



FINANCE SUBCOMMITTEE MEETING MINUTES
Tuesday, October 5th, 2021
Airport Conference Room 8:30 a.m.
Via Zoom Virtual Meeting

Call Meeting to Order:

8:31 a.m.

Commissioner's Present: (Roll Call)

Norman E. Weill, Commissioner
Bradley J. Bailey, Commissioner
John G. Flores, Commissioner

Airport Staff:

Katie R. Servis, Airport Manager
Matthew T. Elia, Assistant Airport Manager
Mary McDonald, Financial Analyst

Public Members:

John T. Griffin

Minutes of the August 3rd, 2021 Finance Subcommittee meeting were unanimously approved by a roll call vote and will be signed at a later date.

Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes

OLD BUSINESS:

There was no old business to discuss.

NEW BUSINESS

F1021-1 Review and Discuss the Non-Federal Reimbursable Agreement by and Between the Department of Transportation Federal Aviation Administration and Cape Cod Gateway Commission

- Manager Servis stated when the HYA Air Traffic Control Tower was constructed, it was done so at 100% federal funding. However, the building itself is under control of the airport which includes all maintenance and repair.
- An Agreement titled: Reimbursable, (HYA) Provide Maintenance for the Hyannis Communications Equipment for FY22- FY26 at Cape Cod Gateway Airport exists between the Federal Aviation Administration (FAA) and the Airport to operate and maintain the communications systems for the facility.
- The Federal Aviation Administration (FAA) will perform required monthly, quarterly, semi-annual and annual maintenance, flight inspection and documentation as necessary for various communications equipment outlined in the agreement such as radios, transmitters, headsets, microphones, etc.
- If the FAA replaces a system due to a national upgrade, the airport would no longer be responsible for that system.
- The cost estimated of this Agreement is the expected maximum costs associated with this Agreement, but may be amended to recover the FAA's actual costs. If during the course of this Agreement actual costs are expected to exceed the estimated costs, the FAA will notify the Airport and an amendment to the Agreement will be executed.



- This agreement does not include the cost of replacement for any of these systems. This is strictly a maintenance agreement. Replacement of any of the communications systems would be at an additional cost, in which the airport sets aside funding annually in the amount of \$10,000 for such replacement if needed.
- The cost of the Agreement is as follows:
 - FY22 = \$13,665.00
 - FY23 = \$13,873.50
 - FY24 = \$14,092.43
 - FY25 = \$14,300.93
 - FY26 = \$14,530.28
 - Total FY22-26 = \$70,462.14
- Manager Servis stated the Airport prepays the entire estimated cost of the Agreement prior to the start of each fiscal year. The advance payment will be held as a non-interest bearing deposit.
- Commissioner Flores inquired whether this is CARES Act eligible. Manager Servis stated it would not be as this is another federal program; however the cost of repairs may be eligible. We need to separate various federal programs so as not to be double dipping.
- We are a contracted tower which is based on air traffic operations (the numbers of arriving and departing aircraft). In order to be listed as a federal air traffic control tower we would have to meet a higher level of annual traffic.
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes
Action: The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

F1021-2 Review and Discuss the Cape Cod Gateway Airport Jet Fuel Discount Program

- The Airport Jet Fuel Discount Program has been in existence since 2012 and changes have been made to the program over the years to incorporate additional features, to modify tier levels and to ensure that the airport offered a fair and reasonable discount to entice participation.
- Modifications were made in 2015, 2017, 2020 and now in 2021
- The 2020 version reduced the tier numbers with tier 1 starting at 100,001 gallons due to lack of participation below that mark.
- Net Jets and Everest are the two largest participators in our program.
- Manager Servis stated the programs were designed to include the following:
 - An annual contract with a fuel quota,
 - An annual contract without the fuel quota,
 - Plus an annual contract without the fuel quota same as 2020 program.
 - We have added a loyalty program without a limit.
- Gold Standard–Multiple Cumulative Purchases with an Annual Fuel Quota sign Agreement. We changed to a discount per gallon which gives us the flexibility in cost.
- Silver Standard- Multiple Cumulative Purchases without an Annual Fuel Quota Fuel Agreement. Discounts are available upon reaching each successive tier level.
- Bronze Standard- Multiple Cumulative Purchases without an Annual Fuel Quota Fuel Agreement (Loyalty Program). This program is for a fuel Purchaser who does not want to sign a contract but have a purchase track record. This is a two year commitment. The first year customer must sign on to the Silver Standard, then once a



proven track record customer can enter into Bronze Standard level and would receive a discount at gallon one of 20 cents

- Commissioner Weill stated he noticed language regarding approved credit card or preapproved net 10. He inquired what percentage of our fuel sales is non-contract. Manager Servis stated a large percentage of our fuel purchases are under a contract. Also, Commissioner Weill asked if we are in alignment with other airports. Manager Servis stated that we are and with the new fuel agreement we will have the flexibility to increase our margin to be competitive with the surrounding airports. We also have a unique situation where we sell our own fuel which is not necessarily the situation as other airports. For example, there are several Fixed Based Operators (FBO) at the New Bedford Airport competing for lowest jet fuel price. Commissioner Weill asked if we get a discount from World Fuel for larger purchases. Manager Servis stated we do not.
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes
Action: The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

F1021-3 Review and Discuss the Jet Fuel Pricing Agreement by and Between the Cape Cod Gateway Airport and Everest Fuel Management, LLC.

- Manager Servis stated Everest Fuel Management has contracted with the Airport since 2017 and each year they have surpassed their Fuel Quota. She also reviewed their Agreement time line and fuel quota's
 - In 2017 their contract started at 50,001 gallons of jet fuel.
 - In 2018 they increased their quota to 100,001
 - In 2019 and 2020, they raised their jet fuel quota to 200,001 gallons.
 - In 2021 they raised their purchase quota to 400,001 gallons of jet fuel and subject to the new agreement
- The prior fuel agreement had a set mark-up on jet fuel of \$1.35. This did not allow us to fluctuate the margin with Everest. We have eliminated this language and better defined the discount per gallon and the penalty, which allows for that flexibility
- Manager Servis stated Everest Fuel Management has already agreed to sign the new agreement
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes
Action: The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

F1021-4 Review and Discuss the License Agreement by and Between the Cape Cod Gateway Airport and Heritage Turbines.

- Manager Servis stated this is the third year that the airport has held a License Agreement with Heritage Turbines for the right to access Airport property for the purposes of loading and unloading equipment
- The Airport currently charges a fee of \$1500 for an access agreement
- Commissioner Flores asked comparatively how often Heritage uses their access then New England Detailing. Manager Servis stated Heritage Turbine uses their access five to six times a year. and once or twice a year by New England Detailing. Commissioner Flores stated maybe we should look at the rate a tenant uses access and charge



based on use. Manager Servis stated we can look at this at our next rates and charges review.

- Commission Flores asked why this is not an escalated charges. Manager Servis stated the charge is based on published rates. As we change rates, the Federal Aviation Administration guidelines require we hold hearing.
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes

Action: The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

F1021-5 Review and Discuss the License Agreement by and Between the Cape Cod Gateway Airport and New England Aircraft Detailing.

- Manager Servis stated this is the third year that the airport has held a License Agreement with New England Aircraft Detailing for the right to access Airport property for the purposes of washing aircraft
- New England Aircraft Detailing enters the airport property to dry wash aircraft for various tenants. New England Aircraft Detailing enters the airport property to dry wash aircraft for various tenants. We have had our Environmental Consultant, Horsley Witten Group look at their cleaning products to be sure they do not include Per-and polyfluoroalkyl substances (PFAS).
- The Airport currently charges a fee of \$1500 for an access agreement.
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes

Action: The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

F1021-6 Review and Discuss the Capital Improvement Plan (CIP) for FY2023-FY2027 for Cape Cod Gateway Airport

- As discussed in the August 2021 meetings, A draft CIP was provided to the Finance Subcommittee and the Commission in anticipation of the future meeting with the State and Federal agencies to make sure that the Commission was on the same page as Airport Management regarding our various projects
- Airport Management met with the State and Federal agencies on Monday September 27th, 2021.
- The projects listed in the various years FY2023-FY2027 remained as is in the DRAFT CIP with no further changes were made in the year in which the projects are planned for implementation
- The only modifications made were to update some of the cost estimates, which are subject to this discussion and request for approval
- Only change from August CIP is the Easements for the runway protection zone areas.
- Commissioner Flores asked when we are scheduled to bring this forth to the Town Council. Manager Servis stated it will be November 2021 time frame.
- A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes

Action: The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.



F1021-7 Review and Discuss Federal Airport Grants & Status.

- Airport Management went go over suggested modifications with the Finance Subcommittee regarding the disposition of the Airport's Fixed Based Operation and renovations as suggested by the Marketing and Infrastructure Subcommittee
- The Marketing and Infrastructure Subcommittee has asked that this project be of the highest priority and implemented as soon as possible using CARES Act funds. With the events that are scheduled for FY2022 and response to pilot's needs, the building's interior space needs a facelift and safety protocols implemented to place the door in the appropriate location
- Initially discussed by the Marketing and Infrastructure Subcommittee they wanted a quick fix, new floors, paint, furniture.
- The estimated cost for this project previously was \$180,000 which included a \$100,000 door, new entrance and vestibule. However, it did not include restroom renovations.
- Management has spoken to Fennick & McCredie about the remodeling of the Fix Based Operator and the "quick fix" versus "full implementation" as originally planned with the new door.
- In speaking to Fennick & McCredie, and based on accessibility law, we cannot modify the pilot space without upgrading and updating the restrooms to meet accessibility requirements and code. We cannot upgrade the pilot lounge without addressing the restrooms due to regulation, which requires that we look at the following when determining if we are over or under the requirement to meet various building codes:
 - Building's assessed value.
 - Percentage of public space within the building's overall footprint.
 - Recent development within a 3-year window.
 - 30% Rule
 - 100% Rule
 - 20% Rule
- Analysis:
 - The building is assessed between \$1 Million - \$3 Million dollars.
 - The percentage of building area that is public space is 5 percent.
 - 30% RULE: If you spend 30% of the assessed value of the building on anything which includes maintenance, you trigger full accessibility upgrades for public spaces. The value is pro-rated based on the percentage of the area of the building being affected.
 - We just upgraded the roof which cost \$592,334.25 and this counts towards the percentage and analysis.
 - Assessed value of public spaces is \$150,000.00 and 30 percent of that is \$45,000.00.
 - If you spend more than \$45,000.00 on patching the roof or other maintenance, you need to fully upgrade public spaces. (Doors, counters, fire alarm horn strobes, etc.). With the recent roof project, we have most likely tripped this level so any additional work will require upgrades.
 - \$100,000.00 RULE: If you spend more than \$100,000.00 upgrading the space (maintenance or reroofing is exempt up to \$500,000.00), you have to provide an accessible entrance, restroom, and drinking fountain (if public restrooms and drinking fountains are provided). This likely wouldn't apply unless maintenance is over \$500,000.00 (prorated for the percentage of public space). BUT: the 30 percent rule would still apply and is more demanding.
 - 20% RULE: If you spend any money remodeling or upgrading a space, you are required to spend up to 20 percent of that value to correct accessibility



deficiencies along the path of travel to that space or in that space. Specific employee work areas are excluded, but all other public and employee areas are included in the analysis.

- We would like to use CARES Act – CARES4 for which we indicated was for greater flexibility of projects to implement this project
 - CARES acts projects CARES3 and CARES4 projects are for Hangers and building modifications. Infrastructure as requested the FBO be moved up to a higher priority.
 - Commissioner Flores stated we need to move forward with this and we should add a separate accessibility bathroom and keep the ladies and men's room the same size.
 - Manager Servis state stated Infrastructure Subcommittee commissioners want project done by May 2021. It is not possible to meet this deadline and follow the Commission approval, procurement requirements and make a construction selection.
 - Commissioner Weill asked how often this space is utilized. Manager Servis stated it was used quite often and we have received comments on the poor condition of the building frequently.
 - A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes
- Action:* The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

F1021-8 Review and Discuss Amendment #9 by and Between Cape Cod Gateway Airport and Fennick & McCredie Architecture.

- This Amendment is for the pavement of the apron located at Gate P and the redevelopment of the T-Hangar in the amount of \$66,356.00.
 - Manager Servis reviewed that during the September 2021 Commission meeting, we showed you some photos of the failing pavement and indicated that we would like to include this effort in the T-Hangar replacement project for the following reasons:
 - The apron and skirt around the remodeled T-Hangar will have nothing to tie into due to failing pavement.
 - We could simply place a patch but at some point in the very near future we will need to fix this area.
 - We are requesting that be implemented as part of the overall project
 - This would include additional work :
 - Project management and construction oversight.
 - Survey
 - Boring and soils samples
 - Design
 - Additional permitting.
 - A motion was made by Commissioner Flores and seconded by Commissioner Bailey to approve and move the item to the Full Commission meeting by a roll call vote:
Commissioner Weil Yes Commissioner Flores yes Commissioner Bailey Yes
- Action:* The agenda item was moved to the *October 19th, 2021* Full Commission meeting for approval.

Updates: Highlighted items were discussed

- Upcoming November Finance Items:
 - Hyannis Hangar LLC -Management has a meeting on Thursday and will be on the on the Novembers meeting agenda.



- Airport Finances Update
 - Manager Servis will send the FY22 Budget update for review later today and will be discussed at the October Full Commission meeting.
- Dates to remember:
 - Good Morning Networking Breakfast with Cape Cod Chamber Membership – October 29, 2021 at 0800 in the Airport Café.

Additional Discussion:

Commissioner Weill asked if anyone read the Newspaper Article featured yesterday on Per- and polyfluoroalkyl substances (PFAS). He felt that we were portrayed as the largest target. Manager Servis stated that she thought the article shed light on the fact that the problem is beyond the Airport and Fire Academy, that it shed light on the larger picture of contributors.

Meeting Adjourned at 9:51 am

The next Finance Subcommittee Meeting is scheduled Tuesday, November 2nd, 2021 @ 8:30 a.m.



Norman E. Weill, Chairman

