

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
December 1, 2016

The meeting was called to order at 1:42 pm by Chairman Daniel Drake with the following Commissioners present: Jeanette Topham, Anthony Bouscaren, and Andrea Planzer.

Vice Chair Arthur Gasbarro was absent.

The meeting took place in the 2nd floor Conference room of the General Aviation & Administration Building at the Nantucket Memorial Airport, 14 Airport Road, Nantucket, MA.

Airport employees present were: Thomas Rafter, Airport Manager, Janine Torres, Office Manager, Jamie Sandsbury, Business & Finance Manager, and Mae Williams, Administrative Assistant.

Mr. Drake announced the meeting was being audio recorded.

Mr. Drake asked for comments on the Agenda. Mr. Rafter asked to discuss Agenda item 8: FY17 1st Quarter Update before Agenda item 7: FY18 Operating Budget. The Agenda was adopted as amended.

Public Comment

None

071216-1 Flat Roof Building Disposition Discussion – As a follow up to the November 8, 2016 Commission meeting, Mr. Rafter provided his thoughts on the advantages and disadvantages of using the flat roof building specifically for freight operations. Mr. Rafter recommends staying on the original course of action of developing a Request for Proposal (RFP) for any and all future use of the building as deemed practicable.

091316-3 McGrath Family Trust request to Sub-Lease to Allies Air Freight, LLC – Mr. Bob Shields of Allies Air Freight LLC, noted a change in their business plan fee structure indicating it will be the same for all users. Mr. Rafter recommended proceeding with the approval of the sub-lease for Allies Air Freight, LLC.

Ms. Planzer made a **Motion** to approve the Landlord Consent to Sublease between McGrath Family Trust and Allies Air Freight LLC and. **Second** by Ms. Topham and **Passed** unanimously.

120116-1 Blade Sub-Lease Renewal Discussion – Mr. Rafter addressed the letter received from Thomas Cunningham of Emily Air LLC, responding to the Airport's Blade Violation letter. Mr. Rafter recommended that the Commission not approve the renewal of a second one year sub-lease

to Blade due to the airport's perception of poor management and Blades demonstrated lack of concern for the Airport's Rules and Regulations.

After a brief discussion regarding the impact on revenue, Ms. Topham made a **Motion** to not approve the renewal of the sub-lease with Emily Air with Blade. **Second** by Ms. Planzer and **Passed** unanimously.

120116-2 FY17 1st Quarter Update – Mr. Rafter reported both Revenue and Expenses are down slightly compared to FY16. Debt service also down slightly.

110816-4 FY18 Operating Budget – Mr. Rafter presented the 2nd Draft of the FY18 Budget noting the challenges with the Expenses, increasing \$1.1M, outpacing Revenue, increasing by \$700K, mostly due to Salary & Wage which includes two new positions and the potential payout for two retiring long-term employees. Mr. Rafter suggested a review of financial procedures and establishment of a reserve account so as not to rely on retained earnings to relieve unforeseen expenses.

Jamie Sandsbury, Business & Finance Manager, prepared a financial forecast through FY21, noting a total of eight (8) employees who are or will be eligible for retirement in the next few years, resulting in potential for significant payments for accumulated sick time.. Ms. Sandsbury would like to see a fixed transfer budgeted each year from the Fuel Revolver Fund and PFC (Passenger Facility Charge) Fund to be allocated to establish a benefit reserve account to cover such payments.

120116-3 Long Range Financial Planning Discussion - Discussion continued, reviewing long-term financial options as well as establish guidelines to protect the Fuel Revolver, maintain Retained Earnings and balance the budget.

After a lengthy question and answer period, Ms. Sandsbury would like to request from the Commission:

- Follow-up discussions throughout the year
- The ability to make adjustments in budget transfers as needed
- Long term plan to reduce reliance on Retained Earnings and close the gap between expanses and Revenue.

Mr. Drake suggested taking a stronger stand regarding benefits for new employees. It was suggested the Personnel Sub-committee meet. Since union negotiations are currently underway, Mr. Drake suggested an Executive Session to discuss union and non-union positions inviting David Jenkins of Town Counsel's office to participate.

Public Comment

Dr. Howard Dickler questioned the format of the budget presentation to which Mr. Rafter and Mr. Drake responded municipal budgets are regulated by State law, necessitating the use of the current format.

Ms. Topham made a **Motion** to adjourn. **Second** by Mr. Bouscaren and **Passed** unanimously.

Respectfully submitted by:

Mae R. Williams – Recorder

List of Master Documents Used

12/1/2016 Agenda

Memo dated November 22, 2016 from Tom Rafter to Airport Commissioners re: Flat Roof Building Use

McGrath Family Trust Lease Agreement 4/1/2000

Allies Air Freight Sub-lease agreement with McGrath Family Trust

Landlord Consent to Sublease McGrath Family Trust to Allies Air Freight

Allies Air Freight LLC Executive Summary Business Plan

Response letter from Emily Air LLC re: Sublease to Fly Blade dated 10/26/16

Q1/FY17 Airport Enterprise Update

Handouts

Airport Projections Draft 1 dated 12/1/16

FY18 Proposed Budget Draft 2 dated 12/1/16

