

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JUNE 18, 2015

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, June 18, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:55 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

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

Note: Mr. Williams reported that before the Board Meeting there was an Executive Session where personnel and contractual matters were discussed.

ITEM 2:
PUBLIC COMMENTS.
(Chairman)

None.

ITEM 3:
APPROVAL OF MINUTES.
(Chairman)

MOTION: To approve and dispense with the reading of the May 21, 2015 Bi-County Airport Board Meeting minutes.
MOVED BY: County Manager Robert Lawton
SECONDED BY: Councilman Rick Morelli
VOTE: Unanimous

ITEM 4.

AIRPORT ACTIVITY REPORT:

(Carl R. Beardsley, Executive Director)

Passenger Activity

DISCUSSION:

Mr. Beardsley reported on the performance analysis. He stated that we are seeing some positive news as it relates to passenger boardings. He also reported on a quick moving trend that is changing the performance of AVP. Beginning with passenger boarding, historically speaking, passenger boarding in the month of May always surge from the previous month of April. This May 2015 was no different. The month of April had 17,996 passengers, which means we surged forward almost 3,000 passengers and reached a passenger boarding total of 20,317. On a month to month comparison, looking back at 2014, the airport is seeing an increase of 5.3%. 5.3% equates to one thousand additional travelers came through AVP's front door throughout the month of May. A lion's share of the growth can be attributed to United Airlines. In 2014 United temporarily discontinued service between AVP and Newark Airport. Today they have 2 round trip flights. What's more, year to date travel through the end of May 2015 in comparison to the end of May 2014 is up 1.1%.

Mr. Beardsley then reported on the seating capacity. The seat increase from May 2015 compared to May 2014 increased by 4,036 which equates to a 19% increase. United's seats are up by 34.8% in comparison to 2014. US Airways increased their seats by 2,000.

Next was a summary of load factors. Mr. Beardsley stated that load factors are in a transitional phase right now. That is because earlier we noted the increase in the amount of seats that were available. That seat availability rose by 19% and the passenger traffic only rose by 5.3%. As a result load factors were down by 10% from the previous month. In May of 2015 it was just under 81% and in May of 2014 we were at over 90%. Delta Air Lines and their service to Detroit and Atlanta hit over 84%. Allegiant Air and United comes in second at 83% and US Airways/American is approximately 75%.

In May of 2015, General Aviation traffic had 1,341 operations, which is an additional 422 flights, or 46%, over the previous year. Military operations were up 585% over the last year. Air carrier operations were up 48%. In addition the Pocono Race will be coming up in August and that is an excellent opportunity to bring in general aviation and corporate traffic. Cancellations during the month of May showed 19 flights cancelled, 9 flights cancelled for air traffic control/weather and 10 flights due to mechanical issues or crew availability.

Mr. Beardsley brought the Board up to date on the US Military Appreciation Room. He stated it is very close to being completed and that he anticipates having a Grand Opening during July 2015. He also advised the Board that for customer convenience the Airport has installed charge stations for cell phones, iPods and iPads. In the departure lounge the airport now has outlets with USB ports and also a type of power strip that goes in between the passenger seats so that you can charge your cell phones, etc.

AIRPORT ACTIVITY REPORT – Cont’d...

Lastly, Mr. Beardsley explained that the FAA requires the airport to have trained aircraft rescue and fire fighters working at the airport. Part of their training requires that they have to go through a ‘live burn’. A ‘live burn’ is a simulator which simulates an aircraft fire and is used by the airport’s ARFF personnel to train on their aircraft rescue and fire fighting skills. Besides training the airports own staff, the airport was able to attract firefighters from other airports in Pennsylvania and New York State to participate in the training, which helped the airport offset some of the training costs.

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 May 2015, Airport Operations had a net income totaling \$20,142, compared to a net income of \$1,119 in May 2014, which is a difference of \$19,023. Year-to-Date net loss for 2015 is \$81,926 which is a difference of \$96,817 compared to a net loss of \$178,743 in May 2014. Landing revenue was up \$14,322.00. Invoices received since the last meeting for supplies and services total \$1,052,468.46. These invoices include major construction project costs of \$626,838.42.

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	\$ 568,402.46
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Application #7 dated June 9, 2015, in the amount \$ 568,402.46 for construction site prep.

L. R. Kimball	\$ 1,174.62
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Invoice # 529780 dated May 5, 2015 in the amount \$ 1,174.62 for inspection services.

L. R. Kimball	\$ 57,261.34
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Invoice # 529779 dated May 5, 2015 in the amount \$ 57,261.34 for inspection services.

This project is 52.80% complete.

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 # 2015/5 (Check #1044).

Construct New Terminal Building PFC Project #03-01

Funds associated w/settlement of interior panels	\$ 160,000.00	CIP 19603-01
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Taxiway B Extension PFC Project #14-11

Leeward Construction Construction Site Prep ACP 11-01	\$ 28,420.12	CIP 19611-01
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L. R. Kimball Inspection ACP 11-01	\$ 58.73	CIP 19611-01
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L. R. Kimball Inspection ACP 11-01	\$ 2,863.07	CIP 19611-01
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MOTION: Request the Airport Board approve the above transactions and payments.
MOVED BY: Commissioner Edward Staback
SECONDED BY: Councilman Rick Morelli
VOTE: Unanimous

ITEM 6.

AUTHORIZATION TO BID.

(Michael W. Conner, Assistant Airport Director)

MOTION: Recommend the Airport authorize the solicitation of bids for the following items:

- a. Game Room Amusements Operator
- b. Parking Garage Repairs

MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Morelli
VOTE: Unanimous

ITEM 7.

SOLICITATION REVIEWS/AWARDS.

(Michael Conner, Assistant Airport Director)

Airport Public Address System.

MOTION:

Bids were opened at 11:00 A.M., May 29, 2015 in the Airport's Conference Room by Airport Administration and Mr. Reggie Mariani, Lackawanna County Chief Auditor and Germaine Helcoski, Lackawanna County Deputy Controller for the Airport's Public Address System. Eight bid specifications were mailed out and the Airport received two bid proposals. It is recommended that the Board approve the award to the low bidder, S & J Sound, Dallas, PA., at a total cost of \$62,500.00, pending our solicitors' concurrence. Bids were as follows:

<u>Bidder Name</u>	<u>Base Bid</u>
S & J Sound Dallas, PA.	\$ 62,500.00
Comnet Software Miamisburg, OH	\$ 179,023.02

MOVED BY:

SECONDED BY:

VOTE:

Councilman Rick Morelli
Commissioner Edward Staback
Unanimous

Airport Master Plan.

MOTION:

Recommend the Airport Board approve the solicitation submittal by McFarland Johnson to provide an update to the Airport Master Plan. The McFarland Johnson team also includes: Borton-Lawson Engineering, Inc.; Reynolds Smith and Hills, Inc. (RS&H); and Arora Engineers, Inc. The McFarland Johnson team responded to the Request for Qualifications, along with 3 other engineering teams, all of which were interviewed by the Airport staff. McFarland Johnson was selected as the most qualified for the Airport Master Plan project due to the team's extensive experience providing airport master plans, the quality attributes of the proposed plan, the team's capability and experience in airport activity forecasting, capacity analysis and planning, their close relationship working with the Eastern Region FAA, and the availability of the team members to accomplish the work in a timely manner. This project's funding is from Federal AIP, State, and Airport funds. The Airport recommends award of the project work to McFarland Johnson Team and to authorize the Airport staff to negotiate a suitable contract for award at the July 2015 Airport Board Meeting, pending the FAA's and our solicitors concurrence.

MOVED BY:

SECONDED BY:

VOTE:

Commissioner Patrick O'Malley
Commissioner Edward Staback
Unanimous

ITEM 8.
RATES & CHARGES.

(Gary Borthwick, Director of Finance and Administration)

Parking Lots.

MOTION:

Airport Administration incrementally reviews Airport rates and charges in order to ensure that the rates charged are in-line with other Airports and yet also meet our financial needs. A review of auto parking rates found that the Wilkes-Barre/Scranton Airport has parking rates generally in the same range as other Airports of similar size, but that an adjustment can be made to improve revenues and still remain on the lower side of the range which will in part pay for the maintenance and repair of the parking garage. Additional revenue can be gained from this financial cost center without being out of line with other airports' rates. The last time the parking rates were increased was June 2012. Therefore, we request the Airport Board approve the following increase in the daily parking rate for both the public surface parking area and the public parking garage. This increase will bring the surface parking to \$9.00 per day and the garage parking to \$12.00 per day. In addition the airport will be offering the 7th day free. This is effective July 1, 2015.

MOVED BY:

Commissioner James Wansacz

SECONDED BY:

Councilman Rick Morelli

VOTE:

Unanimous

ITEM 9.
CONTRACTS/AGREEMENTS/PERSONNEL.

(Michael W. Conner, Assistant Airport Director)

Airport Hangar/Office Space Lease Agreement.

MOTION:

Recommend the Airport Board approve the Airport Hangar/Office Space Lease Agreement between the Wilkes-Barre/Scranton International Airport and Geisinger Medical Center, Danville, PA. The term of this agreement shall commence on July 1, 2015 and continue for three years, ending on June 30, 2018. This Agreement shall then be eligible for one renewal period of two years. Lessee shall pay as rent to Lessor an initial rate of \$4,166.66 per month throughout the first year of the term of this agreement, total rent for first year being \$49,999.92. Year two the total rent will be \$49,999.92 and year three the total rent will be \$51,499.92. The terms of this Agreement include Lessee's rental of 3,841 sq. ft. of hangar and office space in Hangar 2 for their emergency medical helicopter operations and associated flight crew support activities. The terms also include Lessee's use of the Airport Rescue and Fire Facility shower and decontamination facilities.

MOVED BY:

Commissioner James Wansacz

SECONDED BY:

Commissioner Edward Staback

VOTE:

Unanimous

ITEM 10.

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 – L. R. Kimball Construction of this project is to be completed over four construction projects. The first two, Site Preparation and Nav aids, have been designed and let for construction. Site Preparation Contractor – Leeward Construction, Nav aid’s Contractor – Joyce Electric.

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. This fill placement is nearly complete and we anticipate topsoil placement in the next two weeks. Removal of unsuitable materials continues on the Westerly (taxiway) side. Work on the NAV AIDs contract has begun and the contractor will be starting conduit trenching and foundation placement for the glideslope shelter next week. Current project costs are approximately \$11.56M. Project payments to date represent approximately 53% of total.

DISCUSSION:

ACP 13-02

Demolition of Old Terminal Building.

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

This project will be broken out into three separate construction projects; Environmental Remediation, Building Demolition and Apron Construction. Work on the project began on June 1st with the placement of temporary fencing around the entire old terminal building. This fencing will remain in place after the environmental project is completed, through the demolition and into the apron and parking lot construction project. To date, work on the tower cab, 3rd floor and approximately ½ of the 2nd floor has been completed. Work with the design consultant continues in anticipation of the letting of the final two phases, later this year. A draft EA has been completed for the next two phases and has been sent to FAA for review. An initial meeting was conducted with the Luzerne Conservation District to review the Stormwater management plan concept. Current project costs are approximately \$709,000, or 13.4%.

DISCUSSION:

ACP 13-08

Aviation Fuel Farm Expansion.

The Airport met with the FBO who is the end user of the facility to review close out earlier this week. Current project costs are approximately \$427,000. Project payments to date represent approximately 97% of total.

CAPITAL PROJECTS REPORT – Cont’d...

DISCUSSION: ACP 14-02
Parking Garage Maintenance.

The Airport requested and is currently reviewing scope and fee estimates from the consultant for preparation of bidding documents. Current project costs are approximately \$25,000 and project payments to date represent approximately 82% of total.

Change Order – Extend Taxiway B (Runway 22 Approach End).

MOTION: Recommend the Airport Board approve Change Order #2 increasing Leeward Construction, Inc.’s contract \$104,152.80 from \$8,532,864.14 to \$8,637,016.94, subject to FAA, PennDOT and solicitor’s concurrence. This change order includes the sealing of mine void cracks with concrete, the installation of a 30 mil PVC liner, the addition of a Class 4A Geotextile and the alteration of outlet structure elevations at the West Detention Basin.

During the excavation for the West Detention Basin, several fissures were discovered near and below the subgrade elevation. These fissures were the result of collapsed mines in the area. Although deemed stable, the detention facility would be the collection point for nearly all of the storm water on the westerly side of the construction. There was a concern that the storm water would be lost to the mine pool and subsequently have the potential to cause problems for the surrounding communities. The cracks were sealed with a concrete slurry and a PVC liner was added at the bottom of the underground detention facility to prevent infiltration. Modification of the already delivered and installed outlet structure was required to provide for the complete draining of the underground facility after rain events.

MOVED BY: Councilman Rick Morelli
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

ITEM 11.

DIRECTOR’S COMMENTS.

(Carl R. Beardsley, Executive Director)

Non-Union Salary Adjustments.

MOTION: Recommended the Airport Board adjust non-union employee salaries by 2% in each of the next three years, retroactive to January 1, 2015. Mr. Beardsley stated that the employees work very hard and are part of every success that happens at the airport. Once more these employees did not have an increase in salary since 2012 and have only had two raises in the last eight years. Mr. Beardsley pointed out that the salary increases cover administrative and management staff, but that it does not impact his salary. His salary remains the same.

MOVED BY: Councilman Rick Morelli
SECONDED BY: Commissioner Edward Staback

DIRECTOR'S COMMENTS – Cont'd...

VOTE:

Councilman Rick Morelli	-	Yea
Councilman Rick Williams	-	Yea
County Manager Robert Lawton	-	Nay
Commissioner Jim Wansacz	-	Yea
Commissioner Patrick O'Malley	-	Yea
Commissioner Edward Staback	-	Yea

5 Yea – 1 Nay
Motion passed.

ITEM 12.

OTHER MATTERS:

(Chairman)

Airport Access Road and I-81 Interchange Project.

Note: Mr. Williams deviated from the agenda and presented this item between the Activity Report and Financial Report of the Agenda.

DISCUSSION:

A representative from PennDOT and Pennsy Construction attended the meeting this morning to update the Airport Board on the Interchange project. It was explained to the Board that Tuesday morning, June 23, 2015 at 8:00 AM will be the opening of the first of three roundabouts. He stated that June 19, 2015 at 10:00 AM there will be a media day for elected officials to show the first multilane roundabout. He then (via power point map) showed how the roundabouts would work. He exhibited different scenarios of going to Scranton from the Airport and vice versa and going to Wilkes-Barre from the Airport, vice versa. In mid-September roundabouts #1 and #3 will be in service at the interchange of 315, Williams Street and Terminal Road. The final stage, which is Phase 4, should be finished by Thanksgiving or a few weeks later.

Energy Savings Proposal.

DISCUSSION:

Mr. Louis Evans from Commonwealth Energy Group presented a proposal to the Airport Board on ways to save energy. After working with the Airport operations staff for two to three months it became clear that the easiest way to save energy was with lighting. He stated they looked at the majority of fixtures within the terminal that operate 24 hours a day, that and very high maintenance items. He stated that everything proposed in this proposal is LED with a 10 year warranty. He stated that Commonwealth Energy will put up all the capital to do the project in return for the Airport paying a surcharge on the monthly electric bill. The contracts that they have ready for the Board at a rate that is exactly equal to what the airport has been paying over the past three years. He explained that the project cost is \$557,000. Commonwealth secured a PPL Utility rebate in the amount of \$89,847 for the airport. That would give a net contract of \$467,733. The monthly payment for a five year power contract would be at \$7,795 which is what we are at now. So debt payment and power payment would be combined for a payment of \$11,806 per month. That would be for the lighting portion of the bill and the debt service to pay this funding off. In short, the outlay is over 60 months;

OTHER MATTERS – Cont’d...

what it would cost the airport is about \$1,200 extra a month for a close to \$600,000 project. The contract will start on January 1, 2016 for a five year term.

MOTION: To accept the Commonwealth Energy Group proposal.
MOVED BY: Commissioner Jim Wansacz
SECONDED BY: County Manager Robert Lawton
VOTE: Unanimous

ITEM 13.

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 12:00 P.M.