

**BEVERLY AIRPORT COMMISSION  
MINUTES OF MEETING  
MAY 8, 2023**

*LOCATION:* 50 L.P. Henderson Rd., Beverly Airport East Side

*PRESENT:* Commissioners Paul Trefry, Jason Reulet, Aaron Henry, Jessie Zuberek, Josh Doxsee, Khris Kendrick and Kyle Retallack

*OTHERS PRESENT:* Craig Schuster, Bryant Ayles, City Finance Director/Treasurer and Mayor Cahill

*ABSENT:* Peter Gentile

*PUBLIC:* Mark Zuberek and Rachael Abell

*RECORDER:* Christine Martin Barraford

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**A. CALL TO ORDER**

Mr. Trefry called the meeting to order at approximately 6:00PM, which is being audio and video recorded as a hybrid meeting. A member of the public, Mark Zuberek, is also recording the meeting. A quorum was present: Mr. Trefry-Y, Mr. Retallack-Y, Mr. Kendrick-Y, Mr. Doxsee-Y, Mr. Reulet-Y, Ms. Zuberek-Y and Mr. Henry-Y.

**1. Pledge of Allegiance**

Mr. Trefry led those in attendance in the recitation of the Pledge of Allegiance.

**2. Acceptance of Regular Meeting Minutes – April 10, 2023**

Upon motion duly made by Ms. Zuberek and seconded by Mr. Kendrick, it was unanimously voted to approve the above minutes. Motion passed 7-0, unanimous.

**3. Reading of the Financial Report – Mr. Trefry**

In Mr. Rawding's absence, Mr. Trefry reviewed the attached financial report. Also submitted were the following revenues for April, 2023 as compared with April, 2022: a) fuel flowage fee revenue at \$6,213.90 represented a decrease of \$15.70; b) traffic count at 7,230 represented a decrease of 228.00; and c) landing fee revenue at \$9,115.25 represented a decrease of \$930.73.

Upon motion duly made by Mr. Henry and seconded by Mr. Kendrick, it was unanimously voted to approve the financial report as submitted. Motion passed 7-0, unanimous.

**4. Presentation on the City of Beverly's Financial Support of Airport Operations and the Renovations to Building 45 and Warehouse**

Bryant Ayles, Finance Director/Treasurer for the City of Beverly, appeared before the Commission and presented the financial summary of the City's support of airport operations and renovations to building 45 and the warehouse, copy of which is attached and made part of these minutes. Following are the highlights of the presentation (for detailed information see the attached document):

- October 2105 real estate appraisal
  - Building 45
  - Warehouse buildings
- City occupancy of buildings (assuming 3% rental rates)
  - Building 45
  - Warehouse buildings
- Costs incurred since FY16 on behalf of Beverly Airport paid from General Fund
  - Exclusive of airport investment in rehab projects
  - DPS materials and contractors for renovation to airport property
  - DPS labor costs of renovations breakdown
  - DPS construction and maintenance
  - DPS consultant fee for employee training (workplace hazard training)
  - Cumulative airport operating costs assumed by General Fund
- Direct and indirect costs to be charged to enterprise funds
  - Central service support functions and government support of entities under city umbrella, i.e. IT services, etc.
  - Employee benefits including health/life insurance, retirement and post-retirement
  - Property/casualty insurance, payroll tax, retirement buyout, unemployment claims and direct legal costs
- Enterprise fund accounting as of June 30, 2022
  - Remaining airport funds from rehab project - \$111K
- Summary
  - Market rate value of occupancy of airport buildings to date
  - City investment in support of airport since FY16
  - Airport funds available for continued rehab of properties

Discussion ensued. In response to Mr. Trefry's question on the amount of \$50K charged for FY22 annual chargeback from the City, Mr. Ayles stated that the cost reflected a percentage based on the actual expenditures for that year, i.e. \$132K. The annual budget is built with a general sense of the overall budget chargeback. At the end of the year the actual expenditures are reconciled, and the amount charged back to the airport is adjusted accordingly.

In response to Mr. Trefry's question on whether finances are handled in the same way for all municipal airports, Mr. Ayles stated that he was not familiar with how other municipalities handle airport finances. The budget is built on what the Commission intends to accomplish in the upcoming year and how much to budget in the General Fund to offset the costs with consideration to supporting the growth of the airport by funding its initiatives.

Mr. Retallack summarized in laymen's terms, if the airport operating budget is \$530K, the City covers about \$125K/year, representing 25% of the budget. Mr. Ayles confirmed that a successful airport is good for the community, and historically the City has been able to support airport operations. While he noted that the relationship between the City and the airport "has fallen off the last few years, we are in this together. There are some tasks before us that need to be taken seriously and get under wraps to foster a good relationship and consensus."

In response to Mr. Trefry's question on the evolution of the enterprise fund from \$95K in the past to the present \$500K, Mr. Ayles stated that when expenditures are underspent in the budget, money is returned back to the enterprise fund. Excess revenue and positive variance pushes up the fund balance. As City Treasurer, he cannot allow the airport to operate in a negative balance and adjustments are made to the enterprise fund when needed. The amount in the enterprise fund is certified by the Department of Revenue every fiscal year. The amount of \$457K is available to the Commission with the support of the Mayor and approval of City Council to be used as it sees fit.

The Commission needs to keep a healthy balance in the enterprise fund in consideration of funds for anticipated capital expenses. Project funds, however, can only be used for the purpose for which the project was appropriated. Additionally, grant funds and matching funds are closely audited to ensure a positive balance, as the City gets penalized at the time of certifying free cash for a negative balance.

Mr. Trefry noted that in his conference with Mr. Perry, he had stated that the enterprise fund was a safety net for the City to cover any unanticipated expenses and should never go below \$300K. Accordingly, the available amount is not \$457K to be spent, but in fact \$150K. Mr. Ayles stated, while he agreed generally with that advice, in the event the Commission needed to spend down the enterprise fund to \$100K, a complete assessment would be done of future capital needs, cash flow, etc. with an eye toward building a conservative budget to where the Commission needed to be to fulfill its plans.

Mr. Trefry noted that Mr. Perry had indicated that there was still \$111K remaining in the construction fund for Building 45, and coupled with \$100K from the enterprise fund would make available a total of \$210K for renovations. Mr. Ayles stated that the “bread and butter of the airport are the planes taking off,” and that the major capital needs for runways, etc. would be looked at first as demands on the enterprise fund.

Mr. Trefry stated that the last CIP meeting with MassDOT and FAA on a five-year capital plan projected reconstruction costs of \$14M, with a 5% contribution from the airport of \$600K. In the absence of an airport manager at that time, it was decided to push the project back one to two years to allow the City time to figure out the best way to handle the 5% match. Mr. Trefry noted that the new airport manager is scheduled to start on June 5<sup>th</sup>. In his prior job as interim airport manager he oversaw a \$44 million reconstruction project and is well versed in the capacity to handle complex financial and regulatory issues, and will be a knowledgeable partner with the City.

Mayor Cahill appeared before the Commission and reiterated Mr. Ayles’ commitment to building a strong relationship between the airport and the City and providing the resources to make it “all it can and should be.” He acknowledged receipt of the letter from the FAA/MassDOT and pledged his commitment to “getting this piece nailed down.....and not fall down on responsibilities to all our constituents as elected officials and volunteers.” He added “let’s get this done.”

Mayor Cahill added that, while the City has subsidized the airport operating budget, with the new direction of airport leadership, he is confident that the City and the airport can “chart a course... and get us collectively to a place where the City can officially stop subsidizing the budget.” He stated that this process “has to be done responsibly” in order to ensure the successful operation of the airport.

Mr. Trefry addressed the “elephant in the room” by referencing the letter from the FAA/MassDOT sent ten days ago. While the complaint is categorized as a “part 13 informal complaint,” in the face of continued non-compliance, the next complaint would be filed as a “part 16 complaint with a remedy and resolution that is painful to contemplate” with penalties assessed for both the City and the Commission and the loss of funding.

Everyone on the Commission knows full well what the federal regulations mean and that they are “written in stone.” Both the airport and the City are working to address whatever non-compliance issues that were identified. Federal regulations unequivocally state that the sponsor of the lease must pay fair market value for use of non-aeronautical land. Mr. Trefry stated that while the airport is grateful to the City for its support over the years, the airport plays an important role in the community generating \$35 million of economic benefit. He reiterated that the terms of federal

regulations are non-negotiable and that any lease signed for non-aeronautical land must be at fair market value. The Commission is ready to assist in any way by the use of any enterprise funds.

Mayor Cahill stated that the City fully intends to work within FAA requirements and “get it done.” Beth Williams, City Solicitor, appeared before the Commission and stated that “we are all in agreement with respect to what the regulation says and there is no dispute what the regulations say with respect to market value.” The City has started the process of trying to come into compliance and working together to get there, and in point of fact, has retained outside counsel to work with the Commission.

Mr. Trefry stated that the City’s intentions were reassuring, and the Commission is committed to offering any information needed in addressing the issues cited by the FAA. In response to Mr. Henry’s question on the use of available funds, Mr. Ayles stated that there is a time constraint. Monies have to be earmarked before the end of the fiscal year, at the conclusion of which there is a four to five-month blackout period when the Department of Revenue certifies the amount of free cash. The Commission would need to give advance notice to the City of its intention for use of funds, which then are approved by the City Council and Mayor. This notice can be given by letter or email.

Discussion ensued on the process for requesting grant and matching funds, as well as the approval process by City Council. Strict accounting procedures follow in the administration of the funds in order to ensure there is no co-mingling of funds.

Mr. Trefry expressed appreciation for Mr. Ayles’ presentation. Of the 3,000 municipal airports, he stated that Beverly has “the most robust aviation complex” and carries its weight to “make aviation happen” and participates actively in the area economy.

Mr. Trefry invited public comment. Mark Zuberek appeared before the Commission and stated that the presentation was excellent, but “omitted one significant portion of what benefit does Beverly get from revenue being collected and the use of the property.” Mr. Trefry stated that he would leave that question for him to discuss with the Finance Director or through Danvers town officials.

##### **5. Airport Solutions Group Presentation – Mr. Schuster**

Mr. Schuster reviewed the Airport Solutions Group monthly status report including the following highlights:

***Airport Master Plan.*** Airport Master Plan and The Airport Layout Plan (ALP) have been submitted to BVY for their files. The next steps are ASG will proceed with final billing and FAA and MassDOT project closeout documents.

***Aeronautical Study Runway 16-34 and 927.*** ASG has assisted the Airport with the FAA required Independent Fee Estimator (IFE) process. The Airport has engaged with an IFE and has negotiated a final ASG fee. ASG has prepared and submitted the FAA and Mass DOT grant applications on May , 2023. Next steps are to wait for the FAA and MassDOT to issue grants. Expected July, 2023.

***Cold Storage Building – ASMP Project.*** The cold storage building project is on hold per MassDOT due to funding.

***Miscellaneous.*** ASG is providing airport management services of two days/week.

## **B. AIRPORT MANAGER'S REPORT**

In Mr. Rawding's absence, Mr. Schuster presented the airport manager's report submitted by Mr. Rawding including the following highlights.

- Pavement repair update— runway and taxiway repair commenced in April. Along TWY B multiple joints were saw cut and repaired to maintain a smooth surface.
- Marking (painting) - RWY 16/34 and run-up area 34 were prepared/cleaned. Partial painting on RWY 34 started but stopped due to inclement weather.
- Note: ATC, FBO's and Flight Schools have been extremely cooperative and understanding during the pavement and marking projects.
- GZA onsite and installed three additional well sites to continue characterizing, testing and reporting from the TWY F PFAS release area.
- FAA grant application for Aeronautical Study completed and signed and submitted to FAA and MassDOT Aeronautics.
- Airfield grass mowing has commenced, weather permitting. Both Dave Paras and Bill Fiore will coordinate with ATC.

Discussion ensued. Mr. Trefry noted that, due to the high cost of the next phase of PFAS remediation (\$70K), the City will need to become involved in collaboration with environmental legal counsel, Anderson Krieger. Mr. Rawding has been working with DEP and has full working knowledge of the issue and requirements for testing. Cost sharing may be available from the state. The new incoming airport manager will be brought up-to-date on the ongoing process.

## **C. CHAIRMAN'S COMMENTS**

### **Election of Officers**

Mr. Trefry stated that he continued as the Vice Chair when Chair Dullea resigned. There should have been an election in December, 2022 to fill both of those seats. The Commission now needs to elect a Chair and Vice Chair.

Discussion ensued. In response to Mr. Retallack's suggestion that, in light of his recent appointment to the committee, that the election be delayed until the next meeting, Mr. Trefry stated that he can be assured that this Commission has the strongest membership of pilot-trained individuals. In light of the fact that the election is already four months delayed and in non-compliance of the requirement to have an annual election, he was reluctant to delay the election any further. Mr. Henry stated that he was not opposed to further discussion, but felt that the election should be held at this meeting.

Following discussion, Ms. Zuberek made a motion to delay the election for purposes of further discussion, seconded by Mr. Retallack. Mr. Trefry asked for any discussion. Mr. Henry noted that of the members who had attended the last six meetings, three members that would be possible candidates were Mr. Gentile, himself and Mr. Trefry. Mr. Retallack voiced his concern that of the three candidates, two had indicated pending resignations.

Mr. Trefry reiterated his public statement at previous meetings that he had sent a letter to the Mayor informing him that, after deliberation with family, he rescinded his resignation, and that he fully intends to continue on the Commission at least past that date and has no intention of leaving the Commission on January 1, 2024. In the past both he and Mr. Gentile had voiced the opinion that they would stay on the Commission until something positive had happened with regard to Building 45, as the budget analysis of potential available funds of \$200K was inadequate. He stated that the Mayor had indicated that he received his letter. He indicated that he would accept the nomination of Chair or Vice Chair, with a preference for the former position.

Following discussion, Ms. Zuberek withdrew the above motion. Upon motion duly made by Mr. Retallack and seconded by Mr. Doxsee, it was unanimously voted to proceed with the election. Motion passed 7-0, unanimous. Although a senior member was absent, Mr. Gentile, Mr. Trefry confirmed that a quorum was present and a vote was valid. Members indicated they were comfortable making a decision without his presence.

#### **Nomination and Election of Chair**

Upon motion duly made by Mr. Doxsee and seconded by Mr. Kendrick, it was unanimously voted to elect Mr. Trefry as Chair of the Commission. Roll call vote: Mr. Trefry-Y, Ms. Zuberek-Y, Mr. Reulet-Y, Mr. Kendrick-Y, Mr. Retallack-Y, Mr. Doxsee-Y and Mr. Henry-Y. Motion passed 7-0, unanimous.

#### **Nomination and Election of Vice Chair**

Upon motion duly made by Ms. Zuberek and seconded by Mr. Doxsee, it was unanimously voted to elect Mr. Henry as Vice Chair of the Commission. Roll call vote: Mr. Trefry-Y, Ms. Zuberek-Y, Mr. Reulet-Y, Mr. Kendrick-Y, Mr. Retallack-Y, Mr. Doxsee-Y and Mr. Henry-Y. Motion passed 7-0, unanimous.

#### **Updates**

##### **Discussion of Tour conducted by Tom Ford of new Axcelis Logistic Center at 105 Sam Fonzo Drive**

Mr. Trefry reported that he had toured the new Axcelis building with Tom Ford. With fifty-five employees, the new building was a perfect example of new growth. The Logistic Center is involved in computer chip manufacturing. Mr. Ford along with other developers had voiced interest in the parcel on Airport Rd.

##### **Discussion of Presentation before the Beverly Chamber of Commerce**

##### **Discussion of Lutts Developer Interest in Building 45 Restaurant and Development of 11 Acres on Airport Rd.**

Mr. Trefry reported that he had made a forty-minute presentation to the Beverly Chamber of Commerce attended by fourteen persons including two City Councilors. The presentation outlined the history of the airport from a business perspective and was favorably received.

He received an expression of interest following the presentation from Lutts, a commercial real estate developer. He received an additional call on behalf of a client interested in the restaurant portion of Building 45. A tour of the building is scheduled for Thursday. Mr. Retallack expressed an interest in being part of the tour as well as upcoming tours. Mr. Trefry offered to have him part of the tour at 11:15AM. Prior to that he is meeting with the Mayor at his office at 9:00AM with himself, Mr. Doxsee, Mr. Henry and Mr. Perry.

##### **Discussion of Anderson Kreiger Attorneys regarding the Lease of Airport Rd. use by DPS**

Mr. Trefry reported that he had a zoom call with Anderson Krieger attorneys with regard to the lease on Airport Rd. He reviewed the history over the past twenty years of the previous two airport managers in their attempts to negotiate with the City on a lease. He asked that the RFP template developed in 2019 be redrafted with four new stipulations, i.e. that it has to be at fair market value, no comingling of funds for chargeback of services rendered from the City, and that the Building 45 and the warehouse be considered as two separate projects.

Mr. Retallack again suggested that he and any interested members be part of those meetings. Mr. Trefry noted that Anderson Krieger could be asked to give a presentation to the Commission. The firm has been retained as legal counsel since 2018.

The redrafted lease was sent to the Mayor, and a subcommittee will be formed to handle negotiations.

Mr. Trefry noted that it is the responsibility of the Commission to complete negotiations before the new airport manager arrives in order to “protect the new manager from what transpired in 2015,” i.e. the uncomfortable position of having to negotiate a lease with one’s “boss.” He is reassured that the Mayor has committed to moving forward in compliance with FAA regulations with regard to a lease at fair market value.

**FAA/MassDOT letter to Mayor Cahill re Non-compliance**

Mr. Trefry noted that this agenda item was covered previously in the meeting.

**D. OLD BUSINESS**

**Lease Negotiations with City of Beverly: DPS Shop on Airport Rd.**

Mr. Trefry asked for comments on the lease negotiations. Mr. Henry expressed confidence that the City “fully understands the gravity of the situation” and will negotiate in full compliance with FAA requirements.

Mr. Trefry emphasized that the City will be required to vacate the premises upon six months’ notice. He noted that in 2018 the City stated that if it were to vacate the property, any recouped expenditures from Building 45 and the warehouse would be reimbursed from the Commission. Instead the Commission would require the City to state how much was actually spent on the properties, how much was recouped and what remained. Mr. Henry suggested this any further conversation be put on hold pending the results of the meeting with the Mayor later this week.

Mr. Trefry pointed out that in the interests of full transparency, these negotiations be discussed in open meeting to discuss the trajectory of negotiations. For instance, if the City claims \$200K of expenses that need to be recouped from the airport, this can be conditioned on the City signing a lease of \$48K/year for four years, which will be returned to the City and 3% escalation beyond that to get on the books to pay fair market value.

It was the consensus of the Commission to continue the discussion at a later time.

**Noise Abatement Program Update**

Mr. Doxsee reported that the subcommittee will post a meeting for next week to further discuss steps forward. He reported that he had received information from someone challenging the noise abatement policy as a document not being legitimate. Mr. Doxsee stated that his research revealed that a noise abatement policy is voluntary but recommended and there is nothing from a regulatory perspective that the airport is in violation. Discussion ensued. Concern was expressed that the noise abatement policy was clearly voluntary, as to not unnecessarily put pilots in danger. The issues will be further discussed at the subcommittee meeting.

**Hangar 4 Tour, Beverly Flight Center Lease**

Mr. Trefry began the discussion on the renewal of the lease with Air Bear Aviation and sublease with Beverly Flight Center. The new airport manager will follow up on the renewal process.

**Phase 1 Environmental Site Assessment (ESA) Airport Rd. Discussion of Options**

Mr. Trefry began the discussion on the Phase I environmental site assessment of the Airport Rd. property. Funds are available through the MassDOT for the assessment, but Mr. Kendrick will pursue available funds from the FAA and informing it of the Commission’s intent.

Discussion ensued on the benefits of an assessment as insurance for potential developers of the land. City Solicitor Williams suggested that for the purpose of expediting the process, the Commission consider giving authority to Anderson Krieger to negotiate with the counsel for the City to for the lease of Airport Rd. on behalf of the Commission.

Upon motion duly made by Mr. Henry and seconded by Ms. Zuberek, it was unanimously approved that the Commission grant negotiating authority on its behalf to Anderson Krieger with regard to the upcoming negotiations with the City for land use on Airport Rd. Roll call vote: Mr. Trefry-Y, Ms. Zuberek-Y, Mr. Reulet-Y, Mr. Kendrick-Y, Mr. Retallack-Y, Mr. Doxsee-Y and Mr. Henry-Y. Motion passed 7-0, unanimous.

Mr. Henry stated that the purpose of the assessment was to signal to the development community to remove an unknown about the property and the Commission would front the money in the amount of \$9,500 for the assessment. Discussion ensued. Mr. Trefry was in favor of accepting the advice of development professionals to undertake the assessment. Mr. Henry was in favor of delaying the assessment for another thirty days, in light of the fact that negotiations are pending. Discussion also ensued on the process of transferring funds in payment of the assessment ahead of the end of fiscal year. Ms. Brickman noted that she can encumber funds prior to the end of the fiscal year.

Mr. Trefry noted the history of previous RFP's that were submitted to the City with no action taken. Negotiations with the City need to be crystal clear that the intent of the Commission is to develop the eleven acres and accomplishing a project that will change the financial structure of the airport for the next fifty to one-hundred years.

Mr. Trefry noted that the assessment is in fact only a paper review of data collected from the area that advise the developer that the data has been collected that resulted in a clean bill of health and the area is free from contaminants, and a step that the realtors have recommended.

Following discussion and upon motion duly made by Mr. Henry and seconded by Mr. Doxsee, it was unanimously voted to approve moving forward with Phase I environmental assessment in the amount of \$9,500. Roll call vote: Mr. Trefry-Y, Ms. Zuberek-Y, Mr. Reulet-Y, Mr. Kendrick-Y, Mr. Retallack-Y, Mr. Doxsee-Y and Mr. Henry-Y. Motion passed 7-0, unanimous.

Mr. Trefry will advise Mr. Copeland of the Commission's decision to move forward.

#### **Commission Structure: Subcommittees**

It was the consensus of the Commission to move this topic to the next meeting.

#### **D. NEW BUSINESS**

##### **Hangar Development Questions**

Mr. Trefry began the discussion on the hangar development. This would be for private development and ownership and lease from the airport in accordance with standards of the industry. Mr. Schuster outlined the process by which the airport manager would coordinate and provide leadership in the effort.

Discussion ensued on setting aside meeting time to determine the Commission's goals and objectives when the new manager arrives and the sharing of the Commission's priorities. Mr. Trefry gave a historical update of the development of the master plan in collaboration with the FAA. This is another area in which to actively involve the new manager. Mr. Trefry explained that the purpose of the master plan was to identify areas of the airport for expansion of runways or of new building by private developers. It was basically a hypothetical roadmap for any future occurrences.



As part of defining the goals and objectives of the airport, the airport needs to explain the reasons for undertaking projects. Mr. Trefry stated the need to have a separate meeting to discuss the plan moving forward when the new manager arrives in June. There will be an agenda item at the regular meeting in June for such a meeting scheduled before the regular meeting in July. Solicitor Williams stated that the meeting would need to be duly posted and grant access to the public. If a tour were planned without the public, the Commission would participate themselves without any deliberation at all. Vice Chair Henry will coordinate the scheduling of the meeting

**E. COMMISSION COMMENTS**

There were none.

**F. TENANT COMMENTS**

There were none.

**G. PUBLIC COMMENTS**

Rachael Abell appeared before the Commission and expressed her gratitude to all the stakeholders at the airport.

**H. ADJOURNMENT**

Upon motion duly made by Ms. Zuberek and seconded by Mr. Henry, it was unanimously voted to adjourn. Roll call vote: Mr. Trefry-Y, Ms. Zuberek-Y, Mr. Retallack-Y, Mr. Hendricks-Y, Mr. Doxie-Y, Mr. Roulet-Y and Mr. Gentile-Y. Motion passed 7-0, unanimous.

The meeting was adjourned at 8:32PM.