

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
FEBRUARY 24, 2017**

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Friday, February 24, 2017 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:45 A.M. with Commissioner Patrick O'Malley presiding.

PRESENT: Commissioner Patrick O'Malley
Commissioner Jerry Notarianni
Commissioner Laureen Cummings
Councilman Timothy McGinley
Councilman Rick Williams
County Manager, C. David Pedri, Esq. (via phone)

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 Don Frederickson, Lackawanna County Solicitor
Attorney Michael Butera, Luzerne County Solicitor
Michelle Bednar, Luzerne County Controller
Germaine Helcoski, Lackawanna County Deputy Controller
Aaron Hojnowski, Luzerne County Deputy Controller
Reggie Mariani, Lackawanna County Chief Internal Auditor

ITEM 2:
PUBLIC COMMENTS.
(Chairman) None.

ITEM 3.
APPROVAL OF MINUTES.
(Chairman)

MOTION: To accept and approve the minutes of the January 19, 2017
Bi-County Airport Board Meeting minutes.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

ITEM 4
PRESENTATION BY MCFARLAND-JOHNSON.

John Mafera, Lead Planner for Master Plan project, updated the board on the official planning document of the Airport as far as the FAA is concerned. The Master Plan depicts the development of the Airport for the next twenty (20) years, contingent of funding and environmental approvals.

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ITEM 5

AIRPORT ACTIVITY REPORT:

(Carl R. Beardsley, Executive Director)

DISCUSSION: Mr. Beardsley gave the Board a summary of Airline Performance. For the month of January, passenger boardings increased by 7.9%, in comparison to January 2016.

January's enplanements, which totaled 18,826 passengers, was the highest number of enplanements ever recorded at AVP.

Seat availability through the end of January 2017, also showed an increase, up 9.4%, as compared to the previous 12 months.

Airline load factors remain very strong at 85%. This number is consistent with all the airlines, with each having a minimum load factor of 83% during the month of January. Delta, with its flights to Atlanta and Detroit had a 90% load factor.

DISCUSSION: Mr. Beardsley also reported that our advertising campaign in the Southern NY area has had a very positive effect for AVP. Air service at the Greater Binghamton Airport has significantly decreased due to the departure of American and United Airlines. Results from a recent "License Plate Survey" showed that on Tuesday, February 14th there were 70 vehicles with NY state plates, which is average. But on February 20th, the day Binghamton lost one of their airlines, we had 220 vehicles with NY state plates. Our advertising includes ads on the morning news, billboards, and company newsletters. Mr. Beardsley also reported that in the month of May, Binghamton Airport will be doing runway work, closing the airport while construction is taking place.

ITEM 6

CONTRACTS, AGREEMENTS, & AUTHORIZATIONS

(Michael W. Conner, Assistant Airport Director)

A. Becker Airport Services

Recommend the Airport Board approve the Airport Cargo Facility Lease Agreement between Becker Airport Services, 4614 Lehigh Drive, Walnutport, PA and the Wilkes-Barre/Scranton International Airport effective February 24, 2017. This Lease shall commence on March 1, 2017 and continue for a term of two (2) years, until February 28, 2019. Becker Airport Services may request an option to renew for up to four (4) additional one (1) year terms. Becker Airport Services shall pay the Airport \$550.00 per month during the Initial term. If the renewal term becomes effective, the rates will be negotiated for that term.

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CONTRACTS, AGREEMENTS & AUTHORIZATIONS - Cont'd...

MOTION: Request the Airport Board approve the contract presented.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

B. Hawk Transport & Courier Service LLC.

Recommend the Airport Board approve the Airport Cargo Facility Lease Agreement between Hawk Transport & Courier Service LLC., 218 Lidy Road, Dupont, PA 28641 and the Wilkes-Barre/Scranton International Airport effective February 24, 2017. This Lease shall commence on March 1, 2017 and continue for a term of two (2) years, until February 28, 2019. Hawk Transport & Courier Service may request an option to renew for up to four (4) additional one (1) year terms. Hawk Transport & Courier Service shall pay the Airport \$550.00 per month during the Initial term. If the renewal term becomes effective, the rates will be negotiated for that term.

MOTION: Request the Airport Board approve the contract presented.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

C. Customs

Request the Airport Board approve the US Customs and Border Protection space lease agreement between the Wilkes-Barre/Scranton International Airport and the General Services Administration (GSA). This agreement is for approximately 760 square feet of office space located in the Airport's Aviation Center building. The lease begins on March 1, 2017, with a one (1) year term, then continuing year-to-year up to a twenty (20) year maximum, ending on February 28, 2037. The Airport offers this space to US Customs and Border Protection at a cost of \$0.00 dollars. US Customs and Border Protection stations at least one (1) officer at the Airport during normal business hours, provides support to the Airport for various Customs related issues, and conducts international flight inspections, inbound cargo inspections, global entry processing, fire arms registrations, and vehicle entry inspections (among other normal Customs duties) at AVP on a routine basis.

MOTION: Request the Airport Board approve the contract presented.
MOVED BY: Councilman Rick Williams
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

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CONTRACTS, AGREEMENTS & AUTHORIZATIONS - Cont'd...

D. Energy Savings Consultant

Request the Airport Board authorize the solicitation of a Request for Proposals to contract with an Energy Savings Consultant who will make a thorough analysis of the airport's major energy consuming systems including: water, sewer, heating and air conditioning, lighting, and elevators & escalators in all airport buildings, and who will then make recommendations for energy savings and put together a complete program for financing and constructing their recommended modifications.

MOTION: Request the Airport Board approve the authorization presented.
MOVED BY: Councilman Rick Williams
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

ITEM 7

GRANT APPROVAL, AIRPORT FINANCIAL REPORT:

(Gary Borthwick, Director of Finance and Administration)

A. Grant Approval

- (1) Recommend the Airport Board approve the attached Construction Grant/Agreement between the Commonwealth of Pennsylvania, Acting through the Department of Transportation, Bureau of Aviation ("Department") and the Wilkes-Barre/Scranton International Airport, subject to solicitors' concurrence. The purpose of this Grant is for the Department to pay 5% of the allowable costs incurred in accomplishing the Phase III, Paving and Lighting of the Extension of Taxiway B. The Agreement amount is not to exceed \$142,718.00.

MOTION: Request the Airport Board accept the grant presented.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

- (2) Recommend the Airport Board approve the attached Construction Grant/Agreement between the Commonwealth of Pennsylvania, Acting through the Department of Transportation, Bureau of Aviation ("Department") and the Wilkes-Barre/Scranton International Airport, subject to solicitors' concurrence. The purpose of this Grant is for the Department to pay 5% of the allowable costs incurred in accomplishing the Rehabilitation of Taxiways "B" & "D" (design), Phase I. The Agreement amount is not to exceed \$34,920.00.

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GRANT APPROVAL, AIRPORT FINANCIAL REPORT - Cont'd...

MOTION: Request the Airport Board accept the grant presented.
MOVED BY: Councilman Rick Williams
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

DISCUSSION: Revenue - Expense Report.

As noted on the attached profit/loss statements, for the month of January 2017, Airport Operations had a net loss totaling \$36,667.00 compared to a net loss of \$19,501.00 in January 2016, which is a difference of \$17,165.00.

Invoices received since the last meeting for supplies and services totaling \$512,324.34 are presented on the attached sheets for review and approval of the Board. These invoices include major construction project costs of \$211,642.42.

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

Joyce, Carmody & Moran \$ 2,000.00
Invoice #874, dated January 16, 2017 for Legal Services.

Popple Construction \$ 74,893.36
Invoice #App #4, dated January 27, 2017 for Construction.

L.R. Kimball \$ 28,666.09
Invoice #1701920154, dated January 23, 2017, for Inspection.

L.R. Kimball \$ 13,547.27
Invoice #1701920150, dated January 23, 2017, for Inspection.

Taxiway B & D
ACP 16-01

L.R. Kimball \$ 30,901.36
Invoice #1701920149, dated January 23, 2017 for Design.

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AIRPORT FINANCIAL REPORT - Cont'd...

Demolish Old Terminal
ACP 13-02

Borton Lawson Engineering, Inc. \$ 13,912.53
Invoice #2014-0787-001-000019, dated January 12, 2017, for
Design.

Master Plan Update
ACP 15-02

McFarland Johnson \$ 47,721.81
Invoice # 9, dated January 30, 2017, for Planning.

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.

PFC Drawdown # 2017/1 (Check #1061).

Taxiway B Extension
PFC Project # 14-11

L. R. Kimball Inspection ACP 11-01	\$ 1,433.30	CIP 19611-01
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L. R. Kimball Inspection ACP 11-01	\$ 677.36	CIP 19611-01
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Popple Construction Construction ACP 11-01	\$ 3,744.67	CIP 19611-01
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Demolish Old Terminal
PFC Project # 09-015

Borton Lawson Engineering, Inc. Design ACP 13-02	\$ 6,956.27	CIP 19613-02
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MOTION:

Request the Airport Board approve the above transactions and payments.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Councilman Rick Williams

VOTE:

Unanimous

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ITEM 8

ANNUAL PUBLIC SAFETY REPORT

(George Bieber, Public Safety Director)

Mr. Bieber presented the Board with a detailed report of activities incurred by the Public Safety Office in 2016. These activities included: nineteen (19) dignitary visits and sixteen (16) TSA security directives; Lead Fireman doing more inspections and testing in-house, saving the department a considerable amount of money, while still maintaining Certified FAA Firefighter status; The Safety Office badged, fingerprinted, and checked criminal history on over 200 people who participated in construction projects here at AVP; Lead Firemen Jack Davis and Jim Butler provided over 3700 hours of training to our operations staff; Our annual Tabletop Exercise, an FAA requirement, had 79 participants from the community, which included local Police and Fire Chiefs as well as emergency responders.

This May, the FAA mandated Tri-Annual Live Burn will take place here at AVP. This training will give our Operations Department, local police, fire, hospitals, and emergency responders a hands-on opportunity to participate in a real-time aircraft emergency.

ITEM 9

BID AWARDS, CAPITAL PROJECT REPORT:

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

A. Bid Awards

Demolish Old Terminal Building Complex, Phase 2 -
Demolition and Phase 3 - Site Improvements

1. Bids for the Demolish Old Terminal Building Complex, Contract No. 1, Phase 2 - Demolition were opened on Wednesday, February 1, 2017 at 2:00 P.M. in the Airport Board Room by Airport Administration and Luzerne County Controller, Michelle Bednar. A total of 22 bid packages were received and opened. After review and tabulation of the bids, it is recommended by the Project Consultant, Borton-Lawson (see attached) to accept the low bid by Smart Recycling, Inc., Dunmore, Pennsylvania in the amount of \$264,200.00. Bid Tabulation below:

<u>Bidder</u>	<u>Base Bid</u>
Smart Recycling, Inc.	\$264,200.00
TSE Incorporated	\$283,618.00
Brdaric Excavating, Inc.	\$288,020.00
A R Popple	\$369,700.00
Stell Enterprises, Inc.	\$379,000.00
Gorick Construction Co., Inc.	\$418,488.00
Reclaim Company LLC	\$422,280.02

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Artistic Excavating Inc.	\$433,428.00
Ritter & Paratore Contracting Inc.	\$446,170.00
Shea Industries	\$479,450.00
R. E. Pierson	\$499,230.00
Dore & Associates Contracting Inc.	\$562,425.00
Wildheart Industries	\$648,000.00
Latona Trucking	\$649,960.00
Renascent Inc.	\$658,657.00
Popple Construction	\$669,375.50
Pikes Creek Site Contractors	\$708,143.88
Don Scartelli Construction	\$780,700.00
James T O'Hara	\$787,650.00
S & R Corporation	\$971,215.00
Mayer Pollock Steel Corp.	\$986,900.00
Leeward Construction	\$1,787,000.00

MOTION: Request the Airport Board award Phase 2 - Demolition - to the low bidder, Smart Recycling, Inc. of Dunmore, PA.
MOVED BY: Councilman Rick Williams
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

2. Bids for the Demolish Old Terminal Building Complex, Contract No. 2, Phase 3 - Site Improvements - were opened on Wednesday, February 1, 2017 at 2:00 P.M. in the Airport Board Room by Airport Administration and Luzerne County Controller, Michelle Bednar. A total of 10 bid packages were received and opened. After review and tabulation of the bids, it is recommended by the Project Consultant, Borton-Lawson (see attached) to accept the low bid by TSE Incorporated, Dunmore, Pennsylvania in the amount of \$1,093,111.75. Bid Tabulation below:

<u>Bidder</u>	<u>Base Bid</u>
Smart Recycling, Inc.	(Bid disregarded as non-responsive)
TSE Incorporated	\$1,093,111.75
Pikes Creek Site Contractors	\$1,139,700.00
James T O'Hara	\$1,183,125.00
Latona Trucking	\$1,185,247.75
Don Scartelli Construction	\$1,241,357.50
Fabcor	\$1,251,344.25
Popple Construction	\$1,287,006.20
Leeward Construction	\$1,383,350.00
American Asphalt	\$1,430,409.50

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BID AWARDS, CAPITAL PROJECTS REPORT - Cont'd...

MOTION: Request the Airport Board award Phase 3 - Site Improvements to the low bidder, TSE Incorporated of Dunmore, PA.
MOVED BY: Councilman Rick Williams
SECONDED BY: Councilman Tim McGinley
VOTE: Unanimous

Mr. Mykulyn gave a 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.

Project work is complete and there is NO CHANGE IN STATUS as we continue to work to resolve project closeout issues.

Final Project is estimated at \$3.21 M

Project payments to date represent approximately 93% of total 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 Site Restoration Construction.

As discussed previously, bids on the Building Demolition and the Site Restoration Construction were opened on February 1st and were accepted here today. Contracts are being prepared for the contractors and for the engineer for Construction Monitoring.

An amendment adding to our existing PennDOT Capital Grant is being prepared to fund the remaining work on the project.

Current Project Costs are approximately \$709,000

Project payments to date represent approximately 90.1% of total Funding - State Capital Fund Grant, Airport Generated PFC Funds

ACP 14-03

Parking Garage Maintenance

Design Services - Desman Associates

Plans for the rehabilitation are 80% complete and we are starting on work to schedule and phase the construction.

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CAPITAL PROJECTS REPORT - Cont'd...

Current Project Costs are approximately \$72,088
Project payments to date represent approximately 75% of total
Funding - Airport Funds

ACP 15-02

Master Plan Update and Airport Layout Plan (ALP) Update

Consultant - McFarland-Johnson

The Consultant presented a Status Report on the Master Plan Update at today's meeting.

Current Project Costs are approximately \$902,000.
Project payments to date represent approximately 53.9% of total
Funding - Federal AIP, State Aviation Grant, Airport Generated
PFC Funds

ACP 15-03

Relocate TSA Checkpoint

Preliminary Study & Estimate - McFarland-Johnson
Checkpoint Relocation - Fennick McCredie Architecture

Work on the bidding documents for the relocation are nearly complete and specifications are expected to be completed next week. Some coordination items remain with TSA, and once the plans are signed off we will be able to seek bids. We meet weekly with the consultant to review progress.

We anticipate being able to seek bids in March.

Current Project Costs are approximately \$121,400.
Project payments to date represent approximately 9.88% of total
Funding - Airport Capital Funds

ACP 16-01

Taxiways B & D (West) Rehabilitation

This project is the Rehabilitation of the existing portions of the main parallel taxiway to Runway 4-22 and to the portion of Taxiway D West of Runway 4-22.

We completed our 60% design review meeting yesterday, with the consultant. Project phasing is nearly complete and we are working with the consultant on determining base bid and alternates for the project for bidding. The FAA has asked that we bid all of the work at this time (as a base bid and alternates) so that whatever available funding they can apply to the project can be readily requested. A 90% design review is anticipated in late March.

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CAPITAL PROJECTS REPORT - Cont'd...

Current Project Costs are approximately \$698,405
Project payments to date represent approximately 15.7% of total
Funding - Federal AIP, State Aviation Grant and 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 completed.

Site Preparation Contractor - Leeward Construction

NAVAID's Contractor - Joyce Electric

Paving - Popple Construction

Lighting - Mike Walsh Electrical

As we reported previously, work has been suspended on both
contracts due to weather.

Work with the airlines on adjusting flight schedules has been very
productive and we anticipate being able to provide the
Contractors with a longer overnight closure for construction.

We continue to work with both Contractors, the FAA, the Airlines,
and our Consultant on establishing a schedule for the resumption
and completion of the project in the spring.

Current Project Costs are approximately \$14.7 M
Project payments to date represent approximately 94.6% of total
Funding - Federal AIP, State Aviation Grant, Airport Generated
PFC Funds

ITEM 10

OTHER MATTERS:

(Carl R. Beardsley, Executive Director)

DISCUSSION: A. Pension Payment

Mr. Beardsley reminded the Board that at the January meeting,
the issue of whether to include the pension payment in the 2017
Budget, or not, was postponed until this month. Mr. Beardsley
encouraged the Board members to discuss the matter.

Mr. Williams suggested that the budget presented previously to
the board, suggests a modest surplus, and it is his opinion, as a
gesture for the airport to become self-sufficient, that this surplus
be given back as a payment to the counties.

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OTHER MATTERS - Cont'd...

Mr. O'Malley appreciated Mr. Williams' thoughts; however he believes because of unforeseen costs, the money should stay at the airport.

Board Chairman, Mr. McGinley agreed in part with both Mr. Williams and Mr. O'Malley, however he noted the surplus is very minimal and he suggested the Board move forward with the budget.

DISCUSSION: B. 2017 Budget

Director of Finance Gary Borthwick presented the 2017 budget to the board.

Mr. O'Malley asked Mr. Borthwick if the budget he is presenting has the ARC payment in it. Mr. Borthwick explained the estimated pension expense is in the budget, the budget showing a loss, and then required amount from the counties to subsidize the loss, thus bringing the budget to zero.

Mr. O'Malley made a motion to NOT include the ARC payment in the budget and Ms. Cummings seconded the motion.

On the question, Mr. McGinley asked if the Board is going to leave the subsidies from the counties in the budget, how this will affect the budget. Mr. Borthwick explained if the subsidies are left in the budget, it will result in a minimal \$1214.00 surplus.

Mr. Frederickson explained the he believed the motion made by Mr. O'Malley was to include the ARC payment and county subsidies in the budget, and also leave any surplus with the airport. Mr. O'Malley agreed that is what his intention was and withdrew his original motion. Mr. O'Malley amended his motion to accept the budget as presented and leave the surplus with the operating budget of the airport. Ms. Cummings seconded the motion. Mr. McGinley then did a roll call for voting on the motion. The vote was as follows:

Mr. Notarianni	YES
Ms. Cummings	YES
Mr. O'Malley	YES
Mr. McGinley	YES
Mr. Williams	NO
Mr. Pedri	Not available

Because Mr. Pedri was not available, the motion fails.

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OTHER MATTERS - Cont'd...

Mr. O'Malley then motioned to table the matter until Mr. Pedri would be available to vote. Ms. Cummings seconded the motion. The vote:

Mr. Notarianni	YES
Ms. Cummings	YES
Mr. O'Malley	YES
Mr. McGinley	YES
Mr. Williams	NO
Mr. Pedri	Not available

Because Mr. Pedri was not available, the motion to table fails.

Mr. Williams then made a motion to approve the budget as presented. There was no second, so motion fails.

The issue will be revisited at next month's meeting when all six (6) board members are present.

DISCUSSION: Mr. McGinley said there has been talk about a flight to Pittsburgh, and Carl has made some strides to get those talks started.

DISCUSSION: Mr. McGinley also wanted to express thanks to personnel and staff who assisted a family who were denied boarding on a flight yesterday. Even though the passengers were at fault for arriving late, AVP staff members made accommodations for the family to be get another flight this morning and going "above and beyond". Their efforts gave this family a great image for our airport.

DISCUSSION: Ms. Cummings asked if the airport experienced any problems or protests with the new travel regulations. Mr. Beardsley reported there have been none.

ITEM 11
ADJOURNMENT:
(Chairman)

MOTION: It is recommended to adjourn the meeting.
MOVED BY: Councilman Rick Williams
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

The meeting was adjourned at 12:15 P.M.