

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

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

AIRPORT COMMISSION MEETING
May 28, 2013

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

Commissioner Sonny Raichlen was absent.

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

Mr. Drake announced the meeting was being recorded.

Airport employees present were Thomas M. Rafter, Airport Manager, Noah Karberg, Environmental Coordinator, David Sylvia, Training and Compliance Officer and Janine Torres, Office Manager.

The Commission **M/S/P** Unanimously approval of the Agenda.

The Commission **M/S/P** Unanimously approval of the 5/14/13 Minutes.

The Commission **M/S/P** approval of the 3/13/12 Executive Session Minutes with Commissioner Topham abstaining.

The Commission **M/S/P** approval of the 3/27/12 Executive Session Minutes with Commissioner Topham abstaining.

The Commission **M/S/P** approval of the 4/3/12 Executive Session Minutes with Commissioner Topham abstaining.

The Commission **M/S/P** Unanimously to ratify the Warrant of 5/22/13.

Public Comment

None.

Pending Leases and Contracts

Mr. Rafter presented three (3) Leases and one (1) contract for approval:

- **Island Airlines, Inc.** – One year Terminal Lease Agreement, \$44,360 in rental income, \$1,500 Business Fee plus Landing Fees.

- **Delta Air Lines Inc.** – Seasonal Terminal Lease Agreement, \$17,960 rental income, \$1,500 Business Fee plus Landing Fees.
- **Jet Blue Airways, Corp.** – Seasonal Terminal Lease Agreement, \$13,750 rental income, \$1,500 Business Fee plus Landing Fees.
- **Robert H. Lord Company** – Contract for purchase of furniture for the General Aviation Building Passenger and Pilot’s Lounges, \$36,700.00, Expiring 8/31/2013.

Regarding Island Airlines, Mr. Gasbarro commented on the starting and ending dates reflecting a one month timeframe. Ms. Torres noted Article 2 states a one-month term renewable up to 12 months as the language used historically, but could not explain why.

Mr. Gasbarro commented on Island Airlines disrespect of the Noise Abatement Routes when flying the Caravan noting the possible misinterpretation of whether the Caravan is exempt based on Commission discussions dating back to 2009.

Mr. Gasbarro made a motion to approve the Island Airlines Lease for a one month term to allow time for discussion with them in regards to the Caravan. Ms. Topham seconded. The **Motion** did not pass with Mr. Drake and Mr. Gray voting NO.

After further discussion, the Commission **M/S/P** Unanimously to set a policy of the Commission is that any aircraft operating as air taxi service is expected to comply with the noise routes and other noise abatement policies established by the Commission.

Mr. Rafter will draft the policy and distribute to the Commission as well as communicate with Island Airlines.

The Commission **M/S/P** Unanimously to approve the Island Airlines Lease, as presented.

The Commission **M/S/P** Unanimously to approve the Delta Air Lines Lease.

The Commission **M/S/P** Unanimously to approve the Jet Blue Lease.

After brief discussion, the Commission **M/S/P** Unanimously to approve the Robert H. Lord Contract.

Pending Matters

120412-3 Existing Bunker Lease Review – Mr. Rafter reported the Amendment for the Atlantic Aeolus Lease is still pending; and the survey and staking of several lots will begin soon.

021213-2 Supplemental Agreement to the Other Transactional Agreement (OTA) – ATCT

Mr. Rafter reported that we have not heard that the FAA engineers have made any progress on studying the structure of the tower to determine if it can be raised; and, due to reaching a critical point in relation to the expiring earmark and present condition of the building, would like to recommend to the FAA the focus be on rehabbing the existing tower. The Commission concurred and Mr. Rafter will draft a letter to review at the next meeting.

051413-2 Draft Fraud Risk Assessment – Mr. Drake reported attending the TON’s Audit Committee Meeting and expressed his concern, as a private citizen, over the comments documented in past audits, but seemingly never addressed; and hopefully, with the new audit firm, communications as well as accountability will improve. Mr. Drake noted he believed his comment was well received and hoped to be invited to meet with the new audit firm.

Mr. Drake also commented that the Fraud Risk Assessment was also discussed at the Audit Committee at which a means of communications was discussed to deal with perceived issues internally prior to their being raised in an audit.

Mr. Gasbarro remarked he shares the concerns over unresolved issues addressed in the 2008 and 2012 Abrahams follow-up reports.

GA/Administration Building Project Update

Mr. Rafter explained a Special Town Warrant was requested to process payment to National Grid for \$4,607.32 to replace the existing transformer with a needed larger one. Mr. Rafter explained this work was discussed at the beginning of the project but somehow the paperwork was lost. Permanent electricity to the building cannot be connected until the new transformer is in place, creating the urgency for the required payment. The Commission **M/S/P** Unanimously to ratify the \$4,607.32 payment to National Grid.

Mr. Drake reviewed a list of six (6) open issues prepared by Fassano Acchione noting most have either been resolved or are close to being resolved:

- Grading needs to be added to the Site Utility Drawings. Mr. Rafter is working with Architect to rectify. The Commission would like a copy of the site plan as well.
- Awaiting price from Signet to connect data network which was purposely omitted from initial scope
- ADA issues:
 - Overhead cabinets are being omitted from conference room
 - Two door thresholds are being replaced to meet ADA requirements. The Commission feels strongly that if this was the Architects error in the design, they should be responsible for the fix.
- National Grid transformer issue resolved with payment discussed earlier
- Need to resolve what bollards are required around propane tank. There was discussion of using boulders but still need to meet certain requirements.

Mr. Gray heard there is an issue with the generator pad and was being dug up. Mr. Rafter was unaware of any issue.

Mr. Gasbarro requested the OPM provide monthly reports again.

Mr. Drake commented during recent discussions regarding borrowings, it was noted that the Airport may have significant cash.; A cash flow projection should be prepared to determine if that is the case, with the adea of applying excess cash, if any towards some portion of the GA building costs, rather than borrowng. We should have a better idea towards the end of June after the current round of borrowing is complete.

022613-2 Master Plan Update

Mr. Rafter reported working with Jacobs on revising the scope to develop the RFP with the hopes of getting it advertised in the next few weeks, noting the timing is critical in relation to the grant applications.

051413-4 FAA AIP Project Status & Possible Approval

Mr. Rafter repeated Jacobs is ready to prepare the grant applications for the Taxiway Delta project but is waiting for the FAA to make a final decision on some pavement markings. Mr. Drake commented he hoped this doesn't affect the borrowing process by not having a grant award letter yet.

Mr. Rafter reported confirming with the FAA that while working on the Master Plan, grants for other projects having no direct impact on the Master Plan, for example equipment purchasing, will not be delayed.

052813-1 Commission Appointment to TON “ADHOC” Compensation Committee - Mr. Drake requested tabling this until after the BOS appointment to the Commission is complete.

Manager’s Report

Mr. Rafter reported the following:

Projects Update

- The HVAC in the restaurant may continue to have problems that relate to design flaws, large openings for example. Mr. Rafter added this is a terminal wide issue. Mr. Rafter added HVAC will be a good candidate for the carbon neutral program. Several items will be looked at in the short term, like door flaps. Discussion on enclosing the entrance was discussed.
- The runway painting project sponsored by MassDOT began. It will require a night closure to paint the runway intersection.

RFP/Bid Status

- Received some comments back from UPS on their new Lease and will be continuing discussions with them.
- The RFP for IT Services should be out within two weeks.

Operations Update

- The Ocean Wings special event went well. The modified Special Events Application will be sent to Ocean Wings for their next event request on July 20th. Brief discussion took place regarding requiring an application fee resulting in future consideration.
- Coordinated meeting with Restaurant and Gift Shop to work out their issues in regards to mutually sold items and suggested they work it out amongst themselves.
- Jet Blue began service last week. There have already been days where two of their planes were on the ground at the same time and are working with the Control Tower to ensure they are not on the ramp at the same time.
- Operations and Maintenance staff are preparing for the FAA Part 139 Inspection which this year will include 100% inspection of all training records.
- Fuel sales over the holiday weekend were down despite heavy traffic.
- Summer Police detail in front of the terminal will begin in two weeks.
- Recently attended AAAE Conference included discussions on untaxed airline revenues, merge of AAAE and Airports Council to give airports a stronger voice in Washington, non-aeronautical revenues and customer service. A complete report will be submitted in the near future.
- AAAE is sponsoring several educational Webinars on airport funding, policies, operations and security if any Commissioners are interested.

Statistics

- Operations for April were 8,305 compared to April 2012 at 7,966. FY13 Operations are 104,817 compared to FY12 at 98,043.
- Enplanements for April were 12,381, down 2.76% from last April at 13,941. FY 13 enplanements are 142,601 compared to FY12 at 142,002

Sub-Committee Reports

None.

Commissioner's Comments

Ms. Topham received a letter suggesting the Airport work with the Chamber of Commerce, taxi's and local businesses on offering discounts for single and light twin general aviation day trippers.

Ms. Topham asked if the small wall behind the customer service counter could be removed to allow for better sight to the ramp. Mr. Rafter indicated this will be looked at separately, after the project is complete.

Mr. Gasbarro asked about the year-end finances. Mr. Rafter indicated the YTD budget is under review, it appears after May we may show a \$400K deficit. A complete report will be given in June.

Discussion moved to lower fuel sales. Several factors are being considered such as sales price and weather. Mr. Rafter explained good weather allows pilots to fly VFR which doesn't require fuel loads like IFR days.

Mr. Gray would like to review the Memorandum of Understanding with the Town. Mr. Drake agreed to review in the near future.

Mr. Gasbarro asked if the Lease document could be a tool to control ramp congestion. Mr. Rafter felt if the Airport developed proper procedures, it would force the airlines to alter their schedules.

Public Comment

None.

The Commisison **M/S/P** by the following vote, to enter into Executive Session, not to reconvene in open session, to review Executive Session minutes of 3/1/12, 4/19/12, 4/26/12, 5/8/12, 5/22/12, 6/12/12, 6/26/12, 7/10/12, 7/24/12, 8/28/12, 9/18/12, 9/25/12, 10/30/12, 11/6/12, 12/4/12, 12/11/12, 12/18/12, 2/26/13 and 3/26/12 for possible release; and 4/23/13 for review and possible release; and to discuss strategy with respect to collective bargaining or litigation which if held in open session could have a detrimental effect on the collective bargaining or litigation:

Chairman Drake – Aye
Vice Chair Gasbarro – Aye
Commissioner Gray – Aye
Commissioner Topham – Aye

Meeting adjourned 6:18 PM.

Respectfully Submitted,

Janine M. Torres, Recorder

Master List of Documents

5/28/13 Agenda including Exhibit 1
5/14/13 Draft Minutes
3/13/12 Executive Session Minutes
3/27/12 Executive Session Minutes
4/3/12 Executive Session Minutes
Island Airlines 2013 Lease Agreement

Delta Air Lines Lease Agreement
Jet Blue Airways Lease Agreement
Robert H. Lord Company Contract
National Grid Work Permit #11217435
GA/Admin Building Open Issues
April 2013 Statistics Report
AAAE Airport 101 Webinar Information