

**Susquehanna Area Regional Airport Authority**  
**Meeting Minutes**  
**September 27, 2023**

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Helsel at 8:00 a.m., on Wednesday, September 27, 2023. The following Board members were in attendance:

Keith Bashore	James Helsel	Keith Rodgers
Brian Enterline	Erik Hume	Carolyn Van Newkirk
Jim Gross	Stephen Libhart	Nelva Wright

Also attending were: Timothy Edwards (Executive Director), Michael Winfield (Post & Schell), Angela McGowan (Pillar+Aught), via Zoom), Michael Moskal (Deputy Director, Finance & Business Administration), Jamie Sides (Deputy Director, Maintenance), Scott Miller (Deputy Director, Advertising & PR), Kevin Bryner (Deputy Director, IT), 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:**

Bryan Hickman, Prolifik Art & Design: Mr. Hickman is a visual artist with Prolifik Art & Design and resides in Harrisburg. He has done murals at various sites in the city of Harrisburg. He is proposing three paintings for mural installation at HIA, in which the Board can decide on one image, two images or a combination of all three. His cost depends on how many images are used and the detail involved. Ms. Wright said she feels that bringing artwork into the airport will add historic value by bringing history and diversification to the airport. Discussion ensued. Ms. Springer will send the images to the Board members via the Board portal.

**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 August 30, 2023, Board Meeting

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

**Executive Committee:**

a) General Business Insurance Renewal: Mr. Edwards reported that this is to award the General Insurance Program Renewal for year of October 1, 2023 – September 30, 2024 to the

insurance companies proposed by SARAA's insurance broker for \$645,203. AJG recommends renewing our insurance policies with our existing carriers. The property coverage is being renewed with AIG but there is a 14% increase this year on the property coverage. Reasons for the pricing increase include: 1) Insurers are seeking to recover margins due to high loss rates; and 2) SARAA's recent loss history. AIG paid out a total loss this year of \$900,000. AIG has proposed raising the deductible from \$25,000 to \$100,000. Overall, there is an 8.8% increase in premiums due primarily to the increases in property renewal cost. The \$645,203 premium will be paid from SARAA's operating budget.

**Motion:** A motion was made by Mr. Libhart that the Board award the General Insurance Program Renewal for year of October 1, 2023 – September 30, 2024 to the insurance companies proposed by SARAA's insurance broker, Arthur J. Gallagher & Co. for \$645,203. The motion was seconded by Mr. Rodgers and approved. Mr. Hume abstained from the motion.

b) **Workers' Compensation Insurance Renewal:** Mr. Edwards reported that this is to approve selecting UPMC Workpartners as SARAA's workers' compensation provider for the October 1, 2023 – September 30, 2024 policy period at an annual cost of \$111,952. This is a reduction of \$13,726 (11%) compared to the current \$125,677 premium. This is at least the fourth year in a row that SARAA's workers' compensation premium has decreased. The premium will be paid out of SARAA's general fund.

**Motion:** A motion was made by Mr. Rodgers that the Board approve selecting UPMC Workpartners as SARAA's workers' compensation provider for the October 1, 2023 – September 30, 2024 policy period at an annual cost of \$111,952. The motion was seconded by Mr. Gross and approved. Mr. Hume abstained from the motion.

c) **Vision Insurance Renewal:** Mr. Edwards reported that this is to approve renewing SARAA's vision insurance coverage with Highmark Blue Shield/Davis Vision for the October 1, 2023 – September 30, 2024 policy period with a 0% increase in cost. The renewal maintains the same level of coverage and benefits. The annual cost is estimated at \$14,000 and is paid by SARAA and employee contributions.

**Motion:** A motion was made by Mr. Libhart that the Board approve renewing SARAA's vision insurance coverage with Highmark Blue Shield/Davis Vision for the October 1, 2023 – September 30, 2024 policy period with a 0% increase in cost. The motion was second by Ms. Wright and approved. Mr. Hume abstained from the motion.

### **Airport Operations:**

a) **FCRA Rehab Apron Phase 1 (Design & Bid):** Mr. Edwards reported that this is to authorize the Executive Director to execute a professional services contract with Airport Design Consultants, Inc. (ADCI) for the not-to-exceed amount of \$99,995 for the design and bid phase services associated with the Apron Rehab at Franklin County Regional Airport. ADCI was selected to design the rehabilitation of approximately 5,500 SY of asphalt apron including installation of new aircraft tie-downs. A detailed

independent fee estimate (IFE) was completed in accordance with FAA AC. ADCI's fee is determined to be fair and reasonable for the scope of work and is within the +/-10% range. This project is identified on the FAA CIP for FY2023 and will be paid for through FAA Grants at 90% funding with a 5% state and 5% local match.

**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 for the not-to-exceed amount of \$99,995 for the design and bid phase services associated with the Apron Rehab at FCRA. The motion was seconded by Mr. Hume and unanimously approved.

b) **HIA Construct Cargo Apron, Bid Package 2:** Mr. Edwards reported that this is to authorize the Executive Director to execute a construction contract with Atlantic Contracting & Materials Company in the amount of \$18,889,336 to construct the second phase (Phase V) of the Cargo Apron Expansion project at HIA. A total of three bids were received and all bidders were deemed to be responsible and responsive. Each of the bidders were within 5.29% of each other which is indicative of competitiveness. Atlantic's bid is 22% higher than the Engineer's estimate, which can largely be attributed to recent changes in FAA regulations requiring that cement suppliers use a more environmentally friendly "green" cement, costing approximately 80% more than the previously approved cement. This project continues to be a priority in the 2023 CIP Budget and will be paid through FAA AIP, Discretionary and BIL-AIG at 90% funding with a 5% state and 55% local match.

**Motion:** A motion was made by Mr. Enterline that the Board authorize the Executive Director to execute a construction contract with Atlantic Contracting & Materials Company in the amount of \$18,889,336 to construct the second phase of the Cargo Apron Expansion project at HIA. The motion was seconded by Mr. Libhart and unanimously approved.

c) **HMS Host Concession Lease Agreement:** Mr. Edwards reported that this is to provide approval for staff to begin negotiations for a ten-year Airport Food and Beverage Concession Lease Agreement between SARAA and HMS Host. In response to the request for proposals for casual dining, fast food, and specialty retail, there was only one respondent that had submitted a proposal. HMS Host has expressed an interest in leasing approximately 1,107 square feet of space, post security checkpoint in Concourse A, to operate the Great American Bagel Bakery and Crafted Bar at HIA. The space shall be designed, constructed, and furnished in accordance with Great American Bagel's and Crafted's standard décor, at their sole expense. HMS Host is seeking a 10-year agreement term with a 5-year renewal option. The percentage fee is 6% of all Gross Sales. This approval is contingent upon extending the existing lease for Phillips Seafood, Capital Café, and Starbucks through June 30, 2039. Capital Café would undergo a complete cosmetic refresh and Phillips Seafood concept would be phased out and replaced with 1829 Yuengling Bar & Grill. HMS Host is requesting to extend the existing agreement because it will expire on 8/27/2024. Both agreement terms would run

concurrently. HMS Host anticipates receiving permits by February 2024 and would start construction for the Great American Bagel and Crafted at that time. The opening date would be by the end of July 2024.

**Motion:** A motion was made by Mr. Bashore that the Board provide approval for staff to begin negotiations for a ten-year Airport Food and Beverage Concession Lease Agreement between SARAA and HMS Host. The motion was seconded by Mr. Libhart and unanimously approved.

d) **CXY Mower Lease Agreement:** Mr. Edwards reported that this is to approve a 48-month lease agreement for one Toro mowing machine. It will be used by the General Aviation personnel at CXY primarily, and other SARAA airports as needed. The leased amount is quoted at \$62,000 with a monthly payment of \$1,281.00. This mowing machine is available through COSTARS. The funding will be from the Capital City Airport Operating and Maintenance Budget.

**Motion:** A motion was made by Mr. Gross that the Board approve a 48-month lease agreement for one Toro mowing machine. The leased amount is quoted at \$62,000 with a monthly payment of \$1,281.00. The motion was seconded by Mr. Libhart and unanimously approved.

e) **Snow Removal Contract:** Mr. Edwards reported that this is to award a contract to Four Seasons Property Services in the amount of \$125,000 for snow removal on the HIA roadways and administrative parking areas. This agreement commences on November 15, 2023 and terminates on March 31, 2024, with two one-year options. Bids were opened publicly on September 14, 2023. Two bids were received. This contract is entirely paid by airport operating funds.

**Motion:** A motion was made by Mr. Hume that the Board award a contract to Four Seasons Property Services of Hummelstown, PA in the amount of \$125,000 for snow removal on the HIA roadways and administrative parking areas and authorize the Executive Director to execute the agreement. The motion was seconded by Mr. Bashore and unanimously approved.

### **Executive Director's Report:**

a) **Financials & Dashboard (through June):** Total YTD Revenues were \$19.1 million vs \$19.1 million budgeted, or 0.1% below budget. Total YTD Operating Expenses are \$14.5 million vs. \$15.2 million budgeted, or 4.9% below budget. YTD Net Operating Revenue is \$4.6 million vs \$3.9 million budgeted, or 18.4% above budget. The Variance to Budget was (\$917,669). Adding the Extraordinary Cash Inflows resulted in a Net Position of \$1,138,331. The Debt Coverage Ratio is 2.01 on a 1.25 requirement. The Total Covid Grant Fund Balance is \$7.6 million. On the Sales and Revenue Summary, YTD enplanements were 2.6% above 2022 enplanements. Food/Gift sales are up 13.3%. Hotel Sales are up 3.3%. Rental Car sales are

down 0.6%. CFC Days are down 3.8%. On the Accounts Receivable Trade Summary, the total 60-plus day receivables are 7% of total outstanding receipts.

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

HIA:

HIA Cargo Apron Expansion, Phase 5: The low bidder is Atlantic Contracting & Materials. The anticipated contract completion date is 11/1/2024.

Airport Drive Phase 3B, Third Street Intersection: Completion is anticipated in December 2023.

Water Plant PFOS Remediation Upgrade: Continue individual well pump/motor/control upgrades.

Baggage Handling System Control: The contractor continues making submittals and badging.

Building 208 Demolition: This project is slated for demolition in winter 2024-2025.

Capital City Executive Airport:

Remove Obstruction-Off Airport Tree Removal: Continue property owner coordination for access.

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase VI: Land Development - Cumberland Township Planning Commission held on September 14<sup>th</sup>. Land Development – Cumberland Township Supervisor Meeting held September 26<sup>th</sup>.

Franklin County Regional Airport:

Update Master Plan: Continue to finalize existing ALP set.

c) Enplanement Report: Mr. Edwards reported that August 2023 enplanements were 57,366, up 8.7% vs August 2022. YTD 2023 enplanements are up 2.6% vs YTD 2022. MDT is pacing toward 646,000 enplanements for CY 2023—slightly above the 645,000 budgeted. August 2023 CXY Operations were 2,279, down 4% vs August 2022. YTD CXY Operation were up 15%. Local GA operations were down 33% this August vs last August. Runway 12/30 was closed for rehabilitation work during portions of the first half of the month. Open House Day (8/19) was the busiest day of the month with 178 operations. August 2023 MDT Operations were 4,764, up 10% vs August 2022. YTD MDT Operations were up 8.5%. August 2023 Air Cargo tonnage was up 7% vs August 2022. YTD Air Cargo Tonnage was down 6%. UPS remains the market leader at 45.7%.

Women in Aviation Day: This event was held on Monday, September 25<sup>th</sup> at HIA, and it was a very successful event. Speakers for the event included Camera Bartollota, PA State Senate, Susan Adams, Cargill Aeronautical Academy, CXY, Lauren Kimberly, Aviation Powerplant Mechanic, Student, and Jessica Silcox, SARAA Environmental Manager.

d) Strategic Plan: Mr. Edwards gave an update of the Strategic Plan. Reports included in the Board Portal were the 2023 Annual Plan Summary and the 2023 Companywide Annual Plan. He also showed a video of the Strategic Plan, and thanked Rob Leader, Zack Neal and the entire marketing team for their efforts with this video.

**Executive Session:**

Mr. Helsel convened an Executive Session at 9:05 a.m. to discuss a lease issue. The public Board meeting reconvened at 9:25 a.m. The following action resulted from the Executive Session:

**Motion:** A motion was made by Mr. Rodgers that the Board authorize Angela McGowan and Pillar+Aught to move forward with eviction and ejection proceedings under the Residential Lease with JR Sides and Operating Agreement with Chambersburg Skydiving Center, Inc., respectively, for the operation at Franklin County Regional Airport, and to pursue all other legal remedies to terminate such agreements and evict from the premises. The motion was seconded by Ms. Van Newkirk and unanimously approved.

**Board Member Comments:**

**Ms. Van Newkirk:** Ms. Van Newkirk said the Strategic Plan video was phenomenal and said that staff did an excellent job with it. She also said her cousin complimented the cleanliness of the airport.

**Keith Rodgers:** Mr. Rodgers commented that the Strategic Plan is far above the previous one.

**Mr. Enterline:** Mr. Enterline commented on the exceptional Strategic Plan Video.

**Mr. Helsel:** Mr. Helsel complimented staff on the excellent video and said it shows the heart and soul of the employees.

**Ms. Wright:** Ms. Wright said that the Strategic Plan Video was phenomenal and is a great marketing tool.

**Mr. Gross:** Mr. Gross commented on the cleanliness of the airport.

**Next Board Meeting:**

**Wednesday, October 25, 2023, 8:00 a.m.  
Harrisburg International Airport**

**Adjournment:**

There being no further business to discuss, Mr. Helsel adjourned the meeting at 9:50 a.m.

Respectfully submitted:

Erik Hume,  
SARAA Secretary

Prepared by Camille Springer