

Susquehanna Area Regional Airport Authority
Meeting Minutes
March 29, 2023

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Helsel at 8:00 a.m., on Wednesday, March 29, 2023. The following Board members were in attendance:

James Anderson	William Leonard	Carolyn Van Newkirk
James Helsel	Stephen Libhart	Nelva Wright
Erik Hume	Keith Rodgers	

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Michael Winfield (Post & Schell), Kevin Gold (Pillar+Aught), Scott Miller (Deputy Director, Advertising & PR), Kevin Bryner (Deputy Director, IT), Michael Moskal (Deputy Director, Finance & Business Administration), Belinda Svrbely (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: None.

Consent Calendar:

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

1. Minutes of the February 22, 2023 Board Meeting
2. Legislative Priorities
3. EAA Airport Use Agreement, GRA (Barnstormers Fly-In Breakfast Events)
4. GRA Developer's Agreement, Cumberland Township

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

Executive Committee: None.

Airport Operations:

a) Aero Corporation Short-Term Ground Lease: Mr. Edwards reported this is to approve a Ground Lease Agreement between SARAA and Aero Corporation. Aero Corporation, which operates Budget Car Sales and Cramer off airport parking, is interested in leasing the vacant parking lot located behind Sheetz for the next 9 to 12 months. They are scheduled to make changes at their main facility. The rental rate

will be \$0.45 per square foot and either party may terminate the lease with 30 days written notice. The monthly rent will be \$2,373.67.

Motion: A motion was made by Mr. Hume that the Board approve a Ground Lease Agreement between SARAA and Aero Corporation and authorize the Executive Director to execute the ground lease. The motion was seconded by Mr. Libhart and unanimously approved.

b) **Purchase Police Pursuit Vehicle:** Mr. Edwards reported that this is to approve the acquisition of one Chevrolet Tahoe Police Pursuit Vehicle including complete upfitting of emergency lighting, audible warning, communication devices and identifying graphics. The cost is not to exceed \$69,500. The current vehicle is a 2013 Chevrolet Tahoe with more than 103,847 miles. The vehicle is available through State COSTARS contract. Funding is from the Capital Improvement Account. This replacement project was included as part of the approved 2023 SARAA O&M Budget as part of a six-vehicle lease package. Individual leases by vehicle would lead to a higher cost of ownership comparable to purchasing the vehicle outright.

Motion: A motion was made by Mr. Libhart that the Board approve the acquisition of one Chevrolet Tahoe Police Pursuit Vehicle including complete upfitting of emergency lighting, audible warning, communications devices and identifying graphics. The cost is not to exceed \$69,500. The motion was seconded by Mr. Rodgers and unanimously approved.

c) **Purchase Maintenance Vehicle, HIA:** Mr. Edwards reported that this is to approve the acquisition of one maintenance vehicle to be used by the SARAA Facilities HVAC personnel at HIA & all SARAA airports. The cost is not to exceed \$35,000. The current vehicle is a 2000 GMC Savana cargo van. Body rust is accelerating rapidly creating the need for substantial repairs. The vehicle is available through State COSTARS contract. Funding is from the Capital Improvement account. This replacement was included as part of the approved 2023 SARAA O&M Budget as part of a six-vehicle lease package. Individual leases by vehicle would lead to a higher cost of ownership comparable to purchasing the vehicle outright.

Motion: A motion was made by Mr. Rodgers that the Board approve the acquisition of one maintenance vehicle to be used by the SARAA Facilities HVAC personnel at HIA & all the SARAA airports. The cost is not to exceed \$35,000. The motion was seconded by Mr. Libhart and unanimously approved.

d) **HIA Remove Obstructions for Runway 13/31 Approaches:** Mr. Edwards reported that this is to authorize the Executive Director to execute a Construction Contract with Metzler Forest Products in the amount of \$193,525.02 to complete the Obstruction Removal for Runway 13/31 approaches at HIA. Five contractors submitted bids which were opened and publicly revealed via PennBID on March 15, 2023. The apparent low bidder, Metzler Forest Product, LLC, was determined to be responsible,

responsive and as having an acceptable cost. This work is required to maintain current approach minimums for the ILS and to keep clear the FAR Part 77 approach surfaces for both runways at HIA. Grounds/Maintenance included \$100,000 for this project in the approved 2023 budget. The total project cost will be fully funded from SARAA's Operating & Maintenance account.

Motion: A motion was made by Mr. Libhart that the Board authorize the Executive Director to execute a Construction Contract with Metzler Forest Products LLC of Reedsville, PA in the amount of \$193,525.02 to complete the obstruction Removal for Runway 13/31 Approaches at HIA. The motion was seconded by Mr. Rodgers and unanimously approved.

e) **Eagle Air Aviation Operating Agreement, CXY:** Mr. Edwards reported that this is to authorize the Executive Director to execute an operating agreement with Eagle Air Aviation, LLC to provide aircraft charter for organ and organ transportation. SARAA has proposed the following terms which are identical to an operating agreement for another charter business at the airport:

- Term: One year, automatically renewing annually
- Permitted Activities: Aircraft charter
- Rent: 3.5% of gross revenues
- Insurance and Licenses: The business will be required to carry \$2MM aircraft liability, \$2MM Aviation General Liability, workers comp, hangarkeepers liability (\$150/aircraft, \$300K/occurrence).

The agreement is being reviewed by SARAA Counsel.

Motion: A motion was made by Mr. Hume that the Board authorize the Executive Director to execute an operating agreement with Eagle Air Aviation, LLC and subsidiaries to provide aircraft charter for organ and organ transportation. The motion was seconded by Mr. Libhart and unanimously approved.

f) **Comcast Cable Easement Agreement, CXY:** Mr. Edwards reported that this is to approve a Facilities Easement Agreement between SARAA and Comcast Cable Communications Management, LLC, and authorize the Executive Director to execute the agreement. Comcast plans to install underground communications services, including conduit, cables, amplifiers and other electronic equipment to the new Justin McClure hangar. The easement allows Comcast to utilize the easement area for access to the installation, construction, operating, maintenance, repair or removal of the equipment. Once the easement is no longer necessary, it will terminate.

Motion: A motion was made by Mr. Rodgers that the Board approve a Facilities Easement Agreement between SARAA and Comcast Cable Communications, LLC, and authorize the Executive Director to execute the agreement. The motion was seconded by Mr. Leonard and unanimously approved.

Executive Director's Report:

a) **Financials & Dashboard (through February):** Total YTD Operating Revenues of \$4.4 million was \$58,000 or 1.3% below budget. Total YTD Airline Revenue is under budget by \$61,595, or 3.9%. Total YTD Non-Airline Revenues were \$2.9 million. Total YTD Operating Expenses are \$3.2 million or 8.1% below budget YTD. YTD Net Operating Revenue is \$1.182 million vs \$954,931 budgeted, or 23.8% better than budget. Total YTD Non-operating items were (\$359,898), resulting in a Variance to Budget of \$822,240. Adding the Extraordinary Cash Inflows resulted in a Net Position of \$3,114,240. The Debt Coverage Ratio is 2.55 on a 1.25 requirement. On the Sales and Revenue Summary, YTD enplanements are 11% above 2022 enplanements. Total YTD Food/Gift sales are 20.76% over 2022 sales. Total YTD Car Rental Sales were 5.55% above 2022 sales. Total YTD Variable Revenue is 19.46% above 2022. On the Accounts Receivable Trade Summary, United Airlines has a balance due over 90 days of \$52,000.

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

HIA:

HIA Cargo Apron Expansion, Phase 4: Continue to topsoil, seeding and mulching for disturbed area and levee road. The anticipated substantial completion is by the end of March 2023.

Airport Drive Phase 3B, Third Street Intersection: The contractor completed installation of water line. Preparation for temporary paving for Phase II traffic switch continues.

Water Plant PFOS Remediation Upgrade: Installed new softener piping, valves, meters and chlorine analyzer. Continue existing building pad demo/prep for new.

Baggage Handling System Control: Selected to receive \$5.5 million from FY2023 BIL ATP Grant. De-scoping items and preparing revised bid package for rebid in April 2023.

Replace Escalators: Plans and specifications are at 90% and ready for finalization pending construction funding.

Capital City Executive Airport:

Remove Obstructions-Off Airport Tree Removal: Project let for bid on March 19, 2023, with April 18, 2023 opening.

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase V: NTP/Construction anticipated to begin in April 2023.

Franklin County Regional Airport:

Update Master Plan: Working Paper No. 1 submitted to FAA. Coordinating Facility Requirements meetings with stakeholders.

c) **Enplanement Report:** Mr. Edwards reported that February 2023 MDT Operations were up 5% vs February 2022 and YTD up 2%. CXY Operations were up 27% and up 16% YTD. February 2023 Air Cargo Tonnage decreased 15% vs February 2022. YTD Air Cargo Tonnage is down 13%. February 2023 Enplanements were 43,407, down 0.2% vs February 2022 and down 8% vs budget. After Florida, our region purchased the most airline tickets to

California (10%), Texas (6%), Colorado (5%) and Illinois (5%). In 2022, travelers throughout MDT's eight county core market flew from 12 different airports. MDT was their first choice at 31%. Those same travelers flew on more than 15 different airlines. United was the third most popular choice.

Routes Airline Conference: Mr. Miller recently attended the Routes Airline Conference in Chicago. Takeaways from the conference include:

- Demand for seats remains strong.
- Airlines report that MDT is performing well in all markets.
- Numerous expanded revenue and service opportunities were identified.
- MDT traffic growth toward 2019 record is currently constrained by aircraft deliveries, pilot hiring, pilot training, airline network strategies.
- For ULCC's, airport costs

Strategic Plan Progress Report: Mr. Edward reviewed the draft of the scorecard matrix for the 1st quarter, 2023. Strategic Plan progress reports will be presented quarterly at the Board meetings.

Executive Session: Mr. Helsel convened an Executive Session at 8:33 a.m. to discuss a personnel matter. He reconvened the public Board meeting at 9:35 a.m. There was no action taken resulting from the Executive Session.

Board Member Comments:

Mr. Leonard: Mr. Leonard thanked staff for their efforts with SARAA being awarded a \$5.5 million dollar grant from the Bipartisan Infrastructure Law to be used for upgrades to the 20-year-old baggage handling system.

Next Board Meeting:

Wednesday, April 26, 2023, 8:00 a.m.
Harrisburg International Airport

Adjournment:

There being no further business to discuss, Mr. Helsel adjourned the meeting at 9:45 a.m.

Respectfully submitted:

Erik Hume,
SARAA Secretary

Prepared by Camille Springer