

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

May 7, 2008 5:30PM

Martha's Vineyard Airport

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

Present: Airport Commissioners: Chair Frank Gildea, John Alley,
John Coskie, Norman Perry,

Airport Staff: Sean Flynn - Manager,
Deborah Potter - Assistant Manager,
Elaine Graves – Financial Clerk

Others: Marni Lipke – Recorder

Press: Gimili Glavin - MVTV

* Late arrival or early departure (see * in text)

The meeting was called to order at 5:48PM.

2. Subcommittee Reports

Land Use Subcommittee – had set their regular meeting time for the second Tuesday of the month at 5:30PM.

- The previous meeting covered issues with Osprey Trades, and AA Island Auto Rentals (see below #4 & #5). They also met with John Folino of Lot 14A over continued non-compliance over a 2004 sub-lease (see 3/19/08 Minutes p. 6 'Documents on File') . Mr. Folino again promised to fix the problem if possible. It was agreed that the subtenant would inform Airport Management in advance of each unavoidable non-compliance situation. If all efforts failed Mr. Folino agreed to deal with the current subtenant and/or seek another subtenant.

Finance and Budget Subcommittee – reviewed the Fiscal Year 2008 (FY08) Supplemental Budget (see below # 6).

Public Relations Subcommittee – had not met since the previous meeting; a few matters were still pending (see below: Tasks).

3. Chairman and Vice Chairman Signing Authority

MR. JOHN ALLEY MOVED TO CONTINUE PAST PRACTICE AND AUTHORIZE MR. FRANK GILDEA, CHAIR OF THE MARTHA'S VINEYARD AIRPORT COMMISSION, OR IF THE CHAIR IS UNAVAILABLE, MR. JOHN COSKIE, VICE CHAIR OF THE MARTHA'S VINEYARD AIRPORT COMMISSION, TO ENDORSE ON BEHALF OF THE COMMISSION, ALL WRITTEN INSTRUMENTS INCLUDING GRANT APPLICATIONS, GRANT ASSURANCES, GRANT MORTGAGES,

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CONTRACTS, AGREEMENTS, CORRESPONDENCE, AND OTHER INSTRUMENTS THAT HAVE BEEN DISCUSSED AND APPROVED BY THE MARTHA'S VINEYARD AIRPORT COMMISSION AS MAY FROM TIME TO TIME REQUIRE ENDORSEMENT ON BEHALF OF THE AIRPORT; MR. NORMAN PERRY SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, 0 ABSTENTIONS.

4. A-A Island Auto Rental Sign Requested (Vote) (See documents on file.)

A sign had been requested and the Land Use Subcommittee recommended that a policy be put in place for Terminal affiliate signs.

• MR. ALLEY MOVED TO APPROVE THE RECOMMENDED SIGNAGE POLICY:
- EACH RENTAL CAR COMPANY IS ALLOWED ONE (1) 8 IN. BY 11.5 IN. SIGN ON THEIR COUNTER TO DENOTE THEIR MARKETING AFFILIATIONS;
- EACH SIGN OR ANY CHANGE TO A PREVIOUSLY APPROVED SIGN, MUST BE REVIEWED AND APPROVED BY AIRPORT MANAGEMENT PRIOR TO ITS DISPLAY;
MR. PERRY SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, 0 ABSTENTIONS

5. Osprey Trades Sublease (Medeiros Excavation) (Vote) (See documents on file.)

Management had previously observed that Oprey Trades was being occupied by Medeiros Excavations and consequently began negotiations to get subtenant approval and resolve other non-compliance issues—here reflected in the Land Use Subcommittee's recommendation for conditional approval.

• MR. ALLEY MOVED TO APPROVE THE SUBLEASE TO MEDEIROS LLC EXCAVATION AS PRESENTED BY OSPREY TRADES WITH THE FOLLOWING CONDITIONS:
- THE SUBLEASE IS SUBJECT TO THE REVIEW, MODIFICATION, AND FINAL APPROVAL OF THE AGREEMENT BY AIRPORT MANAGEMENT AND LEGAL COUNSEL;
- NO MISCELLANEOUS LANDSCAPE MATERIAL IN OUTDOOR STORAGE IS APPROVED (SEE ITEM 4 ON THE REQUEST LETTER);
- NO EQUIPMENT MAINTENANCE IS APPROVED PENDING THE RECEIPT AND APPROVAL BY AIRPORT MANAGEMENT OF A BEST MANAGEMENT PLAN DETAILING THE PROCEDURES FOR THE RECLAMATION, STORAGE, AND DISPOSAL OF EQUIPMENT MAINTENANCE WASTE PRODUCTS (TO INCLUDE BUT NOT BE LIMITED TO OIL, TRANSMISSION FLUIDS, ANTIFREEZE, ETC.) (ITEM 6 ON THE REQUEST LETTER);

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- FINAL APPROVAL FROM AIRPORT MANAGEMENT WILL NOT BE ISSUED UNTIL THE REMAINING NON-COMPLIANT ISSUE (CONDITION OF REAR OF LOT) IS RESOLVED TO AIRPORT MANAGEMENT'S SATISFACTION; MR. PERRY AND MR. JOHN COSKIE SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, 0 ABSTENTIONS

- There was a brief discussion on formalizing subcommittee practices in regards to which decisions should be brought to the full Martha's Vineyard Airport Commission (MVAC) and how to handle some of the larger issues behind recommendations and denials.

6. FY08 Supplemental Budget (See documents on file.)

The Budget was reviewed for major changes.

- **Revenue** estimates of the new landing and tie down fees (see 4/18/07 Minutes p.1-2 #3) had been adjusted for their first year of collections.
- Because the Airport margin on fuel was cent over cost (instead of percent over cost) fuel prices were attractive and revenue rose.
- The new car rental lease raised Terminal revenue.
- Wastewater revenues were slightly down and Water revenues slightly up. Now that water billing was more consistent revenue was stabilizing.
- **Expense** rises included a cost of living (COL) raise for non-union personnel. There was a question over whether coverage for vacation time should be worked into staffing costs or be counted as overtime. Management was pro-active in getting good training for staff, including sending the entire staff or one or two who brought the skills back or possibly hosting trainings.
- The boiler had been a problem since installation and had been completely overhauled . Further problems would likely trigger replacement.
- Paving repair included a trench from the old terminal, and widening the second entrance to the Business Park. (The Airport Entrance Road would need repaving shortly.)
- A number of Airport vehicles required new tires—the prevalence of right turns wore out fuel truck tires quickly. A hybrid staff car would be purchased.
- Liability Insurance had been upgraded and now included environmental liability for the fuel farm.
- A Ground Power Unit (GPU) and tug was being purchased to discourage the use of Auxiliary Power Units (APU) on planes.
- Furniture was bought for the new administrative assistant position and for the new WiFi lounge (see 7/18/07 Minutes p. 2 #4 and below: Tasks). A new copier/fax/printer was also needed.
- Given the reduction in Federal Aviation Administration (FAA) and Mass Aeronautics Commission (MAC) grant funds it was vital that the Airport build reserves in its Stabilization and Capital Reserve funds.
- The General Accounting Standards Board (GASB) requirement to audit and analyze retiree health costs was being discussed with the County.

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• MR. COSKIE MOVED TO APPROVE THE FISCAL YEAR 2008 SUPPLEMENTAL BUDGET AT THE TOTAL APPROPRIATION OF \$3,806,835.08 AND TO AUTHORIZE AIRPORT MANAGEMENT TO MAKE SUCH TRANSFERS AS NEEDED BETWEEN NOW AND THE END OF FISCAL YEAR 2008; MR. ALLEY SECONDED; MOTION PASSED UNANIMOUSLY: 4 AYES, 0 NAYS, 0 ABSTENTIONS.

7. Old Business

- Hangar Lease Renewal
- Tenant Lease & Regulation Enforcement Policy (In process)
- EMS Response(s) to MVY (In process) (See 3/19/08 Minutes p.3-4 #6.)
- GAAP Reports (General Accepted Accounting Principles)

9. Airport's Manger's Update

- A move by the Mass. Legislature to repeal the tax exemption on aviation parts, airplanes, etc. could immediately effect aviation revenue by shifting the attractive pricing to nearby states that have tax exemptions. Small businesses, from sales to repair/maintenance, were likely to lose clients and fail. A number of trade organizations were lobbying against the measure. The move was not likely to effect MV Airport directly.
- The Airport was in need of a comprehensive policies and procedures manual to codify best practices for the protection of the organization, to facilitate smooth transitions for new staff, and provide central uniform information to all. A consultant would be hired to interview all staff, operators, tenants, towns, agencies and regular Airport consultants and then draft the manual –a costly process.
- It was noted that this was an example of upper management having more time for forward thinking and implementation.
- Sheriff Michael McCormack bowing to pressure was likely to transfer from County to State authority. Any land leased by the Department would automatically be re-assigned to Mass. State. Management was consulting FAA representative Donna Witte on the legal ramifications of the shift.
- Mr. Flynn would be away on vacation for two weeks but would stay in touch by email and phone.

10. Executive Session (if needed)

MR. ALLEY MOVED TO GO INTO EXECUTIVE SESSION AT 6:52PM NOT TO RETURN UNDER MASS. GENERAL LAW CHAPTER 39 SECTION 23 NO. (3), -- I.E. FOR THE PURPOSE OF DISCUSSING STRATEGY WITH RESPECT TO POTENTIAL LITIGATION AND TO INVITE AIRPORT MANAGER SEAN FLYNN, AIRPORT ASSISTANT MANAGER DEBORAH POTTER, SENIOR FINANCIAL CLERK ELAINE GRAVES AND RECORDER MARNI LIPKE TO BE PRESENT THROUGHOUT; MR.

COSKIE SECONDED; MR. ALLEY AYE, MR. COSKIE AYE, MR. PERRY AYE, MR. GILDEA AYE.

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11. Adjournment

MR. ALLEY MOVED TO ADJOURN AT 7:00 PM: MR. COSKIE SECONDED; MR. ALLEY AYE, MR. COSKIE AYE, MR. PERRY AYE, MR. GILDEA AYE.

Appendix A: Tasks

- Mr. Flynn – forward all emails on Public Relations to Mr. Alley.
- Consider sponsor to cover WiFi costs.
- List of Capital Projects for Capital Reserve Fund by start of FY09.
- Mr. Flynn – modify and close de-icing revenue.

May/June 2008 Agenda

- 4/29/08, 5/7/08 Minutes
- Auditor / Financial Reports Update

From previous meetings or ongoing

- Monthly statistics report
- Review of EdMar Sightseeing
- Sean - Ask MVTV re: standing order and bill for CD/DVD of MVAC meetings.
- Inform Commissioners when background information is available at the Airport.
- It is the responsibility of the Commissioners to view background information once it has been made available.
- Lease renewals 6 mos. to 1 year before lease ends.
- Require a deposit if tenant has repeated lease violations
- Facilitate a Tenant's Association

Appendix B: Documents on file:

- Agenda 5/7/08
- Sign-in Sheet 5/7/08
- MV Airport Staff Summary re: Affiliate Sign Policy for Rental Car Agents 5/7/08
- MV Airport Staff Summary re: MV Lot 7 Osprey Trades Sublease Request Medeiros Excavation 5/7/08
- MVY Airport FY 2008 Revenue Projections (7 p.) ver. 1.0
- Proposed FY 2008 Expenses (7 p.) ver. 2.2

These Minutes approved as written December 17, 2008