

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, January 21, 2016 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:30 A.M. with Board Member Richard G. Williams presiding.

PRESENT: Commissioner Jerry Notarianni
Commissioner Laureen Cummings
Commissioner Patrick O'Malley
Councilman Richard G. Williams
Acting Council Manager C. David Pedri
Councilman Timothy McGinley
Lackawanna County Chief of Staff Andy Wallace

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 Don Frederickson, Lackawanna County Solicitor
Michael Butera, Luzerne County Solicitor
Michelle Bednar, Luzerne County Controller
Germaine Helcoski, Lackawanna County Deputy Controller
Reggie Mariani, Lackawanna County Chief Internal Auditor
Andrew M. Wallace, Lackawanna County Chief of Staff

ITEM 2:
AIRPORT BOARD REORGANIZATION.
(Chairman)

MOTION: To nominate Patrick O'Malley as Chairman for the Airport Bi-County Board for the Year 2016.
MOVED BY: Councilman Rick Williams
SECONDED BY: Councilman Tim McGinley
VOTE: Unanimous

MOTION: To nominate Tim McGinley as Vice Chairman for the Airport Bi-County Board for the Year 2016.
MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Councilman Rick Williams
VOTE: Unanimous

ITEM 3:
PUBLIC COMMENTS.
(Chairman)

None.

ITEM 4.

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

APPROVAL OF MINUTES.

(Chairman)

MOTION: To approve and dispense with the reading of the December 17, 2015 Bi-County Airport Board Meeting minutes.
MOVED BY: Councilman Rick Williams
SECONDED BY: Commissioner Laureen Cummings
VOTE: Unanimous

ITEM 5.

AIRPORT ACTIVITY REPORT:

(Carl R. Beardsley, Executive Director)

DISCUSSION: Mr. Beardsley began his presentation with an update on the Airport's new rebranding theme and upcoming goals as we close the books on 2015 and begin a new chapter in 2016. The Airport theme will be "Rising Above" and some of the goals that Team AVP will be working toward in 2016 are improving service, cleanliness, efficiency and attitude. The mantra that AVP will be using in 2016 is: "The Wilkes-Barre/Scranton International Airport has made a commitment to our community, our employees, and our customers to elevate the airport experience. We're investing time and attention to make AVP soar in the eyes of all we serve." Team AVP looks forward to working with the Board in order to make this happen.

DISCUSSION: Mr. Beardsley began reporting to the Board with a summary of the airport's performance matrix. In December 2015, the Airport saw an increase in passenger enplanements of 4.7%. Numerically speaking, in December of 2015, 17,878 passengers passed through AVP's doors. That compares favorably to December 2014 when AVP had 17,081 passengers and December 2013 when AVP had 16,787 passengers. So December was a good, positive month showing growth, and it's the 5th consecutive month where there has been a passenger boarding increase.

From a year end standpoint: Overall, AVP had 220,863 passengers pass through AVP's front doors. This exceeds the previous two (2) years. AVP attained an increase of 2% compared to 2014, which equates to an additional 4,600 passengers getting on planes at AVP. The majority of this growth comes from United Airlines, who reinstated flights between AVP and Newark Liberty Airport in New Jersey. Also, Allegiant Air initiated a new flight from AVP, in November going to the Tampa Bay area.

Next, Mr. Beardsley summarized the comparison of the number of seats the airlines are offering to AVP customers in 2015. Although there was no monthly change in seat capacity in December 2015, our year end seat capacity increased by 4.6%, which translates into an increase of 11,303 seats available to customers here at AVP. Allegiant seats, again because of the new Tampa flight, are up 20.8%, and United seats are up 17.7%, due to the returning Newark service.

AIRPORT ACTIVITY REPORT – Cont'd...

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

Total seats available in 2015 were 258,200. There is separation between the amount of passengers that boarded our planes and the amount of seats that are available, which is positive because that leaves room for business growth.

Load factor is the percentage of seats that are filled on an airline aircraft. Load factor in the month of December 2015 increased as compared to the month of December 2014 by a percentage point. The average load factor in December 2015 was 82.02%, which compares favorably to December 2014's 81%. December 2013's load factor of 76%, which is a 7% increase comparing December 2015 to December 2013.

From a year end stand point, the average load factor in 2015 was 84.41% which is solid. In comparison to year ending 2014, AVP is down slightly, about 2 percentage points. Compared to year end 2013 we're up about 8 percentage points. In summary of year ending 2015, you'll see that Orlando (SFB) showed a load factor of 90%; Tampa/St. Pete 79%; Charlotte 91%; Philadelphia 78%; Atlanta 91%; Detroit 84%; Chicago 86%; and Newark 82%. Overall, we have had very positive signs in the performance of the airlines currently offering service at AVP. But that doesn't mean we can rest on our laurels. Instead that's one of the reasons why the AVP marketing program is so important. As such, the AVP Team is going to be getting out into the community to make sure that people understand the type of services that are offered at AVP and to make sure that these services are supported.

With regard to General Aviation, which consists of aircraft that are not operated by the airlines – this can include corporate flights, flight school, or someone that owns their own private airplane. In the month of December 2015, AVP attained an increase of 18% or 108 flights that we didn't have prior. Looking at General Aviation from a year to date standpoint, there were an additional 2,129 seats that wasn't there before.

In summarizing, Mr. Beardsley reported that overall, for the month of December 2015, there was an increase of 1316 total flights (this includes commercial and private) which equates to an increase of 37% or 15,368 more flights in 2015 compared to 2014.

DISCUSSION:

Mr. Beardsley gave an overview of accomplishments AVP has had over the past year. There has been a significant improvement in AVP's air service. Larger aircraft are operating out of AVP, Delta going to Atlanta, American going to Charlotte, and United going to Newark. Additionally, new service to Tampa/St. Pete, and our first international flight to Freeport, Bahamas began in 2015. There have also been improvements with regard to capital enhancements and operational efficiencies. The Taxiway B project made significant progress, and also Phase 1 of the old terminal building demolition has been accomplished and we will be looking at completing Phase 2 and Phase 3 during calendar year 2016. Team AVP also implemented an Energy Reduction Program that has helped AVP to reduce costs. Team AVP also worked with a developer who was able to secure the State Police Hangar to be built right here at AVP. This will not only help AVP operationally by bringing us additional activity, but also a benefit to

AIRPORT ACTIVITY REPORT – Cont'd...

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

the community as the State Police aerial force will have one of its bases right here at the Wilkes-Barre/Scranton International Airport. Operations constructed a Military Appreciation Room on the first floor of the terminal. Individuals in the Armed Forces are able to enter with their family and spend some private time before going onto their destination. It's been a hit, with people signing our Guest Book and leaving positive comments of appreciation. AVP Team Members also had some interaction with the community, working with NASCAR and Indy Races to bring in their crews and drivers. We had an open house "Wings and Wheels" at the airport with our Fixed Base Operator, Aviation Technologies, in September. During the event, families were able to come to the airport to see antique aircraft as well as vintage vehicles. Staff members response was very positive and will be carried on again in 2016. Our Customer Service enhancements in the boarding lounges include the addition of charging stations and televisions, as well as a water dispensing system. Team AVP has also participated in the St. Patrick's Day Parades in Pittston, Scranton and Wilkes-Barre.

ITEM 6:
PERSONNEL

MOTION: Recommend the Airport Board ratify the appointment of Ms. Catherine Reed, 1238 Saint Ann Street, Scranton, PA., to the position of Receptionist/Secretary, effective January 11, 2016.

MOVED BY: Councilman Tim McGinley

SECONDED BY: Councilman Rick Williams

VOTE: Unanimous

ITEM 7:
AIRPORT FINANCIAL REPORT:
(Gary Borthwick, Director of Finance and Administration)

Financial Report

DISCUSSION: **Revenue – Expense Report.**

As noted on the attached profit/loss statements, for the month of December 2015, Airport Operations had a net income totaling \$67,323.00 compared to a net income of \$210,952 in December 2014, which is a difference of \$143,629.00. That difference is primarily due to a one-time \$190,000.00 entry toward Sordoni Construction Settlement case. Year to Date net income through December 2015 is \$322,760.00 which is a difference of \$67,731.00 compared to a net income of \$255,029.00 through December 2014.

Invoices received since the last meeting for supplies and services totaling \$676,249.39 are presented on the attached sheets for review and approval of the Board. These invoices include major construction project costs of \$425,006.48.

AIRPORT FINANCIAL REPORT – Cont'd...

DISCUSSION: **Project Invoices.**

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

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 \$ 80,260.59
Application #15, dated December 31, 2015 for Construction

Joyce Carmody & Moran, P.C. \$ 213,918.75
Application #2, dated December 3, 2015 for NAVAIDs.

L. R. Kimball \$ 46,853.57
Invoice #532421, dated December 2, 2015 for Inspection: site prep.

L. R. Kimball \$ 1,851.46
Invoice #532422, dated December 2, 2015 for Inspection: NAVAIDs

This project is 84.38% complete.

**Demolish Old Terminal Building – Phase 1
ACP 13-01**

Borton Lawson \$ 3,649.76
Invoice #2014-0787-001-0000015, dated December 10, 2015 for Design.

Borton Lawson \$ 13,560.16
Invoice #2014-0787-002-0000007, dated December 10, 2015 for Construction Monitoring.

Borton Lawson \$ 83.76
Invoice #2014-0787-001-0000016, dated January 1, 2016 for Design.

Borton Lawson \$ 3,981.43
Invoice #2014-0787-002-0000008, dated January 1, 2016 for Inspection.

This project is 91.12% complete.

**Aviation Fuel Farm
ACP 13-02**

Schultz Engineered Products \$ 6,720.00
Invoice #9576, dated December 7, 2015 for Heater Retrofit.

Fabcor Inc. \$ 5,400.00
Application #5, dated November 25, 2015 for Construction.

AIRPORT FINANCIAL REPORT – Cont'd...

**Security Cameras & Card Readers
ACP-14-01**

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

Tyco \$ 18,855.00
Invoice #40877827, dated December 25, 2015 for CCTV.

Tyco \$ 1,400.00
Invoice #40878984, dated January 5, 2016 for CCTV.

Master Plan Update
ACP 15-02

McFarland Johnson \$ 28,472.00
Invoice #1, dated December 15, 2016 for Planning.

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2015/11 (Check #1052).

Taxiway B Extension
PFC Project #14-11

Leeward Construction Construction ACP 11-01	\$ 4,013.03	CIP 19611-01
---	-------------	--------------

Joyce Electrical NAVAIDS ACP 11-01	\$ 10,695.94	CIP 19611-01
--	--------------	--------------

L. R. Kimball Inspection – Site Prep ACP 11-01	\$ 92.57	CIP 19611-01
--	----------	--------------

L. R. Kimball Inspection – NAVAIIDs ACP 11-01	\$ 2,342.68	CIP 19611-01
---	-------------	--------------

Security Cameras & Card Readers
PFC Project #09-011

Tyco CCTV ACP 14-01	\$ 18,855.00	CIP 19614-01
---------------------------	--------------	--------------

Tyco CCTV ACP 14-01	\$ 1,400.00	CIP 19614-04
---------------------------	-------------	--------------

AIRPORT FINANCIAL REPORT – Cont'd...

Demolish Old Terminal Building – Phase 1
PFC Project #09-015

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

Borton Lawson Design ACP 13-02	\$ 6,780.08	CIP 19613-02
Borton Lawson Construction Monitoring ACP 13-02	\$ 41.88	CIP 19613-02
Borton Lawson Design ACP 13-02	\$ 1,824.88	CIP 19613-02
Borton Lawson Inspection ACP 13-2	\$ 1,990.72	CIP 19613-02

MOTION: Request the Airport Board approve the above transactions and payments.
MOVED BY: Acting County Manager C. David Pedri
SECONDED BY: Commissioner Laureen Cummings
VOTE: Unanimous

ITEM 8:
CONTRACTS/AGREEMENTS.

(Michael W. Conner, Assistant Airport Director)

- A. Request the Airport Board approve the Supplemental Agreement Number 8 to the Avis/Budget Group's Airport Service Facility Lease. This supplemental agreement is the 8th supplement to the original agreement from November 1, 1985. As in the previous supplements, this 8th supplement increases the term length of the agreement by 6 months, and then month-to-month until December 31, 2018. Additionally, it increases the rental rate from \$0.315 per square foot to \$0.32 per square foot for the land rent. Due to the PENNDOT road project taking over approximately 919.8 square feet of the previously leased 1.18 acres (51,400.8 square feet), the supplement also reduces the actual amount of land rented to 50,481 square feet.

Considering these adjustments, the actual rent decreases slightly from \$16,191.25 per year to \$16,153.92 per year. The remaining portions of the agreement stay the same.

MOTION: To accept the Supplemental Agreement #8 to the Avis/Budget Group's Airport Service Facility Lease.
MOVED BY: Councilman Rick Williams
SECONDED BY: Councilman Tim McGinley
VOTE: Unanimous

CONTRACTS/AGREEMENTS – Cont'd...

- B. Request the Airport Board approve the Land Lease and Easement Agreement between the Wilkes-Barre/Scranton International Airport and MBC Development, LP, of Schuylkill Haven, PA. MBC Development is the developer selected by the

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

Pennsylvania State Police to construct and operate a Pennsylvania State Police Aircraft Hangar here at AVP.

The lease will begin on a yet-to-be-determined date in 2016, and continue for a period of 15 years, with 2 separate and distinct option periods of 5 years each (contingent on Airport approval).

MOTION:	To accept the Hangar Lease.	
MOVED BY:	Councilman Rick Williams	
SECONDED BY:	Councilman Tim McGinley	
VOTE:	Commissioner Jerry Notarianni	yes
	Commissioner Laureen Cummings	yes
	Commissioner Patrick O'Malley	yes
	Councilman Rick Williams	yes
	Acting County Manager C. David Pedri	no
	Councilman Tim McGinley	yes

ITEM 9.
AUTHORIZATION TO BID.

(Michael W. Conner, Assistant Airport Director)

MOTION:	Recommend the Airport Board approve the solicitation of bids for the Vending Services.
MOVED BY:	Councilman Rick Williams
SECONDED BY:	Acting County Manager C. David Pedri
VOTE:	Unanimous

ITEM 10.
CAPITAL PROJECTS:

(Stephen Mykulyn, Director of Engineering)

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

ACP 07-16
Rehabilitate and Extend Hangar Road

Design and Construction Monitoring Services - L.R. Kimball.
Contractor - Scartelli Construction.

Project work is complete and there is NO CHANGE IN STATUS as we continue to work to resolve project closeout issues.

Final Project is estimated at \$3.21 M
Project payments to date represent approximately 93% of total
Funding – Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

CAPITAL PROJECTS – Cont'd...

ACP 12-02
Rehabilitate Airline Apron

Design and Construction Monitoring Services – McFarland-Johnson
Contractor – Kriger Construction

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

Project work is complete and there is NO CHANGE IN STATUS. We are working to complete final closeout of the project.

Current Project Costs are approximately \$750,000
Project payments to date represent approximately 88% of total
Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

ACP 13-08
Aviation Fuel Farm Expansion

Design and Construction Monitoring Services - L.R. Kimball.
Contractor – Fabcor Inc.

Project work is complete. We are waiting for a final Labor and Industry re-inspection of the facility. We continue to work on final closeout of the project.

Current Project Costs are approximately \$427,000
Project payments to date represent approximately 95.5% of total Funding - State
Aviation Grant, Airport Funds.

ACP 13-02
Demolition 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.

Work on the Environmental Remediation Project has been completed.

We are continuing our review of demolition specifications from our consultants and are working with them on Municipal approvals required prior to bidding the demolition and the new final construction.

Current Project Costs are approximately \$709,000.
Project payments to date represent approximately 87.9% of total.
Funding – State Capital Fund Grant, Airport Generated PFC Funds.

ACP 14-03
Parking Garage Maintenance

Design Services – Desman Associates

We continue to work with the consultant and are reviewing the bidding documents for the proposed work on the parking garage.

CAPITAL PROJECTS – Cont'd...

We have completed and two separate grants to partially fund the project and expect to know by late spring whether grant funding will be available.

Current Project Costs are approximately \$72,088.
Project payments to date represent approximately 69.8% of total.

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

Funding - Airport Funds.

ACP 15-02

Master Plan Update and Airport Layout Plan (ALP) Update

Consultant – McFarland-Johnson

We continue to work with the consultant on information gathering, in the formation of the various stakeholder committees and in scheduling surveys.

Current Project Costs are approximately \$902,000.

Project payments to date represent approximately 3.5% of total.

Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

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 NAVAIDs, have been designed and let for construction.

Site Preparation Contractor - Leeward Construction

NAVAIDs Contractor – Joyce Electric

Work on the Site Preparation Contract continues. The last remaining portions of the bulk embankment and placement of the embankment cap material will be complete within the next week. Clean up work and dismantling of the construction haul roads continues as we near project completion.

Work on the NAVAIDs Contract also continues. All final power connections have been made and the contractor is working on some remaining demolition.

It is anticipated that work on both projects will be suspended in the next few weeks and we will look to resume the final closeout work in the Spring.

On the remaining two bid packages; we anticipate bidding these projects early this year, seeking funding in March and hope to start construction in the Summer.

Current Project Costs are approximately \$12.09 M

Project payments to date represent approximately 84.5% of total

The remaining contracts for the project will be for Taxiway Paving and Taxiway Lighting & Signage. Estimated costs for construction and inspection approximately \$3,500,000.

CAPITAL PROJECTS – Cont'd...

Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds.

MOTION:

To accept the Capital Project Report

MOVED BY:

Councilman Rick Williams

SECONDED BY:

Councilman Tim McGinley

VOTE:

Unanimous

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
JANUARY 21, 2016**

DISCUSSION: Mr. Mykulyn also explained the PennDOT Project for the Interchange and Roundabouts. The roundabouts are functioning as intended. Roundabout #1 is still not completed. Final completion for the project is expected in July of 2016.

ITEM 11.

MARKETING UPDATE:

(Carl R. Beardsley, Executive Director)

MLB Advertising updated the Airport Board and made a presentation that included the debut of the Wilkes-Barre/Scranton International Airport's revamped website and other progress made in the airport's advertising and rebranding program.

ITEM 12.

OTHER MATTERS:

(Carl R. Beardsley, Executive Director)

The Airport is requesting authorization from the Board to release an RFQ to determine which firms we could work with, from a design standpoint, for upgrading the area of TSA Security Screening as well as Restaurant access.

MOTION: To authorize an RFQ for Professional Services to design upgrades in the TSA/Restaurant area.

MOVED BY: Councilman Rick Williams

SECONDED BY: Commissioner Laureen Cummings

VOTE: Unanimous

ITEM 13.

ADJOURNMENT:

(Chairman)

MOTION: It is recommended to adjourn the meeting.

MOVED BY: Commissioner Patrick O'Malley

SECONDED BY: Commissioner Laureen Cummings

VOTE: Unanimous

The meeting was adjourned at 11:53 A.M.