



BARNSTABLE MUNICIPAL AIRPORT

BOARDMAN-POLANDO FIELD

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Katie R. Servis, Airport Manager
Matthew T. Elia, Assistant Airport Manager

Barnstable Municipal
Airport Commission:

John T. Griffin Jr.,
Chairman

Stephen P. Cobb,
Vice Chairman

James DellaMorte
Clerk

Elizabeth Young,
Commissioner

Zachary Lesinski,
Commissioner

Joseph J. Berlandi,
Commissioner

Norman E. Weill,
Commissioner

BARNSTABLE MUNICIPAL AIRPORT COMMISSION FINANCE SUBCOMMITTEE MEETING MINUTES

Thursday, January 24, 2019
Airport Conference Room 3:00 p.m.

Commissioner's Present: (Roll Call)

James DellaMorte, Co-Chair
Stephen P. Cobb, Co-Chair
Joseph J. Berlandi, Commissioner

Airport Staff:

Katie R. Servis, Airport Manager
Suzanne Kennedy, Executive Assistant to the Airport Manager
Lisa Deveau, Administrative Financial Assistant

Public Members:

Norman Weill, Citizen; Kevin Bradley, Rectrix; Paul Tardif and Rich Tabaczynski, Ideal Floor Covering; John Flores and James Crocker, Barnstable Town Council; Andy Clyburn, Assistant Town Manager; and John Griffin, Citizen.

Meeting was called to order at 3:00 p.m. Roll call was taken.

Minutes of following Finance Subcommittee meeting minutes were unanimously approved & signed:

- ***November 6, 2018***
- ***December 11, 2018***
- ***December 11, 2018 Executive Session***

Commissioner Berlandi made a public statement for the record that he would like to compliment both the Airport Manager and the Finance Subcommittee Chair for their efforts in scheduling this meeting. It was difficult as the Manager and members have had conflicting schedules with private commitments and scheduled meetings; also, for compiling the agenda items for the meeting. This was difficult as management was responding to Finance subcommittee members requests.

He also gave a special thanks to the Manager and staff for providing the members with the information they requested on every agenda item well in advance so that they would be fully informed and he thanked the Chair of the Finance Subcommittee for his leadership.

The following Items were taken out of order.

NEW BUSINESS:

F0119-02 - Review and Approve Consent and Estoppel by and between the Barnstable Municipal Airport Commission ("Landlord"), Rectrix Aerodrome Centers, Inc. ("Rectrix"), Air Cape Cod, LLC ("ACC") and Ross Rectrix Holdings, LLC ("Ross Rectrix") for certain Lease Agreement dated July 2, 2001(as amended); August 20,2002 (as amended) & June 21, 2016 (as amended) by and between the Airport as landlord.

- The Manager introduced Kevin Bradley, representative of both Rectrix and Ross Aviation, and stated that if necessary Steven Gampp could be reached by phone.
- At the December Commission meeting it was determined that a MOU document would be drafted by Airport's outside counsel and sent to the Commission for review. This document is a result of that request.
- The Consent and Estoppel document has been reviewed by Airport Counsel, Rectrix Counsel, and Airport Management.
- Manager Servis stated that having Ross as a new partner of the HYA family will be exciting; but she was also very grateful for Rectrix and what they have done to establish themselves at this location and elsewhere.
- The remaining funds due to the Airport will be filled in at the time of the commission meeting in the first paragraph on page two of the Consent & Estoppel Document. At this time they have paid all of the fees just shy of \$5,000.00. Rectrix is requesting that the finance charges of approximately \$1,800.00 be waived. These were accrued due to parking inconsistencies on the North Ramp.

Action: Agenda item was moved to Full Commission for approval.

F0119-06 Review and Approve MAJ Commercial Realty LLC (Ideal Floor Covering) Lease Amendment #1 for certain Lease Agreement dated August 21, 2018 by and between the Airport as landlord and MAJ Commercial Realty LLC as tenant for 290 Iyannough Road/Route 132 in Hyannis, MA.

- Manager Servis introduced Paul Tardif, Attorney, and Rich Tabaczynski, Atlantic Design Engineers, Inc., representing Mark Woods from Ideal Floor Coverings.
- August 21, 2018 the Airport Commission signed a 20 year lease for property adjacent to the building that Ideal Floor Coverings purchased.
- During the permitting process it was determined that more square footage was needed for the loading dock and parking. The Town also indicated the Hyannis Fire Department now needs more room due to a larger turning radius requirement for new equipment.
- The new area would be a total of 8,154 square feet; 1,400 square feet would be added to the original leased area.
- The approval would allow Ideal Floor Coverings to move forward with their Town permitting in February.
- Airport Solutions Group will make sure that, from a survey standpoint, the requirements of the lease are met during demolition and construction.

Action: Agenda item was moved to Full Commission for approval.

OLD BUSINESS:

F1118-06 Review & Approve Updated Airport Air Carrier Incentive Program.

- The draft document (Attached) has been reviewed by the Infrastructure and Marketing Subcommittee and they asked to implement additional funds totaling \$25,000 for marketing and advertising in the FY2020 budget.
- Most airlines do not do their own marketing; they rely on the airports to do the marketing for them.
- These funds would also assist with marketing for the JumpStart event.
- Language changes, in red (page 2), would be added so as not to be limiting in attracting new ventures. This was requested by the Infrastructure Subcommittee.
- Manager Servis cited examples of category two services for existing airlines. Commissioner Cobb requested clarity of the language. He will email suggested changes for the language in this paragraph to Manager Servis to review for the final document to be approved on January 29th at the commission meeting.

Action: Agenda item moved to Full Commission for approval.

UPDATES:

Manager's Report Financial Overview

- Manager Servis reviewed the explanation of the columns on the Munis report (Attached)
- Current collected Revenues reflect 75% of the total budget.
- An example of line item revenues and the percent collected were discussed.
- 65% of total revenue is collected from Jet Fuel sales and only 9% is from land leases.
- Manager Servis would rather have a greater diversity of revenue streams
- Commissioner Cobb requested the total projected annual revenue amount collected from land leases. Manager Servis will forward this to the Commissioners.
- Commissioner DellaMorte requested a year to year analysis for the Jet Fuel to see if the Airport is ahead of last year's sales. Manager Servis will forward this to the Commissioners.
- The focus needs to be on areas where revenue can be increased in other sectors.
- The Expenditure budget is approximately 59% to date. Typically July and August have a higher rate of expenditures due to the seasonal needs. This time of year (January/February) management meets with staff to put holds on a number of line items.
- Manager Servis will provide this updated report and also a year to year comparison with last year at future subcommittee meetings.

F0119-04 Review and Approve MassDOT Grant Application for Airport Rates and Charges Study and Replacement of Airport Snow Removal Equipment (Airport Trucks #30 and #21) in the amount of \$200,000.

- MassDOT has indicated that there are FY2019 funds available due to delays of projects at other airports.
- During the CIP meeting in December MassDOT has indicated they have funds available for the Airport to conduct the Rates and Charges Study and for the purchase of two replacement vehicles for snow removal.
- There were small increases to the Airport Rates & Charges in 2017, but they had not been reviewed in the seven years prior to that. They are still not at the level that they should be compared to other airports.
- Increases in charges would be reviewed with the tenants and go through the public notice process.
- McFarland Johnson has recently completed several rates and charges studies for other airports. They identified some charges that staff had not considered and they are able to pull from their data sheets with supporting information.
- 80% of the cost would be reimbursed by the state, and the Airport would pay 20% (\$20,000) for this study.
- Commissioner Cobb asked what additional revenues were realized as a result of the Commissioner's workshop and small increases. There were increases in revenue line items for landing, parking fees, through the fence fees, event fees, etc. The landing fees are currently at 400% of the projected FY2019 revenue.
- Commissioner Cobb asked why this study needs to be done this fiscal year. Manager Servis explained the MassDOT grant would only be available because they have the unused funds this year. The study will need to be completed by June 30, 2019.
- Commissioner Berlandi asked if there were any available funds in the existing operating budget for FY2019. Manager Servis explained that any remaining funds and excess revenue goes back into the reserves at the end of the fiscal year. There are currently \$3.6 million in reserves.
- McFarland Johnson would need to do the analysis to determine how much could be realized through changes to the rates and charges. Ms. Servis reviewed the on-call consultant funds and the current projects they are reviewing.
- McFarland Johnson will prepare a scope of work for this study. The \$100,000 was the cost of the Nantucket study, and so this amount was initially used as a placeholder for the funds with MassDOT.
- The Airport currently has a net outlay of zero for the current gains; Commissioner DellaMorte asked how much was left on the table of unrealized revenue if the Commission did not increase the rates properly. Manager Servis stated that the process was quite time consuming for management to go through the

process and other airports were hesitant to share their rate information because it is competition. McFarland Johnson has this data readily available.

- The study will provide present day fees, but then it will be up to the Airport and Commission to update annually.
- The Commission expressed their concerns of cost vs. return and expending money out of reserves. This can be revisited after receiving the scope and fee for this study.
- If these funds are passed over for the study, the MassDOT funds will not be available again.
- The first read for Town Council appropriation approval is February 7th and the council likes to see approval beforehand.
- **Action: Agenda item moved to Full Commission for approval.**

F0119-05 Review and Approve Submission to the Town Council for Fiscal Year 2019 Supplemental Appropriation Order in the amount of \$200,000 for Airport Rates and Charges Study and Replacement of Airport Snow Removal Equipment (Airport Trucks #30 and #21) in the amount of \$200,000.

- These funds were not identified in the FY219 budget, so these must be requested through the appropriation process.

Action: Agenda item moved to Full Commission for approval.

F0119-03 Review and Approve FY2020-FY2025 Capital Budget and Project Data Sheets.

- Management met with the consultants in October/November to develop a draft Capital Improvement Plan (CIP). This was used at the December meeting with the FAA and MassDOT, and was sent to the Commission on December 10th.
- Most of these projects were also in last year's submission.
- After meeting with the FAA and MassDOT for funding availability, and with the town, a few modifications were suggested.
- Since the final version, sent to the Commission on December 28th, one additional project was added at the request of the Town Finance Director. This is to replace the steel I Beams in the T-Hangar for \$100,000 which will be funded 100% by the airport.

Action: Agenda item moved to Full Commission for approval with the addition of the \$100,000 project.

UPDATES:

- Land Development
 - Manager Servis reviewed a power point presentation on Airport Land Development (Attached).
 - The Commission commented that they liked the Best Practices Checklist that Manager Servis provided (Attached).
 - Three parcels were identified as priority areas for Round 1 – 211 Airport Road, 660 Iyannough Road (Sullivan Lot), and 290 Iyannough Road (Mildred's Lot).
 - Parcels were identified as areas for Round 2 - Steamship Authority Lot, and Mary Dunn Road Lots.
 - There was a discussion of the value of the parcels and need for appraisals. The recent appraisal for the Kmart property may be able to suffice for the 211 Airport Road parcel. It was determined to move forward with this property now, rather than waiting to see if it was worth more due to the improvement of the Kmart property. The FAA requires appraisals to determine fair market value.
 - Management will see if it is possible to bundle all three properties into one Request for Proposal (RFP) as individual properties.
- The Commission requested that management move forward with the RFP process.
- Agreement & Lease for WS Landing at Hyannis, LLC
 - WS Landing has requested modifications to both the Agreement and the Lease. They have asked for an extension to the 60 day window for signature that was outlined in the RFP.

- WS Landing will provide a red-line version of their proposed changes to management, then drafts will be provided to the Commission for approval.
- Manager Servis has requested an official letter of request from WS Landing that will be presented to the Commission at the January 29th meeting. Right now the 60 day window ends the first week of February. It was recommended that the extension be given for 60 days.

F0119-01 Discussion regarding the Establishment of Ad Hoc Committee for Landing Development Project.

- Commissioner Berlandi stated that this agenda item was retracted based upon information covered in today's meeting.

The next Finance Subcommittee Meeting is scheduled Tuesday, February 5 @ 8:30 am.

Adjournment: Voted and moved to adjourn at 4:15 p.m.



James DellaMorte, Co-Chairman



Stephen P. Cobb, Co-Chairman