

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

Wednesday, April 10, 2019

Airport Conference Room 8:30 a.m.

Commissioner's Present: (Roll Call)

James DellaMorte, Chairman

Joseph J. Berlandi, Commissioner

Norman E. Weill, Commissioner

Commissioner Absent:

None

Airport Staff:

Katie R Servis, Airport Manager

Matthew T. Elia, Assistant Airport Manager

Lisa Deveau, Financial Administrative Assistant

Mary McDonald, Financial Analyst

Public Members:

none

Meeting was called to order at 8:35 a.m. Roll call was taken.

Minutes of the February 5th, 2019, February 14th, 2019 Special & Executive Session Finance Subcommittee meeting were tabled until the May 7th, 2019 Finance Subcommittee meeting.

NEW BUSINESS

F0419-01 Review and Approve Fuel Pricing Agreement for the proposed sale of jet fuel by the Barnstable Municipal Airport (the "Fuel Seller") to GAMA Aviation LLC., (the "Fuel Purchaser")

- Manager Servis stated she had been speaking with GAMA Aviation for over a year and a half to work with the Airport on a Fuel Contract Agreement.
- She explained to the Board that she reviewed the available options pertaining to the Discount Fuel Program with GAMA and provided detailed comparisons for each option, as well as the applicable savings realized for each option, in an effort to attract them to the program.
- Wheels Up operates with GAMA and they had contacted GAMA regarding the Fuel Discount Program offered by Barnstable Municipal Airport.
- Manager Servis said that Wheels Up flies into Barnstable Airport on a regular basis. The hope is to have them become an additional participant in the Airport's Fuel Discount Program in the future.
- GAMA stated they were not comfortable committing to a signed contract at this point as they were unsure of what their uplift would be for the first year. They felt that once they have completed this first year, they'd have a better assessment for future business.

- GAMA agreed to a Fuel Pricing Agreement that would begin at a \$0.15 discount per gallon once fuel purchases exceeded the 501 gallon tier.
- Manager Servis explained that with this agreement GAMA will need to supply a list of aircraft that will be included in the program. The Airport will track their purchases and provide the results to GAMA. Hopefully GAMA will realize enough of a significant savings to attract them in the future.

➤ Manager Servis requested this item be moved to the Full Commission for approval.

- ❖ Motion was made by Commissioner Weill and seconded by Commissioner DellaMorte to move this item to the April 16th 2019 Full Commission Meeting

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

Manager Servis requested the following items be taken out of order:

Updates

➤ Financial Overview

Revenue collected to date is 2% above the Fiscal Year 2019 projection. The Airport had estimated collecting \$6.134M in revenues; to date just over \$7M in revenue has been collected, exceeding estimated projections. Increases in the fee structure implemented in October 2017 for items such as; fees for events held at the Airport as well as landing and parking fees have helped boost revenue. Additional fee increases are possible, but will not take place until the Airport's rates and charges analysis is completed. A small increase in fuel sales were noted as well.

- Manager Servis stated increases were based on the following:
 - Aircraft landing fee revenue was projected at \$235K; revenue collected to date is \$296K or 117% of the original projection. This is significant as the "true season" has not yet begun.
 - Aircraft parking fee revenue was projected at just over \$13K; to date \$63K has been collected or 466%. Some of this increase is due to fees collected from Rectrix for prior year aircraft parking. Withstanding this, revenues are still up.
 - Jet fuel sales collected are already at 99.5% of projection with the season just beginning.
 - Solar Revenues are based on the guaranteed annual output collected, which was projected at \$333K; to date the Airport has collected \$342K this number will increase as we move into longer days.
- Manager Servis continued to review Operating Expenses; to date nearly 70% is expended. Weekly staff meetings are held to monitor revenue and expense levels as we near the fiscal year close. Purchase orders are also monitored and require review and approval by management before proceeding with purchases in excess of \$250.00.
- Commissioner Weill commented that budget item balances are better than expected.
- Manager Servis explained the largest portion of the Airport's revenues are jet fuel sales at 65%. The Airport wants to diversify and not rely on jet fuel revenue as much. The Airport expects to see a change in revenue percentages based on anticipated land lease rentals.
- Commissioner Weill questioned if the Airport is in-line with the anticipated increases in Jet Fuel purchase costs. Manager Servis confirmed the Airport is on track for the remainder of the fiscal year and to expect increased revenues for fuel sales in May and June.
- Commissioner DellaMorte asked how many people were allocated to just fueling as it relates to the expense line for fuel. Manager Servis stated that fueling is not a dedicated job as the staff's jobs are multifaceted.
- Manager Servis stated the purpose of conducting the Rates and Charges study is to identify the cost of doing business. This data will be used to confirm the fuel markup the Airport assigns is adequate to cover overhead expenses. This study can, and will, be used as a measurement to determine these factors in the future

- Manager Servis mentioned that a majority of Jet fuel sales are sold to our contracted customers.
 - Commissioner DellaMorte requested an analysis that would help identify what percentage of staff was dedicated to fueling.
 - Manager Servis stated that the \$2.10 markup was ambiguous and this analysis would help to better identify the components that establish the markup.
 - Manager Servis explained that during the high season sometimes there may be a backup in aircraft waiting to fuel. This is the result of staffing constraints based on budget numbers.
 - Commissioner DellaMorte asked if an additional fuel truck could be brought in from June through August to alleviate the wait time for fueling. He mentioned the Airport could possibly be losing fuel customers because some may not want to wait in line to fuel up.
 - Manager Servis said the budget funds for these entities were already submitted but she would take another look at it.
- RFP Land Development Update
Item is on hold. The Chief Procurement Officer is waiting for a draft lease from the Airport to be attached to the 211 Airport Rd. parcel. Management has been dedicated to the Agreement and Lease with WS Development, which is a higher priority.
- Airport Rates and Charges Study
 Manager Servis reviewed the current schedule. The next step will be the review of the existing Rates and Charges in April, followed by a draft to be presented to the Commission in May. A final plan will be presented to the Commission in June and then go before the Finance Subcommittee in July to begin implementation.
- WS Landing at Hyannis LLC Update
 To be discussed in Executive Session
- Economic Impact Study
 Assistant Manager Elia explained this study, conducted by the MassDOT Aeronautics Division, is to show the value that public use airports have on the Commonwealth. This is accomplished by identifying what the impact is to employment and payroll and what money goes into the community. The Airport provided them with specific items they requested pertaining to the study. A specific downtrend identified with our Airport was the loss of Island Airlines in 2015 and its direct effect on jobs, payroll, and passenger facility charges, which the Airport collects. Manager Servis said this kind of study will quantify and help market our Airport. MassDOT also has links to videos available showing how different airports impact the economy. Commissioner Weill stated he thinks Barnstable County has the responsibility to promote more business. Manager Servis relayed that the Airport is hosting a networking breakfast with the Cape Cod Chamber for a meet and greet on April 26 highlighting the economic impact of the Airport. The Airline tenants are also attending; each having time to talk about their business and how it will impact the community.

EXECUTIVE SESSION:

At this time, Commissioner DellaMorte called for a motion: As Chair of the Finance Subcommittee, I move to go into Executive Session under G.L.c. 30A §21(A), to conduct a strategy session for the Agreement and Lease between the Barnstable Municipal Airport Commission and WS Landing at Hyannis, LLC. I declare that an open meeting may have a detrimental effect on the negotiating position of the Airport.


Also, to conduct a strategy session in regards to the Federal Aviation Regulation (FAR) Part 13, FAA Investigative and Enforcement Procedures between the Barnstable Municipal Airport Commission and RECTRIX COMMERCIAL AVIATION SERVICES, INC. I declare that an open meeting may have a detrimental effect on the litigating position of the Airport. The meeting will not reconvene in open session after the Executive Session.

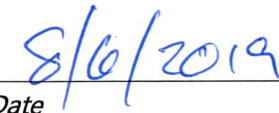
The motion was seconded, and a roll call vote was taken to go into executive session at 9:30 am.

Commissioner DellaMorte yes

Commissioner Berlandi yes

Commissioner Weill yes



James DellaMorte, Subcommittee Chairman

Date

BARNSTABLE MUNICIPAL AIRPORT

FINANCE SUBCOMMITTEE

Sign-in Sheet

8:30 am

April 10th, 2019

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