Town of Nantucket
NANTUCKET MEMORIAL AIRPORT
14 Airport Road
Nantucket Island, Massachusetts 02554

Warren Smith, Airport Manager
Phone: (508) 325-5300
Fax: (508) 325-5306

Commissioners
Arthur D. Gasbarro, Chairman
Andrea N. Planzer, Vice Chair
Anthony G. Bouscaren
Philip Marks III
Michael Leavitt

AVIATION FUEL SUBCOMMITTEE MEETING
May 19, 2026

The meeting was called to order at 8:40 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 04/13/26 Draft minutes.

Mr. Leavitt said he only received the draft minutes at 7:30 PM the previous evening–five (5) weeks after the meeting–which did not allow enough time to review prior to this meeting and noted they were sent much to long after the meeting.

Mr. Leavitt then made a **Motion** that meeting minute drafts must be sent for review within seven (7) calendar days following each meeting. **Second** by Mr. Marks.

041326-01 – Discussion Regarding Aviation Fuel:

✈ SSA Reservations
Mr. Leavitt explained that a follow-up call with a Steamship Authority representative provided several operational updates. The Steamship Authority lost twenty-four (24) fuel truck loads last year due to the absence of holiday boats, which will return this summer, increasing capacity. Engineers are working to finalize the Coast Guard stability letter required to increase the new vessels capacity from eight (8) to nine (9) hazmat trucks per trip. Remaining issues involve weight distribution, ballast tanks, and vibration concerns, with resolution expected soon.

Mr. Leavitt reported that the Steamship Authority is willing to bump vehicles from the Sunday freight boat if an additional hazmat truck is urgently needed, as passenger vehicles can be accommodated on other boats. Mr. Leavitt also noted that the new reservation system has created internal challenges for the Steamship Authority in shifting reservations, though corrective work is underway.

Mr. Marks stated that, despite the Steamship Authority's system issues, local coordination among shippers has remained effective. Reservation swaps by Noonan with other shippers have proceeded smoothly, supported by ongoing collaboration and communication. Mr. Leavitt added that the Steamship Authority expressed concern about past instances in which Ascent canceled Airport reservations without notifying Noonan or the Steamship Authority, resulting in confusion when those slots unexpectedly became available. The Steamship Authority requested that any unneeded Airport reservations be returned directly to them. Returned slots could for instance be replaced with unleaded fuel trucks, which can be stored on-island, and those slots would then be made available again when the Airport requires additional jet fuel loads.

Mr. Leavitt emphasized that the Steamship Authority requested notification when Airport fuel levels approach the operational "red line," and assured that additional loads would be provided as needed to prevent uplift restrictions. Mr. Leavitt suggested that this commitment may need to be tested during peak demand. Mr. Marks stated that the existing system of shippers trading slots among themselves is generally more efficient than approaching the Steamship Authority directly, and that escalation should occur only when the shippers cannot resolve capacity needs internally.

Mr. Leavitt noted that Nantucket's cooperative environment differs from Martha's Vineyard, where multiple competing haulers make slot trading more difficult, suggesting that, even when trades occur locally, it may be courteous to keep the Steamship Authority informed. Mr. Harimon reported that daily communication is ongoing with World Fuel, Noonan, Harbor Fuel, and Island Energy, and that seven (7) reservations have been transferred so far this season.

✈ Alternate Boat Options

Mr. Marks reported that Robert B. Our is expected to seek approval to operate a boat route from New Bedford, noting that early indications suggest approval is likely. However, concerns were raised regarding operational constraints, particularly extended travel times of approximately four and a half (4.5) hours compared to shorter alternatives, as well as additional delays. Mr. Marks emphasized that hours-of-service limitations for drivers, especially when transporting hazardous materials, could create logistical challenges and reduce efficiency.

Mr. Leavitt asked whether a previously discussed letter of support for Robert B. Our had been sent to the Steam Ship Authority Board. Mr. Smith stated that a draft letter has been prepared and is undergoing final review. Mr. Smith confirmed that the intent is to provide a strong letter of support.

✈ Personnel Update

Mr. Harimon provided a staffing update, noting that operations staff includes five (5) returning employees, with two (2) already on site and others pending onboarding, along with eleven (11) new hires scheduled to begin around June 1. One (1) position for a noise monitor remains uncertain due to lack of responsiveness. Mr. Harimon added that FBO staffing is strong, with eight (8) total employees, most of whom are returning and already in place.

Mr. Leavitt referenced prior discussions establishing a target of seventeen (17) seasonal operations staff and an increase to eleven (11) operations personnel with three (3) supervisors. Ms. Basheva noted that supervisor and line staff positions are still being advertised, with no internal candidates applying for the supervisor role. Mr. Harimon stated that current seasonal staffing is expected to total approximately sixteen (16), slightly below the target, due to one (1) candidate dropping out. Mr. Harimon added that staffing levels are being balanced with supervisory capacity, as managing additional staff without another supervisor would be challenging.

Ms. Basheva emphasized that availability and duration of employment are as important as total headcount, noting that many seasonal employees, particularly college students, leave by mid-August. Mr. Harimon confirmed that approximately fifty percent (50%) of seasonal staff are college students. Mr. Leavitt stressed the importance of sufficient staffing to support increased fuel sales, noting that staffing shortages should not limit operational capacity. Mr. Harimon responded that additional supervisory support would be beneficial, but recruitment challenges remain, particularly for qualified supervisor candidates. Mr. Marks suggested that if a supervisor is hired, staffing could be adjusted mid-season if needed.

Mr. Leavitt inquired about efforts to recruit workers from other seasonal airports, but Mr. Harimon reported limited success and no viable candidates identified through external outreach. Ms. Basheva explained that housing constraints are a significant limiting factor, with dormitory capacity capped at eight (8) individuals and no additional space currently available. Mr. Leavitt noted that housing could potentially be secured through alternative, higher-cost options if increased staffing would generate sufficient additional fuel revenue. Ms. Basheva responded that while additional housing could be explored in future seasons, it would be difficult to implement in time for the current summer. Mr. Marks added that staffing levels appear sufficient for the current season and recommended beginning planning now for next summer to support increased operational capacity and fuel sales.

✈ Fuel Farm Consultant

Mr. Leavitt opened discussion regarding a fuel farm consultant, referencing prior direction for staff to develop recommendations and asking for an update on progress. Ms. Ilieva clarified that a Request for Qualifications (RFQ) would be required to procure a consultant, while Mr. Smith noted that the fuel farm may already be included within the broader On-call Engineering RFQ under consideration, though not within the Owner's Project Manager (OPM) RFQ scope.

Mr. Harimon explained that the need for an OPM could depend on whether the project involves modifications to fixed structures such as the pump house, which could trigger regulatory requirements. Mr. Marks expressed concern based on prior project experience and questioned the necessity of an OPM, citing frustration with past project outcomes and costs. Mr. Harimon added that much of the anticipated work, such as adding tanks, excavation, and concrete pads, would likely not trigger OPM requirements unless the pump house or other structures are affected. Mr. Marks suggested breaking the project into smaller segments to reduce complexity and cost exposure, while Mr. Harimon indicated that the engineering team would ultimately need to determine feasibility and requirements.

Mr. Leavitt raised the possibility that fuel-related projects might be exempt from standard procurement rules, noting practices at other airports. Ms. Ilieva clarified that such exemptions likely do not apply locally. Mr. Smith explained that Nantucket bylaws limit contracting options, including restrictions on long-term agreements, which affect alternatives such as third-party development. Ms. Basheva noted that any change or exemption to a bylaw would likely require Town Meeting approval.

Mr. Leavitt suggested that the project might proceed under an existing professional services contract through a task order, potentially allowing work with a firm such as McFarland-Johnson. Mr. Marks supported this approach, emphasizing the importance of clearly defining a simple, cost-effective scope, including consideration of double-wall tanks rather than more complex designs. Mr. Smith recommended waiting until the engineering firm selection process is complete before proceeding. Mr. Leavitt and Mr. Marks favored initiating discussions promptly to accelerate progress and gather early input, even if multiple consultants are ultimately involved. Mr. Smith agreed to coordinate a meeting with McFarland-Johnson. Mr. Marks requested that the environmental coordinator also be included in future discussions.

Mr. Leavitt explained that the meeting with McFarland-Johnson would focus on developing a scope of work, emphasizing a simple and practical approach while reviewing the firm's capabilities and general recommendations. Mr. Marks agreed and noted that supporting information would be provided to demonstrate what a reasonable project cost should be, expressing concern that costs should not increase unnecessarily.

Mr. Marks questioned whether the project could be designed to clear specifications and then competitively bid, raising concern that large projected budgets may lead to inflated bids rather than reflecting true costs. Mr. Smith explained that engineers typically develop project cost estimates and that Independent Fee Estimates (IFE) are used to compare those projections with a second analysis to ensure they are reasonable. If estimates fall within an acceptable range, the project proceeds; if not, adjustments are negotiated. Mr. Smith noted that this process can still be applied even for self-funded projects. Mr. Leavitt noted that the project is not expected to be grant-funded, and Mr. Smith confirmed that independent cost validation can still be performed regardless of funding source.

Mr. Marks asked for clarification regarding engineer compensation, confirming that engineers are paid based on time and design effort rather than total project cost. Mr. Smith confirmed this is correct and noted that there is no direct financial incentive for engineers to inflate overall project costs. Mr. Leavitt stated that meeting with an experienced firm such as McFarland-Johnson would help gather input, refine the project scope, and establish realistic cost expectations moving forward.

✈ Expanded Fuel Farm Issues

Mr. Leavitt noted a recent warrant that included a six thousand dollar ($6,000) invoice from Code Red related to fuel storage and asked whether the expense was connected to the current fuel farm project. Mr. Harimon explained that the invoice was for the development of a safety plan required by the Fire Chief for the additional refueler trucks brought in for the season.

Mr. Leavitt inquired about any additional costs associated with the three (3) new refueler trucks, including transportation expenses. Mr. Harimon confirmed that freight costs were incurred but came in lower than originally quoted. Additional related costs include updates to the spill response plan prepared through VHB, a subconsultant under McFarland-Johnson, though exact figures were not available. Ongoing efforts also include a required amendment to the bulk storage license to incorporate the refueler trucks, with a public hearing scheduled for June 3. Mr. Harimon noted that the bulk storage license previously covered only underground and above-ground tanks but has now been updated to include tanker trucks and propane storage. Approval from the fire department has also been obtained.

Mr. Leavitt suggested preparing a brief one (1) page summary for the Select Board to explain the purpose of the amendment, emphasizing that the additional refuelers serve as an interim solution to meet fuel storage needs until a larger fuel farm expansion can be completed. Timing for submission to the Select Board packet was discussed, with materials recommended by the preceding Friday. Mr. Marks agreed that a clear, straightforward explanation highlighting the temporary nature of the solution would be beneficial. Mr. Leavitt recommended circulating the draft summary for review prior to submission.

Mr. Leavitt also raised a separate question regarding whether MEPA would allow an interim fuel farm project to proceed in parallel with broader plans. Mr. Smith indicated that follow-up with the appropriate contact was needed to confirm the status of that request.

✈ Converting Non-Fuel Purchasers

Mr. Leavitt reviewed updated fuel inventory and pricing data. Improved inventory levels and shipments compared to the prior year were noted, with jet fuel received exceeding jet fuel sold. Mr. Harimon stated that additional fuel deliveries were scheduled, and Mr. Marks observed that inventory trends would fluctuate but remain improved overall. Mr. Leavitt added that current fuel pricing remains competitive within the region, even after recent adjustments, while avoiding monopolistic pricing concerns.

Mr. Marks commented that, as the Airport is the sole fuel provider on the field, it does not need to maintain the highest prices, noting that published prices at other airports are often discounted through fuel programs. Ms. Basheva added that pricing will continue to increase gradually as lower-cost inventory is replaced.

Mr. Leavitt then presented an analysis of aircraft operators who frequently utilize the Airport without purchasing fuel, based on calendar year 2025 data. Potential fuel sales gains were outlined if operators met suggested minimum purchase levels, with additional sales estimated at approximately three hundred forty-one thousand (341,000) gallons—closely aligning with projected increases in fuel supply for the upcoming season. The importance of selling additional inventory to meet supplier commitments while avoiding shortages was emphasized.

Mr. Marks asked whether adjustments to fee structures, such as higher facility fees for non-purchasers or waived fees for purchasers, could address the issue. Mr. Leavitt proposed a phased approach, beginning with communication emphasizing the Airport's nonprofit, self-funded status and encouraging voluntary compliance with suggested fuel purchase minimums based on regional norms. Posting notices at the FBO and issuing targeted letters to approximately fifty (50) operators with the lowest fuel purchasing rates was recommended.

Mr. Leavitt further suggested monitoring purchasing behavior following outreach and recognizing those who increase fuel purchases. If no improvement is observed, consideration could be given to operational measures to incentivize compliance, such as limiting certain privileges for non-purchasers while maintaining benefits for customers who buy fuel. Coordination with staff and clear communication that the policy is established by the commission were noted as important, as staff would likely encounter customer concerns.

Mr. Leavitt emphasized the need to implement changes gradually while monitoring fuel sales to ensure adequate supply is maintained, cautioning that encouraging increased purchases without sufficient inventory could create operational challenges. Mr. Marks suggested a gradual approach for the current summer season, recommending implementation of initial measures focused on encouragement rather than enforcement. The goal would be to reduce pressure, avoid fuel shortages, and observe whether voluntary compliance improves before taking stronger action. If needed, more direct measures could later be applied to specific non-participants rather than broadly affecting all users. Mr. Leavitt agreed with a phased strategy and outlined a plan to distribute and post informational materials at the FBO to communicate expectations. Mr. Marks emphasized a preference for a cooperative approach, encouraging users to support Airport operations by purchasing fuel, rather than immediately introducing penalties.

Discussion included whether to tie fuel purchases to fee waivers, as is common at other airports. Mr. Leavitt explained that many airports waive significant ramp fees if minimum fuel purchases are met. However, maintaining the existing ramp fee at Nantucket was recommended to avoid immediate revenue loss, particularly since enforcement would not occur during the initial phase and the effort would focus on awareness and voluntary participation.

Mr. Marks reiterated the preference for a "soft" rollout to achieve acceptable compliance levels, allowing remaining non-participants to be addressed individually if necessary. Additional consideration was given to improving the overall customer experience, including aircraft arrival coordination, communication of service needs, and ramp operations. Staff described current practices for tracking inbound aircraft and confirming service requests, noting reliance on flight tracking systems and pilot communication, with limited use of third-party scheduling tools.

Mr. Leavitt presented draft communication materials, including a general notice for posting and individualized letters for operators with low fuel purchase rates. The letters would include operator-specific data and be directed initially to flight operators rather than aircraft owners. Mr. Harimon confirmed that contact information is available for most operators, primarily through phone numbers and, in some cases, email. Mr. Leavitt recommended acquiring access to the AMSTAT database to obtain comprehensive operator and ownership contact information, noting that the service would provide valuable data for outreach and broader operational analysis at a relatively low monthly cost.

✈ Fuel Supply RFP Specifications

Mr. Leavitt asked whether staff had begun developing bullet points for a fuel supply Request for Proposals (RFP), as discussed at the previous meeting. Ms. Ilieva responded that no progress had been made. Mr. Leavitt suggested that to move this forward, the staff should gather examples of fuel supply contracts from other regional airports, particularly publicly owned facilities, to inform the RFP process.

Mr. Leavitt noted that copies of fuel supply contracts from other airports, such as Martha's Vineyard, are available and suggested obtaining additional examples from regional public airports like Hyannis to support comparison. Mr. Leavitt emphasized that contracts from publicly owned airports are accessible and could provide useful guidance. Mr. Leavitt asked whether a list of comparable airports could be obtained through Mr. Smith's contacts from the Massachusetts Airport Management Association conference, and Mr. Smith confirmed that this would be possible and he would do so.

The meeting adjourned at 9:58 AM.

Respectfully submitted,

Elizabeth Reuss, Recorder

Master List of Documents Used:
Agenda Protocol
04/13/26 Draft Minutes
Jet A Inventory
Fuel Purchase Flyer
Non-Purchaser Letter