

MINUTES OF
LANCASTER AIRPORT AUTHORITY

April 15, 2019

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Authority offices on Monday, April 15, 2019. The meeting began at 3:30 p.m. Mr. James Cunningham, Chairman, presided at the meetings and the following persons attended:

Lancaster Airport Authority

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

Counsel – Aaron Zeamer, Esquire of Russell, Krafft & Gruber, LLP
Accountants – Michael Frey & Thomas Feister, Baker Tilley Virchow Krause

Lancaster Airport Authority Staff

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

Public Attendees

Glenn Knight, Civil Air Patrol
Brad Witmer

PUBLIC COMMENT

Mr. Cunningham began the 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 MEETINGS

Copies of the proposed minutes of the Lancaster Airport Authority Board meeting held on March 18, 2019 were distributed to the Board members. Upon motion duly made, seconded, and

unanimously approved, the minutes were moved for approval as submitted by Mr. Stauffer, seconded by Mr. Brown, and unanimously approved.

FINANCIAL REPORT

The financial report for period ending March 31, 2019 was submitted. The following is the report for the referenced period.

Lancaster Airport Authority's Monthly Financial Summary		
<i>Period Ending March 31, 2019</i>		
Combined General Fund and Alliance Aviation		
Reporting Period	Budget	Actual
March Net Revenue:	\$77,214.20	\$99,500.20
Year to Date Net Revenue:	\$186,721.07	\$298,339.01
General Fund Report		
Reporting Period	Budget	Actual
March Net Revenue:	\$44,659.82	\$61,879.60
Year to Date Net Revenue:	\$98,748.14	\$170,914.96
Alliance Aviation Report		
Reporting Period	Budget	Actual
March Net Revenue:	\$32,554.38	\$37,620.60
Year to Date Net Revenue:	\$87,972.93	\$127,424.05
Cash and Cash Equivalents		
Item		Current Balance
General Fund Checking Account:		\$9,527.79
General Fund Liquid Reserves:		\$209,421.42
Certificate of Deposit:		\$2,912,000.00
PLGIT Cash Account:		\$6,337.73
PLGIT Prime Investment Account		\$767,664.38
PLGIT Term Account		\$1,900,000.00
General Fund Accounts Receivable:		\$50,415.66
General Fund Accounts Payable:		\$94,911.66
Alliance Aviation Checking/Cash on Hand:		\$53,731.01
Alliance Aviation Accounts Receivable:		\$67,641.72
Alliance Aviation Accounts Payable:		(\$27,469.92)
Total Cash and Cash Equivalents:		\$6,044,181.45
Grant-Funded Project Construction Report		
Balance @ February 28, 2019		\$568.60
Grant Receipts:		\$241,947.47
Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		\$0.00
Balance @ March 31, 2019		\$242,516.07

Passenger Facility Charge Account		
Balance @ March 31, 2019		\$564.01
\$ 1 Million Line of Credit Report		
Item	Rate of 4.77913%	Available Balance:
Balance @ March 31, 2019	\$0.00	\$1,000,000.00

The financial reports for the period ending March 31, 2019 were moved for approval as submitted by Mr. Stauffer, seconded by Mr. Brown, and unanimously approved subject to audit.

FISCAL YEAR 2018 AUDIT REPORT

Baker Tilly Virchow Krause LLP performed the audit for Fiscal Year 2018. Draft copies were distributed prior to the meeting. Michael Frey and Thomas Feister of Baker Tilly Virchow Krause reviewed the highlights of the audit report. The audit was clean with a no findings determination. There were no changes to the accounting policies or disclosures during 2018. There were no unusual audit transactions as well.

The report is unqualified with no material adjustments and an A-133 Single Audit report was not required this year due to the amount of federal funds expended during the fiscal year. The following draft resolution approves the financial statement and compliance report for the Fiscal Year 2018 audit.

Resolution No. 08 of 2019 Adoption of Auditor's Reports

WHEREAS, Baker Tilly Virchow Krause, LLP Certified Public Accountants, being the auditors engaged to perform an independent audit of the Authority's financial statements, have completed and submitted financial statements for the year ended December 31, 2018, together with an independent auditors' report thereon; and

WHEREAS, the Board of the Lancaster Airport Authority, having been presented with said reports and having reviewed the same, do hereby accept the reports as submitted.

NOW THEREFORE, BE IT HEREBY RESOLVED, that the Lancaster Airport Authority accepts the audited financial statements for the fiscal year ended December 31, 2018 submitted by Baker Tilly Virchow Krause, LLP; 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 Audit Report is hereby approved; and

ALSO BE IT RESOLVED a copy of the approved 2018 Audited Financial Report is attached hereto and made a part of this Resolution.

Upon motion duly made, seconded, and unanimously approved, the audit was accepted and the resolution was adopted. The final report will be provided to staff to disseminate as necessary. The required reports will be submitted to the Federal, State, and Local agencies.

ORGANIZATION FUTURE PLANNING

Mr. Eberly has expressed his intention to retire in the next few years and has been looking for a consultant to assist with this transition to a new manager. He met with several consultants and has a proposal from the North Group. He distributed a copy for the Board's review and comments.

TSA LEASE AGREEMENT AMENDMENTS

TSA currently leases space in the Terminal Building to handle screening operations at the Lancaster Airport. The current term will expire later in the year and they have requested an extension for an additional ten (10) year renewal option. The following resolution recommends approval of the lease agreement amendment.

Resolution No. 09 of 2019

Transportation Security Administration Lease Agreement Amendment

WHEREAS, the Transportation Security Administration handles the security screening for the airline operating at the Lancaster Airport; and

WHEREAS, the Transportation Security Administration desires to utilize office space while operating at the Lancaster Airport; and

WHEREAS, the Transportation Security Administration has presented one (1) lease agreement amendment for office space to the original agreement which commenced September 5, 2004 at the Lancaster Airport exercising the option for a ten (10) year renewal period.

NOW THEREFORE BE IT RESOLVED , that Lancaster Airport Authority does hereby approve the Lease Agreement Amendment for the Transportation Security Administration for premises at the Lancaster Airport; 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 Lease Agreement Amendment is hereby approved; and

ALSO BE IT RESOLVED a copy of the Lease Agreement Amendment is attached hereto and made a part of this Resolution.

Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, and unanimously approved, the resolution was adopted and the amendment agreements were approved. Signatures will be affixed and forwarded for full execution.

ARFF FOAM/INSPECTION REPORT

Mr. Eberly reported that there was a Certification Alert issued to all commercial airports stating that a chemical used in AFFF fire suppression foam could be an environmental contaminant. The foam is used at a 3% mix – 97% water to 3% foam. This foam has been used at commercial airports and military bases across the United States since the 1980's. At the Lancaster Airport, it has been used during regular training exercises as required by the FAA as well as a few minor aircraft incidents.

The FAA is currently working on a replacement chemical that is environmentally safe, however, it will be a few years until it is developed and approved for use at commercial airports. After the Cert Alert was released, the Airport Fire Department staff was instructed not to use the contaminating foam for any reason other than an actual aircraft emergency. Recently, the FAA conducted their annual airport inspection and as part of that inspection, required the fire department to spray AFFF foam on the ground for a proportioning test. Because of the knowledge of potential environmental contaminants, the Airport staff refused to spray the foam and a letter was submitted to the FAA stating the reason for the refusal. The letter made its way up through PennDOT and to the top of the FAA. The FAA issued a response letter stating that at this time, the Airport Authority will not be required to spray AFFF foam for non-emergency reasons because of the small size of airliner aircraft utilizing the airport. The letter also informed the Airport that Lancaster Airport would no longer be able to operate under ARFF Index B fire regulations and would be downgraded to Index A until the foam is tested.

Currently there is no way to test the foam without spraying it on the ground. Recently, we were made aware of a potential fix which would negate the need for spraying the foam on the ground. The system was created by Oshkosh, which manufactured the Airport's ARFF truck. The system would accomplish the foam proportioning test completely internally on the fire truck. The approximate cost of the system is \$20,000 which would not be needed after the replacement foam is available in a few years. Today, the Southwest aircraft which carry Boscov's charters a few times a year would be one of the few aircraft that could be affected by the potential ARFF index downgrade. Staff will continue to monitor the situation and report any changes.

AIRPORT DIRECTOR REPORT

Mr. Eberly reported that the EAS funding is still in limbo. With all the research and contacts he has made, the only alternative at this point to contact the elected officials to see if they are able to change the law. Mr. Eberly also reported on the Terminal Renovations status – the architect is currently in the process of repackaging the project and removing the airline, TSA, and meeting spaces and changing it from 1 project into 2 phases. Once there is a determination regarding the future of the airline status, plans can then move forward with the renovations of those areas.

FINANCE ADMINISTRATOR

Ms. Martin reported that the remaining Receivables are about 40% since the end of the month. Aircraft activity in March increased in 2019 compared to 2018 as well as year-to-date. Weather continues to affect the activity numbers year to date. Landfill had another good month in spite of the weather related to the Manheim Township School District project, which ended in early March. Ms. Huber relayed that about 40 people attended the April 6 Fly-In. The last one of the season is scheduled for May 4.

FACILITIES ADMINISTRATOR

Mr. Beiler reported that the FAA inspection took about 2 days with minor issues aside from the foam testing issue. The hangar projects are continuing with setbacks regarding the roofs. The roofs sustained damage from recent winds as well as being installed incorrectly. They are working through the issues to ensure that the facility is erected to the desired standards.

MANAGER, ALLIANCE AVIATION

Ms. Stauffer reported that at Alliance as well, jet traffic was down. She asked around to customers as well as other airports and the North East traffic overall appears to have been down for the first quarter with no specific reason. The addition of the Venture Jets fuel farm has been a positive for capacity allowing Line Service to order fuel primarily during the week rather than weekends when there are less staff available. Venture Jets is uplifting expected fuel quantities.

PUBLIC COMMENT

Mr. Cunningham asked if any attendees had any additional comments or questions. No additional comments were received at this time.

DATE FOR NEXT MEETING

The date for the next meeting is scheduled for Monday, May 20, 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 Mr. Stauffer, unanimously approved, and the meeting was adjourned.

Respectfully submitted,

Cheryl Martin
Recording Secretary