

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JULY 18, 2013

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, July 18, 2013 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:35 A.M. with Mr. Timothy McGinley presiding.

PRESENT: Commissioner Corey D. O'Brien
Commissioner James Wansacz
Commissioner Patrick O'Malley
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
Attorney Donald Frederickson, Lackawanna County Solicitor
Mr. Reggie Mariani, Lackawanna County Chief Auditor

ITEM 2:
PUBLIC COMMENTS.

(Chairman) None.

ITEM 3:
APPROVAL OF MINUTES.

(Chairman)

MOTION: To approve and dispense with the reading of the June 25, 2013
Bi-County Airport Board Meeting minutes.

MOVED BY: Board Member Rick Williams

SECONDED BY: Commissioner Corey O'Brien

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 June 2013 decreased 2.9% to 19,169 from 19,733 in the month of June 2012. Mr. Conner noted that this is attributable to the loss of a daily Delta flight to Detroit and the loss of a daily United flight to Newark.

Enplanements for June 2013 compared to enplanements for June 2011 decreased by 2,316 or 10.8%. This is mainly attributable to the loss of American Eagle flights to Chicago; and the loss of 20 flights to Philadelphia due to air traffic/weather and mechanical problems. Even with the addition of one daily Delta flight to Atlanta

BUSINESS REPORT – Cont'd...

and the twice weekly Allegiant flights to Orlando-Sanford (when comparing June 2013 to June 2011), the additions were still not enough to make up the difference.

Enplanements for June 2013 compared to enplanements for May 2013 decreased by 306 or 1.6%. This is mainly due to the loss of a daily United flight to Newark.

In June 2013, 26 departing flights were cancelled: 22 for air traffic/weather; 4 for mechanical. This accounts for 1,066 seats (4.5%) out of a total 24,726 departure seats. Also, 25 arriving flights were cancelled: 21 for air traffic/weather and 4 for mechanical.

DISCUSSION:

Auto Park Report.

Mr. Centini presented to the Board an Auto Parking Report comparing the number of vehicles parked in the surface lots, in the parking garage and the revenue received from automobile parking for a one year period beginning July 2012 when the new parking rates took effect. Mr. Centini reported that the surface parking has increased, the dollar amounts show that for the year July 2012 to June 2013 vs. July 2011-June 2012 the Airport had an increase of revenue in the surface parking lots of approximately \$ 60,000.00, which is up 8% from \$ 752,109.00 to \$ 811,901.00. He reported that the parking garage revenue was up 6.1%, \$ 1,388,925.00 from \$ 1,308,817.00. Overall the total parking revenue was up about \$ 140,000.00. The total parking went down about 1.8% year over year, July '12 to June '13 vs. July '11 to June '12, which coincides with the passenger numbers that the airport is generating. Mr. Centini also noted that 43,133 overnight vehicles are from out of state. There were 44,000 the year before, which is down about 2.4% and is mainly due to a drop off in drilling. Total vehicles in all the public parking areas went down about 1.8% which looks like the same number as the passenger drop.

General Aviation Operations.

DISCUSSION:

For June 2013, General Aviation had 1,234 operations (one take-off or one landing) which is an increase of 3.2% from June 2012's 1,195 General Aviation Operations. General Aviation revenues decreased \$ 2,829 or 16% to \$ 15,170.

Financial Report

Revenue/Expenses Report.

DISCUSSION:

Mr. Conner reported that for the month of June 2013, Airport Operations had a net income totaling \$ 46,755, compared to a net income of \$ 57,152 in June 2012, which is a difference of \$ 10,397. Year to date net income for 2013 is \$ 113,420 which is \$ 11,323 less than the comparable 2012 net income of \$ 124,743. Invoices received since the last meeting for supplies and services total \$ 726,566.15. These invoices include major construction project costs of \$ 438,522.23.

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 Drawdown #2013/6).

BUSINESS REPORT – Cont'd...

Rehab. and Extend Hangar Road
ACP 07-16

Wilkes-Barre Materials \$ 257.13

Invoice date is June 14, 2013 in the amount
\$ 257.13 for construction materials.

Admar Supply Company \$ 300.00

Invoice date is June 10, 2013 in the amount of
\$ 300.00 for construction materials.

Friedman Electric \$ 7,392.62

Invoice dated June 10, 2013 in the amount
\$ 7,392.62 for construction materials.

Fastenal \$ 112.07

Invoice dated June 7, 2013 in amount
\$ 112.07 for construction materials.

Scranton Craftsmen \$ 279.00

Invoice # 1739010, dated June 25, 2013 in
amount \$ 279.00 for construction materials.

Team Supply \$ 482.30

Invoice dated May 9, 2013 in amount
\$ 482.30 for construction materials.

Verizon \$ 2,000.00

Invoice # 20,1449, dated July 12, 2013 in the
amount of \$ 2,000.00 for construction materials.

This project is 81.11% complete.

Construct South General Aviation Apron
ACP 10-01

Popple Construction \$ 400,069.76

Application #16, dated July 16, 2013 in the
amount of \$ 400,069.76 for construction services.

This project is 96.32% complete.

BUSINESS REPORT – Cont'd...

Taxiway B Extension
ACP 11-01

L. R. Kimball \$ 27,629.35

Invoice # 519956, June 4, 2013 in the amount
\$ 27,629.35 for design services.

This project is 89.90% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2013/6 (Check #1016).

Design & Construct New General Aviation Apron
PFC Project #08-023

Popple Construction \$ 400,069.76 CIP 19610-01
Construction Services
ACP 10-01

Rehabilitate and Extend Hangar Road
PFC Project #08-025

Wilkes-Barre Materials \$ 257.13 CIP 19607-16
Construction Materials
ACP 07-16

Admar \$ 300.00 CIP 19607-16
Construction Materials
ACP 07-16

Friedman Electric \$ 7,392.62 CIP 19607-16
Construction Materials
ACP 07-16

Team Supply \$ 482.30 CIP 19607-16
Construction Materials
ACP 07-16

Fastenal \$ 112.07 CIP 19607-16
Construction Materials
ACP 07-16

Scranton Craftsmen \$ 279.00 CIP 19607-16
Construction Materials
ACP 07-16

Verizon \$ 2,000.00 CIP 19607-16
Construction Materials
ACP 07-16

MOTION:

MOVED BY:

SECONDED BY:

VOTE:

Request the Airport Board approve the above transactions and payments.
Commissioner Corey O'Brien
Commissioner Patrick O'Malley
Unanimous

BUSINESS REPORT – Cont'd...

DISCUSSION: PFC Status Report.

Mr. Conner reported that the Airport collected \$ 229,303.91 (including \$ 2,073.33 interest throughout the second quarter of 2013), bringing the PFC Trust Account balance of \$ 2,005,969.71.

For PFC Application 93-01, 97-02 and 00-03, the Airport has expended \$ 9,532,125.05 (73%) out of a total collection authority of \$ 12,997,524; for PFC Application 08-05, the Airport has expended \$ 1,289,989 (85%) out of a total collection authority of \$ 1,518,104; for PFC Application 09-07, the Airport has expended \$ 117,929 (72%) out of a total collection authority of \$ 164,000; and for PFC Application 11-08 the Airport has expended \$ 1,254,915 (99%) out of a total collection authority of \$1,255,054.

ITEM 5.

BID OPENING/AWARD:

(Stephen Mykulyn, P.E., Director of Engineering)

Install PAPI Runway 10.

MOTION:

Bids were opened Thursday, July 11, 2013 at 10:00 A.M. in the Airports Conference Room by Airport Administration and Lackawanna County Chief Auditor, Reggie Mariani for the Install PAPI Runway 10 Project. Nine (9) sets of specifications were purchased by interested bidders and four (4) bid proposals were received. Based on the recommendation of the Engineer, it was recommended that the Airport Board award to the responsible bidder submitting the lowest responsive bid, B & H Taxilane Lighting, 28 Yantz Road, Barton, N.Y., 13734 at the bid price of \$ 33,650.00.

MOVED BY:

Board Member Rick Williams

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

Rehabilitate Airline Apron.

MOTION:

Bids were opened Thursday, July 11, 2013 at 10:00 A.M. in the Airports Conference Room by Airport Administration and Lackawanna County Chief Auditor, Reggie Mariani for the Rehabilitate Airline Apron Project. Eleven (11) sets of specifications were purchased by interested bidders and six (6) bid proposals were received. The Engineer, after consultation with the lowest bidder, determined that the lowest bidder wished to withdraw their bid due to an error in preparation of their estimate for their bid proposal and their inability to meet the project DBE requirements. Based on the recommendation of the Engineer, it was recommended that the Board award to the responsible bidder submitting the next lowest responsive bid, Kriger Construction, 859 Enterprise Street, Dickson City, PA. 18519 at the bid price of \$ 671,101.00.

MOVED BY:

Commissioner Corey O'Brien

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

ITEM 6.

RATES AND CHARGES:

(Michael Conner – Assistant Airport Director)

Signatory Aircraft Landing Fee.

MOTION:

Request the Airport Board approve the increase of the Signatory Aircraft Landing Fee from the current \$ 3.24 per thousand pounds to \$ 3.29 per thousand pounds, with an effective date of August 1, 2013. This increase is based on the trailing 12 months of actual expenses and revenues and is calculated using the standard signatory contract form. This increase will result in additional revenue of approximately \$ 15,500.00 over the first year.

\$ 3.24 (up to 60,000 lbs.)	\$ 3.29
\$ 2.65 (60,001 up to 125,000 lbs.)	\$ 2.69
\$ 2.51 (125,001 up to 160,000 lbs.)	\$ 2.56
\$ 2.17 (160,001 lbs. and up)	\$ 2.22

MOVED BY:

Commissioner Corey O'Brien

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

ITEM 7.

CONTRACTS/LEASES/AGREEMENTS:

(Michael Conner – Assistant Airport Director)

Approval of RFP Results and Contract Negotiations.

MOTION:

The Airport recommended Aviation Technologies, Inc., as the Fixed Base Operator (FBO) at the Wilkes-Barre/Scranton International Airport for the term starting September 1, 2013 and ending August 31, 2028. Aviation Technologies was recommended after a full Request for Qualifications and Request for Proposals (RFQ/RFP) process was completed.

There were five (5) respondents to the RFQ/RFP – Aviation Technologies, Saker Aviation Services, True Aviation, Taughannock Aviation, and VOLO Aviation. Each proposal was reviewed extensively, and each respondent was interviewed. Each proposal's financial statistics was compared against the existing FBO contract. Finally, each proposal was scored against a standard set of criteria.

Aviation Technologies' proposal scored significantly higher than any of the other proposals.

After interviewing their proposed team, it was the collective opinion of the Airport Administration that Aviation Technologies meets and exceeds the RFQ/RFP requirements and has formed a team of creative aviation professionals that will increase general aviation revenues to the Airport, attract additional general aviation business, provide appropriate aircraft charter services, provide an expanded flight school, improve aircraft maintenance services, and improve the overall FBO operation. In addition, Aviation Technologies' proposal indicated a genuine concern for increasing local business, for expanded community involvement, and proposed investment in the Airport that exceeds all the other proposals.

In addition, it was noted that Aviation Technologies is also providing scheduled air services to communities under the Federal Aviation Essential Air Service Program. Their ability to provide and service scheduled air carriers could lead to increased air service at AVP to destinations the Airport currently does not serve.

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

The Administration recommended Airport Board approval to enter into final contract negotiations, giving Aviation Technologies the initial “go-ahead” to begin operational preparations. Contract will be presented for approval at August 15, 2013 Board Meeting.

It was also noted by Mr. McGinley that there was a question regarding the FAA Guidelines and Mr. Centini reported that the Airport does meet the FAA Guidelines by not having a ‘non-exclusive’ here at this airport. He stated that FAA has published information regarding having one FBO at a facility, which is located on their website: also he printed out information from the FAA’s Airports Compliance Handbook. He read aloud that it says “a single activity on an Airport does not necessarily translate into an exclusive right: the presence on an airport of only one enterprise engaged in an aeronautical activity will not be considered a violation of their policy if there is no understanding, expressed agreement, or apparent intent to exclude other reasonably qualified enterprises”. The FAA clarified its concern by stating “in many instances the volume of business may not be sufficient to attract more than one such enterprise, as long as the opportunity to engage in an aeronautical activity is available to those meeting responsible qualifications relevant to that activity. The fact that only one enterprise takes advantage of the opportunity does not constitute as an exclusive right”. Mr. Centini stated that the airport believes they are in complete compliance.

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

ITEM 8.

DIRECTOR’S COMMENTS:

(Barry J. Centini, Airport Director)

Rehabilitate Airline Apron and Install PAPI Runway 10 Project.

MOTION: Recommend the Airport Board approve Supplement No. 1 to the Agreement for engineering services between the Wilkes-Barre/Scranton International Airport and McFarland-Johnson, Inc. for construction phase services for the Installation of a Precision Approach Path Indicator (PAPI), for Runway 10, subject to FAA, PennDOT and solicitors concurrence. Fee not to exceed \$ 19,998.00.

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

MOTION: Recommend the Airport Board approve Supplement No. 2 to the Agreement for engineering services between the Wilkes-Barre/Scranton International Airport and McFarland-Johnson, Inc. for construction phase services for the Rehabilitation of the Airline Apron, subject to FAA, PennDOT and solicitors concurrence. Fee not to exceed \$ 39,970.00.

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

MOTION: Recommend the Airport Board approve the Agreement between B & H Taxilane Lighting Corp., and the Wilkes-Barre/Scranton International Airport for the Installation of a Precision Approach Path Indicator (PAPI), for Runway 10, subject to FAA, PennDOT and solicitors concurrence. Fee not to exceed \$ 33,650.00.

DIRECTOR'S COMMENTS – Cont'd...

MOVED BY: Board Member Rick Williams
SECONDED BY: Commissioner Corey O'Brien
VOTE: Unanimous

MOTION: Recommend the Airport Board approve the Agreement between Kriger Construction, Inc. and the Wilkes-Barre/Scranton International Airport for the Airline Apron Rehabilitation, including Alt. #1 and Alt. #2, subject to FAA, PennDOT and solicitors concurrence. Fee not to exceed \$ 671,101.00.

MOVED BY: Board Member Rick Williams
SECONDED BY: Commissioner Corey O'Brien
VOTE: Unanimous

Rehabilitation /Extend Hangar Road Project.

MOTION: Recommend the Airport Board approve the Change Order #5 to Scartelli Construction Services, Inc.'s contract, increasing contract amount \$ 58,794.00 from \$ 2,139,828.26 to \$ 2,198,622.26, subject to FAA, PennDOT and solicitors concurrence. Increase due to a number of work items that were beyond the contracts scope of work and necessary to complete construction of the Roadway.

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

Taxiway B Extension Project.

MOTION: Recommend the Airport Board approve Supplement No. 1 to the Agreement for Engineering Services between the Wilkes-Barre/Scranton International Airport and CDI-Infrastructure, LLC dba. L. R. Kimball, for Phase II final design services for the Extension of Taxiway B, subject to FAA, PennDOT and solicitors concurrence. Fee not to exceed \$ 639,907.44.

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

ITEM 9.

OTHER MATTERS:
(Chairman/Vice Chairman)

DISCUSSION: Mr. Centini reported to the Board that the IRL (Indy Race) was a great success. The president and CEO of the track was here and the airport received rave reviews regarding the reception afforded the crew and drivers and it was very much appreciated.

DISCUSSION: Commissioner O'Brien informed the Board that he has gotten three requests about bringing the air shows back and he was wondering if there were anything the airport can do about that. Mr. Centini explained that it is not feasible to do so for many reasons. For one thing, the facility itself has changed, parking is gone away, the parking structure, the way the people entered the airport, it's all gone and they would need a lot of busing. He stated that he is not sure we could even have any fast moving aircraft because of where the control tower is situated. In summary, he feels logistically it would be very hard to put on a show. He also stated that many of the air show performers are out of business and the air show industry itself is dwindling. On top of that, military has cut back on their demonstrations.

OTHER MATTERS – Cont’d...

DISCUSSION:

Mr. Williams noted that the new construction on the Interstate 81 is about to begin and he is somewhat concerned that it would impact the passengers who depart from AVP and give the airport a bad name regarding the problems trying get to the airport, and stated that he hopes the Airport aggressively makes sure that there is plenty of advance notice to passengers as to any delays and that they maintain as much flow of traffic on 81 as possible. Mr. Mykulyn assured Mr. Williams that the airport is doing everything they can to stay abreast of what is going on and to keep informed and have discussed what they can do to get the information out when things are going to occur. Mr. Mykulyn stated that his understanding is that PennDOT will be maintaining two lanes of traffic in both directions at all times.

ITEM 10.

ADJOURNMENT:

(Chairman/Vice Chairman)

MOTION:

To adjourn the meeting.

MOVED BY:

Board Member Rick Williams

SECONDED BY:

Commissioner Corey O'Brien

VOTE:

Unanimous

The meeting was adjourned at 11:37 A.M.