

WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
OCTOBER 18, 2012

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, October 18, 2012 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:30 A.M. with Commissioner Corey D. O'Brien presiding.

PRESENT: Commissioner Corey D. O'Brien
Commissioner Patrick O'Malley
Commissioner James Wansacz
Board Member Timothy McGinley
Board Member Rick Williams

ALSO PRESENT: Barry J. Centini, Airport Director
Michael W. Conner, Assistant Airport Director
Stephen Mykulyn, Director of Engineering
Gary Borthwick, Director of Finance
Mr. Walter Griffith, Controller, Luzerne County
Ms. Mary Jo Sheridan, Deputy Controller, Lackawanna County
Mr. Reggie Moriani, Lackawanna County Chief Auditor
Attorney Michael Butera, Luzerne County Solicitor

ITEM 2:
PUBLIC COMMENTS.
(Chairman)

None.

ITEM 3:
APPROVAL OF MINUTES.
(Chairman)

MOTION: To approve and dispense with the reading of the September 20, 2012 Bi-County Airport Board Meeting minutes.

MOVED BY: Commissioner James 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 September 2012 decreased 13.6% to 17,802 from 20,605 in the month of September 2011. Mr. Conner noted that this decrease is attributable to the loss of American Eagle's 46 flights (2,036 seats) last September, as well as the loss of one daily Delta flight to Detroit for the fall/winter season (1,500 seats) and the temporary hiatus of Allegiant's twice weekly flights to Orlando-Sanford (1,200 seats). He also

BUSINESS REPORT – Cont'd...

noted that September 2011 had the highest number of enplanements and total passengers on record for the Wilkes-Barre/Scranton International Airport, mainly due to the Marcellus Shale industry.

Enplanements for the month of September 2012 compared to the month of September 2010 decreased by 1,589 which is 8.2%. This, he noted is attributable to the loss of American Eagle's 59 flights (2,769 seats) last September, as well as Delta's and Allegiant's flights mentioned above.

In September 2012, 15 departing flights were cancelled: 11 for air traffic/weather; 4 for mechanical. This accounts for 643 seats (2.6%) out of a total 25,014 departure seats. Also, 13 arriving flights were cancelled: 11 for air traffic/weather and 2 for mechanical. The majority of the flights were due to air traffic/weather from/to Newark.

It was suggested by Commissioner O'Brien that the Airport reach out to the passengers that experienced cancelled flights and try to mitigate their level of disappointment and help them to realize that this was not the fault of the airport, but the fault of the airlines. It was decided that the Airport would include on its website the "Airline Passenger Bill of Rights", which instructs airline passengers whose flights were cancelled or delayed what their rights are. There will also be brochures placed in the airport terminal stating each airlines "passenger bill of rights". Doing this will make available to the passengers their rights, and help them to understand that the problem is with the airlines, not the airport.

General Aviation Operations.

DISCUSSION:

For September 2012, General Aviation had 1,141 operations (one take-off or one landing), which is an increase of 9% from September 2011's 1,046 General Aviation Operations. General Aviation revenues decreased \$ 1,373 or 11% to \$ 10,975. This is attributable to a decrease in long term ramp parking and charter aircraft that used the terminal facilities in 2011, but not in 2012.

Financial Report

Revenue/Expenses Report.

DISCUSSION:

Mr. Conner reported that for the month of September 2012, Airport Operations had a net income totaling \$ 10,553, compared to a net income of \$ 41,112 in September 2011, which is a difference of \$ 30,559. Year-to-date, our net income for 2012 is \$ 181,335, which is \$ 210,910 less than the comparable 2011 net income of \$ 392,245. Invoices received since the last meeting for supplies and services total \$ 656,827.34. These invoices include major construction project costs of \$ 391,482.85.

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 (AIP Echo Drawdown #2012/9).

Rehab. and Extend Hangar Road
ACP 07-16

Friedman Electric	\$	1,629.46
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BUSINESS REPORT – Cont'd...

Invoice #S013992644.001, September 25, 2012 in the amount of \$ 1,629.46 for construction services.

Scartelli Construction Company \$ 127,788.62

Application #11, September 30, 2012 in the amount \$ 127,788.62 for Construction Services.

Friedman Electric \$ 77.33

Invoice #S013996724.001, September 26, 2011
In the amount of \$ 77.33 for construction services.

This project is 61.66% complete.

Construct South General Aviation Apron
ACP 10-01

Fast Signs \$ 2,099.28

Invoice # 78-68657, September 6, 2010 in the amount \$ 2,099.28 for signs.

Popple Construction \$ 107,609.17

Application #10, October 15, 2012 in the amount \$107,609.17 for Construction Services.

URS Corporation \$ 3,695.57

Invoice # 5076083, April 26, 2012 in the amount \$ 3,695.57 for Inspection Services.

This project is 70.90% complete.

Lighting Control & Security Gate Work With New ATCT
ACP 10-05

Everon Electrical \$ 26,533.80

Application #4, October 12, 2012 in the amount \$ 26,533.80 for Construction Services.

Hillman Security \$ 2,519.95

Invoice # S1209147, September 7, 2012 in the amount \$ 2,519.95 for Converters.

Everon Electrical \$ 35,732.20

Application #5, October 15, 2012 in the amount \$35,732.20 for Construction Services.

This project is 55.76% complete.

BUSINESS REPORT – Cont'd...

Parking Study and Construct Additional Surface Parking Project
ACP 10-07

Sproul Construction \$ 83,797.47

Application #3, October 15, 2012 in the amount
\$ 83,797.47 for Construction Services.

This project is 76.29% complete.

Airport Passenger Facility Charge (PFC) Trust Transfers

DISCUSSION:

The following PFC transfers are recommended for Airport Board approval.
PFC Drawdown # 2012/9 Check #1005.

Design & Construct New South General Aviation Apron
ACP 10-01

Popple Construction \$ 2,690.23 CIP 19610-01
Construction
ACP 10-01

Fast Signs \$ 52.48 CIP 19610-01
Signs
ACP 10-01

URS \$ 92.39 CIP 19610-01
Inspection
ACP 10-01

MOTION:

Request the Airport Board accept and approve the above transactions and payments
and approve the PFC Trust Transfers.

MOVED BY:

Commissioner Patrick O'Malley

SECONDED BY:

Commissioner James Wansacz

VOTE:

Unanimous

PFC Status Report.

DISCUSSION:

The Airport collected \$ 250,606.62 (including interest) throughout the 3rd quarter of
2012, bringing the PFC Trust account balance to \$ 2,642,282.51.

For PFC Applications 93-01, 97-02, and 00-03, the Airport has expended \$ 9,526,060
(74%) out of a total collection authority of \$ 12,997,524. For PFC Application 08-05,
the Airport has expended \$ 1,289,989 (85%) out of a total collection authority of
\$ 1,518,104. For PFC Application 09-07, the Airport has expended \$ 117,929 (72%)
out of a total collection authority of \$ 164,000. For PFC Application 11-08, the
Airport has expended \$ 853,574 (92%) out of a total collection authority of \$ 930,054.

ITEM 5.

DIRECTOR'S COMMENTS:

(Barry J. Centini, Airport Director)

Personnel.

MOTION:

Recommend the Airport Board accept the resignation of Mrs. Theresa Kobeski, 3600 Lawrence Avenue, Moosic, from Bookkeeper/Secretary position. Mrs. Kobeski is retiring. She has been an employee of the Wilkes-Barre/Scranton International Airport for 23 years. Her last day of work will be November 16, 2012.

MOVED BY:

Board Member Timothy McGinley

SECONDED BY:

Board Member Rick Williams

VOTE:

Unanimous

New Air Traffic Control Tower Lighting Controls and Related Work Project.

MOTION:

Recommend the Airport Board approve Change Order #1 to Everon Electrical Contractors, Inc., contract increasing amount \$ 29,482.00 from \$327,840.00 to \$ 357,322.00, subject to FAA and solicitors concurrence. Increase due to additional fiber and innerduct work from the terminal building to the electrical vault, plus fiber to access gates and the extension of existing fiber to the security control panels.

MOVED BY:

Commissioner James Wansacz

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

Rehabilitation of Hangar Road.

MOTION:

Recommend the Airport Board approve Supplement #2 to L.R. Kimball contract increasing construction service amount \$211,109.81 from \$229,540.67 to \$ 440,650.48, subject to FAA, PennDOT and solicitors concurrence. Increase due to additional coordination of electric and communication service which changed dramatically over what was originally proposed; fuel farm subgrade was much wetter than originally assumed which required a redesign of the subgrade compaction and drainage, additional coordination and redesign of Hangar Road Extension to tie into the South GA Apron Project, a change in the waterline connection required an extension of the water main to tie into the Airports waterline, a change in the sewer line connection required a redesign of the sanitary sewer from the proposed South Apron to connect into the existing sanitary sewer on Navy Way and the additional work required to review a multitude of change orders filed by the contractor to determine acceptability or not. Plus the approximate 360 day contract extension time necessary to complete the project.

MOVED BY:

Commissioner O'Malley

SECONDED BY:

Commissioner Wansacz

VOTE:

No final vote was taken

Motion #2.

MOTION:

Board Member Williams stated that he feels it is clear that the risk for this project for both professional services, as well as the sub-surface conditions, was borne by the Airport and, he feels that, the fundamental structure of the agreements probably should have been something other than that, something that had some kind of shared risks aspect to it, and to the extent that these overages can somehow be structured so that that risk is shared, would make it much more palatable to him. Therefore, he made a motion to table this and allow the Airport Administration to work with the design professionals and come back with a recommendation that is the bare bones and that has an aspect of shared risk to it.

DIRECTOR'S COMMENTS – Cont'd...

MOVED BY: No approval was made on this motion
SECONDED BY: No second allowed
VOTE: No vote was taken on this motion

Motion #3.

MOTION: After considerable debate in which Rick Holes from L. R. Kimball discussed the reasons why the contract needs to be increased and indicated how much work was already completed, among other discussions between the Airport Board, the Airport Director, Assistant Director and Airport Engineer, the Airport Board agreed that they feel this is an enormous percentage increase, and so it was decided by the Airport Board to approve a portion of the Supplement #2 to the L. R. Kimball contract in an amount not to exceed \$ 150,000.00, for work that L. R. Kimball has already done, and see, if, in the future, the balance of the payment request can be lowered in some way.

MOVED BY: Commissioner Corey O'Brien
SECONDED BY: Commissioner James Wansacz
VOTE: Unanimous

MOTION: Recommend the Airport Board approve Change Order #2 to Scartelli's Construction Inc's contract, increasing amount \$49,356.48 from \$ 2,050,990.00 to \$ 2,100,346.49, subject to FAA, PennDOT and solicitors concurrence. Increase due to installation of inlets and adjustment of inlets and piping, reinstallation of fence to existing concrete slab at fuel farm, additional preparation work for fuel farm paving due to wet subgrade material, rock excavation at sanitary manholes, and modification of sanitary sewer system to better meet the future needs of new hangars along South Apron.

MOVED BY: Commissioner Corey O'Brien
SECONDED BY: Commissioner James Wansacz
VOTE: Unanimous

Taxiway B Extension Project.

MOTION: Recommend the Airport Board approve the Federal Aviation Administration (FAA's) Non-Federal Preliminary Design Reimbursable Agreement, subject to solicitors concurrence. This Agreement provides necessary payment to the FAA for preliminary design/technical services review associated with the relocation of the Glide Slope and Runway Visual Range (RVR) antenna for Runway 22, which is a component of the Taxiway B Extension Project. Reimbursable agreement not to exceed \$ 50,600.00.

MOVED BY: Commissioner Patrick O'Malley
SECONDED BY: Commissioner Corey O'Brien
VOTE: Unanimous

Miscellaneous.

DISCUSSION: Mr. Centini informed the Board that Mr. Mykulyn and Mr. Conner will now give a report on the Pennsylvania Aviation & Aerospace Conference they attended with Mr. Centini on September 12-14, 2012 in Lancaster, PA.

Change in Presiding Official.

DISCUSSION: Commissioner O'Brien had to leave the meeting before it concluded due to a previous commitment, therefore, he turned the meeting over to Board Member Timothy McGinley at 11:55 A.M.

DIRECTOR'S COMMENTS – Cont'd...

Review of Budget Report for 2012.

DISCUSSION:

A nine (9) month budget report for 2012 was included in the financial packet in this month's agenda. Mr. Borthwick answered any questions the Board had regarding this report.

ITEM 6.

OTHER MATTERS:

(Chairman)

None.

ITEM 7.

ADJOURNMENT:

(Chairman/Vice Chairman)

MOTION:

To adjourn the meeting.

MOVED BY:

Commissioner James Wansacz

SECONDED BY:

Commissioner Patrick O'Malley

VOTE:

Unanimous

The meeting was adjourned at 12:05 P.M.