Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
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Commissioners
Arthur D. Gasbarro, Chairman
Andrea N. Planzer, Vice Chair
Anthony G. Bouscaren
Philip Marks III
Michael Leavitt

AVIATION FUEL SUBCOMMITTEE MEETING
April 13, 2026

The meeting was called to order at 10:30 AM by Airport Manager Warren Smith with the following Commissioners present: Michael Leavitt and Philip Marks III.

This meeting was conducted in person at 14 Airport Road, Nantucket, MA.

Airport employees present were: Preston Harimon, Airport Assistant Manager; Mariya Basheva, Finance Manager; Vilina R. Ilieva, Office Manager; and Elizabeth Reuss, Administrative Assistant.

Mr. Smith read the Town's virtual meeting statement.

Mr. Smith asked for comments on the Agenda; hearing none, the Agenda was adopted.

Mr. Smith asked for comments and concerns on the 02/10/26 Draft minutes.

Mr. Leavitt asked for clarification regarding the number of fuel uplift restrictions reported in the draft minutes, noting that the minutes reflected three (3). Mr. Harimon confirmed that the correct total was four (4). Mr. Leavitt stated that the minutes should be updated to reflect the accurate number.

Mr. Marks made a **Motion** to adopt the 02/10/26 draft minutes as amended to reflect four (4) uplift restrictions. **Second** by Mr. Leavitt.

041326-01 – Discussion Regarding Aviation Fuel:

✈ **Fuel Farm Expansion FY 2027 Capital Request**

Mr. Leavitt explained that the Airport Commission unanimously approved a request to add three million dollars ($3,000,000) to the FY27 capital budget for a fuel farm expansion. However, due to timing issues and confirmation that the request was submitted too late for inclusion in the current warrant, FINCOM advised that shifting the request forward by one (1) year would be preferable.

Mr. Leavitt made a **Motion** to recommend that the Airport Commission amend the supplemental capital request for the fuel farm expansion by shifting the three million dollar ($3,000,000) appropriation from the FY27 capital budget to the FY28 capital budget. **Second** by Mr. Marks.

✈ **Fuel Farm Expansion Engineering and Planning**

Mr. Leavitt explained that, in addition to the capital request, the Airport Commission had approved using existing professional services funds to begin engineering work for the fuel farm expansion. Early budget estimates varied widely—initial expectations were around two to three million dollars ($2,000,000–3,000,000) million, but staff estimates were closer to five million dollars ($5,000,000). Comparing this to a similar project on Martha's Vineyard, which cost about five hundred thousand dollars ($500,000) for twenty thousand (20,000) gallons, raised concerns about the higher estimates. As a result, Mr. Leavitt emphasized the need to hire a professional engineer to help refine project plans, validate costs, and understand why local estimates are significantly higher.

Mr. Marks suggested taking a more hands-on approach to the fuel farm expansion by developing and marking up site plans, defining tank layout, foundation types, and system operations before engaging engineers. This approach would provide clearer direction, help control costs, and prevent overly expensive designs. The recommendation also included planning for future expansion, coordinating with stakeholders like fire safety officials to ensure requirements are appropriate, and considering options such as incorporating construction into fuel supply contracts.

Mr. Harimon explained that the fire suppression system has been redesigned to better address potential spill conditions and stated that as-built drawings from the previous project will be gathered and circulated to help define a clear and comprehensive scope of work. Mr. Marks emphasized that development of the scope should be a collaborative effort and noted the importance of coordinating a plan for presentation to engineering and planning. Mr. Harimon raised concern regarding whether early engagement with vendors, such as Code Red, could present a procurement issue; however, Mr. Marks observed that consulting with experienced vendors during the design phase is often necessary to ensure practical and effective solutions.

Mr. Harimon identified PFAS contamination as a significant environmental consideration and noted that approximately one million four hundred thousand dollars ($1,400,000) in grant funding is currently being used for remediation work, including sealing containment walls. Mr. Harimon explained that future expansion decisions, including whether to construct additional containment or utilize concrete pads, may be dictated by fire code requirements. Although the tanks themselves are contained, Mr. Harimon indicated that fire suppression measures will still be required due to the facility's limited mutual aid resources, a requirement that has been reinforced by the State Fire Marshal. Mr. Leavitt inquired whether similar fire protection requirements would apply to Martha's Vineyard. Mr. Smith explained that Martha's Vineyard benefits from multiple fire departments and greater mutual aid capacity, whereas this facility relies on a single responding department, resulting in stricter fire protection requirements.

Mr. Harimon clarified that the underground Avgas tanks operate on a separate system from the Jet A fuel system and stated that their removal or replacement would not significantly impact Jet A operations. Mr. Marks noted that the existing tanks may continue to be used until decommissioning and suggested incorporating future replacement considerations into current design plans, including placeholders in project drawings, to reduce future costs and avoid rework.

Mr. Harimon explained that PFAS-contaminated soil excavated during construction is typically relocated to approved areas on the airfield and noted that equipment used in excavation must be decontaminated. Mr. Marks observed that cost estimates include provisions for decontamination and indicated that such costs appeared reasonable. Mr. Harimon acknowledged that additional environmental requirements may apply and recommended consulting with appropriate regulatory contacts to confirm all necessary steps prior to advancing the project.

Mr. Leavitt emphasized that, despite the number of ideas discussed, a consultant engineer will be required to develop a cohesive design. Mr. Marks agreed and noted that internal planning should be completed first to establish clear objectives before engaging an external firm. Mr. Leavitt suggested identifying engineers with relevant airport experience and obtaining recommendations from sources such as Martha's Vineyard and Mass Tank.

Mr. Harimon asked whether the work could be performed under the Airport's existing on-call engineering services contract. Ms. Ilieva explained that selecting a different firm would require procurement unless the project qualifies for a fuel-related exemption, noting that if the exemption applies, the Airport may be able to directly select a firm without a formal Request For Qualifications (RFQ) process, though this requires confirmation. Mr. Harimon cautioned that certain aspects of the project could still trigger standard public procurement requirements. Mr. Leavitt requested that staff determine whether the exemption applies and report back, stating that confirmation would allow the Airport to begin gathering references and meeting with potential engineering firms.

Mr. Marks inquired about how Martha's Vineyard approached expanding fuel storage, specifically whether the airport or fuel supplier led the design and construction process. Mr. Leavitt explained that the Vineyard incorporated the expansion into its fuel supply Request For Proposals (RFP), with the selected supplier offering to fund and construct additional storage, reportedly contributing up to five hundred thousand dollars ($500,000), as part of the contract. Mr. Leavitt noted that this raises a broader question of whether future projects should be funded through capital expenditures or structured as part of a fuel supply agreement.

Mr. Marks asked whether the Vineyard had an existing design in place, and Mr. Leavitt clarified that portions of the project were designed by McFarland-Johnson and another consultant.

Ms. Basheva noted that CAPCOM submissions are typically due in July with review beginning in August. Mr. Marks and Mr. Harimon acknowledged that a preliminary plan and supporting materials will need to be prepared in advance of those deadlines.

Mr. Leavitt outlined follow-up actions, stating that Ms. Ilieva will review procurement requirements to determine how to proceed in compliance with regulations. Mr. Leavitt suggested beginning to gather recommendations for qualified engineering firms and, if permitted, holding initial meetings to hear proposals. Mr. Marks noted that obtaining existing plans will help clarify project intentions prior to those discussions.

Mr. Harimon raised questions regarding the environmental review timeline and its alignment with the capital planning process. Mr. Smith explained that MEPA/NEPA review is already underway as part of the FY28 Capital Improvement Plan, with approval expected to take approximately eighteen (18) months. Mr. Smith noted that while permitting cannot begin until review is complete, some preparatory work can proceed concurrently, and certain elements, such as the fuel project, may be prioritized within the review process. Mr. Leavitt asked whether a separate or expedited review could be pursued for a smaller, interim fuel expansion project. Mr. Smith indicated that introducing a new project could require additional MEPA/NEPA submissions and potentially disrupt the current multi-year review package. Mr. Leavitt clarified that the intent would be to pursue a separate, smaller FY27 project without affecting the planned FY28 expansion.

✈ Options for Additional Ferry Reservations

Mr. Leavitt revisited prior discussion regarding outreach to the Steamship Authority about adding a Sunday hazmat ferry during the summer and asked whether any follow-up had occurred. Mr. Harimon stated that Sunday hazmat service is not typically offered, as those boats are used for passenger vehicles, and indicated that a charter arrangement would likely be the only option. Mr. Marks noted that hazmat boats operate in the winter but are only used when needed. Mr. Leavitt directed that staff confirm options with the Steamship Authority, including the feasibility and cost of chartering, while maintaining a preference for scheduled service if possible.

Mr. Leavitt noted that an update had been received indicating that Robert B. Our is likely to receive approval to operate boats for the upcoming summer season, as referenced in an email sent by Mr. Smith on March 31. Mr. Leavitt asked whether the approval referenced in the email pertained to the April Steamship Authority board meeting, which Mr. Smith confirmed. Mr. Leavitt suggested preparing a letter of support to assist the company during the approval process, noting that such support could be beneficial for future collaboration. Mr. Marks recommended also requesting rate information to understand potential hauling costs and operational impacts if service becomes available.

Mr. Harimon raised logistical concerns related to route origin and driver hours, noting that service from New Bedford would likely be less feasible due to longer travel times. Mr. Marks agreed that service from Hyannis would be more practical and cost-effective.

✈ Summer 2027 Supply Increase

Mr. Leavitt revisited prior discussion regarding summer fuel supply and asked whether the option for Noonan to stage additional fuel trucks on-island had been pursued. Mr. Harimon confirmed that this option had been discontinued, adding that three (3) additional refueler trucks have been received, with the final truck delivered and scheduled for inspection and calibration prior to being placed into service.

Mr. Marks asked about plans to ensure adequate fuel supply in the near term, and Mr. Harimon noted that a high volume of fuel reservations has already been scheduled for May, indicating strong demand.

✈ Seasonal Staffing

Mr. Smith provided an update on seasonal staffing, reporting that the Airport currently expects six (6) returning employees and approximately eight (8) new hires, for a projected total of fourteen (14) seasonal line service staff, with a goal of seventeen (17) to ensure adequate coverage.

Mr. Leavitt inquired about compensation and housing, and Ms. Basheva confirmed that seasonal wages range from twenty-four dollars ($24) per hour up to a cap of twenty-eight dollars ($28), consistent with Town pay scales. Ms. Basheva reported that dormitory housing is available at a rate of one hundred fifty dollars ($150) per week, with approximately eight (8) beds in the dorm and additional capacity at the Thompson House, which could accommodate up to six (6) individuals if needed. It was noted that not all seasonal employees require housing, as many returning staff already have established arrangements.

Mr. Leavitt raised concerns about staffing continuity, particularly the departure of college students in August, and revisited the prior discussion regarding recruiting experienced personnel from counter-seasonal FBOs in regions such as Florida and western ski destinations. Mr. Harimon stated that outreach to such operations has been initiated, though hiring experienced personnel does not eliminate the need for Nantucket specific training requirements. Mr. Leavitt emphasized that experienced hires could reduce training time and improve operational efficiency. Mr. Marks suggested exploring potential incentives, such as higher starting pay for experienced candidates. Ms. Basheva cautioned that offering relocation or travel incentives would likely conflict with Town and union policies, though some flexibility may exist in hiring experienced individuals at a higher pay step.

Mr. Harimon highlighting the increasing workload associated with fueling operations, including compliance, training, audits, and quality control. Mr. Harimon reiterated the ongoing need for a dedicated fueling supervisor and recommended increasing staffing to eleven (11) operations personnel with three (3) supervisors to adequately support both operational and regulatory demands. Mr. Leavitt inquired about the possibility of implementing a temporary or seasonal supervisory role, but Mr. Harimon indicated that the responsibilities require a year-round position. Mr. Smith and Ms. Basheva explained that adding a new union position would require collective bargaining, updated job descriptions, and a formal hiring process.

Ms. Basheva noted that while funding may be available, the timeline for hiring a new supervisor would likely extend beyond the current summer season, with July 1 identified as the earliest possible start. Mr. Marks emphasized that increased regulatory requirements, including higher ARFF staffing standards, justify the need for additional personnel. Mr. Harimon confirmed that staffing levels have already been increased from eight (8) to ten (10) to meet these requirements, though scheduling constraints remain tight. Mr. Leavitt encouraged exploring ways to accelerate hiring where possible, even if only partial support can be achieved during the current summer season, while acknowledging that longer-term solutions will likely be addressed through the budget and ongoing union negotiations.

✈ **Fuel Supply RFP**

Mr. Leavitt reviewed prior discussion regarding preparing a fuel supply RFP and confirmed that the Airport intends to continue under the existing World Fuel contract while utilizing the ninety (90) day termination clause to allow time for developing specifications. Ms. Ilieva stated that drafting of the RFP has not yet begun and is planned for completion over the summer, with issuance anticipated in early fall. Mr. Marks noted that additional time is needed to incorporate fuel infrastructure considerations into the RFP.

Mr. Leavitt confirmed that the fuel contract procurement falls outside standard procurement requirements and suggested that the Committee begin developing potential RFP criteria. Mr. Leavitt also reported recent outreach from industry representatives, including Titan and Avfuel, expressing interest in doing business with the Airport and requesting site visits to better understand operations. Mr. Leavitt indicated that these visits could help generate more competitive and informed proposals and directed interested parties to coordinate with Airport staff.

✈ Retail Fuel Pricing Policy

Mr. Leavitt presented data on fuel deliveries and sales from September through August, noting discrepancies and a mid-June drop in inventory levels. The figures represented safe fill capacity before and after the arrival of new fuel trucks, and the suggestion was made to increase early season fuel deliveries to maintain higher inventory levels going into the busy summer months. Mr. Harimon clarified that the data he provided reflected only fuel farm storage, not truck capacity, and outlined safe fill limits of one hundred twenty thousand (120,000) gallons at full capacity, one hundred fourteen thousand (114,000) gallons at ninety-five percent (95%), and one hundred eight thousand (108,000) gallons at ninety percent (90%), which is the operational target. Once all trucks are in service and licensing is updated, total capacity will reach approximately one hundred forty-four thousand (144,000) to one hundred forty-five thousand (145,000) gallons.

Mr. Marks suggested analyzing daily fuel sales data to identify trends related to holidays and weather patterns. Mr. Harimon confirmed that historical data and weather forecasts are used to predict demand, noting that perceived weather conditions often influence travel more than actual weather.

Mr. Leavitt then presented a comparison of regional airport fuel prices, showing that Nantucket's Jet A rate of eight dollars and twenty-five cents ($8.25) per gallon is below several other airports despite higher logistical costs. Mr. Leavitt proposed automating fuel price adjustments to maintain a consistent four dollar and fifty cent ($4.50) spread between wholesale and retail prices, allowing immediate updates when new fuel is purchased. Ms. Basheva asked whether the spread should remain constant year-round or increase during summer months. Mr. Leavitt suggested incorporating fueler costs of five cents ($0.05) per gallon into the base fuel cost. Ms. Basheva proposed setting the markup at four dollars and fifty-five cents ($4.55) to account for minor seasonal variations.

Mr. Marks cautioned against raising prices excessively, noting that other airports offer significant discounts, sometimes three to four dollars ($3–$4) per gallon lower, which could affect competitiveness. Ms. Basheva suggested that the Commission could explore tenant discounts or seasonal rate adjustments during the December review of rates and charges.

✈ Minimum Jet Fuel Purchase Policy

Mr. Leavitt explained that fuel revenue represents nearly thirty percent (30%) of total Airport revenue and emphasized that Nantucket does not impose many of the handling, ramp, or minimum fuel fees charged at comparable regional airports. ADS-B data from May through November indicate that approximately forty percent (40%) of turbine aircraft arriving at Nantucket originate from or return to airports such as Westchester County (HPN), Teterboro (TEB), Laurence G. Hanscom Field (BED), and Boston Logan International (BOS). These airports routinely charge landing, ramp, and substantial handling fees that can be waived only through minimum fuel purchases. Nantucket's lack of such fees makes it the lowest-cost option among peer airports but also results in lost fuel sale revenue when operators choose to purchase fuel elsewhere.

Mr. Leavitt presented invoice data showing significant disparities in fueling behavior among frequent users. Some operators purchase fuel on eighty percent (80%) of visits, while others purchase fuel less than ten percent (10%) of the time, or not at all, despite placing comparable operational demands on Airport facilities and staff. Several high frequency operators visit hundreds of times per season while purchasing only minimal quantities of fuel. Many operators defer fueling until returning to their home FBOs, where large minimum purchase requirements make it financially advantageous to fuel at the other end of the trip. Mr. Marks stated that the goal is to ensure that operators who use Airport facilities contribute appropriately to their upkeep, either through fees or through fuel purchases. A minimum fuel purchase, paired with a service fee waiver, was identified as a mechanism that could increase revenue while maintaining fairness among users.

Mr. Harimon asked whether peer airports charge ramp fees in addition to handling fees, and Mr. Leavitt confirmed that they do, along with special event fees. Fueling patterns by aircraft category were reviewed, showing that some aircraft types purchase fuel frequently while others do so far less often. For super-light jets, a two hundred (200) gallon minimum purchase could generate approximately fifty-six thousand (56,000) additional gallons annually, equating to roughly two hundred sixty-seven thousand dollars ($267,000) in additional revenue at a four dollars and seventy-five cent ($4.75) margin.

Mr. Leavitt recommended instituting a weight-based service fee, waivable with a minimum fuel purchase. Waivers could be applied when fuel supplies are limited or for locally based aircraft. Customer outreach was recommended to explain that Airport operations and capital improvements are funded largely through fuel revenue, and that current fueling patterns create inequities among users. Ms. Basheva noted that any such changes must be approved through the Airport Commission and incorporated into the Rates and Charges. Mr. Leavitt confirmed that the process would require updating the Rates and Charges and issuing a thirty (30) day public notice period.

Mr. Harimon raised concerns that increased fuel demand could create significant delays, with aircraft potentially waiting extended periods for service despite paying landing and ramp fees. Questions were raised about what value customers receive when paying a handling or service fee if fuel is not purchased, and how front-line staff would be expected to respond to such inquiries. Mr. Leavitt responded that the handling fee supports a well-run airport with substantial capital investment, and that customers dissatisfied with the fee structure may choose to use other airports. Mr. Marks added that many airports publish clear fee structures, and customers generally understand that certain destinations carry higher costs. Mr. Leavitt proposed addressing staff concerns through letters, flyers, and guidance, emphasizing that rates are set by the Airport Commission, not by front-line employees. Customers with objections could be directed to the Commission's monthly meeting for public comment.

Mr. Leavitt expressed concern about inequity created by frequent users who do not purchase fuel yet place significant demands on Airport resources. As an interim step, non-fuel-purchasing customers could receive less advantageous parking or reduced ramp privileges, though Mr. Marks cautioned against requiring staff to enforce such distinctions, emphasizing that front-line employees should not be placed in situations where they must differentiate customers based on fuel purchases, as this would create unnecessary conflict. A phased approach was recommended, potentially implementing fees first and introducing minimum fuel requirements later, once the FBO is improved and staff are better supported. Mr. Leavitt agreed that fairness must be addressed but noted that minimum fuel purchases are standard at regional airports and directly influence where operators choose to buy fuel.

Ms. Basheva asked how much the handling fee would be for customers who do not purchase fuel. Mr. Leavitt explained that fees would be tied to minimum fuel thresholds and aircraft categories. For example, if a two hundred (200) gallon minimum were set and the effective rate were four dollars ($4.00) per gallon, the handling fee would be approximately one thousand two hundred dollars ($1,200).

Ms. Ilieva stated that the proposal must be brought before the full Airport Commission for further consideration. Mr. Leavitt noted that the topic is already scheduled for the following evening's Commission meeting. Mr. Marks recommended reporting that the Subcommittee is continuing to evaluate the concept, emphasizing that the most compelling issue is the disparity between users who contribute nothing to Airport revenue and those who consistently support the airfield through fuel purchases. Mr. Marks stated that any changes should be introduced gradually, likely during the winter Rates and Charges cycle, rather than attempting implementation during the upcoming summer season. Mr. Leavitt agreed that a winter timeline is more practical, noting that a January 1 start date would allow adequate time for planning, communication, and operational adjustments. Mr. Marks added that improved forecasting of fuel demand would help determine future operational needs, including whether additional fuel trucks, drivers, or equipment would be required. The ability to evaluate reservation data and fuel usage trends was identified as an important tool for planning.

Mr. Leavitt returned to the question of fuel pricing and the appropriate margin spread, noting that the current four dollars and seventy-five cent ($4.50) spread places Nantucket below many comparable airports. AirNav pricing data was described as potentially inflated, but even accounting for discounted rates available at some locations, Nantucket remains priced lower than several regional airports. Mr. Leavitt suggested that increasing the spread modestly would better align retail pricing with the market. Mr. Marks agreed that local fuel costs on Nantucket are consistently higher than in Hyannis and that a modest increase is reasonable, while also emphasizing the need to remain customer-friendly. Mr. Leavitt noted that last August's spread reached four dollars and eighty-five cents ($4.85) even before incorporating the cost of fuel trucks and related expenses.

Mr. Marks asked whether the Airport should adopt a seasonal pricing model or a single annual rate, recommending that both options be evaluated to determine how each approach would achieve the desired revenue target. Mr. Leavitt referenced prior discussions about maintaining a consistent year-round spread, with a formal review each September to determine whether adjustments are warranted. Establishing a clear policy now would provide stability through the upcoming season.

Mr. Marks asked how a thirty-cent ($0.30) increase would position Nantucket relative to other airports. Mr. Leavitt responded that even with such an increase, Nantucket would remain below several regional competitors. Mr. Marks noted that many of those airports offer discounted fuel programs, with Boston being a notable exception.

Mr. Leavitt made a **Motion** to set the fuel spread at four dollars and ninety cents ($4.90). **Second** by Mr. Marks.

The meeting adjourned at 12:38 PM.

Respectfully submitted,

Elizabeth Reuss, Recorder

Master List of Documents Used:
Agenda Protocol
02/10/26 Draft Minutes
Jet A Inventory