

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JUNE 26, 2014

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, June 26, 2014 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:35 A.M. with Commissioner Jim Wansacz presiding.

PRESENT: Commissioner Jim Wansacz
Commissioner Patrick O'Malley
Board Member Robert Lawton
Board Member Rick Williams
Board Member Stephen Urban

ALSO PRESENT: Michael W. Conner, Assistant Airport Director
Gary Borthwick, Director of Finance
Attorney Mike Butera, Luzerne County Solicitor
Attorney Donald Frederickson, Lackawanna County Solicitor
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 May 15, 2014
Bi-County Airport Board Meeting minutes.
MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

ITEM 4:
BUSINESS REPORT:
(Michael Conner – Assistant Airport Director)

Passenger Activity

DISCUSSION: Mr. Conner reported on the "Airport Quick Look" charts, passenger enplanements for the month of May 2014 decreased 0.9% to 19,300 from 19,475 in the month of May 2013. Mr. Conner noted that when compared directly with the month of May 2013, the decrease is attributed to the temporary suspension of all United flights to Newark due to Runway Construction at Newark Liberty International Airport. Note: these flights returned on June 5, 2014.

Enplanements for May 2014 compared to enplanements for May 2012 decreased by 99 or 0.5%. When compared directly with the month of May 2012, the decrease is attributed to the suspension of the United flights to Newark.

BUSINESS REPORT – Cont'd...

Enplanements for May 2014 compared to enplanements for April 2014 increased by 1,605 or 9.1%. This is attributable to Delta's equipment change on the Atlanta flights from a daily 65-seat Canadair Regional Jet 700 to a daily 126-seat Airbus A319.

In May 2014, 22 departing flights were cancelled: 15 for air traffic/weather, 7 for mechanical issues. This accounts for 1,093 seats (5.0%) out of a total 22,017 departure seats. Also, 16 arriving flights were cancelled: 12 for air traffic/weather, 4 for mechanical issues.

General Aviation Operations.

DISCUSSION:

For May 2014, General Aviation had 919 operations (one take-off or one landing), which is a decrease of 10% from May 2013's 1,022 General Aviation Operations. General Aviation revenues increased \$201, or 2%, to \$10,225.

Financial Report

Revenue/Expenses Report.

DISCUSSION:

Mr. Conner reported that for the month of May 2014, Airport Operations had a net income totaling \$ 30,981, compared to a net income of \$70,410 in May 2013, which is a difference of \$39,429. Year-to-Date our net loss for 2014 is \$161,982, which is \$235,216 more than the comparable 2013 income of \$73,234. Invoices received since the last meeting for supplies and services total \$674,075. These invoices include major construction project costs of \$365,072.61.

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 (Design Only).

ACP 11-01

L. R. Kimball	\$	3,853.07
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Invoice # 524639 dated May 8, 2014, in the amount \$3,853.07 for design services.

L. R. Kimball	\$	91,632.40
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Invoice # 524661, dated May 8, 2014, in the amount \$91,632.40 for design services.

This project is 87.38% complete.

Rehab. Airline Apron

ACP 12-02

Kruger Construction	\$	263,819.51
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Application #3, dated June 13, 2014 in the amount \$263,819.51 for construction services.

This project is 81.19% complete.

BUSINESS REPORT – Cont'd...

Aviation Fuel Farm Expansion.
ACP 13-08

L. R. Kimball \$ 5,767.63

Invoice # 524669, dated May 8, 2014 in the amount \$5,767.63 for design services.

This project is 8.69% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval. PFC Drawdown # 2014/4 (Check #1029).

Taxiway B Extension
PFC Project #14-11

L. R. Kimball \$ 3,853.07 CIP 19611-01
Design
ACP 11-01

L.R. Kimball \$ 4,581.62 CIP 19611-01
Design
ACP 11-01

Rehab Airline Apron
PFC Project #09-024

Kruger Construction \$ 13,190.98 CIP 19612-02
Construction
ACP 12-02

MOVED BY:

SECONDED BY:

VOTE:

Commissioner Jim Wansacz
Board Member Robert Lawton
Unanimous

ITEM 5.

CONTRACTS/LEASES/AGREEMENTS:

Michael Conner, Assistant Airport Director)

Sign Location Lease.

MOTION:

Recommend the Airport Board approve the Sign Location Lease Agreement between the Wilkes-Barre/Scranton International Airport and Prime Media, P.O. Box 108, LaPlume, PA 18440. LESSEE shall erect an advertising billboard featuring a total of two lighted 14' x 48' sign faces, back to back, in a "V" formation. This new structure will take the place of the existing smaller sign structure, which is a 12' x 25' structure, which is in disrepair and beyond its useful service life. This lease is for a term of 10 years commencing on the first day after completion of the construction of the sign. LESSEE may renew this lease for two additional terms of five years each with the same terms and conditions upon agreement by the Airport. LESSEE shall provide LESSOR free use of one sign panel and up to three vinyl copy changes per lease year, at no cost. At the termination of this lease, LESSEE agrees to restore the surface of the premises to its original condition.

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

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

Operating Agreement.

MOTION: Recommend the Airport Board approve the Operating Agreement between the Wilkes-Barre/Scranton International Airport and Smarte Carte, 4455 White Bear Parkway, St. Paul, MN 55110, pursuant to which the company operates a massage chair business at the Airport. The term of this Agreement shall commence on July 1, 2014 and expire on June 30, 2015. Company shall have the right to exercise two separate and distinct options to extend the term for an additional one year each. In any and all cases, this agreement shall terminate on June 30, 2017. Company shall pay the Airport a flat fee of \$115 per month during year one and \$120 per month during Years 2 and 3.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

Airport Commercial Office Lease Agreement.

MOTION: Recommend the Airport Board approve the Airport Commercial Office Lease Agreement between the Wilkes-Barre/Scranton International Airport and True Aviation, Inc. True Aviation leases the first floor of the Aviation Center (Room 104) located on Hangar Road at the Wilkes-Barre/Scranton International Airport, which is approximately 149.5 s.f. This lease commences on July 17, 2014 and shall continue for a term of one year, until July 16, 2015. True Aviation agrees to pay \$17.92 per s.f. @ 149.5 s.f. which equals \$2,678.40/annually or \$223.20/month.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

Sole Source Purchase Authorization – Electronic Exit Lane Systems

MOTION: Recommend the Airport Board approve the sole source purchase of replacement/upgraded equipment for the terminal building’s two electronic exit lane systems. The systems were originally installed at the time of the new terminal building opened in 2006, by Cernium Corporation. Numerous operational problems related to the age of the systems have recently caused the Airport to seek replacements and upgrades to some of their core components. Finding that only some of the components need replacing or upgrading, there is no need to replace both of the systems in their entirety. Since the original installation, Cernium sold its Exit Sentry line of electronic exit lanes to a new company called CheckVideo, LLC. Therefore, the Airport asked CheckVideo to provide a quotation to replace and upgrade the failing system components. We are recommending the Airport Board approve the purchase of these replacement elements as a sole source, and as a matter of detail, to approve Items 1 and 2 of the CheckVideo proposal, which includes the equipment and the field support to install the equipment and ensure that the systems are placed back into a fully operational condition, meeting all the TSA security requirements, at a total cost of \$52,790, which will be paid for by PFC funds.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

ITEM 6.

AUTHORIZATION TO BID:

(Michael Conner, Assistant Airport Director)

MOTION: Recommend the Airport Board approve the authorization to advertise for the following services:

1. Escalator/Elevator Maintenance
2. Taxiway 'B' Site Preparation Contract and Navigation Aids Contract

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

ITEM 7.

DIRECTOR'S COMMENTS:

(Barry J. Centini, Airport Director)

(Presented by Michael Conner, Asst. Airport Director)

Personnel.

MOTION: Recommend the Airport Board approve the Agreement between the Wilkes-Barre/Scranton International Airport and ADK Consulting, Inc. dba ADK Executive Search, subject to solicitor's final determination. The Agreement requires ADK Executive Search to conduct a search for a new Executive Director. Total fee not to exceed \$29,000, plus estimated expenses not to exceed \$6,000.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

DISCUSSION: Attorney Frederickson informed the Board that an RFQ was sent out by the search committee and six submissions were received. The committee met and reviewed the six submissions and then they interviewed the top three candidates. It was determined that a contract would be negotiated with ADK Consulting since they seem to have the most experience in this area. The committee got the draft and made a number of changes to it, including that the Airport is going to get a two year guaranty instead of a one year guaranty and some additional indemnity language was included for the counties and the airport. Also, it was decided that the committee is going with a non-field search, so it will be a \$29,000 fee, and it includes three in-person meetings with the Board here at the airport. Attorney Frederickson explained to the Board what the 'two year guaranty' means. He explained that in the event the Executive Director that is hired leaves within a two year period after being retained, then the search company will agree to redo the search, exclusive of costs.

Taxiway 'B' Extension and Nav aids Relocation Project.

MOTION: Recommend the Airport Board approve the resolution requesting the Counties of Lackawanna and Luzerne acquire, through eminent domain, certain property for the enhancement of public safety and improvement of the Wilkes-Barre/Scranton International Airport.

MOVED BY: Commissioner Jim Wansacz
SECONDED BY: Board Member Rick Williams
VOTE: Unanimous

DIRECTOR'S COMMENTS – Cont'd...

A RESOLUTION OF THE JOINT GOVERNING BOARD OF THE WILKES-BARRE/ SCRANTON INTERNATIONAL AIRPORT REQUESTING THAT THE COUNTIES OF LACKAWANNA AND LUZERNE ACQUIRE THROUGH EMINENT DOMAIN CERTAIN PROPERTY FOR THE ENHANCEMENT OF PUBLIC SAFETY AND IMPROVEMENT OF THE WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT

WHEREAS, the Counties of Luzerne and Lackawanna jointly own, manage and operate the Wilkes-Barre/Scranton International Airport through a joint governing board comprised of officials from both counties; and

WHEREAS, the joint governing board of the Wilkes-Barre/Scranton International Airport believe that it is in the best interests of the airport to acquire through eminent domain certain property adjoining the airport property for the construction of an Instrument Landing System.

NOW THEREFORE, be it resolved by the joint governing board of the Wilkes-Barre/Scranton International Airport, requests that the Counties of Luzerne and Lackawanna acquire 5.16 +/- acres of land adjoining the airport runway, as more particularly set forth in attachment "A", through Eminent Domain, to facilitate the design and construction of an Instrument Landing System, which is necessary to extend parallel taxiway B to the runway 22 end at the Wilkes-Barre/Scranton International Airport.

ADOPTED at a regular meeting of the Joint Governing Board of the Wilkes-Barre/Scranton International Airport, held on the 26th day of June, 2014.

Barry J. Centini, Director

Jim Wansacz, Chairman
Lackawanna County Commissioner

Rick Williams, Vice-Chairman
Luzerne County Council

Parking Garage Repairs, Phase I.

MOTION:

Recommend the Airport Board approve the Agreement between the Wilkes-Barre/Scranton International Airport and Desman, Inc. dba Desman Associates, 49 West 37th Street, New York, NY for the completion of a Parking Garage Condition Survey, including Testing and Evaluation, subject to solicitors concurrence. Fee not to exceed \$25,071.00.

MOVED BY:

Commissioner James Wansacz

SECONDED BY:

Board Member Rick Williams

VOTE:

Unanimous

DISCUSSION:

Commissioner Wansacz asked if this was put out for bid and Mr. Conner stated that it was a RFP, that they interviewed three different companies and Desman was the most responsible and most experienced. He stated that the Airport was very pleased with their price. This is only Phase I of this project. Based upon the fact that the airport has never dealt this company before and we want to go through the survey portion, we would like to get their recommendations on what we'd actually like them to do as part of the repairs for the garage. Mr. Conner said once the airport hears what they have to say, and if we like it, then we will proceed on with Phase II. Commissioner Wansacz asked if there are any visible deficiencies now in the parking garage and Mr. Conner replied that there are. Mr. Conner explained what the deficiencies are. Mr. Conner stated that the airport has made some fixes in the past but are at a point that the airport can no longer fix them. The contractor will do tests

DIRECTOR'S COMMENTS – Cont'd...

and then come to the airport with recommendations and that will turn into an engineering design project. Mr. Conner said the airport will probably pay an additional \$275,000 for construction and engineering services.

Terminal Building Demolition and Aircraft Parking Apron Project.

MOTION: Recommend the Airport Board approve the Agreement between the Wilkes-Barre/Scranton International Airport and Borton-Lawton Engineering, Inc. subject to solicitors concurrence. Agreement is for the engineering and environmental work necessary to bid the demolition of the Old Terminal Building, and the design of an Aircraft Parking Apron. Fee not to exceed \$180,000.00.

MOVED BY: Failed for lack of vote

MOTION: The Airport Board had questions that could not be answered during this meeting, therefore it was recommended that the Airport Board 'table' the vote until the next board meeting.

MOVED BY: Commissioner James Wansacz

SECONDED BY: Board Member Rick Williams

VOTE: Unanimous

Airport Access Road and I-81 Interchange.

DISCUSSION: Representatives of PennDOT were present to bring the Airport Board up to date on the progress of the construction of the Access Road that crosses the Turnpike, and the I-81 Interchange. Mr. Tom Marriot, Assistant Project Manager on this project and with him was Karen Merline who is the Consultant Inspector and Administrative Assistant. Mr. Marriot informed the Board that the original completion date of November 11, 2015 is still in effect. The original contract costs were \$41,994,437. The amount paid to date is \$11,339,248. The completion dollar amount to this point is 28%. The original contract length is 885 days; to this point 382 days have been used up, which leaves 43% of days completed.

Mr. Marriott stated that they are currently working on Stage 2. The work currently being done is on bridges on Plane Street on I-81; they will be pouring the decks and the diaphragm very shortly. The beams on the bridges on Route 315 were just placed this week, the turnpike bridges, drilling and pile driving should commence next week on the abutment two side and excavation has started already on the abutment one side. They are paving Ramp K for the first time today for the first black top. Major excavation on ramp J, which is behind the Petro Truck Stop, has started weeks ago. Half the foundation is in on the arch culvert over Lidy Creek. The MALSR Towers were removed and should cause no impact for them to move forward in that area. They have completed drilling and mining of mine voids and drainage is ongoing during the entire project. The next major traffic switch on I-81 would take us from the outside lanes to the inside lanes, which will likely occur in early September. The traffic switch should not be closing a lane and they will do as much work on the shoulders and off the road and then the switch would most likely occur at night.

Miscellaneous.

DISCUSSION: The Wilkes-Barre/Scranton International Airport held its Major Accident Response Exercise, Saturday, May 17, 2014. The exercise fulfills the Federal Aviation Administration's requirement which mandates all certificated and air carrier airports to conduct a major disaster exercise every three years. Seven organizations and over 60 individuals participated in the drill. This exercise tested the Airport's Accident Response Plan, demonstrated the ability of the communities to deal effectively with

DIRECTOR'S COMMENTS – Cont'd...

an aircraft accident and provided disaster training for Aircraft Rescue and Firefighters and support agencies.

The Wilkes-Barre/Scranton International Airport utilized the Kellogg Fire Training Simulator in the Major Disaster Drill. The Fire Training Simulator was the Airport from May 15 through May 18. Airport firefighters, as well as local area volunteer companies, that will be called to assist the Airport in the event of an accident/emergency, participated in three days of intensive firefighting training. 27 representatives from Binghamton Regional Airport, Reading Regional Airport, Williamsport Airport and South Williamsport Fire Department, plus representatives of local fire departments: Duryea, Germania and Whitmore; along with 32 Wilkes-Barre/Scranton International Airport ARFF personnel took advantage of the live fire training.

Mr. Conner stated that the Bi-County Airport Board, and Staff, especially the Public Safety Department wishes to thank all who participated in the disaster exercise and annual training.

ITEM 8 **OTHER MATTERS:** *(Chairman)*

DISCUSSION:

Mr. Lawton informed the Board that there was an editorial in a local newspaper this week encouraging the Board to be more attentive to expanding the number of airlines serving the airport. He stated, as everyone knows, the work is primarily done through staff, although he stated any of the Board would be willing to go anywhere to represent the airport, if that were necessary, and suggested that perhaps the Board could get a report from the staff about the market, about the airport's ability to attract new airlines and what the business picture is relative to other airports, without giving any trade secrets or exposing any of our business plans. He stated he felt it was an editorial worthy of taking note of and structurally responding to the concerns that were raised, or maybe even demonstrating how we are already addressing those concerns.

Commissioner Wansacz responded by saying that the airport has been reaching out to certain airlines, and that it is not a quick process. That half of the process is getting to talk to the right individuals, and he knows that Mr. Centini has been trying to work on a couple different things. He noted that when you are working with the guidelines and regulations for an airport, it is a very slow process. He stated that he thinks everyone on this board wants more here, and he thinks the expansion of the runway (taxiway) will help us do that.

Mr. Lawton stated that this might be an appropriate subject to make a presentation about those infrastructure issues. That what the airport is doing now, is positioning the airport for that kind of growth to take on some more aircraft and more flights.

Mr. Williams stated that he did see the editorial and it specifically suggested that the airport consider JetBlue, that it is an unconventional airline and that the writer encouraged the Board to brainstorm on how JetBlue might be enticed here. He said that he thinks it would make sense to reach out to them and try to find out what their metrics are that affect them, and at least understand those, and see if we are close to securing them. Mr. Wansacz stated that it is not only JetBlue, but that there are a lot of airlines popping up as people are getting into the business that we might be able to look at, and that he knows Mr. Centini has been in talks and trying to expand into other markets, and has been encouraging some of our existing airlines go

OTHER MATTERS – Cont'd...

with that and that he has been looking at the Florida markets and other markets as well. He then stated that whoever the new Director is that it will be part of his responsibility to try and get more service.

ITEM 9.

ADJOURNMENT:

(Chairman)

MOTION:

It is recommended to adjourn the meeting.

MOVED BY:

Commissioner Jim Wansacz

SECONDED BY:

Board Member Robert Lawton

VOTE:

Unanimous

The meeting was adjourned at 11:45 A.M.