

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
DECEMBER 16, 2011

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Friday, December 16, 2011 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:15 A.M. with Commissioner Stephen A. Urban presiding.

PRESENT: Commissioner Stephen A. Urban
Commissioner Thomas P. Cooney
Commissioner Maryanne C. Petrilla
Commissioner Michael J. Washo
Commissioner Bruce 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.

Commissioner Urban wished everyone a Merry Christmas and Happy New Year.

ITEM 3:
APPROVAL OF MINUTES.

MOTION: To approve and dispense with the reading of the November 28, 2011 Bi-County Board of Commissioners Meeting minutes.
MOVED BY: Commissioner Washo
SECONDED BY: Commissioner Cooney
VOTE: Unanimous

ITEM 4:
BUSINESS REPORT:

Passenger Activity

DISCUSSION: Mr. Conner reported on the "Airport Quick Look" charts, passenger enplanements for the month of November 2011 decreased 1.8% to 18,844 from 19,196 in the month of November 2010. Enplanements for the month of November 2011 compared to the month of November 2009, increased by 3,315 which is +21.3%. In November 2011, 6 departing flights were cancelled due to mechanical and 16 departing flights were cancelled due to air traffic/weather. This accounts for 944 seats (-3.7%) out of a total 25,316 departure seats.

General Aviation Operations.

DISCUSSION: For November 2011, General Aviation had 1,136 operations (one take-off or one landing) which is a decrease of 44% from November 2010's 2,020 General Aviation Operations. General Aviation revenues increased \$3,930 or 55% to \$10,997.

BUSINESS REPORT – Cont'd...

Financial Report

Revenue/Expenses Report.

DISCUSSION:

Mr. Conner reported that for the month of November 2011, Airport Operations had a net income, which includes funds expended for special project advertising and marketing and interest income totaling \$52,662, compared to a net income of \$ 47,928 in November 2010 which is a difference of \$ 4,734. Year to date, our income for 2011 is \$ 496,190 which is \$ 570,093 better than the comparable 2010 loss of \$73,903.

Invoices received since the last meeting for supplies and services total \$ 357,367.55. These invoices include major construction project costs of \$ 117,157.09.

MOTION:

Request Airport Board approve these transactions and payments.

MOVED BY:

Commissioner Petrilla

SECONDED BY:

Commissioner Smallacombe

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 #2011/11).

Rehab and Extend Hangar Road
ACP 07-16

L. R. Kimball \$ 37,460.29

Invoice #511837, December 5, 2011, in the amount
\$ 37,460.29 for inspection services.

Scartelli Construction Services, Inc. \$ 79,696.80

Application #1, October 31, 2011, in the amount
\$ 79,696.80 for construction services.

Project is 10.91% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

MOTION:

The following PFC trust transfers are recommended for Airport Board approval.
PFC Drawdown # 2011/4 Check #1189.

Design and Construct Access Road for GA Area

L. R. Kimball \$ 37,460.29 CIP 19607-16
ACP 07-16

Scartelli Construction \$ 79,696.80 CIP 19607-16
ACP 07-16

ITEM 5.

CONTRACTS/LEASES/AGREEMENTS:

Best Value Limousine Concessionaire Agreement.

MOTION:

Request the Airport Board approve the Airport Limousine/Taxi Concessionaire Agreement between the Wilkes-Barre/Scranton International Airport and Best Value Limousine Service. This Agreement will commence on January 1, 2012 and run for three years terminating on December 31, 2014. Best Value Limousine Service shall pay the Airport a commission fee based on gross revenue received for delivery of airline baggage and limousine or taxi service originating at the Airport for 4.5% for the first year. For years two and three the commission fee will be negotiated, but will not be less than 4.5%. Best Value will also lease approximately 174 sq. ft. office/operations/counter space in the Terminal Building at a rate of \$ 29.24 per s.f. which equals \$ 423.98 per month.

MOVED BY:

Commissioner Petrilla

SECONDED BY:

Commissioner Smallacombe

VOTE:

Unanimous

Airport Office Lease Agreement.

MOTION:

Request the Airport Board approve the Office Lease Agreement between the Airport and Aviation Technologies. This Agreement will commence on January 1, 2012 and continue for a term of one calendar year terminating December 31, 2012, with two, one year extensions upon mutual agreement and successful negotiation of the lease rate. Tenant shall use the premises for administration of charter flights, aircraft/airline ground handling services, and providing other aviation related services. Aviation Technologies will pay the Airport \$ 700.00 per month which totals \$ 8,400.00 for the years.

MOVED BY:

Commissioner Smallacombe

SECONDED BY:

Commissioner Washo

VOTE:

Unanimous

ITEM 6.

DIRECTOR'S COMMENTS:

Personnel.

MOTION:

Recommend the Airport Board accept the resignation of Ms. Eve Hennigan from the Secretary/Receptionist position effective January 26, 2012.

MOVED BY:

Commissioner Petrilla

SECONDED BY:

Commissioner Smallacombe

VOTE:

Unanimous

Conferences/Seminars.

MOTION:

Recommend the Airport Board approval to attend the following Conferences/Seminars:

1. One Airport Representative to attend the 23rd Annual AAEE Airport Finance and Administrative Conference March 4-7, 2012 Daytona, FL and two Airport Representatives to attend Network/USA 2012 Conference March 4-6, 2012, Tampa, FL.

MOVED BY:

Commissioner Washo

SECONDED BY:

Commissioner Petrilla

VOTE:

Unanimous

ITEM 7.

OTHER MATTERS:

PRESENTATION:

Mr. Centini expressed his and the entire staff's pleasure in working with this Board and that we hate to see them go but know that this Board he wants them to know that they have left the Airport in good stead. He stated that the Airport has had one of its best years in a long time under the Boards stewardship and we wish all members of the Board best and with that Mr. Centini presented each member of the Board with an airplane propeller as a parting gift. Each Board member then expressed their pleasure at having served on the Airport Board and expressed how beautiful the Airport Terminal is and what a great job Mr. Centini and the staff does in operating and maintaining the Airport.

PRESENTATION:

Commissioner Urban presented Mr. Centini with a plaque on behalf of the Bi-County Board of Commissioners for 40 years of service at the Wilkes-Barre/Scranton International Airport, December 21, 1971 to December 21, 2011.

MOTION:

Request the Airport Board go off the Agenda to discuss some issues that continue to surface and see if any resolutions can be reached. The Board went off the agenda at 10:40 A.M.

MOVED BY:

Commissioner Petrilla

SECONDED BY:

Commissioner Cooney

VOTE:

Unanimous

DISCUSSION:

Commissioner Urban stated that he would like to make 3 motions, as follows:

MOTION #1:

Request the Airport pay the ARC payments to both Luzerne and Lackawanna Counties.

MOVED BY:

Commissioner Petrilla

SECONDED BY:

Commissioner Cooney

VOTE:

Commissioner Petrilla - Yes

Commissioner Cooney - Yes

Commissioner Urban - Yes

Commissioner Washo - No

Commissioner Smallacombe - Yes

4 to 1 Motion fails.

DISCUSSION:

An excerpt from the Airport's Financial Audit Statement was read as follows: "Note: Payable – Counties. Luzerne and Lackawanna County each loaned the Airport \$900,000 for a total of \$1.8M which represents the Airport's 1/3 portion of \$5.4M local share of the terminal construction project. These loans do not have a stated interest rate and do not contain repayment terms as of 12/31/2010." Mr. Centini explained that that letter was sent prior to the terminal building being completed. He went on to explain that the letter was sent with the understanding that if everything was done in a manner that the terminal building construction originally thought to be. But, there were additional costs that the Airport paid for, and the Counties paid additional costs, i.e. development of the restaurant, there were additional costs in the terminal building itself that the Airport paid for. He explained that the Airport paid a lot of that money that we did not expect to pay and that, it came out of the Airport's coffers, to pay for things that were done during the construction of this terminal building. That letter was a wish that if everything went as we thought it would, and, if the numbers came out, then paying back the counties was a possibility. But that was nowhere near what happened when the final numbers came in for the terminal building, i.e. the changes the Commissioners made, not the staff, for things like the restaurant, different changes in the terminal building that ended up being paid for, some of it being paid by the Airport itself. Dollars that possibly could have been paid

OTHER MATTERS – Cont’d...

back to the Counties. The Airport put approximately \$1M into the terminal building that they did not expect to pay.

MOTION #2: Request the Airport repay Luzerne County and Lackawanna Counties \$900,000 each as called for in the December 31, 2010/2009 audit.

MOVED BY: Commissioner Petrilla

SECONDED BY: Commissioner Cooney

VOTE: Commissioner Petrilla - Yes

Commissioner Cooney - Yes

Commissioner Urban - Yes

Commissioner Washo - No

Commissioner Smallacombe - No

3 to 2 Motion fails

MOTION #3: Request the Airport Board grant a 2% pay raise to all management employees.

MOVED BY: Commissioner Washo

SECONDED BY: Commissioner Urban

VOTE: Commissioner Petrilla - No

Commissioner Cooney - No

Commissioner Urban - Yes

Commissioner Washo - Yes

Commissioner Smallacombe - Yes

3 to 2 Motion fails.

ITEM 8.

ADJOURNMENT:

MOTION: To go back on agenda and adjourn the meeting.

MOVED BY: Commissioner Petrilla

SECONDED BY: Commissioner Urban

VOTE: Unanimous

The meeting was adjourned at 11:00 A.M.