

**MINUTES OF**  
**LANCASTER AIRPORT AUTHORITY**

**October 17, 2022**

A meeting of the Lancaster Airport Authority was held in-person and remotely using ZOOM on Monday, October 17, 2022. The meeting began at 3:30 p.m. Mr. James Cunningham, Chair, presided at the meeting and the following persons attended:

**Lancaster Airport Authority**

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

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**

Glenn Baugher – Civil Air Patrol  
Jen Snyder – Smoketown Helicopters  
John Trescot – Commissioner, County of Lancaster

**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 asked for any public comments from the meeting attendees. No additional comments were presented. He 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 August 15, September 28, and October 6, 2022 were distributed to the Board members. Upon motion duly made by Ms. Moul, 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 August 31, 2022. The following table is the report for the referenced period.

<i>Period Ending August 31, 2022</i>		
<b>Combined General Fund and Alliance Aviation</b>		
<b>Reporting Period</b>	<b>Budget</b>	<b>Actual</b>
August Net Revenue:	\$126,269.17	\$219,713.01
Year to Date Net Revenue:	\$845,166.33	\$1,384,474.82
<b>General Fund Report</b>		
<b>Reporting Period</b>	<b>Budget</b>	<b>Actual</b>
August Net Revenue:	\$69,322.99	\$119,517.32
Year to Date Net Revenue:	\$527,849.91	\$713,186.56
<b>Alliance Aviation Report</b>		
<b>Reporting Period</b>	<b>Budget</b>	<b>Actual</b>
August Net Revenue:	\$56,946.18	\$100,195.69
Year to Date Net Revenue:	\$317,316.42	\$671,288.26
<b>Cash and Cash Equivalents</b>		
<b>Item</b>		<b>Current Balance</b>
General Fund Checking Account:		\$22,250.32
General Fund Liquid Reserves:		\$574,708.95
Certificate of Deposit:		\$49,600.00
PLGIT Cash Account:		\$1,480.09
PLGIT Prime Investment Account		\$519,205.47
PLGIT Term Account		\$4,950,000.00
General Fund Accounts Receivable:		\$142,709.41
General Fund Accounts Payable:		<b>(\$18,272.45)</b>
Alliance Aviation Checking/Cash on Hand:		\$216,012.22
Alliance Aviation Accounts Receivable:		\$99,011.28
Alliance Aviation Accounts Payable:		<b>(\$205,193.12)</b>
<b>Total Cash and Cash Equivalents:</b>		<b>\$6,351,512.17</b>
<b>Grant-Funded Project Construction Report</b>		
Balance @ July 31, 2022		\$1,745,734.94
Grant Receipts/Transfers:		\$1,338,710.82

Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		<b>(\$3,083,814.66)</b>
<b>Balance @ August 31, 2022</b>		<b>\$631.10</b>
<b>Passenger Facility Charge Account</b>		
<b>Balance @ August 31, 2022</b>		\$1,446.57
<b>\$ 1 Million Line of Credit Report</b>		
Item	Rate of 4.8000%	Available Balance:
<b>Balance @ August 31, 2022</b>		\$1,000,000.00

Ms. Lehman also reviewed the financial report for period ending September 30, 2022. The landfill bounced back in August and September. Staff are continuing to take advantage of higher investment rates. The following table is the report for the referenced period.

<i>Period Ending September 30, 2022</i>		
<b>Combined General Fund and Alliance Aviation</b>		
Reporting Period	Budget	Actual
September Net Revenue:	\$50,909.93	\$68,577.95
Year to Date Net Revenue:	\$896,076.26	\$1,453,046.17
<b>General Fund Report</b>		
Reporting Period	Budget	Actual
September Net Revenue:	\$16,264.83	\$14,838.13
Year to Date Net Revenue:	\$544,114.74	\$728,018.09
<b>Alliance Aviation Report</b>		
Reporting Period	Budget	Actual
September Net Revenue:	\$34,645.10	\$53,739.82
Year to Date Net Revenue:	\$351,961.52	\$725,028.08
<b>Cash and Cash Equivalents</b>		
Item		Current Balance
General Fund Checking Account:		\$52,005.68
General Fund Liquid Reserves:		\$717,678.34
Certificate of Deposit:		\$248,000.00
PLGIT Cash Account:		\$5,228.41
PLGIT Prime Investment Account		\$520,293.70
PLGIT Term Account		\$5,200,000.00
General Fund Accounts Receivable:		\$145,570.21
General Fund Accounts Payable:		<b>(\$33,134.50)</b>
Alliance Aviation Checking/Cash on Hand:		\$133,698.83
Alliance Aviation Accounts Receivable:		\$102,825.26
Alliance Aviation Accounts Payable:		<b>(\$165,749.08)</b>
<b>Total Cash and Cash Equivalents:</b>		<b>\$6,926,416.85</b>
<b>Grant-Funded Project Construction Report</b>		
Balance @ August 31, 2022		\$631.10

Grant Receipts/Transfers:		\$680,737.45
Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		<b>(\$196,902.85)</b>
<b>Balance @September 30, 2022</b>		<b>\$484,465.70</b>
<b>Passenger Facility Charge Account</b>		
<b>Balance @September 30, 2022</b>		\$4,062.36
<b>\$ 1 Million Line of Credit Report</b>		
Item	Rate of 4.8000%	Available Balance:
<b>Balance @September 30, 2022</b>		\$1,000,000.00

The financial reports were moved for approval as submitted by Ms. Lehman, seconded by Ms. Moul, and unanimously approved subject to audit.

**COMMUNITY DAYS 2022 FINAL REPORT** – Ms. Martin submitted a final Community Days financial report. There are 1-2 items lagging yet that staff are waiting for, however, the final number is very close to the expected number. The paid parking was definitely down from prior years. Nothing could be pinpointed for sure, just a number of different factors contributing such as other local events and residual COVID responses to larger crowds. It was still a great weather weekend and the people who came seemed to enjoy the event.

**BAKER TILLY SEGREGATION OF DUTIES PROPOSAL** – Ms. Lehman requested a proposal from Baker Tilly to review the financial procedures conducted by staff in relation to the Segregation of Duties statement listed in the annual financial report. After reviewing their proposal, she feels that the proposal is consistent with the market and recommends moving forward. She anticipates a report about 4-5 weeks after the agreement is executed. The following resolution approves the proposal.

**Resolution No. 29 of 2022  
Baker Tilly Segregation of Duties Agreement**

**WHEREAS**, the Lancaster Airport Authority is required to have the financial statements audited on an annual basis; and

**WHEREAS**, a Segregation of Duties statement is included annually reflecting the small number of staff working on the financial duties; and

**WHEREAS**, Baker Tilly has presented a proposal in the amount ranging from \$12,400 to \$15,500 plus expenses to evaluate the current flow of the financial accounting work performed by staff.

**NOW THEREFORE BE IT RESOLVED** that Lancaster Airport Authority does hereby approve the Baker Tilly proposal to provide a segregation of duties evaluation and provide recommendations to the Lancaster Airport Authority; 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 agreement is hereby approved; and

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

Upon motion duly made by Ms. Moul, seconded by Ms. Lehman, the resolution was approved and

**FISCAL YEAR 2023 PROPOSED BUDGET – DRAFT** – Ms. Martin presented the draft Fiscal Year 2023 Proposed Budget. The budget will be available for public review and comment at the November 21, 2022 meeting. Questions or comments are to be directed to staff.

**PERSONNEL COMMITTEE REPORT:**

No report this month.

**FACILITIES COMMITTEE:**

**MCFARLAND JOHNSON TASK ORDER NO 2** – McFarland Johnson has been working on hangar development on the north side of the field to accommodate our current tenants who have outgrown their current space and need expanded facilities. The design will be impacted by the ability to secure utilities; however, this specific task is to start the design process to keep it moving. Staff are working in tandem to keep the project moving.

**Resolution No. 30 of 2022  
McFarland-Johnson, Inc.  
Task Order No. 02 Agreement**

**WHEREAS**, the Lancaster Airport Authority desires to build hangars at the Lancaster Airport; and

**WHEREAS**, McFarland-Johnson, Inc. has provided a Schematic Design Services proposal identified as Task Order No. 02 to provide corporate hangar design in the amount of \$224,191.

**NOW THEREFORE BE IT RESOLVED** that Lancaster Airport Authority does hereby approve Task Order No. Two (02) agreement for professional services with McFarland-Johnson, Inc. for engineering services for hangar projects for the cost of \$224,191 at the Lancaster Airport pending PennDOT – Bureau of Aviation approval; 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 agreement is hereby approved; and

**ALSO BE IT RESOLVED** a copy of the Task Order Two (02) Agreement is attached hereto and made a part of this Resolution.

Upon motion duly made by Ms. Moul, seconded by Ms. Lehman, the resolution was adopted and the agreement was accepted. The contract will be executed and they will be directed to move forward with the design process.

**NON-AERONAUTICAL PROPERTY COMMITTEE:**

**ALDI LEASE AGREEMENT:** A final draft has been submitted for approval to ALDI for their execution. After discussion regarding the broker agreement, the Board decided to move forward with a final agreement with the request that Staff and Counsel contact ALDI to negotiate the broker rate. The following resolution approves the Ground Lease Agreement with ALDI.

**Resolution No. 31 of 2022  
ALDI, Inc. Ground Lease Agreement**

**WHEREAS**, ALDI Inc. desires to lease ground to develop commercial space at the Lancaster Airport; and

**WHEREAS**, the Lancaster Airport Authority has offered to ALDI Inc. a Ground Lease Agreement for premises at the Lancaster Airport.

**NOW THEREFORE BE IT RESOLVED** that the Lancaster Airport Authority does hereby approve the Ground Lease Agreement for ALDI Inc. for premises at the Lancaster Airport subject to Solicitor review and approval; 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 agreement is hereby approved; and

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

Upon motion duly made by Ms. Moul, seconded by Mr. Stauffer, the resolution was adopted and the agreement was approved. Staff and Counsel will contact ALDI regarding the brokerage agreement.

**ALDI BROKERAGE AGREEMENT** – As part of the ALDI submission, a broker fee was included. An agreement was submitted that was negotiated to spread the payments out over time rather than up in one lump sum. The following resolution approves the agreement pending additional discussion with ALDI regarding the fee.

**Resolution No. 32 of 2022**  
**ALDI, Inc./MSC and Bennett Williams Brokerage Agreement**

**WHEREAS**, ALDI Inc. desires to lease ground to develop commercial space at the Lancaster Airport; and

**WHEREAS**, ALDI Inc. works with MSC/Bennett Williams to secure site locations; and

**WHEREAS** as part of the project proposal, ALDI Inc. included a six percent (6%) commission to be paid by the Airport Authority directly to MSC/Bennett Williams during the initial term of the ground lease agreement; and

**WHEREAS** MSC/Bennett Williams has submitted a Leasing Commission Agreement providing for the payment terms in conjunction with certain benchmarks in the ALDI Inc. ground lease agreement for premises at the Lancaster Airport.

**NOW THEREFORE BE IT RESOLVED** that the Lancaster Airport Authority does hereby approve the MSC/Bennett Williams Leasing Commission Agreement connected to the ALDI Inc. Ground Lease Agreement at the Lancaster Airport subject to Solicitor review and approval; 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 agreement is hereby approved; and

**ALSO BE IT RESOLVED** a copy of the Leasing Commission Agreement is attached hereto and made a part of this Resolution.

Upon motion duly made by Ms. Moul, seconded by Mr. Stauffer, the resolution was adopted and the agreement was approved pending a discussion with ALDI regarding the fee rate.

**STAFF MANAGEMENT REPORTS:**

**AIRPORT DIRECTOR REPORT** – Mr. Foster reported that the Airport Authority was not successful with the Thomas property auction, however, he does not feel it was a failure. The price exceeded what the Board and Staff felt comfortable spending. He also felt that Community Days was a success even if the costs exceeded what was anticipated. He will be requesting feedback from the Board at the next meeting regarding starting an annual event or a remaining

a bi-annual event. Regardless, he is looking to set the dates up to 5 years out to help secure acts and reduce aerobatic contract costs.

He was also recently attended the National Airports Conference where several low cost carrier representatives also attended. He was able to talk to Avelo and Breeze and both are still very interested in Lancaster Airport as a potential city. Currently the Lancaster Airport Terminal would be difficult to handle them, however, a Charette is being held this week to look at any and all potential options to handle expended services at the Airport. It is his goal to secure a 150 seat air carrier to serve the Lancaster community.

Southern Airways Express was unable to provide a full season of charters to Penn State games due to pilot shortage. They looked at chartering an aircraft and what was a cost of \$50 - \$150 per seat went to \$1,000 per seat which is excessive. They are planning on having flights for the final three (3) home games.

American Airlines operation is going well with 10 – 13 people per trip. They are still working on passenger security clearances and they hope to have it in place by in November.

**FINANCE ADMINISTRATOR REPORT** – Ms. Martin reported that about 65% of outstanding Receivables have been collected since September 30, 2022. Aircraft activity bounced back in August and September.

**FACILITIES ADMINISTRATOR** – Mr. Beiler reported that the storm basin is stalled out with the DEP. He has been in contact with RGS staff who are working on the project and is awaiting an update. The Runway 8-26 project for this year only has a few punchlist items to complete this phase of the project. The construction of the new AAS building is continuing on schedule. The site work will be finishing up in the next few weeks.

**MANAGER, ALLIANCE AVIATION** – Ms. Forney reported that fuel loads are still struggling, the 100LL are more difficult to secure rather than the Jet A. Prices are still floating up and down but not as extreme as what they were.

### **PUBLIC COMMENT**

Mr. Cunningham asked if any attendees had any additional comments or questions. Glenn Baugher of the Civil Air Patrol expressed his thanks from the Civil Air Patrol for the donation from the Community Days event. Ms. Moul also congratulated Ms. Lehman on her promotion at Trout Ebersole. No additional comments were received at this time.

**DATE FOR NEXT MEETING**

The date for the next meeting is scheduled for Monday, November 21, 2022 at 3:30 p.m. in-person and by ZOOM. There being no further business to discuss, motion was duly made by Ms. Moul, seconded by Mr. Stauffer and unanimously approved, the meeting was adjourned.

Respectfully submitted,

Cheryl Martin  
Recording Secretary