

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
MAY 21, 2015

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, May 21, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:33 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
Councilman Rick Morelli, via telephone

Note: Pat O'Malley and Bob Lawton arrived at meeting shortly after it started.

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)

None.

ITEM 3:
APPROVAL OF MINUTES.
(Chairman)

MOTION: To approve and dispense with the reading of the April 16, 2015
Bi-County Airport Board Meeting minutes.

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

ITEM 4.

AIRPORT ACTIVITY REPORT:

(Carl R. Beardsley, Executive Director)

Passenger Activity

DISCUSSION:

Mr. Beardsley started by giving the Airport Board the activity report by talking about the airports performance numbers during the month of April. He noted that it is important to know that April 2015 and April 2014 are very much an “apples to apples” comparison. He stated the reason why he brought that up is that there are times when the Easter holiday or spring time holiday falls in the month of March instead of April; in 2014 and 2015 they both fell in the month of April. He began by talking about passenger boardings; the Airport has seen an increase in passenger boardings comparing April 2014 and April 2015. The increase was just under 2%. Mr. Beardsley noted that Newark Airport undertook a runway construction in 2014 and because of that United Air Lines scaled back operations significantly and that impacted AVP. He went on to say that in April 2014 United suspended all flights between AVP and Newark. Now AVP is seeing two flights a day and as a result United was the gross leader in 2015 with a 60% increase over the previous year. From a year to date standpoint, April of 2014 through April 2015 are within a percentage of each other. Mr. Beardsley stated that he will continue to be aggressive, getting out into the community, do more marketing, and make sure more passengers are coming through our front door every month going forward. If we can do that, then we will see 2015 be a stronger year.

Comparison of departing seats: Mr. Beardsley explained that whenever an airport has additional airline seats available to its customers, often times you will see an increase in its passenger boardings. This was the case in 2015 and most of it had to do with United Airlines offering service into Newark, whereas they did not in 2014. Numerically speaking, AVP saw an increase in passengers of about 12% and United led the way with an additional 68.1% in April 2015 compared to April 2014. There were other variables that had to do with the increase of passenger seats, and one of them is that some of the airlines are up gauging their aircraft, meaning they are operating larger aircraft. Whenever that up gauging takes place, the airport will have additional seats. Mr. Beardsley gave an example of up gauging equipment which happened in the month of May 2015. On our 6:00 A.M. flight to Atlanta, Delta Air Lines is offering service on mainline equipment, which is a Boeing aircraft - which has 110 seats. The plane they offered the service on before was a 76 seat regional jet. That gives us a 35.3% increase in weekly seats compared to the month of April.

April 2015 saw a load factor that was in between the previous two years. In April 2014 the load factor was 88%. April 2015 had a 81% load factor. Allegiant Air had a 94% load factor. Delta Air Lines had almost an 83% load factor. United Air Lines was at 82%, and American/USAirways was about 78%.

In April 2015 General Aviation saw an increase over 2014 of 20% or 160 additional flights. This increase is important because those planes are using our facilities, possibly purchasing fuel, which all means more profit for our

AIRPORT ACTIVITY REPORT – Cont’d...

FBO and also means more revenue for the airport. Mr. Beardsley noted that military operations are up 9% for a second consecutive month.

April 2015 saw an uptick in cancellations which could be contributed to weather which impacted not only this area but also the N.E. Corridor. 36 flights were canceled in April, 17 were because of Air Traffic Control issues and weather. 18 were because of mechanical issues or crew availability and 1 was a diversion.

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. The agencies in bold are the ones he has already visited.

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
- **Vacation Station Tours & Travel**
 - ❖ Community Outreach and Networking Opportunity

AIRPORT ACTIVITY REPORT – Cont'd...

- 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
- Cub Scouts – Scranton
 - 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**
- **Old Forge High School**
 - **Community Outreach and Networking Opportunity**

Note: Bold is yet to be done.

AIRPORT ACTIVITY REPORT – Cont’d...

DISCUSSION: Mr. Beardsley then gave an update on the State Police Hangar. He informed the Board that the Department of General Services has told us that they are nearing the final phase of their review of the developers’ proposals on who is going to construct the building at AVP. Mr. Beardsley stated that while we wait for their decision, AVP is getting the land lease agreement together for whoever is the successful developer. He explained that the airport’s estimation is that once the project is complete and we begin bringing in revenue, he anticipates receiving on an annual revenue basis of \$30,000.00. That \$30,000 is made up of the lease payment, which is approximately \$24,000, and the rest is anticipated to be made up through fuel sales.

DISCUSSION: Mr. Beardsley then brought the Airport Board up to date on the Airport’s Military Courtesy Room. He explained that this room will be dedicated to soldiers, members of the Armed Forces and Veterans, who are looking for a private place to spend time with their families. He explained that the room is being constructed in house, and that the airport has had input from military organizations in the community, suggesting what would be good to have in the room and how it should be put together. He stated that about 14 companies from the area are in support of the room and they are either donating money or materials to be used to construct the room.

DISCUSSION: Lastly, Mr. Beardsley informed the Board that the Airport’s non-stop flight from AVP to Freeport, Bahamas is a success and that sales have been fantastic. Mr. Beardsley thanked the FBO, Aviation Technologies and Regional Skies for partnering with the Airport on this. He stated that he was just informed that the plane is completely filled and tickets are sold out.

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 April 2015, Airport Operations had a net income totaling \$6,419.00, compared to a net loss of \$26,629.00 in April 2014, which is a difference of \$33,048.00. Year-to-Date net loss for 2015 is \$111,327.00 which is a difference of \$68,537.00 compared to a net loss of \$179,864.00 in April 2014. Landing revenue was up \$14,322.00. Invoices received since the last meeting for supplies and services total \$1,500,712.06. These invoices include major construction project costs of \$1,214,645.32.

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.

AIRPORT FINANCIAL REPORT – Cont'd...

Taxiway B Extension. ACP 11-01

Leeward Construction \$ 1,094,620.57

Application #6 dated April 10, 2015, in the amount \$1,094,620.57 for construction site prep.

L. R. Kimball \$ 61,309.51

Invoice # 529315 dated April 8, 2015 in the amount \$61,309.51 inspection services.

Moosic Borough \$ 302.50

Invoice # 10032 dated May 8, 2015 in the amount \$302.50 for Plan Review.

This project is 47.38% complete.

Demolish Old Terminal Building ACP 13-02

Borton-Lawson \$ 17,272.47

AIRPORT FINANCIAL REPORT:

Invoice #2014-0787-001-000008, dated April 8, 2015 in the amount \$17,272.47 for design services.

Borton-Lawson \$ 18,971.31

Invoice # 2014-0787-000009, dated May 12, 2015 in the amount \$18,971.31 for design services.

This project is 62.79% complete.

Construct High-Bay Commercial Hangar ACP 14-02

L.R. Kimball \$ 22,050.00

Invoice # 529568 dated April 15, 2015 in the amount \$22,050.00 for design services.

L. R. Kimball \$ 18.96

Invoice # 529569 dated April 15, 2015 in the amount \$18.96 for design services.

AIRPORT FINANCIAL REPORT – Cont’d...

Master Plan Update ACP 15-02

Citizens Voice \$ 100.00

Invoice # 81740742, dated April 30, 2015 in the amount \$100.00 for Legal Notice Advertising.

This project is 100% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval. PFC Drawdown # 2015/4 (Check #1043).

Taxiway B Extension PFC Project #14-11

Leeward Construction \$ 54,731.03 CIP 19611-01
Construction Site Prep
ACP 11-01

L. R. Kimball \$ 3,065.48 CIP 19611-01
Inspection
ACP 11-01

MOTION:

Request the Airport Board approve the above transactions and payments.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

County Manager Robert Lawton

VOTE:

Unanimous

Request for Ratification of Grant Acceptance- Terminal Demolition, Phase I.

MOTION:

Recommend the Airport Board ratify the acceptance of the Pennsylvania Department of Transportation, Bureau of Aviation Grant No. EG00002086 for \$354,500.00. This grant covers 50% of the Demolish Old Terminal Building Complex (Phase I) project costs. The balance of funds for Phase I are covered under a Passenger Facilities Charge (PFC) Project for Terminal Demolition.

MOVED BY:

Commissioner Jim Wansacz

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

ITEM 6.

AUTHORIZATION FOR EMERGENCY PURCHASE.

(Gary Borthwick, Director of Finance and Administration)

MOTION:

Recommend the Airport Board approve the authorization for an Emergency purchase from Hayden Electric in the amount \$19,618.00 for the Electrical Relay for the Primary Airport Electrical Switchgear.

AUTHORIZATION FOR EMERGENCY PURCHASE – Cont’d...

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

ITEM 7.

AUTHORIZATION TO BID.

(Michael Conner, Assistant Airport Director)

MOTION: Recommend the Airport Board authorize the solicitation of an RFQ (Request for Qualifications) for Security Services. The current Security Services contract ends on August 21, 2015.

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

ITEM 8.

CONTRACTS/AGREEMENTS/PERSONNEL

(Michael Conner, Assistant Airport Director)

Professional Marketing Services Agreement.

MOTION: Recommend the Airport Board approve the Marketing Services Agreement between the Wilkes-Barre/Scranton International Airport and MLB Advertising, Wilkes-Barre, PA., effective May 1, 2015. The term of this agreement is May 1, 2015 through and including May 30, 2016. Thereafter, this agreement may be renewed for two separate and distinct one year renewals under the same terms and conditions at the Airports options. The Contractor shall provide services as outlined in the Proposal (Exhibit A) and the specifications (Exhibit B). The Airport agrees to pay the Contractor an amount not to exceed \$150,000 for the services described in Exhibit A, including the purchase of advertising media time and space.

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

Note: Mr. Williams wanted it noted that the Board did interview multiple marketing firms and concurred with management's recommendation.

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

CAPITAL PROJECTS REPORT – Cont’d...

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 Navaid, have been designed and let for construction. Site Preparation Contractor – Leeward Construction, Navaid’s Contractor – Joyce Electric.

Mr. Mykulyn reported that work on the Site Preparation Contract continues with blasting and rock fill placement on the Easterly side of the Runway for the placement of the glideslope. To date approximately 90 % of the 400,000 cubic yard of fill for the glideslope embankment has been placed. Removal of unsuitable materials continues on the Westerly (Taxiway) side. The Stormwater detention facility is being excavated and placement of Stormwater culverts making up the underground detention system will be underway in the next few days. Work on the NAVAIDS Contract is expected to begin next week with the issuance of the Notice To Proceed to the Contractor (Joyce Electric) for May 26. Current project costs are approximately \$ 11.56M. Project payments to date represent approximately 47.6% of total. NOTE: The remaining contracts for the project will be for Taxiway Paving and Taxiway Lighting and Signage. Estimated costs for construction and inspection approximately \$3,500,000. Funding: Federal AIP, State Aviation Grant and Airport Generated PFC Funds.

DISCUSSION:

ACP 13-02

Demolition of Old Terminal Building.

Design Services – Borton-Lawson Engineering. Environmental Remediation – Sargent Enterprises, Inc.

Mr. Mykulyn reported that this project will be broken out into three separate construction projects; Environmental Remediation, Building Demolition and Apron Construction. Award of the Environmental Remediation Phase was made at the April 21, 2015 Board Meeting. A Pre-construction meeting was held last week and the Notice to Proceed to the Contractor will be issued for June 1. Work with the design consultant continues in anticipation of the letting of the final two phases, later this year. Current project costs are approximately \$709,000. Project payments to date represent approximately 13.4% of total. Funding – State Capital Fund Grant, Airport generated PFC Funds.

ITEM 10.

MASTER PLAN UPDATE – REQUEST FOR QUALIFICATIONS.

(Stephen Mykulyn, Director of Engineering)

DISCUSSION:

Request for Qualifications submittals were received on Friday, May 15, 2015 for the Master Plan Update. Submittals were received from the following companies:

First Capital Engineering
48 South Richland Avenue
York, PA 17404

AECOM
1700 Market Street
Philadelphia, PA 19103

MASTER PLAN UPDATE - RFQs – Cont'd...

McFarland Johnson
49 Court Street
Binghamton, NY 13901

CHA Consulting, Inc.
1 Montage Mountain Road
Moosic, PA 18507

It was noted that between this meeting and the next Airport Board Meeting, Airport staff will be reviewing the submittals, conducting interviews, and selecting the most qualified firm for this project. The Airport anticipates making an award recommendation at the June 2015 Airport Board Meeting. It is anticipated that an award will be made at the June 18, 2015 Board meeting. The Board was invited to take part in the upcoming interviews of the firms.

ITEM 11.

OTHER MATTERS:

(Chairman)

Runway Light Incident.

DISCUSSION:

Mr. Beardsley informed the Board that on Tuesday, May 19, 2015, late in the afternoon, the operations staff was on the runway doing a runway inspection. They asked the tower to turn on the runway lights, and the lights did not turn on. They did some testing and found that there was a problem with one of the underground cables. Immediately they began to dig the dirt up, removing the cable and replaced it. The runway lights are now completely operative. They were not in operation from the time they were tested to the time they were put back in operation, for about 3 hours. This did not impact any flights that needed to land here that night. That was attributed to the fact that they were doing the inspection before we needed the lights. There was one aircraft, Delta, that was on its way, who decided that they wanted to wait until the runway lights were operative, so they went back to Detroit, waited for about an hour, until the NOTAM was canceled, and then flew to AVP.

Request for Qualifications (RFQ)

MOTION:

Recommend the Airport Board issue a RFQ, Request for Qualifications to enter into a partnership to build a high-tail hangar.

MOVED BY:

Commissioner Jim Wansacz

SECONDED BY:

Councilman Rick Williams

VOTE:

Unanimous

ITEM 12.

ADJOURNMENT:

(Chairman)

MOTION:

It is recommended to adjourn the meeting.

MOVED BY:

County Manager Robert Lawton

SECONDED BY:

Commissioner Jim Wansacz

VOTE:

Unanimous

The meeting was adjourned at 11:20 AM.