

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT  
BOARD MEETING  
JANUARY 15, 2015

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, January 15, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:33 A.M. with Commissioner Jim Wansacz presiding.

**PRESENT:** Commissioner Corey O'Brien  
Commissioner Patrick O'Malley  
Commissioner Jim Wansacz  
Board Member Rick Morelli  
Board Member Robert Lawton

**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 Donald Frederickson, Lackawanna County Solicitor  
Attorney Mike Butera, Luzerne County Solicitor  
Ms. Michelle Bednar, Luzerne County Controller

**ITEM 2:**  
**PUBLIC COMMENTS.**  
(Chairman)

None.

**ITEM 3:**  
**APPROVAL OF MINUTES.**  
(Chairman)

**MOTION:** To approve and dispense with the reading of the December 18, 2014 Bi-County Airport Board Meeting minutes.  
**MOVED BY:** Commissioner Jim Wansacz  
**SECONDED BY:** Board Member Robert Lawton  
**VOTE:** Unanimous

**ITEM 4:**  
**AIRPORT ACTIVITY REPORT:**  
(Carl R. Beardsley, Executive Director)

Passenger Activity

**DISCUSSION:** Mr. Beardsley conducted his first Airport Bi-County Board Meeting at AVP and he informed the Board that it will be a little different than past board meetings. Mr. Beardsley summarized December 2014 performance measures, by the numbers (using a power point presentation for visual effects). Mr. Beardsley reported that passenger boarding for the second consecutive month increased. In December 2013, it increased 1.8% over December of the previous year. The attributes from this report shows that the entire demand from this airport to Philadelphia, from a numeric standpoint, is that the airport saw a 2.5% increase. Also, Delta upgauged it's equipment and went from a 76-seat Regional Jet to a Boeing 717, which seats over

## AIRPORT ACTIVITY REPORT – Cont'd...

100 passengers. Because of that, passenger boarding for Delta went up approximately 12%. Passenger boardings, when comparing this December with December 2012 increased 3.1%. He reported that from a General Aviation standpoint AVP saw an increase in December of 5%. Mr. Beardsley advised that Aviation Technologies is implementing a number of new programs that he believes has had an impact and allowed AVP to increase General Aviation activities by 5%. Seat capacity decreased slightly by 3.8%, however, Delta and Allegiant Air are bucking the trend. Delta Air Lines saw an increase of 9.5% and Allegiant saw an increase of 14.9%. The cancellation rate during the month of December was less than 4%.

Mr. Beardsley then recapped calendar year 2014 from a year to date standpoint. Passenger boarding numbers, numerically speaking, combined a total of 216,256 people. This represents a decrease of less than 1% compared to 2013, which had a decrease of approximately 3.7% from 2012. From a market share standpoint, looking at the airlines and breaking up that 216,000 passengers, US Airways captured approximately 46% of our travelers, Delta Air Lines 29%, United Air Lines 17%, Allegiant Air 7%, and general charters captured approximately 1%. The boarding totals are very respectable, especially when looked at from a year to year standpoint, however this shows us one particular dynamic that had a huge impact on our boardings. January and February had very low passenger boardings in comparison to the previous year due to terrible weather affecting all airports across the northeast, and that impacted our overall bottom line. Mr. Beardsley stated that he believes if those numbers were on average, that the passenger boardings would be much higher. From a numeric standpoint nearly 200 flights were canceled during January and February 2014.

Mr. Beardsley then reported on year end comparison of departing seats. Seat capacity amounted to about 246,000 seats that were available flying from AVP. That is down approximately 12% from the prior year. The two reasons are: first, the weather that impacted the airports across the northeast in January and February; and second is that United Air Lines discontinued Newark service from April 1 to the middle of June due to runway construction at Newark Airport. General Aviation operations were down approximately 7% in 2014 from 2013 and comparing 2014 to 2012 there was an approximate 5% decrease. Load factors were extremely strong in 2014 for the full year, on average, planes out of AVP were filled just over 86%, and in May 2014 it reached 90%. If we can get this number up 9%, AVP would be seeing an additional 16,000 people going through this airport.

Mr. Beardsley then stated that after meeting with staff members and people in the community since taking this position, he has found that the consensus among most people is that AVP needs to expand and heighten its profile in the community. For that reason he has put together a goal involving an engagement campaign designed to enhance AVP's visibility in the community which involves implementing a multi-layered regional engagement campaign designed to enhance the airport's visibility to the region with a goal to get business and leisure travelers to use us as much as possible. The campaign will entail revamping the website, implementing a customer loyalty program, implement an outreach program by working with local business and chambers of commerce, and implement an advertising program with both traditional and on-line advertising programs. Also, we will be releasing a non-binding RFQ for a marketing consultant to help in our efforts. To do this, it is estimated that an additional \$70,000 will be needed to be put in the marketing budget and Mr. Beardsley asked Mr. Borthwick to then explain how this will be done.

Mr. Borthwick explained that last year AVP budgeted \$130,000 for marketing and only \$76,800 was spent, which left us with an additional \$153,000. Typically in the

**AIRPORT ACTIVITY REPORT – Cont’d...**

past, \$200,000 was budgeted, and we are pushing that back up from \$130,000 to \$200,000 this year. We will be able to do that because we will have a full year of rental increases that were put in place in August with the airlines, and we now have the new restaurant, Topsy Turtle, which will offset what is needed to cover the increase.

**ITEM 5:**

**AIRPORT FINANCIAL REPORT:**

*(Gary Borthwick, Director of Finance and Administration)*

Financial Report

Revenue/Expenses Report.

**DISCUSSION:**

Mr. Borthwick reported that for the month of December 2014, Airport Operations had a net income totaling \$20,952, compared to a net loss of \$50,035 in December 2013, which is a difference of \$70,987. Year-to-Date our net income for 2014 is \$282,828, which is \$187,223 more than the comparable 2013 income of \$95,605. Invoices received since the last meeting for supplies and services total \$585,200.63. These invoices include major construction project costs of \$399,907.36.

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.

Rehab and Extend Hangar Road  
ACP 07-16

Friedman Electric	\$	19.55
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Invoice # S020735098.002, dated December 5, 2014 in the amount \$19.55 for construction services.

Friedman Electric	\$	178.21
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Invoice # S929735098.001, dated December 4, 2014 in the amount \$178.21 for construction services.

This project is 93.38% complete.

Taxiway B Extension.  
ACP 11-01

Leeward Construction	\$	3,134.00
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Application #2 dated January 7, 2015, in the amount \$253,134.00 for construction site prep.

L. R. Kimball	\$	365.75
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Invoice # 527675 dated December 3, 2014 in the amount \$365.75 for design services.

L. R. Kimball	\$	3,874.29
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**AIRPORT FINANCIAL REPORT – Cont'd...**

Invoice # 527697 dated December 3, 2014 in the amount \$3,874.29 for Nav aids.

L. R. Kimball \$ 27,319.79

Invoice # 527696 dated December 3, 2014 in the amount \$27,319.79 for site prep.

This project is 18.25% complete.

Demolish Old Terminal Building  
ACP 13-02

Borton-Lawson \$ 27,784.32

Invoice #2014-0787-001-000004, dated December 18, 2014 in the amount \$27,784.32 for design services.

This project is 35.80% complete.

Aviation Fuel Farm Expansion  
ACP 13-08

Fabcor, Inc. \$ 2,538.40

Invoice #5248, dated December 19, 2014 in the amount \$2,538.40 for construction services.

Fabcor, Inc. \$ 27,495.54

Application #4, dated December 19, 2014 in the amount \$27,495.54 for construction services.

Fabcor, Inc. \$ 30,528.44

Application #5, dated December 19, 2014 in the amount \$30,528.44 for construction services.

L. R. Kimball \$ 3,941.17

Invoice # 527685 dated December 3, 2014 in the amount \$3,941.17 for inspection services.

This project is 96.73% complete.

Security Cameras and Card Readers  
ACP 14-01

American Computer \$ 156.00

Invoice #141205017 dated December 5, 2014 in the amount \$156.00 for 6 strand fiber out kit.

American Computer \$ 1,772.00

Invoice # 141205019, dated December 5, 2014 in the amount \$1,772.00 for equipment to fiber projects.

**AIRPORT FINANCIAL REPORT – Cont’d...**

Airport Passenger Facility Charge (PFC) Trust Transfers

**DISCUSSION:**

The following PFC transfers are recommended for Airport Board approval.  
PFC Drawdown # 2014/12 (Check #1038).

Rehab and Extend Hangar Road  
PFC Project #08-025

Friedman Electric Construction Services ACP 07-16	\$	178.21	CIP 19607-16
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Friedman Electric Construction Services ACP 07-16	\$	19.56	CIP 19607-16
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Taxiway B Extension  
PFC Project # 14-11

Leeward Construction Construction Site Prep ACP 11-01	\$	12,656.70	CIP 19611-01
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L. R. Kimball Design ACP 11-01	\$	1,365.99	CIP 19611-01
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L. R. Kimball Nav aids ACP 11-01	\$	193.71	CIP 19611-01
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L. R. Kimball Site Prep ACP 11-01	\$	18.29	CIP 19611-01
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Demolish Old Terminal Building  
PFC Project #09-015

Borton-Lawson Design ACP 13-02	\$	27,784.32	CIP 19613-02
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Security Cameras and Card Readers  
PFC Project #09-011

American Computer 6 Strand Fiber Fan Out Kit ACP 14-01	\$	1,772.00	CIP 19614-01
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American Computer Equipment for Fiber Projects ACP 14-01	\$	156.00	CIP 19614-01
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**MOTION:**

Request the Airport Board approve the above transactions and payments and Union Contract.

**AIRPORT FINANCIAL REPORT – Cont’d...**

**MOVED BY:** Commissioner Corey O'Brien  
**SECONDED BY:** Commissioner Jim Wansacz  
**VOTE:** Motion recalled – no vote

**MOTION:** Request the Airport Board approve the above transactions and payments and PFC Status Report as stated above.

**MOVED BY:** Commissioner Corey O'Brien  
**SECONDED BY:** Commissioner Jim Wansacz  
**VOTE:** Unanimous

**DISCUSSION:** PFC Status Report.

Mr. Borthwick reported that the Airport collected \$227,396.64 (including \$1,621 interest throughout the fourth quarter of 2014), bringing the PFC Trust Account balance of \$1,854,418.48.

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 (19%) out of a total collection authority of \$6,888,604; for PFC Application 09-07, the Airport has expended \$117,929 (72%) out of a total collection authority of \$164,000; Note: all projects from this application are complete. For PFC Application 13-10, the Airport expended \$0.00 (0%) out of a total collection of \$10,000.00. For PFC Application 13-09, the Airport expended \$353,440.31 (9%) out of a total collection authority of \$3,942,563. For PFC Application 11-08, the Airport expended \$3,205,343.12 (64%) out of a total collection authority of \$5,036,660. And, for PFC Application 14-11, the Airport expended \$107,960.71 (16%) out of a total collection authority of \$657,718.

Addendum #1:  
Union/Management Agreement.

**MOTION:** Recommend the Airport Board approve the Agreement between the Wilkes-Barre/Scranton International Airport and Laborers' Int'l Union of North America Local 13-10. Agreement is for five years from January 20, 2015 to January 19, 2020. Under the terms of the Agreement, employees will receive increases in their hourly wages in Year 2015, 2017, 2018 and 2019 totaling approximately 7.6%. The employees will receive a lump sum payment of \$750.00 for Year 2016. Health care contributions are currently 4% for individual coverage, 4.5% for couple and 5¼% for family coverage and will gradually increase to 6% for individual and couple and 6½% for family coverage by 2018. Other features of the new contract includes an employee shall be eligible for one sick day per month, which is an increase of one hour and an employee will receive a \$50/year shoe allowance.

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

**MOTION:** To reinstate his previous motion to accept the Union/Management Agreement.

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

**ITEM 6.**

**CAPITAL PROJECTS REPORT:**

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

**DISCUSSION:**

Mr. Mykulyn gave a brief report on the status of the following projects.

1. ACP 07-16, Rehabilitate and Extend Hangar Road
2. ACP 11-01, Extend Taxiway B (Runway 22 Approach End)
3. ACP 12-02, Rehabilitate Airline Apron
4. ACP 13-02, Demolition old Terminal Building
5. ACP 13-08, Aviation Fuel Farm Expansion
6. ACP 14-02, Parking Garage Maintenance

**ITEM 7.**

**OTHER MATTERS:**

*(Chairman)*

**DISCUSSION:**

Attorney Frederickson informed the Board that he sent all Board Members correspondence he received from PennDOT regarding resolutions that the Counties and Airport had passed requesting a study combining airport, bus, and rail between the Counties. He stated that a draft proposal was sent showing that process has been started. Commissioner O'Brien stated that he wants to thank the Secretary and PennDOT for looking favorably upon the proposal.

**DISCUSSION:**

Commissioner Wansacz informed the Board that a Reorganization of the Board will take place at next month's Board meeting.

**ITEM 8.**

**ADJOURNMENT:**

*(Chairman)*

**MOTION:**

It is recommended to adjourn the meeting.

**MOVED BY:**

Commissioner Jim Wansacz

**SECONDED BY:**

Board Member Robert Lawton

**VOTE:**

Unanimous

The meeting was adjourned at 11:12 A.M.