive public liability insurance and automobile liability insurance covering such contracts on or about the Premises in amounts reasonably acceptable to Landlord; and Tenant agrees to submit, and cause its contractors to submit, certificates evidencing such coverage to Landlord prior to the commencement of and during the continuance of such work.

Notwithstanding anything to the contrary in this Lease, Tenant shall not make any alterations, additions or improvements to the Premises without the prior written consent of the Landlord, which may be withheld in Landlord's sole and absolute discretion. All such alterations, additions or improvements shall be at Tenant's expense.

Tenant shall procure and pay for all necessary permits before undertaking any work on the Premises, and shall cause all such work to be performed in a good and first-class workmanlike manner and in accordance with the requirements of insurers, employing new materials of prime quality and shall defend, hold harmless, exonerate and indemnify Landlord from all injury, loss or damage to any person or property occasioned by such work. Tenant improvements, alterations and repairs shall be done and materials and labor furnished at Tenant's expense, and the laborers and material men furnishing labor and materials to the Premises or any part thereof shall release Landlord and the Premises from any liability.

All structural improvements and additions made by Tenant (i.e., alterations or additions which are not of a structural nature and may be removed without damage to the Premises, as reasonably determined by Landlord) shall be the exclusive property of the Landlord, and all nonstructural alterations and additions shall be the exclusive property of Tenant. So long as it is not in default of any of its obligations under the Lease, Tenant may at any time, at its sole option, remove any such nonstructural alteration or addition and restore the Premises to the same conditions as prior to such alteration or addition, reasonable wear and tear and damage by fire or other casualty only excepted.

7.2 Assignment and Subletting: Tenant shall not sublet, underlet, mortgage, pledge or encumber this Lease any portion of the Premises without, in each instance, having first obtained the prior written consent of Landlord. Any assignment or sublease under such consent shall, notwithstanding such consent, be void unless the assignee or sub-Tenant acknowledges in writing that it will be bound by and subject to the terms of this Agreement. No permitted assignment or subletting shall in any way impair the continuing primary liability of the Tenant-assignor hereunder and no consent by the Landlord in a particular instance shall be deemed to be a waiver of the obligation to obtain the Landlord's consent in a subsequent instance. As used herein, the term "assign" or "assignment" shall be deemed to include, without limitation, any transfer of Tenants interest in the Lease by operation of law.

7.3 Aeronautics Restrictions. Tenant shall have the right to operate in the manner authorized by proper governmental authority and agencies, and shall be subject to the following restrictions:

(a) The Landlord reserves unto itself, its successors and assigns, for the use and benefit of the public a right of flight for the passage of aircraft in the airspace above the surface of the real property as described in this Lease, together with the right to cause in said airspace such sound as may be inherent in the operation of aircraft, now known or hereafter used for the navigation of or flight in said airspace, together with the emission of fumes or particles incidental to aircraft navigation, and for the use of said airspace for the landing on, taking off from or operating on Nantucket Memorial Airport.

(b) The Tenant expressly agrees for itself, its successors and assigns to prevent the use of the Premises for purposes which will create or result in hazards to flight such as, but not limited to, purposes which will (i) produce electrical interference with radio communications, (ii) make it difficult for pilots to distinguish between airport lights and others, (iii) project glare in the eyes of the pilots, (iv) impair visibility in the vicinity of the airport, or (v) otherwise endanger the landing, take-off or maneuvering of aircraft.

(c) The Landlord retains the continuing right in the Premises to prevent the erection or growth of any building, structure, tree, or other objects extending in to the airspace (above 45 feet Mean Ground Level) and to remove from said airspace, at the Tenant's expense or at the sole option of the Landlord, as an alternative, to mark and light as obstructions to air navigation, any such building, structure, tree, or other object now upon, or which in the future may be upon the property together with the right of ingress to, passage over, and egress from Tenant's property for the above purposes.

(d) The Tenant expressly agrees for itself, its successors and assigns, that the reservations and restrictions set forth in this instrument shall run with the land which shall be the servient tenement, it being intended that the lands now and hereafter comprising the Airport shall be the dominant tenement; excepting, however, that such reservations and restrictions shall become void and of no force

and effect on such date as the lands comprised in the aforesaid Airport shall cease to be used for Airport purposes.

(e) The Tenant for itself, its heirs, personal representatives, successors in interest and assigns do hereby agree that if any aeronautical services or activities are to be offered, performed or conducted upon the Premises that:

In the exercise of the rights and privileges granted for the furnishing of aeronautical services to the public, Tenant will

(i) furnish said service on a fair, equal, and not unjustly discriminatory basis to all users thereof, and

(ii) charge fair, reasonable, and not unjustly discriminatory prices for each unit or service; provided that the Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(f) It is mutually understood and agreed by the parties hereto that nothing contained in this Lease shall be construed as granting or as authorizing the granting of an exclusive right within the meaning of Section 308 (a) of the Federal Aviation Act of 1958.

7.4 Maintenance and Repair; Nuisance. Tenant agrees that it shall not injure, deface or otherwise harm the Premises or use the Premises in any manner that will constitute waste. Tenant will maintain the Premises and any structures or other improvements constructed thereon in good condition and repair, including painting the exterior of the building to prevent rusting or deterioration of any portions thereof; shrubbery, plantings and lighting will also be maintained. Any visible damage or defacement to the building, windows, or appurtenances will be corrected by the Tenant as quickly as possible to prevent a continuing condition of apparent disrepair or will remove the damaged remains from the Premises, and any replacement structure will be subject to the same terms and conditions as the original structure. Tenant shall not create, permit, or suffer to exist any unsafe condition. It shall be solely responsible to remove snow and ice from the Premises. The Tenant will not make or suffer any unlawful, improper, noisy or offensive use of the Premises, or permit any use that shall be liable to endanger, affect, or make voidable any insurance on the Premises, or the building or any of its contents, or to increase the cost of any such insurance. Tenant covenants and agrees that the Premises shall not be used for any objectionable, unlawful purpose, or for any purpose which will constitute a nuisance; that it will permit Landlord to enter the Premises at all reasonable times for the purpose of inspecting the same and that upon the termination of this Lease it will quietly and peacefully surrender possession of the Premises to Landlord in good order and condition, ordinary wear and tear, damage by the elements and unavoidable casualty only excepted. If Tenant shall fail to keep the Premises in the condition required herein, or ~~if to make~~ repairs are required to be made by Tenant pursuant to the terms hereof, Landlord shall have the right, but not the obligation, after giving thirty (30) days' notice to Tenant by Landlord (or without notice in any emergency), ~~Landlord shall have the right (but shall not be obligated)~~ to make such repairs or perform maintenance work or any other work required of Tenant pursuant to this Lease and charge the reasonable cost thereof to Tenant as Additional Rent.

7.5 Sanitation. Tenant shall supply at its own expense a receptacle suitable for the disposal of refuse and shall be responsible for the disposal of all refuse. Tenant shall not permit any refuse to accumulate so as to constitute a fire or health hazard within the Premises. If Tenant fails or neglects to keep the Premises and area herein described in a clean and sanitary condition at all times, Landlord shall have the right, without any obligation to do so, to enter upon the Premises and put them in a clean and sanitary condition in the event that Tenant fails to do so within twenty-four (24) hours after notice of any such condition. In the event the Tenant fails to comply with any such notice and Landlord acts to clean the Premises, Tenant shall reimburse Landlord for all cost and expense incurred by Landlord to clean the Premises

7.6 Airport Construction and Development. Tenant recognizes that from time to time during the term of this Lease it may be necessary for Landlord to initiate and carry forward programs of construction, expansion, maintenance and repair, and that such construction, expansion, maintenance and repair or relocation to an equal or better location may temporarily inconvenience or temporarily interrupt Tenant in its operations at the Airport. Tenant agrees that no liability shall be attached to Landlord, its agents or employees by reason of such relocation, temporary inconvenience or temporary interruption, so long as Landlord has made reasonable efforts to mitigate the effect of such work on the Tenant, and Tenant waives any right or claim to damages or other consideration therefor, except for reasonable and proportionate rental abatement in the event the Premises may not be used during any such period of time, or, in the alternative, the cost of the relocating the Tenant to an alternative location.

7.7 Hazardous Materials. Tenant shall not use, handle, store or dispose of any Hazardous Waste, Hazardous Material, Oil or radioactive material, as such terms are used or defined in Section 2 of Chapter 21C, Section 2 of Chapter 21D, and Section 2 of Chapter 21E of the General Laws of Massachusetts, and the regulations promulgated thereunder, as such laws and regulations may be amended from time to time (collectively "Hazardous Materials") in, under, on or about the Premises except for such storage and use consented to by Landlord in advance in writing, which consent may be withheld in Landlord's sole and absolute discretion. Any Hazardous Materials on the Premises, and all containers therefore, shall be used, kept, stored and disposed of in conformity with all applicable laws, ordinances, codes, rules, regulations and orders of governmental authorities. Any violation of said laws, rules or regulations shall be deemed a material breach of this Lease for which Landlord may terminate this Lease. Tenant shall (i) notify Landlord immediately of any discovery, release or threat of release of any Hazardous Materials on or from the Premises and any loss or damage or claim of loss or damage resulting therefrom, (ii) be solely responsible for remediating all contamination in full compliance with all applicable statutes, regulations and standards, at Tenant's sole cost and expense, and in addition to all other rights and remedies available to Landlord, (iii) indemnify, defend and hold Landlord harmless from and against all liability, loss, damage, costs and expenses (including without limitation, reasonable attorney's fees and expenses), causes of action, suits, claims, demands, or judgments of any nature in any way suffered, incurred, or paid as a result of the presence or release or threatened release of Hazardous Materials on or from the Premises which is caused or exacerbated by Tenant, its agents, employees, contractors, representatives, licensees, or invitees. Tenant hereby acknowledges and agrees that Landlord shall have no responsibility to Tenant, its agents, employees, representatives, permittees and invitees, for the presence of such Hazardous Materials on the Premises or be required to abate or remediate the same. This provision shall survive the expiration or termination of this Lease.

ARTICLE EIGHT - Indemnity and Public Liability Insurance

8.1 Tenant's Indemnity. To the maximum extent this agreement may be made effective according to law, Tenant agrees, in addition to all other rights and remedies available to Landlord, to defend, indemnify and save harmless Landlord from and against all claims, expenses or liability of whatever nature from any suits, claims and demands arising directly or indirectly (i) from the failure of the Tenant's or Tenant's contractors, agents, employees or invitees to comply with the terms of this Lease or with any applicable laws, codes, bylaws, rules, orders regulations or lawful direction now or hereafter in force of any public authority and any accident, injury or damage whatsoever to any person, or to the property of any person, occurring on or about the Premises or (ii) from any accident, injury or damage however caused to any person or property on the Premises or occurring outside of the Premises but on the Airport property, in each case where such accident, damage or injury results or is claimed to have resulted from any act, omission or negligence on the part of Tenant or Tenant's contractors, agents, employees, or invitees or anyone claiming by or through the Tenant; and (iii) from any and all costs and expenses incurred in connection with any cleanup, remediation, removal or restoration work required by any federal, state or local governmental authority because of the presence of any Hazardous Materials on or about the Premises to the extent that Tenant or Tenant's contractors, agents, employees or invitees or anyone claiming by or through the Tenant caused or contributed to such environmental occurrence, in these cases, occurring after the date of this Lease until the end of the term of this Lease and thereafter so long as Tenant is in occupancy of any part of the Premises. This indemnity and hold harmless agreement shall include indemnity against all costs, expenses and liabilities incurred in or in connection with any such claim or

proceeding brought thereon, and the defense thereof, including, without limitation, reasonable attorneys' fees at both the trial and appellate levels.

8.2 **Insurance.** Tenant agrees to maintain in full force from the date upon which Tenant first enters the Premises for any reason, throughout the term of this Lease, and thereafter so long as Tenant is in occupancy of any part of the Premises and agrees prior to the commencement of the Lease, and thereafter on or before January 1 of each term of this Lease, to deliver to the Landlord a certificate of insurance evidencing compliance with the requirements herein:

(a) A policy of general liability and property damage insurance with respect to the Premises and the property of which the Premises are a part, naming the Tenant as an insured and the Landlord as an additional named insured, in the minimum amount of \$1,000,000 bodily injury and property damage for each occurrence, with a combined single limit of \$3,000,000 annual aggregate limit under which Tenant and Landlord are named as an insured. Landlord shall have the right from time to time to increase such minimum amounts upon notice to Tenant, provided that any such increase shall provide for coverage in amounts similar to like coverage being carried on like coverage being carried on similar property in the Nantucket area;

(b) A policy of fire and extended coverage insurance upon its building and leasehold improvements, furniture, furnishings, fixtures and equipment to the full insurable value thereof and any applicable equipment vendors or lenders give the Airport satisfactory releases from fire and extended coverage liability;

(c) A policy of Workers' Compensation insurance during any construction, maintenance or repair of the Premises by the Tenant or any of its contactors, covering the obligations of the Tenant and or its contractors in accordance with Massachusetts Workers' Compensation or Benefits law. Prior to the commencement of any construction, maintenance or repair of the Premises, the Tenant shall deliver to the Landlord a copy of the certificate of insurance which shall also name the Landlord as an additional insured.;

(d) Automobile Liability Insurance of not less than \$1,000,000 per occurrence covering owned, hired and non-hired vehicle use and shall name the Landlord as an additional insured.; and

(e) Such other insurance as may reasonably be required by the Landlord.

Without limiting Landlord's other rights under any other provisions of this Lease, if Tenant shall fail to keep the Premises insured as provided herein, and if such failure shall continue for a period of ten (10) days following written notice by Landlord to Tenant thereof, then Landlord, without further notice to Tenant, may take out and pay for such insurance, and the amount of such payment shall become due and payable as Additional Rent on demand.

8.3 **Tenant's Risk.** To the maximum extent this agreement may be made effective according to law, Tenant agrees that all of the furnishings, fixtures, equipment, effects and property of every kind, nature and description of Tenant and all persons claiming by, through or under Tenant which, during the Term of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere on the Property, shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water or otherwise, or by the leakage or bursting of water pipes or sprinklers, by theft or from any other cause, no part of said loss of damage is to be charged to or borne by Landlord unless due to the negligence or misconduct of Landlord, its employees, agents, or contractors.

8.4 **Injury Caused By Third Parties.** To the maximum extent this agreement may be made effective according to law, Tenant agrees that Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons other than Landlord and Landlord's employees, agents and contractors.

8.5 Waiver of Subrogation. Insofar as, and to the extent that, the following provision shall not make it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the locality in which the Property is located (even though extra premium may result therefrom) Landlord and Tenant mutually agree that any property damage insurance carried by either shall provide for the waiver by the insurance carrier of any right of subrogation against the other, and they further mutually agree that, with respect to any damage to property, the loss from which is covered by insurance then being carried by them, respectively, the one carrying such insurance and suffering such loss releases the other of and from any and all claims with respect to such loss to the extent of the insurance proceeds paid with respect thereto.

THE TENANT SHALL DEPOSIT WITH THE LANDLORD CERTIFICATES FOR ALL INSURANCE REQUIREMENTS LISTED ABOVE PRIOR TO THE COMMENCEMENT OF THEIR TERM, AND THEREAFTER WITHIN THIRTY (30) DAYS PRIOR TO THE EXPIRATION OF ANY SUCH POLICIES. ALL SUCH INSURANCE CERTIFICATES SHALL PROVIDE THAT SUCH POLICIES SHALL NOT BE MATERIALLY CHANGED, ALTERED OR CANCELED WITHOUT AT LEAST TEN (10) DAYS PRIOR WRITTEN NOTICE TO EACH ASSURED NAMED THEREIN.

ARTICLE NINE – Default and Landlord’s Remedies

9.1 Tenant’s Default. If at any time subsequent to the date of this Lease any one or more of the following events (herein referred to as a "Default of Tenant") shall happen, Landlord may, in addition to all other rights and remedies available to it, terminate this Lease upon ten days’ notice to Tenant and Tenant will then quit and surrender the Premises to Landlord, and Tenant shall remain liable as herein provided (Tenant hereby waiving any rights of redemption under Massachusetts General Laws c. 186 §11)::

- (i) Tenant shall fail to pay the Base Rent, payment of Additional Rent when due and such failure shall continue for ten (10) days after written notice thereof; or
- (ii) Tenant shall fail to pay charges hereunder when due and such failure shall continue for ten (10) days after notice to Tenant; or
- (iii) Tenant shall neglect or fail to perform or observe any other covenant herein contained on Tenant’s part to be performed or observed and Tenant shall fail to remedy the same as soon as practicable and in any event within thirty (30) days after written notice to Tenant specifying such neglect or failure, or if such failure is of such a nature that Tenant cannot reasonably remedy the same within such thirty (30) day period, Tenant shall fail to commence promptly (and in any event within such thirty (30) day period) to remedy the same and to prosecute such remedy to completion with diligence and continuity without interruption; or
- (iv) Tenant’s leasehold interest in the Premises shall be taken on execution or by other process of law directed against Tenant; or
- (v) Tenant shall make an assignment for the benefit of creditors or shall file a voluntary petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future Federal, State or other statute, law or regulation for the relief of debtors, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any part of its properties, or shall admit in writing its inability to pay its debts generally as they become due; or
- (vi) A petition shall be filed against Tenant in bankruptcy or under any other law seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any present or future Federal, State or other statute, law or regulation and shall remain undischarged or unstayed for an aggregate of sixty (60) days (whether or not consecutive), or if any debtor in possession (whether or not Tenant) trustee, receiver or liquidator of Tenant or of all or any substantial part of its properties or of the Premises shall be appointed without the consent or acquies-

cence of Tenant and such appointment shall remain unvacated or unstayed for an aggregate of ninety (90) days (whether or not consecutive); or

(vii) If a failure of Tenant to pay Base Rent or charges as set forth in clauses (i) and (ii) above shall occur but be cured by Tenant within the applicable grace period on three or more occasions within any rolling 365 day period, such shall constitute a Default of Tenant. If a Default of Tenant of the kind set forth in clauses (i) and (ii) above shall occur and Tenant shall cure such Default within the applicable grace period and an event which would constitute a similar Default after the applicable grace period shall occur more than twice within the next 365 days, whether or not such similar Default is cured within the applicable grace period; then, in any such case, Landlord may terminate this Lease by notice to Tenant along with written notice to Tenant specifying a date not less than five (5) days after the giving of such notice on which this Lease shall terminate and this Lease shall come to an end on the date specified therein as fully and completely as if such date were the date herein originally fixed for the expiration of the Term of this Lease (Tenant hereby waiving any rights of redemption under Massachusetts General Laws c. 186 §11), and Tenant will then quit and surrender the Premises to Landlord, but Tenant shall remain liable as hereinafter provided.

9.2 Re-entry by Landlord. If this Lease shall have been terminated as provided in this Article, or if any execution or attachment shall be issued against Tenant or any Tenant's property whereupon the Premises shall be taken or occupied by someone other than Tenant, then Landlord may, without notice, re-enter the Premises, either by force, summary proceedings, ejectment or otherwise, and remove and dispossess Tenant and all other persons and any and all property from the same, as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

9.3 Damages. In the event of any termination as provided in this Article, Tenant shall pay the Base Rent and other sums payable hereunder up to the time of such termination, and thereafter Tenant, until the end of what would have been the Term of this Lease in the absence of such termination, and whether or not the Premises shall have been relet, shall be liable to Landlord for, and shall pay to Landlord, as liquidated current damages, the Base Rent and other sums which would be payable hereunder if such termination had not occurred, less the net proceeds, if any, of any reletting of the Premises, after deducting all reasonable expenses in connection with such reletting, including, without limitation, all repossession costs, brokerage commissions, legal expenses, attorneys' fees, costs to restore the Premises to its original condition (reasonable wear and tear excepted), advertising, expenses of employees, and alteration costs and expenses of preparation for such reletting. Tenant shall pay such current damages to Landlord monthly on the dates which the Base Rent would have been payable hereunder if this Lease had not been terminated.

At any time after such termination, whether or not Landlord shall have collected any current damages as set forth in Section 9.3, as liquidated final damages and in lieu of all such current damages beyond the date of such demand, at Landlord's election Tenant shall pay to Landlord an amount equal to the excess, if any, of the Base Rent and other sums as hereinbefore provided which would be payable hereunder from the date of such for what would be the then unexpired Term of this Lease if the same remained in effect, discounted to present value at a rate of 8% per year, over the then fair net rental value of the Premises for the same period, also discounted to present value at a rate of 8% per year.

9.4 Reletting of Premises. In case of any Default by Tenant, re-entry, expiration and dispossession by summary proceedings or otherwise, Landlord may (i) re-let the Premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be equal to or less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and may grant concessions or free rent to the extent that Landlord considers reasonably advisable and necessary for the purpose of reletting the Premises; and such actions and the making of any alterations, repairs and decorations to the Premises in connection therewith shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Premises, or, in the event that the Premises are re-let, for failure to collect the rent under such re-letting. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of

Tenant being evicted or dispossessed, or in the event of Landlord obtaining possession of the Premises, by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

9.5 No Limitation of Remedies. The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were not herein provided for.

9.6 Costs. All reasonable costs and expenses incurred by or on behalf of Landlord (including, without limitation, reasonable attorneys' fees and expenses at both the trial and appellate levels) in enforcing its rights hereunder in connection with any Default of Tenant shall be paid by Tenant.

ARTICLE TEN – Tenant Obligation Upon Lease Termination

10.1 Restoration of Premises. Subject to the provisions hereof, upon the expiration or earlier termination of this Lease, the Tenant shall have the obligation, at its expense, to dismantle and remove the structures it has constructed upon the Premises and to remove and dispose of any hazardous waste deposited thereon by the Tenant, and to restore the Premises to its original condition, reasonable wear and tear excepted. Such removal and restoration shall be commenced only after written notice is given to the Landlord and shall be completed within forty-five (45) days; provided, however, that if, upon receipt of such notice, the Landlord determines that Tenant is in default of any provision hereof, Landlord, in its discretion may elect by written notice to instruct the Tenant not to remove the improvements, or any part thereof, and may take possession thereof as security for the performance of the terms hereof. Landlord, in its discretion may elect by written notice to instruct the Tenant not to remove the improvements, or any part thereof, and may take possession thereof as security for the performance of the terms hereof. Notwithstanding Landlord's election to take possession of the improvements, Tenant shall continue to be obligated to restore the Premises as aforesaid.

10.2 Removal of Personal Property. The Tenant shall at the expiration or other termination of this Lease remove all Tenant's goods and effects from the Premises, (including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the Tenant, either inside or outside the Premises). Tenant shall deliver to the Landlord the Premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the Premises, in good condition, damage by fire or other casualty only excepted. In the event of the Tenant's failure to remove any of Tenant's property from the Premises, Landlord is hereby authorized, without liability to Tenant for loss or damage thereto, and at the sole risk of Tenant, to remove and store any of the property at Tenant's expense, or to retain same.

10.3 Environmental Inspection. Within forty-five (45) days before or after the termination of the Lease, Tenant shall at its sole cost and expense have a Site Assessment performed by a certified engineer to be performed on the Premises as to the presence of Hazardous Materials as defined in G.L. c. 21E, and will promptly forward a copy thereof to the Landlord.

ARTICLE ELEVEN – Miscellaneous

11.1 Notices. Whenever under this Lease a provision is made for any demand, notice, or declaration of any kind or where it is deemed desirable or necessary by either party to give or serve any such notice, demand, or declaration to the other, it shall be in writing sent by certified or registered mail, return receipt requested with postage prepaid at the address set forth in Article One, above, or at such other addresses as the parties may from time to time designate by written notice to the other party, as it may be changed by notice duly given hereunder.

11.2 Waiver. One or more waivers of any covenant, term, or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term, or condition. The consent or approval of either party to or of any act by the other party of a nature requiring

consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

11.3 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, it being expressly understood and agreed that neither the method of computation of rent nor any of the other provisions contained in this Lease nor any act or acts of the parties shall be deemed to create any relationship between Landlord and Tenant other than the relationship of landlord and tenant.

11.4 Governing Law. The law of the Commonwealth of Massachusetts shall govern the validity, performance, and enforcement of this Lease.

11.5 Successors. The provisions, covenants, and conditions of this Lease shall be binding on the legal representatives, heirs, successors, and permitted assigns of the respective parties.

11.7 Amendments. Except as provided herein, no subsequent alterations, amendments, changes, or additions to this Lease shall be binding upon Landlord or Tenant unless and until reduced to writing and signed by both parties. Submission of this Lease by Landlord to Tenant for examination shall not bind Landlord in any manner, and no lease, contract, option, agreement to lease, or other obligation of Landlord shall arise until this Lease is signed by Landlord and delivered to Tenant.

11.8 Quiet Enjoyment: Landlord agrees that, on payment of the rentals herein provided for and the performance of the covenants and agreements on the part of the Tenant to be performed hereunder, Tenant shall have peaceful and quiet use and possession of the Premises.

11.9 Severability. If any provision of this Lease is declared to be illegal, unenforceable, or void, then both parties shall be relieved of all obligations under that provision, provided, however, that the remainder of the Lease shall be enforced to the fullest extent permitted by law.

[11.10. Notwithstanding anything to the contrary in this Lease, Landlord does not waive and hereby reserves all rights, remedies and defenses under G.L. c. 258.](#)

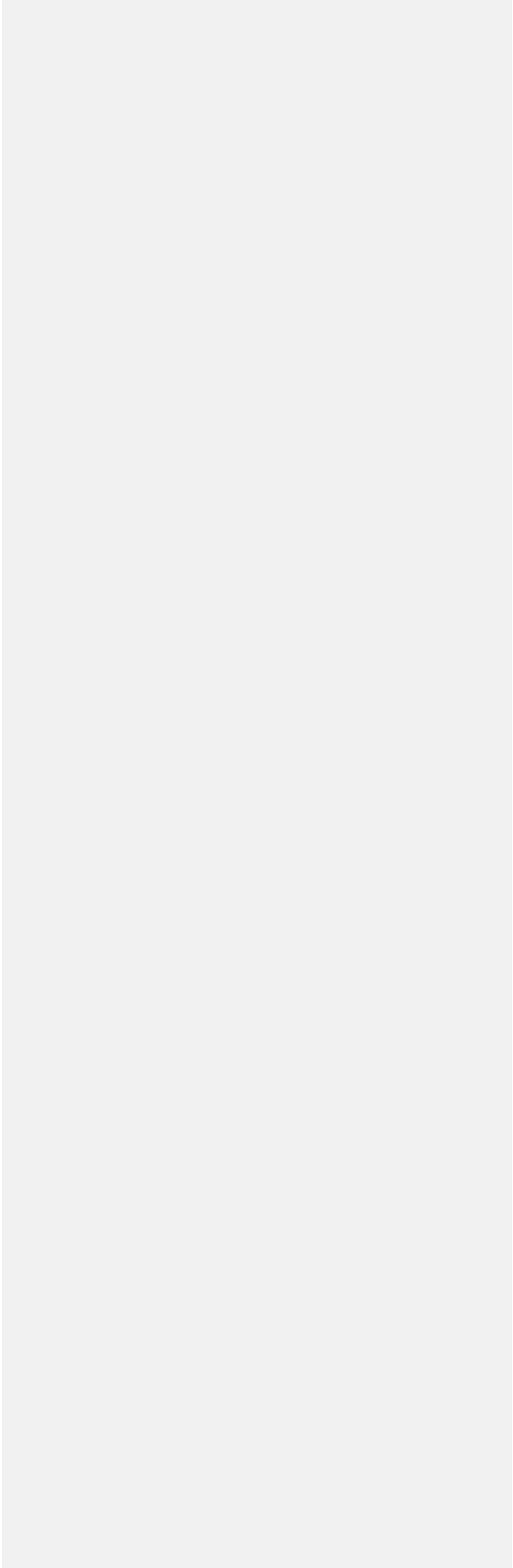
IN WITNESS WHEREOF, the Landlord and Tenant have caused this Lease Agreement to be executed under seal as of the day and year first above written.

NANTUCKET MEMORIAL AIRPORT
COMMISSION

TENANT:

By: _____

By: _____



447766v2/NANTAIR/0001

MEMORANDUM

To: C. Elizabeth Gibson, Town Manager
Deborah Dilworth, Interim Finance Director
Matthew Mulcahy, Chair, Finance Committee

From: Daniel W. Drake, Chair, Nantucket Memorial Airport Commission
Thomas Rafter, Manager, Nantucket Memorial Airport

Date: February 10, 2014

Subject: Using a Revolving Fund only as a backstop to the Airport operating budget for the purchase and sale of aviation fuel.

If aviation fuel purchases and sales are included in Nantucket Memorial Airport's ("ACK") annual operating budget, the airport is constrained, if prior to the end of its fiscal year, it would exceed the limit of the amount it can spend on fuel purchases. Unfortunately, the end of the fiscal year just precedes ACK's busiest weekend or week for fuel sales; the 4th of July period, when it is critical to have enough fuel on hand to meet customer demand. (The logistical difficulty in getting fuel to Nantucket on a timely basis exacerbates the problem.)

In FY 2011, ACK did run out of money in its operating budget to purchase fuel, because of both increasing costs and higher-than anticipated demand. Disaster was (improperly) averted by buying more than \$600,000 worth of fuel "on account" from the supplier who had to wait nine months for its money until the following ATM when payment of the "unpaid bill" was authorized. (In FY2012 there was sufficient provision in the operating budget for needed fuel purchases at year-end, but it went right down to the wire.)

The remedy adopted to avoid this problem in FY 2013, and again in 2014, was to use a Revolving Fund for all of ACK's aviation fuel purchases and sales, with the ATM authorization providing that any surplus over the cap would be transferred to the operating budget. However, at the time, it was recognized that the amount of the cap on the Revolving Fund purchases was dictated by the 10% limitation on cap expenses in relation to Town tax revenues and by the needs of the Town's other Revolving Funds.

In FY2013, the use of the Revolving Fund did not work out quite as hoped, because there was a slight reduction in demand and fuel prices actually fell marginally. Thus \$269,000 less than the Revolving Fund cap was spent on fuel purchases. That meant that the same amount in revenues was unavailable for transfer to the operating budget. (For FY 2014, fuel demand, thus far, is back at 2012 levels, but fuel prices have continued to decline. Thus we anticipate the same sort of result in the current fiscal year with some net (or "surplus) revenues having to stay in the Revolving Fund, despite the fact that the cap for FY2014 was reduced by about \$400,000 from the FY2013 cap because of the Town's other needs.

In addition to not doing providing ACK with the flexibility it needs to assure an adequate supply of aviation fuel, and creating additional complications when fuel prices and/or demand decreases, the use of the Revolving Fund and its relation to the Airport Enterprise Fund operating budget has created extraordinary confusion with airport and Town officials, both as to the mechanics and the reporting. While that confusion has been dealt with over time, it has proven virtually impossible for the public to grasp the nuances of the relationship between the two entities. Because net revenues from fuel sales are so important to the airport's fiscal health, it is essential that the process be transparent and fully understandable.

It is recognized that if the pending legislation to remove the aviation fuel Revolving Fund from the 10% limitation is enacted, one of the Revolving Fund's "obstacles to performance" will be removed. However, because of the other complications surrounding the Revolving Fund's use, if it can be made to work, we would like to go back to the previous practice of budgeting fuel purchases and revenues in ACK's annual operating budget for FY 2016. Doing so, however, would return the ACK to the situation where it would have no latitude for additional fuel purchases in the event of higher costs and/or greater demand.

ACK and the Town have been advised that even if there is provision in the operating budget for fuel purchases over and above the Revolving Fund, the Revolving Fund must be utilized first, up to its cap limit. Thus, we understand the additional budgeted purchases and related revenues in the airport operating budget, while only there as a backstop, would still be required to be included in the Town's tax recap. (There is also a January, 2005, memo which we just uncovered from a former Finance Director to the former Airport Manager which says, without citing any authority, that the only choice is whether to provide for the fuel purchases in the airport ACK operating budget OR to use a revolving fund for those purchases and sales; there is no option to use both. See attached.)

We believe it is worth revisiting these issues with the DOR to determine whether the Revolving Fund can be used as a backstop. That is to say, again, the anticipated fuel purchases and sales would be included in the ACK operating budget and the Revolving Fund would be there only if needed because of increased costs and/or demand. The Revolving fund would have sufficient seed money to make the additional fuel purchases that might be required, and would always have related revenue exceeding the amount of the purchases because of the built-in margin. However, the total for which ATM authorization would be sought for the Revolving Fund would only be a fraction (say 20%) of the total fuel costs included in the operating budget. Again, since the revenues from fuel sales in the Revolving Fund would always exceed the fuel purchases, the backstop, in this form should have no impact on the budget process or on the tax recap (although that is obviously for the DOR to determine.)

We believe it is worth having this conversation and look forward to working with you and the DOR in resolving this matter. Please let us know if you require anything further.

From: Al Peterson
Date: 01/13/05 16:06:10
To: cgibson@town.nantucket.net; burkelamb@earthlink.net
Cc: 'Tina Smith'
Subject: FW: Airport Fuel revolver

For your information. This is an interesting slant. I can also see why the Town does not want it impeded.

Al

-----Original Message-----

From: Connie Voges [<mailto:cvoges@town.nantucket.net>]
Sent: Thursday, January 13, 2005 3:11 PM
To: apeterson@nantucketairport.com
Subject: RE: Airport Fuel revolver

Hi, Al,

Re: revolving fund ~ this is to recap our phone conversation, and provide further information for you, prior to our meeting next week. I think the biggest misunderstanding is that some people see the revolving fund as a "safety valve" to resort to when the fuel line item budget is approaching its limit. That is not the case, it's a choice of using either a line item budget or a revolving fund.

So, we cannot set up the revolving fund to be used in FY 2005, as the Airport has the fuel line items in the 2005 budget. You will recall that it was being presented both ways, until the home rule petition was finally approved. Most importantly, the net revenue (profit) from a revolving fund is NOT immediately available for expenditures ~ the excess would have to be appropriated at a town meeting. So, if you had \$3 million in sales, and \$2 million in purchases, there would be a delay of about a year, before you could appropriate/spend the \$1 million profit.

If after discussing all the issues, we choose to use the airport revolver fund in 2006, you should NOT include the gasoline sales revenue and purchase expense line items in your regular budget. We would have to establish a time table for the switchover to occur on July 1.

see <http://www.mass.gov/legis/laws/mgl/44-53e.5.htm> for MGL on revolving funds.

As background: The DOR suggested we present a home-rule petition to have a fuel revolver fund, to eliminate the type of problem that occurred on the Town's recap, in which the Town had to raise the airport's fuel deficit through the tax rate. The home rule petition was necessary because MGL restricts the size of any single revolver fund to 1% of tax revenue for the most recent year certified. That limit, today, is \$404,814.

The lawyers drafted, and ATM passed a home rule petition. It then went to the legislature, then the governor for approval. Last winter/spring (just before ATM), I received a call from one of the DOR lawyers, who was reviewing the h.r. petition prior to presenting it to the governor. He brought up an issue which had NOT been raised previously, which is that in addition to a restriction on the size of any single revolver fund, there is ALSO a restriction of 10% on the size of revolving funds in total. This was NOT addressed in the special legislation; therefore the current limit to the airport revolver fund would be whatever is left

over of the 10% limit after the amounts approved for the other, smaller revolver funds. For 2005 that amount would have been:

\$4,048,141 million (10% of tax revenue on 2004 recap)
less 530,000 (other revolvers approved)
= \$ 3,518,141 airport limit

This amount is higher than you have budgeted in either the revolving fund or the airport fuel line item, so it's not an issue yet, but if we decide that the revolving fund is the way to go, then we'll need to be aware of this other limit on the size of it.

cev

Chapter 28 of the Acts of 2004

AN ACT PROVIDING FOR A FUEL REVOLVING ACCOUNT AT NANTUCKET MEMORIAL AIRPORT.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding section 53E 1/2 of chapter 44 of the General Laws, the town of Nantucket, acting by and through its town meeting, may establish a revolving fund for the sale of fuel at the Nantucket Memorial Airport to be expended without appropriation by the Airport Commission. This fund may exceed the limit described in said section 53E 1/2 of 1 per cent of the amount raised by taxation in the most recent year for which a tax rate has been certified.

SECTION 2. Except as provided in section 1, all other provisions of section 53E 1/2 of chapter 44 of the General Laws shall apply.

SECTION 3. This act shall take effect upon its passage.

Approved February 12, 2004.

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[List of Laws passed in 2004 Session](#)

[General Court home page](#), or

[Commonwealth of Massachusetts home page](#).

GENERAL LAWS OF MASSACHUSETTS

PART PARTI₂MV-RP. ADMINISTRATION OF THE GOVERNMENT

TITLE VII. CITIES, TOWNS AND DISTRICTS

CHAPTER 44. MUNICIPAL FINANCE

MISCELLANEOUS PROVISIONS

Chapter 44: Section 53E 1/2 Revolving funds

Section 53E1/2. Notwithstanding the provisions of section fifty-three, a city or town may annually authorize the use of one or more revolving funds by one or more municipal agency, board, department or office which shall be accounted for separately from all other monies in such city or town and to which shall be credited only the departmental receipts received in connection with the programs supported by such revolving fund. Expenditures may be made from such revolving fund without further appropriation, subject to the provisions of this section; provided, however, that expenditures shall not be made or liabilities incurred from any such revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from such fund, nor shall any expenditures be made unless approved in accordance with sections forty-one, forty-two, fifty-two and fifty-six of chapter forty-one.

Interest earned on any revolving fund balance shall be treated as general fund revenue of the city or town. No revolving fund may be established pursuant to this section for receipts of a municipal water or sewer department or of a municipal hospital. No such revolving fund may be established if the aggregate limit of all revolving funds authorized under this section exceeds ten percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. No revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid; provided, however, that such prohibition shall not apply to wages or salaries paid to full or part-time employees who are employed as drivers providing transportation for public school students; provided further, that only that portion of a revolving fund which is attributable to transportation fees may be used to pay such wages or salaries and provided, further, that any such wages or salaries so paid shall be reported in the budget submitted for the next fiscal year.

A revolving fund established under the provisions of this section shall be by vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation of the mayor or city manager, in Plan E cities, and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made annually prior to each respective fiscal year; provided, however, that each authorization for a revolving fund shall specify: (1) the programs and purposes for which the revolving fund may be expended; (2) the departmental receipts which shall be credited to the revolving fund; (3) the board, department or officer authorized to expend from such fund; (4) a limit on the total amount which may be expended from

such fund in the ensuing fiscal year; and, provided, further, that no board, department or officer shall be authorized to expend in any one fiscal year from all revolving funds under its direct control more than one percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. Notwithstanding the provisions of this section, whenever, during the course of any fiscal year, any new revenue source becomes available for the establishment of a revolving fund under this section, such a fund may be established in accordance with this section upon certification by the city auditor, town accountant, or other officer having similar duties, that the revenue source was not used in computing the most recent tax levy.

In any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the city council and mayor in a city, or with the approval of the selectmen and finance committee, if any, in a town; provided, however, that the one percent limit established by clause (4) of the third paragraph is not exceeded.

The board, department or officer having charge of such revolving fund shall report to the annual town meeting or to the city council and the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the legislative body and the chief administrative or executive officer, the total amount of receipts and expenditures for each revolving fund under its control for the prior fiscal year and for the current fiscal year through December thirty-first, or such later date as the town meeting or city council may, by vote determine, and the amount of any increases in spending authority granted during the prior and current fiscal years, together with such other information as the town meeting or city council may by vote require.

At the close of a fiscal year in which a revolving fund is not reauthorized for the following year, or in which a city or town changes the purposes for which money in a revolving fund may be spent in the following year, the balance in the fund at the end of the fiscal year shall revert to surplus revenue unless the annual town meeting or the city council and mayor or city manager in a Plan E city and in any other city or town the legislative body vote to transfer such balance to another revolving fund established under this section.

The director of accounts may issue guidelines further regulating revolving funds established under this section.

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TOWN OF NANTUCKET
NANTUCKET MEMORIAL AIRPORT - ENTERPRISE FUND

	Actual FY2013	BUDGET FY2014	Finance Department PROJECTED BUDGET FY2015	Airport Manager Recom REVISED BUDGET FY2015	
REVENUE	6,814,863	6,922,280	6,888,214	6,871,948	A Comm Less \$5.35M Fuel Sales - See Below
EXPENSES	7,618,091	8,568,592	9,002,932	8,242,550	A Comm Less Fuel Purchases - See Below
NET EARNINGS	(803,228)	(1,646,312)	(2,114,718)	(1,370,603)	Projected Surplus/(Deficit)
Transfer from Retained Earnings	320,000	1,341,714		(3,066)	Unpaid Bills FY2013
NET EARNINGS	(483,228)	(304,598)	(2,114,718)	(1,373,668)	
Retained Earnings		-	1,464,189	1,464,189	
NET SOURCES/USES:					
Article 2 - GF Subsidy (Unpaid Bills 2011)			-	-	
Article 16 - Spec Rev Subsidy (settlement)		-			
Article 16 - GF Free Cash Subsidy		-			
Article 1- GF Free Cash Subsidy (STM 10/2012)		-			
Article #- GF Subsidy	1,060,728	304,598	228,000	-	
FinCom GF Reserve Fund Transfer	90,000		-	-	
Ending FB	667,500	-	(422,529)	90,521	Projected Retained Earnings
TOTAL			(422,529)	90,521	
	Projected				
	Revolving Fuel Fund				
	FY 2013	FY 2014	FY 2015		
Fuel Sales	5,572,974	5,195,336	5,382,650	5,382,650	Note: split of appropriation may change between enterprise fund and revolving fund
Fuel Purchases	5,303,957	5,195,336	5,382,650	5,382,650	
Credit Card Fees	-	-	-	-	
Net Surplus (Deficit)	269,017	-	-	-	
Beginning FB	-	-	-	-	
Ending FB	269,017	-	-	-	

TOWN OF NANTUCKET PROPOSED BUDGET FY2015

ORG	OBJ	Revenue:	ATM FY2011 Budget	Actual Total FY2012	ATM Voted Budget FY2013	Revised FY2013 Budget	FY2013 Actual	ATM Voted Budget FY2014	PROJECTED BUDGET FY2015	FY 2015 AIRPORT COMMISSION/MANAG ER RECOMMENDATION	FY 2015 FINCOM RECOMMENDATION	FY 2015 INCREASE OR (DECREASE) \$	FY 2015 INCREASE OR (DECREASE) %
FBO Sales Income													
65482	42451	FUEL SALES	6,246,245	7,118,734	1,200,754	1,521,596	1,587,470	1,899,234	1,807,489	2,026,507	2,026,507	127,273	7%
65482	43231	GEN AVIATION LANDING FEE	340,000	279	335,000	360,000	375,690	360,000	375,700	375,700	375,700	15,700	4%
65482	43232	GEN AVIATION RAMP FEES	1,193,000	220	1,155,000	1,200,000	1,175,142	1,200,000	1,175,140	1,175,140	1,175,140	(24,860)	-2%
65482	43239	FBO SUPPLIES AND SERVICES	27,000	763	23,000	27,000	35,026	27,000	35,025	35,025	35,025	8,025	30%
65482	43704	CATERING INCOME	319,745	-	375,000	320,000	391,412	320,000	391,410	391,410	391,410	71,410	22%
Total FBO Sales:			8,125,990	7,119,996	3,088,754	3,428,596	3,564,739	3,806,234	3,784,764	4,003,782	4,003,782	197,548	5%
Rental Income													
65482	43606	RENTAL FEES: EMP HOUSING	-	-	-	-	850	-	-	-	-	-	0%
65482	43630	RENTAL INCOME-TERMINAL	506,000	139,107	360,000	510,000	468,938	510,000	468,950	468,950	468,950	(41,050)	-8%
65482	43631	RENTAL INCOME-TOWER	130,000	47,966	125,000	130,000	133,020	130,000	133,020	133,020	133,020	3,020	2%
65482	43632	RENTAL INCOME-LAND	615,000	129,528	497,000	615,000	523,105	615,000	523,105	515,821	515,821	(99,179)	-16%
65482	43633	RENTAL INCOME-HANGAR	49,000	24,081	75,000	49,000	109,785	49,000	109,785	109,785	109,785	60,785	124%
Totals Rentals:			1,300,000	340,682	1,057,000.00	1,304,000.00	1,235,698.44	1,304,000.00	1,234,860.00	1,227,576	1,227,576	(76,424)	-6%
Fee Income													
65482	43709	VIDEO CONFERENCE	1,000	-	500	-	-	-	-	-	-	-	0%
65482	43705	ART SALES COMMISSION	6,000	53	1,000	1,000	65	1,000	65	65	65	(935)	-94%
65482	43706	CONCESSION FEES	35,000	3,396	32,000	-	38,277	-	38,275	38,275	38,275	38,275	100%
65482	43707	AUTO RENTAL COMMISSIONS	380,000	33,703	427,000	400,000	492,772	400,000	492,775	492,775	492,775	92,775	23%
65482	43233	FREIGHT HANDLING FEE	80,000	8,382	55,000	80,000	39,682	80,000	39,680	39,680	39,680	(40,320)	-50%
65482	43238	AIRLINE LANDING FEES	683,000	77,818	463,000	700,000	486,070	700,000	486,070	486,070	486,070	(213,930)	-31%
65482	42450	AIRPORT INCOME	-	4,603,067	-	101,792	-	101,792	-	-	-	(101,792)	-100%
65482	43234	RESERVED TIE DOWN FEES	66,500	5,300	83,000	70,500	49,600	70,500	49,600	49,600	49,600	(20,900)	-30%
65482	48434	OTHER FEES	36,750	13,500	45,000	36,750	-	36,750	-	-	-	(36,750)	-100%
Total Fees:			1,214,650	4,745,218	1,106,500	1,390,042	1,106,466	1,390,042	1,106,465	1,106,465	1,106,465	(283,577)	-20%
Vehicle Income													
65482	43236	PARKING LOT FEES	400,000	84,855	295,000	400,000	270,636	400,000	270,635	270,635	270,635	(129,365)	-32%
65482	47701	PARKING TICKETS	16,000	520	15,000	16,000	30,845	16,000	30,845	30,845	30,845	14,845	93%
65482	44518	TAXI PERMITS	16,000	6,300	19,000	16,000	19,800	16,000	19,800	19,800	19,800	3,800	24%
Total Vehicles:			432,000	91,675	329,000	432,000	321,281	432,000	321,280	321,280	321,280	(110,720)	-26%
Other Income													
65482	43634	CUSTOMER FACILITY CHARGES	80,000	9,588	84,000	80,000	87,026	80,000	87,025	87,025	87,025	7,025	9%
65482	43235	ANNUAL BUSINESS ACTIVITY FEE	-	-	-	-	25,500	-	25,500	25,500	25,500	25,500	100%
55122	42114	PASSENGER FACILITY CHARGE(PF)	-	-	-	-	-	-	-	-	-	-	0%
65482	48201	INTEREST ON INVESTMENTS	100,000	18,532	17,000	16,772	34,276	16,772	24,275	24,275	24,275	7,503	45%
65482	43237	FINGER PRINTING FEES	-	550	-	-	3,050	-	3,050	3,050	3,050	3,050	100%
65482	43708	MISC INC	30,000	5,571	15,000	5,600	26,120	5,600	26,120	26,120	26,120	20,520	366%
65482	45402	FEDERAL REV - LEO	148,000	168,330	105,000	148,000	72,727	148,000	72,725	72,725	72,725	(75,275)	-51%
65482	48400	MISC REVENUE	-	-	-	-	264,644	-	-	-	-	-	0%
65482	48436	INS PROCEEDS	-	-	-	39,632	39,632	-	-	-	-	(39,632)	-100%
65482	49000	REFUNDS	-	(35,550)	-	(100,000)	(25,847)	(100,000)	(25,850)	(25,850)	(25,850)	74,150	-74%
65482	49104	PREMIUM REVENUE ON DEBT	-	-	-	-	59,550	-	-	-	-	-	0%
65482	49701	TRANSFER FROM GENERAL FUND	-	-	-	-	-	-	-	-	-	-	100%
Total Other Income:			358,000	167,021	221,000	190,004	586,678	190,004	212,845	212,845	212,845	22,841	12%
SUBTOTAL OPERATING REVENUE			11,430,640	12,464,592	5,802,254	6,744,642	6,814,863	7,122,280	6,660,214	6,871,948	6,871,948		
TRANSFER FROM GENERAL FUND			-	-	-	1,150,728	1,150,728	-	228,000	-	-		
TOTAL REVENUE:			11,430,640	12,464,592	5,802,254	7,895,370	7,965,591	7,122,280	6,888,214	6,871,948	6,871,948	(250,332)	-4%

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TOWN OF NANTUCKET PROPOSED BUDGET FY2015

ORG	OBJ	Actual Total FY2011	Actual Total FY2012	Actual Total FY2013	Compound Annual Growth Rate (CAGR)	ATM Voted Budget FY2014	PROJECTED BUDGET FY2015	AIRPORT COMMISSION/MANAGER FY2015	FY 2015 FINCOM RECOMMENDATION FY2015	FY 2015 INCREASE OR (DECREASE) \$	FY 2015 INCREASE OR (DECREASE) %
65482	51100	\$ 1,321,405	\$ 1,385,646	\$ 1,136,804	-4.9%	\$ 925,800	\$ 1,040,474	\$ 1,040,474	\$ 1,040,474	\$ 114,674	12.4%
65482	51700	\$ 68,016	\$ 63,221	\$ 51,061	-9.1%	\$ 56,800	\$ 58,200	\$ 58,200	\$ 58,200	\$ 1,400	2.5%
65482	51122	\$ 636,392	\$ 674,487	\$ 661,900	1.3%	\$ 630,504	\$ 742,804	\$ 742,804	\$ 742,804	\$ 112,300	17.8%
65482	51123	\$ 852,921	\$ 861,208	\$ 887,311	1.3%	\$ 938,596	\$ 900,796	\$ 900,796	\$ 900,796	\$ (37,800)	-4.0%
65482	51124	\$ 193,836	\$ -	\$ -	-100.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	51200	\$ 185,352	\$ 161,672	\$ 167,133	-3.4%	\$ 192,700	\$ 231,700	\$ 231,700	\$ 231,700	\$ 39,000	20.2%
65482	51701	\$ 504,532	\$ 502,647	\$ 484,784	-1.3%	\$ 535,088	\$ 577,900	\$ 577,900	\$ 577,900	\$ 42,812	8.0%
65482	51961	\$ 46,427	\$ 45,100	\$ 65,628	12.2%	\$ 40,291	\$ 43,100	\$ 43,100	\$ 43,100	\$ 2,809	7.0%
65482	51770	\$ -	\$ -	\$ 511,951	100.0%	\$ 512,000	\$ 542,700	\$ 542,700	\$ 542,700	\$ 30,700	6.0%
65482	51900	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
TOTAL PAYROLL EXPENSES		\$ 3,808,882	\$ 3,693,980	\$ 3,966,572	1.4%	\$ 3,866,062	\$ 4,137,674	\$ 4,137,674	\$ 4,137,674	\$ 271,612	7.0%
65482	54102	\$ 3,663,029	\$ 5,057,793	\$ -	-100.0%	\$ 377,638	\$ 1,355,617	\$ -	\$ -	\$ (377,638)	-100.0%
65482	55802	\$ 65,381	\$ 70,683	\$ 276,931	61.8%	\$ 71,000	\$ 222,750	\$ 222,750	\$ 222,750	\$ 151,750	213.7%
65482	52505	\$ 81,530	\$ 65,775	\$ 91,806	4.0%	\$ 67,000	\$ 91,800	\$ 96,720	\$ 96,720	\$ 29,720	44.4%
65482	52503	\$ -	\$ -	\$ -	0.0%	\$ 12,000	\$ -	\$ -	\$ -	\$ (12,000)	-100.0%
65482	52501	\$ 263,124	\$ 292,864	\$ 319,374	6.7%	\$ 300,000	\$ 319,500	\$ 319,500	\$ 319,500	\$ 19,500	6.5%
TOTAL FBO EXPENSES		\$ 4,073,064	\$ 5,487,116	\$ 688,111	-44.7%	\$ 827,638	\$ 1,989,667	\$ 638,970	\$ 638,970	\$ (188,668)	-22.8%
65482	52504	\$ 17,786	\$ 19,136	\$ 22,349	7.9%	\$ 22,000	\$ 22,400	\$ 22,400	\$ 22,400	\$ 400	1.8%
65482	52502	\$ 43,503	\$ 22,065	\$ 10,116	-38.5%	\$ 26,000	\$ 10,120	\$ 30,000	\$ 30,000	\$ 4,000	15.4%
65482	54302	\$ 18,428	\$ 7,376	\$ 6,901	-27.9%	\$ 25,305	\$ 6,900	\$ 6,900	\$ 6,900	\$ (18,405)	-72.7%
65482	53187	\$ -	\$ -	\$ -	0.0%	\$ 16,500	\$ -	\$ -	\$ -	\$ (16,500)	-100.0%
65482	53803	\$ 15,468	\$ 9,184	\$ 7,956	-19.9%	\$ 10,000	\$ 7,950	\$ 7,950	\$ 7,950	\$ (2,050)	-20.5%
TOTAL ARFF/OPERATIONS EXPENSES		\$ 95,185	\$ 57,760	\$ 47,322	-20.8%	\$ 99,805	\$ 47,370	\$ 67,250	\$ 67,250	\$ (32,555)	-32.6%
65482	52419	\$ 6,264	\$ 48,725	\$ 318	-63.0%	\$ 2,500	\$ 325	\$ 325	\$ 325	\$ (2,175)	-87.0%
65482	52420	\$ 230	\$ 80	\$ 80	-29.7%	\$ 250	\$ 100	\$ 100	\$ 100	\$ (150)	-60.0%
65482	52405	\$ 120,361	\$ 66,041	\$ 53,990	-23.5%	\$ 75,000	\$ 54,000	\$ 65,000	\$ 65,000	\$ (10,000)	-13.3%
65482	54101	\$ 55,914	\$ 87,150	\$ 75,344	10.5%	\$ 95,000	\$ 79,900	\$ 79,900	\$ 79,900	\$ (15,100)	-15.9%
65482	54501	\$ 37,632	\$ 24,681	\$ 20,146	-18.8%	\$ 45,000	\$ 20,150	\$ 45,000	\$ 45,000	\$ -	0.0%
65482	52404	\$ 109,164	\$ 76,639	\$ 101,366	-2.4%	\$ 85,000	\$ 101,375	\$ 101,375	\$ 101,375	\$ 16,375	19.3%
65482	52907	\$ 16,017	\$ 11,966	\$ 15,677	-0.7%	\$ 14,000	\$ 15,675	\$ 15,675	\$ 15,675	\$ 1,675	12.0%
65482	52424	\$ 4,943	\$ 31,059	\$ 44,194	107.5%	\$ 50,000	\$ 44,200	\$ 44,200	\$ 44,200	\$ (5,800)	-11.6%
65482	52411	\$ 19,303	\$ 2,786	\$ 12,658	-13.1%	\$ 10,000	\$ 12,650	\$ 12,650	\$ 12,650	\$ 2,650	26.5%
65482	52417	\$ 2,832	\$ 1,881	\$ 854	-33.0%	\$ 2,000	\$ 850	\$ 850	\$ 850	\$ (1,150)	-57.5%
65482	52409	\$ 26,024	\$ 47,905	\$ 72,651	40.8%	\$ 80,000	\$ 72,650	\$ 72,650	\$ 72,650	\$ (7,350)	-9.2%
65482	53804	\$ 3,413	\$ 3,823	\$ 5,011	13.7%	\$ 4,000	\$ 5,010	\$ 5,010	\$ 5,010	\$ 1,010	25.3%
65482	53303	\$ 16,423	\$ 10,359	\$ 10,108	-14.9%	\$ 25,000	\$ 10,110	\$ 11,000	\$ 11,000	\$ (14,000)	-56.0%
65482	53300	\$ 91,556	\$ 32,350	\$ 55,402	-15.4%	\$ 35,000	\$ 55,400	\$ 55,400	\$ 55,400	\$ 20,400	58.3%
TOTAL SERVICE AND MAINTENANCE		\$ 510,076	\$ 445,446	\$ 467,798	-2.8%	\$ 522,750	\$ 472,395	\$ 509,135	\$ 509,135	\$ (13,615)	-2.6%

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TOWN OF NANTUCKET PROPOSED BUDGET FY2015

ORG	OBJ	Actual Total FY2011	Actual Total FY2012	Actual Total FY2013	Compound Annual Growth Rate (CAGR)	ATM Voted Budget FY2014	PROJECTED BUDGET FY2015	AIRPORT COMMISSION/MANAGER FY2015	FY 2015 FINCOM RECOMMENDATION FY2015	FY 2015 INCREASE OR (DECREASE) \$	FY 2015 INCREASE OR (DECREASE) %	
65482	53401	COMM:TELEPHONE	\$ 22,929	\$ 20,509	\$ 22,858	-0.1%	\$ 21,930	\$ 22,900	\$ 24,000	\$ 24,000	\$ 2,070	9.4%
65482	53403	COMM: AIRPORT	\$ 17,140	\$ 12,386	\$ 14,791	-4.8%	\$ 13,260	\$ 14,800	\$ 24,800	\$ 24,800	\$ 11,540	87.0%
65482	52101	UTILITY:ELECTRICITY	\$ 389,482	\$ 347,066	\$ 270,221	-11.5%	\$ 426,055	\$ 286,400	\$ 426,055	\$ 426,055	\$ (0)	0.0%
65482	52103	UTILITY:FUEL OIL	\$ 51,327	\$ 45,176	\$ 58,631	4.5%	\$ 48,960	\$ 62,100	\$ 62,100	\$ 62,100	\$ 13,140	26.8%
65482	52105	UTILITY:WATER	\$ 21,658	\$ 23,427	\$ 28,507	9.6%	\$ 26,476	\$ 30,200	\$ 30,200	\$ 30,200	\$ 3,724	14.1%
65482	52104	UTILITY:PROPANE	\$ 10,543	\$ 508	\$ 2,046	-42.1%	\$ 5,120	\$ 2,200	\$ 2,200	\$ 2,200	\$ (2,920)	-57.0%
65482	53402	COMM:POSTAGE	\$ 4,829	\$ 1,586	\$ 2,930	-15.3%	\$ 2,800	\$ 2,950	\$ 2,950	\$ 2,950	\$ 150	5.4%
65482	53103	GENERAL:ADVERTISING	\$ 6,494	\$ 7,233	\$ 3,166	-21.3%	\$ 6,500	\$ 3,200	\$ 3,200	\$ 3,200	\$ (3,300)	-50.8%
65482	53157	POLICE PROTECTION SERVICES	\$ -	\$ 229,167	\$ 250,000	4.4%	\$ 230,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 20,000	8.7%
65482	54202	OFFICE:EQUIPMENT	\$ 9,016	\$ 4,352	\$ 4,060	-23.4%	\$ 5,000	\$ 4,075	\$ 4,075	\$ 4,075	\$ (925)	-18.5%
65482	55102	MEMBERSHIPS & DUES	\$ 16,825	\$ 3,615	\$ 3,365	-41.5%	\$ 4,000	\$ 3,375	\$ 3,375	\$ 3,375	\$ (625)	-15.6%
65482	55101	BOOKS/SUBSCRIPTIONS	\$ 4,087	\$ 3,499	\$ 2,883	-11.0%	\$ 3,500	\$ 2,890	\$ 2,890	\$ 2,890	\$ (610)	-17.4%
65482	54201	OFFICE SUPPLIES	\$ 35,322	\$ 25,690	\$ 18,435	-19.5%	\$ 21,000	\$ 18,450	\$ 18,450	\$ 18,450	\$ (2,550)	-12.1%
65482	52703	RENT/LSE:POSTAGE METER	\$ 22,927	\$ 16,409	\$ 17,987	-7.8%	\$ 17,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 1,000	5.9%
65482	53100	PROFESSIONAL SERVICES	\$ 209,558	\$ 512,228	\$ 163,204	-8.0%	\$ 230,605	\$ 163,200	\$ 205,000	\$ 205,000	\$ (25,605)	-11.1%
65482	53175	PROF SVCS: FLIGHT PLANNING	\$ -	\$ -	\$ -	0.0%	\$ 75,000	\$ -	\$ 75,000	\$ 75,000	\$ -	0.0%
65482	57802	OTHER:SCHOOLS MISC	\$ 23,913	\$ 34,499	\$ 12,569	-19.3%	\$ 13,500	\$ 12,575	\$ 12,575	\$ 12,575	\$ (925)	-6.9%
65482	57803	OTHER:BANK CHARGES	\$ -	\$ 144	\$ 15,374	933.9%	\$ 150	\$ 7,075	\$ 7,075	\$ 7,075	\$ 6,925	4616.7%
65482	57102	IN-STATE:MILEAGE/CAR ALLW	\$ 4,578	\$ 12,501	\$ 530	-51.3%	\$ 5,000	\$ 530	\$ 530	\$ 530	\$ (4,470)	-89.4%
65482	57101	IN-STATE:MISC TRAVEL	\$ 22,510	\$ 19,755	\$ 17,447	-8.1%	\$ 20,000	\$ 17,500	\$ 17,500	\$ 17,500	\$ (2,500)	-12.5%
65482	57103	IN-STATE:SEMINARS,PROF GA	\$ 7,433	\$ 139	\$ 4,289	-16.7%	\$ 2,500	\$ 4,300	\$ 4,300	\$ 4,300	\$ 1,800	72.0%
65482	57201	OUT-STATE:GENERAL	\$ 15,926	\$ 2,737	\$ 2,091	-49.2%	\$ 5,000	\$ 2,100	\$ 5,000	\$ 5,000	\$ -	0.0%
TOTAL ADMINISTRATIVE EXPENSES		\$ 896,498	\$ 1,322,625	\$ 915,383	0.7%	\$ 1,183,357	\$ 928,820	\$ 1,199,275	\$ 1,199,275	\$ 15,918	1.3%	
65482	57401	INS PREM:AUTO & LIABILITY	\$ 192,133	\$ 193,925	\$ 207,244	2.6%	\$ 224,061	\$ 225,900	\$ 225,900	\$ 225,900	\$ 1,839	0.8%
65482	59101	DEBT SERV:PRINCIPAL	\$ 680,000	\$ 670,000	\$ 619,000	-3.1%	\$ 693,479	\$ 540,000	\$ 702,802	\$ 702,802	\$ 9,323	1.3%
65482	59102	DEBT SERVICE INTEREST	\$ 400,627	\$ 309,679	\$ 334,178	-5.9%	\$ 339,879	\$ 321,106	\$ 370,927	\$ 370,927	\$ 31,048	9.1%
65482	59103	ISSUE EXPENSE	\$ -	\$ 8,440	\$ -	0.0%	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	0.0%
65482	59105	DEBT SERVICE BAN INTEREST	\$ -	\$ 32,410	\$ 111,790	85.7%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	59104	DEBT SERVICE BAN PRINCIPAL	\$ -	\$ -	\$ -	0.0%	\$ 316,090	\$ 100,000	\$ 67,500	\$ 67,500	\$ (248,590)	-78.6%
65482	59000	DEBT SERVICE	\$ -	\$ -	\$ -	0.0%	\$ 215,000	\$ -	\$ 83,117	\$ 83,117	\$ (131,883)	-61.3%
65482	56202	RETIREMENT-SHOWN PROPERLY IN PAYR	\$ -	\$ 485,624	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	57407	INSURANCE CLAIM	\$ -	\$ -	\$ 39,632	100.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	57600	PERSONNEL CONTRACT EXPENSE	\$ 36,000	\$ 12,000	\$ -	-100.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	59501	OTHER FIN:GENERAL	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	58999	FINCOM TRANSFER EXPENSE	\$ -	\$ 35,997	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	92004	UNPAID BILLS	\$ -	\$ 400,000	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	57601	SETTLEMENTS	\$ 173,935	\$ -	\$ 25,000	-47.6%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
65482	59991	TRANSFER TO GENERAL FUND	\$ -	\$ 10,000	\$ 196,061	342.8%	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.0%
65482	59999	CONTIGNCY RESERVE-EXPENSE	\$ -	\$ -	\$ -	0.0%	\$ 240,471	\$ -	\$ -	\$ -	\$ (240,471)	-100.0%
TOTAL OTHER EXPENSES		\$ 1,482,695	\$ 2,158,075	\$ 1,532,905	1.1%	\$ 2,268,980	\$ 1,427,006	\$ 1,690,246	\$ 1,690,246	\$ (578,734)	-25.5%	
Total Other Expenses:		\$ 7,057,519	\$ 9,471,022	\$ 3,651,519	-19.7%	\$ 4,902,530	\$ 4,865,258	\$ 4,104,876	\$ 4,104,876	\$ (797,654)	-16.3%	
TOTAL EXPENSES		\$ 10,866,401	\$ 13,165,002	\$ 7,618,091	-11.2%	\$ 8,768,592	\$ 9,002,932	\$ 8,242,550	\$ 8,242,550	\$ (526,042)	-6.0%	

TOTAL REVENUES (Includes GF Subsidy)

Estimated Use of retained Earnings*

* Salary line items for Administration, Operations and Maintenance include Vacation, Sick Time, Personal time, Overtime, Shift Differentials, Holiday and Holiday Worked.

** Note: Change is PR includes Contractual Obligations and Promotional Increases. Details in back up.

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TOWN OF NANTUCKET PROPOSED BUDGET FY2015

ORG	OBJ	Actual Total FY2011	Actual Total FY2012	Actual Total FY2013	Compound Annual Growth Rate (CAGR)	ATM Voted Budget FY2014	PROJECTED BUDGET FY2015	AIRPORT COMMISSION/MANAGER FY2015	FY 2015 FINCOM RECOMMENDATION FY2015	FY 2015 INCREASE OR (DECREASE) \$	FY 2015 INCREASE OR (DECREASE) %
<u>SUMMARY</u>		FY2011 Actual	FY2012 Actual	FY2013 Actual	Compound Annual Growth Rate (CAGR)	FY2014 ATM Voted Budget	PROPOSED BUDGET FY2015	FY 2015 AIRPORT MANAGER FY2015	FY 2015 FINCOM RECOMMENDATION FY2015	FY 2015 INCREASE OR (DECREASE) \$	FY 2015 INCREASE OR (DECREASE) %
	Payroll-Salary	\$ 3,257,923	\$ 3,146,234	\$ 2,904,209	-3.8%	\$ 2,744,400	\$ 2,973,974	\$ 2,973,974	\$ 2,973,974	\$ 229,574	8.4%
	Medicare P/R Tax Expense	\$ 46,427	\$ 45,100	\$ 65,628	12.2%	\$ 40,291	\$ 43,100	\$ 43,100	\$ 43,100	\$ 2,809	7.0%
	Medical Insurance	\$ 504,532	\$ 502,647	\$ 484,784	-1.3%	\$ 535,088	\$ 577,900	\$ 577,900	\$ 577,900	\$ 42,812	8.0%
	Barnstable County Retirement	\$ -	\$ 485,624	\$ 511,951	100.0%	\$ 512,000	\$ 542,700	\$ 542,700	\$ 542,700	\$ 30,700	6.0%
	Utilities	\$ 568,993	\$ 536,222	\$ 472,397	-6.0%	\$ 636,802	\$ 498,500	\$ 649,255	\$ 649,255	\$ 12,453	2.0%
	Airport Fuel-Since 2012 Reported in Fuel Rev	\$ 3,663,029	\$ 5,057,793	\$ -	-100.0%	\$ 377,638	\$ 1,355,617	\$ -	\$ -	\$ (377,638)	-100.0%
	Repairs & Maintenance	\$ 282,628	\$ 226,312	\$ 285,712	0.4%	\$ 302,000	\$ 285,725	\$ 296,725	\$ 296,725	\$ (5,275)	-1.7%
	Professional Services	\$ 209,558	\$ 512,228	\$ 163,204	-8.0%	\$ 305,605	\$ 163,200	\$ 280,000	\$ 280,000	\$ (25,605)	-8.4%
	Police Protection Services	\$ -	\$ 229,167	\$ 250,000	100.0%	\$ 230,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 20,000	8.7%
	Settlements/Personnel Contract Expense	\$ 209,935	\$ 12,000	\$ 25,000	-50.8%	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
	General Insurance	\$ 192,133	\$ 193,925	\$ 207,244	2.6%	\$ 224,061	\$ 225,900	\$ 225,900	\$ 225,900	\$ 1,839	0.8%
	FBO Catering	\$ 263,124	\$ 292,864	\$ 319,374	6.7%	\$ 300,000	\$ 319,500	\$ 319,500	\$ 319,500	\$ 19,500	6.5%
	Other Supplies	\$ 134,886	\$ 79,812	\$ 55,598	-25.6%	\$ 129,305	\$ 55,620	\$ 100,350	\$ 100,350	\$ (28,955)	-22.4%
	Travel	\$ 50,448	\$ 35,132	\$ 24,357	-21.5%	\$ 32,500	\$ 24,430	\$ 27,330	\$ 27,330	\$ (5,170)	-15.9%
	Debt Service	\$ 1,080,627	\$ 1,020,528	\$ 1,064,968	-0.5%	\$ 1,604,448	\$ 1,001,106	\$ 1,264,346	\$ 1,264,346	\$ (340,102)	-21.2%
	Indirect Costs	\$ -	\$ 10,000	\$ 196,061	100.0%	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ -	0.0%
	Other	\$ 402,158	\$ 379,414	\$ 587,604	13.5%	\$ 594,454	\$ 485,660	\$ 491,470	\$ 491,470	\$ (102,984)	-17.3%
TOTAL AIRPORT		\$ 10,866,401	\$ 12,765,002	\$ 7,618,091	-11.2%	\$ 8,768,592	\$ 9,002,932	\$ 8,242,550	\$ 8,242,550	\$ (526,042)	-6.0%

Certified Retained Earnings:

\$1,464,189

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FY 2015 Personnel Spreadsheet

Nantucket Memorial Airport Enterprise Fund

Number of Positions in Department	ORG: 65482
Full-time	32
Part-time	0
Seasonal	19
Temporary	0
Vacancies	1
New Positions Requested	0

TOTAL OF ALL POSITIONS 52

Name, Position	Job Code	Avg Hours Per Week	Class & Step as of 6/30/14 (e.g., B - Step 3)	Yearly Salary as of 6/30/14	53 Week Adjustment	FY15 Step Increase Date	Prorated FY 2015 Salary	Longevity Pay	Other	Total by Employee
RAFTER, T. - AIRPORT MANAGER	AI01	40.00	CONTRACT	144,400	144,789	06/04/15	144,900	0	0	144,900
CHRIST, A. - BUSINESS MANAGER	AI05	40.00	NON-UNION	72,500	72,695	06/25/15	72,700	0	0	72,700
CROOKS, D. - ADMINISTRATION ASSISTANT	AI25	40.00	NON-UNION	86,000	86,232	11/15/14	87,000	3,400	0	90,400
PARTIDA, J. - OFFICE ASST. TO TERM	AI21	40.00	NON-UNION	62,566	62,735	10/02/14	63,400	1,900	0	65,300
PEREZ, W. - OPERATIONS OFFICE CLERK	AI22	40.00	NON-UNION	43,900	44,018	09/04/14	44,600	0	0	44,600
HEINTZ, L. - OPERATIONS OFFICE CLERK	AI22	40.00	NON-UNION	74,006	74,206	12/07/14	74,800	3,000	0	77,800
CLAGG, L. - OPERATIONS OFFICE CLERK	AI22	40.00	NON-UNION	43,800	43,918	11/11/14	44,300	0	0	44,300
TRUE, L. - OPERATIONS OFFICE CLERK	AI22	40.00	NON-UNION	43,800	43,918	05/06/15	44,000	0	0	44,000
SYLVIA, D. - ASST. AIRFIELD SUPERVISOR	AI24	40.00	NON-UNION	109,762	110,057	01/01/15	110,900	5,500	0	116,400
TALLMAN, R. - TERMINAL COORDINATOR	AI26	40.00	NON-UNION	98,530	98,795	05/06/15	99,000	3,000	0	102,000
TORRES, J. - OFFICE ADMINISTRATION	AI25	40.00	NON-UNION	99,008	99,275	08/03/14	100,600	3,000	0	103,600
KARBERG, N. - ENVIRONMENTAL	AI28	40.00	NON-UNION	68,848	69,033	01/18/15	69,500	0	0	69,500
FALCONER, A. - OPERATIONS	AI30	40.00	OPS-4	65,500	65,676	01/14/15	66,500	1,300	0	67,800
MOONEY, T. - OPERATIONS	AI30	40.00	OPS-5	71,970	72,164	05/07/15	72,500	2,200	1,411	76,111
WELLINGTON, F. - OPERATIONS	AI30	40.00	OPS-5	69,168	69,355	04/14/15	69,800	2,100	1,356	73,256
NELSON, S. - OPERATIONS	AI30	40.00	OPS-1	58,200	58,357	07/17/14	59,900	1,200	972	62,072
HANSON, L. - OPS SUPERINTENDENT	AI30	40.00	OPS-1	86,700	86,933	10/03/14	88,700	0	0	88,700
SPENCE, N. - OPERATIONS	AI30	40.00	OPS-2	49,816	49,950	09/27/14	51,000	0	0	51,000
HARIMON, P. - OPS SUPERINTENDENT	AI32	40.00	SUPR-5	89,252	89,492	08/21/14	91,600	2,700	3,851	98,151
BUCKLEY, B. - OPERATIONS SUPV	AI32	40.00	SUPR-5	80,863	81,081	05/21/15	81,300	2,400	1,634	85,334
OPERATIONS OPEN POSITION	AI40	40.00	OPS-1	49,816	49,950	07/01/14	51,300	0	0	51,300
LIBURD, L. - MAINTENANCE	AI40	40.00	M1-5	71,100	71,291	04/06/15	71,800	2,800	0	74,600
GRANGRADE, J. - MAINTENANCE	AI40	40.00	M4-5	91,800	92,047	08/02/14	94,400	4,600	1,634	100,634
ALLEN, G. - MAINTENANCE	AI40	40.00	M3-5	75,514	75,717	07/10/14	77,700	2,300	0	80,000
O'NEIL, M. - MAINTENANCE	AI40	40.00	M3-5	73,379	73,576	09/08/14	75,200	2,900	1,439	79,539
PINEDA, N. - MAINTENANCE	AI40	40.00	M1-5	69,400	69,587	05/14/15	69,800	2,100	0	71,900
HOLDGATE, R. - MAINTENANCE	AI40	40.00	M3-5	73,361	73,559	06/01/15	73,700	2,200	0	75,900
DAVIS, J. - MAINTENANCE	AI40	40.00	M1-5	70,161	70,350	05/25/15	70,500	3,500	0	74,000
AGUIAR, M. - MAINTENANCE	AI40	40.00	M1-3	59,100	59,259	10/06/14	60,500	1,200	0	61,700
FOWLER, P. - MAINTENANCE	AI40	40.00	M1-5	71,564	71,757	04/10/15	72,200	2,100	1,403	75,703
MUHLER, T. - MAINTENANCE	AI40	40.00	M1-5	70,158	70,347	01/06/15	71,300	2,800	0	74,100
DUGAN, J. - MAINTENANCE	AI40	40.00	M1-3	55,245	55,394	09/09/14	56,600	0	0	56,600
RAY, L. - MAINTENANCE	AI40	40.00	M1-1	66,200	66,378	03/12/15	66,900	0	0	66,900
SEASONAL (19 POSITIONS)	AI75	40HRS at 15	TOWN WARRANT	216,600	216,600	N/A	216,600	0	0	216,600

Seasonal 11,400.00
\$19.00

* Under Negotiations, Laborers' Union Contract Expired on 06/30/2013

Total Prorated Salary (Administration) (Munis 5110c)	\$ 1,026,474
Total Prorated Salary (Operations)	\$ 632,600
Total Prorated Salary (Maintenance)	\$ 860,600
Total Prorated Salary (Seasonal)	\$ 216,600
Total Longevity (Munis 51700)	\$ 58,200
Total Education (Munis 51600)	\$ -
Total Certification Pay (Operations) (Munis 515xx)	\$ 9,224
Total Certification Pay (Maintenance) (Munis 515xx)	\$ 4,476
Total Holiday Worked Pay (Operations) (Munis 518)	\$ 25,000
Total Holiday Worked Pay (Maintenance) (Munis 51)	\$ 12,000
Shift Differential (Operations) (Munis 514xx)	\$ 18,980
Shift Differential (Maintenance) (Munis 514xx)	\$ 3,720
Overtime (enter on Munis 513xx)	\$ 14,000
Overtime Operations (enter on Munis 513xx)	\$ 57,000
Overtime Maintenance (enter on Munis 513xx)	\$ 20,000
Overtime Seasonal (enter on Munis 513xx)	\$ 15,100
Contractual Obligation	\$ -
Promotional Increase	\$ -
Subtotal	\$ 2,973,974
Medicare (enter on Munis 51961)	\$ 43,100
Health Insurance	\$ 577,900
BCRS Retirement	\$ 542,700
Total	\$ 4,137,674