

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
DECEMBER 17, 2015**

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, December 19, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:30 A.M. with Board Member Richard G. Williams presiding.

PRESENT: Commissioner Patrick O'Malley
Commissioner Jim Wansacz
Commissioner Edward G. Staback
Council Manager Robert Lawton
Councilman Richard G. Williams
Councilman Richard Morelli

ALSO PRESENT: Carl R. Beardsley, Jr., Executive Director
Michael W. Conner, Assistant Airport Director
Gary Borthwick, Director of Finance
Stephen Mykulyn, Director of Engineering
Attorney Michael Butera, Luzerne County Solicitor
Attorney Don Frederickson, Lackawanna County Solicitor
Michelle Bednar, Luzerne County Controller
Reggie Mariani, Lackawanna County Chief Internal Auditor

ITEM 2:
PUBLIC COMMENTS.
(Chairman)

None.

ITEM 3:
APPROVAL OF MINUTES.
(Chairman)

MOTION: To approve and dispense with the reading of the November 19, 2015
Bi-County Airport Board Meeting minutes.
MOVED BY: Councilman Rick Morelli
SECONDED BY: Commissioner Jim Wansacz
VOTE: Unanimous

ITEM 4.
AIRPORT ACTIVITY REPORT:
(Carl R. Beardsley, Executive Director)

Passenger Activity

DISCUSSION: Mr. Beardsley began reporting to the Board with a summary of the airport's performance matrix. He started with a summary of the enplaned passengers. Enplaned passengers in November 2015 were very positive in comparison to the same period in 2014 and 2013. More specifically, the passenger boardings increased 7.3% compared to November, 2014. This is the highest November passenger boarding since data has been tracked at AVP and the fourth consecutive month that we have seen passenger boarding increases.

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AIRPORT ACTIVITY REPORT – Cont'd...

Allegiant is growth leader in passenger boardings with an increase of 83.6%, due to the addition of new service of two (2) weekly flights to the Tampa/St. Petersburg area. But they are not alone. The Airport saw increases from American Airlines (2%), and Delta (13%). Delta's growth can be attributed to the addition of larger aircraft in this market.

Year to date passenger numbers from January to October 2015 compared with the same period in 2014 shows an increase of just under 2%.

Next, Mr. Beardsley summarized the comparison of the number of seats the airlines are offering to our customers. Seat capacity increased by 3.5%, which translates into an increase of 11,151 seats. Delta Air Lines is one of the growth leaders at 6.3%, but Allegiant Air was the big winner with an increase of 100%, going from 2 flights per week to 4 flights per week.

Our Outbound load factors are growing as well. November 2015 compared to November 2014 show an increase of nearly three (3) percentage points. Overall load factors are just under 83% for November 2015. This increase plays a significant role with airlines using bigger aircraft in markets that are showing increased load factors.

DISCUSSION:

Mr. Beardsley stated more good news with regard to General Aviation flights at the Airport, where the number of flights increased 55% in comparison to November 2014. Revenue from General Aviation has increased 11%. Overall, if we calculate GA, Commercial flights, military flights, and flight instruction we're up for the year by 37%.

DISCUSSION:

Flight cancellation numbers were very similar to November 2014 and 2013, all attributed to air traffic control and weather issues. Diversions to our airport have been increasing, mainly due to weather issues at the larger NYC airports. When diversions occur, airlines are required to pay landing fees which is a positive unexpected addition to our budget. On some occasions, the passengers have to deplane, again adding unanticipated revenue at the concessions, which results in additional airport revenue from the fees the restaurant pays to the airport. An even greater asset which we experience as a result of these diversions is awareness of our airport to customers that may have never been here before!

Marketing Update

DISCUSSION:

Lastly, the Airport is going through a re-branding process, working with our Marketing Firm, MLB Advertising. Finishing touches are being made on website development and office material, which we hope to present at the January board meeting.

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ITEM 5:
AIRPORT FINANCIAL REPORT:

(Gary Borthwick, Director of Finance and Administration)

Financial Report

DISCUSSION:

Revenue – Expense Report.

As noted on the attached profit/loss statements, for the month of November 2015, Airport Operations had a net income totaling \$40,263.00 compared to a net income of \$26,093.00 in November 2014, which is a difference of \$14,170.00. Year to Date net income through November 2015 is \$266,637.00 which is a difference of \$44,124.00 compared to a net income of \$222,513.00 through November 2014.

Invoices received since the last meeting for supplies and services totaling \$486,225.85 are presented on the attached sheets for review and approval of the Board. These invoices include major construction project costs of \$167,690.07.

DISCUSSION:

Project Invoices.

The following Airport Capital Project Invoices and Applications for Payment have been received since the last Board Meeting and are recommended for payment:

Taxiway B Extension

ACP 11-01

Leeward Construction \$ 100,731.45
Application #14, dated December 11, 2015 for Construction

Joyce Carmody & Moran, P.C. \$ 380.00
Invoice #125, dated December 4, 2015 for Site Visit.

L. R. Kimball \$ 46,558.24
Invoice #532084, dated November 3, 2015 for Inspection: site prep.

L. R. Kimball \$ 510.00
Invoice #532085, dated November 3, 2015 for Inspection: NAVAIDs

This project is 81.49% complete.

Demolish Old Terminal Building – Phase 1
ACP 13-01

Borton Lawson \$ 2,624.67
Invoice #2014-0787-002-0000006 for Construction Monitoring

Sargent Enterprises \$ 16,885.27
Application #5, dated December 14, 2014 for Construction.

This project is 88.12% complete.

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AIRPORT FINANCIAL REPORT – Cont'd...

DISCUSSION: The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2015/11 (Check #1051).

**Taxiway B Extension
PFC Project #14-11**

Leeward Construction Construction site prep ACP 11-01	\$ 5,036.57	CIP 19611-01
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L. R. Kimball Inspection – Site Prep ACP 11-01	\$ 2,327.91	CIP 19611-01
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L. R. Kimball Inspection – Nav aids ACP 11-01	\$ 25.52	CIP 19611-01
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**Demolish Old Terminal Building – Phase 1
PFC Project #09-015**

Borton Lawson Construction Monitoring ACP 13-02	\$ 1,312.34	CIP 19613-02
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Sargent Enterprises Construction ACT 13-02	\$ 8,442.64	CIP 19613-02
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MOTION: Request the Airport Board approve the above transactions and payments.
MOVED BY: County Manager Robert Lawton
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

**ITEM 6.
CONTRACTS/AGREEMENTS.**

(Michael W. Conner, Assistant Airport Director)

Request for Qualifications – Insurance Brokerage Services.

On November 6, 2015, the Airport Administration, the Lackawanna County Commissioners, and Rick Jones (Lackawanna County Risk Manager) interviewed all five (5) of the Insurance Brokerage Services RFQ respondents. The candidates were as follows:

1. **Eastern Insurance Group and A.J. Lupas Insurance Agency**
Wilkes-Barre, PA
Quote: \$14,000.00 per year.

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CONTRACTS/AGREEMENTS – Cont'd...

2. **Aon Risk Services Central ('Aon')**
Philadelphia, PA
Quote: \$10,000.00 per year plus a performance percentage and 20% cost reduction share.
3. **Kincel & Company, Ltd.**
Dunmore, PA
Quote: \$10,000.00 per year.
4. **Chancellor-Gannon Insurance**
Wilkes-Barre, PA
Quote: \$10,000.00 per year.
5. **Northeastern Insurance & Financial Consultants**
Scranton, PA
Quote: \$14,700.00 per year for 3 years.

MOTION: We are recommending that the board extend the contract of Kincel & Company, Ltd., for a one (1) year period.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: County Manager Robert Lawton
VOTE: Unanimous

ITEM 7.
AUTHORIZATION TO BID.

(Michael W. Conner, Assistant Airport Director)

MOTION: Recommend the Airport Board approve the solicitation of bids for the following items: (1) HVAC Maintenance & Repair Services and (2) Window Cleaning.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: County Manager Robert Lawton
VOTE: Unanimous

ITEM 8.
CAPITAL PROJECTS:

(Stephen Mykulyn, Director of Engineering)

DISCUSSION: Mr. Mykulyn gave a brief report on the status of the following projects:

ACP 07-16
Rehabilitate and Extend Hangar Road

Design and Construction Monitoring Services - L.R. Kimball.
Contractor - Scartelli Construction.

No Change in Status.

Final Project is estimated at \$3.21M. Project payments to date represent approximately 93% of total. Funding – Federal AIP, State Aviation Grant, Airport Generated PFC Funds

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CAPITAL PROJECTS – Cont'd...

ACP 12-02

Rehabilitate Airline Apron

Design and Construction Monitoring Services – McFarland-Johnson
Contractor – Kriger Construction

No Change In Status.

Current Project Costs are approximately \$750,000.00. Project payments to date represent approximately 88% of total. Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

ACP 13-08

Aviation Fuel Farm Expansion

Design and Construction Monitoring Services - L.R. Kimball.
Contractor – Fabcor Inc.

The contractor has completed all punch list items and is scheduling Labor and Industry re-inspection of the facility. We anticipate close out of the construction contract at the January meeting. Current Project Costs are approximately \$427,000. Project payments to date represent approximately 94.8% of total. Funding - State Aviation Grant, Airport Funds.

ACP 14-03

Parking Garage Maintenance

Design Services – Desman Associates

Bidding documents are at 80% and we will be receiving them within the week for review. We have completed and submitted one of the two grant applications that we are pursuing for partial funding of the project and will complete the second by the end of this week. Current Project Costs are approximately \$72,088. Project payments to date represent approximately 28.3% of total. Funding - Airport Funds.

ACP 15-02

Master Plan Update and Airport Layout Plan (ALP) Update

Consultant – McFarland-Johnson

We participated in a very productive project kick-off meeting with the FAA and the consultant and are beginning work on the information gathering phase of the project. Current Project Costs are approximately \$902,000.
Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

ACP 11-01

Extend Taxiway B (Runway 22 Approach End)

Design and Construction Monitoring Services - L.R. Kimball.

Construction of this project is to be completed over four construction projects. The first two, Site Preparation and NAVAIDs, have been designed and let for construction. Site Preparation Contractor - Leeward Construction. NAVAIDs Contractor – Joyce Electric

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CAPITAL PROJECTS – Cont'd...

Work on the Site Preparation Contract continues. Placement of the bulk embankment is complete and placement of the embankment cap material continues. Clean up work and dismantling of the construction haul roads has now begun as we near project completion.

Work on the NAVAIDs Contract also continues. FAA final flight check of the new Runway 22 Glide Slope took place yesterday and we are happy to report that it went successfully and that the Runway 22 Glide Slope is now operational and in use. I'd like to personally thank our FAA partners in the project for all their efforts in getting through what became a difficult install and testing.

Demolition of the old Glide Slope and shelter is complete. Work continues on the remaining portions of trenching and duct bank for the permanent power to the NAVAIDs.

On the remaining two bid packages; we met with consultant to review the safety and phasing plan for the project and to review schedule. We have discussed bidding and funding of the project with the FAA and anticipate bidding the projects early next year and seeking funding in March. Current Project Costs are approximately \$12.09M. Project payments to date represent approximately 80.8% of total.

The remaining contracts for the project will be for Taxiway Paving and Taxiway Lighting & Signage. Estimated costs for construction and inspection approximately \$3,500,000. Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

ACP 13-02

Demolition Old Terminal Building

Design Services – Borton-Lawson Engineering

Environmental Remediation – Sargent Enterprises, Inc.

This project is broken out into three separate construction projects; Environmental Remediation, Building Demolition and Apron Construction. To date only the Environmental Remediation Project has been let. Final payment on the project is being made at the meeting today. We are completing our review of the demolition specification and our Consultants are working on Municipal approval required prior to bidding. Current Project Costs are approximately \$709,000. Project payments to date represent approximately 84.5% of total. Funding – State Capital Fund Grant, Airport Generated PFC Funds.

MOTION:

Recommend the Airport Board approve Change Order - Demolish Old Terminal Building Complex – Phase 1 (Environmental Remediation)

Recommend the Airport Board approve Final Close-out Change Order #1, decreasing Sargent Enterprises, Inc.'s contract, \$7,449.50 from \$414,685.46 to \$407,235.96, subject to PennDOT and solicitor's concurrence. This change order adjusts the contract to reflect the total contract price to be paid based on

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CAPITAL PROJECTS – Cont'd...

as-built quantities and services provided. We ask the Board to approve this Change Order.

MOVED BY: County Manager Robert Lawton
SECONDED BY: Commissioner Jim Wansacz
VOTE: Unanimous

DISCUSSION: Mr. Mykulyn gave a report on the status of the PennDOT Project for the Interchange as well as the Navy Way Extension. Work has been completed on placement of the bulk material for Navy Way Road. Engineering fill is in place and will settle throughout the winter months. The pavement and placement of remaining fill will be completed next year. The roundabouts are functioning as intended. Final completion for the project is expected in July of 2016.

ITEM 10.

RESOLUTIONS:

(Carl R. Beardsley, Executive Director)

A. Customer Facility Charge

We are requesting the Airport Board approve the implementation of a Car Rental Customer Facility Charge (CFC) as detailed.

MOVED BY: County Manager Robert Lawton
SECONDED BY: Councilman Rick Morelli
VOTE: Unanimous

B. Legal Services

We are requesting the Airport Board extend the existing contract of Ufberg and Associates for one (1) year at the annual rate of \$20,000.00.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

ITEM 11.

OTHER MATTERS:

(Chairman)

Councilman Rick Williams thanked Lackawanna County Commissioners Jim Wansacz and Ed Staback, Luzerne County Manager Robert Lawton and Councilman Rick Morelli for their service.

Councilman Williams also acknowledge Executive Director Beardsley on his first year of service, the work of his staff and the positive changes that have been implemented. He also commended the work of the Airport's Fixed Based Operator (FBO) Aviation Technologies.

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ITEM 12.

ADJOURNMENT:

(Chairman)

MOTION:

It is recommended to adjourn the meeting.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Commissioner Edward Staback

VOTE:

Unanimous

The meeting was adjourned at 11:04 A.M.