

**WILKES-BARRE/SCRANTON INTERNATIONAL AIRPORT
BOARD MEETING
MAY 28, 2020**

A regular meeting of the Wilkes-Barre/Scranton International Airport Joint Board of Control was held Thursday, May 28, 2020 via telecommunication devices. The meeting was called to order at 10:30 A.M. with Councilman Timothy McGinley presiding.

PRESENT: Commissioner Jerry Notarianni
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
Attorney Don Frederickson, Lackawanna County Solicitor
Attorney Michael Butera, Luzerne County Solicitor
Michelle Bednar, Luzerne County Controller

ABSENT: Commissioner Debi Domenick
Reggie Mariani, Lackawanna County Chief Internal Auditor
Germaine Helcoski, Lackawanna County Deputy Controller
Mark Majikes, Luzerne County Deputy Controller

ITEM 1

PUBLIC COMMENT:

(Timothy McGinley, Vice-Chair)

NONE.

ITEM 2

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

(Timothy McGinley, Vice-Chair)

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

MOVED BY: Commissioner Jerry Notarianni

SECONDED: Councilwoman Lee Ann McDermott

VOTE: Unanimous.

ITEM 3

DIRECTOR'S REPORT:

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

Executive Director Carl Beardsley reported passenger enplanements for the month of April 2020 decreased **95.1%** to **1,306** from **26,546** in the month of April 2019 due to the COVID-19 Pandemic. Additionally, there were 326 flight cancellations. Load factors remain very low.

On a positive note, Mr. Beardsley noted the Airport saw quite an increase in airport traffic over the Memorial Day weekend. In the past, this Holiday weekend tends to see more automobile traffic, but that was noticeable different this year at AVP.

General Aviation also saw a 65% decrease and revenue were down 54% as well due to COVID-19 Pandemic.

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ITEM 4:

Agreements, Authorizations

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

A. FBO First Amendment

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 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 August 31, 2043.

MOTION: Request the Airport Board authorize the extension of the FBO agreement as indicated.

MOVED BY: Commissioner Chris Chermak
SECONDED BY: Commissioner Jerry Notarianni

DISCUSSION: County Manager David Pedri noted that he will not be voting YES for this extension, only because of the length of the extension.

VOTE: YES: Commissioners Chermak and Notarianni, Councilwoman McDermott, Councilman McGinley.
NO: County Manager Pedri

B. Ground/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 August 1, 2020. The per square foot rate for the hangar is expected to be \$1.10 which is in line with Federal Aviation Administration Fair Market Requirements. Finally, this Agreement defines the rules and regulations

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AGREEMENTS, AUTHORIZATIONS – Cont’d...

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 of \$3,074.61. 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.

DISCUSSION: Solicitor Frederickson noted this agreement is concurrent with the FBO Extension Agreement. He also noted this hangar is being built exclusively through funding by Aviation Technology and the Gallagher Brothers and is not using any Airport money or grants.

MOTION: Request the Airport Board authorize the ground/land lease as presented.

MOVED BY: Commissioner Chris Chermak
SECONDED BY: Commissioner Jerry Notarianni
VOTE: Unanimous.

C. Supplemental Agreement Aviation Technologies, Inc.

Recommend the Airport Board approve a temporary adjustment to the lease between Aviation Technologies, Inc. and the Bi-County Airport Board dba the Wilkes-Barre Scranton International Airport.

The world-wide outbreak of COVID – 19 has caused significant disruptions to air travel and tenant operations. After careful calculation, the airport is recommending the best way to maintain financial health and cash flow, while maintaining air service at AVP, would be to institute a rates and charges adjustment agreement. The airport has offered this agreement to Aviation Technologies, Inc. at AVP to support our tenants during this Pandemic.

The terms of the agreement are found in the attached term sheets.

MOTION: Request the Airport Board authorize the temporary agreement as presented.

MOVED BY: Commissioner Chris Chermak
SECONDED BY: Commissioner Jerry Notarianni
VOTE: Unanimous

DISCUSSION: Solicitor Frederickson recommended that because the recommendations are all similar in content, **Items D, E, F, and G** can be voted on and approved together. All Board Members agreed.

D. Supplemental Agreement Topsy Turtle Airport Pub Inc.

E. Supplemental Agreement Best Western Plus, dba Dunmore Airport Associates, Inc.

F. Supplemental Agreement SP Plus Corporation

G. Airlines Ratified Agreements

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Recommend the Airport Board approve a temporary adjustment to the lease agreement between Topsy Turtle Airport Pub Inc., the Best Western Plus, dba Dunmore Airport Associates, Inc., SP Plus Corporation, American Airlines, Delta Air Lines and United Airlines and the Bi-County Airport Board dba the Wilkes-Barre Scranton International Airport.

The world-wide outbreak of COVID – 19 has caused significant disruptions to air travel and tenant operations. After careful calculation, the airport is recommending the best way to maintain financial health and cash flow, while maintaining air service at AVP, would be to institute a rates and charges adjustment agreement. The airport has offered these agreements to these tenants at AVP to support them during this Pandemic.

The terms of the agreements are attached.

MOTION: Request the Airport Board authorize the temporary agreements as presented
MOVED BY: Councilwoman Lee Ann McDermott
SECONDED BY: Commissioner Chris Chermak
VOTE: Unanimous

H. Authorization to Bid
(Gary Borthwick, Assistant Airport Director)

Request the Airport Board authorize the solicitation for bids for Repair and Maintenance on the Airport Elevators and Escalators.

MOTION: Request the Airport Board approve the authorization.
MOVED BY: Commissioner Chris Chermak
SECONDED BY: County Manager David Pedri
VOTE: Unanimous

ITEM 5:
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 April 2020, Airport Operations had a loss totaling **\$416,287.00** compared to an income of **\$213,248.00** in April 2019, which is a difference of **\$629,535.00**. Year to date the Airport has a loss of **\$274,015.00** compared to an income in 2019 of **\$126,566.00**, which is a difference of **\$400,581.00**.

Invoices received since the last meeting for supplies and services for the month of April totaling **\$385,113.86** are presented on the attached sheets for review and approval of the Board. These invoices include major construction project costs of **\$101,488.00**.

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FINANCIAL REPORT – Cont'd...

(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.

Master Plan Update
ACP 15-02

McFarland Johnson \$ 546.00
Invoice# 26, dated 4/9/2020, for planning.

QTA Facility for Car Rental
ACP 15-04

Conrac Solutions \$100,942.00
Invoice #AVP-P1.2-003, dated 4/30/2020, for contract negotiation and drafting.

The following PFC transfers are recommended for Airport Board Approval. PFC Drawdown #2020/2&3 (Check #1099)

Master Plan Update
Project #12-003

McFarland Johnson \$546.00 CIP 19615-02

We request the Airport Board approve these transactions and payments.

MOTION: Request the Airport Board approve the above transactions, payments, and transfers as indicated.
MOVED BY: Councilwoman Lee Ann McDermott
SECONDED BY: Commissioner Chris Chermak
VOTE: Unanimous.

ITEM 6

ENGINEERING REPORT:

(Steve Mykulyn, P.E., Director of Engineering)

A. Projects

ACP 14-03
Parking Garage Maintenance

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

We met last week with the contractor and consultant for the project and discussed project restart. Work on the project will resume next week. We also discussed COVID Safety measures in accordance with guidance for construction provided by the PA Department of Labor and Industry. Work remaining on the project includes; application of a waterproofing membrane on the roof level, completion of expansion and control joint repairs and installation of new fire suppression system piping.

Current Project Costs are approximately \$750,000

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ENGINEERING REPORT – Cont'd...

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.

No Change in Status. We continue 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

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 recently with the Contractor, the Consultant and AVP staff to
hold a pre-construction conference. We discussed project start up,
requirements for the work and project scheduling. We are working on
establishing a notice to proceed date for the work. PA Department of
Labor and Industry COVID safety measures for construction were also
discussed for this project.

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.

Design work on this project continues in anticipation of bidding the first
phase of construction late this summer. We will be completing the FAA
AIP FY 2020 Grant that will fully fund the remaining design effort.

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.

We continue to work with the consultant on the design of this
rehabilitation and entryway enhancement project.

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ENGINEERING REPORT – Cont'd...

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 7

OTHER MATTERS:

(Gary Borthwick, Assistant Airport Director and Carl R. Beardsley, Jr., Executive Director)

A. CARES Grant.

Assistant Airport Director Gary Borthwick reported the \$20.8 Million Dollar CARES Grant awarded to AVP is available for drawdown. We completed our first transaction for \$875,000.00 that will cover most of March, April and May expenses which include salaries and wages, healthcare costs and utilities. We will be looking at an additional drawdown to cover our operations and maintenance cost, but that will be more entailed as all invoices must be provided to the FAA for approval.

B. PERSONNEL:

1. Recommend Airport Board approve the promotion of Brian Russo, 916 Cherry St., Avoca PA from the position of Custodian to Maintenance effective June 1, 2020.

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

2. Recommend Airport Board approve the promotion of Ben Turner, 519 Brook St., Scranton PA from the position of Custodian to Maintenance effective June 1, 2020.

MOTION: To approve the appointment.
MOVED BY: Commissioner Jerry Notarianni
SECONDED: Commissioner Chris Chermak
VOTE: Unanimous.

C. MARKETING VIDEO

Eric McKitish, Director of Communications and Air Service Development introduced and showed a video AVP recently produced in response to the COVID-19 Pandemic. The video will be displayed on all social media outlets as well as distributed to the Chambers, CVBs, media outlets and Counties for circulation.

DISCUSSION: Councilman McGinley noted the Airport is open and fully operational under this Pandemic. He expressed appreciation to all of AVP's tenants and staff for their continued hard work, while overcoming the obstacles associated with COVID-19.

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OTHER MATTERS - Cont'd...

Commissioner Chermak echoed Mr. McGinley's sentiments. He also thanked Carl and his team for the great job they continue to do every day. The decisions made today to assist the tenants and airlines was critical in overcoming these times.

ITEM 8

ADJOURNMENT:

(Debi Domenick, Chairwoman)

MOTION:	It is recommended to adjourn the meeting.
MOVED BY:	Councilwoman Lee Ann McDermott
SECONDED:	Commissioner Chris Chermak
VOTE:	Unanimous.

The meeting was adjourned at 11:05 A.M.