

**ERIE REGIONAL AIRPORT AUTHORITY
WORK SESSION
Thursday January 29, 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 11:39 AM

Attendees:

Lou Porreco	David Bagnoni
Lou Bizzarro	Sheilah Bruno
Lisa Cappabianca	Mari Anne Clark
Sumner Nichols	Kim Scharrer
Namon McWilliams	Michelle Magee
Frank Stefano	John Morris
Janet Anderson	Maudie Ford
Charley Augustine	Roger Wiley
Dale Roth (via telephone)	Ed Kissell
Don Wright	

Topics of Discussion:

Runway Extension Status

- Acquisition and Demolition- Sheilah Bruno stated that Declarations of Taking were filed for Modular Engineering, Powell Avenue Estates, and Riviera Estates on January 12, 2009. The owners of Optimum Coatings are looking for a new location. Letters have been sent to all mobile home park residents. The Board previously approved Royal Homes for property management. Ms. Bruno said that Tony Logue, Esq. who's term on the ERAA Board ended December 31, 2008 will be taking on a new role working with Royal Homes. His involvement is for less than \$10,000. Ms. Bruno reported that there was a bid opening on Tuesday for the demolition in Zone II. McCormick Construction was the lowest bidder with a bid much below estimates. Maudie Ford of MGC Erie explained that since the bid was so much lower than estimates, the bid package is being re-evaluated. Don Wright suggested that the Board approve the lowest bid subject to verification at today's meeting. Dale Roth said that he would like a bid breakdown. Ms. Ford said that once the review process is complete, Weber Murphy Fox will prepare bid tabs.
- Golf Course Transfer- Ms. Bruno reported that the public notice was filed and ADO acknowledgements regarding the FONSI modifications are pending. Final design under Work Order #10 is continuing. Mr. Wright explained the few non-critical issues associated with the ongoing MOU modification negotiations with Millcreek. Mr. Porreco expressed some

concerns over language on page 5 of the MOU regarding damages to the Millcreek property and recommended that the Board not approve the amended MOU today. The Board advised Mr. Wright to take the MOU back to Millcreek.

Janet Anderson asked what would happen if the Board does not vote on the proposed resolution to modify the 2004 MOU with Millcreek Township at today's meeting. Ms. Bruno explained that the money for the transfer has been requested from the County and it has been pulled from the bond.

- PennDot Schedule- Ms. Bruno reported no changes to the schedule.
- Plan of Finance- Ms. Bruno stated that she feels there has been amazing progress made in the last month. The efforts of Jacob's Consultancy are evident in the progress made. Namon McWilliams asked for a projected date of completion for the plan of finance. Ms. Bruno said a specific date for completion has not been offered yet. We expect completion possibly in February, but more likely in March.

Wall of Fame

The Board received a presentation from Roger Wiley. Mr. Wiley asked the Board to consider honoring his dear friend, Col. Richard Hellege. Mr. Porreco read some of the highlights from the biography that Mr. Wiley previously provided including that fact that Col. Hellege flew the first jet to land at ERI at night. Mr. Porreco commented that Col. Hellege is a great Wall of Fame candidate and the Board will take this under strong consideration.

Resolutions 2009-03 and 2009-04

John Morris of Urban Engineers was present to address questions associated with resolutions 2009-03 and 2009-04.

2009-03-Approval to Purchase Front End Loader- Mr. Morris explained that as a result of the airport's most recent FAA Part 139 inspection, a new front end loader was needed. The airport airfield maintenance department reviewed the 4 bids submitted. Mr. Morris explained that all 4 bids met the requirements, so the lowest bid was accepted.

2009-04-Approval for Runway and Taxiway Markings- Mr. Morris explained that the airport needs to be in compliance with the proper markings on its runways and taxiways. Mr. Morris added that low bidder is very good. The company that was awarded the bid is probably the leading company in this field.

Runway Extension Status continued...

- Regarding the construction fund draw down schedule, Ms. Bruno reported that it is under Tim Sennett's review. Mr. Wright reported that he met with Mr. Sennett this morning. Mr. Sennett indicated that he plans to resubmit some items to the County for reimbursement under the Internal Revenue Code.
- Ms. Bruno reported that we should see some action pertaining to the SMART Transportation Initiative Application sometime in February.

- Ms. Bruno explained that information previously provided pertaining to the runway project financial capacity constraints ties directly in to our stimulus funding package.
- Mr. Roth stated that he requested information pertaining to a construction timetable over a month ago and has yet to receive anything. Mr. Porreco instructed that Chris Rodgers forward this information to Mr. Roth as well as the entire Board as soon as possible.
- Mr. Porreco presented information regarding a 2,500 foot extension at the airport in Fort Lauderdale. This is an \$810 million project.
- Sumner Nichols attended the Runway Stakeholders Meeting that was held at the Manufacturer and Business Conference Center on Friday January 23, 2009. Mr. Nichols commented that the meeting was informative and well done. He was impressed with the overall turnout for the meeting. At the meeting, MGC-Erie said that moving forward quarterly reports on the status of the project are going to be made public. Mr. Nichols commented that he thought this was a great idea. Mr. Nichols expressed concerns about proposed easements in Zone III. He said that easements did not seem to help us in the past. We should look into this more. Mr. Porreco explained that since we are doing the golf course transfer rather than having to reconfigure the golf course, we can purchase easements rather than having to relocate the properties in fee simple. We can realize cost savings purchasing avigation easements rather than fee simple. Mr. Roth commented that he would have liked to have attended the Stakeholders Meeting but has a conflict on Fridays. He requested that moving forward, these meetings not be held on Fridays. Minutes from the meeting were forwarded to the Board on January 27th.

Terminal Tenants Considerations

ERI Café-David Bagnoni reported that the restaurant is behind on the rent. Kathy is trying to pay what is owed and expects to do so within the next week. She is currently working on her financial statements for Sheilah's review. Mr. Bagnoni said that when the restaurant does \$400 in a day, Kathy considers it a great business day. Even with recent flight delays due to weather allowing more passengers stuck in the terminal, the restaurant only did slightly over \$400 on those days. Business is just slow.

Carols Gifts- Mr. Bagnoni reported that the gift shop has seen a slight increase in business as of late. The display changes seem to have helped. We are working on getting some different lighting for that area.

Financial Report

Ms. Bruno reported that at year end pending any depreciation or accruals and audits, we have a surplus of \$291,773. We are about \$174,000 favorable to budget year to date. Regarding the rental car revenue, Ms. Bruno reported an increase despite a downturn. We are very pleased with this considering what we budgeted.

Per the suggestion of Mr. Nichols, Malin Bergquist has advised that we can not use the money from the County as part of our financial statement until the money has been acquired and then it would be as a receivable.

Mr. Nichols asked if we knew how the County was investing our money. How is it set up to post interest? He suggested that the auditors take a look at this to confirm the \$21.5 million; confirm how it is set up for interest. Mr. Nichols stated that we need to get on track now so it is not an issue later.

Bills Payable

Regarding the Mayer Brother's bill for the parking lot catch basins discussed at the last Board meeting, Chief Bagnoni explained that there is no way to determine who caused the damage. The basins have been there for so long that they are just deteriorating. Don Wright is reviewing the agreement with Republic Parking right now to determine who is responsible for the repairs.

North Coast Air (NCA) Proposal

Mr. Bagnoni reported that Tim Zieziula has completed rewriting the agreement based on Board comments from the last Board meeting. The new proposed agreement still needs to be reviewed by Bill Patterson. Mr. Porreco asked that the proposed agreement reflecting the rewrites be forward to the entire Board.

Building and Grounds

Mr. Bagnoni reported that there was a fire last night. The fire was in the little "doghouse" by the Operations Building. We blew a transformer. Heat to the Customs and NOAA buildings was cut off. Mark Kappen and Newco were able to get it back up and running last night. The transformer needs to be replaced. Chief Bagnoni explained that it is so old that we will need to search for a new one. Chief Bagnoni reported that he already notified Wells Fargo. Our deductible is \$5,000. We can't just go out and buy one. The terminal generator is ready to go. It is not running yet because we had to order a wire to hook the generator to our fire suppression system. Chief Bagnoni said that the wire will not be in until February.

The coffee machine in the Boarding area is up and running. Mr. Porreco recommended that we let Rubye Jenkins-Husband know since she was the one who originally suggested a machine in the Boarding area.

Regarding the Jetway repairs, Chief Bagnoni reported that there seems to be no animosity and we expect to get the full amount back.

Ms. Bruno explained that the replacement of the terminal roof HVAC RTU #2 is still planned as a PFC Project for the Spring 2009.

Lehman Property

Once our financial model is complete and funding is available, demolition will begin.

Asbury West Property/Industrial Development

Ms. Bruno reported that work on the noise reuse plan is underway.

Parking Lease Agreement

Mr. Nichols explained that he has been reviewing our lease agreement with Republic Parking. The auditing practices currently used are of some concern. Mr. Nichols is trying to arrange a conference call with Mr. Barrett of Republic Parking and the auditor. Mr. Nichols reported that on the \$1.8 million in bonds that we can call in June, he and Chris worked together and got a list and \$1.475 million of those bonds are held by State Street Bank. Mr. Nichols explained that he is trying to find out if we can retire those at some kind of a discount. Mr. Porreco added that it is his understanding that State Street Bank is in need of money right now.

Wall of Fame continued...

Mr. Porreco read a letter from Shirley Abbott. Shirley's brother-in-law Major Earl Abbott was previously selected by the Board as a Spring 2009 honoree. In her letter, Ms. Abbott explained that due to financial and her own health difficulties, she has to withdraw Major Abbott. Mr. Wright asked that Board to consider honoring Major Abbott "pro bono", providing the portrait in addition to the framing (providing just the framing is our usual practice for our Wall of Fame Program). The Board will take this under consideration. Mr. Porreco asked Michelle Magee to contact Ms. Abbott to inform her of the Board's consideration. Also, ask Ms. Abbott to provide a suitable photograph of Major Abbott for a portrait.

Mr. Wright asked if anyone has ever explored the possibility of honoring any local Tuskegee Airmen.

Charley Augustine asked if anyone ever does background checks on the honorees selected for our Wall of Fame just to make sure these individuals have nothing questionable in their personal lives, etc. We should really do what we can to protect the airport from any embarrassment. Mr. Nichols asked if we ever request copies of the military records of individuals we consider to honor. Mr. Wright suggested that a resolution be passed allowing the ERAA Board to remove any honoree that the Board sees fit to.

Airside Operations

The Board commended the airport operations staff for their efforts on the airfield, around the terminal, and in the parking lots with the great amount of snow we have had so far this winter.

Travel Requests

The Board approved a trip for Chris Rodgers to attend the AAAE Conference in Chicago in April.

On behalf of Mr. Rodgers, Mr. Bagnoni presented a request for Mr. Rodgers to attend the 32nd Annual FAA Eastern Region Airports Conference in Hershey, PA. Because not much detail was presented, Mr. Porreco asked that Mr. Rodgers forward more information about the trip to the Board, including costs and reason for the trip.

Edinboro Art Display

Mari Anne Clark reported that the agreement has been received from Edinboro. The art to be displayed will be provided soon.

Airport 101

Ms. Bruno said that Airport 101 training for the Board (and any interested staff) is scheduled for May 6, 2009.

Innerspace Ad Program Status

Ms. Clark reported that we acquired a new advertising client this month-the Fairfield Inn.

Modify current EMAA Rules and Regulations to ERAA with appropriate changes

Mr. Bagnoni reported that modifications are complete. Mr. Porreco asked that a copy be forwarded to the Board.

Celebrate Erie Request

Mr. Porreco explained that we have supported Celebrate Erie in the past at the \$2,500 level. He recently received a request from the Mayor's office to support Celebrate Erie again this year. He explained that we can make our \$2,500 pledge in 2 payments of \$1,250. The Board agreed to support Celebrate Erie at the \$2,500 level.

Chamber of Commerce-Gold Membership Request

Mr. Porreco presented a letter from the Chamber asking the Airport Authority to once again be a Gold Member. The fee for Gold Membership is \$5,000. Mr. Porreco recommended that we do not renew our membership at this level. Most authorities are not Chamber members. Janet Anderson added that there are other membership levels. She suggested that the Board explore the other levels. Mr. Porreco requested that Jim Dible of the Chamber attend the February Work Session for discussion.

DEP-AFIG Grant Application Letter

Ms. Bruno explained that this is a 5% State match to the 95% VALE grant.

Letter from GE President

Mr. Porreco presented to the Board a letter from GE President Lorenzo Simonelli. The letter is to express GE's support for the runway extension project and the value of an expanded runway.

Resolutions

2009-01 Agreement Modifying 2004 MOU with Millcreek Township- the Board decided earlier in the Work Session to withdraw this resolution from consideration.

2009-02 Approval of Airport Rates and Charges- there was no Board discussion.

2009-03 and 2009-04 were discussed earlier in the Work Session with John Morris.

Work Session Adjourned: 1:07 PM

Lou Bizzarro, Secretary

