

**Commonwealth Of Massachusetts
County Of Dukes County, S.S.
MARTHA'S VINEYARD AIRPORT COMMISSION MEETING**

September 15, 2004 5:00 pm

Martha's Vineyard Airport

Notice of Such Meeting having been Posted as Required by Law.

Present:

Airport Commissioners: Chair Jesse B. (Jack) Law, Vice Chair John Alley, Frank Daly,
T. J. Hegarty, Leslie Leland, William (Bill) Mill, Norman Perry,
Airport Staff: Bill Weibrecht - Manager, Sean Flynn - Assistant Manager,
Others: M. Peter Rogers – Danielle & Rogers; Ed Pigman – MV Coach Lines, Inc.
Marni Lipke – Recorder; Fred Natush - MVTV

- Late arrival or early departure (see * in text)
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The meeting was called to order at 6:09PM.

Minutes were still backlogged due to the busy summer season.

1. Consideration of Sublet.

Consideration of a request (sublet agreement received) by M. Peter Rogers to lease space within 7 North Line Road, Martha's Vineyard Airport Business Park, to President Coach Lines, Inc. the new contractor to Martha's Vineyard Regional School System. The space located on the second floor of the building will be used to house the dispatch and administrative operations center for the bus company, however no busses will be stored / housed on the premises.

Chair Jack Law noted the first item of the agenda and gave a little background on it. The man doing the new school bus service needed some space in a hurry and had called Chair Law who had okayed it on a temporary basis until the first Martha's Vineyard Airport Commission (MVAC) meeting. Therefore the bus line was already in the space and so there should be no problems with this as it was an emergency—because school started right after Labor Day. Mr. Rogers was present at this meeting to go over the proposal.

Mr. Rogers then explained that basically it was an approved use. The office for the new school bus system was in the Danielle & Rogers building on the second floor. The busses would not be parked there, but there would be a few employees and Mr. Pigman could explain how many employees and what they did. He then introduced Mr. Ed Pigman who ran the bus system.

Mr. Pigman reported that Martha's Vineyard Coach Lines was the name of the subsidiary operating company on the Island, and Transit Resources was the parent company which had operations in different places around the United States and specialized exclusively in transporting services on the ground.

Half the business was consulting work and the other half was operations. There was an emergency on Martha's Vineyard. For the last two and a half years Transit Resources has been the operators of the Martha's Vineyard Transit Authority (MVTA) here on the Island. The Transit Resources General Manager with the MVTA used to be the school bus manager; and when he heard there was a problem, he went over and talked to the schools, who were very concerned about the possibility that the school bus service could be interrupted. To make a long story short he worked some things out on an emergency basis to keep things going. The MVTA would do bus maintenance in their building, so that

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all MV Coach Lines needed was an office and dispatch center—a place where the regulars could work. The busses were being stored in the MV Regional High School parking lot—the field back by the hockey field. So that what MV Coach Lines was doing in this office location was primarily administrative work— although there was a radio up there so they could stay in touch with the busses when they needed to. Typically there were two, three or four employees upstairs at any given time. Tonight they were giving a drivers meeting so there would be a group of 15 or 16 people there for an hour or so, after hours about 7:00PM. And that was kind of all there was to it; it was not exactly rocket science. The use of this building was primarily administrative. Once in a while one of the busses might pull up to the curbing if the driver needed to come pick up an order but administrators were discouraging them from doing any parking. If they stopped, it would be at a legal curbing stop to rush in and get something to go. Mr. Rogers clarified that he did not think there were any rules against bringing a bus up to the building however since Danielle & Rogers was running there he did not want to have any conflicts between busses and trucks in the area.

Mr. T. J. Hegarty said that Mr. Pigman had set up the hairs in the back of his neck when Mr. Pigman had said pulling up to the curbing. The Airport was already having curbing issues with a couple businesses in the Park. And there was no curb parking, so saying that busses might even momentarily pull up to the curb, ...Mr. Hegarty would say that MV Coach Lines was going to add to the problem. Mr. Pigman responded that MV Coach Lines administration could tell the drivers not to do it at all, it was not something they needed to do. Mr. Pigman had been explaining it fully in case any of the Commissioners had been over there last week and had seen busses; i.e. it was by way of explaining. MV Coach Lines was there to be good neighbors and not do anything to upset the apple cart, so if there was something like this, the Airport could just tell them and they would make sure to keep it down. **MR. JOHN ALLEY MOVED TO SUBLET; MR. BILL MILL SECONDED.** On further discussion, Mr. Leslie Leland wished to confirm that what he was hearing was office space for controlling and directing drivers back at the regional school or whatever. Mr. Leland certainly understood, having been in business himself, that there were times when somebody might have to pull in for an emergency or quick type of thing, to talk to dispatchers or whatever. But it sounded to Mr. Leland from what Mr. Pigman and Mr. Rogers had said, that this was MV Coach Lines' office space. There was dispatching from it and a remote had been set up. Personally, he did not see an issue with that at all. Mr. Leland thought it was fantastic, and it was great that they had come in and helped out the school system with the problem, and if the Airport could work with MV Coach Lines, he was happy to do it.

Mr. Pigman repeated that as he had said, if the Airport would tell them what rules applied, MV Coach Lines would be sure to work it out. Mr. Law stated he kind of agreed with Mr. Leland in that, as soon as Chair Law might tell MV Coach Lines that they could not park there for even one second, someone was going to have to and they were going to be racing around like an idiot to get in / get out real quick. So, as long as, there was not a bus there every time he turned around, Mr. Law did not have an issue with that.

However Mr. Pigman himself stated he was uncomfortable with the curb parking too and could understand that it might be a problem, as he saw a couple of semi-trucks parked outside. Mr. Rogers added that if it did become an issue he and Mr. Danielle would find a spot for a bus over at Vineyard Propane where they had plenty of room. Assistant Airport Manager Mr. Sean Flynn asserted that Mr. Hegarty's concern was valid particularly as 'curb' parking or roadside pull-overs was destroying the buffers that were intended to be a vegetative barrier between the road edge and the businesses

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themselves. So Mr. Flynn suggested they get together and work out a spot. Mr. Pigman noted that 'curb' parking caused sight problems also, because this afternoon as he was pulling out of the driveway of the building, there was a semi parked in front; as Mr. Pigman came out someone was coming down North Road and although they did not come close to an accident, Mr. Pigman noted that he sure had to keep his eyes open, or it would be easy for something to happen. Chair Law noted that curbside parking was nothing but parking in the buffer was not allowed anyway.

*Mr. Frank Daly entered the meeting at 5:17PM.

Mr. Hegarty hoped that his comments did not give the impression that he was against the proposal because it met all the criteria and his concern really was just not to add to an ongoing situation that was hopefully soon to be resolved. If the sublease met all the criteria all power to them. But Mr. Hegarty did not want to amplify a situation the Airport was trying to curb (*no pun intended*).

Chair Law brought Mr. Frank Daly up to speed, explaining that they were talking about the bus situation where the people who took over the school buses needed office space, and so were going to be in Danielle and Roger's building upstairs. Mr. Hegarty had one other question which was if Mr. Pigman was Angie Gomper's boss; did Ms. Gompers work for Mr. Pigman's company? But it was the other way around. Mr. Pigman explained that the Vineyard Transit Authority (VTA) was a government entity that contracted for the operation of the buses; so that MV Coach Lines was a contract company under her direction. Mr. Hegarty clarified that MV Coach Lines supplied the bus drivers. Mr. Pigman stated this was correct. Chair Law stated the buses were owned by the schools and were leased out.

Airport Manager Mr. Bill Weibrecht asked for clarification on the final name of the entity in the sublease which was originally put down as President Coach Line. Mr. Pigman stated it was Martha's Vineyard Coach Line, Inc.; and the parent company was Transit Resource Center. Mr. Weibrecht confirmed that Mr. Pigman was the President of MV Coach Lines, Inc. to which Mr. Pigman assented.

As there was no other discussion Chair Law called the vote, **MOTION PASSED; 6 AYES, 0 NAYS, 1 ABSTENTION – FRANK DALY**. Chair Law thanked Mr. Rogers and Mr. Pigman.

* Mr. Pigman left the meeting at 5:19 PM.

3. Old Business

Request for Proposals Lot #38 Airport Business Park 18,750 sq/ft.

Chair Law stated they would change the order of the agenda and take this Old Business first. Mr. Flynn did not know what was reported at the last meeting as far as an update but he explained that the document to fulfill the Airport's agreement with the Hot Tin Roof had been produced – this was the Request For Proposal (RFP) agreed to by the MVAC on this very complicated issue (see 11/5/03 Minutes p.8). The document had gone out for review to Airport Counsel and had come back. Mr. Flynn had just received comments back from the Hot Tin Roof Counsel after a long period of time. It had come back and forth from both counsels several times. It had been the intention here at the MVAC to deal with the Hot Tin Roof RFP first and then Lot #38 second. However it had become clear that the Hot Tin Roof issue might take a while to resolve as it was still going back and forth. Not to digress, Mr. Flynn had therefore prepared and advertised the RFP for Lot #38. There was no reason why Lot #38 could not be done first. It was just that Management did not like to have two going at the same time as there were complicated issues involved. Consequently this lot was now going to go first. The advertising

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process had begun with a notification to the Central Registrar, which would hopefully be placed next Wednesday, and then it would be placed in the local papers the following Thursday and Friday. The draft of the RFP was reviewed by Counsel and the County Manager and now that Mr. Flynn had put together the final he would have the County Manager review it one more time before it was mass produced, just to have an extra set of eyes look at it. So, the RFP was there, was finally done, and was on its way to being out on the street.

Chair Law asked for any questions and had one himself. He asked what was the hold up was on the Hot Tin Roof, was it just verbiage? Mr. Flynn's reply with some qualification was yes. Mr. Flynn explained that it was hard because the Airport and Business Park operated under the Public Procurement Law Chapter 30, Section 16 and most attorneys did not know this section of law, so it turned into an education process. Every time Mr. Flynn spoke to the attorneys they would come back with, "why can't it be done this way or why can't it be done that way?" A while back when Mr. Weibrecht and Mr. Flynn became certified procurement officers Mr. Flynn took the extra class in disposal of properties and so he understood the issue a little more in depth than some of the attorneys and consequently he could lead them to where they could find the answers. Hence a lot of the hold up was this type of bouncing back and forth, the education process of making counsel familiar with that law and how it worked.

The Hot Tin Roof happened to be more complicated because essentially—Mr. Flynn did not want to say the Airport was extending the lease because they were not extending the lease—but the Hot Tin Roof was turning the property back to the Airport and then the Airport was re-letting it.

Chair Law inserted that this would cause a lot of language issues in there. Mr. Flynn agreed expanding that the property—the actual physical asset—could change hands through this process, so a Purchase & Sale, and a Bill of Sale for the actual fixtures inside the building had to be worked out. Somebody bidding on the RFP would have to know exactly what these documents and assets looked like prior to them getting into the bid. This was unlike a piece of raw land such as Lot #38 where it was just the land itself going out to bid. The Airport was likely to run into more of these as properties were turned back and the Airport obtained a physical asset with the lot, i.e there would be a property component and there would also be a fixed asset component. Chair Law noted that Mr. Flynn would be an expert at this but Mr. Flynn hoped not.

Mr. Les Leland then confirmed that the property was Lot #38 which was raw and asked its location. Mr. Flynn showed it as next to Cazeault Roofing over in the Business Park. Mr. Leland then confirmed that the second issue was the Hot Tin Roof. Mr. Flynn confirmed there were two different issues. Chair Law explained that this was the deal the Airport made when the Hot Tin Roof had a problem with the location of the County Building—which was basically put in the wrong place along with the parking lots—and flower garden/ landscaping issues. So the Airport sat down with them and negotiated, agreeing to put out an RFP and exchange some land in order to soften the blow. Mr. Flynn added such details as making sure the proper width for the roadways was included, and further explained the agreement shortened a piece of property where the Hot Tin Roof had parking now and added to another piece on the other side of the street. Essentially the lot sizes were being re-defined so that it was really more beneficial to the County on that issue and to the Hot Tin Roof in their issue. At the same time it would extend and give the Airport another long term lease to add to the pile, whoever the tenant may be. Mr. Daly confirmed that right now the leading tenant was the Hot Tin Roof. Mr. Flynn replied that the Hot Tin Roof was, but that did not mean that they would be the chosen bidder, as whoever was the most

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advantageous to have on the property would be the tenant. Chair Law inserted that they probably would not mind it if the price were right. Mr. Flynn replied that the price was to be determined by the appraisal. Chair Law continued that if somebody was to come in and scoop it they would be happy. Mr. Flynn continued that Management/MVAC had to pick who would be most advantageous to the Airport. Chair Law understood that too.

Mr. Hegarty referred to some letters from the County about trash and asked if they had been responded to at all. Mr. Flynn had not received a response back. So, Mr. Hegarty concluded, the Hot Tin Roof was just ignoring it. Mr. Flynn clarified that since he had sent out the letter he had not heard what the status of the trash was, and asked if it was still ongoing. Mr. Flynn and Mr. Weibrecht spent some time out there cleaning it up after it was brought to their attention that day. Mr. Hegarty inserted that Management should not have to do that. Mr. Hegarty went on to say there had been beer bottles and, for those of the MVAC who did not know, there had been a concerted effort to kind of spruce up the County lot but the Hot Tin Roof clientele were now using those spruced up and cleaned places as parking spaces although there were not marked for parking. There was a general explanation and Mr. Weibrecht made it clear that this was now creating trash, which had not been a problem in the past.

Mr. Hegarty persisted that these guys when they parked in the Manager's spot at night did not back out but just put their cars in gear and ran over the line of rocks at the end—which were pretty big rocks—and although they had not yet hit an oil pan, on big occasions there had been numerous beer bottles and trash in the parking lot in the morning and the Hot Tin Roof had been oblivious and had not made any effort to police. Mr. Daly asked if the solution to the problem might be to gate the County property. There was a general denial that this could not be done as it was part of the whole agreement. Mr. Weibrecht explained that Management needed to follow up again with whoever was managing Hot Tin Roof events to make sure that they policed and had police up in the area.

Mr. Hegarty then stated the other issue as overnight parking in the lot. Mr. Leland noted that it was written up that the Hot Tin Roof management did agree to oversee that and take care of the clean up in the mornings after either Thursday or Friday nights whatever the deal was. Mr. Flynn had sent them a reminder in kind of a stern letter. Mr. Leland then asked what about the enforcement. Mr. Flynn repeated that if he witnessed it again... Mr. Hegarty intervened asking what kind of enforcement it was when Mr. Flynn notified them and then Airport Management went over and cleaned up their mess. Mr. Hegarty did not think this fit under Management's job descriptions. Mr. Flynn responded that no, Management had resolved the issue, sent them a letter and if it happened again Management would go to the next step. Mr. Mill suggested that the Hot Tin Roof be sent a bill for the clean up. Mr. Hegarty felt that the Airport was going to have to go that route and also to notify the Hot Tin Roof that if there was overnight parking, cars would be towed. Mr. Flynn clarified that this would be at the County Administration Building. Mr. Hegarty assented. Mr. Hegarty was all for no drunk driving but this was a public administration building not an overnight parking space and if people wanted to park there then they should expect to pay the price. Chair Law suggested the drivers could get up early and get their car out of there. Mr. Alley recommended putting a sign up saying, "No overnight parking." Mr. Weibrecht assented that Management would have to work that out on the enforcement side so that cars could actually be legally towed. Mr. Daly suggested that if when trash occurred, the Hot Tin Roof be notified the lot would be cleaned at their expense. Mr. Weibrecht responded that yes, absolutely. Mr. Daly continued that instead of Management picking up one bottle that Airport Management call a firm to come pick it up. Mr. Flynn explained that obviously there were layers to the enforcement process.

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Airport Management had notified the Hot Tin Roof of the problem in writing and that there would be enforcement action taken if the problem should continue; i.e. the next step was enforcement and Management would so do as the bottom line.

Mr. Norman Perry then asked if the Airport always did leases with raw property with no buildings built on it, or if the Airport ever pre-built a building. Mr. Weibrecht confirmed that the only way this would happen was if the Airport inherited a building through the process itself. The lease ran out and the tenant walked away or ran into bankruptcy or wherever the case might be, such that the building(s) became the Airport's asset. It was likely the MVAC would see more and more of those. Mr. Hegarty proposed that something to talk about—as was mentioned last year—with this new expansion would be that the Airport might build and own the buildings themselves as opposed to subleasing. Mr. Flynn acquiesced.

2. Airport Manager's Update

Mr. Weibrecht advised that he would go through the report fairly quickly but anyone who had questions should feel free to ask.

- Aircraft De-Icer

The aircraft de-icer was delivered about a week ago and was out on the field if the Commissioners wished to see it after the meeting. There were a couple small items to be addressed but other than that it was working well. People would be going off-site for training for the actual aircraft de-icing procedures with US Air at LaGuardia in the next couple weeks. The Airport should be on-line and have de-icing services really for the first time in the Airport's history on an available to the public basis.

- US Airways Bankruptcy Filing & Service

Mr. Weibrecht was sure all the Commissioners had read about this in the papers. This was the second time within about an 18 month—or at least two or three year period—that they would be in bankruptcy. The MVAC should know that the Airport was not exposed at this point. The way that Management structured the fuel accounts this year was basically a deposit system, although US Air was back up on account last week. Mr. Flynn was diligent in chasing down the Airport's payment from US Air to get the Airport ahead right before the filing, and as a result the Airport was not exposed as far as that bankruptcy filing. The Airport's lease agreement was actually with Colgan Airways which was not a subsidiary—even though some of the other operators were subsidiaries of US Air—so their obligations were still in full effect. Mr. Weibrecht thought that where it would have an effect on the Airport was for next year's service. What US Airways would do if it was forced into liquidation would be a whole different world for the airline market in the North East next year; but then it was becoming that in one way, shape or form anyhow. Mr. Perry asked about US Airways going to a low cost... Mr. Weibrecht explained to the MVAC that right now US Air's costs were greater than two times the cost of the true low cost airlines; what Jet Blue did for 6.5¢ per seat mile, US Air did for 12.4¢, 12.5¢ or 12.6¢ per seat mile, even after all the give backs from 2001. This would give the MVAC an idea where US Air had been previously.

Mr. Hegarty added that the Airport was facing the idea of Delta going bankrupt too and adding to the mess. Mr. Hegarty asked if Management had approached Continental. Mr. Weibrecht responded that Management had conversations with Continental on several fronts. Continental was not in a very different position as far as the competitive market went. In other words Continental was not going into new places right now; they were announcing new services to existing cities. Mr. Weibrecht did not see

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much chance of Continental returning to the Island for two reasons. Cape Air had actually established a relationship with Continental where there were actually Continental connections, so as Continental saw it they were essentially at MV Airport now in some way, shape or form. That could change to become a greater agreement with Continental depending on what might happen with Delta because Cape Air also had an arrangement with Delta for essentially on-line ticketing. So Mr. Weibrecht did not think Continental was the Airport's best chance. There were two airlines that he saw as the Airport's best chances. One would be Jet Blue— but years out as they moved into the region themselves.

About two weeks ago Mr. Weibrecht met with Jet Blue's Vice President in Charge of Route Planning/Systems Planning at a conference, and Jet Blue was not looking at a market like the Vineyard for some years out. Independence Air was the other best chance. Right now MV Airport was actually listed on Independence Air's website as a polling destination, i.e. "Do you want to see service to these cities?" And not every place on the country was on the list so Independence was actively sampling. Mr. Weibrecht felt that by some point next year Independence might have it in their plans to fly at least seasonal service—if they were willing—maybe not for a start next year but for the following year. Management would continue to push with them.

Mr. Hegarty returned that the reason he mentioned Continental was that he was in Houston, the Continental hub and they had the small corporate jets that MV Airport saw here. Mr. Weibrecht assented restating it as the regional jets. Mr. Hegarty repeated the regional jets, similar to the private jets the Airport saw everyday. Mr. Weibrecht expanded that the regional jets Mr. Hegarty was speaking of were also operating out of Newark but to a lesser extent because Continental had a couple of odd marketing agreements. For example Commuter—one of the MV Airport's former carriers—out of Upstate New York was actually a Continental connection. Even though they promised they would be all jet, they still had some prop's flying for them. MV Airport had actually been slated to receive the jets sometime in the season after 2001 but (9/11) held it up. Then the length of the runway held it up since, for the first year of operations, Continental wanted longer runways for those jets and set higher thresholds for themselves, -- later they brought the threshold back down. Further Continental miscued the length of the MV Airport runway – their internal data base showed the runways as 500 ft. shorter than they were. There were a couple of other issues which Management was able to resolve. Then (9/11) 2001 hit and they opened no new stations, consequently, MV Airport instead of losing the service for one year, which should have been the case, lost all of it. The long and short of it was that Mr. Weibrecht did not see Continental coming back.

50 of the regional jets were now operating for Independence Air. They just took delivery of their first mainliner airplane, Airbus 319, which they will start running to Florida and would be hubbed out of Dulles, Washington, being the second (or really the third) Origination and Destination (O&D) market. Mr. Hegarty asked if they also did Providence and Mr. Weibrecht replied that yes, they were in Providence now, and were also in White Plains which was important for the Airport; so if it was possible to make a connection between Dulles, White Plains and MV Airport that might work out. Mr. Hegarty stated he did not want to go all around the whole country. If one went on-line to look at prices, the flights would take you west and then east just to go south. Mr. Weibrecht assented explaining that the nice thing in this case was that both markets brought people to the Vineyard so that as the route was developed the Vineyard would then get direct service. The Airport would just have to work with them and then when those 50 seaters were not needed for other kinds of routes Independence would be looking for other markets to fly them to. However the plan hinged on delivery of the larger airplanes.

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Mr. Hegarty confirmed that Cape Air was the Continental connection. Mr. Weibrecht replied that Cape Air had Continental connections and in some places in Florida Cape Air was the old Continental service between two cities.

- MAC Annual Inspection

Over the past two or three days the Airport had two inspections and there was a third about a week to 10 days ago. The Mass Aeronautics Commission (MAC) annual safety inspection including air space analysis and runways, etc. was all completed and finished up today. There were no major issues except for some tree clearing, and some conditions of pavement that would be noted; both of which should be resolved by the future construction here in the next year or so. Both areas would be having some tree clearing anyway and the rest of the tree clearing would be relatively minor, so that the Airport could actually take them down themselves. For those of the Commissioners who might not know, MAC had two different air space requirements than the Federal Aviation Administration (FAA) which were actually more stringent.

- NetJets Vendor Inspection

NetJets, a fractional ownership program, was the Airport's biggest customer, and not on an annual basis but about once every 18 months, they actually sent out the relations people to inspect the Airport's fuel quality, review any customer service complaints the Airport may have gotten in their system—of which there were none—and discuss pricing and services, etc. They were terribly excited to see the de-icer show up, which was one of the notes they had in their files for MV Airport— i.e. that winter operations were questionable due to lack of available de-icing. So that was a good inspection, which was nice to hear from the Airport's biggest customer who did a substantial amount of fuel with the Airport every year.

Mr. Perry had a question on the de-icing as to whether it was a service that the Airport provided and that the plane would pay for. Mr. Weibrecht explained that the customer paid by the gallon and the Airport provided the actual service, so the Airport was selling a product applied to the customer's plane. Management was currently finalizing the pricing.

- Aviation Activity Update

Mr. Weibrecht gave some basic numbers. So far, comparing year over year, starting July 1st through yesterday's date (9/14/04) jet fuel was up about 10%, having moved 456,000 plus gallons. Avgas was down about 8% having moved about 92,000 gallons (down from 99,000 last year). Mr. Weibrecht attributed this to a number of factors: general aviation operations over all were down, with some weather issues—although less than last year—and also with the price of fuel people were more cautious and MV Airport was more expensive.

Mr. Leland confirmed that prices were higher here. Mr. Weibrecht responded that the Airport prices were slightly higher due to transportation. However if compared with the bigger markets MV Airport was cheaper, although not necessarily on the avgas where you might get a cheaper price than here. Mr. Leland was asking about avgas. Mr. Weibrecht continued that jet fuel, tended to be typically cheaper here than most of the major markets. The Airport priced against New York.

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Mr. Hegarty asked if the Airport could do a mailing and if addresses were available. Mr. Weibrecht put it this way that the Airport had addresses but not necessarily for transients. Mr. Daly asked if the price was posted in the big Aircraft Owners and Pilots Association (AOPA). Mr. Weibrecht replied that the Airport actually put all their information up there through a link with a service called AirNav which tracked all the fuel prices. The Airport participated in what's called a guaranteed price program so that basically every Monday the Airport updated the price and if the price was updated at any time AirNav was notified. In this way the posted price was guaranteed and what the customer thought was the price on arrival was the actual price. Mr. Weibrecht did not know that it would be possible to influence sales very much on the avgas side as it was mostly word of mouth with the smaller guys. It could be too, that there was a change in Cape Air and how much they bought based off loads and pricing in other locations. Mr. Rogers endorsed that most pilots he talked to used AirNav and Mr. Rogers himself used it all the time. MV Airport prices had been right on and the updates have been right there. Mr. Weibrecht explained that the prices were published and were actually shown with comparative markets so the customer could see, "Why pay more, when you can get it cheaper here?" was the slogan on the top of the posting. Once a pilot came here for breakfast every two weeks they started to know what the Airport's fuel prices were.

Mr. Weibrecht then talked for a minute about air carrier loads. Basically from May through the end of July—August figures had not come back yet—this summer the Airport experienced a decrease of about 6% (about 1,000—1,300 people). Cape Air August numbers were down about 6% and nationally there was a decrease of about 9% for the same period. US Air, on the other hand was up over last year, about 77% in June, and about 20% in July. It should be kept in mind when the holidays fall and when US Air started schedule—Mr. Weibrecht had talked about extending the schedule and starting it early enough (see 1/21/04 Minutes p.8)—could also have a big impact. If it was run for a week or two and it can double the numbers although the cumulative was not that great because the numbers were so low by comparison. Cape Air took a large hit with 13% off in May, about 1% in June, about 12% in July and August about 5%. Management would see how US Air numbers do but they would not be able to impact those Cape numbers which was the prime carrier. Mr. Hegarty noted that a customer could go round trip to San Francisco for what Cape Air was charging to go to Boston. Mr. Weibrecht noted that this was why US Air was in bankruptcy and Cape Air was not. Right now the price of the ticket had nothing to do with the cost of delivering the service for the main lines. Mr. Hegarty quoted yesterday's American Airlines round trip price to San Francisco as \$222. Mr. Weibrecht added that British Airways was about to announce \$99 round trip to Gatwick (London) out of Boston but it was paid for in other ways. Mr. Hegarty joked that Chair Law would be gone again. Chair Law agreed with Mr. Weibrecht that nothing was for nothing.

ust to give the MVAC an idea, revenue was up in most of the other areas. Management could give the Commissioners the long list but some of the revenues don't get billed out till January so numbers appeared a lot lower but the total dollars were up because of the increase in fuel sales or rather fuel price. Mr. Flynn added that collection on landing fees and tie downs was up which was a direct relation to enforcement. Mr. Weibrecht agreed that it was better there.

- Final Environmental Impact Report

This past weekend an additional survey was done for the purple tiger beetle and two were discovered in the South East Ramp area along the fence line, so it was now being determined what that would yield for the Airport. Mr. Weibrecht still hoped that 30 days from now, on probably the second meeting of next

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month—potentially the first meeting—the Airport would have the draft of that final document and could see what it would look like.

- **Water Quality Sampling Program**

The Airport did the first round. The MVAC might not have been aware of it but as part of the Draft Environmental Impact Report (D/EIR) the Airport agreed that they would in the future begin a testing program essentially establishing a picket line at the southern end of the field to sample ground water quality (see 4/7/04 Minutes p.4-5). The Airport started this program before it was required so that base lines could be established, the Airport would know where it stood, and because it was good practice. Water/Wastewater Operator Michael Eldridge did the testing back in July and the first round came back with no issues of anything rising even to ‘detect’ levels as it left the south end of the property. Further Mr. Eldridge did the first in-house round of sampling for the PCE issues (see 2/18/04 Minutes p. 10 and 4/7/04 Minutes p. 4-5) which came back positive also, i.e. PCE present—there were always PCE’s—but below the thresholds and getting close to drinking water status. If the next test came back in a similar fashion: positive for the Airport and the environment, the Airport would be filing a risk assessment outcome which was basically a program for the next part of the project: probably going to annual testing and then probably bi-annual testing after that, reducing work, lowering testing costs, etc.

For the sake of the general public who might be watching on TV Mr. Hegarty noted that the terminal was on a separate water system. Mr. Weibrecht concurred clarifying that he was talking about localized water streams so that there had not been any trace between any PCE’s left at the Airport and any water that left the Airport property itself. The Airport was in the process of treating that water on a continuing basis with an air stripping process whereby the water was pulled up, blasted with air in essence, and then put back into the ground water system, making essentially a large loop. That loop dissipated the PCE’s; it was an aeration system that stripped them out. Mr. Alley stated the Terminals drank the water supplied from the Oak Bluffs Water District. Mr. Flynn added that the Airport did have two private wells on the property (the laundry and Amerigas & Oil) and both of those were clean. Mr. Hegarty added Ted Stanley who had a third well.

4. New Business

Airfield Rates and Fees

Mr. Weibrecht mentioned these to let the MVAC know that Management would be looking to review them during the coming months, hoping to get them approved sometime in January to be in effect next season.

If anybody had comments, questions or concerns about the subject or wanted to talk about it more or look at it in more detail please feel free to offer up their thoughts early so that Management could include them in their considerations. Mr. Leland assumed Mr. Weibrecht was obviously talking about increasing the rates and fees—as nobody ever decreased them. Mr. Weibrecht replied this was right. The Airport had been judicially low and they had held off as long as possible. He further responded that in some instances quite honestly some areas could be looked at for decreases. Mr. Leland asked if he was looking for percentages. Mr. Weibrecht replied that yes, the changes would probably be in a percentage fashion. To give Mr. Leland some idea, Mr. Weibrecht explained that it had been about nine years or so and the Airport had one increase over the period. Last time the Airport did not come up to market and did not try to jump over the market, to try to get ahead again. However it was appropriate to review rates and fees even if it was decided not to do very much. Mr. Hegarty asked if the Airport had

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comps'(comparisons). Mr. Weibrecht responded that yes there would be a full sampling and clarified that this would include tie down fees, parking fees on both the aviation and vehicle sides, taxi fees, in short everything, but with a focus on the aviation side. Mr. Alley asked for the current rates and Mr. Weibrecht assured him they would be shown side by side, which was how it was done last time and the charts had been started to show the MVAC what the impact would be on this average class of aircraft.

Mr. Perry asked who the Airport would present the changes to for approval. Mr. Weibrecht replied they had to be fair and they had to be made available to the FAA. Typically Mr. Weibrecht would advise them that the Airport had a rate increase and they would typically ask Mr. Weibrecht to tell them if it was a small percentage, 2%, 3% etc. and if it was small then it is usually was not an issue. The FAA would also ask the question when was the last time a rate change was done, so that if the Airport were to go up 10% or 20% it still might be appropriate depending on the last time it was reviewed. So it was a fairly benign process.

Mr. Weibrecht had only one other matter which he wished to bring up while Mr. Rogers was present tonight if the MVAC wished to address it. The Airport had received a request letter from Mr. Rogers in revising the lease. Within the terms of the lease agreement with the Airport Mr. Rogers had the right to change the name of the entity who was listed on the leases and he was in fact requesting to do that. At this point it was being submitted because even though the MVAC might not *have* to approve it, it would be best if it did approve it. Unfortunately, Mr. Weibrecht could not follow up fast enough with Airport Counsel Marcia Cini this afternoon but instead of holding the request up any longer if it was the MVAC will.

Chair Law asked Mr. Rogers if he wanted to change from DNR to...Mr. Rogers explained that the lease was under his own name now and it was just being changed to a trust R2 Enterprises. The change was nothing with the Airport, Mr. Rogers was just putting everything under one umbrella for his estate planning; Mr. Rogers was still the owner. **MR. ALLY MOVED TO APPROVE THE NAME CHANGE ON THE LEASE FROM M. PETER ROGERS TO R2 ENTERPRISES PENDING THE REVIEW AND APPROVAL OF AIRPORT COUNSEL; MR. BILL MILL SECONDED; MOTION PASSED: 7 AYES, 0 NAYS, 0 ABSTENTIONS.** Mr. Rogers thanked the MVAC and Chair Law thanked Mr. Rogers.

6. Adjournment

There being no further matters to discuss, Chair Law asked for a motion to adjourn in record time. **MR. ALLEY MOVED TO ADJOURN AT 5:50PM; MR. HEGARTY SECONDED; MOTION PASSED UNANIMOUSLY: 7 AYES, 0 NAYS, 0 ABSTENTIONS.**

Documents on file:

Agenda 9/15/04
M. Peter Rogers Letter 8/22/04
M. Peter Rogers Letter 7/15/04
Michael W. Untermeyer Letter 8/25/04