

Susquehanna Area Regional Airport Authority
Meeting Minutes
June 28, 2023

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Helsel at 8:00 a.m., on Wednesday, June 28, 2023. The following Board members were in attendance:

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

*Mr. Libhart arrived after Roll Call was taken.

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Kevin Gold (Pillar+Aught), Scott Miller (Deputy Director, Advertising & PR), 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).

Guests: Bryan Lilley, Chief Executive Officer, B. Lilley Productions

Public Comments: None.

Air Show: Mr. Bryan Lilley introduced himself and said he is the Chief Executive Officer of B. Lilley Productions, an event management company that specializes in the startup and production of air shows. B.Lilley Productions is also the producer of the AirDotShow Tour which is the nation's premier aviation event series. The 2023 tour will visit seven destinations. Mr. Lilley said that AirDotShow Tours assume all risks, would be cost neutral to the Airport Authority, and oversees and manages all aspects of the air show. The air show would feature the United States Navy Blue Angels. Discussion ensued. Mr. Lilley said that in order to get the process started, a Department of Defense Request for Military Aerial Support must be signed by June 30, 2023, because scheduling of air shows is so far out.

Motion: A motion was made by Mr. Tate that the Chairman of the SARAA Board sign the Department of Defense Request for Military Aerial Support form for HIA to be considered for an air show event. The motion was seconded by Mr. Leonard and unanimously approved.

Consent Calendar:

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

1. Minutes of the May 31, 2023, Board Meeting

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

Executive Committee:

a) **Strategic Plan:** Mr. Edwards gave a quarterly update on the second quarter Strategic Plan for Objectives 1 through 4. He said that staff have engaged OnStrategy, a strategic planning tracking platform that will have more emphasis on strategic initiatives, Key Performance Indicators (PCI) and operational plans. Discussion ensued.

Airport Operations:

a) **Turo Operating Agreement:** Mr. Edwards reported that Turo, Inc. is requesting SARAA approval to enter into an operating agreement for the purpose of operating a Peer-to Peer Vehicle Sharing service at HIA. Turo operates a Peer-to Peer Vehicle Sharing Service that connects vehicle owners with airport customers via a reservation system in which vehicles are delivered to the airport for pick-up and use by the airport customer. Peer-to-Peer Vehicle Sharing Service is the authorized use of a vehicle by an individual other than the vehicle's owner through an internet booking platform that connects vehicle owners with drivers to enable the sharing of vehicles for financial consideration. The business terms include: Initial Term – one year from the effective date; Renewal terms – automatic renewal of one year; Use Fee – 6% of gross revenues; Open Parking – Open parking will be allowed only in the long-term parking lot.

Motion: A motion was made by Mr. Tate that the Board authorize the Executive Director to execute the Peer-to-Peer Car Share Operating Agreement with Turo, Inc. The motion was seconded by Mr. Libhart and unanimously approved.

b) **Fire Department Utility Vehicle, HIA:** Mr. Edwards reported that this is to approve the purchase of one 2024 Chevrolet Silverado Crew-Cab pickup truck to be used by the SARAA Fire Department mainly at HIA, but will also support all SARAA airports. The total cost is \$76,003. The vehicle proposed for replacement is a 2004 Chevrolet Silverado. The cab has sustained significant wear and tear. The vehicle is available through the State COSTARS Contract. The purchase will be funded through the Capital Improvement Program.

Motion: A motion was made by Mr. Enterline that the Board approve the purchase of one 2023 Chevrolet Silverado Crew-Cab pickup utility truck to be used by the SARAA Fire Department mainly at HIA but will also support all SARAA airports. The total cost is \$76,003 for combined truck chasses, emergency lighting, graphics and

communications equipment installation. The motion was seconded by Ms. Wright and unanimously approved.

c) Upgrade Baggage Handling System Controls (Construction), HIA: Mr. Edwards reported that this is to authorize the Executive Director to execute a construction contract in the amount of \$6,048,620.37 to Diversified Conveyors International, LLC to complete Baggage Handling Control System Upgrades at HIA. Two firms submitted bids consisting of a Base Bid and one Additive Alternate, via PennBID. The apparent low bidder, DCI, was deemed responsive and responsible by the Engineer of Record. The project was selected by the FAA in FY 2023 for \$5,500,000 of BIL-ATP funding, which includes a 5% State and 5% local commitment totaling \$6,050,000, which fully funds both the base bid and additive alternate scopes.

Motion: A motion was made by Mr. Gross that the Board authorize the Executive Director to award and execute a construction contract in the amount of \$6,048,620.37 to Diversified Conveyors International, LLC (DCI) to complete Baggage Handling Control System Upgrades at HIA. The motion was seconded by Mr. Rodgers and unanimously approved.

Executive Director's Report:

a) Financials & Dashboard (through April): Total YTD Airline Revenues were \$3.9 million vs \$4 million budgeted, or 3.7% below budget. Total YTD Non-Airline Revenues were \$7.7 million vs \$7.7 million budgeted. Total YTD Operating Revenues were \$12.5 million. Total YTD Operating Expenses are \$8.8 million vs. \$9.6 million budgeted, or 8% below budget. YTD Net Operating Revenue is \$2.8 million vs \$2.2 million budgeted, or 27.4% above budget. Total YTD Non-Operating items were (\$2,491,779), resulting in a Variance to Budget of \$327,688. Adding the Extraordinary Cash Inflows resulted in a Net Position of \$1,612,668. The Debt Coverage Ratio is 1.92 on a 1.25 requirement. On the Sales and Revenue Summary, YTD enplanements of 248,059 are .35% above 2022 enplanements. Total YTD Food/Gift Sales are \$2.7 million vs \$2.4 million budgeted, or 13.37% above 2022 sales. Total YTD Car Rental Sales were \$10.9 million vs 11.1 million, or 1.12% below 2022 sales. Total YTD Variable Revenue is \$7.5 million vs \$6.8 million, or 10.1% above 2022. On the Accounts Receivable Trade Summary, the total 60-plus day receivables are 7% of total outstanding receipts. United Airlines paid their past due invoice in June.

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

HIA:

HIA Cargo Apron Expansion, Phase 5: The Phase 5 rebid opening is scheduled for 7/11/2023.
Airport Drive Phase 3B, Third Street Intersection: The anticipated substantial completion is September 2023.

Water Plant PFOS Remediation Upgrade: The new Granulated Activated Charcoal (GAC) vessels 3 & 4 were delivered, set and filled. The contractor continues constructing new structure, piping modifications and well upgrades.

Baggage Handling System Control: Selected to receive \$5.5 million from FY2023 BIL ATP Grant. Board paper presented this month recommending awarding DCI Construction at \$6,048,620.37.

Replace Escalators: Targeting September 2023 Bid Opening.

Replace 12 Passenger Boarding Bridges: Targeting a September 2023 Bid Opening.

Building 208 Demolition: Physical demolition is targeted for this winter 2023-2024.

Capital City Executive Airport:

Remove Obstructions-Off Airport Tree Removal: NOA/NTP is pending FAA Grant award.

Rehabilitate Taxiways B & C: Anticipate substantial completion on August 1, 2023.

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase V: Paving delayed due to weather. Paving and Runway closure anticipated 7/5/23 to 7/7/23. An updated tenant notification was sent.

Franklin County Regional Airport:

Update Master Plan: Continue data collection and finalize recommended development alternative concepts.

c) Enplanement Report: Mr. Edwards reported that May 2023 MDT Operations were 5,029, up 26% vs May 2022, and the highest since October 2018. YTD 2023 MDT Operations are up 10%. May 2023 CXY Operations were 3,467, up 50% vs May 2022, and the highest monthly total since May 2008. YTD CXY operations were up 23%. May 2023 Air Cargo Tonnage was up 0.5% vs May 2022. YTD Air Cargo Tonnage is down 9% vs YTD 2022. May 2023 enplanements are down 4% vs May 2022 and were down 6% vs budget. YTD 2023 Enplanements are up 0.4% vs YTD 2022, and down 8% vs budget. The weeks of 6/12 and 6/19 have been two of the three busiest since 2020. July seats are at the highest level since 2019. MDT enplanements are forecast to be 5% over budget during the 2nd half of 2023. Airlines are slowing adding capacity as crew and planes become available. Delta is adding flights to Detroit. American is adding flights to Orlando and upgrading Dallas Fort Worth. United fixed the Newark connection issue.

Calder Cup: AvFlight and HIA staff played a role in bringing the Calder cup back to Hershey. Both teams flew charters between Harrisburg and Palm Springs.

Ford Tri-Motor Tour: The Ford Tri-Motor tour visited the Capital City Executive Airport from June 22nd through June 25th.

Advertising Campaign: A \$60,000 advertising campaign continues through the end of July. This consists of traditional/digital radio, Cable/On demand TV, billboards and online digital, including Facebook.

d) ACP Conference: Mr. Edwards informed the Board that he was asked to host the ACP Conference in Harrisburg for 2024. There were no comments.

e) AAAE Secretary/Treasurer: Mr. Edwards congratulated Mr. Stevens on being elected as the next Secretary/Treasurer of the American Association of Airport Executives at the AAAE Annual Conference in Denver.

Executive Session:

Mr. Helsel convened an Executive Session at 9:05 a.m. to discuss a personnel matter. He reconvened the public Board meeting at 9:19 a.m. There was no action taken resulting from the Executive Session.

Board Member Comments:

Ms. Van Newkirk: Ms. Van Newkirk congratulated Jaime Sides on his recent promotion.

Mr. Leonard: Mr. Leonard complimented staff on their efforts with the Strategic Plan.

Mr. Enterline: Mr. Enterline said he enjoyed the pancake breakfast at Gettysburg Regional Airport and suggested that Board members attend this event in the future.

Next Board Meeting:

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

Adjournment:

There being no further business to discuss, Mr. Helsel adjourned the meeting at 9:23 a.m.

Respectfully submitted:

Erik Hume,
SARAA Secretary

Prepared by Camille Springer