

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
FEBRUARY 27, 2020**

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, February 27, 2020 in the Terminal Building Conference Room at the Airport. The meeting was called to order at 10:35 A.M. with Commissioner Debi Domenick presiding.

PRESENT: Commissioner Jerry Notarianni
Commissioner Debi Domenick
Commissioner Chris Chermak
Councilman Timothy McGinley
Councilwoman Lee Ann McDermott
County Manager David Pedri

ALSO PRESENT: Carl R. Beardsley, Jr., Executive Director
Gary Borthwick, Assistant Airport Director
Stephen Mykulyn, Director of Engineering
Germaine Helcoski, Lackawanna County Deputy Controller
Mark Majikes, Luzerne County Deputy Controller
Attorney Don Frederickson, Lackawanna County Solicitor
Attorney Michael Butera, Luzerne County Solicitor

ABSENT: Reggie Mariani, Lackawanna County Chief Internal Auditor
Michelle Bednar, Luzerne County Controller

ITEM 1

PUBLIC COMMENT:

(Debi Domenick, Chair)

NONE.

ITEM 2

APPROVAL OF THE MINUTES FROM JANUARY 23, 2020 BOARD MEETING:

(Debi Domenick, Chair)

MOTION: To accept and approve the minutes of the January 23, 2020, Bi-County Airport Board Meeting minutes.

MOVED BY: Councilman Tim McGinley

SECONDED: Commissioner Jerry Notarianni

VOTE: Unanimous.

ITEM 3

DIRECTOR'S REPORT:

(Carl R. Beardsley, Jr., Executive Director)

Executive Director Carl Beardsley reported passenger boardings saw a 5.5% increase in January 2020 when compared to January 2019, making January 2020 the highest enplanements for the month of January on record.

Load factor, on average, was at 78%. Interestingly, load factors for both American Airlines and United Airlines are both holding at an extremely respectable 81% load factor. This tells us the community is supporting all the westbound flights we have. General Aviation saw a 37.4% increase, or 247 additional flights coming in to our FBO.

We are seeing an increase of 26% for Uber and Lyft pick-ups at AVP, and 737 people have joined our new Loyalty Program. Many of our customers come from Lackawanna and Luzerne Counties, however we are also

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DIRECTOR'S REPORT – Cont'd...

seeing customers from Bradford and Susquehanna Counties as well as Broome County in the southern tier of New York.

ITEM 4

AGREEMENTS:

(Carl R. Beardsley, Jr., Executive Director)

A. Land Lease Agreement with Aviation Technologies, Inc.

Recommend the Airport Board approve a land lease agreement between Aviation Technologies, Inc. and the Bi-County Airport Board dba the Wilkes-Barre Scranton International Airport. The dimensions of the parcel under lease is 18,000 square feet. This land will be used as home for a new hangar facility used to store aircraft. The parcel is located on the Southern General Aviation Ramp where other hangars are located, for example, the PA State Police helicopter facility.

Recently, Aviation Technologies has had to turn aircraft away due to a lack of vacant space for new aircraft. The land lease goes into effect February 27, 2020. The per square foot rate for the hangar is expected to be .135 which is in line with Federal Aviation Administration Fair Market Requirements. Finally, this Agreement defines the rules and regulations of operating at an airport that must be followed by the Lessor throughout their term.

Lessee shall pay to Lessor in equal monthly installments in advance on the first day of each calendar month during the Term annual fixed rent in the amount equal to \$1.20 per square foot of the Property and Improvements (the "Annual Fixed Rent"). In addition, Lessee shall pay to the Lessor a Common Area Maintenance Fee at a rate of \$0.135 per square foot of the Property and Improvements.

**MOTION:
MOVED BY:
SECONDED:
VOTE:**

To approve the agreement as presented, with Solicitors' approval.
Commissioner Jerry Notarianni
Commissioner Chris Chermak
Unanimous.

B. Land Lease Agreement for Quick Turn Around Facility

Recommend the Airport Board approve the Option agreement for exclusive option to lease land and develop a quick turn-around facility effective February 27, 2020. The Agreement is for Assignment and assumption of Option agreement.

The Agreement will be between The Hertz Corporation, a Delaware corporation, and its wholly owned subsidiary, DTG Operations, Inc., Avis Rent A Car System, LLC, a Delaware limited liability company, Budget Rent A Car System, Inc., a Delaware corporation, ELRAC, LLC, a Delaware limited liability company, d/b/a Enterprise Rent-A-Car, Alamo Rent A Car, National Car Rental, and the Wilkes-Barre/Scranton International Airport.

The Airport, as Option Grantor, has entered into an assignable agreement for exclusive option to lease and develop at the Wilkes-Barre/Scranton

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AGREEMENTS – Cont'd...

International Airport. And dated February 27th, 2020 with the RAC's providing the RAC's the opportunity to have a consultant perform certain feasibility services and, subject to acceptance and election to proceed, design development and pricing services with respect to the following possible project and the option to lease the property on the airport.

MOTION: To approve the agreement as presented.
MOVED BY: Councilman Tim McGinley
SECONDED: Councilwoman Lee Ann McDermott
VOTE: Unanimous.

**ITEM 5
PERSONNEL:**

A. Recommend the Airport Board approve the appointment of Robert Grunza, 536 Third St., Jessup PA 18424 to the position of Airport Superintendent effective February 28, 2020.

MOTION: To approve the appointment.
MOVED BY: Commissioner Jerry Notarianni
SECONDED: Councilman Tim McGinley
VOTE: Unanimous.

B. Recommend the Airport Board approve the appointment of Gary Vogue, 1 Gable Crest Dr., Pittston PA 18641 to the position of Director of Public Safety effective April 3, 2020.

MOTION: To approve the appointment.
MOVED BY: Councilman Tim McGinley
SECONDED: Commissioner Jerry Notarianni
VOTE: Unanimous

C. Recommend the Airport Board approve the appointment of Matt Gowat, 437 May St., Mayfield PA 18433 to the position of Assistant Airport Superintendent effective February 28, 2020.

MOTION: To approve the appointment.
MOVED BY: Councilwoman Lee Ann McDermott
SECONDED: Commissioner Chris Chermak
VOTE: Unanimous

DISCUSSION: Mr. Beardsley thanked the men for the work they do and looks forward to working with them in their new positions at AVP.

D. Union Agreement

Recommend the Airport Board approve the Agreement between the Wilkes-Barre/Scranton International Airport and Laborers' Int'l Union of North America Local 13-10. Agreement is for five years from January 27, 2020 to January 26, 2025. Key changes to the labor agreement made under the new Agreement:

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PERSONNEL – Cont'd...

- Employees will receive increases in their hourly wages ranging from 2% to 2 ½%/yr for each of the 5 years of the Contract (2020 - 2024), cumulatively totaling 11.9% over the 5 years (average 2.37%/yr).
- Health care contributions, currently 6% for individual and two-person coverage and 6½% for family coverage, increases universally (all tiers) to 13% of premium cost in 2020 and graduates to 15% by the last year of the Contract (2024).
- Earned sick leave, currently 1 day/month (12 max/yr) is reduced immediately to 2/3 day earned/month (8 days max/yr) for new hires and remains at that level. Current employees are grandfathered at 12 days/yr for the term of this Agreement.
- Employees who achieve 25 years of service will receive one (1) paid personal day as a Service Award.

MOTION: To approve the agreement.
MOVED BY: Councilman Tim McGinley
SECONDED: Councilwoman Lee Ann McDermott
VOTE: Unanimous

ITEM 6:
AIRPORT FINANCIAL REPORT:
(Gary Borthwick, Assistant Airport Director)

A. Financial Report.

(1) Revenue – Expense Report.

As noted on the attached profit/loss statements, for the month of January 2020, Airport Operations had a net income totaling \$77,174.00 compared to a net loss of \$52,542.00 in January 2019, which is a difference of \$129,716.00.

Significant variations for those are: Landing revenue is up \$9,547.00; Terminal revenue is up \$4,581.00; Parking revenue is up \$60,850.00; Administrative expenses are down \$28,852.00 due to non-reoccurring expenses (of website upgrade in 2019, Security closed caption servicing and legal expenses); and Garage and Shop expenses have decreased \$12,273.00 because of good weather conditions/less snow removal purchases.

Invoices received since the last meeting for supplies and services totaling \$733,678.52 are presented on the attached sheets for review and approval of the Board. These invoices include major construction project costs of \$430,719.06.

(2) 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.

VOTE: Unanimous.

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ENGINEERING REPORT – Cont'd...

B. Supplement – ACP 16-01 Rehabilitate Taxiways B & D (West)

Recommend the Airport Board approve Supplement No. 3 Agreement between the Wilkes-Barre/Scranton International Airport and McFarland-Johnson Inc. for additional construction monitoring services for the Rehabilitate Taxiways B & D (West) project subject to the FAA, Pennsylvania Department of Transportation - Bureau of Aviation and solicitor's concurrence. Total supplement cost is \$175,182.00. This supplement is issued to cover the remaining cost for additional meetings, negotiations and other administrative tasks that may be necessary to finalize the close-out of the project.

MOTION:
MOVED BY:
SECONDED:
VOTE:

Request the Airport approve the supplement as recommended.
Councilman Tim McGinley
County Manager Dave Pedri
Unanimous.

A. Projects

ACP 14-03

Parking Garage Maintenance

Design Services – Desman Associates
Construction – Krisha Construction, Inc.
Construction Monitoring – Desman Associates

The change order for the additional work was presented and approved at today's meeting. We are working on the schedule for the completion of this work and the remaining work under the original contract.

Current Project Costs are approximately \$750,000
Project payments to date represent approximately 80.14% of total
Funding – State Capital Grant, Airport Funds

ACP 16-01

Taxiways B & D (West) Rehabilitation

Design Services Consultant – CDI - L.R. Kimball.
Contractor – New Enterprise Sand and Limestone (formerly Popple Construction)
Construction Monitoring – McFarland-Johnson, Inc.

We continue to work with the consultant and the contractor on closing out the project and the grant.

Current Project Costs are approximately \$10,593,388.
Project payments to date represent approximately 89.32% of total
Funding – Federal AIP, State Aviation Grant and Airport Generated PFC
Funds

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ENGINEERING REPORT – Cont'd...

ACP 17-14

Taxiway D (East) Rehabilitation

Design Services – C&S Engineering

Contractor – New Enterprise Sand and Limestone

Construction Monitoring – C&S Engineering

We met the construction monitoring team to review the project scope and airport requirements and are working to schedule our pre-construction meeting, anticipating a spring start-up for construction.

Current Project Costs are approximately \$3,540,481

Project payments to date represent approximately 8.87% of total

Funding – Federal AIP, State Aviation Grant and Airport Generated PFC Funds

ACP 18-03

Taxiway B Extension (Runway 4 Approach End)

Design Services – McFarland-Johnson, Inc.

Work continues to progress on the initial contracts for construction which will involve clearing and grubbing of areas for construction.

Current Project Costs are approximately \$1,984,017

Project payments to date represent approximately 20.82% of total

Funding – Federal AIP, State Aviation Grant and Airport Generated PFC Funds

ACP 18-04

Rehabilitate Access Road (Terminal Drive)

Design Services – KBA Engineering, P.C.

Work continues to progress on the design of the pavement rehabilitation. We anticipate bidding in the early Spring.

Current Project Costs are approximately \$177,591

Project payments to date represent approximately 0% of total

Funding – Federal AIP, State Aviation Grant and Airport Generated PFC Funds

ITEM 8

OTHER MATTERS:

(Carl R. Beardsley, Jr., Executive Director)

A. Agreement Extension - FBO

Aviation Technology, Inc. is the Fixed Based Operator (FBO) for the Wilkes-Barre/Scranton International Airport. As the Fixed Based Operator (FBO), Aviation Technologies provides aircraft maintenance, deicing services, aircraft storage and avionics repairs.

Recently, Aviation Technologies has expressed interest in constructing a hangar on the South General Aviation Ramp, which will provide AVP with additional capacity for aircraft storage. This additional space is much

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OTHER MATTERS - Cont'd...

needed as multiple aircraft owners have had to be turned away due to lack of capacity.

In an effort to satisfy the financial requirements dictated by the bank, Aviation Technologies, Inc. has requested that AVP extend the FBO agreement to make it concurrent with the schedule associated with the new hangar.

The Airport requests that the Bi-County Airport Board authorize the term of the FBO agreement be extended until 2038.

MOTION: To accept the agreement extension.
MOVED BY: Councilman Tim McGinley
SECONDED: Commissioner Jerry Notarianni

DISCUSSION: Attorney Frederickson suggested the agreement be made, contingent on entered onto the land lease for the construction of the hangar.

VOTE: Unanimous.

B. Intern

Mr. Beardsley introduced Marywood University Aviation Management student, Craig Kalinoski as our newest intern at AVP.

C. Union Representatives

Mr. Beardsley recognized and thanked the union representatives for working with management in developing a fair and reasonable agreement.

ITEM 9

ADJOURNMENT:
(Debi Domenick, Chairwoman)

MOTION: It is recommended to adjourn the meeting.
MOVED BY: Councilman Tim McGinley
SECONDED: Councilwoman Lee Ann McDermott
VOTE: Unanimous.

The meeting was adjourned at 11:00 A.M.