



FINANCE SUBCOMMITTEE MEETING MINUTES
Tuesday, March 7, 2023
8:30 a.m.
Via Zoom Virtual Meeting

Call Meeting to Order:

8:30 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
Christopher Bostwick, Senior Project Manager
Mary McDonald, Financial Analyst

Public Members:

John T. Griffin, Cape Cod Gateway Airport

Minutes of the June 2022, July 2022, August 2022, September 2022, November 2022, December 2022 & January 2023 Finance Subcommittee meeting were unanimously approved by roll call vote.

Commissioner Weill Yes Commissioner Flores Yes Commissioner Bailey yes

OLD BUSINESS

There was no old business to discuss.

Agenda Items taken out of order:

NEW BUSINESS

FIN0323-1 Review and Approve the FY2024 Proposed Operating Budget

- Manager Servis reviewed the attached FY2023 Budget Summary Presentation.
- Management completed the DRAFT FY2024 Proposed Airport Operating Budget at the beginning of February and presented it to Town of Barnstable (TOB) Leadership according the annual budget schedule that they set for each department
 - The TOB Leadership was in agreement with our proposed budget, approach and justification for FY2024
- The budget provides justification and rational notes for operating budget both revenues and expenses
- We are tracking well within the budget with a current budget surplus of \$ 5 million.
- FY2024 proposed Budget is \$ 12,030,401.00, which is a 23% increase from FY2023. Jet fuel has had a significant impact on the increase, which is estimated to be \$5,625,000.00 Expenses \$7,400,000.00 Revenues in FY2024.



- Commissioner Weill asked if it was an increase in jet fuel purchase price or sales. Manager Servis stated that there is an increase in the purchase price and we had a peak in our sales with over 1.4M gallons sold. He also asked about supply, Manager Servis stated that we have only had one issue last year. He inquired about if the price is staying stable. Manager Servis stated it fluctuates weekly but within the proposed budget we estimated it at \$5.00 gallon for planning purposes.
- Commissioner Weill stated the budget is such a large number and has potential risks which are outside of management's control. It is extraordinary easy to project expense levels and extraordinarily difficult to project revenue. He feels management has done a really good job of keeping an eye on revenue and projecting accordingly.
- Commissioner Flores inquired about the \$5,000,000.00 surplus and asked what we should expect in the last quarter. Manager Servis stated the surplus is the dollar amount as of today and that will fluctuate as we pay for various expenses that do not come to us until the end of the fiscal year. We should be somewhere in the range of \$1M - \$2M surplus for the final quarter. He also asked what is left in the Coronavirus Aid, Relief and Economic Security (CARES) and Coronavirus Response and Supplemental Act (CRRSA) Grants. Manager Servis stated the CARES Act we have used \$8,000,000.00 to offset the operating budget. The remainder will fund the three ongoing projects, Mary Dunn Way Project and Airport Operations Remodel & T-Hangar. By August 2023 the CARES will be exhausted, CRRSA just over \$1.0M has been exhausted. The American Rescue Plan Act (ARPA) Grant we asked the Federal Aviation Administration (FAA) what we can use the Funds for. The response we received was that if not used for operating budget but for a project/improvements, the improvement has to be used toward COVID related upgrades, for instance HVAC or certain operating expenses.
- The Bipartisan Infrastructure Law (BIL) grant is a one year grant and is based on the project by project basis. The first BIL grant is for the Environmental Assessment Planning Project.
- The second BIL grant we are in the process of researching how we can utilize the funds
- Commissioner Flores stated we should be up front with the 23% increase and the increase should be identified as Jet Fuel related. He stated that there should be a breakdown so it will be clearly identified for the Town Council.
- Manager Servis stated we will offer that during our meetings with Town Council to spell out that although we tried to keep the expenses similar to FY 2023, jet fuel increases added \$2 million to cover Jet Fuel.
 - We also need to account for COVID Deferred asset maintenance as well and that was added to the budget
 - Business Plan Goals increased partly due to hosting the round table and more marketing. This will significantly increase this line item due to the cost associated with hosting such an event.
- 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 Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes
 Action: The agenda item was moved to the March 21, 2022 Full Commission meeting for approval

FIN0323-2 Review and Approve a lease agreement by and between the Town of Barnstable Cape Cod Gateway Airport and Michele Kennedy D/B/A Studio Gallery at the Airport



- Manager Servis stated Michele Kennedy Studios has been a welcome fixture in the airport terminal for many years; the studio she has created has so many appealing attributes:
 - It is like the wing of our own little art museum drawing in many captive travelers.
 - It is a unique opportunity to showcase something special in our terminal and allows the airport to support local artists; and
 - It creates a sense of place, a welcome respite for airport employees and travelers alike where it eases the stress and the frustration of travel
 - Let's face it, air travel is not the equivalent to a trip to the spa - traveling is stressful but this space that Michele has created eases that stress
 - Michele's art acts as an intervention to comfort, distract, and entertain anxious travelers; providing a welcome distraction for those with delays or those having a stressful day. Michele's art often gives travelers and airport employee's time and space to unwind.
- The unique role Michele plays in the terminal, and the unique services provided, the proposed lease rates are reflective of those services being offered and the following must be considered.
 - The art studio does not bring in the same monthly revenue potential as passenger services do that are located in the terminal (commercial flights, security or rental cars) and oftentimes Michele may go months between art commissions or selling a single painting. Her customers are not daily occurrences.
 - The studio space was never intended as a revenue generator. In fact, the art studio occupies space that otherwise was earmarked for airport storage.
 - Former Airport Manager Bud Breault saw the potential of having an art studio in the terminal and brought Michele onboard on a tenant at will basis at a reasonable rate
 - Fast forward 12 years later and Michele is still here in the terminal creating beautiful art
 - If the space were not being used by Michele as a studio, it would be converted back to storage for Airport Administration purposes or would be vacant
- Airport Management would prefer continuing its use as a studio allowing art accessibility to a wider audience and maintaining a unique experience in the terminal.
 - Airport Management provided some heart-warming notes from visitors to the studio that reflect how special and unique the studio is to many that walk through its doors and Management wishes to maintain that cultural connection.
- The attached lease was revised to include updates to various articles approved by the Airport's attorneys including updates to airport insurance requirements, Federal Aviation Administration (FAA) required lease provisions and annual rental adjustments (not established in the earlier lease).
- The lease is for 5-years with two 5-year renewal options
 - Annual 2023 rate = \$4,200
 - Annual 2024 rate and thereafter will increase by 3%
- Discussions with Michele include an annual gallery opening event in the fall as part of our
- Manager Servis mentioned visitor notes which she sent to commissioners last week with the agenda. She stated travelers love the gallery. Other discussions with Michelle



were adding an Annual Gallery Opening to the Community Event Series to let the community know we are more than to a transportation facility.

- Commissioner Weill stated in addition to the supporting Manager Servis comments, he has a certain bias where his wife is a former Art teacher and is an artist. We have also been talking about the budget and stimulating more airline revenue and airport traffic. He thinks this should be a regional effort not a Town of Barnstable effort. The cape has an abundance of outstanding artist & art venues. Michelle's studio is a small part of a large artist community. He supports this agenda item.
- Commissioner Flores asked what she is currently paying and if she receives free parking? Manager Servis stated her current rent is \$4,200.00 annually which we will maintain that rate for the first year, and then increase by 3% annually to stay consistent with other airport leases. She has free parking as other airport tenants do.
- Commissioner Flores stated he is in total support of Michelle's studio and loves her art. He thinks she is a huge asset to the airport and the Town of Barnstable. Manager Servis shared Pain D'Avignon is adding a new French Café and has contracted Michelle to paint a large mural in the Café'
- 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 Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes
Action: The agenda item was moved to the *March 21, 2022* Full Commission meeting for approval

FIN0323-3 Review and Approve the Award and Contract for FY23 Airfield Pavement Marking

- Assistant Manager Elia reviewed power point presentation.
- On February 15, 2023 Airport Management submitted a bid package to the Town of Barnstable's Procurement Office for the annual Airfield Pavement Marking project.
- Painting is added to the airport's operating budget on an annual basis to meet the requirements of the Airport's Federal Aviation Administration (FAA) certification certificate.
 - With rain, sleet, snow and sun, the paint markings lose their luster and brilliancy quickly and in order to meet federal requirements, painting is always required.
 - The airport does not paint every surface annually but has devised a program for the facility based on need, wear and tear of the markings and the leveraging of grant funding when able but the program has been devised to systematically ensure that the facility is meeting federal requirements
- The Airport maintains approximately 312,000 square feet of pavement markings across the airfield to meet the FAR Part 139 requirements. The Federal Aviation Administration (FAA) requires pavement marking to delineate Runways, Taxiways, Apron, and Vehicle Service Roads.
- The markings consist of paint and reflective media (glass beads)
- We worked with the Town of Barnstable Procurement who conducted the procurement process in accordance with Mass General Law..
 - 02/15/23 Bid Advertisement
 - 02/21/23 Pre-Bid Meeting
 - 03/01/23 Bids Due & Bid Opening
 - 03/02/23 Staff Reviewed Bids & Identified a Successful Bidder.



- We received two bid responses :
 - Hi-Lite Airfield Services \$205,777.00
 - K5 Corporation \$ 255,030.00
- The Primary difference in the bids were the “marking” (paint price)
- Successful bidder was 19% less than the engineer’s estimate, high bidder was \$ 1,000.00 over.
- The airport will remain open for the majority of the painting. It will require some night work (11:00pm -5:00am) through the runway intersection. The goal is to accomplish majority of painting before the RWY 6-24 project.
- Commissioner Flores asked if the company has a good track record. Assistant Airport Manager Elia stated yes, they do have airport experience.
- 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 Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes
Action: The agenda item was moved to the *March 21, 2022* Full Commission meeting for approval

FIN0323-4 Review and Approve Travel Approval Letter for Airport Staff.

- Manager Servis stated at the request of the Town Manager, Airport Management was asked to supply travel approval letters for various conferences, seminars and training for all airport staff
- The FY2023 budget approved the funding for various training and conferences to ensure staff is properly trained to implement all aspects of their jobs to meet federal certification criteria.
- Airport Management has recently promoted staff to a vacated position in Airport Operations due to the retirement of Leonid Soldatov, which requires formal aircraft rescue and firefighting training.
- We send our new staff members to Kentucky for their 40 hour training. This prevents a long wait time.
- Additionally, one day training for 5 members to attend annually required live fire training in April 2023 in New Hampshire.
- Commissioner Flores asked if James Desilver will be flying out of Hyannis. Manager Servis stated hopefully soon.
- 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 Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes
Action: The agenda item was moved to the *March 21, 2022* Full Commission meeting for approval

FIN0323-5 Review and Approve Amendment #1 by and between Cape Cod Gateway Airport and Judith Goetz for On-Call Professional Media Services for Integrated Communications Services

- Manager Servis stated both our current contract with Judith Goetz for On-Call Professional Media Services and Social Media Content Management have expired and management is asking to extend the contract until the end of April 2023



- We feel that this is adequate time for such services before the bidding process will be completed for the Communications Manager contract, which will include services such as these.
- The ORIGINAL CONTRACT AMOUNT = \$24,000.00
- AMOUNT OF THIS AMENDMENT 1 = \$9,300
 - 3-month Social Media Proposal & 3-month extension for Professional Media Services for Integrated Communications Services
- REVISED CONTRACT AMOUNT = \$ 33,300.00.
- Commissioner Flores asked about the significant increase on an annual basis. Manager Servis stated she has helped us with communication management, Environmental Assessment and she will also be providing 3 months of social media efforts. Commissioner Flores stated so the social media piece is the increase, Manager Servis stated that is correct.
- 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 Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes
Action: The agenda item was moved to the *March 27, 2022* Full Commission meeting for approval

Updates:

- Southern Airways Express- A follow up meeting is scheduled for later this month. They want to return to Hyannis seasonally. They have inquired 60 aircraft Saab 340, 30 passengers, which once repainted they would like to bring to Hyannis on June 15, 2023, starting flights in July 2023. They would start off with 2 flights a day catering to contractors. The flights will start at 6:00 am running from New Bedford/Hyannis/Nantucket. If they cannot get the aircraft ready in time for the June date, it will be next year, June 15, 2024. Commissioner Flores stated he hopes the pricing is competitive.
- Gull Air – Bill McGrath- Allies is transiting to Gull Air, which is an old name familiar to Airport. Their intention is to bring back 10 trips a day and 10,000 passengers a year.
 - Manager Servis spoke with the airport attorney and where Allies is only changing their name no changes to their current lease will need to be made, just the name.
 - Commissioner Flores shared a personal story: In 1976 when his uncle passed away on Nantucket Island and he could not take the ferry, he met Bill McGrath and he sold the ticket, loaded the plane flew the plane and because they ran out of sets he added an extra seat, which was a beach lounge chair.
- John Griffin stated that he noticed no one is talking about Martha Vineyard when talking about the scheduling of routes. Manager Servis stated Cape Air will be running those flights.
- March 7 = Barnstable Citizenship Academy 6:30 – 9:00 Held at airport
- March 10/11, 2023 = A Night in the Terminal – Scout Sleepover. Commissioner Weill will be helping out by giving an overview of how to use a flight chart.

Additional Comments:

- Commissioner Flores asked if management had heard back from Cape Cod Council regarding the cub-scout's sleepover. Manager Servis stated no she will look into it.



EXECUTIVE SESSION:

At this time, Commissioner Weill called for a motion: As Chair of the Finance Subcommittee, I move to go into Executive Session pursuant to M.G.L. c. 30A, § 21(a)(6) to discuss strategy with respect to the lease of real property by and Between Cape Cod Gateway Airport and a Future Lessee for 110 Mary Dunn Way as a discussion in open session may have a detrimental effect on the negotiating position of the public body, the Airport Commission. The meeting will 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 9:42 am, and will reconvene in open session.

- Commissioner Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes

Regular session was reconvened at 10:08 am

Executive Session pursuant to M.G.L. c. 30A, § 21(a)(6) to discuss strategy with respect to the lease of real property by and Between Cape Cod Gateway Airport and a Future Lessee for 110 Mary Dunn Way as a discussion in open session may have a detrimental effect on the negotiating position of the public body, the Airport Commission.

- No further discussion in open session.
- Commissioner Flores Motioned to forward to Full commission meeting on March 21, 2023 Airport Managements recommendation for Review and Approval, descriptive of renovations, improvements , time table, due diligence and financial required relative to any potential structural lease by roll call vote.

Commissioner Weill -Yes Commissioner Bailey - Yes Commissioner Flores -Yes

Action: The agenda item was moved to the March 21, 2022 Full Commission meeting for approval

Commissioner Weill commented based on our discussions regarding airport buildings and how they end up in disrepair, he would suggest we have a more active role in making sure we protect our position and be really active whether it is in a lease or keep an active eye on it. Things deteriorate quickly and costly to repair.

Meeting was adjourned at 10:12 AM

The next Finance Subcommittee Meeting is scheduled Tuesday, April 4, 2023 @ 8:30 a.m.



Norman E. Weill, Chairman

