

**ERIE REGIONAL AIRPORT AUTHORITY
WORK SESSION
Thursday November 19, 2009**

Minutes of a Work Session of the Erie Regional Airport Authority duly posted and advertised. Held in the Conference Room of the International Trade Center located at 3837 West 20th Street in Millcreek Township, Erie County, Pennsylvania.

The Work Session Opened at 11:30 AM

Attendees:

Sumner Nichols	Chris Rodgers	Bob Spaulding
Frank Stefano	Sheilah Bruno	Tyrone Clark
Lou Bizzarro	Ian Bogle	Chris Howley, Republic Parking
Lisa Cappabianca	Kim Scharrer	Ed Kissell
Dale Roth	Rick Robie	Katie Gunter, Boetger & Assoc
Charley Augustine	Mari Anne Clark	Don Boetger, Boetger & Assoc
Namon McWilliams	Irene Seyler	Vinnie Halupczynski, Malin Bergquist
Janet Anderson	Michelle Magee	
Don Wright	Tom Paris	

Topics of Discussion:

Runway Extension Status

Chris Rodgers reported that all private residences and mobile home units are now vacant. The two remaining commercial properties-Tri Penn Tool and Modular Engineering are expected to be vacated by the end of the year.

Mr. Rodgers said that demolition is ongoing.

Mr. Rodgers explained that the team continues to take the necessary steps to lead us to the bid letting in the spring (May 1, 2010).

Mr. Rodgers explained that Tri-Penn Tool elected to keep their equipment. We expect them to keep their inventory also. Pertaining to the plan of finance, \$1.3 million of acquisition liability is no longer there. Acquisition is still expected to come in under what was originally budgeted. This will add to our contingency and carry over to the next phase of the project.

Mr. Rodgers reported that preliminary approval from Millcreek on the land development and the subdivision plans has been received. We are still on target for local wetland permit approval. Mr. Rodgers said that a meeting is scheduled with Urban for their independent, peer review of the 70% submittal drawings.

Mr. Rodgers explained that the letter of credit for Millcreek runs a parallel path with our local approval process for our permits. The Township Supervisors and Township engineer, Rick Morris have done a great job working with us and guiding us through this process. Mr. Rodgers explained that the construction value that requires a security deposit is about \$900,000. When it is necessary, we will give Millcreek a check that Millcreek will put on deposit in escrow. A percentage of the money will be returned to us as work is completed. There is a 10% guarantee that will be held by Millcreek for 18

months after project completion. The money will then be returned to the Authority. Millcreek keeps the interest generated from the escrow account.

Dale Roth asked for a brief status update on the easement for the cul de sac. Mr. Rodgers explained that easement is the next phase of acquisition. Tyrone Clark added that the team has had some contact with the property owner and doesn't anticipate any issues here.

Mr. Rodgers reported that PennDot plans to do a traffic study one year after the road has been in use to determine whether or not a traffic light is needed at Marshall Drive. Depending on what the study finds; our costs may be less than expected for this component of the project.

Activities Report

Mr. Rodgers explained that budget preparations started months ago. Mr. Rodgers said that he wanted the Board to know how much time and effort went into budget preparation.

Mr. Rodgers explained that the State JACIP and the FAA ACIP are both planning efforts that take place every fall. Our planning has revolved around the runway project for the past several years. We are now starting to look at projects beyond runway extension completion.

Mr. Rodgers reported that the maintenance emergency generator project is complete and the rental generator has been returned.

Mr. Rodgers reported that the KOZ application for the Lehman Property that we submitted December 2008 has been approved.

The Oil/Water Separator is a 2 phase project because additional funding is needed.

Mr. Rodgers reported that the deadline for our tenant Hangar 20 to comply with the findings of the last Part 139 inspection pertaining to the turf taxi way is December 31, 2009. The responsibility falls on Hangar 20 and they are aware of the deadline and what is required to be in compliance.

Mr. Rodgers explained that the Sand Storage Building and the Wildlife Management Plan are ERI's only federally funded projects until the runway extension project is complete.

Mr. Rodgers reiterated that the FAA is permitting the Delta schedule for the runway project because our current runway is aging better than expected. The rehab of the existing runway can be moved out to the end of the project. As a result of all of this, it is the airport's responsibility to ensure that the existing runway stays in top working condition during this time. Airfield crack sealing will take place this year and every year until the rehab is complete. Mr. Rodgers said that we have the manpower and know-how to do the crack sealing properly, we just don't have the necessary equipment. Mr.

Rodgers explained that we may have to borrow a machine that will allow us to use FAA mandated project material. Mr. Rodgers added that the Bureau of Aviation (BOA) has been very helpful. We are working with the BOA on a possible late spring discretionary project. Don Wright asked what the estimated cost was. Mr. Rodgers said that the entire project for next year would be under \$100,000; this includes the equipment.

Financial Report

Sheilah Bruno reported a net surplus after debt service of \$29,427 for the month of October. Year to date for 2009, we have a net surplus of \$239,799. Our 2008 year to day

surplus was \$156,324. Ms. Bruno reported that we are favorable when compared to budget \$11,741 year to date. Mr. Rodgers explained that any monthly surplus goes into our operational reserve. For an airport our size, about 6 month's operational reserve is needed. We have about 6 weeks worth of reserve.

Republic Parking

The Board received a brief presentation from Chris Howley of Republic Parking Systems. Mr. Howley distributed a report to the Board. The presentation included historical information about Republic Parking and background information pertaining to the relationship between the airport and Republic Parking. Mr. Nichols thanked Mr. Howley for his presentation and commented that the report distributed was very helpful. Mr. Nichols added that the Authority and Republic need to sit down and discuss the options available to automate the parking lot and make it more modern.

Air Service Update

Mr. Rodgers reported that Oct 2009 was the fifth consecutive month of growth for ERI airlines. Total enplanements for the month were up 7.4% over Oct 2008. Year to date, our overall decline is now just -3.6%. Mr. Rodgers explained that if charter passengers are excluded from the year to date totals, then our scheduled airline traffic is just off -2.7%. Continental's traffic increased 28.3% and US Air increased 14.4%. Northwest/Delta holds the year to date market share lead with 47.8% of the total ERI market.

County Liaison Report

Mr. Rodgers said that the next ERAA/County meeting is scheduled for December 10, 2010.

Janet Anderson suggested that Barry Grossman be included in this meeting. If not this meeting, then a separate meeting needs to be scheduled with Barry before January. Mr. Roth recommended that 2 or 3 Board Members attend this meeting also.

Resolutions

2009-44: 2010 General Operating Budget

Mr. Nichols said that he is not comfortable passing this resolution today because he has not had time to review it. Mr. Nichols suggested that the Board table the resolution. Dale Roth moved and Janet Anderson seconded. The tabling of this resolution was approved by all (8-0).

2009-45: Approval of PIB Loans

Mr. Rodgers explained that the \$3 million and \$1 million are expected to be deposited around the first of the year. The interest rate on the \$4 million will be 1.625% fixed.

2009-46: Award Contract for HVAC

Mr. Rodgers explained that Rabe was determined to be the lowest responsible bidder. The funds for this come from a previously approved PFC project and from our Capital reserve (which can be reimbursed later by PFCs).

2009-47: Amended Pension Plan

Mr. Nichols stated that an amendment to the pension plan is a very serious and important issue. He said that he is not comfortable passing something like this without more information and time to review. He suggested that the Board table this resolution. Dale Roth moved and Frank Stefano seconded. The tabling of this resolution was approved by all (8-0).

2009-48: Smith Collision Land Swap

Mr. Rodgers explained that this resolution pertains to last month's Work Session discussion about swapping a piece of land with Smith Collision.

2009-49: Ex-Officio Position President-Emeritus

Mr. Roth asked if this position is purely honorary. Mr. Rodgers confirmed that it is an honorary position and an Ex-Officio Position of Secretary-Emeritus was established to honor former Board Member Charles Trabold several years ago.

New Business

o **2010 Committees and Objectives**

Mr. Nichols suggested the Board explore options for setting up a secure website for the Board. Committees could meet this way rather than having to meet in person. The committees discussed include:

- 1) Nominating Committee- to prepare the slate of officers for 2010. The committee includes Charley Augustine, Namon McWilliams, and Lou Bizzarro
- 2) Runway Project Committee- to provide a written project progress report to the Board on a regular basis.

Mr. Nichols said that in his opinion, the Board President should serve no more than 2 years as President. Also, Board President should alternate between a City appointee and a County appointee. Mr. Nichols also said that the Authority's By-Laws are inadequate. Changes need to be made and approved by the Board. Mr. Nichols suggested that the Board also consider changing the time of Work Sessions and Board Meetings for 2010. Mr. Nichols suggested a 3:30 pm start for the Work Session and a 5:00 pm start for the public meeting. Mr. Nichols added that the 4th Thursday of every month seems to work for everyone else.

Work Session Adjourned: 1:10 PM

Lou Bizzarro, Secretary

