

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JULY 25, 2011

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Monday, July 25, 2011 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:15 A.M. with Commissioner Stephen A. Urban presiding.

PRESENT: Commissioner Stephen A. Urban
Commissioner Maryanne C. Petrilla
Commissioner Thomas P. Cooney
Commissioner Corey D. O'Brien
Commissioner Michael J. Washo
Commissioner Bruce Smallacombe

ALSO PRESENT: Barry J. Centini, Airport Director
Michael W. Conner, Assistant Airport Director
Gary Borthwick, Director of Finance
Stephen Mykulyn, Director of Engineering
Attorney Neil O'Donnell, Luzerne County Solicitor

ITEM 2:
PUBLIC COMMENTS.

Commissioner Urban introduced Commissioner Bruce Smallacombe as the new Lackawanna County Commissioner appointed on the Airport Board for the next six months. Commissioner Smallacombe gave a brief bio of his background.

ITEM 3:
APPROVAL OF MINUTES.

MOTION: To approve and dispense with the reading of the June 16, 2011.
Bi-County Board of Commissioners Meeting minutes.
MOVED BY: Commissioner Petrilla
SECONDED BY: Commissioner Washo
VOTE: Unanimous

ITEM 4:
BUSINESS REPORT:

Passenger Activity

DISCUSSION: Mr. Conner reported on the "Airport Quick Look" charts, passenger enplanements for the month of June 2011 increased 10.1% to 43,041 from 39,110 in the month of June 2010. Enplanements for the month of June 2011 compared to the month of June 2009, increased by 2,611 which is + 13.8% . In June 2011, 6 departing flights were cancelled due to mechanical, 4 departing flights were cancelled due to crew availability, and 16 departing flights were cancelled due to air traffic/weather. This accounts for 1,139 seats (-4.2%) out of a total 27,319 departure seats.

BUSINESS REPORT – Cont'd...

General Aviation Operations.

DISCUSSION: For June 2011, General Aviation had 1,209 operations (one take-off or one landing) which is a decrease of 38% from June 2010's 1,948 General Aviation Operations. General Aviation revenues increased \$5,472 or 44% to \$17,827.

Financial Report

Revenue/Expenses Report.

DISCUSSION: Mr. Conner reported that for the month of June 2011, Airport Operations had a net income, which includes funds expended for special project advertising and marketing and interest income totaling \$93,151, compared to a net income of \$ 33,985 in June 2010, which is a difference of \$59,166. Year to date the Airport's income for 2011 is \$232,594 which is \$420,609 better than the comparable 2010 loss of \$188,015.

DISCUSSION: Mr. Borthwick, Airport Director of Finance reported on the 6 Month Quarterly Budget Report.

The six month which ended June 2010 net loss was \$188,015 compared to the budget projection of the loss of \$373,198, which is \$185,183 ahead of the projected loss. For the six months ended June 30, 2011 income before depreciation was \$232,594 as compared to the projected loss of \$181,967, which is \$414,561 ahead of projections. Revenue for the six months ending June 30, 2011 exceeded projections by \$166,607 which was primarily attributable to the increases in parking concession, auto rental concession and landing fees. Direct operation expenses were under budget by \$71,037 and overhead expenses were under budget by \$53,616, which gave the Airport an income from operations of \$256,793 which is \$291,260 ahead of the projected loss of \$34,467.

Invoices received since the last meeting for supplies and services total \$ 1,134,847.61. These invoices include major construction project costs of \$ 879,006.93.

MOTION: Request Airport Board approve these transactions.
MOVED BY: Commissioner Petrilla
SECONDED BY: Commissioner Washo
VOTE: Unanimous

Project Invoices.

MOTION: The following Airport Capital Project Invoices and Applications for Payment have been received since the last Board Meeting and are recommended for payment (AIP Echo Drawdown #2011/6).

Access Road for GA Area – Design.
ACP 07-16

L. R. Kimball \$ 42,371.76

Invoice #508453, July 7, 2011, in the amount \$ 42,371.76 for design services.
This project is 83.12% complete.

BUSINESS REPORT – Cont'd...

Construct South General Aviation Apron.
ACP 10-01

Popple Construction \$ 823,792.50

Application #3, July 21, 2011, in the amount \$ 823,792.50
for construction services.

URS Corporation \$ 3,579.92

Invoice # 4715158, June 10, 2011, in the amount \$ 3,579.92
for inspection services.

GA Hangar Roof Repair
ACP 10-06

Gold Star Wide Format \$ 60.00

Invoice # 043409, June 6, 2011, in the amount \$ 60.00 for
10 sets of 24x36 bond copies.

Gold Star Wide Format \$ 60.00

Invoice # 043459, June 9, 2011, in the amount \$ 60.00 for
10 sets of 24x36 bond copies.

Wildlife Assessment Survey
ACP 10-08

USDA \$ 9,142.75

Invoice # BD 7244211060, June 13, 2011, in the amount
\$ 9,142.75 for Animal & Plant Health Inspection.

MOTION:
MOVED BY:
SECONDED BY:
VOTE:

Request Airport Board approve these payments.
Commissioner O'Brien
Commissioner Washo
Unanimous

PFC Status Report.

DISCUSSION:

Mr. Conner reported that the Airport collected \$ 262,767.27 (including \$ 680.07 interest) throughout the second quarter of 2011, bringing the PFC Trust Account Balance to \$ 2,306,357.18.

For PFC Applications 93-01, 97-02, and 00-03, the Airport has expended \$ 9,526,060 (77%) out of a total collection authority of \$ 12,457,878. For PFC Application 08-05, the Airport has expended \$ 1,289,989 (23%) out of a total collection authority of \$ 5,790,104. For PFC Application 09-07, the Airport has expended \$ 85,031.96 (52%) out of a total collection authority of \$ 164,000.

Airport Passenger Facility Charge (PFC) Trust Transfers

BUSINESS REPORT – Cont'd...:

MOTION: The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2011 Check #1183.

Wildlife Assessment Survey
Project #07-02

USDA \$ 9,142.75 CIP 19610-08
Inspection
ACP 10-08

MOTION: Request the Airport Board approve the PFC transfer.
MOVED BY: Commissioner Washo
SECONDED BY: Commissioner O'Brien
VOTE: Unanimous

ITEM 5.
AUTHORIZATION TO BID:

MOTION: Recommend the Airport Board approve the solicitation of bids for the following items:
a. Elevator/Escalator Maintenance
b. Airport Rental Car Concessions
MOVED BY: Commissioner Petrilla
SECONDED BY: Commissioner Cooney
VOTE: Unanimous

ITEM 6.
CONTRACTS/LEASES/AGREEMENTS:

Airport Commercial Office Lease Agreement.

MOTION: Recommend the Airport Board approve the Office Lease Agreement between True Aviation, Inc. and The Wilkes-Barre/Scranton International Airport effective July 17, 2011 for a period of one (1) year, until July 16, 2012 at a rate of \$ 16.11 p.s.f. (149.5 s.f.) which totals \$ 2,400.00 annually or \$ 200.00 monthly. True Aviation, Inc. will lease an area of approximately 149.5 s.f. of space situated on the first floor of the Aviation Center (Room 104), Hangar Road, Wilkes-Barre/Scranton International Airport, Avoca, PA. Tenant shall use the premises to operate a transportation related business. Solicitor has reviewed Agreement and suggested that the Airport be added as insured. Mr. Conner assured that it will be done.
MOVED BY: Commissioner Cooney
SECONDED BY: Commissioner Petrilla
VOTE: Unanimous

Operation of Airport Terminal Game Room.

MOTION: Recommend the Airport Board approve the selection of, and the Agreement and Lease of Premises between, Buster's Amusements, Layton Road, Clarks Summit, PA. 18411, as the operator of the game room in the terminal building, and the Wilkes-Barre/Scranton International Airport. The Airport received two proposals July 11, 2011, from Buster's Amusements and Pennsylvania Coin. Based on Buster's offered monthly minimum guarantee of \$ 300.00 or 50% of gross revenue, whichever is greater, and having met all other requirements of the Request for Proposals, Buster's Amusements' proposal was selected as the best and most

BUSINESS REPORT – Cont'd...

qualified. Buster's agrees to enter into a four year contract, with no renewal terms, effective August 1, 2011. Solicitor reviewed contract and made a few suggestions which Mr. Conner stated were already incorporated into the Agreement.

MOVED BY: Commissioner Petrilla
SECONDED BY: Commissioner Smallcomb
VOTE: Unanimous

Vending Machine Concession.

MOTION: Recommend the Airport Board approve the selection of, and the Agreement and Lease of Premises between, American Food and Vending Corporation and the Wilkes-Barre/Scranton International Airport. The Airport received five proposals July 11, 2011 from American Food and Vending Corporation; Pennsylvania Coin; Full Service Foods; H & J Vending, and Caljean Vending. Based on American Food and Vending having met all other requirements of the Request for Proposals, American's proposal was selected as the best and most qualified. The Agreement term shall be for a period of five years beginning August 1, 2011, with no renewal terms. Approve subject to Solicitor's review and concurrence.

MOVED BY: Commissioner Washo
SECONDED BY: Commissioner Smallcombe
VOTE: Unanimous

ITEM 7.
DIRECTOR'S COMMENTS:

Personnel.

MOTION: Recommend the Airport Board accept the resignation of Mr. Thomas Oprendick, Pittston, PA., from Custodian position effective September 30, 2011. Mr. Oprendick is retiring. He has been employed at the Wilkes-Barre/Scranton International Airport since July 6, 1998, (13 years).

MOVED BY: Commissioner Cooney
SECONDED BY: Commissioner Petrilla
VOTE: Unanimous

Airport Authority/Commission.

DISCUSSION: At the June 2011 Bi-County Board Meeting the Commissioners asked that the Airport look at the possibility of forming an Airport Authority and Commission. Attorney John O'Brien was scheduled to provide a report regarding the meetings that took place but Attorney O'Brien was unable to attend. Attorney Neil O'Donnell was present to provide information on this subject. Attorney O'Donnell reported that several meetings took place with Airport Administration and Council. On July 18, 2011 Attorney John O'Brien, Airport Administration, Jeff Mallick, who Luzerne County Commissioners recognize as the Charter and is assisting with the transition to the County Charter form of government, and Attorney O'Donnell were able to meet. They looked into issues related to the debt and feels they could handle those type of issues, they looked into issues regarding FAA approval and feels there is no insurmountable challenge there. The problem from their prospective, and when he says 'their' he means the Luzerne County Commissioners is that they face a sea change with the County Charter. And to turn a blind eye to that 120 days from the implementation of the charter and in Attorney O'Donnell's view, he feels he would not be doing his job as their lawyer. He went on to say that they had to consider the implications and interplay the Charter and the potential Authority, and to short

DIRECTOR'S COMMENTS – Cont'd...

circuit it, when you look at the Charter at Item 8.01, the implementation of this proposed Authority would constitute a material amendment of the Charter and would activate referendum obligations coming into the initiation of the Charter. Attorney O'Donnell's overwhelming recommendation to Mr. Centini, specifically from Luzerne County's prospective, is that while the Authority is probably a very effective idea, it is an idea whose time has not yet come and he feels they should delay further research until the Charter kicks in and we recognize our obligations in that regard. Mr. Centini stated that once the Charter kicks in, according to Mr. Mallick, it would be a five year wait before a Charter could be changed. Attorney O'Donnell recognized that is true but stated that the Charter is the new constitution of Luzerne County and for the Board to try and cram something in at the last three or four months, the old form of government would not be doing justice to the Charter and it's the Charter that has been implemented by the public referendum.

Conferences/Seminars.

MOTION:

Recommend Airport Board approval to attend the following Conferences/Seminars:

1. Three Airport Representatives to attend the Pennsylvania Aviation and Aerospace Conference, September 14-16, 2011, State College, PA.
2. Two Airport Representatives to attend the NEC/AAAE Basic & Advanced Fire Fighting School September 19-23, 2011, Pittsburgh, PA.

MOVED BY:

Commissioner O'Brien

SECONDED BY:

Commissioner Petrilla

VOTE:

Unanimous

Miscellaneous.

DISCUSSION:

The Wilkes-Barre/Scranton International Airport held its Major Accident Response Exercise, Saturday, July 23, 2011. The exercise fulfills the Federal Aviation Administration's Requirement which mandates all certificated airports to conduct a major disaster exercise every three years. Approximately 50 organizations and over 225 individuals participated in the drill. This exercise tested the Airports Accident Response Plan, demonstrated the ability of the communities to deal effectively with an aircraft accident and provided disaster training for Aircraft Rescue and Firefighters and support agencies.

For the first time the Wilkes-Barre/Scranton International Airport utilized the Kellogg Fire Training Simulator in its major disaster drill. The Fire Training Simulator was at the Wilkes-Barre/Scranton International Airport July 21 through 23. Airport firefighters, as well as local area volunteer companies, that will be called to assist the Airport in case of an accident/emergency, participated in the three day training. Over 37 representatives from Binghamton Regional Airport, Reading Airport and Williamsport Airport along with approximately 30 Wilkes-Barre/Scranton International Airport ARFF personnel took advantage of the live training.

The Bi-County Airport Board of Commissioners and Airport Staff, especially the Public Safety Department, wish to thank all who participated in the disaster exercise and the annual training.

DISCUSSION:

Reminder, August 18 Airport Board Meeting is rescheduled to August 25, 2011 at 10:30 A.M.

ITEM 8.

OTHER MATTERS:

DISCUSSION:

Commissioner O'Brien suggested that the Airport look into putting the Bi-County Airport Board Agenda and Minutes on the Airport's Website.

ITEM 9.

ADJOURNMENT:

MOTION:

To adjourn the meeting.

MOVED BY:

Commissioner O'Brien

SECONDED BY:

Commissioner Washo

VOTE:

Unanimous

The meeting was adjourned at 10:55 A.M.