

**ERIE REGIONAL AIRPORT AUTHORITY  
WORK SESSION  
Thursday February 26, 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 20<sup>th</sup> Street in Millcreek Township, Erie County, Pennsylvania.

**The Work Session Opened at 11:30 AM**

**Attendees:**

Sumner Nichols	Chris Rodgers	Tyrone Clark
Lisa Cappabianca	Sheilah Bruno	Jim Dible
Janet Anderson	Mari Anne Clark	Bob Spaulding
Frank Stefano	Kim Scharrer	
Charley Augustine	Michelle Magee	
Namon McWilliams	Ian Bogle	
Lou Bizzarro	Rick Robie	
Lou Porreco (via telephone)	Irene Seyler	
Don Wright	Jim Thompson	

**Topics of Discussion:**

**Erie Regional Chamber and Growth Partnership Request**

Jim Dible, President and CEO of the Erie Regional Chamber and Growth Partnership made a brief presentation to the ERAA Board. The Chamber is asking the Airport Authority to renew their membership at the \$5,000 level (the same level as in previous years). Mr. Dible explained that the Airport has been a supporter of the Chamber for years. Mr. Nichols said that the Airport Authority wants to support the Chamber, but the issue is the level of support. The Board asked that Mr. Dible forward a list to Chris Rodgers of the different levels of sponsorship. Lou Porreco asked how many other Authorities are Chamber members. Mr. Dible said that he thinks there are two Authorities. Mr. Porreco stated that ERI is committed to continuing a relationship with the Chamber, but monies are limited with the runway extension/improvement project underway. Mr. Porreco again asked that Mr. Dible get a level of sponsorship list to Chris Rodgers. The ERAA Board will review and make a decision regarding level of support at next month's Board Meeting. Mr. Dible added that a relationship between ERI and the Chamber is very important. Mr. Nichols agreed.

**Runway Extension Status**

- Acquisition and Demolition- Chris Rodgers said that a resolution to award the demolition contract to McCormick Construction and bid breakdown for the demolition is included in the Board packet. The Board approved McCormick as the lowest bidder at last month's meeting pending a review of the bid and its specifications. Today the Board is being asked to accept McCormick for the demolition because upon review, they are the lowest,

qualified bidder. Mr. Rodgers reported that ERAA now owns one of the two mobile home parks. We have a property management team in place to assist with the mobile home park residents while relocation efforts are taking place. There are 6 properties left to acquire: 3 private residences and 3 commercial properties.

- Golf Course Transfer- Mr. Rodgers explained that over the past few days, quite a bit has happened between ERAA and Millcreek. On Monday February 23<sup>rd</sup>, the ERAA Board and representatives from the Millcreek Supervisor's office sat down and worked through all remaining issues of the MOU. Mr. Rodgers thanked the Board members for their leadership and commended Millcreek for their efforts. The ERAA Board is prepared to approve the ERAA/Millcreek 2004 MOU modifications at today's regular Board Meeting. The Millcreek Supervisors are expected to approve the MOU modifications at their next meeting on Tuesday March 3<sup>rd</sup>. Mr. Porreco added that he is very pleased with how things worked out between ERAA, Millcreek, and the City. Mr. Rodgers commented that there is a very nice editorial in the newspaper this morning commending the Airport Authority and Millcreek for working together on the MOU and golf course issues.
- Plan of Finance- Mr. Rodgers said that C&S Engineers and Jacob's Consultancy continue to work together on our plan of finance. We expect the end result to be a live workable spreadsheet. A workable spreadsheet from which we can produce reports from. Reports will be published to the Board and the County on a monthly basis. Mr. Nichols asked if this is something that can be put on our website. Mr. Rodgers confirmed that this info can be put on our website. It is public information. The historical data can be replaced with actual data. Janet Anderson asked for a completion date for the plan of finance. Mr. Rodgers said that he would give to the Board as much information as he as at the March Board meeting.
- Construction Funds/County- Mr. Rodgers reported that Tim Sennett completed his review of eligible versus ineligible costs for reimbursement. He has sent a letter with his findings to the County. Only \$48,000 has been deemed ineligible. Bob Spaulding said that the County is reviewing the information from Tim Sennett now. Mr. Porreco asked that the ERAA Board be copied on the County's response as soon as it is received.
- SMART request- Mr. Rodgers reported that he met with the Bureau of Aviation (BOA) yesterday. Our application has been received and is currently under review. Mr. Rodgers said that the BOA is overwhelmed by the number of responses and the review process will take time.
- Stimulus Project- Mr. Rodgers reported that we have not heard anything yet. Namon McWilliams asked how dependent we are on the stimulus money. Mr. Rodgers answered that with the stimulus funds later portions of the project can be moved up. The economic impact can be realized much earlier than planned.

### **Terminal Tenants Considerations**

Mr. Rodgers reported that the restaurant is current on the rent. All past due rent has been paid. Kathy continues to hang on with some days being busier than others. Mr. Rodgers said that display changes at the gift shop seem to be helping a bit. Carol continues to hold her own for the time being.

### **Financial Report**

Sheilah Bruno reported a deficit in the month of January of about \$39,000. Year to date we are unfavorable to budget by about \$44,000. Ms. Bruno sited weather conditions as the main cause. Parking concessions were down due to decreased activity due to weather and expenses were up due to weather related overtime and supplies. Also affecting expenses is the fact that all but 2 employees in the PSO department take the Cafeteria Plan money as cash. We have to pay taxes on this money. Mr. McWilliams asked where the money for over expenditures comes from. Ms. Bruno explained that we have a current surplus of about \$300,000 in our checking account. Frank Stefano asked when we can expect PFC reimbursement. Mr. Rodgers explained that PFCs are directly affected by passenger enplanements. Also, the PFC may increase from \$4.50 per to \$7.00 per. Mr. Porreco clarified further that the expected amount of the increase was \$6.00 now \$7.00 is being considered. Mr. Rodgers said that the increase needs to go through the political process.

### **Exercising Call Option on Bonds**

Mr. Nichols explained that we have about \$2 million in bonds coming due soon. State Street bank holds about \$1.475 million of that \$2 million. Mr. Nichols said that he is still waiting for a return call from State Street bank. He will have more information to share at next month's meeting.

### **Bills Payable**

Mr. Stefano asked for an explanation on the electric bill at the ITC building. Mr. Rodgers explained that much of the total bill is billed back to the ITC tenants as a resale of utilities.

Lisa Cappabianca asked that someone explain the capital fund verses the general fund. What determines which account we pay from? Ms. Bruno explained that the capital fund is grant reimbursable monies. We pay our expenses from the general fund account. Mr. Rodgers gave a specific example. We will pay Urban Engineers for their work on our Noise Reuse Plan from our general fund account if we are not able to get grant funding for this project.

### **North Coast Air Proposal**

Mr. Rodgers explained that at the December 23<sup>rd</sup> Board Meeting, the ERAA Board reviewed and discussed the North Coast Air proposal. Tim Zieziula revised the agreement based on Board comments from that meeting. This agreement has been a long standing issue. The revised agreement will be presented to the ERAA Board for approval today.

### **Master Tracking List**

Mr. Rodgers reported that accountants from Malin Bergquist started the audit of our 2008 financials on February 23<sup>rd</sup>.

### **Activities Report**

Mr. Rodgers briefly reviewed the list of most recent items completed or under way: the ERAA Board is prepared to approve the modified MOU between ERAA and Millcreek at today's meeting; the audit of our 2008 financials is underway; and in the past week we have received and executed 4 federal grant offers. Mr. Rodgers added that a State grant offer (AFIG) is presented today for the Board's approval. This grant is the 5% matching State grant to the previously accepted 95% VALE grant.

Mr. Rodgers reported to the Board a transformer fire earlier in the month. Our 50+ year old generator failed. The incident has been reported to our insurance company. ERAA had to rent a generator because the Customs office is on this generator among other things. The cost to rent the emergency back up generator while the transformer was being fixed is part of our insurance claim. Urban Engineers and HF Lenz are assisting Rick Robie with a plan of action: rebuilt the existing generator or purchase a new one. With in house due diligence, we discovered that a rebuilt would be very costly. Mr. Rodgers said that we are looking into tying the purchase of a new generator to the Spring sand storage building project. Both the Customs Building and the sand storage building could run off of this generator. A new generator would have to follow current building codes which means it would have to be placed outside on a concrete slab. Mr. Rodgers looked to the Board for direction to proceed.

Mr. Porreco asked how much the rented generator is costing. Mr. Rodgers explained that the generator is available to keep here for 4 months for about \$12,000. It is not responsible to be spending \$12,000 for a rented generator that we may or may not need again. Mr. Porreco said that in an emergency situation, we can get another generator here in a matter of hours. In an emergency situation, insurance should cover the cost to rent a generator. Mr. Porreco added that by keeping the generator here in case of another emergency; we are spending a lot of money unnecessarily. He asked Mr. Rodgers to do some research to determine what our requirements for an emergency back up generator are: do we have to rent a back up for the time being in case of emergency or are we allowed a few hours window to get a back up brought here in case of emergency.

### **Buildings and Grounds**

Mr. Rodgers reported that the terminal emergency generator project is nearly complete. Some of the items are not on line yet. The generator should be fully operational sometime next month. Mr. Rodgers reported that the HVAC is still planned as a PFC project and we are less than \$4,000 away from being fully whole in regards to the Jetway repairs incident.

### **Air Service Update**

Mr. Rodgers reported that air traffic declined 9.3% for the month of January. Inclement weather is to blame.

Mr. Porreco shared a recent personal experience. He was scheduled to depart ERI on Sunday morning heading to Detroit. The plane was not quite fully loaded when an

announcement came over the loud speakers from the airline ticket counter agent. The agent said that the pilot was working on weight and balance issues. Finally after a 20 minute or so wait, six volunteers were asked to get off of the plane. Mr. Porreco said that it took almost another hour to get those six volunteers off of the plane. Mr. Porreco said that the pilot said that this weight and balance issue is directly related to the length of the runway.

### **Asbury West**

Mr. Rodgers said that Urban Engineers continues work on our Noise Reuse Plan. We will be submitting in letter form tomorrow an inventory of land purchased with FAA Noise Money. We are required to submit our plan to the FAA by September 30<sup>th</sup>. Mr. Rodgers said that the plan will be completed and submitted by the deadline.

### **Parking Lease Agreement-Republic Parking**

Mr. Nichols said that he is scheduled to meet with an electrician this afternoon to do an electrical assessment. He is making headway and expects to have more answers prepared for next month's Board meeting. Don Wright will be assisting by reviewing the lease agreement, specifically the auditing practices, the electric meter, and snow removal.

### **Wall of Fame**

Mr. Rodgers reported that efforts are underway for honoring Maj. Earl Abbott and Col. Richard Hellwege. We are planning a May unveiling for both honorees.

Mr. McWilliams stated that at last month's meeting, the Board asked Attorney Wright to prepare a resolution pertaining to our Wall of Fame honorees. The resolution gives the Authority the right to remove from the wall any honoree for reasons such as immoral behavior, etc. Mr. Wright said that he prepared the resolution, but accidentally left it in his office. Mr. McWilliams suggested the Board approve the resolution anyways:

*Namon McWilliams moved and Frank Stefano seconded*

*Adopted by Yeas: Sumner Nichols, Lisa Cappabianca, Janet Anderson, Charley Augustine, Namon McWilliams, Lou Bizzarro, Frank Stefano, and Lou Porreco*

Mr. Wright will bring the typed copy of the resolution to the next meeting (this will be Resolution 2009-12).

### **Edinboro Art Display**

Mari Anne Clark reported that the art from Edinboro University is now on display. The pieces chosen are very nice. Ms. Clark said that she has heard many favorable comments from staff, tenants, and passengers.

### **Work Session Adjourned: 12:52 PM**

*The ERAA Board met in an Executive Session from 12:53 PM until 1:04 PM.*

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Lou Bizzarro, Secretary

