

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
DECEMBER 15, 2016**

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, December 15, 2016 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:34 A.M. with Commissioner Patrick O'Malley presiding.

PRESENT: Commissioner Patrick O'Malley
Commissioner Laureen Cummings
Commissioner Jerry Notarianni
Councilman Timothy McGinley
Councilman Rick Williams
County Manager, C. David Pedri, Esq.

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
Germaine Helcoski, Lackawanna County Deputy Controller
Michelle Bednar, Luzerne County Controller

ITEM 2
PUBLIC COMMENTS:
(Chairman) None.

ITEM 3
APPROVAL OF MINUTES:
(Chairman)

MOTION: To accept and approve the minutes of the November 17, 2016 Bi-County Airport Board Meeting minutes.
MOVED BY: Councilman Tim McGinley
SECONDED BY: Commissioner Laureen Cummings
VOTE: Unanimous

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

DISCUSSION: Mr. Beardsley gave the Board a summary of Airline Performance. For the month of November, passenger boardings decreased slightly by 2.3%, from 19,419 to 19,882 passengers, in comparison to November 2015. It's important to note, through the end of November we are still up 5.8% in passenger boardings for the year.

Year-to-date-growth through the end of November 2016 is down 6.3%, as compared to the previous 12 months. Year-to-date seat availability, however, continues to grow. We are currently seeing a 3% increase.

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AIRPORT ACTIVITY REPORT - Cont'd...

Airline load factors remain very strong at 87%. This number is consistent with all the airlines, with each having a minimum load factor of 82% during the month of November. Delta, with its flights to Atlanta, and United, with its flights to Chicago, actually exceeded 90% load factor.

General Aviation saw a decrease of 7%, or 87 less flights, as compared to November 2015. Mr. Beardsley noted that although there was a decrease in activity (mainly flight school “touch and go’s”), general aviation revenue is up 33%, thanks to more corporate jets (who pay landing fees and purchase fuel) using AVP.

DISCUSSION:

Mr. Beardsley also shared news that beginning in January 2017, American Airlines will be increasing the seat availability on two of our Philadelphia flights, which currently operate using 34-seat turbo prop equipment, to 50-seat regional jets. Additionally, American Airlines is increasing their service to Charlotte from two (2) flights per day to three (3) flights per day. With the addition of this flight, the Charlotte service seat capacity will increase by 30.6%.

DISCUSSION:

Mr. Beardsley also reported a new Customer Service program the airport is working on with TSA. TSA Pre-Check is a program in which travelers can apply for approval for a streamlined security check-in. Approved passengers will no longer have to remove shoes, laptops, liquids, belts or light jackets when checking in. The closest application/interview center is near Philadelphia. Since we have a demand for Pre-Check, we contacted the company who handles the application process and found that they have a Mobile Application Center. They are willing to bring their mobile center here to AVP, the week of January 23-27, 2017. There is an \$85.00 non-refundable application fee, however, if approved your TSA Pre-Check will be valid for five (5) years.

DISCUSSION:

Finally, Mr. Beardsley reported that progress continues on the Pennsylvania State Police Hangar. The exterior is nearly complete, utilities are connected, and work has begun on the interior. Occupancy is expected for mid-April, 2017.

ITEM 5

AIRPORT FINANCIAL REPORT:

(Gary Borthwick, Director of Finance and Administration)

DISCUSSION:

Revenue - Expense Report.

As noted on the attached profit/loss statements, for the month of November 2016, Airport Operations had a net income totaling \$73,080.00 compared to a net income of \$46,469.00 in

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FINANCIAL REPORT - Cont'd...

November 2015, which is a difference of \$26,611.00. Year to date net income, through November 2016, is \$317,908.00, which is a difference of \$39,137.00 compared to a net income of \$278,771.00 through November 2015.

Invoices received since the last meeting for supplies and services totaling \$686,506.20 are presented on the attached sheets for review and approval of the Board. These invoices include major construction project costs of \$394,352.35.

DISCUSSION:

Project Invoices.

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**

Mike Walsh Electrical \$ 121,174.15
Application #2, dated November 30, 2016 for Construction.

Popple Construction \$ 100,014.62
Application #3, dated October 31, 2016 for Construction.

Moyer Realty Advisors LLC \$ 1,100.00
Invoice #015415-15-CAM-L, dated December 2, 2016, for Preparation.

L.R. Kimball \$ 13,386.01
Invoice #1611920141, dated October 23, 2016, for Inspection.

L.R. Kimball \$ 71,157.20
Invoice #01611920143, dated October 23, 2016, for Inspection.

**Master Plan Update
ACP 15-02**

McFarland Johnson \$ 38,535.72
Invoice #8, dated November 18, 2016, for Planning.

**Taxiway B & D
ACP 16-01**

L.R. Kimball \$ 45,112.92
Invoice #1611920142, dated October 23, 2016, for Design.

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FINANCIAL REPORT - Cont'd...

**Elevator Oil Leak
ACP 16-04**

Guzek Associates \$ 3,871.73
Invoice #15411, dated November 18, 2016, for Consulting.

MOTION: Request the Airport Board approve the above transactions and payments.

Moved BY: Councilman Rick Williams
SECONDED BY: Commissioner Lauren Cummings
VOTE: Unanimous

DISCUSSION: Mr. Borthwick discussed the 2017 Proposed Operating Budget. Councilman Williams questioned getting more details and motioned to table the matter until the January meeting.

MOTION: To table the matter until January meeting.
Moved BY: Councilman Rick Williams
SECONDED BY: Councilman Tim McGinley
VOTE: Unanimous

**ITEM 6
CONTRACTS and AGREEMENTS
(Michael W. Conner, Assistant Airport Director)**

A. Insurance Brokerage Services

Four (4) submittals for the Insurance Brokerage Services Request for Qualifications (RFQ) were received on October 28, 2016. Following receipt, each submittal received was reviewed for compliance with the RFQ. Following the initial review, all four respondents were interviewed on November 21, 2016. The interview panel included the Executive Director, the Financial Director, and Board Member Tim McGinley. The respondents to the RFQ were:

*Assured Partners, Inc.
1130 Highway 315
Wilkes-Barre, PA 18702*

*EHD
One Meridian Blvd.
Suite 4A01
Wyomissing, PA 19610*

*Joyce Insurance Group
9 N. Main St.
Pittston, PA 18640*

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*Kincel & Company, Ltd.
1100 Dunham Dr.
Dunmore, PA 18512*

After interviewing each respondent, the interview panel determined that the Joyce Insurance Group's qualifications met the expectations of the Airport and that their action plan (including a comprehensive risk management study) regarding the Airport's insurance coverage held the most overall value. After further discussion and negotiation, the Airport agrees to pay 12,500 for the first year. In addition to the annual fee Joyce will receive 10% on any savings that they provide from Client's current 2016/17 Insurance premiums. The agreement includes two one year options extensions by mutual agreement of both airport and Joyce. Commission for additional years will be based on prior year premiums. The Airport recommends award of the Insurance Brokerage Services contract to Joyce Insurance Group.

MOTION: Request the Airport Board approve these agreements.
MOVED BY: Councilman Tim McGinley
SECONDED BY: Councilman Rick Williams
VOTE: YES: Commissioners O'Malley and Notarianni, Councilmen McGinley and Williams, County Manager Pedri.
ABSTAIN: Commissioner Cummings

MOTION: Request the Airport Board approve this agreements.
MOVED BY: Councilman Rick Williams
SECONDED BY: Councilman Tim McGinley
VOTE: Unanimous

ITEM 7

CAPITAL PROJECT REPORT:

(Stephen Mykulyn, P.E., Airport Engineer)

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

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CAPITAL PROJECTS REPORT - Cont'd...

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 Site Restoration Construction.

Work on the bid documents is complete and they have been submitted to PennDOT Bureau of Aviation for review. We anticipate advertising for bids as early as next week and will be looking to have a bid opening in mid-January.

Current Project Costs are approximately \$709,000
Project payments to date represent approximately 88.1% of total Funding - State Capital Fund Grant, Airport Generated PFC Funds

ACP 14-03

Parking Garage Maintenance

Design Services - Desman Associates

No change in status, we are working to finish documents and specification boiler plate for bidding.

Current Project Costs are approximately \$72,088
Project payments to date represent approximately 75% of total Funding - Airport Funds

ACP 15-02

Master Plan Update and Airport Layout Plan (ALP) Update

Consultant - McFarland-Johnson

No change in Status. We continue assisting the Consultant with further information gathering and are reviewing reports and surveys as they are made available.

Current Project Costs are approximately \$902,000.
Project payments to date represent approximately 48.6% of total Funding - Federal AIP, State Aviation Grant, Airport Generated PFC Funds

ACP 15-03

Relocate TSA Checkpoint

Preliminary Study & Estimate - McFarland-Johnson
Checkpoint Relocation - Fennick McCredie Architecture

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The consultant has completed site investigation work and is working to detail the work necessary to complete the check point relocation.

Current Project Costs are approximately \$121,400.
Project payments to date represent approximately 9.88% of total Funding - Airport Capital Funds

**ACP 16-01
Taxiways B & D (West) Rehabilitation**

This project is the Rehabilitation of the existing portions of the main parallel taxiway to Runway 4-22 and to the portion of Taxiway D West parallel of Runway 4-22.

We have received and have begun our review of the 30% design submission. We have scheduled a meeting with the consultant, the FAA and PDOT-BOA in early January.

Current Project Costs are approximately \$698,405
Project payments to date represent approximately 6.5% of total Funding - Federal AIP, State Aviation Grant and 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 completed.
Site Preparation Contractor - Leeward Construction
NAVAIDs Contractor - Joyce Electric
Paving - Popple Construction
Lighting - Mike Walsh Electrical

Under the Paving Contract, work has been suspended until the spring. As we discussed in our previous project updates, planned shut downs of the main runway, during which the runway taxiway tie-in work was planned, could not be accomplished because of conflicts arising out of airline schedule changes. The paving contractor has requested suspension of the work until next year, due to weather conditions.

Additionally, Lighting Contract has requested their work also be suspended until the spring, due to weather conditions.

We continue to work with both Contractors, the FAA and the Airlines on establishing a schedule for the resumption and completion of the project in the spring.

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Current Project Costs are approximately \$14.7 M
Project payments to date represent approximately 91.2% of total
Funding - Federal AIP, State Aviation Grant, Airport Generated
PFC Funds

ITEM 8

OTHER MATTERS:

(Carl R. Beardsley, Executive Director)

DISCUSSION: Mr. Beardsley presented the Board with a newly created Employee Handbook that he would like to implement with the current and new non-union employees. The Handbook details various work policies, rules, and regulations. The document was reviewed by County Solicitors and our Labor Attorney, Bob Ufberg. All found the document to be acceptable.

MOTION: Request the Airport Board implement the Employee Handbook beginning January 1, 2017.

MOVED BY: Councilman Tim McGinley

SECONDED BY: County Manager C. David Pedri, Esq.

VOTE: Unanimous

DISCUSSION: Lastly, Mr. Beardsley recognized the Airport Board for their service and presented plaques to each member.

DISCUSSION: Luzerne County Manager C. David Pedri thanked Executive Director Beardsley for taking the time to meet and follow up with a large business owner in Luzerne County who expressed concerns and ideas about our airport. Atty. Pedri felt the great customer service and leadership that Mr. Beardsley and his staff deliver here at AVP should be noted and recognized.

ITEM 10

ADJOURNMENT:

(Chairman)

MOTION: It is recommended to adjourn the meeting.

MOVED BY: Councilman Rick Williams

SECONDED BY: Councilman Tim McGinley

VOTE: Unanimous

The meeting was adjourned at 11:04 A.M.