

Susquehanna Area Regional Airport Authority
Meeting Minutes
September 28, 2022

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Helsel at 8:00 a.m., on Wednesday, September 28, 2022. The following Board members were in attendance:

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

*Mr. Chotiner 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)

Attending via Teleconference:

Valerie Allen, Ballard Spahr
Kevin Gold, Pillar+Aught

Public Comments: None.

Moment of Silence: Chairman Helsel paused the meeting for a Moment of Silence regarding the recent passing of Jim Gross' wife.

Police Officer Oaths:

The following Police Officers were sworn into office by Chairman Helsel:

- Officer Daniel Martinez
- Officer Anthony Naranca

Consent Calendar:

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

1. Minutes of the August 31, 2022 Board Meeting
2. JVI Group Short Term Ground Lease

3. Department of Transportation Lease Agreement

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

Executive Committee:

a) **Adopt the Board Resolution to Initiate the 2022 Bond Refinancing:** Mr. Edwards reported that this is for the Board to formally initiate the 2022 Bond Refinancing by adopting the enabling Board Resolution. The Resolution was prepared by SARAA's bond counsel, Ballard Spahr. This Resolution empowers the Finance Committee and the Chairman to act on behalf of the Board. The Resolution does the following:

- Approves the 2022 Project
- Authorizes the Finance Committee and Chairman to make decisions and take various necessary actions to move the process along unimpeded.
- Engages M&T Trust Company as the trustee for the bonds
- Authorizes Board Officers to execute and issue the 2022A&B Bonds
- Confirms and authorizes the Bond Counsel, Ballard Spahr LLP; Financial Adviser, PFM Financial Advisors; Solicitor, Post & Schell

Motion: A motion was made by Mr. Gross that the Board initiate the 2022 Bond Refinancing by adopting the enabling Board Resolution. The motion was seconded by Mr. Rodgers and unanimously approved.

b) **Ratification of Agreement with the HIA Police Officers Association:** Mr. Edwards reported that in January, the 2022 Performance Reward Program was announced for non-unionized employees. Legally, an employer cannot unilaterally implement changes, even favorable ones, with a union without bargaining over those change. The Association filed both an unfair labor practice charge with the Pennsylvania Labor Relations Board (PLRB), and a grievance with the American Arbitration Association (AAA). To resolve the charge and grievance prior to a hearing and decision on the merits, the parties engaged in bargaining. The parties agreed to use the PLRB's conciliation service. That process resulted in the proposed Agreement on September 1, 2022, by which Association members are eligible for the Reward Program in exchange for SARAA's ability to distribute mandatory overtime among all Officers based on a "fairness score". The benefit to SARAA is that it can control the assignment of mandatory overtime to ensure it is done in a fair and equitable manner. If approved, the potential economic impact of up to ten Association members receiving the bonus is approximately \$10,000, assuming all bonus criteria are all met. The overtime equalization process will more evenly distribute overtime at all levels of seniority.

Motion: A motion was made by Mr. Enterline that the Board ratify the proposed settlement agreement between SARAA and the Harrisburg International Airport Police

Officers Association. The motion was seconded by Mr. Anderson and unanimously approved.

c) General Business Insurance Renewal: Mr. Edwards reported that this is for the Board to award the General Insurance Program Renewal for the year of October 1, 2022 – September 30, 2023 to the insurance companies proposed by SARAA's Insurance broker, Arthur J. Gallagher & Co. for \$590,727. Overall, there is an 8% increase in premiums due primarily to the increases in property values and business auto increases. The \$590,727 of premium will be paid from SARAA's operating budget.

Motion: A motion was made by Ms. Wright that the Board award the General Insurance Program Renewal for the year of October 1, 2022 – September 30, 2023 to the insurance companies proposed by SARAA's insurance broker, Arthur J. Gallagher & Co. of Mt. Laurel, New Jersey, for \$590,727. The motion was seconded by Mr. Libhart and unanimously approved.

d) Workers' Compensation Insurance: Mr. Edwards reported that this is to approve renewing SARAA's workers' compensation policy with Encova for the October 1, 2022 – September 30, 2023 policy period at an annual cost of \$125,677, a decrease of 3.88%. Encova has provided SARAA's workers' compensation insurance for at least the last eight years. Claim administration and service have been acceptable. The premium will be paid out of SARAA's general fund. The annual premium is \$125,677 based on expected annual payroll. This is a reduction of 3.88% compared to the current expiring policy.

Motion: A motion was made by Mr. Libhart that the Board approve renewing SARAA's workers' compensation policy with Encova for the October 1, 2022 – September 30, 2023 policy period at an annual cost of \$125,677, a decrease of 3.88%. The motion was seconded by Mr. Leonard and unanimously approved.

e) Health Insurance Renewal: Mr. Edwards reported that this is a recommendation for the Board to select Capital Blue Cross (CBC) as SARAA's health insurance carrier for the October 1, 2022 – September 30, 2023 policy period. CBC's proposal is an 18% increase over Aetna's expiring premium. The new annual cost to SARAA is \$1,276,674. Aetna initially proposed a 42% increase in premium attributed to several high-cost claimants. CBC's most cost-effective plan design includes a \$4,000 individual deductible and \$8,000 family deductible with SARAA providing an HRA that provides \$3,750 per individual, and \$7,500 per family leaving employees with a deductible responsibility of \$250 and \$500 respectively. Premium costs are shared between SARAA and its employees, with SARAA continuing to fund 100% of employee only coverage and most of the dependent coverage costs.

Motion: A motion was made by Mr. Leonard that the Board select Capital Blue Cross (CBC) as SARAA's health insurance carrier for the October 1, 2022 – September 30, 2023 policy period, with a new annual cost to SARAA of \$1,276,674. The motion was seconded by Mr. Libhart and unanimously approved.

Airport Operations:

a) Construct South Aircraft Parking Apron/Award Construction - GRA Phase V: Mr. Edwards reported that this is for the Board of Directors to authorize the Executive Director to award and execute a construction contract to Shiloh Paving & Excavating, Inc. for the Base Bid in the amount of \$1,349,022 to continue phased construction of the South Aircraft Parking Apron at Gettysburg Regional Airport. Two firms submitted bids consisting of a Base Bid and one Additive. Bids were opened on August 10, 2022 via PennBID. SARAA's review determined both bidders to be responsible, responsive, and as having acceptable cost ranges based on the Engineer's bid estimate. FAA funding representing 90% of the construction costs has been secured through a \$1,214,120 AIP Grant.

Motion: A motion was made by Mr. Enterline that the Board authorize the Executive Director to award and execute a construction contract to Shiloh Paving & Excavating, Inc. of York, Pennsylvania for the Base Bid in the amount of \$1,349,022 to continue phased construction of the South Aircraft Parking Apron at Gettysburg Regional Airport. The motion was seconded by Mr. Anderson and unanimously approved.

b) Construct South Aircraft Parking Apron/Award CA Services – GRA Phase V: Mr. Edwards reported that this is to authorize the Executive Director to execute a Professional Services Contract with TransSystems in an amount not-to-exceed \$58,391 to provide Construction Administration Services (CAS) for continued phased construction of the South Aircraft Parking Apron at Gettysburg Regional Airport. SARAA's 2022 Airport Capital Improvement Program includes a project to continue the next phase of the South Aircraft Parking apron's multiphase construction at Gettysburg Regional Airport. Phase V will focus on paving the new apron area previously prepared in the subsequent phase. TranSystems is recommended to provide the CAS because they are the engineer of record for the project. FAA funding has been secure for CAS as part of the \$1,475,759 AIP Construction Grant.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to execute a Professional Services Contract with TransSystems of Harrisburg, Pennsylvania in an amount not-to-exceed \$58,391 to provide Construction Administration Services (CAS) for continued phased construction of the South Aircraft Parking Apron at Gettysburg Regional Airport. The motion was seconded by Mr. Rodgers and unanimously approved.

c) Construct South Aircraft Parking Apron/Award CM Services – GRA Phase V: Mr. Edwards reported that this is to authorize the Executive Director to execute a Professional Services Contract with Airport Design Consultants, Inc. (ADCI) in an amount not-to-exceed \$157,700 to provide Construction Management Services (CMS) for continued phased construction of the South Aircraft Parking Apron at Gettysburg Regional Airport. ADCI will be responsible for establishing and maintaining a project documentation system, monitoring and coordinating construction progress, providing a

resident project engineer and other inspectors, performing acceptance testing., etc. ADCI is recommended to provide CMS for this project due to their outstanding past performance on Phase IV, familiarity with the project site, and knowledge of SARAA's processes. FAA AIP funding totaling \$141,930 (90%) has been secured for CMS.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to execute a Professional Services Contract with Airport Design Consultants, Inc (ADCI) of Ellicott City, MD in an amount not-to-exceed \$157,700 to provide Construction Management Services (CMS) for continued phased construction of the South Aircraft Parking Apron at Gettysburg Regional Airport. The motion was seconded by Ms. Wright and unanimously approved.

d) **Rehabilitate Taxiways/Award Construction – CXY Taxiways B & C:** Mr. Edwards reported that this is to authorize the Executive Director to award and execute a construction contract to Glenn O. Hawbaker, Inc. for the Base Bid plus Additive No. 1 in the amount of \$1,264,100 to rehabilitate Taxiways B & C at Capital City Executive Airport. Three firms submitted bids consisting of a Base Bid (Taxiway B) and five Additives which were opened on August 10, 2022 via PennBID. FAA funding totaling \$1,137,690 (90%) has been secured through a \$1,077,255 AIP Grant and a \$60,435 BIL Grant.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to award and execute a construction contract to Glenn O. Hawbaker, Inc. of State College, PA for the Base Bid plus Additive No. 1 in the amount of \$1,264,100 to rehabilitate Taxiways B & C at Capital City Executive Airport. The motion was seconded by Mr. Anderson and unanimously approved.

e) **Rehabilitate Taxiways/Award CA/CM – CXY Taxiways B & C:** Mr. Edwards reported that this is to authorize the Executive Director to execute a Professional Services Contract with Airport Design Consultants, Inc. (ADCI) in an amount not-to-exceed \$137,550 to provide Construction Administration and Management Services (CA/CM) for the rehabilitation of Taxiways B & C at Capital City Executive Airport. SARAA added this project to the Airport Capital Improvement Plan for fiscal years 2020 and 2021. However, due to cost increases and available federal funding only Taxiways B & C will be rehabilitated. ADCI is recommended to provide the Construction Administration Services because they are the engineer of record for the project. FAA funding representing 90% of CA/CM costs has been secured through \$42,300 in AIP funds and \$81,495 in BIL funds.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to execute a Professional Services Contract with Airport Design Consultants, Inc. (ADCI) of Ellicott City, Maryland in an amount not-to-exceed \$137,550 to provide Construction Administration and Management Services (CA/CM) for the rehabilitation of Taxiways B & C at Capital City Executive Airport. The motion was seconded by Mr. Enterline and unanimously approved.

f) Taxiway A Concrete Pavement Maintenance at HIA: Mr. Edwards reported that this is to authorize the Executive Director to award a professional services contract to AECOM in an amount not-to-exceed \$49,979 to design Taxiway A concrete pavement maintenance plan at HIA. The purpose of this project is to design a comprehensive maintenance project for this 60-year-old section of Taxiway A in an attempt to extend the concrete pavement's useful life. The design for this project will be funded from SARAA's operating and maintenance budget.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to award a professional services contract to AECOM of Dallas, Texas in an amount not-to-exceed \$49,979 to design Taxiway A concrete pavement maintenance plan at HIA. The motion was seconded by Mr. Leonard and unanimously approved.

g) Water Treatment Plant Upgrades (Construction): Mr. Edwards reported that this is to authorize the Executive Director to award and execute multiple prime construction contracts and a professional services agreement for the Water Treatment plant and Well Upgrade at HIA. This project will install a Granulated Activated Carbon system at the existing HIA water treatment plant to treat raw water for PFAS to provide safe drinking water for HIA. The project also includes pump and well maintenance upgrades. This project was designed as a multi-prime project with four prime contracts: Five companies submitted bids for the base bid and options. Bid results are as follows:
Lobar, Inc. (Civil): \$1,767,000
Heisey Mechanical, Ltd. (Mechanical): \$1,285,758
Garden Spot Electric, Inc. (Electrical): \$706,000
Aptus Control Systems, Inc. (System Integrator): \$678,835

This project is 100% funded through PennVEST's \$6,700,809 principal forgiveness loan.

Motion: A motion was made by Mr. Gross that the Board authorize the Executive Director to award and execute multiple prime construction contracts and a professional services agreement for the Water Treatment Plant and Well Upgrade at HIA to Lobar, Inc. (General/Civil), Heisey Mechanical, Ltd. (Mechanical); and Garden Spot Electric, Inc. (Electrical), and a Professional Service contract to Aptus Control Solutions, Inc. (System Integrator). The motion was seconded by Mr. Enterline and unanimously approved.

h) Water Treatment Plant Upgrades (CM): Mr. Edwards reported that this is to authorize the Executive Director to execute a Professional Services Contract with Glace Associates in an amount not-to-exceed \$488,780 to provide Construction Management Services (CMS) for Water Treatment Plant and Well Upgrades at HIA. Glace Associates is the designer of record for HIA's Water Treatment Plant and Well Upgrade project and are very familiar with the nature of work and SARAA policies. Costs for CMS are included as part of PENNVEST's \$6,700,809 principal forgiveness loan.

Motion: A motion was made by Mr. Anderson that the Board authorize the Executive Director to execute a Professional Services Contract with Glace Associates of Camp Hill, Pennsylvania in an amount not-to-exceed \$488,780 to provide Construction Management Services (CMS) for Water Treatment Plant and Well Upgrades at HIA. The motion was seconded by Mr. Chotiner and unanimously approved.

i) **T-Mobile 2nd Amendment to Site License Agreement:** Mr. Edwards reported that is to approve a Second Amendment to the Site License Agreement between SARAA and T-Mobile and authorize the Executive Director to execute the Second Amendment. T-Mobile maintains a cell tower located at water tank #4 and would like to extend the terms of the current Agreement. The 4th and final renewal term will expire on 8/30/2025. The proposed Second Amendment would automatically extend the Site License Agreement for five additional and successive five-year terms. The rental fees will escalate by 10% on the first day of each extension term. The 1st extension (9/1/2025 – 8/30/2030), \$23,184/year; \$1,932/month. The 5th extension (9/1/2045 – 8/30/2050) \$33,943.69/year; \$2,828.64/month.

Motion: A motion was made by Mr. Libhart that the Board approve a Second Amendment to the Site License Agreement between SARAA and T-Mobile Northeast LLC and authorize the Executive Director to execute the Second Amendment. The motion was seconded by Mr. Rodgers and unanimously approved.

j) **Let's Go Air Operating Agreement, CXY:** Mr. Edwards reported that this is to authorize the Executive Director to execute an operating agreement with AMS Aircraft Sales, Inc. to provide aircraft charter, leasing, sales and aircraft management services. Michael Hartle, owner of AMS Aircraft Sales, has been a long-term tenant at Capital City Executive Airport. He has submitted a business plan for the services listed above. SARAA is proposing the following terms:

Term: One year, automatically renewing annually.

Permitted activities: Aircraft leasing, sales, management and charter.

Rent: 3.5% of gross revenues for any commercial activity, with a per transaction cap of \$200 for aircraft/crew charges for charter and the selling prices for aircraft sales.

Insurance and Licenses: The business will be required to carry \$1 million aircraft liability, \$2 million Aviation General Liability, workers comp, hangar keepers' liability.

This agreement has been reviewed by SARAA counsel.

Motion: A motion was made by Mr. Enterline that the Board authorize the Executive Director to execute an operating agreement with AMS Aircraft Sales, Inc. to provide aircraft charter, leasing, sales, and aircraft management services. The motion was seconded by Mr. Libhart and unanimously approved.

k) **Jayye Capital Lease Agreement, CXY:** Mr. Edwards reported that this is to authorize the Executive Director to execute a lease agreement and associated documents with Jayye Capital, LLC (Justin McClure) for a land lease at Capital City Executive Airport for development of a new hangar. Justin McClure leases two hangar on the north side of Capital

City Executive Airport, which he uses for personal use and subleases space for other aircraft. In 2019, SARAA renewed his lease for the land/hangars with the potential for a longer term for the lease if he invested in the construction of a new hangar at CXY.

Rent: \$541.31/month, increased by CPI annually plus 3.5% of gross sales for any commercial activity at the hangars.

Leased Premises: 14,320 square feet.

Maintenance: Lessee is responsible for all maintenance.

Term: 20 years plus two 5-year options.

The lease agreement was developed by SARAA Counsel.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to execute a lease agreement and associated documents with Jayye Capital, LLC (Justin McClure) for a land lease at Capital City Executive Airport for development of a new hangar. The motion was seconded by Mr. Enterline and unanimously approved.

Executive Director's Report:

a) Financials & Dashboard (through August): Total YTD Airline Revenues were \$6.3 million vs \$6.4, or .8% below budget. Total YTD Non-Airline Revenues were \$11.1 million vs \$10.1 million budgeted, or 9.4% better than budgeted. Total YTD Operating Revenues were \$17.5 million. Total YTD Operating Expenses were \$12.2 million vs \$12.7 million budgeted, or 3.4% below budget. Net Operating Revenue is \$5.2 million YTD. Total Non-operating items were (\$8 million), resulting in a Variance to Budget of (\$2,825,932). Adding the Extraordinary Cash Inflows resulted in a Net Position of \$406,890. The Debt Coverage Ratio is 2.22 on a 1.25 requirement. On the Accounts Receivable Trade Summary report, remittances for total 60+ day receivables equals only 6.6% of all Accounts Receivable.

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

HIA:

HIA Cargo Apron Expansion, Phase 4: The permeation grouting for dual 60" pipes continue. Continue box culvert CIP concrete, flapper gate and backfill dike.

Water Plant PFOS Remediation Upgrade: Project award pending Board approval and PennVEST settlement.

Baggage Handling System Control: The bid opening will be held on September 28, 2022. Will submit design and construction costs for FY2023 BIL ATP Grant.

Capital City Executive Airport:

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

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase V: Secured \$1.55 million FAA/State funding for Base Bid.

Franklin County Regional Airport:

Update Master Plan: This is in progress.

Construct Snow Removal Equipment Building: The doors and heaters have been installed

c) Enplanement Report: Mr. Edwards reported that YTD traffic was up 32% vs 2021, or 3% over budget, at 83% of 2019 record. YTD cargo tonnage is down 8% vs last year. The COVID cargo boom is over. August CXY Operations were down 24% vs last August and down 22% YTD. 2022 is pacing for around 24,500 operations, which is pacing close to the 10-year average. MDT August Operations are down 6% due to fewer flights on larger planes. YTD 2022 Operations are down 1% vs. last year.

Board Planning Session: The Board Planning Session was held on Friday, September 23rd, 2022, with eight Board members attending and Senior Staff. The meeting went very well with a lot of participation and discussion. The Vision and Mission statements were discussed and there was consent by the Board members. The Board members also consented to five Strategic Planning themes. A zoom meeting will be held on Thursday, September 29th to discuss goals associated with the five themes.

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

Board Member Comments:

Mr. Chotiner: Mr. Chotiner said that he enjoyed the Strategic Planning Session.

Mr. Libhart: Mr. Libhart conveyed his condolences to Mr. Gross and his family. He thanked SARAA staff for keeping HIA running and commented that staff does not get the attention that they deserve.

Ms. Van Newkirk: Ms. Van Newkirk also conveyed her condolences to Mr. Gross and his family. She said that the Barnstormers Breakfast was held this past weekend at Gettysburg Regional Airport and served 947 people. The improvements made at the airport are very much appreciated.

Mr. Leonard: Mr. Leonard said the Strategic Planning Session was a very good session. The goals and objectives will be finalized soon. He emphasized that we need to take ownership of the Plan and be able to execute it.

Mr. Enterline: Mr. Enterline said he felt the Strategic Planning Session went very well. He said that it is important to move forward and that this is not put on the shelf. He also thanked the Engineering Department for the great work.

Ms. Wright: Ms. Wright enjoyed the Strategic Planning Session and was glad that there was focus on employee involvement. She also thanked staff for the great job with the grants and encouraged both Board and staff to continue to be inclusive.

Mr. Helsel: Mr. Helsel thanked staff for their efforts.

Next Board Meeting:

**Wednesday, October 26, 2022, 8:00 a.m.
Harrisburg International Airport**

Adjournment:

There being no further business to discuss, Mr. Helsel adjourned the meeting at 8:56 a.m.

Respectfully submitted:

Erik Hume,
SARAA Secretary

Prepared by Camille Springer