



# *New Bedford Regional Airport*

November 19, 2014 – **Minutes**

NBRA Commission Conference Room, Terminal Building New Bedford  
Regional Airport, 1569 Airport Road

Meeting Opened at 6:12pm

Meeting Adjourned at 8:00pm

## Members Present

Paul Barton  
Jason Oliveira  
William Gushue  
Carlos DaCunha  
Adam Simmons  
Ken Machado

## Members Absent

Moira Tierney  
Gary Correia

## Airport Admin Staff

Erick D'Leon, Airport Manager  
Matthew Elia, Asst. Airport Manager  
Joan Jones, Principal Clerk

## Others Present

Eric Jaikes  
June Smith  
Richard Araujo  
Russ Olson  
Robert Mallard

1. Call to order. Meeting was called to order at 6:12pm.
2. Pledge of Allegiance
3. Roll call was taken by the Chairman. All commissioners present except Commissioners Tierney and Correia.
4. The members of the Airport Commission have received minutes of the previous meeting held on, October 22, 2014. Request acceptance of those minutes, as recorded. Motion to accept minutes made by Commissioner DaCunha and 2<sup>nd</sup> by Commissioner Machado. Motion carried.

Taken out of order was the Finance/Audit committee reports (#5 D below)

## 5. **Reports:**

### A. **Manager report**

1. Vector Assessment and renewal option – Manager provided back ground of Vector's relationship with the airport and noted that there are 2 optional 2 year extensions at commission's sole discretion for renewal. The arrangement previously made is barely profitable for Vector because we do not generate that much traffic. In the past they have not charged us the monthly operation/maintenance fee (if they don't charge the fee they don't maintain it either – so now it is outdated and needs to be tuned). They now plan to be charging us the fee, which will reduce our revenue drastically (by over \$11,000.00 yrly). Manager noted we are missing the bulk of our traffic for only charging aircraft 5500 lbs and over (based aircraft are exempt) so it is essential we find ways to reduce the Vector fee. Manager went over possible funding ideas, compared like airport charges and suggested we reduce the weight limit from 5500lbs down to 3000lbs (at current rate), initiate a minimum fee of \$10.00 aircraft and renew the first renewal option. Chair asked if we can adjust the % of revenue between ourselves and Vector as a possible option before renewal. Manager feels it would be a tough sell because enplanements have gone down through the years, they have waived maintenance fees right from the beginning and renewal option date has lapsed; therefore we should proceed as suggested for the first renewal option. Atty. Jaikes noted we have no valid contract as option date has passed so he would not try to adjust %, however if they agree to exercise their option (nunc pro tunc) we can continue our prior arrangement. Chair still wants manager to try and reduce % with Vector but Atty. Jaikes cautioned that they have waived the yearly \$11,000.00 fee for 5 years. Motion made by Commissioner DaCunha to exercise the 2 year option of

extension with the Vector contract nunc pro tunc to 6/24/14. This motion was 2<sup>nd</sup> by Commissioner Machado. All in favor except Chairman Barton who was opposed. Motion carried. Motion made by Commissioner DaCunha to decrease the minimum landing fee from 5500lbs to 3000 lbs and begin charging a minimum \$10.00 flat fee for all assessed transactions. This motion was 2<sup>nd</sup> by Commissioner Machado. All in favor. Motion carried

2. Bristol County ATM renewal option- Bristol County wants to renew their lease for an additional 5 years but they will not provide how much money flows out of the ATM due to security concerns. This is just a courtesy service to the airport and they pay a yearly fee of \$120.00 to cover the electric. Manager would like to see bid process at the end of this 5 year extension. Motion made by Commissioner DaCunha and 2<sup>nd</sup> by Commissioner Machado to exercise option for the ATM and increase yearly fee to \$200.00 to cover our costs. All in favor. Motion carried.

3. Free cash account update –There are problems concerning our equipment breaking down (due to age), issues with our building (piping, etc. also due to aging) and our enplanements drastically down. Today there was a plumbing issue with the AVIS office causing steam and flooding due to heater letting go. There was also an aircraft emergency related to leaking gas but it was resolved with no incident That being said, it is necessary to transfer money from free cash as the budget is very tight and will not sustain us this fiscal year. Our certified free cash account is \$371,000.00 (after several years of build up due to vacant positions) and out of that manager is requesting the following transfers - \$10,000.00 for market study/air service development; \$38,200.00 for grant match funding for EA Permitting Project short term debt, as there is no funding in place at this time; \$15,000.00 for parking lot ticket machine to collect our own fees now that the LAZ contract is up for renewal (Traffic dept will collect ticketing fees and we will not have to split the revenues) and lastly is to establish an airport Stabilization Fund in the amount of \$100,000.00. The total amount of requested transfer equals \$163,200.00 leaving a balance of \$207,800.00 in our free cash account (commissioners will be updated with balance yearly once certified). Discussion ensued and manager addressed concerns and questions of the commissioners regarding LAZ parking, the Stabilization account, market survey and Cape Air enplanements. Manager noted that he will meet with Cape Air regarding enplanements in order to get their ideas, suggestions and discuss possible strategies. We must find out what they are planning to do here in the future and proceed from there. Chair wants manager to meet with the owner of Cape Air asap – it is time to fish or cut bait and we must plan accordingly. Chair asked if we can use Bridgewater students to help with our marketing endeavors and manager noted that we will gladly incorporate them and their resources. After discussion period, the following motions were made:

- (a) Motion of concern made by Commissioner Gushue and 2<sup>nd</sup> by Commissioner Oliveira regarding drop in enplanements and to direct manager to speak with owner of Cape Air regarding their future plans. All in favor. Motion carried.
- (b) Motion made by Commissioner Machado and 2<sup>nd</sup> by Commissioner Gushue to move for approval of free cash. All in favor. Motion carried.

**B. Chairman** - nothing to report

**C. Airport Solutions Group** – Written report included in package. Bob Mallard was present tonight to go over his report and answer any questions. It was noted that we are trying to get the terminal building moved up a few years on plans due to various challenges we face with an old building. Chair would like to survey property properly for meets and bounds (lease lines) prior to Taxiway Alpha work. Mr. Mallard replied we must get all leases boundaries for ramp properties first and then approach MassDot for assistance and it may be possible to incorporate this with the upcoming ramp project. Mr. Mallard will do what he can to help find the problem (but this will take time).

**D. Financial/Operations Reports** –Included in package. Commissioner DaCunha questioned the 3 outstanding collection issues concerning Vineyard Gazette, Yellow Cab and Star Cab on page 8 and was told that those invoices are in collection through the Treasurer's office.

**E. Commissioner Reports**

**1. Operations Committee** - nothing to report

**2. Finance and Audit Committee** – Committee Chairman DaCunha explained briefly what had transpired during last night’s meeting concerning NorEast Aviation. Committee is recommending motions for reduction in lease space; sale of stock; approval of 100% stock transfer and acceptance of pledge. The following motions were made by Commissioner Barton and 2<sup>nd</sup> by Commission Gushue:

Motion made by Commissioner Barton and 2<sup>nd</sup> by Commissioner Gushue to recommend to the full commission to approve lease amendment on lease between New Bedford Regional Airport and NorEast Aviation Services, Inc, to reduce total sf of 124,684 sf to 103,105sf (reduction of 21,579 sf) with a corresponding reduction in rent. All in favor. Motion carried

Motion made by Commissioner Barton and 2<sup>nd</sup> by Commissioner Gushue to recommend to the full commission to approve, with condition of lease amendment, to waive the 5% fee on sale of stock from NorEast Aviation Services, Inc, to the potential buyer and accept the reduced amount of \$13,000.00 to be paid over a 5 year period on semi-annual installments. All in favor. Motion carried.

Motion made by Commissioner Barton and 2<sup>nd</sup> by Commissioner Gushue to recommend to the full commission to approve transfer of 100% of the issued and outstanding stock in NorEast Aviation Services, Inc of to Richard Araujo. All in favor. Motion carried.

Motion made by Commissioner Barton and 2<sup>nd</sup> by Commissioner Gushue to recommend to the full commission to have Richard Araujo pledge 100% of NorEast Aviation Services, Inc stock back to Mr. Steidinger to secure a promissory note for \$750,000.00 in accordance with pledge presented to the commission. All in favor. Motion carried

Also discussed at the Finance and Audit Committee meeting was initial Leasing Policy dialog and more details will be forthcoming.

**3. Marketing and Planning Committee** – nothing to report

**4. Special Events Committee** - nothing to report

**6. City Solicitor - Monthly Status Reports:**

**7. Old Business:**

**8. New Business:**

1. Consideration of proposal to transfer all of NorEast Aviation stock – this item heard earlier

**9. Communications:** See attached

**10. Tabled Business:**

**11. Executive Session:**

1. Discussion of Lease Negotiations (if needed)

**12. Adjournment.** Motion to adjourn at 8:00 made by Commissioner Gushue and 2<sup>nd</sup> by Commissioner Machado. **Next Airport Commission meeting is scheduled for Wednesday, December 17, 2014.**

Respectfully submitted,

Joan Jones  
New Bedford Regional Airport