

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

Thomas M. Rafter, Airport Manager
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Commissioners
Daniel W. Drake, Chairman
Arthur D. Gasbarro, Vice Chair
Anthony G. Bouscaren
Andrea N. Planzer
Jeanette D. Topham

AIRPORT COMMISSION MEETING
May 14, 2019

The meeting was called to order at 5:00 pm by Chairman Daniel Drake with the following Commissioners present: Jeanette Topham, and Arthur Gasbarro.

Commissioner Andrea Planzer participated remotely as her physical attendance was unreasonably difficult.

Commissioner Anthony Bouscaren was absent.

The meeting took place in the 1st floor Community room at the Public Safety Facility, 4 Fairgrounds Rd. Nantucket MA.

Airport employees present were: Thomas Rafter, Airport Manager, Noah Karberg, Assistant Airport Manager, David Sylvia, Safety and Compliance Officer, Katy Perales, Office Manager and Lillian Sylvia, Administrative Assistant.

Mr. Drake announced the meeting was being audio and video recorded.

Mr. Drake asked for comments on the Agenda; hearing none, the Agenda was adopted.

Mr. Drake asked to postpone the acceptance of the 4/9/19 draft minutes.

Ms. Topham made a **Motion** to ratify the 4/24/19 and 5/8/19 Warrants. **Second** by Mr. Gasbarro **Passed** by the following roll call vote:

Ms. Topham- Aye
Mr. Gasbarro- Aye
Ms. Planzer- Aye
Mr. Drake- Aye

Public Comment

None

051419-1 Introduction of New Entrant Airline and Service Presentation-

Mark Cestari, Chief Commercial Officer of Southern Airways Express, gave a presentation introducing the commuter airline. Southern Airways has hubs located throughout the United States, including Pittsburg, Baltimore, Dallas, Florida, California, and Hawaii. Mr. Cestari proposed, that Southern Airways would like to provide seasonal service, Thursday through Monday between Nantucket starting June 13, 2019 through October 14, 2019 and three cities, chosen from among Norwood, MA, Providence, Rhode Island, Beverly, MA, or New Haven, CT. Mr. Cestari expressed that Southern Airways would consider providing year round service at a later date. One way fares will range from \$199 to \$329. Southern Airways Express has an interline agreement with American Airlines, which services both Providence and New Haven

Questions/comments:

Commissioner Topham expressed concern whether the fares Mr. Cestari presented would be suitable for the year round Nantucket market. Mr. Cestari explained that once Southern Airways gains a following, they may be able to offer a local fare.

Mr. Drake asked how many pilots they fly with. Mr. Cestari explained that they are certified to fly one pilot, but typically fly with two.

Mr. Gasbarro asked if Southern Airways would commit to following ACK's voluntary noise abatement routes. Mr. Cestari stated that Southern Airways would commit to following the voluntary noise abatement routes.

Mr. Drake asked how Southern Airways would handle their ground handling and ticketing on Nantucket. Mr. Cestari explained a few potential options. For ground handling they would either go sterile, having one set of handling conditions or non-sterile having another. They are considering having an employee physically located on the island or, in the alternative, they would potentially try to work with American Airlines for ground services. For ticketing, Southern Airways has a 24 hour call center; there is the option to book on Southern Airways website, or AA.com, and they would be interested in having an on-site attended Kiosk.

Mr. Drake asked where the maintenance operation is based. Mr. Cestari explained that the closest maintenance facility is located in Lancaster, PA.

Pending Leases/Contracts – Mr. Rafter presented for approval the following lease agreements and contracts:

- **American Airlines-** Seasonal airline operating agreement in the amount of \$6,960 plus \$1,500 Annual Business Fee, \$480 intercom fee, and plus landing fees.
- **Island Barge-** Amendment and Restatement of Lease Agreement in the amount of \$104,766.60. Island Barge requested to extend current lease for 10 years. Contract expires 6/30/29,
- **Jet East Corporate Aviation-** License agreement for aircraft maintenance for an annual business fee of \$1,500. Expires 5/31/2020
- **ACK Surf School, LLC-** Beach license agreement for mobile surf school at Nobadeer beach for an annual business fee of \$1,500. Expires 9/30/19.
- **Ross Rectrix HYA, LLC-** Operating agreement for ground handling for Jet Blue for annual business fee of \$1,500. Expires 4/30/2020.
- **Tradewind Aviation, LLC-** Operating agreement for General Aviation Part 135 Operator. \$1,500 Annual Business Fee plus landing and ramp fees. Expires 5/31/2020

- **JetBlue Airways Corporation-** Seasonal airline operating agreement in the amount of \$36,750 plus \$1,500 Annual Business Fee, \$480 Intercom Fee and landing fees.
- **ENE Systems, Inc.-** Contract in the amount of \$126,750 for on call oil fired services. Three year contract not to exceed contract amount. This is an operating expense.
- **ENE Systems, Inc. –** Contract in the amount of \$126,750 for on call geothermal systems services. Three year contract not to exceed contract amount. This is an operating expense.
- **ENE Systems, Inc.-** Contract in the amount of \$126,750 for on call HVAC services. Three year contract not to exceed contract amount. This is an operating expense.
- **Kobo Utility Construction Corp-** Contract in the amount of \$123,563 for on call airfield and vault room electrical testing, troubleshooting, and repair services. Three year contract not to exceed contract amount. This is an operating expense.
- **Kobo Utility Construction Corp-** Change order No. 4 in the amount of \$8,982 for airfield electrical vault modifications with a revised completion date of 6/30/19. AIP grant eligible. This is a capital expense.
- **McFarland-Johnson, Inc.** Task Order MJ-A-04- This contract was not reviewed and Mr. Rafter asked that it be removed from consideration.

Mr. Gasbarro made a **Motion** to approve the contracts, leases and agreements as presented excluding the McFarland Johnson Inc. Task Order MJ-A-04 contract **Second** by Ms. Topham and **Passed** by the following roll call vote:

Ms. Topham- Aye
 Mr. Gasbarro- Aye
 Ms. Planzer- Aye
 Mr. Drake- Aye

Pending Matters – Mr. Rafter reported on:

- **011315-2 General Fund Repayment Proposal and Discussion of In-Kind Service-** Mr. Rafter reported that the updated Memorandum of Understanding (MOU) with the FAA was discussed at the joint Finance Committee and Select Board meeting on 5/13/19. Will go before the Select Board for approval; and signature on May 22, following the Commission’s approval. The repayment will be \$3.9 million and the repayment term will be reduced by three years. The annual repayment of \$235,620.87 which began in FY 2016 will remain as originally agreed.

Mr. Gasbarro made a **Motion** to approve the revised Memorandum of Understanding between the Select Board and the Airport Commission **Second** by Ms. Topham and **Passed** by the following roll call vote:

Ms. Topham- Aye
 Mr. Gasbarro- Aye
 Ms. Planzer- Aye
 Mr. Drake- Aye

- **050916-1 Crew Quarters Development-** Mr. Rafter reported that Administration is working with Engineers to develop a risk model for the financial analysis on potential housing cost. There is a draft of Request for Qualifications (RFQ) for design services, and a rough draft of a Request for Proposals (RFP) for an Owners Project Manager (OPM). Mr. Rafter has been working with the town as they create an employee housing policy.

- **111318-3 Nantucket Memorial Aviation Wall for Terminal-** Mr. Rafter reported that the aviation wall is complete. Mr. Rafter asked the Commission if they would like a ceremony to be held. Mr. Gasbarro suggested having a dedication ceremony presenting the new wall. A date for a dedication will be coordinated.

MassDot ASMP Grant Award

- **040919-1** Runway 6-24 Paint and Pavement Markings- \$309,220.75
- **040919-2** Apron Concrete Repairs- \$807,500-
- **051419-2-** ALPU with Narrative and SPCC Plan Extension of Contract Date- \$1,534.00

Ms. Topham made a **Motion** to approve/ratify the ASMP Grant Awards **Second** by Mr. Bouscaren and **Passed** by the following roll call vote:

Ms. Topham- Aye
Mr. Gasbarro- Aye
Ms. Planzer- Aye
Mr. Drake- Aye

051419-3 Landing Fee Incentive/Noise Corridor Compliance Update-

Noah Karberg, Assistant Airport Manager, gave a presentation on the update of the noise abatement efforts. Mr. Karberg explained the landing fee incentive program, which is a program where the air taxi operators receive 15% landing fee reduction for 85% compliance with the noise abatement routes. Mr. Karberg showed the average monthly compliance, annual landing fee rebate and program statistics. He also presented a noise complaint summary and the noise abatement efforts the airport makes. The Airport will work with engineers on a noise abatement investigation this summer during a peak weekend.

Mr. Drake asked Mr. Karberg to present whether Nantucket based planes are more likely to comply with the noise abatement program compared to non-Nantucket airlines

Mr. Karberg presented a draft letter to the FAA of an Aeronautical Study Number (ASN) for a wind turbine farm that would be located southwest of Nantucket Memorial Airport, addressing potential concerns and questions, and to extend the comment period until 8/25/2019.

Mr. Drake asked Mr. Karberg to add language to the letter asking the FAA to provide answers to the questions addressed in the letter.

Ms. Topham made a **Motion** to endorse sending this letter to the FAA with added language **Second** by Gasbarro and **Passed** by the following roll call vote:

Ms. Topham- Aye
Mr. Gasbarro- Aye
Ms. Planzer- Aye
Mr. Drake- Aye

051419-4 14 Airport Road Declaration of Surplus Property- Mr. Rafter reported:

Administration is working with legal to put an operation in the Temporary Hold Room to serve snacks and non-alcoholic beverages. The first step is to approve the declaration of surplus property.

Mr. Gasbarro made a **Motion** to approve the declaration of surplus property **Second** by Ms. Topham and approved by the following roll call vote:

Ms. Topham- Aye
Mr. Gasbarro- Aye
Ms. Planzer- Aye
Mr. Drake- Aye

Finance- Mr. Rafter reported on:

- **051419-5 Third Quarter Finance Report-** Mr. Rafter reviewed the quarterly update. Revenues increased \$2 million year to date, exceeding the annual budget rate by about \$300,000, and expenses increased \$1 million year to date, both primarily driven by Fuel price and gallons sold. There was a \$60,000 increase in Airline Landing Fees, a \$255,000 increase in rentals, a \$238,267 increase in miscellaneous revenue from the bag belt reimbursement and a \$60,000 increase from advertising. Projected balance at the end of March is expected to be around \$2.5 million.

Manager's Report – Mr. Rafter reported:

Project Updates

- **Administration Building Flood Damage-** Bids are being developed.
- **Seasonal Hold Room Phase II-** Flooring has been installed, fence work is complete, A temporary tent is being installed next week. Administration will evaluate when the temporary tent will be replaced with the permanent tent once it arrives in late June.
- **Concrete Hardstands-** Project completed. FAA agreed to use remaining funds for taxiway patching and testing.
- **Pavement Markings-** Project completed. Working with engineers on residual impacts of paint removal from the center line of Runway 6-24 and finding a solution. Mr. Rafter asked the Commission to join him in thanking the Maintenance and OPS staff, recognizing and thanking them for their dedication and hard work during this project, with a written letter.
- **Generator for Airfield Lighting-** Installation has been completed.
- **Post Screening Opportunity-** Declaration of Surplus Property was approved to put an operation in the Seasonal Hold Room to sell snacks and non-alcoholic beverages.
- **ALP Update (Geometry Analysis)** – Waiting approval from FAA
- **EA/EIS-** Archeological work was complete. No cultural resources were identified. Working on developing a report.
- **Tank Compliance Services-** New tank has been installed for the Air Traffic Control Tower generator. Seeking proposals to get pricing for the removal of the old underground storage tank
- **PFC Application-** Work has begun, and data is being gathered for the second application.
- **Bunker Road Drainage Issue-** Engineers have inspected the area and will be providing a solution.
- **Fuel Farm Rehabilitation-** Finalizing the Task Order scope of work.

RFP/IFB Bid Status – Mr. Rafter reported the procurements being worked on include:

- **On call Airfield Electrical-** contract has been approved by Commission.
- **HVAC/Oil/Geothermal Service-** Contracts have been approved by Commission.
- **IT Services-** Received two bids and is under review.

- **Fuel Farm Supply RFP**- Received five bids and have been reviewed.
- **Bunker Road Parcels**- is currently being advertised and is out to bid, and the due date has been extended to June 4, 2019.

Operations – Mr. Rafter reported:

- Certification Inspection from FAA is scheduled for May 22, 2019 – May 24, 2019.
- Responded to a request from Massachusetts Department of Environmental Protection (MASSDEP), regarding the Airports past and current use of Aqueous Film-Forming Foam (AFFF), used for firefighting. Will meet with MASSDEP to discuss future plans.
- For the security system there was a meeting with the project manager. Engineers were on sight going through the entire security system. Working with FAA to get approval to accept a grant application based on estimate.

Statistics – Mr. Rafter reviewed the March 2019 statistics:

- Operations are up 7.84% from March 2018; and down 24.31% from last FYTD.
- Enplanements are down 6.5% from March 2018; and up 4.16% from last FYTD.
- Jet A Gallons are down 12.09% from March 2018; and up 10.40% from last FYTD.
- Jet A Gallons are down 16.73% from April 2018.
- AvGas Gallons are up 42.35 % from March 2018; and up 17.56% from last FYTD.
- AvGas Gallons are down 1.9% from April 2018.
- Freight is up 10.11% from March 2018; and up 5.84% from last FYTD.
- 0 Noise Complaints were filed for March 2019 compared to 0 in March 2018.

Personnel Report- Mr. Rafter reported:

- Katy Perales, Office Manager, has returned to work.
- Processing and training seasonal employees. Additional security guard positions will be added this season.
- Durand Spence, Operations Employee, applied and was awarded a scholarship to attend the Advanced Airport Safety and Operations Specialist School, which he attended in Buffalo, NY.
- Noah Karberg, Assistant Airport Manager, became an Accredited Airport Executive.

Commissioners Comments

- Mr. Drake reminded the Commissioners that the annual ethics test from the Town needs to be completed.
- Mr. Drake commented on his trip on Cape Air's service to Manhattan.

Public Comment

None.

Having no further business for Open Session, Mr. Gasbarro made a **Motion** to go into Executive Session, under G.L. Chapter 30A, Section 21A, not to return to Open Session, to review Executive Session Minutes as enumerated on the Agenda; Clause 3: To discuss strategy with respect to collective bargaining of the Nantucket Memorial Airport union contract. The Chair has determined that an open session may have a detrimental effect on the bargaining position of the Airport Commission; and Clause 1: To discuss the reputation, character, physical condition or mental health, rather than professional competence of an individual; **Second** by Ms. Topham and **Passed** unanimously, by the following roll-call vote:

Ms. Topham- Aye
Mr. Gasbarro- Aye

Ms. Planzer- Aye
Mr. Drake- Aye

Meeting adjourned at 6.12 pm.

Respectfully submitted,

Lillian Sylvia, Recorder

Master List of Documents Used

5/14/19 Agenda including Exhibit 1(Handout)
4/9/19 Draft Minutes
4/24/19 Warrant Signature Page
5/8/19 Warrant Signature Page
American Airline Operating Agreement
Island Barge Amendment and Restatement of Lease Agreement
Jet East Corporate Aviation License Agreement
ACK Surf School, LLC Beach License
Ross Rectrix HYA, LLC Operating Agreement
Tradewind Aviation, LLC Operating Agreement
JetBlue Airways Corporation Operating Agreement
ENE Systems, Inc. On-Call Oil Fired Services Contract
ENE Systems, Inc. On-Call Geothermal Systems Services Contract
ENE Systems, Inc. On-Call HVAC Services Contract.
Kobo Utility Construction Corp. Contract
Kobo Utility Construction Corp Contract Amendment (Handout)
Memorandum of Understanding
Runway 6-24 Pain and Pavement Markings ASMP Grant
Apron Concrete Repairs ASMP Grant
ALPU with Narrative and SPCC Plan Extension of Contract Date ASMP Grant
Landing Fee Incentive Program Presentation
Aeronautical Study Number (ASN) (Handout)
14 Airport Road Declaration of Surplus Property
Third Quarter Finance Report
Staff Effort, RW 6/24 Markings Project Letter
March 2019 Monthly Statistical Report
Noah Karberg, A.A.E. Accreditation Recognition