Susquehanna Area Regional Airport Authority
Meeting Minutes
March 25, 2015

A meeting of the Susquehanna Area Regional Airport Authority (SARAA or the Authority) was called to order by Mr. Sembach, Chairman, at 8:00 a.m., Wednesday, March 25, 2015, at the Harrisburg International Airport.

Roll call was taken with the following members, constituting a quorum, present:

Keith Chase	James Gross	Keith Rodgers
Bennett Chotiner	James Helsel	Fred Sembach
*Nick DiFrancesco	Stephen Libhart	Carolyn Van Newkirk
Ryan Grigsby		

*Mr. DiFrancesco arrived after Roll Call was taken.

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Michael Winfield (Rhoads & Sinon), David Spaulding (Deputy Director of Engineering and Planning), Belinda Svirbely (Deputy Director, Operations and Security), Tom Peiffer (Deputy Director, Finance & Administration), Scott Miller (Deputy Director, Advertising & PR), Kevin Bryner (Deputy Director, Information Technology), and Camille Springer (Executive Assistant)

Public Comments:

Carl Adkins, General Manager, AvFlight: Mr. Adkins thanked staff for keeping the runways and taxiways open during weather conditions. He said he really appreciates their efforts.

Consent Calendar:

Mr. Sembach said there are four items for the Consent Calendar as follows:

1. Minutes of the February 25, 2015 Board Meeting
2. Six-Month Insurance Extension
3. 2015 Legislative Priorities
4. Route 230 Sign

Motion: A motion was made by Mr. Libhart to approve the Consent Calendar items. The motion was seconded by Mr. Helsel and unanimously approved. Mr. DiFrancesco was not present when this vote was taken.

Executive Committee:

a) Credit Card Processing Services RFP: Mr. Sembach reported that staff published a Request for Proposals for Merchant Services and Credit Card processing in December, 2014. After evaluation of the proposals by a four member airport staff committee, the Bank of America Merchant Services of Atlanta, Georgia is being recommended because they had the best overall ranking. SARAA expects to see a savings of approximately 20% when compared to the credit card fees that are being paid now.

Motion: A motion was made by Mr. Rodgers that the Board allow the Executive Director, or in his absence the Deputy Executive Director, to sign a contract with the Bank of America Merchant Services of Atlanta, GA for merchant services and credit card processing. The agreement will be for three years of service with two, one-year options. The motion was seconded by Mr. Chotiner and unanimously approved. Mr. DiFrancesco was not present when this vote was taken.

b) 2015 Nominating Committee: Mr. Sembach appointed the following Board members to the 2015 Nominating Committee: Ms. Van Newkirk (Chair), Mr. Chotiner and Ms. Bell. They will report at the December, 2015 Board meeting.

Airport Operations Committee:

a) Shaner Hotel Holdings Letter of Intent: Mr. Edwards reported that this is to obtain Board approval to execute a Letter of Intent for a ground lease for part of the parking lot across from the old HIA terminal site. Shaner Hotel Holdings is proposing to build a hotel with meeting space and a restaurant. This ground lease is being reviewed by legal counsel and is subject to their revisions.

Motion: A motion was made by Mr. Chase that the Board allow staff to continue negotiations with Shaner Hotel Holdings, based on the Letter of Intent for a ground lease for 3.2 acres of land across the street from the old terminal site, subject to revisions recommended by SARAA legal counsel, and to allow the Executive Director to fully execute the revised Letter of Intent. The motion was seconded by Mr. Chotiner and unanimously approved. Mr. DiFrancesco was not present when this vote was taken.

b) Engineering Services, Well Head Pilot Treatment, HIA: Mr. Sembach reported this is to provide engineering services in support of a well head treatment demonstration project. Mr. Edwards said that this is a test site at Well #9 to see if the granular activate charcoal filter would be effective in filtering out the PFIOS contamination. If it is effective, SARAA would look at the possibility of installing a permanent system at the water plant so that the PFOS is filtered out

from the source. Glace Associates is recommended to provide these services due to their previous work on the PFOS issue.

Motion: A motion was made by Mr. Libhart that the Board award a contract to Glace Associates, Inc. of Camp Hill, Pennsylvania in an amount not-to-exceed $49,800 to provide engineering services in support of a well head treatment demonstration project, and to authorize the Executive Director or Deputy Executive Director to sign the contract and funding related documents. The motion was seconded by Mr. Gross and unanimously approved. Mr. DiFrancesco was not present when this vote was taken.

Executive Director's Report:

a) Financials & Dashboard: Year to date Total Operating Revenues were up 3.2% compared to budget, mainly attributable to the new rate and charges under the new Airline Operating Agreement. Year to Date Total Operating Expenses were down .3% compared to budget.

b) Project Update: Mr. Edwards reported that two projects are currently in progress. Work began on the Snow Removal Equipment Storage Building one week ago, and work began on the Sheetz Convenience Store in February. Sheetz started paying rent in March. He also reported that there are six projects that will begin construction work in the spring--one at HIA, four at Capital City Airport, and one at Franklin County Regional Airport. There are four projects going out to bid in the spring--one at HIA, two at Capital City Airport and one at Gettysburg Regional Airport.

c) Enplanement Report: Mr. Edwards reported that Total Passengers are up 2.3% year-to-date, which is where we expected to be mainly because Frontier is still serving the market. The year-to-date Departing Load Factor is down 4.6% vs. last year, but still strong at 78.6. Total Operation (take-offs and landings) were down slightly at HIA and down 3.6% at Capital City Airport.

d) First Quarter Strategic Plan Implementation: Mr. Edwards reported on the Action Tracker portion of the Strategic Plan. Specifically, he reported on the activities that occurred in the first quarter of 2015 and progress SARAA hopes to achieve in the upcoming quarters. Discussion ensued. Mr. Chase suggested that in the future the report should be limited to five to ten minutes of highlighted items, and have staff pick one or two items that are challenging and have Board discussion on those items. He suggested that the two columns should be changed to "Progress of Note" and "Upcoming Activities of Note". He also emphasized that for the Board, the reporting should be limited to highlights, or exception-based reporting, and should be done quarterly.

Other Matters:

Bethlehem Steel Property: Mr. Edwards reported that staff has been approached by a trucking company who would like to lease eight acres of the Bethlehem Steel Property. The original term of the lease is one year, and from there goes month to month. SARAA can terminate the lease at

any time with 60 days' notice. The lease is for the purpose of parking tractor trailers and doing some repairs. The monthly rent would be $10,528.00 after 6% commission. Mr. Edwards requested that the Board allow him to sign the agreement, and ratify it at the next Board meeting. This agreement has been reviewed by Rhoads & Sinon. Mr. Helsel cautioned about the potential environmental impact on the property especially if repairs are done. The Board agreed to allow Mr. Edwards to sign the agreement with the intent that the Board will ratify it at the April Board meeting.

Board Member Comments:

All of the Board members commented that the Board Planning Session was very informative, stimulating, inspiring and had excellent speakers.

Mr. Chotiner: Mr. Chotiner commented that he liked the idea that this airport can recruit airlines by demonstrating to them that it would be cheaper for them to fly out of HIA. He also commented that regarding the Shaner Hotel project, he recommended that it should be an upscale property.

Mr. Chase: Mr. Chase said he thought it was interesting that assessing the air cargo market has a lot to do with the inbound component. He suggested that staff talk to companies that do supply chain logistics on the ground and getting their ideas on what it would be required to amass more air cargo. Mr. Edwards responded that staff began that conversation with Woodmont as it relates to their understanding of the cargo market and how SARAA can better capitalize on the air freight side.

Mr. Libhart: Mr. Libhart thanked staff for their efforts especially during the winter weather.

Mr. Grigsby: Mr. Grigsby felt that attracting Chinese travelers through HIA would help with SARAA's strategic initiative. He said that in 2014 President Obama passed a "tourist Visa extension" for Chinese travelers. Mr. Grigsby feels that we should tap into that market to bring more enplanements to HIA.

Mr. DiFrancesco: Mr. DiFrancesco said that the strategy we are employing to make us stand out is logical and makes sense. He said he also agrees with the Chinese strategy. He commented that regarding the lease of the Bethehem Steel property to park tractor trailers, staff should be aware of the potential environmental impact.

Mr. Sembach: Mr. Sembach thanked Mr. Chase for helping him with the Board Planning Session.

Next Board Meeting:

Wednesday, April 29, 2015, 8:00 a.m.
Harrisburg International Airport

Adjournment:

There being no further business to discuss, Mr. Sembach adjourned the meeting at 9:06 a.m.

Respectfully submitted:

James H. Anderson, III
SARAA Secretary
Prepared by: Camille Springer