

MINUTES OF

LANCASTER AIRPORT AUTHORITY

April 19, 2021

A meeting of the Lancaster Airport Authority was held in-person and remotely using ZOOM on Monday, April 19, 2021. The meeting began at 3:30 p.m. Ms. Valerie Moul, Vice-Chair, presided at the meetings and the following persons attended:

Lancaster Airport Authority

Chair	James Cunningham – Absent
Vice-Chair	Valerie Moul
Secretary	Matthew Brown – Virtually
Treasurer	Amanda Lehman– Virtually
Asst. Secretary/Asst. Treasurer	Richard Stauffer

Counsel – Aaron Zeamer, Esquire of Russell, Krafft & Gruber, LLP

Lancaster Airport Authority Staff

Ed Foster –Airport Director
Cheryl Martin – Finance Administrator
Austin Beiler – Facilities Administrator
Mary Forney – Manager, Alliance Aviation

VISITORS (Virtually)

Mike Frey – Baker Tilley
Thomas Feister – Baker Tilley
Grant Zimmerman – Baker Tilley
Mark Cestari – Southern Airways Express

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 requested any public comments from the meeting attendees.

Mr. Cestari thanked the Lancaster Airport Authority for their support of the change in service from BWI to Washington-Dulles Airport and the additional flight to Nantucket, Massachusetts which was just announced at a press conference.

No additional comments were offered at this time. She 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 March 15, 2021 were distributed to the Board members. Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, and unanimously agreed, the minutes were approved as submitted.

FINANCE COMMITTEE:

FINANCIAL REPORT – Ms. Lehman reviewed the financial report for period ending March 31, 2021. The report shows the year to continue to be off to a good start. Even though landfill was closed about of the month due to weather, usage caught up to expected levels. Interest rates continue to be extremely low. Fuel sales were good this month overall. The following table is the report for the referenced period.

<i>Period Ending March 31, 2021</i>		
Combined General Fund and Alliance Aviation		
Reporting Period	Budget	Actual
March Net Revenue:	\$55,031.64	\$139,984.15
Year to Date Net Revenue:	\$189,656.05	\$274,625.71
General Fund Report		
Reporting Period	Budget	Actual
March Net Revenue:	\$68,143.04	\$90,818.45
Year to Date Net Revenue:	\$203,871.04	\$169,822.87
Alliance Aviation Report		
Reporting Period	Budget	Actual
March Net Revenue:	(\$13,111.40)	\$49,165.70
Year to Date Net Revenue:	(\$14,214.99)	\$104,802.84
Cash and Cash Equivalents		
Item		Current Balance
General Fund Checking Account:		\$33,180.37
General Fund Liquid Reserves:		\$130,543.74
Certificate of Deposit:		\$3,223,000.00
PLGIT Cash Account:		\$1,552.75
PLGIT Prime Investment Account		\$274,337.12
PLGIT Term Account		\$1,500,000.00
General Fund Accounts Receivable:		\$194,848.30

General Fund Accounts Payable:		(\$33,864.44)
Alliance Aviation Checking/Cash on Hand:		\$98,975.93
Alliance Aviation Accounts Receivable:		\$50,845.87
Alliance Aviation Accounts Payable:		(\$67,425.72)
Total Cash and Cash Equivalents:		\$5,405,993.92
Grant-Funded Project Construction Report		
Balance @ February 28, 2021		\$568.60
Grant Receipts/Transfers:		\$153,682.11
Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		(\$153,682.11)
Balance @ March 31, 2021		\$568.60
Passenger Facility Charge Account		
Balance @ March 31, 2021		\$1,742.47
\$ 1 Million Line of Credit Report		
Item	Rate of 4.0000%	Available Balance:
Balance @ March 31, 2021		\$1,000,000.00

The financial reports for the period ending March 31, 2021 were moved for approval as submitted by Ms. Lehman, seconded by Mr. Stauffer, and unanimously approved subject to audit.

FISCAL YEAR 2020 ANNUAL AUDIT – Mr. Frey and Mr. Feister presented the annual audit report and required communications from the annual audit. The Passenger Facility Charge (PFC) also requires an additional audit report. The audit is a clean audit with no findings. Their focus is on cash, invested funds, Accounts Receivables, project costs, and COVID-19 impact on operations. They also review internal controls and accounting policies. They also maintain the Depreciation Schedule for equipment and projects owned and operated by the Airport.

The audit was completed virtually with protected portals and virtual meetings throughout the audit. The 2019 audit was restated due to a \$200,000 construction project error which is reflected in the current audit report. In 2021, due to construction projects with federal funds, an additional single audit will be required. The threshold is \$750,000 which will be far exceeded by project costs annually the next several years.

The following resolution accepts the Fiscal Year 2020 annual audit.

**Resolution No. 10 of 2021
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, 2020 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, 2020 submitted by Baker Tilly Virchow Krause, LLP; and

ALSO BE IT RESOLVED that the authorization of William E. Foster, 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 2020 Audited Financial Report is attached hereto and made a part of this Resolution.

Upon motion duly made by Mr. Brown, seconded by Ms. Lehman, the resolution was adopted and the reports were accepted. Required reports will be submitted to the appropriate agencies.

PERSONNEL COMMITTEE REPORT:

No report for this meeting. Staff will coordinate a Board Retreat which was originally scheduled for last fall. More information to follow.

FACILITIES COMMITTEE:

FIORENTINO'S RESTAURANT UPDATE – Mr. Foster reported that Ms. Billas has come to terms with a buyer for the balance of the lease. She provided an executed copy and requested approval to transfer the lease to a new entity, Kaltrone's LLC. Approval of the transfer assignment is contingent upon PBLC approval of the buyer to assume the airport liquor license. The following resolution approves the lease assignment.

Resolution No. 11 of 2021

TINO, LLC.

Authorizing Assignment of Amended and Restated Operating Lease Agreement

WHEREAS, the Lancaster Airport Authority (the "Authority"), as landlord, has entered into an Amended and Restated Operating Lease Agreement dated May 21, 2012 (the "Lease Agreement)," with TINO, L.L.C. ("TINO") as tenant and which permits TINO to lease approximately 4,300 square feet of space within in the Terminal Building and approximately 3,000 square feet of outdoor space all of which is used to operate a restaurant at the Airport; and

WHEREAS, TINO has requested that the Authority consent to an assignment of the Lease Agreement as part of a sale of its assets from TINO to **KATRONE'S, LLC**; and

WHEREAS, **KATRONE'S, LLC** desires to continue to operate a restaurant, including the use of an Airport Liquor License, at the Airport and assume the obligations of TINO pursuant to the terms and conditions of the Lease Agreement; and

WHEREAS, TINO and Katrone's, LLC intend to seek approval from the Pennsylvania Liquor Control Board ("PLCB") to transfer the Airport Liquor License to Katrone's, LLC for continued use at the Airport; and

WHEREAS, the Authority has prepared an Assignment of Amended and Restated Operating Lease Agreement wherein TINO shall assign all of its rights, title and interests in the Lease Agreement to **KATRONE'S, LLC** who shall be responsible for rent and other obligations under the Lease Agreement.

NOW, THEREFORE, BE IT RESOLVED that the Authority approves the Assignment of Amended and Restated Operating Lease Agreement, which approval shall be contingent upon the approval by the PLCB of the transfer of the Airport Liquor License for use by Katrone's, LLC at the Airport. A copy of the foregoing Assignment has been presented at this meeting, and the Authority authorizes the Airport Director to execute the same.

ALSO BE IT RESOLVED that, upon the execution and delivery of the Assignment of Amended and Restated Operating Lease Agreement and the satisfaction of the contingencies set forth therein, the Amended and Restated Operating Lease Agreement dated May 21, 2012, shall be assigned to **KATRONE'S** who shall thereafter be responsible for all rent and other obligations under the Lease Agreement.

BE IT FURTHER RESOLVED that William E. Foster, Airport Director, is hereby authorized to execute, on behalf of the Authority, said Assignment of Amended and Restated Operating Lease Agreement.

Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, and unanimously approved, the lease assignment was approved pending PBLC approval. Documentation will be forwarded to start the approval process.

CIVIL AIR PATROL – the Civil Air Patrol operates a squadron out of the Lancaster Airport and provides educational experiences to youth ages 12 – 18. They have provided an annual report for 2020 and they are anxious to resume in-person meetings. They have requested a waiver rental. The following resolution approves the request through the current lease term.

**Resolution No. 12 of 2021
Civil Air Patrol Lease Rent Waiver**

WHEREAS, the Jesse Jones Squadron 304 operates a Civil Air Patrol unit at the Lancaster Airport; and

WHEREAS, the Squadron rents space to operate at the Lancaster Airport; and

WHEREAS, the Squadron has requested a waiver of rental payments for their office/classroom space in the Venture Jets facility at the Lancaster Airport.

NOW THEREFORE BE IT RESOLVED, that Lancaster Airport Authority does hereby approve the request to waive rental payments for leased space at the Lancaster Airport; and

ALSO BE IT RESOLVED that the waiver is approved for the current lease term which expires as of January 31, 2023; and

ALSO BE IT RESOLVED that the authorization of William E. Foster, Airport Director, to act as agent to execute any and all necessary documents relating to the aforementioned lease agreement is hereby approved.

Upon motion duly made by Mr. Brown, seconded by Ms. Lehman, and unanimously adopted, the resolution was adopted and the rent waive was approved. They will continue to submit annual reports.

PROPERTY COMMITTEE:

DELTA AIRPORT CONSULTANTS TASK ORDER NO. 05 – Delta Airport Consultants submitted a revised agreement to provide property building lots. The exhibits will provide a document to allow the Airport Authority to show potential development sites to interested tenants. This will be utilized to provide a background for future development discussions. The following resolution approves the agreement.

**Resolution No. 13 of 2021
Delta Airport Consultants Agreement Task Order No. 5**

WHEREAS, the Lancaster Airport Authority desires to develop aviation and non-aviation lots on the Airport; and

WHEREAS, Delta Airport Consultants has provided a proposal for services to create exhibits showing the available developable parcels at the Lancaster Airport.

NOW THEREFORE BE IT RESOLVED that Lancaster Airport Authority does hereby approve the Delta Airport Consultants proposal to create exhibits of building site layouts for a fee not-to-exceed \$9,500 for the Lancaster Airport; and

ALSO BE IT RESOLVED that the authorization of William E. Foster, Airport Director, to act as agent to execute any and all necessary documents relating to the aforementioned proposal is hereby approved; and

ALSO BE IT RESOLVED a copy of the proposal are attached hereto and made a part of this Resolution.

Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, the resolution was unanimously adopted and the agreement was approved. The agreement will be executed and they will be provided a Notice-To-Proceed to start the project.

ROUTE 501/MILLPORT ROAD SW CORNER REQUEST – Mr. Foster reported that a Request for Proposals has been released for this portion of the property. A virtual pre-submission meeting is scheduled before submissions are due which are due in May.

LANDFILL RELOCATION/EXPANSION – Mr. Foster reported that he has received a final estimated construction price to relocate the current stormwater basin and expand the landfill. By doing nothing, the cleanfill is estimated to be open for an additional 5 years based on an average of the past 5 years. If the project moves forward, a minimum of an additional 10 years would be added and it would take approximately 5-6 years to pay off the relocation cost. A potential rate increase is also factored into the estimated income in approximately 5 years. The estimated construction costs is felt to be high, however, that is what a local company felt the project would cost. Without being in a hurry, hopefully potential bidders would submit lower bids. The Board felt this would be a project to continue and directed Mr. Foster to start the design process.

STAFF MANAGEMENT REPORTS:

AIRPORT DIRECTOR REPORT – Mr. Foster reports that he continues to have conversations with tenants about the inability to fill their facility needs. He is planning to request funding for several corporate hangars along with t-hangars to help fill the void. He also reported that an additional level of funds may be released and he has been vocal at the national level to receive a higher level of funds to airports our size which may be available to assist with funding capital projects. Advanced Aircraft Services is planning on selling and maintaining Cirrus jets along with flight training. With increasing the traffic, Mr. Brown asked if the current taxiway network may need to be reworked if the airport continues to grow. Ms. Moul requested that projections of space versus volume be part of the development discussion.

FINANCE ADMINISTRATOR REPORT – Ms. Martin reported that aircraft activity was up tremendously in March at over 136% from March 2020 and year to date above by about 62%, which is reflected in the fuel sales. About 54% of outstanding funds have been since March 31, 2021, with Penn Cinema attributing to about 42% of the outstanding amount due. The audit went very well even with working with the staff remotely.

FACILITIES ADMINISTRATOR – Mr. Beiler reported that the Runway 8-26 Rehabilitation project is slated to begin in May. The project is mostly paving and will take place over 8 long weekends from 6pm Friday until 6 am Tuesday. During construction, Runway 8-26 will be closed during the weekends, however, the Airport will generally be open during the construction period. The activity will impact users, however it is a necessary project. The contractor has significant penalties if they don't meeting deadlines. Runway 13-31 will be open and most aircraft using the Airport is able to use it.

MANAGER, ALLIANCE AVIATION – Ms. Forney reported that the Runway project will impact corporate traffic and they will be assisting customers whenever possible to work around the closure times. Ms. Forney is also working on finalizing the VIP event and Open House for the new facility. It is slated to be held June 21 after the monthly Board meeting.

PUBLIC COMMENT

Ms. Moul 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 17, 2021 at 3:30 p.m. by ZOOM. Meetings have been scheduled on ZOOM until the Board is ready to return to meetings on-site. 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