

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
SEPTEMBER 17, 2015

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, September 17, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:45 A.M. with Board Member Richard G. Williams presiding.

PRESENT: Commissioner Patrick O'Malley
Commissioner Edward G. Staback
Commissioner Jim Wansacz
Councilman Richard G. Williams
County Manager 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 Co.
Ms. Germaine Helcoski, Lackawanna Co. Deputy Controller
Mr. Reggie Mariani, Lackawanna County Chief Auditor
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 August 20, 2015 Bi-County Airport Board Meeting minutes.
MOVED BY: County Manager Robert Lawton
SECONDED BY: Commissioner Jim Wansacz
VOTE: Unanimous

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

Passenger Activity

DISCUSSION: Mr. Beardsley began his report by giving the Board an analysis of the airport's performance numbers starting with enplaned passengers. August 2015 compared favorably with August 2014 whereas passenger boardings increased by nearly 6%. From an individual airline perspective, Allegiant Air

AIRPORT ACTIVITY REPORT – Cont'd...

had a 56.7% increase, which is the largest of all airlines. Much of that can be attributed to the fact that they had an additional flight during the month of August 2015 that they did not have in 2014. United Airlines saw an increase of 36.4% from August 2014. Looking at a year to date standpoint, from January to August 2015 through January to August of 2014 shows we are up about 1%. Outbound load factors in August 2015 were at nearly 88% which is slightly below August 2014 and about 5% higher than August 2013. All airlines serving AVP right now has a load factor of 85%. During the month of August 2015 we saw an increase in General Aviation of 46%, or 571 additional General Aviation flights that we did not see previously. In August 2015 we saw 1,801 General Aviation flights, which is the highest number that we have seen from a General Aviation standpoint since 2011. Military flights are up 114%. Overall, from January to August 2015 compared to January to August 2014 we have seen an increase of 26% for 7,910 flights. We saw 30 flight cancellations in August 2015, 25 are a result of air traffic control/weather, 4 are for mechanical issues, and 1 aircraft that deferred in here.

DISCUSSION:

Mr. Beardsley reported that the Airport has done 16 tours so far this year, and we have 4 tours scheduled in the next 30 days. He also mentioned that the Wings & Wheels day is scheduled for September 26, 2015 with aircraft displays, car displays, etc. Gates will open at 9 AM and close at 3PM.

Lastly, by mid October the US Airways brand name will be gone and American Airlines will be taking over the entire brand for the new company. To make a reservation, after October 17, 2015 you will be directed to the American Airlines site.

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 August 2015, Airport Operations had a net income totaling \$60,154, compared to a net income of \$23,346 in August 2014, which is a difference of \$36,808. Year-to-Date net income through August 2015 is \$77,163 which is a difference of \$ 139,601 compared to a net loss of \$62,438 through in August 2014. Invoices received since the last meeting for supplies and services total \$1,217,165.68. These invoices include major construction project costs of \$1,023,579.17.

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	\$	604,083.15
Application #10 dated August 31, 2015, in the amount \$604,083.15 for construction site prep.		
Joyce Electrical Inc.	\$	177,090.75
Application #1 dated August 24, 2015 in the amount \$177,090.75 for construction services.		
L. R. Kimball	\$	79,503.21
Invoice # 530984 dated August 6, 2015 in the amount \$79,503.21 for inspection – Site Prep.		
L. R. Kimball	\$	12,132.25
Invoice # 521692 dated October 3, 2013 in the amount \$12,132.25 for inspection services.		
L. R. Kimball	\$	12,203.95
Invoice # 530985 dated August 6, 2015 in the amount \$12,203.95 for inspection – Nav aids.		

This project is 73.36% complete.

Demolish Old Terminal Building – Phase I

ACP 13-02

Luzerne Conservation District	\$	2,000.00
Invoice # Luzerne, dated August 15, 2015 in the amount \$2,000.00 for E & S Review.		
Luzerne County Clean Water	\$	500.00
Invoice # County dated August 15, 2015 in the amount \$500.00 for NPDES General Fee.		
Commonwealth of PA Clean	\$	300.00
Invoice # Commonwealth dated August 15, 2015 in the amount \$300.00 for NPDES Acreage Fee.		
Borton Lawson	\$	7,321.11
Invoice # 2014-0787-001-0000012 dated August 12, 2015 in the amount \$7,321.11 for design services.		

AIRPORT FINANCIAL REPORT – Cont'd...

Borton Lawson \$ 24,132.32

Invoice # 2014-0787-002-000003 dated August 14, 2015
in amount \$24,132.32 for construction monitoring.

Sargent Enterprises, Inc. \$ 104,312.43

Application #3 dated August 31, 2015 in amount
\$104,312.43 for construction services.
This project is 77.21% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2015/8 (Check #1048).

Taxiway B Extension

PFC Project #14-11

Leeward Construction Construction site prep ACP 11-01	\$ 30,204.16	CIP 19611-01
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Joyce Electrical Construction ACP 11-01	\$ 8,854.54	CIP 19611-01
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L. R. Kimball Inspection – Site Prep ACP 11-01	\$ 606.61	CIP 19611-01
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L. R. Kimball Inspection ACP 11-01	\$ 610.20	CIP 19611-01
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L. R. Kimball Inspection – NAVAIDS ACP 11-01	\$ 3,975.16	CIP 19611-01
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Demolish Old Terminal Building-Design

PFC Project #09-015

Luzerne Conservation District E & S Review ACP 13-02	\$ 2,000.00	CIP 19613-02
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Luzerne County Clean Water NPDES General Fee ACP 13-02	\$ 500.00	CIP 19613-02
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AIRPORT FINANCIAL REPORT – Cont'd...

Commonwealth of PA Clean NPDES Acreage Fee ACP 13-02	\$ 300.00	CIP 19613-02
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Sargent Enterprises Construction ACP 13-02	\$ 52,156.22	CIP 19613-02
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Borton-Lawson Design ACP 13-02	\$ 3,660.56	CIP 19613-02
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Borton-Lawson Construction-Monitoring ACP 13-02	\$ 12,066.16	CIP 19613-02
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MOTION: Request the Airport Board approve the above transactions and payments.
MOVED BY: County Manager Robert Lawton
SECONDED BY: Commissioner Edward Staback
VOTE: Unanimous

ITEM 6.

SOLICITATION AUTHORIZATION.

(Michael W. Conner, Assistant Airport Director)

MOTION: Request the Airport Board approve the solicitation of bids for Airport Sodium Acetate Runway Deicer.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

ITEM 7.

BID REVIEW/PROPOSALS AWARD.

(Michael W. Conner, Assistant Airport Director)

Natural Gas Procurement Consultant.

MOTION: Recommend the Airport Board approve the selection of Commonwealth Energy Group as Natural Gas Procurement Consultant. The Airport sent out RFP's to twenty companies, and the normal solicitation advertising, and received seven proposals on August 28, 2015.

Commonwealth Energy Group's proposal amount is \$0.05 (5 cents) per dekatherm. This rate will be included in all contract rates with natural gas providers for the three year term beginning October 1, 2015, for natural gas contracts beginning February 1, 2016. This contract also has two possible renewal terms of one year each. Commonwealth Energy Group met all of the requirements of the RFP solicitation and is the lowest cost consultant of all the providers.

BID REVIEW/PROPOSALS AWARD – Cont’d...

Proposers as follows:

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|----|---|----|---|
| 1. | Commonwealth Energy Group
Dunmore, PA
\$0.05 per dekatherm | 5. | L5E, LLC
Irving, Texas
\$0.20 per dekatherm |
| 2. | Affiliated Power Purchasers Intl
Salisbury, MD
\$0.0975 per dekatherm | 6. | Krytex Energy
Greensburg, PA
\$0.25 per dekatherm |
| 3. | URA, Inc. Utilities Rates Analysts
Camp Hill, PA
\$0.10 per dekatherm | 7. | Amerex Brokers, LLC
Sugar Land, TX
\$0.25 per dekatherm |
| 4. | Premiere Energy Auctions
Fairfield, NJ
\$0.20 per dekatherm | | |

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

ITEM 8. CONTRACTS/AGREEMENTS/PERSONNEL. *(Michael W. Conner, Assistant Airport Director)*

Natural Gas Procurement Services.

MOTION: Recommend the Airport Board approve the Consulting and Professional Services Agreement for Natural Gas Services between the Airport and Commonwealth Energy Group, LLC., 1128 Meade Street, Dunmore, PA 18512. CEG will provide market expertise, information and recommendations throughout the natural gas procurement process. This agreement will commence on October 1, 2015, and shall continue until September 20, 2018. This agreement may be extended for two separate and distinct one year periods. The Airport will pay \$0.05 (5 cents) per dekatherm for these services, which will be included in the natural gas supplier contract rates.

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

Airport Master Plan and Airport Layout Plan (ALP) Update.

MOTION: Recommend the Airport Board approve the Agreement, subject to solicitor’s concurrence, between McFarland Johnson, Inc., Binghamton, NY and the Wilkes-Barre/Scranton International Airport for a study to perform services for Airport Master Plan and Airport Layout Plan (ALP) Update. Agreement fee total is \$899,234.00. Funding for the project will include \$755,485.00 in Federal AIP Funds, approval of which is included in today’s agenda. A State Bureau of Aviation Grant will provide \$41,971.00 and the remaining funds will be covered under a PFC application.

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

MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: County Manager Robert Lawton
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 – L. R. Kimball. Construction of this project is to be completed over a series of 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 informed the Board that work on the Site Preparation Contract continues. Glideslope side fill is complete and Taxiway side fill is at approximately 64% complete. Blasting, hauling and fill operations continue. The Construction Monitoring team continues its review of the work under the force account for the mine void work and we now anticipate seeking approval for the change order at our October Board Meeting.

Work on the NAVAIDs contract also continues. Alternate temporary power for the Glide Slope is in place, which allowed for the set up and tuning of the new glide slope antenna. While all things are ready for the flight check for the new system, we do not anticipate the FAA will be able to flight check the new glide slope until after the start of the new Federal Fiscal Year on October 1st. Work on horizontal boring (under the runway) for the permanent power for the new glide slope is scheduled to begin next week. Current project costs are approximately \$11.85M. Project payments to date request approximately 71% of total.

DISCUSSION: ACP 13-02
Demolition of 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 Apron Construction. To date only the Environmental Remediation Project has been let. Work on the project for the hazardous materials abatement is substantially complete. Final walk through and completion of any punch list items is anticipated within the next two weeks. Work with the design consultant continues in anticipation of the letting of the final two phases, later this year. We have received and are addressing comments on E&S and Stormwater Management Plans with the Conservation District. We are currently reviewing plans for bidding on the demolition and new parking and

CAPITAL PROJECTS REPORT – Cont’d...

apron construction. Current project costs are approximately \$709,000. Project payments to date represent approximately 73% of total.

DISCUSSION:

ACP 14-02

Parking Garage Maintenance.

Desman Services – Desman Associates. We are currently working with the consultant on the preparation of plans and specifications for bidding the project. Current project costs are approximately \$72,088. Project payments to date represent approximately 28.3% of total.

Remaining projects until we get to 15-02 are substantially the same. 15-02 is the Master Plan Update/Airport Layout Plan Update and we made acceptance of the FAA funding grant and anticipate issuing notice to proceed to the consultant after this meeting. Current Project costs are approximately \$902,000.

Grant Agreement.

MOTION:

Recommend the Airport Board ratify the acceptance of the Federal AIP Grant Amendment Number 3-42-0105-061-2015 in the amount of \$755,485.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

County Manager Robert Lawton

VOTE:

Unanimous

ITEM 10.

PENNDOT REPORT.

(Chairman)

Airport Access Road and I-81 Interchange Project.

DISCUSSION:

A representative from PennDOT and Pennsy Construction attended the meeting this morning to update the Airport Board on the Interchange project. Mr. Paul Smith, Project Manager from PennDOT reported that this project is 80% complete. They have paid out about \$32M of the \$42M Project. They are on schedule for the completion of the I-81 and the roundabout areas, including Route 315. He noted that by the end of this construction season the interchange portion of the project will be done. The roadway all the way to Commerce Blvd will be done by next July. Since they last reported to the Board Mr. Smith reported that they have completed the Plane Street Bridge on I-81 and also the Route 315 Bridge, the turnpike bridge is about 95% complete and the Pedestrian Bridge over the Interstate is at 95% complete. The Route 315 roundabout drainage has been completed, the I-81 excavation embankment has been completed along with the sound wall relocation and they have begun the bituminous paving on I-81 and Route 315. He stated that upcoming work is starting that evening with the switch over of the southbound ramp on I-81 and he noted that they are holding the ramp over a little bit to the right, which is in preparation for the next phase of the project. He explained that this ramp will be connected to the new roundabout ramp

PENNDOT REPORT – Cont’d...

that leads to the first roundabout. After that, they will be completing the I-81 ramp and widening of the paving on I-81.

The first week in October they will be switching onto the new roundabouts. He said this will be a big change to the configuration of the roadway, instead of coming off onto Williams Street and coming down onto Route 315, traffic will be coming onto the new roundabouts, coming to a stop condition onto Route 315, and will remain on the alignment presently being used on Route 315 until they complete another roundabout. This will be in an area where we will be using three roundabouts, although one won't be completed until the next phase, but will be audit using it. Other main goals is that they will be opening up the northbound I-81 ramp, which is being constructed now, and in the middle of November they will be completing the northbound ramp on I-81. At the end of the construction season they will have the area of Navy Way Road up to the Holiday Inn completed. The roundabout nearest to the Airport will totally functioning at the time. They will be completing the large fill that goes under the MALSR Tower up to Commerce Blvd. The completion of Route 315 from the roundabout closest to Petro should be done by the end of this construction season.

ITEM 11.

OTHER MATTERS:

(Chairman)

DISCUSSION:

Mr. Beardsley noted that at the last Board Meeting the Board asked that we look at our procurement process and since that time he and the staff have been working to put together a policy. His plan is to hand it out to everyone so they can review it and then put it before the Board at the next meeting.

DISCUSSION:

Mr. Beardsley concluded the meeting with some exciting news. Mr. Williams and Jim Gallagher announced that Aviation Technologies along with the Airport will be conducting another Bahamas Trip on February 7 and returning on February 14, 2016.

ITEM 12.

ADJOURNMENT:

(Chairman)

MOTION:

It is recommended to adjourn the meeting.

MOVED BY:

County Manager Robert Lawton

SECONDED BY:

Commissioner Ed Staback

VOTE:

Unanimous

The meeting was adjourned at 11:32 A.M.