

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
AUGUST 16, 2012

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, August 16, 2012 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:30 A.M. with Commissioner Corey D. O'Brien presiding.

PRESENT:

Commissioner Corey D. O'Brien
Commissioner Patrick O'Malley - via telephone
Board Member Robert Lawton
Board Member Timothy McGinley
Board Member Rick Williams

ALSO PRESENT:

Barry J. Centini, Airport Director
Michael W. Conner, Assistant Airport Director
Stephen Mykulyn, Director of Engineering
Gary Borthwick, Director of Finance
Gary DiBileo, Controller, Lackawanna County
Mary Jo Sheridan, Deputy Controller, Lackawanna County
Reggie Mariani, Lackawanna County Chief Auditor
Walter Griffith, Controller, Luzerne County
Attorney Michael Butera, Luzerne County Solicitor

ITEM 2:

PUBLIC COMMENTS.

(Chairman)

DISCUSSION:

Mr. Walter Griffith, Luzerne County Controller, questioned the Board about the Financial Audit that he received from the auditor for the airport. He specifically questioned the section regarding the monies owed to the counties in the amount of \$900,000.00 and asked why the Airport's auditors restated the monies owed. Mr. Griffith wanted to know what documentation the auditors had to be able to restate the debt to Luzerne County when it was clearly stated in the County's financial audit for 2010 that it was a loan. He also went on to say that the Airport still owes the County for the ARC payment which comes to the total of \$1.2M owed to the County.

Mr. Centini replied that the Airport does not know why the \$900,000.00 was put on the books as a loan because the Airport has an original letter that was a pro forma to funding the project, and that it should never have been booked as a loan, that the auditors made a mistake in entering it that way. He also stated that there is a 6 year statute of limitations on a payback to the Airport sponsors prohibiting payback after 6 years, and he noted that this is well beyond the 6 years to pay back the Counties if it was a loan.

Commissioner O'Brien also stated that there were no legal documents entered among the Counties certifying the fact that it was a loan. There is no loan documentation, no agreements in place with respect to anything legal being done to indicate that it was a loan. Commissioner O'Brien stated that there is no loan on file for the Airport and that the \$900,000.00 was a contribution from Lackawanna County, and the same amount would have been matched by Luzerne County. He explained that these contributions were made from the Counties to the airport.

PUBLIC COMMENTS – Cont’d...

Board Member Lawton clarified that the only written assumption that the Airport has regarding this funding was a pro forma as part of the project proposal. Mr. Lawton then asked if there were any elements of that pro forma where the ultimate end result differed. He asked if there was only one element of that pro forma that the Controller is calling into question or if that pro forma is rendered moot because this changed and that changed at the end of the day.

Mr. Centini stated that there were many changes made since that letter occurred, and that the funding streams changed. He stated that the Airport had an overall funding with the Federal, State and Local governments, and the Airport’s PFC plan, and that changed during the construction of the terminal building. He went on to say that the finality of it was that there was a vote taken on the payback which was in December 2011 where the Board voted NOT to take any payback. Mr. Centini also explained that the ARC payment was addressed in the exit conference and that there was a vote taken on the payback of the ARC in December of 2011 and the vote failed.

In conclusion, Mr. Lawton stated that Luzerne County will go back and review the records of former Commissioners and the budgets and see where/how these monies were expressed and if the County can determine an underlying assumption on the part of the County at the time it issued these funds, that it was either a loan or grant, then they will come back and discuss this, if necessary, with more evidence in hand.

ITEM 3:
APPROVAL OF MINUTES.

(Chairman)

MOTION: To approve and dispense with the reading of the July 19, 2012 Bi-County Airport Board Meeting minutes.
MOVED BY: Commissioner Corey O’Brien
SECONDED BY: Board Member Timothy McGinley
VOTE: Unanimous

MOTION: To approve and dispense with the reading of the June 21, 2012 (Amended) Bi-County Airport Board Meeting minutes.
MOVED BY: Commissioner Corey O’Brien
SECONDED BY: Board Member Timothy McGinley
VOTE: Unanimous

ITEM 4:
BUSINESS REPORT:

(Michael Conner – Assistant Airport Director)

Passenger Activity

DISCUSSION: Mr. Conner reported on the “Airport Quick Look” charts, passenger enplanements for the month of July 2012 decreased 11.7% to 19,226 from 21,772 in the month of July 2011. Enplanements for the month of July 2012 compared to the month of July 2010, decreased by 944 which is 4.7%. In July 2012, 42 departing flights were cancelled: 33 for air traffic/weather; 9 for mechanical. This accounts for 1,894 seats (7.1%) out of a total 28,660 departure seats. Also, 40 arriving flights were cancelled: 34 for air traffic/weather and 6 for mechanical.

BUSINESS REPORT – Cont'd...

General Aviation Operations.

DISCUSSION:

For July 2012, General Aviation had 2,434 operations (one take-off or one landing) which is a decrease of 31% from July 2011's 3,551 General Aviation Operations. General Aviation revenues increased \$ 1,152 or 12.8% to \$ 10,129.

Financial Report

Revenue/Expenses Report.

DISCUSSION:

Mr. Conner reported that for the month of July 2012, Airport Operations had a net loss totaling \$ 3,466, compared to a net income of \$ 61,394 in July 2011, which is a difference of \$ 64,860. Year-to-date, our income for 2012 is \$ 121,280, which is \$ 182,151 less than the comparable 2011 net income of \$ 303,431. Invoices received since the last meeting for supplies and services total \$ 1,295,866.51. These invoices include major construction project costs of \$ 1,038,436.91.

Project Invoices.

DISCUSSION:

The following Airport Capital Project Invoices and Applications for Payment have been received since the last Board Meeting and are recommended for payment (AIP Echo Drawdown #2012/7).

Rehab. and Extend Hangar Road
ACP 07-16

Scartelli Construction Services	\$	93,718.72
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Application #9, August 13, 2012 in the amount of \$ 93,718.72 for Construction Services.

This project is 56.47% complete.

Construct South General Aviation Apron
ACP 10-01

Popple Construction	\$	707,889.18
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Application #8, August 13, 2012 in the amount \$707,889.18 for Construction Services.

URS Corporation	\$	10,884.99
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Invoice # 5133865, July 26, 2012 in the amount \$ 10,884.99 for Inspection Services.

This project is 61.66% complete.

Lighting Control & Security Gate Work With New ATCT
ACP 10-05

Everon Electrical	\$	222,070.50
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Application #2, August 10, 2012 in the amount \$222,070.50 for Construction Services.

BUSINESS REPORT – Cont'd...

This project is 36.54% complete.

Rehab. Airline Apron & Install PAPI (RW 10)
ACP 12-02

McFarland Johnson \$ 3,872.52

Invoice #1, August 8, 2012 in the amount
\$ 3,872.52 for Design Services.

This project is 6.83% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2012/7 Check #1003.

Design & Construct New South General Aviation Apron

Popple Construction \$ 17,697.23 CIP 19610-01
Construction
ACP 10-01

URS \$ 272.13 CIP 19610-01
Inspection
ACP 10-01

Lighting Control & Security Gate Work With New ATCT

Everon Electrical \$ 222,070.50 CIP 19610-05
Construction
ACP 10-05

MOTION:

Request the Airport Board accept and approve the above transactions and payments
and approve the PFC Trust Transfers.

MOVED BY:

Board Member Rick Williams

SECONDED BY:

Board Member Timothy McGinley

VOTE:

Unanimous

ITEM 5.

CONTRACTS/LEASES/AGREEMENTS:

(Michael Conner – Assistant Airport Director)

Airport Commercial Office Lease Agreement.

MOTION:

Recommend the Airport Board approve the Office Lease Agreement between
Montello Limited, c/o: True Aviation, Inc. and The Wilkes-Barre/Scranton
International Airport effective August 16, 2012 for a period of one (1) year, until
August 16, 2013 at a rate of \$ 16.25 p.s.f. (149.5 s.f.) which totals \$ 2,429.38 annually
or \$ 202.45 monthly. Montello Limited will lease an area of 149.5 s.f. of space
situated on the first floor of the Aviation Center (Room 102), Hangar Road, Wilkes-
Barre/Scranton International Airport to use as a pilot office in conjunction with their
aircraft hangared here at the Airport.

CONTRACTS/LEASES/AGREEMENTS – Cont’d...

MOVED BY: Commissioner Patrick O’Malley
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

Security Services Agreement – Addendum #1.

MOTION: Recommend the Airport Board approve Addendum #1 to the Security Services Agreement between AlliedBarton Security Services, LLC and the Wilkes-Barre/Scranton International Airport. This addendum takes effect August 16, 2012. Modifications include minor language changes regarding indemnifications, insurance, and law and order requirements and a new paragraph regarding taxes and governmental fees.

MOVED BY: Commissioner Patrick O’Malley
SECONDED BY: Board Member Timothy McGinley
VOTE: Unanimous

ITEM 6.

DIRECTOR’S COMMENTS:

(Barry J. Centini, Airport Director)

Taxiway B Extension Project.

MOTION: Recommend the Airport Board approve the contract between CDI – Infrastructure LLC, dba L. R. Kimball and the Wilkes-Barre/Scranton International Airport for Phase I Environmental and Preliminary Design Work which includes Geotechnical services, necessary for the extension of Taxiway B, subject to FAA and PennDOT’s approval and funding, and our solicitors concurrence. Contract amount not to exceed \$ 475,810.31.

MOVED BY: Commissioner Patrick O’Malley
SECONDED BY: Commissioner Corey O’Brien
VOTE: Unanimous

Allegiant Airline Campaign.

DISCUSSION: Mr. Centini informed the Airport Board Members that Allegiant Airlines has announced a campaign using marketing resources to generate more attention through the media building off the presidential campaign in a way that is clever and playful to create relevance for local news, as follows:

- Three (3) Allegiant Campaign Buses will travel around the Country making at least 75 campaign stops throughout September encouraging people to “Vote for Vacation”.
- There will be a campaign stop at each Allegiant origination Airport, with a live radio remote.
- Individuals will be encouraged to cast a vote for their favorite Allegiant destination.
- The Allegiant Campaign Bus will be at the Wilkes-Barre/Scranton International Airport (AVP) on Thursday, September 20, 2012 with a live radio remote broadcast from 4:00 P.M. to 6:00 P.M.
- Everyone who casts a vote will receive a “Tax Break” off their next Allegiant trip – a coupon for \$ 21.60 off.
- One (1) winner at AVP will receive two (2) round trip tickets.
- One (1) Grand prize winner from all Allegiant markets will receive Free Flights for Four Years.

DIRECTOR'S COMMENTS – Cont'd...

Mr. Centini stated that he is encouraging local travelers to come and “Vote for Vacation” at the Wilkes-Barre/Scranton International Airport, Thursday, September 20, 2012 from 4:00 – 6:00 P.M.

ITEM 7.

OTHER MATTERS:

(Chairman)

None.

ITEM 8.

ADJOURNMENT:

(Chairman)

MOTION:

To adjourn the meeting.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Board Member Robert Lawton

VOTE:

Unanimous

The meeting was adjourned at 11:22 A.M.