

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
APRIL 16, 2015

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, April 16, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 11:00 A.M. with Board Member Richard G. Williams presiding.

PRESENT: Commissioner Patrick O'Malley
Commissioner Jim Wansacz
Commissioner Edward G. Staback
County Manager Robert Lawton
Councilman Richard G. Williams

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
Mr. Aaron Hognowski, Luzerne County Deputy Controller
Ms. Germaine Helcoski, Lackawanna Co. Deputy Controller
Mr. Reggie Mariani, Lackawanna County Chief Auditor

ITEM 2:
PUBLIC COMMENTS.

(Chairman)

Jerry Lynott, Reporter from the Scranton Times Newspaper noted that the Board Members were in an "Executive Session" before the Board Meeting and questioned what it was regarding. Councilman Williams reported that it was regarding contractual arrangements, litigation and employee compensation.

ITEM 3:
APPROVAL OF MINUTES.

(Chairman)

MOTION: To approve and dispense with the reading of the March 19, 2015 Bi-County Airport Board Meeting minutes.

MOVED BY: Commissioner Patrick O'Malley

SECONDED BY: Commissioner Wansacz

VOTE: Unanimous

ITEM 4.

AIRPORT ACTIVITY REPORT:

(Carl R. Beardsley, Executive Director)

Passenger Activity

DISCUSSION:

Mr. Beardsley summarized to the Airport Board AVP's March 2015's performance, as well as the first quarter of 2015. He reported that in many ways the first quarter of 2015 followed a similar path as the first quarter of 2014. Historically speaking, March passenger numbers often surge in comparison to February of the same year and 2015 was not different. February 2015 numbers there were 14,822 people, they surged by about 3,000 people into March where we boarded 18,000. However, in a month to month comparison March 2015 decreased by 2.9% in comparison to March 2014. Two influences caused this scenario. First, there were 21 cancellations by US Airways due to weather, and secondly, Delta Air Lines had one less flight between AVP and Detroit. They had two round trips this year and three round trips last year. Year to date, through the end of March 2015 is within a percentage point of passenger boardings in 2014. That is a decrease of 27%. He stated that he believes a more aggressive marketing approach along with more cooperation from "mother nature" will help to boost our numbers. Secondly, overall seat availability decreased by about 200 seats in March of 2015 compared to the same period in 2014. The primary culprit is again Delta Airlines decision to run a two round trip schedule in March 2015 instead of three round trip schedule as in March 2014. He noted that the airlines are implementing some schedule changes that will help us increase seat availability and hopefully increase passenger activity. On a year to year basis, comparing first quarter 2015 to 2014 seat availability rose by 192 seats.

Speaking of the schedule improvements, Delta will be reinstating a third round trip flight between AVP and DTW. As has been in the past, the third flight will operate on a 50-seat regional jet, three times a week. The additional flight, which went into effect early in April 2015, will result in a net weekly gain for Delta Air Lines of 33% in comparison to February. Also, United Air Lines expanded their schedule between AVP and Chicago. As of April 7, 2015, United increased the number of round trip flights from one to two. The net result will be an increase of 85.7%.

Mr. Beardsley then made a comparison of load factors or number of seats filled on aircraft. He explained that one of the reasons we are seeing these expanding schedules are the strong load factors that we continue to attain. During the month of March, load factors were 83.5%; this compares closely to 2014 when record load factors were achieved. All airlines held at least an 81% load factor, which is extremely strong. Overall, the first quarter for 2015 load factors reached 84.6%.

General Aviation Operations, which covers the operations of aircraft not operated by the airlines, saw an uptick in March 2015. Flight activity increased by 1%. Military operations in March increased by 60% over the previous year. As a result of the military and aviation traffic increase during the first quarter of 2015, we had a 26% increase of all aircraft type operations

AIRPORT ACTIVITY REPORT – Cont’d...

and this adds up to 594 additional flights. When comparing cancelled or departing flights, weather, especially in the Philadelphia area, resulted in an uptick in flight cancellations to 35 in the month of March. For the first quarter, a significant decrease in flight cancellations of 30 flights was attained because in January and February of 2014 we saw a huge increase in cancellations because of weather in other cities.

DISCUSSION:

Mr. Beardsley then brought the Board up to speed on the community outreach activities. Listed below is a summary of travel agencies Mr. Beardsley has already visited or will be visiting very soon. They have had discussions about opinions of AVP and ways AVP can improve our service. He stated that developing a stronger relationship with travel agencies is an important initiative and that we work well with them. Also listed is a list of Airport tours that were either given or will be given.

Travel Agencies:

- Thompson Travel Agency
 - ❖ Community Outreach and networking opportunity
- Professional Travel and Tours
 - ❖ Community Outreach and networking opportunity
- AAA Travel Agency
 - ❖ Community Outreach and networking opportunity
- Abington Travel
 - ❖ Community Outreach and networking opportunity
- Around the World Travel
 - ❖ Community Outreach and networking opportunity
- Boscovs Travel
 - ❖ Collaboration Discussion
- Master Travel
 - ❖ Community Outreach and Networking Opportunity
- Tenenbaum’s Travel
 - ❖ Community Outreach and Networking Opportunity
- Travel Plus
 - ❖ Community Outreach and Networking Opportunity
- Travel World
 - ❖ Community Outreach and Networking Opportunity
- Tuckers Travel Shop
 - ❖ Community Outreach and Networking Opportunity

AIRPORT ACTIVITY REPORT – Cont'd...

- Vacation Station Tours & Travel
- Liberty Travel
 - ❖ Community Outreach and Networking Opportunity
- Sea the World Travel
 - ❖ Community Outreach and Networking Opportunity

Tours:

- Nanticoke Intermediate Unit
 - Community Outreach and Networking Opportunity
- Boy Scouts - Taylor
 - Community Outreach and Networking Opportunity
- Lake Wallenpaupack School
 - Community Outreach and Networking Opportunity
- Boy Scouts - Pittston
 - Community Outreach and Networking Opportunity
- Boy Scouts - Dunmore
 - Community Outreach and Networking Opportunity
- Boy Scouts - Avoca
 - Community Outreach and Networking Opportunity
- Waverly School – Second Grade
 - Community Outreach and Networking Opportunity
- Cub Scouts – Wilkes-Barre
 - Community Outreach and Networking Opportunity
- Widdier School – Second Grade
 - Community Outreach and Networking Opportunity
- Bancroft School – Fourth Grade
 - Community Outreach and Networking Opportunity
- Northwest Intermediate Unit
 - Community Outreach and Networking Opportunity

DISCUSSION:

Mr. Beardsley then gave an update on the State Police Hangar. He stated that progress is being made, first the Department of General Services is reviewing the proposal, and repeated that the Airport did not submit a proposal, we are instead are working directly with developers and are expecting an answer from General Services within the next two weeks. In anticipation of this decision the Airport is working on a land lease that will

AIRPORT ACTIVITY REPORT – Cont’d...

be provided to the winning bidder. The Airport currently anticipates about \$30,000 in revenue associated with this lease.

DISCUSSION:

Lastly, Mr. Beardsley provided an update on the Airport’s Military Courtesy Room. Currently, AVP has a steady stream of men and women who serve in the Armed Forces and use our airport to travel. He stated that often it is an emotional time and as a result they are looking for a private area. AVP currently does not offer a location for our Armed Services men and women for this purpose. A vacant room on the first floor of the terminal has been found and AVP is converting it into a military courtesy room where soldiers and their family can speak privately. It is a way for the airport and community to thank the Armed Forces men and women for their service. He noted that AVP will be working with sponsors who will help us construct this facility.

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 March 2015, Airport Operations had a net loss totaling \$6,554, compared to a net loss of \$16,254 in March 2014, which is a difference of \$9,700. Year to date net loss for 2015 is \$116,635, which is a difference of \$41,600 compared to a net loss of \$158,235 in March 2014. Invoices received since the last meeting for supplies and services total \$1,448,821.90. These invoices include major construction project costs of \$940,766.75.

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.

Taxiway B Extension.

ACP 11-01

Leeward Construction \$ 861,347.70

Application #5 dated April 10, 2015, in the amount
\$ 861,347.70 for construction site prep.

L. R. Kimball \$ 64,093.53

Invoice # 528934 dated March 5, 2015 in the amount
\$ 64,093.53 for site prep.

AIRPORT FINANCIAL REPORT – Cont'd...

This project is 37.38% complete.

Demolish Old Terminal Building ACP 13-02

Borton-Lawson \$ 867.83

Invoice #2014-0787-001-000007, dated March 12, 2015 in the amount 867.83 for design services.

This project is 42.65% complete.

Replace Runway Surface Sensor Systems ACP 13-06

Vaisala \$ 10,215.00

Invoice # 301007255, dated March 20, 2015 in the amount \$ 10,215.00 for Navigator/Housing Upgrade.

Vaisala \$ 4,243.69

Invoice # 301008708, dated March 27, 2015 in the amount \$ 4,243.69 for Web Based Monitoring.

This project is 100.00% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2015/3 (Check #1042).

Taxiway B Extension PFC Project #14-11

Leeward Construction \$ 43,067.39 CIP 19611-01
Construction Site Prep
ACP 11-01

L. R. Kimball \$ 3,204.63 CIP 19611-01
Site Prep
ACP 11-01

Demolish Old Terminal Building-Design PFC Project # 09-015

Borton-Lawson \$ 867.83 CIP 19613-02
Design
ACP 13-02

AIRPORT FINANCIAL REPORT – Cont'd...

Replace Runway Surface Sensor Systems PFC Project # 09-005

Vaisala Navigator/Housing Upgrade. ACP 13-06	\$ 10,215.00	CIP 19613-06
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Vaisala Web Based Monitoring ACP 13-06	\$ 4,243.69	CIP 19613-06
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MOTION:

MOVED BY:

SECONDED BY:

VOTE:

Request the Airport Board approve the above transactions and payments.

Commissioner Patrick O'Malley

Commissioner Edward Staback

Unanimous

PFC Status Report.

Mr. Borthwick reported that the Airport collected \$199,622.77 (including \$1,531.14 interest throughout the first quarter of 2015), bringing the PFC Trust Account balance of \$1,604,154.14.

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 \$1,459,989 (21%) out of a total collection authority of \$6,888,604; 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 \$392,693 (10%) out of a total collection authority of \$3,942,563. For PFC Application 11-08, the Airport expended \$3,230,430 (64%) out of a total collection authority of \$5,036,660. And for PFC Application 14-11, the Airport expended \$186,490.71 (28%) out of a total collection authority of \$657,718.

PennDOT – Request for Funding Ratification.

MOTION:

MOVED BY:

SECONDED BY:

VOTE:

Recommend the Airport Board ratify the submission of the Pennsylvania Department of Transportation, Bureau of Aviation funding request for funding to complete the Old Terminal Building Demolition – Phase I. The total Phase 1 project cost is \$ 709,000. The funding request is for \$ 354,500 in State Funding, with the remaining Airport share, \$354,500 paid through Passenger Facility Charge (PFC) project funding.

Commissioner Jim Wansacz

Commissioner Patrick O'Malley

Unanimous

AIRPORT FINANCIAL REPORT – Cont’d...

(George Bieber, Public Safety Director)

Annual Public Safety Department Report for 2014

DISCUSSION:

Mr. Bieber explained to the Airport Board what the Department of Public Safety actually does. He said they provide a very high level of security, first aid response and fire protection for the airport. Additionally, AVP's lead fire people in this department trains and recertifies all of our employees, monthly. Each employee receives about 100 hours of physical training per year. He stated that all the equipment is up to date and in the last two years AVP replaced all of the emergency responders protective gear. Mr. Bieber stated that they started a project a few years ago on how to reduce the amount of inspection and testing they used to outsource. We now do that internally. He projects that the estimated cost savings for the airport was \$42,000.00. Annually, the airport is required, by the FAA, to have a Tabletop Presentation. Last year it was held in September and AVP had an astounding number of 103 people attend. Additionally, this last year they trained and fingerprinted 171 additional people. The training that AVP does with its staff encompasses about 1,800 hours per year. Everybody has to have reoccurring driver's training, every contractor that works on the airport, every new employee that works on the runway, etc. He said the 'Live Burn', takes a huge amount of time to plan and set up, which they will be doing in May 2015. They have about 31 people coming for that from other airports which AVP charges them for. In addition to that, the Lead Firemen inspect all the fire extinguishers, all the fire suppression systems, all the alarm systems, and that, he noted, is another savings without the airport having to outsource.

ITEM 6.

AUTHORIZATION TO BID

(Michael Conner, Assistant Airport Director)

MOTION:

Recommend the Airport Board approve the authorization to advertise for the following service:

1. Public Address System
2. Obstruction Tree Cutting

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Commissioner Edward Staback

VOTE:

Unanimous

ITEM 7.

BID OPENINGS/AWARD:

(Michael Conner, Assistant Airport Director)

Demolish Old Terminal Building, Phase I – Environmental Remediation Project.

MOTION:

Bids to Demolish the Old Terminal Building, Phase I, Environmental Remediation Project were opened Wednesday, April 8, 2015 at 2:00 P.M. in the Airport Conference Room by Airport Administration and Michelle Bednar, Luzerne County Controller. Thirteen (13) sets of specifications were sent out and four bid proposals were received. It is recommended that the Airport Board award the Project to Sargent Enterprises, Inc., as the low bidder at a base bid price of \$414,685.46. Bid tabulation sheet was attached and a letter of recommendation from Borton-Lawson for award.

<u>Bidders</u>	<u>Total Cost</u>
Prism Response, Inc.	\$598,349.59
Power Component Systems, Inc.	\$492,803.50
Sargent Enterprises, Inc.	\$414,685.46
Plymouth Companies	\$434,310.71
Dore & Associates	Non-Responsive

MOVED BY:

County Manager Robert Lawton

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

ITEM 8.

CONTRACTS/AGREEMENTS/PERSONNEL

(Michael Conner, Assistant Airport Director)

Personnel.

MOTION:

Recommend the Airport Board approve the promotion of Mr. Shawn Matticks, 4107 Kreig Avenue, Moosic, PA, effective May 1, 2015 from Custodian to Maintenance Position.

MOVED BY:

Commissioner Jim Wansacz

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

Landlord's Consent and Waiver of Lien Rights.

MOTION:

Request the Airport Board approve the Landlord's Consent and Waiver of Lien Rights in Equipment and Other Personal Property from the Wilkes-Barre/Scranton International Airport to the Fidelity Deposit and Discount Bank, regarding the Topsy Turtle Airport Pub, located on the Airport at 28 Concorde Drive, Pittston, PA. This waiver provides for the Airport's consent and agreement that the Airport's interest in the restaurant's personal property and equipment, listed on Exhibit 1 and currently under lien with

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

Fidelity Deposit and Discount Bank, shall remain subordinate to the interest of the bank while the loans on the property and equipment exist. This waiver was created with the help of the Airport’s solicitor from Lackawanna County.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Commissioner Edward Staback
VOTE: Unanimous

Amendment #1 – Airport Advertising Concession Agreement.

MOTION: Request the Airport Board approve Amendment #1 to the Airport Advertising Concession Agreement, between the Wilkes-Barre/Scranton International Airport and Interspace Advertising. The Airport and Interspace Advertising first entered into the Agreement dated October 21, 2004, which provides for the operation of an advertising concession at the Wilkes-Barre/Scranton International Airport. The parties agree to extend the Term of the Agreement for five additional years as allowable in the agreement, at the same rates. In addition to the term extension the scrolling signs in the bag area will be replaced by two video walls and additional areas will be used by static advertising near gates 1 and 2. This extension shall be effective as of November 1, 2015 and will continue through October 31, 2020.

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

ITEM 8.
CONTRACTS/AGREEMENTS/PERSONNEL – Cont’d...

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

Construction Agreement for Demolition of Old Terminal Building.

MOTION: Request the Airport Board approve the Contract between Wilkes-Barre/Scranton International Airport and Sargent Enterprises, Inc., 732 Center Street, Jim Thorpe, PA, 18229, low bidder, for the Old Terminal Building Demolition – Phase I (environmental remediation), subject to solicitors concurrence and the award and acceptance of a Pennsylvania Department of Transportation, Bureau of Aviation Grant. Contract amount is \$414,685.46.

MOVED BY: Commissioner Patrick O’Malley
SECONDED BY: County Manager Robert Lawton
VOTE: Unanimous

Construction Monitoring – Supplement #1.

MOTION: Request the Airport Board approve Supplement #1 Agreement between the Wilkes-Barre/Scranton International Airport and Borton-Lawson Engineering, Inc., subject to solicitors concurrence and the award and acceptance of a Pennsylvania Department of Transportation, Bureau of

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

Aviation Grant, for Construction Phase Services for the Terminal Building Demolition and Aircraft Parking Apron – Phase I (Environmental Remediation). Fee not to exceed \$112,578.00.

MOVED BY: County Manager Robert Lawton
SECONDED BY: Commissioner Edward Staback
VOTE: Unanimous

ITEM 9.

CAPITAL PROJECTS REPORT.

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

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

ACP 11-01
Extend Taxiway B (Runway 22 Approach End

Design and Construction Monitoring Services – LR Kimball

Construction of this project is to be completed over four construction projects. The first two, Site Preparation and NAVAIDs, have been designed and let for construction. Site Preparation Contractor – Leeward Construction, NAVAIDs Contractor – Joyce Electric.

Mr. Mykulyn reported that work on the Site Preparation Contract continues. Installation of stormwater management culvert pipe and underground detention facilities on the Eastern (glideslope) embankment is complete. Work continues on rock fill placement on the Eastern embankment and construction of the haul road in that area. Clearing and grubbing as well as removal of unsuitable materials continue on the Westerly (Taxiway) embankment in preparation for culvert pipe, stormwater detention and rock fill. The Contractor's current work schedule is a 4 day work week with two 10 hour shifts. Work on the NAVAIDs contract remains unchanged, awaiting fill placement. Currently, the Site Prep schedule shows the fill reaching elevation the glideslope side in June. Current project costs are approximately \$11.56M. Project payments to date represent approximately 37.6% total.

DISCUSSION: ACP 13-02
Demolition Old Terminal Building.

Design Services – Borton-Lawson Engineering

Mr. Mykulyn reported that this project will be broken out into three separate construction projects; Environmental Remediation, Building Demolition and Apron Construction. Bids on the Environmental Remediation Phase have been received and Contract Award has just been discussed. He reported that he received this week, notification from the PA. Historical and Museum Commission that the building is not eligible for listing on the National

CAPITAL PROJECTS REPORT – Cont'd...

Register, which clears the way for completion of the Demolition Package and the post demolition design. Current project costs are approximately \$709,000. Project payments to date represent approximately 11% of total funding, State Capital Fund Grant, Airport generated PFC Funds.

ITEM 10.

OTHER MATTERS:

(Chairman)

DISCUSSION:

Mr. Beardsley reported that the Airport is planning an Open House, the tentative date is September 5, 2015, and we will have antique cars and a small group of airplanes. It should be a fun day for all.

ITEM 11.

ADJOURNMENT:

(Chairman)

MOTION:

It is recommended to adjourn the meeting.

MOVED BY:

County Manager Robert Lawton

SECONDED BY:

Commissioner Edward Staback

VOTE:

Unanimous

The meeting was adjourned at 11:40 A.M.