

Susquehanna Area Regional Airport Authority
Meeting Minutes
April 26, 2023

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Helsel at 8:00 a.m., on Wednesday, April 26, 2023. The following Board members were in attendance:

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

*Mr. Abruzzo 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), Jamie Sides (Deputy Director, Maintenance), 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).

Guest: Mr. Rick Wittgren, Forvis

Public Comments: None.

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 March 29, 2023 Board Meeting
2. Comcast Cable Access Agreement, HIA

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

Executive Committee:

a) 2022 Audit Report: Mr. Wittgren reported that Forvis issued a clean, Unmodified Financial audit opinion for fiscal year 2022. There were no audit adjustments proposed or recorded during the course of the 2022 audit. The Authority implemented GASB 87, Leases, during fiscal year 2022.

2022 Audit Highlights: Four auditor reports were issued, and all were unmodified. Total operating revenues increased \$885,000, or 3.6%. The increase is the result of a \$2.1 million increase in parking fees offset by a \$1.8 million decline in facilities revenue, of which \$1.2 million is related to the implementation of GASB 87. Total operating expenses before depreciation increased \$2.9 million or 17.1%. Salaries, wages and related expenses increased \$768,000 and parking facility expenses increased \$566,000. Total unrestricted net position increased \$2.7 million to \$12.7 million. This increase is the result of a \$4.0 million increase in grants receivable.

Trends: Mr. Wittgren reviewed the trends including asset composition, liability composition operating revenue, operating expenses, and debt service trends.

Airport Operations:

a) HIA Replace Heating System (Design), Bldg. 513: Mr. Edwards reported this is to execute a professional services contract with Century Engineering in an amount not-to-exceed \$44,780 to provide engineering design and bid phase services to replace the existing heating system in Building 513 at HIA. Eight firms responded to the RFQ/TP which were opened publicly via PennBID. The technical proposals for the top three firms were very closely ranked. However, there was a significant difference in cost. Therefore, SARAA is recommending that Century Engineering be selected. This project will be funded from SARAA's Capital Improvement Account.

Motion: A motion was made by Mr. Enterline that the Board authorize the Executive Director to execute a professional services contract with Century engineering, LLC of New Cumberland, PA in an amount not-to-exceed \$44,780 to provide engineering design and bid phase services to replace the existing heating system and related system appurtenances in building 51 at HIA. The motion was seconded by Mr. Anderson and unanimously approved.

b) Everstream Utility Access Easement Agreement, HIA: Mr. Edwards reported that this is to authorize the Executive Director to execute a Utility Access Easement Agreement between SARAA and Everstream for the installation of a new fiber optic communication service at HIA. Everstream is planning on installing new fiber optic cable at HIA to service T-Mobile's cellular antennas located on top of the west water tower. The non-exclusive easement agreement allows Everstream the right of ingress and egress with the easement right of way to install, operate, maintain and replace utility wires. The agreement has an initial term of 99 years and shall automatically be renewed for 50 years.

Motion: A motion was made by Mr. Hume that the Board authorize the Executive Director to execute a Utility Access Easement Agreement between SARAA and Everstream GLC Holding Company, LLC, for the installation of a new fiber optic communication service at HIA. The motion was seconded by Mr. Leonard and unanimously approved.

c) HIA Building 208 Demolition (Environmental Design): Mr. Edwards reported that this is to authorize the Executive Director to execute a professional services contract with Urban Engineers in an amount not-to-exceed \$65,802 to complete Phase I and II Environmental Site Characterizations for Building 208 at HIA. Building 208 was damaged beyond repair when a water pipe on the second floor broke this past winter resulting in catastrophic flooding and structural damage. Subsequently, SARAA submitted an insurance claim that was settled in the amount of \$900,000. The Phase I and II Environmental Site Characterizations, once complete, will be followed by final design specification/plan preparation, public bidding and physical demolition/site restoration. This work will be funded from SARAA's proceeds from the insurance claim.

Motion: A motion was made by Mr. Gross that the Board authorize the Executive Director to execute a professional services contract with Urban Engineers, Inc. of Philadelphia, PA in an amount not-to-exceed \$65,802 to complete Phase I and Phase II Environmental Site Characterizations for Building 208 at HIA. The motion was seconded by Mr. Leonard and unanimously approved.

d) Vehicle Maintenance Lease for 3 Vehicles: Mr. Edwards reported that this is to approve the acquisition of three maintenance vehicles via a 36-month lease. The vehicles are available through the State COSTARS contract. The lease payment is estimated at \$4,118.00 per month for 36 months @3.01% with a buyout option of 3% of the original purchase price and is provided through the approved 2023 O&M budget.

Motion: A motion was made by Mr. Enterline that the Board approve the acquisition of three Chevrolet Silverado Crew-Cab pickup trucks. The lease payment is estimated at \$4,118.00 per month for 36 months @ 3.01% with a buyout option of 3% of the original purchase price. The motion was seconded by Mr. Hume and unanimously approved.

e) HARSCO Hangar Lease Modification: Mr. Edwards reported that this is to authorize the Executive Director to execute an amendment to the lease agreement with HARSCO Corporation to revise the option terms. In 2013, SARAA and HARSCO approved a new hangar and ground lease for HARSCO's space on the south side of CXY. The new hangar lease had an original term of 10 years, which will expire on August 31, 2023. HARSCO has the option to extend this lease for a ten-year period and a second option to extend the lease for an additional seven-year period. HARSCO Property Department contacted SARAA and requested that the options be revised to three individual options of three-years each. They also requested that the lease include language allowing HARSCO to terminate the lease with 180 days' notice. SARAA staff are supportive of the request to amend the options terms. Staff recommends that the request for the 180-day notice for cancellation be rejected.

Motion: A motion was made by Mr. Abruzzo that the Board authorize the Executive Director to execute an amendment to the lease agreement with HARSCO Corporation to revise the option terms. The motion was seconded by Mr. Anderson and unanimously approved.

f) Compass Rose (CXY): Mr. Edwards reported that this is to authorize SARAA staff to purchase paint and supplies and provide support to volunteers painting the 99s Compass Rose at Capital City Executive Airport. In addition to direct costs, SARAA will also incur some overtime to oversee the safe completion of this project. Staff recommends that a maximum of two volunteer vehicles be permitted on the airfield to transport supplies, with the remainder of the vehicles parking in the lots around the terminal. The costs for this project are not included in the 2023 SARAA budget. Staff estimates the direct costs to be a total of \$2,700.00.

Motion: A motion was made by Mr. Bashore that the Board authorize SARAA staff to purchase paint and supplies and provide support to volunteers painting the 99s Compass Rose at the Capital City Executive Airport. The motion was seconded by Ms. Wright and unanimously approved.

Executive Director's Report:

a) Financials & Dashboard (through March): Total YTD Airline Revenues were \$2.3 million vs \$2.4 million budgeted, or 4.2% below budget. Total YTD Non-Airline Revenues were \$5,561,307, which included \$900,000 from insurance proceeds for Building 208. Total YTD Operating Revenues were \$7.9 million. Total YTD Operating Expenses are \$5 million vs. \$5.5 million budgeted, or 9.2% below budget. YTD Net Operating Revenue is \$1.958 million vs \$1.474 million budgeted. Total YTD Non-Operating items were (\$48,779), resulting in a Variance to Budget of \$1,909,610. Adding the Extraordinary Cash Inflows resulted in a Net Position of \$4,201,610. The Debt Coverage Ratio is 2.12 on a 1.25 requirement. On the Sales and Revenue Summary, YTD enplanements of 144,514 are 4.48% above 2022 enplanements. Total YTD Food/Gift Sales are 18.90% over 2022 sales. Total YTD Car Rental Sales were 2.97% above 2022 sales. Total YTD Variable Revenue is 14.98% above 2022. On the Accounts Receivable Trade Summary, the total 60-plus day receivables are 4% of total outstanding receipts.

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

HIA:

HIA Cargo Apron Expansion, Phase 5: This project will be advertised on April 27th with a NTP in winter 2023-2024.

Airport Drive Phase 3B, Third Street Intersection: The contractor is constructing new tug road and coordinating utility relocations.

Water Plant PFOS Remediation Upgrade: The contractor continues to prepare new building foundations and well-pump upgrades.

Baggage Handling System Control: Selected to receive \$5.5 million from FY2023 BIL ATP Grant. Re-bid will be advertised May 4, 2023 with a June 9, 2023 opening.

Building 208 Demolition: Phase I & II Environmental Site Characterizations by Urban proposed to the Board. This will be followed by design/bid with physical demolition in winter 2023-2024.

Capital City Executive Airport:

Remove Obstructions-Off Airport Tree Removal: Bids were opened on April 18th, 2023. Received one bidder that was 35% higher than estimated.

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase V: Initial E&S and preconstruction meetings were held on April 24th, 2023. Paving is anticipated to begin the week of June 5th.

Franklin County Regional Airport:

Update Master Plan: Coordinating facility Requirements Meeting with stakeholders.

c) Enplanement Report: Mr. Edwards reported that March 2023 MDT Operations were up 12% vs March 2022. 1Q23 operations were up 5% vs 1Q22. March 2023 CXY Operations were up 15.2% vs March 2022. 1Q23 operations were up 15.78% vs 1Q22. March 2023 Air Cargo Tonnage decreased 8% vs March 2022. 1Q23 cargo is down 12% vs 1Q22. March 2023 Enplanements were 53,254, down 4.7% vs March 2023. 1Q23 up 4.5% vs 2022 but down 8% vs budget. 1Q23 Load Factor was 2.1 points above budget. 1Q23 enplanements were down 8.8% vs budget.

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

Board Member Comments:

Mr. Chotiner: Mr. Chotiner thanked staff for their efforts. He also commented that it is a pleasure to use this airport.

Mr. Abruzzo: Mr. Abruzzo thanked staff for their excellent job with the audit.

Mr. Gross: Mr. Gross thanked staff for a great audit report.

Ms. Van Newkirk: Ms. Van Newkirk praised Jaime Sides for the outstanding presentation he gave at the Gettysburg meeting on the Airport Layout Plan. She said that it was very well received.

Mr. Leonard: Mr. Leonard thanked staff for the great job with the audit. He also suggested a Board meeting at CXY be pursued in the future.

Mr. Helsel: Mr. Helsel thanked Mr. Moskal for his efforts with the audit.

Mr. Enterline: Mr. Enterline thanked the staff at Capital City Executive Airport for their efforts with the City Videographer team that was at CXY working with Pilots with a Purpose and Cargill on student pilot initiatives. He said that everyone was very welcoming.

Mr. Hume: Mr. Hume gave kudos to staff on getting the large cargo planes on social media.

Ms. Wright: Ms. Wright thanked the Finance Department for the great job with the audit.

Next Board Meeting:

Wednesday, May 31, 2023, 8:00 a.m.

Harrisburg International Airport

Adjournment:

There being no further business to discuss, Mr. Helsel adjourned the meeting at 9:10 a.m.

Respectfully submitted:

Erik Hume,
SARAA Secretary

Prepared by Camille Springer