

Susquehanna Area Regional Airport Authority
Meeting Minutes
October 26, 2022

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Helsel at 8:00 a.m., on Wednesday, October 26, 2022. The following Board members were in attendance:

Christopher Abruzzo	Brian Enterline	William Leonard
James Anderson	James Gross	Stephen Libhart
Keith Bashore	James Helsel	*Carolyn Van Newkirk
Bennett Chotiner	Erik Hume	Nelva Wright

*Ms. Van Newkirk arrived after Roll Call was taken.

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Michael Winfield (Post & Schell), Scott Miller (Deputy Director, Advertising & PR), Kevin Bryner (Deputy Director, IT), Michael Moskal (Deputy Director, Finance & Business Administration), Belinda Svirbely (Deputy Director, Operations, Security & Public Safety), Lou Pirozzi (Deputy Director, Engineering & Planning), Mick Burkett (Deputy Director, Human Resources) and Camille Springer (Executive Assistant).

Public Comments:

Colonel Ed Fink: Colonel Fink announced that he is assuming command of the 193 Special Operations Wing at the Air National Guard Station at HIA. He said that he is very interested in developing a relationship with the HIA leadership. He introduced Chief Robert Smith and Eric McKissick, also of the 193 Special Operations Wing.

Appointment of Nominating Committee/Chairman Helsel:

Mr. Helsel appointed the following Board members to the Nominating Committee:

Don Geistwhite, Chair
Nelva Wright
Steve Libhart

The Nominating Committee will report at the December 7th Board meeting.

Consent Calendar:

Mr. Helsel said this is to approve two Consent Calendar items, non-controversial items costing less than \$10,000.

1. Minutes of the September 28, 2022 Board Meeting
2. Premier Flight Training Operating Agreement, CXY

Motion: A motion was made by Mr. Enterline that the Board approve the Consent Calendar items. The motion was seconded by Mr. Anderson and unanimously approved.

Executive Committee:

a) **Resolution Authorizing the Executive Director to Sign the PennVEST Documents:** Mr. Edwards reported that this is for the Board to authorize Timothy Edwards, Executive Director, to serve as the authorized signatory for the Board Chairman, and Michael Moskal, Deputy Director of Finance and Administration, to serve as the authorized signatory for the Keeper of Records, and to execute any documents required for PENNVEST settlement process in relation to the Water Treatment Plant and Well Upgrades Project. SARAA was awarded a 100% principal forgiveness loan (grant) in the amount of \$6,700,809 from the Pennsylvania Infrastructure Investment Authority for the Water Treatment Plant and Well Upgrades Project at HIA. The PENNVEST settlement process requires the signature of the SARAA Board chairman and the Keeper of Records as authorized signatories. Official Board action is required to authorize alternative authorized signatories for the PENNVEST settlement process.

Motion: A motion was made by Mr. Gross that the Board authorize Timothy Edwards, Executive Director, to serve as the authorized signatory for the Board Chairman, and Michael Moskal, Deputy Director of Finance and Administration, to serve as the authorized signatory for the Keeper of Records and to execute any documents required for PENNVEST settlement process in relation to the Water Treatment Plant and Well Upgrades Project. The motion was seconded by Mr. Libhart and unanimously approved.

Airport Operations:

a) **Access Control System:** Mr. Edwards reported that is for the approval of the consultant selection for the Airport Access Control System Replacement project. On August 26, 2022 SARAA advertised for consultant services for an Airport Access Control Replacement project. The project involves the review and evaluation of the airport's existing access control system, including the physical security components. Nine proposals were received. Four of the proposals were moved to final selection. The recommendation is to award the contract to the Faith Group in the amount of \$97,280 based on their highest ranked score. Funding is programmed in SARAA's 2022 CIP budget for this project.

Motion: A motion was made by Mr. Chotiner that the Board award a contract to the Faith Group in the amount of \$97,280.00 for the Airport Access Control System Replacement project and authorize the Executive Director to sign the contract documents. The motion was seconded by Mr. Libhart and unanimously approved.

b) CXY Remove Obstructions, Phase 4: Mr. Edwards reported that this is to authorize the Executive Director to execute a Professional Services Contract with Urban Engineers of Baltimore, Maryland, in an amount not-to-exceed \$159,100 to provide design, packaging, and bid phase services for the second construction phase project to remove obstructions on the approach end of Runway 8 at the Capital City Executive Airport. Urban's services will include completing final design, developing the project manual for bidding, issuing bid documents, providing bidding assistance, issuing addendums, reviewing bids and providing a recommendation for award. Urban is recommended to provide the services because they are the engineer of record for this project. These costs are eligible for reimbursement through an FAA Airport Improvement Program grant. The FAA will provide 90% reimbursement. SARAA will provide a 5% local match.

Motion: A motion was made by Mr. Bashore that the Board authorize the Executive Director to execute a Professional Services Contract with Urban Engineers of Baltimore, Maryland in an amount not-to-exceed \$159,100 to provide design, packaging, and bid phase services for the second construction phase project to remove obstructions on the approach end of Runway 8 at the Capital City Executive Airport. The motion was seconded by Mr. Leonard and unanimously approved.

c) Solid Runway Deicing Contract: Mr. Edwards reported that this is to approve a 5-year contract with New Deal Deicing in the amount of \$86,120 to provide Solid Runway Deicing Chemical at HIA. This contract was recently placed out to bid. Three bid packages were received. New Deal Deicing was the lowest bidder and has provided excellent customer service in the past. This contract allows for an annual price adjustment based on the cost of raw materials to be agreed to by both parties. This contract is entirely paid by airport operating funds.

Motion: A motion was made by Mr. Libhart that the Board approve a 5-year contract with New Deal Deicing in the amount of \$86,120 to provide Solid Runway Deicing Chemical at HIA, and to authorize the Executive Director to sign the contract. The motion was seconded by Mr. Abruzzo and unanimously approved.

d) Liquid Runway Deicing Contract: Mr. Edwards reported that this is to approve a 5-year contract with Na-Churs Alpine Solutions, Industrial in the amount of \$1,572,500 to provide Liquid Runway Deicing Chemical (Potassium Acetate) at HIA. This contract was recently placed out to bid. Two bid packages were received. The low bidder was Na-Churs Alpine Solution, Industrial. This contract allows for an annual price adjustment based on the cost of raw materials to be agreed to by both parties. This contract is entirely paid by airport operating funds.

Motion: A motion was made by Mr. Libhart that the Board approve a 5-year contract with Na-Churs Alpine Solutions, Industrial in the amount of \$1,572,500 to provide Liquid Runway Deicing Chemical at HIA, and to authorize the Executive Directors to sign the contract. The motion was seconded by Mr. Abruzzo and unanimously approved.

e) GRA Construct South Apron, Phase 6: Mr. Edwards reported that this is to authorize the Executive Director to execute a Professional Services Contract with TranSystems in an amount not-to-exceed \$78,648 to provide project bid and award services for Phase VI of the South Aircraft Parking Apron at GRA. This phase of the project will include completing final design, developing the project manual for bidding, issuing bid documents, providing bidding assistance, issuing addendums, reviewing bids and providing a recommendation for award. TranSystems is recommended to provide the bid and award phase services because they are the engineer of record for this project. The FAA will provide 90% reimbursement. SARAA will provide a 5% local match and apply for a 5% State matching grant.

Motion: A motion was made by Mr. Leonard that the Board authorize the Executive Director to execute a Professional Services Contract with TranSystems of Harrisburg, Pennsylvania in an amount not-to-exceed \$78,648 to provide project bid and award services for Phase VI of the South Aircraft Parking Apron at GRA. The motion was seconded by Mr. Libhart and unanimously approved.

f) Change Order #1 for Parking Revenue Control System: Mr. Edwards reported that this is to authorize the Executive Director to execute Change Order #1 for HUB Parking Technology USA, Inc. in a net amount of \$53,501.13 to change equipment in exit lanes to enhance automation, replace gates in the parking garage and add signage to the parking garage. The new contract amount will be \$902,501.13. Throughout the installation process, HUB, SARAA and Reef Parking have worked closely to further evaluate the needs of the system and the parking areas. The following improvements were suggested for the PRCS:

1. Fully automate two exit lanes in the long-term lot and two exit lanes in the garage.
2. Add six gates into the helices of the parking garage to protect against wrong-way traffic.
3. Addition of space count signs on the “up” helix.

Final documentation for the Change Order will be reviewed by the Engineer and SARAA Counsel. Funding for the change will come from the SARAA Capital Budget.

Motion: A motion was made by Mr. Leonard that the Board authorize the Executive Director to execute Change Order #1 for HUB Parking Technology USA, Inc. in a net amount of \$53,501.13 to change equipment in exit lanes to enhance automation, replace gates in the parking garage, and add signage to the parking garage. The new contract amount will be \$902,501.13. The motion was seconded by Mr. Enterline and unanimously approved.

g) Piedmont Hangar Ground Lease, HIA): Mr. Edwards reported that this is to authorize the Executive Director to execute a lease agreement with Pennsylvania Commuter Airlines, Incorporated (Piedmont Airlines). The current ground lease for Pennsylvania Commuter Airlines, Incorporated expired on August 31, 2022. A recently

approved holdover agreement expires on October 31, 2022. SARAA has proposed a new agreement with Piedmont under the following terms:

- Term: 5 years with two 5-year options.
- Starting Rate: \$2,715.37/month, or \$0.29 per square foot per year
- Rate adjustments: \$0.012 per square foot per year increase for each of the first five years.
- Building ownership: Building ownership will transfer to SARAA.
- Maintenance requirements: Triple net lease; all improvements, maintenance and taxes are the responsibility of the Lessee.

The final agreement will be reviewed by SARAA counsel.

Motion: A motion was made by Mr. Enterline that the Board authorize the Executive Director to execute a lease agreement with Pennsylvania Commuter Airlines, Incorporated (Piedmont Airlines). The motion was seconded by Mr. Libhart and unanimously approved.

h) **Design Third Street Intersection, Amendment #7:** Mr. Edwards reported that this is to authorize the Executive Director to execute a supplemental professional service agreement with Urban Engineers to increase the contract amount of \$36,990 for a new total contract amount not-to-exceed \$612,563. This is required to complete the design and bid phase services for the reconstruction of the Third Street Intersection at HIA. In March 2022, the SARAA Board of Directors approved contract Amendment #6 attributed to wage increases, designing additional utility relocations and changing the final configuration from a “T” intersection to a safer, more efficient circulatory roadway. The supplemental design costs requested under this Amendment #7 are attributed to additional electric and water relocations, utility company coordination, EDA Grant compliance measures, and subsurface investigation required to finalize the design and bid package. The costs for the services will be paid from SARAA’s Capital Improvement Account.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to execute a supplemental professional service agreement with Urban Engineers of Philadelphia, Pennsylvania, to increase the contract amount of \$36,990 for a new total contract amount not-to-exceed \$612,563. This is required to complete the design and bid phase services for the reconstruction of the Third Street Intersection at HIA. The motion was seconded by Ms. Wright and unanimously approved.

Executive Director’s Report:

a) **Financials & Dashboard (through August):** Total YTD Airline Revenues were \$7.1 million vs \$7.2, or 1.2% below budget. Total YTD Non-Airline Revenues were \$12.5 million vs \$11.4 million budgeted, or 9.5% better than budgeted. Total YTD Operating Revenues were \$19.7 million. Total YTD Operating Expenses were \$13.9 million vs \$14.2 million

budgeted, or 2.4% below budget. Net Operating Revenue is \$5.8 million YTD. Total Non-operating items were (\$7.4 million), resulting in a Variance to Budget of (\$1,614,217). Adding the Extraordinary Cash Inflows resulted in a Net Position of \$1,675,301. The Debt Coverage Ratio is 2.01 on a 1.25 requirement. On the Sales and Revenue Summary, YTD enplanements are 29.2% above YTD 2021 enplanements. Food/Gift sales are 53% over YTD 2021 sales. Car Rental Sales were 26% above YTD 2021 sales. Variable Revenue is \$12.8 million, up 20% YTD. The CPE was \$11.80; last year it was \$19.38. On the Accounts Receivable Trade Summary report, 94% of remittances outstanding at 60+ days is comprised by 4 vendors.

b) Project Update: Mr. Edwards reported on the following:

HIA:

HIA Cargo Apron Expansion, Phase 4: The permeation grouting for dual 60" pipes is complete. Taxiway A has reopened.

Airport Drive Phase 3B, Third Street Intersection: A prebid meeting was held on 10/21/2022. The bid opening is scheduled for 11/14/2022.

Water Plant PFOS Remediation Upgrade: The PENNVEST settlement is scheduled for 11/17/2022. The Notice To Proceed is anticipated for 12/5/2022.

Baggage Handling System Control: FY 2023 BIL ATP Grant Application was submitted on 10/21/2022.

Capital City Executive Airport:

Rehabilitate Taxiways B,C: Secured \$1.3 million FAA/State funding for Base Bid & Additive 1.

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase V: The NOA sent to Shiloh Paving & Excavating on 10/24/2022.

Franklin County Regional Airport:

Construct Snow Removal Equipment Building: The contractor is working on punch list items.

c) Enplanement Report: Mr. Edwards reported that YTD traffic was up 29% vs 2021, or 3% over budget, at 83% of 2019 record. YTD 2022 is 1% ahead of 5-year average prior to 2019 and 2% below the 10-year average prior to 2019. American Airlines continues to be the dominant airline at MDT. YTD cargo tonnage is down 10% vs last year.

Bond Refunding Recap: SARAA refunded \$72.9 million of 2012 bonds with \$72.3 million of 2022 bonds. Total principal savings were realized through SLGS interest earnings for funds held in escrow between the 2022 bonds closing date and 2012 bonds 1/1/23 call date, a release from the debt service reserve fund related to the lower requirement on the decreased overall debt and offset by costs of issuance. The 2012 A&B bonds were issued at 5% and 4% interest rates respectively, and the 2022 A&B bonds were refunded at 2.96% and 3.03% respectively, resulting in total cash savings to SARAA of \$4.85 million.

Strategic Plan Update: An in-person meeting was held on Thursday, October 20th to discuss objectives and themes. A follow-up meeting will be held on Thursday, October 27th. The

Strategic Planning Partners will present at the Executive Committee meeting on Friday, November 18th. A recommendation will be presented to the Board at the Board meeting on Wednesday, December 7th.

Executive Session: Mr. Helsel did not convene an Executive Session.

Board Member Comments:

Mr. Chotiner: Mr. Chotiner said that he enjoys serving on the Board and appreciates staff efforts.

Mr. Abruzzo: Mr. Abruzzo said he used the TSA precheck and said it is very convenient. He said it is a great service to area residents.

Mr. Leonard: Mr. Leonard said that the Strategic Planning efforts are going well. He also said the refinancing is noteworthy and complimented the finance team.

Mr. Helsel: Mr. Helsel thanked Mr. Moskal and the finance team for their efforts with the refinancing.

Ms. Enterline: Mr. Enterline thanked staff for their efforts.

Ms. Wright: Ms. Wright thanked the finance team for their efforts with the refinancing.

Mr. Anderson: Mr. Anderson said the TSA precheck is a great service.

Next Board Meeting:

**Wednesday, December 7, 2022, 8:00 a.m.
Harrisburg International Airport**

Adjournment:

There being no further business to discuss, Mr. Helsel adjourned the meeting at 9:51 a.m.

Respectfully submitted:

Erik Hume,
SARAA Secretary

Prepared by Camille Springer