

MINUTES OF
LANCASTER AIRPORT AUTHORITY

August 21, 2017

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Authority offices on Monday, August 21, 2017. The planning session began at 3:30 pm and the business meeting began at 4:00 p.m. Mr. James Cunningham, Chairman, presided at the meetings and the following persons attended:

Lancaster Airport Authority

Chairman	James Cunningham
Vice-Chairman	Russell Howell
Secretary	Matthew Brown – Excused Absence
Treasurer	Valerie Moul
Asst. Secretary/Asst. Treasurer	Amanda Lehman

Counsel – Craig Russell, Esquire of Russell, Krafft & Gruber, LLP

Public

Dan Myers – Lancaster ATC Tower
Drake Burns – Southern Airways Express

Lancaster Airport Authority Staff

David Eberly – Airport Director
Cheryl Martin – Finance Administrator
Austin Beiler – Facilities Administrator
Mary Stauffer – Manager, Alliance Aviation

PUBLIC COMMENT

Mr. Cunningham began the Planning meeting and thanked everyone for attending. He introduced members of the Authority and staff and recognized a quorum present. Mr. Cunningham then requested any public comments from the meeting attendees.

No additional comments were offered. Mr. Cunningham encouraged anyone, however, to get his attention throughout the meeting if desired.

DUTCH COUNTRY HELICOPTERS AGREEMENTS

Darren Lucas has sold the Dutch Country Helicopters business to Hi-Tech Helicopters. As a result of the sale, the name of the Leasee needs to be updated upon approval by the Board. Mr. Eberly requested an extension to the expired term of six months to allow the new owner to see how the business is going and reevaluate the rental rate depending upon commissions. A resolution to approve the amendments will be available for consideration at the Business meeting.

PENN CINEMA CONSTRUCTION PROJECT STATUS

Mr. Eberly and Mr. Russell have been working with Penn Ketchum and the appropriate parties to work through the paperwork for the new construction at Penn Cinema. Mr. Russell recommended adopting a resolution approving the guarantees for the project as well as Transferable Development Rights (TDR) which are both necessary to move forward. Mr. Eberly and Mr. Russell will review documents before signing the documents.

SNOW REMOVAL BUILDING

Mr. Eberly reviewed a project he is proposing to build a movable structure with a canvas/tarp roof with doors. Manheim Township has provided tentative approval. It would not be a permanent structure so no land development plan would be required. The equipment would be secure and would contain lawn equipment during the winter and snow removal equipment during the summer. Very similar to structures used by Penn DOT.

FIRST SIX MONTHS COMPARISON

Ms. Martin presented a report reflecting the first six months comparison to 2016. Notes were included reflecting any items which were extraordinary.

MARVIN E. MILLER MEMORIAL

Mr. Beiler reported that a Request for Qualifications has been sent out and are due back by November 3. After reviewing the submissions, the top choices will be interviewed and submitted for consideration.

COMMUNITY DAYS 2017 REPORT

Mr. Eberly reported that the staff are working hard to prepare for the upcoming event. The Ford Tri-Motor will be arriving early and offering rides but the main event will be Saturday, August 26 from 10-6 and Sunday, August 27 from 10-4.

ADJOURNMENT

At this time, the Planning Session adjourned. A brief recess was held before the 4:00 meeting began.

PUBLIC COMMENT

Mr. Cunningham began the Business meeting and thanked everyone for attending. He introduced members of the Authority and staff and recognized a quorum present. Mr. Cunningham then requested any public comments from the meeting attendees.

No additional comments were offered. Mr. Cunningham encouraged anyone, however, to get his attention throughout the meeting if desired.

MINUTES OF LAST MEETING

Copies of the proposed minutes of the Lancaster Airport Authority Board meeting held on July 17, 2017. Upon motion duly made, seconded, and unanimously approved, the minutes were approved with minor revisions.

FINANCIAL REPORT

The financial report for period ending July 31, 2017 was submitted. The following is the submitted report for the referenced period:

<i>Period Ending July 31, 2017</i>		
Combined General Fund and Alliance Aviation		
Reporting Period	Budget	Actual
July Net Revenue:	\$85,870.16	\$142,598.92
Year to Date Net Revenue:	\$316,728.87	\$660,430.15
General Fund Report		
Reporting Period	Budget	Actual
July Net Revenue:	\$41,246.18	\$74,097.22
Year to Date Net Revenue:	\$107,500.15	\$219,317.94
Alliance Aviation Report		
Reporting Period	Budget	Actual
July Net Revenue:	\$44,623.98	\$68,501.70
Year to Date Net Revenue:	\$209,228.72	\$441,112.21
Cash and Cash Equivalents		
Item		Current Balance
General Fund Checking Account:		\$54,544.95
General Fund Liquid Reserves:		\$157,459.36

Certificate of Deposit:		\$2,958,000.00
PLGIT Cash Account:		\$222.40
PLGIT Prime Investment Account		\$388,147.84
PLGIT Term Account		\$1,050,000.00
General Fund Accounts Receivable:		\$75,627.13
General Fund Accounts Payable:		(\$4,005.01)
Alliance Aviation Checking/Cash on Hand:		\$42,429.28
Alliance Aviation Accounts Receivable:		\$109,329.23
Alliance Aviation Accounts Payable:		(\$42,587.98)
Total Cash and Cash Equivalents:		\$4,789,167.20
Grant-Funded Project Construction Report		
Balance @ June 30, 2017		\$560.59
Grant Receipts:		\$150,020.23
Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		(\$150,012.22)
Balance @ July 31, 2017		\$568.60
Passenger Facility Charge Account		
Balance @ July 31, 2017		\$3,597.48
\$ 1 Million Line of Credit Report		
Item	Rate of 4.0%	Available Balance:
Balance @ July 31, 2017	\$0.00	\$1,000,000.00

The financial reports for the period ending July 31, 2017 were approved as submitted subject to audit.

EMPLOYEE HEALTH INSURANCE 2016 REPORT

Mr. Eberly reported on the status of the 2016 health insurance program. The Airport Authority was refunded almost \$90,000 from the claim fund and he requested that the Board approve returning 10% back to eligible employees. The Board approved the request.

DUTCH COUNTRY HELICOPTERS AMENDMENT AGREEMENTS

Due to the sale of Dutch Country Helicopters to Hi-Tech Helicopters, the Board needs to approve the change in ownership of the Lease and Operating Agreements as well as extending the current term an additional six (6) months. The following resolution approves the requested items:

Resolution No. 16 of 2017
Dutch Country Helicopters Amendment Agreements

WHEREAS, Dutch Country Helicopters, Inc. leases space to store aircraft and operate an aircraft repair station and flight school at the Lancaster Airport; and

WHEREAS, Dutch Country Helicopters, Inc. sold the business to Hi-Tech Helicopters, Inc.; and

WHEREAS, Hi-Tech Helicopters, Inc. desires to continue operations at the Lancaster Airport; and

WHEREAS, the Lease Agreement and Fixed Base Operations Agreements must be amended to reflect the new ownership; and

WHEREAS, the new operator desires to extend the current term of those agreements an additional six (6) months.

NOW THEREFORE BE IT RESOLVED that the Lancaster Airport Authority does hereby approve the sale of Dutch Country Helicopters, Inc. to Hi-Tech Helicopters, Inc.; and

ALSO BE IT RESOLVED that the Airport Authority approves the lease and fixed base operation agreements term extension; and

ALSO BE IT RESOLVED that the authorization of David F. Eberly, Jr., Airport Director, to act as agent to execute any and all necessary documents relating to the aforementioned agreements are hereby approved.

Upon motion duly made, seconded, and unanimously agreed, the resolution was adopted and the amendment agreements were approved.

PENN CINEMA DEVELOPMENT PROJECT

The Airport Authority is awaiting final guaranty documentation as well as approval to accept Transferrable Development Rights (TDR's) for the proposed construction project at Penn Cinema. The following resolution approves the necessary documentation pending Mr. Eberly and Mr. Russell's approval.

Resolution No. 17 of 2017
Approval of Penn Cinema Non-Disturbance Agreement, Lease Guaranty and Transferable Development Rights Application

WHEREAS, the Lancaster Airport Authority (the "Authority") is the owner and landlord of certain real estate located at 541 Airport Road, Manheim Township, Lancaster County, Pennsylvania. The tenant is Mountain Ventures Manheim, LLC. ("MVM"). The Authority and MVM are parties to a Ground Lease dated March 30, 2006, which property was subleased to Penn Cinema Management Company, LLC and Byler Management Co., LLC (collectively the "Tenants") by Sublease dated May 30, 2006, which was consented to by the Authority; and

WHEREAS, the Ground Lease between the Authority and MVM was guaranteed by Penn D. Ketchum, Penn Cinema Management Company, LLC, John E. Byler and Judith A. Byler and Byler Management Co., L.L.C. pursuant to Lease Guaranties dated March 30, 2006; and

WHEREAS, MVM has requested that the Authority execute a Non-Disturbance Agreement in connection with certain financing being extended to it by Fulton Bank, N.A.; and

WHEREAS, the form of Non-Disturbance Agreement is an exhibit to the Ground Lease; and

WHEREAS, in the process of reviewing the Non-Disturbance Agreement, it was determined that two (2) of the guarantors of the Lease, John E. Byler and Judith A. Byler, are now deceased; and

WHEREAS, the execution of the Non-Disturbance Agreement in substantially the form submitted has been reviewed and approved by counsel subject, however, to Tenants providing additional explanation or additional adequate security for the performance of the Ground Lease; and

WHEREAS, the financing described above is for the purpose of making certain improvements to the Leased Premises by Tenants consisting of a building addition depicted on a proposed final land development plan submitted to the Township of Manheim, Lancaster County, Pennsylvania, a copy of which has been provided to the Authority; and

WHEREAS, said construction cannot be undertaken without the acquisition by MVM of certain transferable development rights which MVM has acquired from Alvin S. King and Naomi S. King for transfer to the Authority as grantee. In order to accept the transferable development rights which will permit MVM to undertake its construction, the Authority is required to sign an Application, as grantee, a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, the Application for Transfer and Use of Transferable Development Rights has been reviewed and approved by counsel.

IT IS, THEREFORE, RESOLVED as follows:

That the Non-Disturbance Agreement, a copy of which is attached to this Resolution and made a part hereof as Exhibit "B", between the Authority and Fulton Bank, N.A., is hereby conditionally approved subject to the following:

(i) The complete review and approval by Authority's counsel of the terms and conditions of the Non-Disturbance Agreement; and

(ii) The complete review and approval by David F. Eberly, Jr., Airport Director, and the Authority's counsel of the financial security and financial strength of the existing Tenants shall be determined to be satisfactory prior to the execution of the Non-Disturbance Agreement and the Airport Director, David F. Eberly, Jr., is hereby appointed agent of the Authority for the

purpose of executing the Non-Disturbance Agreement as and when approved and this Resolution shall become part of the minutes of the proceedings of the Board of the Authority; and

That the Application for Transfer and Use of Transferable Development Rights as attached to this Resolution at Exhibit "A" is hereby approved and David F. Eberly, Jr., Airport Director, is hereby authorized to execute, on behalf of the Authority, said Application.

AIRPORT DIRECTOR REPORT

Mr. Eberly reported that a development company has approached him about building a car wash on the parcel across from SKH and Fulton Bank. They have submitted preliminary approvals to Warwick Township and will be providing more information for Board consideration.

FINANCE ADMINISTRATOR

Ms. Martin reported that Receivables have been reduced by about 70% since last month. Aircraft activity has continued to surpass 2016 levels year to date with July 2017 having 13% more activity over July 2016.

FACILITIES ADMINISTRATOR

Mr. Beiler reported that Taxiway Foxtrot North opened today (August 21). Landis Deck did a great job and they have worked on prior projects and done a great job.

MANAGER, ALLIANCE AVIATION

Ms. Stauffer reported that they may have lost some traffic due to the construction project, however, didn't feel it was very much.

PUBLIC COMMENT

Mr. Cunningham asked if any attendees had any additional comments or questions. Mr. Myers reported that everything is as normal. They are dealing with the removal of Taxiway Foxtrot. No additional comments were received at this time.

DATE FOR NEXT MEETING

The date for the next meeting is scheduled for Monday, August 21, 2017 with a planning session scheduled to start at 3:00 p.m. and the business meeting at 4:00 p.m. in the Administrative

Office conference room. There being no further business to discuss, motion was duly made, seconded, unanimously approved, and the meeting was adjourned.

Respectfully submitted,

Cheryl Martin
Recording Secretary