

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
OCTOBER 25, 2011

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Tuesday, October 25, 2011 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 2:20 P.M. with Commissioner Stephen A. Urban presiding.

PRESENT: Commissioner Stephen A. Urban
Commissioner Thomas P. Cooney
Commissioner Corey D. O'Brien
Commissioner Michael J. Washo
Commissioner Bruce A. Smallacombe

ALSO PRESENT: Barry J. Centini, Airport Director
Michael W. Conner, Assistant Airport Director
Gary Borthwick, Director of Finance
Stephen Mykulyn, Director of Engineering
Attorney John O'Brien, Lackawanna County Solicitor

ITEM 2:
PUBLIC COMMENTS.

None.

ITEM 3:
APPROVAL OF MINUTES.

MOTION: To approve and dispense with the reading of the October 4, 2011 Bi-County Board of Commissioners Meeting minutes.
MOVED BY: Commissioner Cooney
SECONDED BY: Commissioner O'Brien
VOTE: Unanimous

ITEM 4:
BUSINESS REPORT:

Passenger Activity

DISCUSSION: Mr. Conner reported on the "Airport Quick Look" charts, passenger enplanements for the month of September 2011 increased 6.3% to 20,605 from 19,391 in the month of September 2010. Enplanements for the month of September 2011 compared to the month of September 2009, increased by 4,240 which is + 25.9%. In September 2011, 5 departing flights were cancelled due to mechanical, 1 departing flight was cancelled due to crew availability and 27 departing flights were cancelled due to air traffic/ weather. This accounts for 1,444 seats (-5.6%) out of a total 25,980 departure seats.

General Aviation Operations.

DISCUSSION: For September 2011, General Aviation had 1,046 operations (one take-off or one landing) which is a decrease of 56% from September 2010's 2,373 General Aviation Operations. General Aviation revenues increased \$4,629 or 60% to \$12,347.

BUSINESS REPORT – Cont'd...

Financial Report

Revenue/Expenses Report.

DISCUSSION:

Mr. Conner reported that for the month of September 2011, Airport Operations had a net income, which includes funds expended for special project advertising and marketing and interest income totaling \$40,626, compared to a net income of \$ 31,116 in September 2010, which is a difference of \$9,510. Year to date the Airport's income for 2011 is \$391,759 which is \$562,337 better than the comparable 2010 loss of \$170,578.

DISCUSSION:

Mr. Borthwick, Airport Director of Finance reported on the 9 Month Quarterly Budget Report - Unaudited. Mr. Borthwick noted that the budget being followed has no raises and no pension (ARC) payments. He reported that following is the nine month budget report which includes comparisons of prior year 2010 and present year 2011. For the nine months ended September 30, 2010 net loss was \$47,041 compared to the budget projection of a loss of \$342,307 which was \$295,266 ahead of the projected loss. For the nine months ended September 30, 2011 income before depreciation was \$391,759 as compared to the projected loss of \$268,583 which is \$660,342 ahead of projections. Revenue for the nine months ending September 30, 2011 exceeded projections by \$265,311 which was primarily attributable to increases in parking concession, auto rental concession and landing fees. Direct operation expenses were under budget by \$148,543 and overhead expenses were under budget by \$74,870 which gave us an income from operations of \$441,391 which is \$488,724 ahead of projected loss of 47,333. Additionally the airport has expended airport funds on the following capital projects:

<u>2011 Capital Expenditures</u>	
Hangar Roof Repair	\$ 160,000.00
Design Hangar Road Project	\$ 250,000.00
Equipment (other)	\$ 20,000.00
Vehicle purchase	\$ 27,000.00
Gutter and Roof Guards	<u>\$ 25,000.00</u>
Total	\$ 482,000.00

Requirements for 2012 for Airports funds include but are not limited to the following:

Parking Lot Expansion	\$ 250,000.00
Replace Security Video Recording System	\$ 150,000.00
Airport Vehicles	\$ 47,000.00
Total	<u>\$ 447,000.00</u>

Also in 2012 we will prefund the following airport design and construction projects: (a) Rehab Terminal Drive (b) Rehab/extend airline concrete apron (c) Install PAPI Rwy 28 (d) South G/A ramp construction and (e) Hangar Road construction totaling approximately \$600,000.00.

Invoices received since the last meeting for supplies and services total \$ 720,652.06. These invoices include major construction project costs of \$ 463,789.35.

BUSINESS REPORT – Cont'd...

MOTION: Request Airport Board approve these transactions and payments.
MOVED BY: Commissioner Cooney
SECONDED BY: Commissioner Washo
VOTE: Unanimous

Project Invoices.

MOTION: 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 #2011/9).

Rehab and Extend Hangar Road
ACP 07-16

L. R. Kimball \$ 31,396.84

Invoice #510813, October 12, 2011, in the amount
\$ 31,396.84 for design services.

This project is 14.30% complete.

Construct South General Aviation Apron.
ACP 10-01

URS Corporation \$ 102,490.12

Invoice # 4839440, October 2, 2011, in the amount
\$ 102,490.12 for inspection services.

URS Corporation \$ 50,000.00

Invoice # 4696399, May 23, 2011, in the amount
\$ 50,000.00 for design services.

Popple Construction \$ 233,417.03

Application #6, October 18, 2011, in the amount
\$ 233,417.03 for construction services.

URS Corporation \$ 20,089.27

Invoice # 4847096, October 7, 2011, in the amount
\$ 20,089.27 for inspection services.

This project is 50.24% complete.

Parking Study and Construct Additional Surface Parking
ACP 10-07

KBA Engineering \$ 26,396.09

Invoice # 6656, October 12, 2011, in the amount
\$ 26,396.09 for design services.

BUSINESS REPORT – Cont'd...

Airport Passenger Facility Charge (PFC) Trust Transfers

MOTION:

The following PFC trust transfers are recommended for Airport Board approval.
PFC Drawdown # 2011/4 Check #1187.

Design and Construct Access Road for GA Area

L. R. Kimball ACP 07-16	\$ 31,396.84	CIP 19607-16
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Design & Construct New South General Aviation Apron

URS Corporation ACP 10-01	\$ 2,562.26	CIP 19610-01
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URS Corporation ACP 10-01	\$ 1,250.00	CIP 19610-01
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Popple Construction ACP 10-01	\$ 12,205.58	CIP 19610-01
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Popple Construction ACP 10-01	\$ 5,835.43	CIP 19610-01
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URS Corporation ACP 10-01	\$ 502.24	CIP 19610-01
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PFC Status Report.

DISCUSSION:

Mr. Conner reported that the Airport collected \$ 252,710.16 (including interest) throughout the third quarter of 2011, bringing the PFC Trust Account balance to \$ 2,547,836.46. For PFC Applications 93-01, 97-02, and 00-03, the Airport has expended \$ 9,526,060 (77%) out of a total collection authority of \$ 12,457,878. For PFC Application 08-05, the Airport has expended \$ 1,289,989 (23%) out of a total collection authority of \$ 5,790,104. For PFC Application 09-07, the Airport has expended \$ 96,259.87 (59%) out of a total collection authority of \$ 164,000. For PFC Application 11-08, the Airport expended \$ 289,850.35 (11%) out of a total collection authority of \$ 2,842,784.

ITEM 5.

BID AWARDS:

Airport Elevator/Escalator Maintenance Contract.

Bids were opened on Friday, October 7, 2011 at 10:00 A.M. in the Airport's Conference Room by Airport Administration for the Airport Elevator/Escalator Maintenance contract. The bids were reviewed and tabulated and it is recommended that the Airport Board award the contract to the low bidder, Thyssen Krupp Elevator Services, 5925 Tilghman Street, Allentown, PA., at a cost of \$ 89,148.00. This is a three (3) year contract beginning November 1, 2011, and ending October 31, 2014 for full maintenance service on the Airport's elevators and escalators. Bids were as follows: Noted: The previous contract period, now ending, was at a comparable rate of \$ 102,741.

BID AWARDS – Cont’d...

<u>Company</u>	<u>Base Bid</u>
Thyssen Krupp Elevator	\$ 89,148.00
Schindler Elevator	\$ 92,688.00
Kone Elevator	\$ 108,702.00

MOVED BY: Commissioner Washo
SECONDED BY: Commissioner Cooney
VOTE: Unanimous

ITEM 6.

CONTRACTS/LEASES/AGREEMENTS:

FAA Lease for Real Property.

MOTION: Recommend the Airport Board approve the replacement FAA Lease for Real Property, Lease Agreement # DTFAEN-12-L-00070 between the Airport and the Federal Aviation Administration. This Lease succeeds Lease # DTFAEA-06-L-00092 which expires September 30, 2011. This Lease is for 6,143.4 s.f. of space in the old terminal building. The FAA leases this space for the Air Traffic Control Tower, TRACON and Facilities Offices. This Lease commences on October 1, 2011 and will continue through September 30, 2016 inclusive. The FAA will continue to pay the Airport a rental fee of \$ 224,040.00 per year or \$ 18,670.00 per month.

MOVED BY: Commissioner Washo
SECONDED BY: Commissioner Smallacombe
VOTE: Unanimous

DISCUSSION: Mr. Centini did note that this is the lease on the old terminal building with the FAA and that this lease will not go to 2016. He stated it may go to September of 2012. He reported that the FAA should be moved into the new tower building by June or July of 2012 and the Airport will probably get a notice of cancellation either the day they move or until they clean the old building out.

PennDOT Maintenance Agreement.

MOTION: Request the Airport Board approve the Maintenance Agreement, associated with The Pennsylvania Department of Transportation's Navy Way Extension Project. As part of the NPDES permitting process undergone for the project, the Department was required to provide certain environmental mitigation to offset the effects that the Project would have on Lidy Creek. Currently there exists a pipe (on Airport Property) which carries Lidy Creek under an access road in the area of the MALSR near the proposed project. This pipe is undersized and deteriorated. Under the Project the pipe will be replaced. Mr. Conner stated to the Board that as they are aware, the Department will be turning the maintenance of the road over to Dupont Borough. As this pipe is not associated with the road and will be located outside the area to be eased for the road, the Airport will have responsibility for the maintenance of the pipe.

MOVED BY: Commissioner Cooney
SECONDED BY: Commissioner Washo
VOTE: Unanimous

Agreement Between Airport and Aeronautical information Management Group of the FAA.

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

MOTION: Request the Airport Board approve the Memorandum of Agreement between the Aeronautical Information Management Group of the Federal Aviation Administration and the Wilkes-Barre/Scranton International Airport. This Agreement sets forth the goals, objectives, and responsibilities of the Airport and the FAA as they relate to the new Direct-Entry Digital NOTAM System, which is provided free of charge as an internet-based system by the FAA. This Agreement will allow the Airport to enter Notice-To-Airman information directly into the National Airspace System instead of utilizing manual transmission of that Information via the Flight Service Station. The system should be available for Airport use in approximately four months.

MOVED BY: Commissioner Smallacombe
SECONDED BY: Commissioner Washo
VOTE: Unanimous

ITEM 7.
DIRECTOR’S COMMENTS:

Right of Way Agreements.

MOTION: Recommend the Airport Board approve the Right of Way Agreement between PPL Electric Utilities Corporation and Wilkes-Barre/Scranton International Airport subject to solicitors concurrence. Agreement grants PPL Electric Utilities Corporation the right to relocate four (4) poles including anchor guys and overhead wires along Navy Way Road. The relocation of the four poles is necessary because of the Hangar Road Rehabilitation and Extension Projects currently under construction.

MOVED BY: Commissioner Washo
SECONDED BY: Commissioner O’Brien
VOTE: Unanimous

Construction of New South General Aviation Apron Project.

MOTION: Recommend the Airport Board approve Change Order #2 to Popple Construction Inc.’s contract, increasing contract amount \$ 62,714.00 from \$ 5,601,201.48 to \$ 5,663,915.48, subject to FAA, PennDOT and Solicitors concurrence. The changes are a result of additions to the project scope necessitated by Luzerne County Conservation District permitting conditions, revisions to the Apron area stormwater management and E & S control items based on construction, and the addition of increased borrow area E & S control items. Change Order #2 also increases contract duration 45 days from 185 days to 230 days.

MOVED BY: Commissioner Washo
SECONDED BY: Commissioner Cooney
VOTE: Unanimous

Auto Parking Expansion Project.

MOTION: Recommend the Airport Board approve Amendment #1 to the contract between the Wilkes-Barre/Scranton International Airport and KBA Engineering, subject to PennDOT and Solicitors concurrence. Amendment #1 is necessary to revise documents and drawings for rebidding of the Automobile Parking Expansion Project. Contract Amendment amount up to \$ 11,140.30.

MOVED BY: Commissioner Washo
SECONDED BY: Commissioner Cooney
VOTE: Unanimous

DIRECTOR'S COMMENTS – Cont'd...

Wilkes-Barre/Scranton International Airport Authority.

DISCUSSION:

Mr. Centini informed the Airport Board that Attorney O'Brien is present to update the Board on the progress on the formation of the Airport Authority to govern the operations of the Wilkes-Barre/Scranton International Airport and may request a formal motion to proceed with the necessary filings with the FAA and PennDOT.

Attorney O'Brien stated that since the last Board Meeting he has looked into the legalities and several of the requirements for forming an Airport Authority. He stated that he looked at 5603 which is the Pennsylvania Statute which allows for the creation of an Airport Authority. He stated that basically it's a three step process; #1 is the Airport motion and intent to proceed in allowing us, with the appointed administration, to file for requisite approvals with FAA and PennDOT; this would trigger the second step, which would be a thirty day notice to initially file the articles incorporation of the authority and of course anything that comes with that, i.e. the formalities of actually transferring contracts, etc. In short, Step #1 is the Airports intent to go ahead and authorize the requisite filing with FAA and PennDOT; then we would send out to each county wide, a 30 day notice for a public meeting in each county, and then there will be a public meeting for each county, and depending on the result, a resolution one way or another to form an authority coming out of both Luzerne and Lackawanna County. After that, there would be the filing of the articles which would be done in accordance with that. He stated there is a lot of detail of what the articles are needed, some of which have already been provided, but the timing is alright for that. In concluding, Attorney O'Brien stated that what is needed during this meeting is the Board's opinion and a Board motion to proceed with the requisite requirements for FAA and PennDOT and to direct each County to begin on their own process of seeking approval.

MOTION:

Recommend the Airport Board approval of notification of the FAA and PennDOT of the Airports intent to form an Authority.

MOVED BY:

Commissioner Washo

SECONDED BY:

Commissioner Smallacombe

VOTE:

Unanimous

Conferences/Seminars.

MOTION:

Recommend the Airport Board approval for two (2) Airport Representatives to attend the 11th Annual AAAE/TSA/DHS Aviation Security Summit December 12-13, 2011, Arlington, VA.

MOVED BY:

Commissioner Cooney

SECONDED BY:

Commissioner Washo

VOTE:

Unanimous

ITEM 8 .

OTHER MATTERS:

None.

ITEM 9.

ADJOURNMENT:

MOTION:	To adjourn the meeting.
MOVED BY:	Commissioner Cooney
SECONDED BY:	Commissioner Washo
VOTE:	Unanimous

The meeting was adjourned at 3:05 P.M.