

MINUTES OF

LANCASTER AIRPORT AUTHORITY

April 17, 2023

A meeting of the Lancaster Airport Authority was held in-person and remotely using ZOOM on Monday, April 17, 2023. 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
Treasurer	Amanda Lehman – Excused Absence
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 – Excused Absence
Tracy Barley – Aviation Events & Marketing Coordinator

VISITORS – In-Person

Glen Boughner – Civil Air Patrol

VISITORS – Virtual

John Beuerle – Lancaster County Emergency Management
Matt White – Venture Jets
Brett Engroff – Susquehanna Valley Balloon Company
Mike Frey – Baker Tilly
Mike Wascura – Baker Tilly
Grant Zimmerman – Baker Tilly
John Trescot, Commissioner – Lancaster County Commissioner

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 March 20, 2023 were distributed to the Board members. Upon motion duly made by Mr. Stauffer, seconded by Mr. Brown, and unanimously agreed, the minutes were approved as submitted. Ms. Moul abstained from the vote.

FINANCE COMMITTEE:

FINANCIAL REPORT – Ms. Martin reviewed the financial report for period March 31, 2023. She noted that the year continues on a positive note with the first quarter completed. The following table is the report for the referenced period.

<i>Period Ending March 31, 2023</i>		
Combined General Fund and Alliance Aviation		
Reporting Period	Budget	Actual
March Net Revenue:	\$54,093.13	\$66,764.56
Year to Date Net Revenue:	\$277,020.83	\$386,670.22
General Fund Report		
Reporting Period	Budget	Actual
March Net Revenue:	\$14,526.28	\$23,569.16
Year to Date Net Revenue:	\$142,520.88	\$215,397.12
Alliance Aviation Report		
Reporting Period	Budget	Actual
March Net Revenue:	\$39,566.85	\$43,195.40
Year to Date Net Revenue:	\$134,499.95	\$171,273.10
Cash and Cash Equivalents		
Item		Current Balance
General Fund Checking Account:		\$11,830.71
General Fund Liquid Reserves:		\$849,555.44
Certificate of Deposit:		\$240,000.00
PLGIT Cash Account:		\$254,164.60
PLGIT Prime Investment Account		\$79,328.22
PLGIT Term Account		\$5,150,000.00
General Fund Accounts Receivable:		\$74,483.06
General Fund Accounts Payable:		(\$42,983.44)
Alliance Aviation Checking/Cash on Hand:		\$94,794.53

Alliance Aviation Accounts Receivable:		\$66,562.90
Alliance Aviation Accounts Payable:		(\$86,188.60)
Total Cash and Cash Equivalents:		\$6,691,547.42
Grant-Funded Project Construction Report		
Balance @ February 28, 2023		\$640.60
Grant Receipts/Transfers:		\$144,001.34
Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		(\$144,001.34)
Balance @ March 31, 2023		\$640.60
Passenger Facility Charge Account		
Balance @ March 31, 2023		\$2,673.92
\$ 1 Million Line of Credit Report		
Item	Rate of 6.3000%	Available Balance:
Balance @ March 31, 2023		\$1,000,000.00

The financial reports were moved for approval as submitted by Mr. Brown, seconded by Mr. Stauffer, and unanimously approved subject to audit.

FISCAL YEAR 2022 AUDIT REPORT – The audit team from Baker Tilley presented the annual audit report which will be issued upon Board approval. They reviewed the required communications and reported that a clean opinion was reported. The new requirement this year was the inclusion of anticipated future rental payments from various lease holders through their current lease term along with any renewals. This information is provided in the audit report. The biggest changes from 2021 to 2022 were grant funds received and activity related to the projects such as funds due during the fiscal year and received in the next year. Operationally, not many changes were realized from 2021 to 2022. The following resolution accepts the audit report.

**Resolution No. 11 of 2023
Adoption of Auditor’s Reports**

WHEREAS, Baker Tilly 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, 2022 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, 2022 submitted by Baker Tilly 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 2022 Audited Financial Report is attached hereto and made a part of this Resolution.

Upon motion duly made by Mr. Brown, seconded by Ms. Moul, the resolution was adopted and the report was accepted. Required reporting will be processed by Staff and the audit team as per requirements.

WEBSITE DESIGNER SELECTION – Staff released an RFP for consultant services to update and then maintain the Lancaster Airport website. Eleven firms submitted proposals and after reviewing them, Staff interviewed three finalists. The recommended firm is OnPoint Insights LLC who is based in Chicago, IL. The majority of the work would be completed remotely which Staff felt would not be an issue. The following resolution accepts OnPoint as the selected firm to complete the upgrade.

Resolution No. 12 of 2023
Website Designer Consultant Selection

WHEREAS, the Lancaster Airport Authority released a Request for Proposals for website design services; and

WHEREAS, a Selection Committee reviewed the submissions and selected OnPoint to provide the website design services; and

WHEREAS, OnPoint presented a proposal for approximately \$37,000 to complete the project.

NOW THEREFORE BE IT RESOLVED that Lancaster Airport Authority does hereby approve OnPoint as the consultant to provide website design services for 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 proposal is hereby approved; and

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

Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, the resolution was adopted and the consultants was approved. Staff will start working with them immediately.

PERSONNEL COMMITTEE REPORT:

No report this month. Ms. Moul is scheduling a meeting in the next 1-2 months.

FACILITIES COMMITTEE:

VENTURE JETS LEASE ASSIGNMENT – Ms. Martin reported that Victor Miasnikowicz, President of Venture Jets, Inc. has brought on a partner and changed the company to an LLC. As a result, the Board is required to approve this change in ownership. The change has been reviewed by our Counsel who has prepared a Lease Assignment Agreement. The following resolution approves the Lease Assignment.

Resolution No. 13 of 2023

**Authorizing Assignment of Lease Agreement and new Limited Fixed Base Operation
Concession Agreement**

WHEREAS, the Lancaster Airport Authority (the "Authority"), as Lessor, has entered into a Lease Agreement dated November 19, 2018 (the "Lease Agreement"), with Venture Jets, Inc. ("Venture Jets") as Lessee and which permits Venture Jets to lease certain hangar space at the Airport; and

WHEREAS, Venture Jets has undergone a restructuring of the company consisting of a conversion to a limited liability company and a transfer of 50% of its membership interest to STGJ, LLC and now requests that the Authority consent to an assignment of the Lease Agreement as part of that restructuring; and

WHEREAS, VENTURE JETS, LLC, desires to continue to lease the hangar space at the Airport pursuant to the terms and conditions of the Lease Agreement and continues to engage in certain commercial aviation operations at the Airport; and

WHEREAS, the Authority, as Owner, also desires to enter into a new Limited Fixed Base Operation Concession Agreement (the "Concession Agreement"), with Venture Jets as Operator and which permits Venture Jets to conduct certain commercial aviation operations at the Airport; and

WHEREAS, the Authority has prepared the following: (i) an Assignment of Lease (the "Assignment") wherein Venture Jets, Inc. shall assign all of its rights, title and interests in the Lease Agreement to **VENTURE JETS, LLC** who shall be responsible for the rent, commissions, fees, and all other obligations under the Lease Agreement and (ii) a Concession Agreement with Venture Jets, LLC.

NOW, THEREFORE, BE IT RESOLVED that the Authority approves the Assignment of Lease Agreement and the Concession Agreement, a copy of the foregoing Assignment and Concession Agreement 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, the Lease Agreement dated November 19, 2018, shall be assigned to Venture Jets, LLC who shall thereafter be responsible for all rent, commissions, fees, and other obligations under the Lease.

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

Upon motion duly made by Mr. Brown, seconded by Ms. Moul, the resolution was adopted and the lease assignment was approved. Documents will be executed to fully approve the lease assignment.

SUSQUEHANNA VALLEY BALLOON COMPANY LEASE TERMINATION – At the February Board meeting, the Airport Authority approved the JD Oliver/Transteck ground land lease agreement. The building currently on the sight was occupied by Manheim Township Ambulance Association and the Susquehanna Valley Balloon Company (SVBC). The current lease agreement with the SVBC does not terminate until 2024. This resolution approves the termination of the lease agreement. Mr. Engroff was in support of the project and relocating from their current space.

Resolution No. 14 of 2023
Susquehanna Valley Balloon Company Lease Termination

WHEREAS, the Lancaster Airport Authority (the "Authority"), entered into a Lease Agreement with Susquehanna Valley Balloon Company ("Susquehanna") dated April 26, 2022 (the "Lease"), permitting Susquehanna to occupy approximately 1,480 square feet of hangar space at the Airport; and

WHEREAS, the Authority subsequently entered into a Hangar Ground Lease Agreement dated February 27, 2023, with JD Oliver LLC ("JD Oliver") as tenant and which permits JD Oliver to demolish the existing hangar wherein Susquehanna is a tenant and construct a new hangar in its place for use by JD Oliver; and

WHEREAS, Susquehanna was aware of the anticipated demolition of the hangar and expects to sublease space within the new hangar from JD Oliver when the same is completed; and

WHEREAS, Susquehanna has requested that its Lease with the Authority be terminated effective May 31, 2023.

NOW, THEREFORE, BE IT RESOLVED that the Authority consents to the termination of the Lease with Susquehanna, effective as of May 31, 2023.

Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, the resolution was adopted and the termination was approved. The JDOLiver/Transteck project is in process now with demotion of the current facility anticipated to start June/July 2023.

NON-AERONAUTICAL PROPERTY COMMITTEE:

EARL TOWNSHIP PARTNER REPORT –Mr. Foster reported that per the Board’s request, Earl Township Partners were provided a 30-day notification to move forward or release the property. They have indicated unofficially that they are willing to release the property and Staff is waiting for their formal notification. They are still very interested in assisting with the rezoning effort as well as participating in any RFP’s for land development.

ALDI GROUND LEASE AMENDMENT AGREEMENT NO 01 – ALDI has several periods of performance in their lease agreement. The first one, the Inspection Period, expired March 23, 2023. They had requested a 30-day extension because they were expecting several reports performed during this period that were not completed prior to March 23. They felt confident they would receive everything within the 30-day extension and would not need to extend the Inspection period. The following resolution approves the amendment agreement.

Resolution No. 15 of 2023
Authorizing First Amendment to Aldi Ground Lease Agreement

WHEREAS, the Lancaster Airport Authority (the "Authority"), has entered into a Ground Lease Agreement dated December 23, 2022, with Aldi, Inc. ("Aldi") as tenant (the "Lease Agreement") and which permits Aldi to lease approximately 22,000 square feet of ground on the north side of the airport ("the Leased Premises") upon which Aldi wishes to construct a grocery market and related improvements; and

WHEREAS, Aldi has requested to extend the Inspection Period in the Lease Agreement an additional thirty (30) days such that it would now expire on April 24, 2023; and

WHEREAS, Aldi has prepared a First Amendment to Aldi Ground Lease Agreement to Amend the Lease Agreement to provide for the additional thirty days for the Inspection Period.

NOW, THEREFORE, BE IT RESOLVED that the Authority approves the First Amendment to Aldi Ground Lease Agreement extending the Inspection Period in the Lease Agreement an additional thirty (30) days, such that the Inspection Period shall now expire on April 24, 2023.

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

Upon motion duly made by Mr. Brown, seconded by Mr. Stauffer, the resolution was adopted and the amendment agreement was approved. Executed copies will be provided to ALDI for their records.

RELOCATE SE STORMWATER BASIN PROJECT – Mr. Beiler provided an update on meetings held with PA DEP and RGS regarding the status of the project. The project has been held up due to interpretation. The area is being called a water course with new definitions and new standards. The previous meeting was more of a fact-finding mission with the next one being more of a direction meeting. Staff and RGS are still trying to get the project approved to relocate the basin and then be able to expand the landfill.

STAFF MANAGEMENT REPORTS:

AIRPORT DIRECTOR REPORT – Mr. Foster reported that he has spoken to several airlines, legacy and low-cost, who have expressed interest in starting service at Lancaster. If an airline is interested, they will send a Letter of Intent (LOI). The Terminal currently is not able to accommodate the anticipated traffic and Staff are looking at several options, both temporary and permanent.

Mr. Foster reviewed the benefits of additional service: increased PFC charges, change in status from a non-primary to a primary airport providing for a dramatic increase in entitlement funds for improvement projects, and income from their activity both in the Operating and the FBO funds. A new carrier would request a marketing commitment from the community with cash and in-kind contributions.

As a result of the increased number of people to be processed with a low-cost carrier, other changes will be required to the various airport operational plans as well as TSA participation. Staff are gearing up in preparation of a LOI.

FINANCE ADMINISTRATOR REPORT – Ms. Martin reported that about 82% of outstanding Receivables have been collected since March 31, 2023. Aircraft activity continues to exceed the prior year's numbers. March 2023 and year-to-date has a slight increase in activity as compared to March 2022 and year-to-date.

FACILITIES ADMINISTRATOR – Mr. Beiler reported that the Advanced Aircraft Services hangar has had some approval delays, however, it is anticipated with the latest delays to be ready for occupancy by May 1.

The Runway 8-26 project contractor is required to perform a test strip for their paving work and this time the east Terminal drive was selected and paving was completed today. They have to prove they can create a cold joint between pavements or they have to do more test strips until they pass.

MANAGER, ALLIANCE AVIATION – Ms. Forney was unable to attend the meeting.

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 15, 2023 at 3:30 p.m. in-person and by ZOOM. There being no further business to discuss, motion was duly made by Mr. Stauffer, seconded by Ms. Lehman, and unanimously approved, the meeting was adjourned.

Respectfully submitted,

Cheryl Martin
Recording Secretary