

MINUTES OF
LANCASTER AIRPORT AUTHORITY

January 28, 2019

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Authority offices on Monday, January 28, 2019. The meeting began at 3:30 p.m. Ms. Valerie Moul, Vice-Chairman, presided at the meetings and the following persons attended, Ms. Lehman and Mr. Stauffer via teleconference:

Lancaster Airport Authority

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

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

Lancaster Airport Authority Staff

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

Public Attendees

Glenn B. Knight, Civil Air Patrol
Dan Myers, Lancaster Air Traffic Control Tower

PUBLIC COMMENT

Ms. Moul began the meeting and thanked everyone for attending. She introduced members of the Authority and staff and recognized a quorum present. Ms. Moul then requested any public comments from the meeting attendees.

No additional comments were offered. Ms. Moul encouraged anyone, however, to get her attention throughout the meeting if desired.

MINUTES OF LAST MEETINGS

Copies of the proposed minutes of the Lancaster Airport Authority Board meeting held on December 17, 2018 and January 16, 2019 were distributed to the Board members. Upon motion duly made, seconded, and unanimously approved, the minutes were moved for approval as submitted by Ms. Lehman, seconded by Mr. Stauffer, and unanimously approved.

FINANCIAL REPORT

The financial report for period ending December 30, 2018, was submitted. The following is the report for the referenced period.

<i>Period Ending January 31, 2019</i>		
Combined General Fund and Alliance Aviation		
Reporting Period	Budget	Actual
January Net Revenue:	\$37,074.49	\$85,045.38
Year to Date Net Revenue:	\$837,773.69	\$1,188,206.96
General Fund Report		
Reporting Period	Budget	Actual
January Net Revenue:	\$16,452.12	\$37,393.03
Year to Date Net Revenue:	\$376,192.20	\$489,814.19
Alliance Aviation Report		
Reporting Period	Budget	Actual
January Net Revenue:	\$20,622.37	\$47,652.35
Year to Date Net Revenue:	\$461,581.49	\$698,392.77
Cash and Cash Equivalents		
Item		Current Balance
General Fund Checking Account:		\$8,692.16
General Fund Liquid Reserves:		\$214,450.79
Certificate of Deposit:		\$2,917,000.00
PLGIT Cash Account:		\$302.34
PLGIT Prime Investment Account		\$129,095.81
PLGIT Term Account		\$2,700,000.00
General Fund Accounts Receivable:		\$61,789.09
General Fund Accounts Payable:		(\$44,023.68)
Alliance Aviation Checking/Cash on Hand:		\$38,393.50
Alliance Aviation Accounts Receivable:		\$79,191.42
Alliance Aviation Accounts Payable:		(\$107,877.16)
Total Cash and Cash Equivalents:		\$5,997,014.27
Grant-Funded Project Construction Report		
Balance @ December 31, 2018		\$568.52
Grant Receipts:		\$45,212.62

Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		(\$45,212.54)
Balance @ January 31, 2018		\$568.60
Passenger Facility Charge Account		
Balance @ January 31, 2018		\$705.39
\$ 1 Million Line of Credit Report		
Item	Rate of 4.82238%	Available Balance:
Balance @ January 31, 2018	\$0.00	\$1,000,000.00

The financial reports for the period ending October 31, 2018 were moved for approval as submitted by Ms. Lehman, seconded by Ms. Moul, and unanimously approved subject to audit. Ms. Martin distributed out a preliminary Community Days Budget report for the upcoming event. It will be updated each month and be included with the financial reports.

CONSULTANT APPOINTMENTS

Two resolutions were presented with regard to the Auditor and Counsel appointments for the calendar 2018. The following resolution approves the auditor appointment:

**Resolution No. 3 of 2019
Auditors Appointment**

WHEREAS, the Financial Documents for the Lancaster Airport Authority must be audited annually in conjunction with Federal, State and Local regulations; and

WHEREAS Baker Tilley Virchow Krause, LLP presented the Lancaster Airport Authority with a proposal to perform the 2018 Fiscal Year Audit not to exceed \$20,600.00.

THEREFORE BE IT RESOLVED, that the Lancaster Airport Authority hereby accepts the proposal from Baker Tilley Virchow Krause, LLP to perform the 2018 Fiscal Year Audit and to be the independent certified public accountants for the Airport Authority.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the auditors were approved.

Another resolution was presented for consideration with regard to legal counsel for the Airport Authority:

**Resolution No. 4 of 2019
Legal Counsel Appointment**

WHEREAS, the Lancaster Airport Authority consults with legal counsel to review documents; and

WHEREAS, Russell, Krafft & Gruber, LLP has been the engaged solicitor of record for the Lancaster Airport Authority on various projects for several years.

BE IT RESOLVED, THEREFORE, that the Lancaster Airport Authority hereby continues the appointment of Russell, Krafft & Gruber, LLP as the Lancaster Airport Authority solicitor of record for the calendar year 2019.

Upon motion duly made, seconded, and approved unanimously, the resolution was adopted and Russell, Krafft & Gruber, LLP was approved to perform the legal matters for calendar year 2019.

PROPOSED SLATE OF OFFICERS FOR 2019

The following Slate of Officers was submitted for approval by the Vice-Chair:

<u>Officers</u>	Chairman	James J. Cunningham
	Vice-Chairman	Valerie Moul
	Secretary	Matthew Brown
	Treasurer	Amanda Lehman
	Asst. Sec./Asst. Treas.	Richard Stauffer

COMMITTEES

<u>Property Committee:</u>	Chairman	Matthew Brown Richard Stauffer
<u>Finance Committee:</u>	Chairman	Amanda Lehman Valerie Moul
<u>Personnel Committee:</u>	Chairman	Valerie Moul James Cunningham
<u>Facilities Committee:</u>	Chairman	Richard Stauffer Matthew Brown

ESSENTIAL AIR SERVICE UPDATE

Mr. Eberly reported on the activity with the EAS submission since the January 16, 2019 meeting. He has been communicating with the US DOT regarding the submission and any available options to meet the minimum ten percent (10%) local share. One option is to move to the Alternate EAS program, however, it is guided by the same guidance as the EAS program. A local share will still be required. The airline contract will only be for two (2) years. They are willing to delay payment until 2020 for the 2019 local share, however, the DOT is unwilling to waive the local share requirement. Mr. Eberly had received notification from the City of Lancaster

that there are not sufficient funds available to assist and the County Commissioners had just closed the 2019 budget when the match amount was announced. They were unable to provide any funding for 2019 and no commitment for 2020.

Ms. Moul called an Executive Session for the Board to discuss legal matters regarding the submission. The Executive Session adjourned and Ms. Moul announced that no formal action was taken during the Executive Session and the meeting resumed.

Mr. Eberly reported that the chosen option will require a subsidy of approximately \$260,000 which will maintain current levels of service. If BWI service is removed, it will save only about \$10,000 of the subsidy overall. If the airline leaves, the financial impact will be about \$155,000 in lost fuel revenue long-term as well as annually about \$30,000 in PFC income long-term. Short-term, the impact to facility rents would be about \$85,000, however, he feels confident the space would be able to be utilized relatively quickly by other users.

If the airline would vacate the airport due to the lost of EAS funding, Mr. Eberly recommends revising the Terminal design to remove the TSA and airline space. The current airline contract terminates March 31, 2019. If the Airport Authority is unable to come to terms with the USDOT and doesn't participate with the EAS program, Mr. Eberly feels that the airline will vacate the Airport and no longer provide commercial service. If the Airport is unable to stay in the EAS program, he feels strongly that it would be very difficult if not impossible to re-enter the program at a later date.

The Board requested that Mr. Eberly and Counsel contact US Legislatures regarding the program to see if there are any options at all prior to the February 15 deadline.

WATERLINE PROJECT UPDATE

Mr. Beiler reported that a waterline project has been completed that connects Lancaster Avionics and Alliance Aviation facilities from well water to public/City water. He had a quote from a contractor to perform the work for over \$50,000. Maintenance staff provided the labor and the materials cost was about \$8,000 which ended up well under the proposed cost. The well in Lancaster Avionics had failed and felt it was a matter of time before the Alliance well would. The actual project took about 2 weeks to complete. The old wells were abandoned.

18 WEST MILLPORT ROAD PROPERTY

Mr. Eberly had received approval to bid on the property located at 18 W. Millport Road at an auction with a bid not to exceed \$225,000. Mr. Eberly attended and was the winning bidder at \$192,000. The family requested to close on the property no later than March 19, however, Mr. Eberly is willing to scheduled earlier if possible. The Maintenance Staff then will be able to do cosmetic work to prepare it for rental. Mr. Russell remarked that he was waiting for the title search which should be back any day.

PROPOSED FUTURE DEVELOPMENT

Mr. Eberly reported that Earl Township Partners has presented a proposal to rent four (4) acres of the property located at the south east corner of Millport Road and Lititz Pike to the west of the Venture Jets facility.

They are proposing to pay fifty-two cents per square foot which equates to \$88,400 per year with CPI increases. The parcel would require sewer and water, which was already available to Sheetz when they built their facility. Sheetz currently pay \$1.16 per square foot. After a discussion, the Board directed Mr. Eberly to advertise a RFP for the site.

AIRPORT DIRECTOR REPORT

Mr. Eberly did not have any additional items to report.

FINANCE ADMINISTRATOR

Ms. Martin reported that the remaining Receivables are at about 12% since the end of the month. Aircraft activity during December increased in 2018 compared to 2017 and is a high year in the past 10 years. Through November, the health insurance program is anticipated to have another good year of minimal usage for employees. The final report will be available by April.

Ms. Huber relayed that about 35 people attended the January Fly-In. The next one is scheduled for February 2.

FACILITIES ADMINISTRATOR

Mr. Beiler reported that the hangar project is continuing. There has been minimal weather delays so far. The Maintenance Department is also in the process of re-skinning Hangar 4 doors. The costs to provide this for several hangars was originally included with the Multi-Bay hangar project for about \$800,000. The Maintenance Staff will do it instead for a significant savings over the course of several years.

MANAGER, ALLIANCE AVIATION

Ms. Stauffer reported that Alliance has signed up for new online training from the fuel supplier, AvFuel. This training will replace the need to send employees for training. She is also in the process of looking for a Customer Service Representative to replace Bob, who is looking to retire again.

PUBLIC COMMENT

Ms. Moul asked if any attendees had any additional comments or questions.

Mr. Myers of the Air Traffic Control Tower commented that the staff are still providing the services even through the FAA government shutdown. The Tower contractor pays their salary directly and felt very confident that the company would be able to continue services for a while longer.

Mr. Knight of the Civil Air Patrol relayed that the CAP appreciate all the support provided by the Authority. There is now a sign installed to let people know where they are located. The membership is down right now but it is not unusual as it is generally cyclical.

No additional comments were received at this time.

DATE FOR NEXT MEETING

The date for the next meeting is scheduled for Monday, February 18, 2019 at 3:30 p.m. in the Administrative Office conference room. There being no further business to discuss, motion was duly made by Mr. Brown, seconded by Ms. Lehman, unanimously approved, and the meeting was adjourned.

Respectfully submitted,

Cheryl Martin
Recording Secretary