

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
OCTOBER 22, 2015

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, October 22, 2015 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:43 A.M. with Board Member Richard G. Williams presiding.

PRESENT: Commissioner Patrick O'Malley
Commissioner Jim Wansacz
Councilman Richard G. Williams
Councilman Richard Morelli – via telephone

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. Solicitor
Attorney Michael Butera, Luzerne County Solicitor
Ms. Germaine Helcoski, Lackawanna Co. Deputy Controller
Mr. Reggie Mariani, Lackawanna County Chief Auditor
Mr. Aaron Hojnowski, Luzerne County Deputy Controller

ITEM 2:
PUBLIC COMMENTS.
(Chairman)

None.

ITEM 3:
APPROVAL OF MINUTES.
(Chairman)

MOTION: To approve and dispense with the reading of the September 17, 2015
Bi-County Airport Board Meeting minutes.
MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

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

Passenger Activity

DISCUSSION: Mr. Beardsley informed the Board that there is very good news with passenger boarding numbers through September 2015 compared to September 2014 which reflects an increase of approximately 4.3%. United

AIRPORT ACTIVITY REPORT – Cont'd...

Air Lines has been the growth leader most of the year who has shown an increase of approximately 27%. All told, pushing it through the end of September from January and comparing that with the same period in 2014 is an increase of just over 1%. Two things worth noting, first is that Allegiant Air always takes a hiatus from AVP service during the month of September, mostly because most of the people on those flights are vacationers, who have kids that go back to school. So the Allegiant numbers are not included in the 18,621 passengers that went through our front doors in September. Secondly, our inaugural international flight to Freeport in the Bahamas occurred during the month of September, so the 170 to 180 passengers who got on that plane are reflected in the 18,621 passengers who went through the airport. It is also worth reporting that the success of that flight has meant that there was an additional announcement that there will be a second round trip flight from here to Freeport which will occur on February 7 and return on February 14.

1.

Mr. Beardsley noted that seat capacity continues to increase. There was an increase of 9,484 seats in comparison to same period in 2014. United's seat capacity is up 25%, Delta has put larger aircraft into place that they did not have last year. The load factor out of AVP continues to be a strong number, almost 85%, but it is down about 3% points in comparison to the previous year. This is because we have an influx of seats coming in, however we are filling the seats more than the previous year from a quantity standpoint. Load factor is down slightly, September 2014 we had a load factor of nearly 90% and load factor in September 2015 is nearly 85%.

Delta Air Lines is putting larger aircraft into our market. The 6:00 AM flight used to be operated on a 70 seat regional jet airplane which was upgraded recently to a Boeing 717, which is a part of their mainline fleet, a 717 has 110 seats. They pushed this up to a higher level just recently, putting an Airbus 319 in the market which has a capacity of 126 seats. All told, comparing August to September we will see a 65.8% increase in weekly seats on Delta Airlines because of this upgrade.

There was a slight decrease in September of about 3% in General Aviation activity. Overall this year AVP is up about 28% and that equates to about 9,344 additional flights that we have had between January 2015 and the end of September 2015. There were 14 canceled flights in September which is down slightly from 2014. The biggest reason was air traffic control and weather issues.

DISCUSSION:

Mr. Beardsley informed the Board that an Emergency Tabletop Exercise was conducted at AVP; the purpose of these tabletops are to explain how the airport would address emergencies. Mr. Bieber told the Board that a Tabletop is mandated by the FAA to be conducted every three years. Over 94 people participated, which included many ambulance personnel, first responders, rescue crews, and our mutual aid fire departments. In addition to that we were honored to have the Pennsylvania State Fire Commissioner conduct a presentation followed by a question and answer period by the emergency personnel that was there.

AIRPORT ACTIVITY REPORT – Cont'd...

DISCUSSION: Mr. Beardsley noted that one of the projects that AVP had earlier in the year was changing out many of our light bulbs in the terminal building working with Commonwealth Energy. He noted that in the month of September we started to see the benefit of making those changes. Electrical usage is down 18% from September of last year in the terminal which equates to a real reduction of \$5,761 for the month of September.

DISCUSSION: We are making progress with the State Police Hangar. We had a site visit from the winning developer. The State chose a company by the name of Jim Miller Brothers Construction. We talked to them about their schedule and they are thinking of starting in the spring of next year. They estimate it will take 4 to 6 months to actually construct the building. In the meantime we are working with this company to negotiate a land lease that will be presented to the Board once it is finalized.

DISCUSSION: General Aviation aircraft owners that come into this airport on a regular basis are very important to this airport, so coming this weekend we have scheduled a General Aviation Chat from 8 to 10 AM, breakfast will be served and we will be working with Aviation Technologies to meet with them.

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 September 2015, Airport Operations had a net income totaling \$60,328, compared to a net income of \$37,452 in September 2014, which is a difference of \$22,876. Year-to-Date net income through September 2015 is \$138,780, which is a difference of \$163,771, compared to a net loss of \$24,991 through September 2014. Invoices received since the last meeting for supplies and services total \$1,449,450.58. These invoices include major construction project costs of \$1,129,435.60.

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 \$ 707,895.90

Application #1 dated September 30, 2015, in the amount \$707,895.90 for construction site prep.

Leeward Construction \$ 285,055.76

Application #12 dated October 1, 2015 in the amount \$285,055.76 for construction site prep.

L. R. Kimball \$ 63,989.26

Invoice # 531318 dated September 1, 2015 in the amount \$63,989.26 for inspection – Site Prep.

L. R. Kimball \$ 14,687.42

Invoice # 531319 dated September 1, 2013 in the amount \$14,687.42 for inspection - Nav aids.

This project is 78.04% complete.

Demolish Old Terminal Building – Phase I
ACP 13-02

George Hayden \$ 7,950.00

Invoice # 42078, dated September 10, 2015 in the amount \$7,950.00 for labor, equipment, materials.

Genesis Lamp Corporation \$ 340.59

Invoice # 56078 dated September 30, 2015 in the amount \$340.59 for solar powered light.

Borton Lawson \$ 256.67

Invoice #2014-0787-001-0000013, dated September 17, 2015 in the amount \$256.67 for design services.

Borton Lawson \$ 16,585.06

Invoice # 2014-0787-002-0000004 dated September 17, 2015 in amount \$16,585.06 for construction monitoring.

Borton Lawson \$ 4,351.70

Invoice # 2014-0787-001-0000014 dated October 5, 2015 in amount \$4,351.70 for design services.

AIRPORT FINANCIAL REPORT – Cont'd...

Borton Lawson \$ 836.30

Invoice #2014-0787-002-0000005 dated October 5, 2015
in the amount \$836.30 for construction monitoring.

Sargent Enterprises, Inc. \$ 27,486.94

Application #4 dated September 30, 2015 in the amount
\$27,486.94 for construction services.

This project is 85.37% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2015/9 (Check #1049).

Taxiway B Extension PFC Project #14-11

Leeward Construction \$ 35,394.80 CIP 19611-01
Construction site prep
ACP 11-01

Leeward Construction \$ 14,252.79 CIP 19611-01
Construction site prep
ACP 11-01

L. R. Kimball \$ 734.37 CIP 19611-01
Inspection – Site Prep
ACP 11-01

L. R. Kimball \$ 3,199.46 CIP 19611-01
Inspection – Nav aids
ACP 11-01

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

George Hayden \$ 3,975.00 CIP 19613-02
Labor, Equipment, Materials
ACP 13-02

Luzerne County Clean Water \$ 170.30 CIP 19613-02
ACP 13-02.

Sargent Enterprises \$ 13,743.48 CIP 19613-02
Construction Services
ACP 13-02

AIRPORT FINANCIAL REPORT – Cont'd...

Borton Lawson Construction Monitoring ACP 13-02	\$	8,292.53	CIP 9613-02
Borton-Lawson Design ACP 13-02	\$	128.34	CIP 19613-02
Borton-Lawson Construction-Monitoring ACP 13-02	\$	418.15	CIP 19613-02
Borton-Lawson Design Services ACP 13-02	\$	2,175.85	CIP 19613-02

MOTION: Request the Airport Board approve the above transactions and payments.
MOVED BY: Commissioner James Wansacz
SECONDED BY: Commissioner Patrick O'Malley
VOTE: Unanimous

PFC Status Report.

DISCUSSION: The Airport collected \$244,983.36 (including \$1,358.84 interest) throughout the third quarter of 2015, bringing the PFC Trust Account balance to \$1,467,614.13. For PFC Application 13-10, the Airport expended \$10,000.00 (100%) out of a total collection authority of \$10,000.00. For PFC 13-09, the Airport expended \$596,537.86 (15%) out of a total collection authority of \$3,942,563. PFC Application 11-08, the Airport expended \$3,230,430.12 (67%) out of a total collection authority of \$4,805,475. PFC Application 14-11, the Airport expended \$396,392.00 (60%) out of a total collection authority of \$659,418.

ITEM 6.

PURCHASING & CONTRACT POLICY.

(Gary Borthwick, Director of Finance and Administration)

MOTION: Provided to the Board is the Airports Purchasing and Contract Policy for their review and approval. This policy follows all FAA Government guidelines for purchasing and contracting. Contents include general procedures, purchase limits, professional service contracts, legal and accounting services, construction contracts, operation contracts, utility contracts, other purchases, emergency purchases, governmental contracts, sole search purchases, airport web site postings, and governmental requirements. This policy will be posted on our website with the approval of the policy.

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

ITEM 7.

AUTHORIZATION TO BID.

(Michael W. Conner, Assistant Airport Director)

MOTION: Recommend the Airport Board approve the solicitation of bids for (1.) Terminal Building Demolition – ACP 13-02 and (2.) Parking Garage Rehabilitation – ACP 14-03.

MOVED BY: Commissioner Patrick O'Malley

SECONDED BY: Councilman Rick Williams

VOTE: Unanimous

ITEM 8.

BID REVIEW/PROPOSALS AWARD.

(Michael W. Conner, Assistant Airport Director)

Supply and Delivery of Sodium Acetate Runway De-Icer/Anti-Icer.

MOTION: Bids for the supply and delivery of Sodium Acetate Runway DeIcer were opened October 9, 2015 at 1:30 P.M. in the Airport Conference Room by Airport Administration and Germaine Helcoski, Lackawanna County Deputy Controller. The Airport recommends the Airport Board award this contract to Peters Chemical of Hawthorne, NJ. Peters Chemical has met all the criteria whereas Schoenberg Salt did not meet the requirements.

Bids were as follows:

<u>Company</u>	<u>32 Ton Lot (Bulk):</u>
Peters Chemical	\$ 2,140.00
Schoenberg Salt	Did Not Meet Requirements

MOVED BY: Commissioner Patrick O'Malley

SECONDED BY: Councilman Rick Williams

VOTE: Unanimous

Request for Qualifications – Insurance Brokerage Services.

DISCUSSION: Submittals for Insurance Brokerage Services were due on September 30, 2015. We received statements of qualifications from five interested insurance brokers/agents. We have conducted preliminary reviews and are preparing to conduct interviews of the interested companies. The solicitation respondents were: Northeast Insurance & Financial Consultants of Scranton, PA., Chancellor Gannon of Wilkes-Barre, PA., Kincel & Company, Ltd., of Dunmore, PA., Eastern Insurance Group and A. J. Lupas Insurance Agency of Wilkes-Barre, PA., and Aon Risk Services Central of Philadelphia, PA.

ITEM 9.

CONTRACTS/AGREEMENTS/PERSONNEL.

(Michael Conner – Assistant Airport Director)

Airport Commercial Office Lease Agreement.

MOTION:

Recommend the Airport Board approve the Airport Commercial Office Lease Agreement between Aviation Technologies, Inc. and the Wilkes-Barre/Scranton International Airport. The Airport agrees to lease an area of approximately 156 s.f. situated on the first floor of the Aviation Center. The Agreement will commence on October 22, 2015 and continue for an initial term of two years, until October 21, 2017. The lease shall renew for two possible separate and distinct one year terms upon the mutual agreement of renegotiated rental fees. Aviation Technologies agrees to pay monthly installments of \$234.00 per month at \$18.00/s.f., which is \$ 2,808.00 annually. The premises are to be used for the operation of a transportation/aviation related business.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Commissioner Jim Wansacz

VOTE:

Unanimous

ITEM 10.

CAPITAL PROJECTS:

(Stephen Mykulyn, Director of Engineering)

DISCUSSION:

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

ACP 13-02

Demolition Old Terminal Building.

Design Services – Borton-Lawson Engineering, Environmental Remediation – Sargent Enterprises, Inc. Work on the project is substantially complete. A final walk through was completed and a few punch list items remain to be completed. Work with the design consultant continues in anticipation of the letting of the final two phases, later this year. We continue to work with the consultant on the review of plans for bidding on the demolition and new parking and apron construction. Current project costs are approximately \$709,000. Project payments to date represent approximately 81% of total funding – State Capital Fund Grant, Airport Generated PFC Funds.

ACP 13-08

Aviation Fuel Farm Expansion.

Design and construction monitoring services- L. R. Kimball, Contractor – Fabcor Inc. We are currently working on Labor and Industry inspection comments and making repairs to the facility to address the inspection comments. We anticipate the remaining work under the contract to be completed in the first two weeks of November along with the completion of the inspection comments. Current project costs are approximately \$27,000. Project payments to date represent approximately 94.3% of total funding – State Aviation Grant, Airport Funds.

CAPITAL PROJECTS REPORT – Cont’d...

14-03

Parking Garage Maintenance.

Design Services – Desman Associates. We continue working with the consultant on the preparation of plans and specifications for bidding the project and anticipate having our first plan review the next two weeks. Current project costs are approximately \$72,088. Project payments to date represent approximately 28.3% of total funding, Airport funds.

15-02

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

Consultant: McFarland-Johnson. Environmental field work on the project is scheduled to begin next week and a kick-off meeting has been scheduled for the middle of next month. Current project costs are approximately \$902,000.

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 contracts. The first two, Site Preparation and NAVAIDs, have been designed and let for construction. Site Preparation Contractor – Leeward Construction, NAVAIDs Contractor – Joyce Electric. Work on the Site Preparation Contract continues. Glide Slope side fill is complete and Taxiway side fill is at approximately 92% complete. Blasting, hauling and fill operations continue. Work on crushing and placing the cap material on the taxiway fill has also begun. Stormwater piping and structure are being placed as the fills reach the final elevation.

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. FAA Flight check was started but was delayed due to a Flight Check at Pittsburgh and for a week of nation-wide crew training. The flight check was rescheduled for this week was delayed for a flight check at Washington. As of this morning our check has to be rescheduled for October 27th. Work on horizontal boring (under the runway) for the permanent power for the new glide slope has begun as well as the demolition of the old glideslope antenna and shelter.

Current Project costs are approximately \$12.09M. Project payments to date represent approximately 78% of total. The remaining contracts for the project will be for Taxiway Paving Taxiway Lighting and Signage. Estimated costs for construction and inspection approximately \$3,500,000. Funding – Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

CAPITAL PROJECTS REPORT – Cont’d...

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

MOTION:

Recommend the Airport Board approve Change Order #3, increasing Leeward Construction, Inc.’s contract, \$341,390.89 from \$8,637,016.94 to \$8,978,407.83, subject to FAA, PennDOT and solicitors concurrence. This change order includes the force account work for the Mine Void Exploration and Remediation (including additional settlement monitoring devices), additional costs associated with topsoil stripping and placement and a price correction for one of the project outlet structures. With regard to the Mine Void Items, during the stripping of the site for the placement of the rock embankment on the Taxiway B extension area, a mine void collapsed. Based on the collapse, additional investigation and exploration was conducted under force account to determine the extent of the mine voids. After the investigation was completed and the limits of the mine voids determined, the Contractor drilled, blasted and excavated the blasted material above the mine voids to a solid foundation to then place the fill on. The excavated material was placed in the fill area outside the limits of the mine void remediation. Once a solid foundation was located, the area was backfilled with material from the borrow area. Since there was not a definite way to measure the amount of excavation that would be required, the work under force account was provided for in the project specifications. Additional settlement monitoring was incorporated into the fills at the suggestion of the Project Geotechnical Engineer.

With regard to the topsoil items, during construction, it was identified that there is not sufficient topsoil available on the project to place the topsoil required by the contract. After some discussion, we determined that the best location to acquire the necessary topsoil is the South General Aviation Apron. Since this is outside the project limits, it is necessary to haul the topsoil to the site. After evaluating several options, the most economical option is to haul the topsoil across Terminal Road to Spruce Street to Campbell Road then in through Gate 28 to the Taxiway B site.

With regard to the outlet structure item, during the preparation of the Bid Tabulations, the unit price for this Line Item was incorrectly entered as \$35,000 when it should have been \$25,000. The contractor brought this administrative error to our attention. The unit price is being adjusted accordingly with this Change Order.

MOVED BY:

SECONDED BY:

VOTE:

Commissioner Patrick O’Malley

Councilman Rick Williams

Unanimous

DISCUSSION:

Mr. Mykulyn gave a report on the status of the PennDOT Project for the Interchange as well as the Navy Way Extension. PennDOT has indicated that most of the roundabout structures will be completed before the end of this year as far as functionality, which will happen in a few phases.

ITEM 11.

OTHER MATTERS:

(Chairman)

None.

ITEM 12.

ADJOURNMENT:

(Chairman)

MOTION:

It is recommended to adjourn the meeting.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Commissioner Jim Wansacz

VOTE:

Unanimous

The meeting was adjourned at 11:35 A.M.