

**ERIE REGIONAL AIRPORT AUTHORITY
MEETING
Wednesday, November 15, 2023**

Minutes of a Meeting of the Erie Regional Airport Authority duly posted and advertised, held in the second floor conference room of the Intermodal Center, 208 East Bayfront Parkway, Erie, PA 16507.

Attendees:	Daniel Giannelli	Derek Martin	Val Myers, Times
	Aaron Susmarski	Michelle Magee	Brad Peganoff, Millcreek
	Richard Wagner	Timothy Wachter	Bryan Magee, Millcreek
	Ryan Bergquist	James Pacansky	Kim Hunter, citizen
	Dorothy Smith-Frazier	Ian Bogle	Terry Scutella, County Council
	Peter Burton		Lou Aliota, Millcreek
	David Hallman, Jr.		Michael Keys, City Council

Participated by Phone: Eric Rogers Brian Slawin (participated from 12:05 pm- during Public Comments to 12:25 pm during Resolutions)

Board President Daniel Giannelli opened the meeting at 12:02 PM with the Pledge of Allegiance to the United States of America.

Approval of Agenda:

Mr. Giannelli asked for a motion to approve the agenda as presented. Dorothy Smith-Frazier moved, and Aaron Susmarski seconded. Approved by Yeas: David Hallman, Jr., Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Dorothy Smith-Frazier, and Ryan Bergquist.

Approval of Minutes:

Mr. Giannelli asked for a motion to approve the minutes of last month's Board Meeting. David Hallman, Jr. moved to approve, and Ryan Bergquist seconded. Approved by Yeas: David Hallman, Jr., Aaron Susmarski, Daniel Giannelli, Peter Burton, Eric Rogers, Dorothy Smith-Frazier, and Ryan Bergquist. Abstained: Richard Wagner

Announce Executive Sessions

Mr. Giannelli announced that an Executive Session was held October 25, 2023, to a personnel matter pertaining to ongoing harassment and to receive privileged legal advice.

There was also an Executive Session held today, November 15, 2023, prior to today's public meeting to discuss a personnel matter related to the Executive Director's annual evaluation.

Public Comments

Lou Aliota of Millcreek Township apologized for his six month absence from Airport meetings as he has been working on his \$3 million federal lawsuit against the Millcreek Township School Board and District. Mr. Aliota spoke on the roles of a Board President and Board Secretary, the misconduct of public officials and the need for timely reporting of conspiracies and misconduct. Mr. Aliota then stated that ERAA Board Meeting Minutes, which are part of the official record, are altered after Board approval but provided no evidence of such and encouraged the Board to record their meetings. During Mr. Aliota's comments, there was a brief moment of feedback from the conference phone. Mr. Aliota asked for an additional minute claiming the distraction and was granted the remaining 15 seconds of his original five minutes.

Kim Hunter, a resident of the City of Erie, spoke about account balances, the change in balances, and the Fly Erie Fund. Ms. Hunter referenced various previous Board Meeting Minutes as well as an article about the Fly Erie Fund.

Brad Peganoff, a resident of Millcreek, commended today's agenda because it clearly states the purpose of recent Executive Sessions, specifically the topic of harassment discussed at the October 25, 2023, Executive Session. He shared his community concerns: the lack of full Board discussion prior to capital submissions and possible Office of Open Records violations as a result, the lack of meetings of the Capital Improvement Committee, why the Airport doesn't have any capital projects in THUD, the newspaper article on the Airport's MMO obligation and 2020 financials, and the tampering of public records.

Committee Reports

Finance Committee- Finance Committee Chair David Hallman, Jr. stated that the Finance Committee met on November 14, 2023. Mr. Hallman stated the Finance Committee recommends approval of the bills and made the motion to approve; seconded by Peter Burton. Approved by Yeas: Aaron Susmarski, Daniel Giannelli, Richard Wagner, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Financial Report- James Pacansky stated that this report will be given next month as it is not available yet with our early meeting this month.

There were no meetings of the Facilities and Operations, Personnel, Community Relations, Capital Improvements, Ad Hoc, Nominating, or Public Relations and Marketing Ad Hoc Committees held in the last month.

Unfinished Business- none

Resolutions

Mr. Martin explained that Resolution 2023-25 extends the current agreement with the Airport's food concessionaire.

RESOLUTION 2023 -25

**APPROVAL OF EXTENSION TO FOOD CONCESSIONAIRE AGREEMENT-
TAILWIND MC, LLC**

WHEREAS, the Erie Regional Airport Authority (“ERAA” or “Authority”) approved a contract with Tailwind MC, LLC (“Tailwind”) to start operations at Erie international Airport, Tom Ridge Field (“ERI”) in July 2019; and

WHEREAS, Tailwind invested \$150,000 into facility upgrades to provide outstanding service to airport users; and

WHEREAS, in March 2020 the COVID-19 global pandemic hit with devastating effects including negative impacts to the airline industry and passenger traffic; and

WHEREAS, ERI’s commercial air service has been decimated by the collective impact of the COVID-19 pandemic, the global pilot shortage, and the rapid reduction of small regional jet fleet in the United States ; and

WHEREAS, ERI has experienced the exit of two of the three airlines operating here and the cancellation of three of four routes since summer 2020 with Delta cancelling service to its Detroit hub in July 2020 and United cancelling its Washington D.C. service in March 2022 and withdrawing completely from ERI with the cancellation of Chicago service in June 2023; and

WHEREAS, prior to the loss of air service, in 2019 ERI had 106,750 enplanements when the only restaurant concessionaire, Tailwind, entered into a 5 year lease agreement but since then the loss of traffic has resulted in loss of revenue for the concessionaire; and

WHEREAS, the lease agreement with Tailwind will expire June 30, 2024; and

WHEREAS, the ERAA and Tailwind both wish to continue working together and extend the lease agreement for two additional years.

AND NOW, upon the expiration of the current agreement, a two year extension to the food concessionaire lease agreement is **HEREBY APPROVED** by the Board of Directors of the Erie Regional Airport Authority.

Peter Burton made the motion to approve the resolution and Ryan Bergquist seconded. Approved by Yeas: David Hallman, Jr., Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Mr. Martin stated that the capital budget was distributed prior to the Board for review by the full Board as well as Finance Committee Members. Mr. Martin explained that the airport does not get funding through THUD for capital projects.

RESOLUTION 2023-26
ADOPTION OF 2024 CAPITAL BUDGET

WHEREAS, the Erie Regional Airport Authority has determined that the projects described on the attached 2024 Capital Budget are necessary and desirable, and;

WHEREAS, each Federal and State grant associated with this Capital Budget has been, or will be, brought before the Board for approval, and;

WHEREAS, each project will be properly bid and awarded by the Authority as required by The Pennsylvania Municipal Authorities Act.

NOW, THEREFORE BE IT HEREBY RESOLVED THAT, Erie Regional Airport Authority adopts the 2024 Capital Budget in the amount \$4,417,841 and authorizes the Executive Director to take necessary action to implement this resolution.

David Hallman, Jr. made the motion to approve the resolution and Dorothy Smith-Frazier seconded. Approved by Yeas: Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr.

Mr. Martin stated that the budget was distributed prior to the Board for review by the full Board as well as Finance Committee Members. Mr. Pacansky explained the financial document he provided via email in conjunction with the presented General Operations budget to the Board is an illustration of the mechanics behind the unique 2024 financial scenario we have afforded ourselves over the course of several strategic business decisions made during the previous 5-10 years.

Each column represents the 2024 budget for a distinct "unit" within our airport. They are separate, distinct units that operate independently of one another. Generally, revenue from Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), and Grants received by the FAA are reported as "non-operating items" restricted in its unique nature (generally capital project related) from being used unrestrictedly at management's discretion.

However, Airport management used funds from the General Operating account to pay for pre-approved projects as the funds in the PFC and CFC accounts were not readily available at the time of the projects. For 2024, we will use the revenue from those sources to pay ourselves back. You'll see at the bottom right hand corner of the page, our projected 2024 deficit from all sources, including non-operating revenue, is roughly \$200,000. When you take into consideration the \$1,000,000 we currently have in our PFC bank account that we will also transfer in 2024, *ceteris paribus* (meaning everything else held constant), our cash deficit of \$200,000 from operations turns into a positive influx of cash of \$800,000 on the balance sheet.

Mr. Pacansky added that 2024 is a unique financial year for our organization, reports like this one are presented to our Board because transparency is the crux of everything we do. Transparency leads to greater financial reporting accuracy, as noted in our clean audit opinions, and as equally as important, transparency leads to better financial decision making, which everyone here has a hand in, but especially the Board.

RESOLUTION 2023-27
ADOPTION OF 2024 GENERAL OPERATIONS BUDGET

WHEREAS, the ERIE REGIONAL AIRPORT AUTHORITY (hereinafter the "Authority") has prepared and reviewed the proposed General Operations Budget for 2024, and;

NOW, THEREFORE BE IT HEREBY RESOLVED THAT, the Authority approves the 2023 General Operations Final Budget in the amount \$2,189,272 and directs the Executive Director to implement said budget.

David Hallman, Jr. made the motion to approve the resolution and Aaron Susmarski seconded. Approved by Yeas: Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr., and Aaron Susmarski.

New Business- none

Liaison Comments

Erie County Council Liaison Terry Scutella of District 1 stated that he attended the Airport Town Hall a few weeks ago. He expressed his disappointment that many in the community, including some in this room, did not attend. The information presented by the Airport and the Erie Chamber was very helpful. Mr. Martin and the Board take a lot of blame for what the airport is experiencing. There are a lot of complaints in the community about Mr. Martin and the Board. All of this was cleared up/explained at the town hall. Mr. Scutella addressed the three citizens that spoke today during public comments and suggested they would benefit from a meeting like the town hall as it would perhaps clear up some of their questions.

Erie City Council Liaison Michael Keys stated that should he stay on City Council he will be transitioning to liaison for something new. He expressed disappointment that the PR Committee didn't have a meeting. He expressed the need to engage the airport's PR firm as they are needed now more than ever. Mr. Keys asked that the approved budgets be forwarded to the City and County. Mr. Keys also called for a "ceasefire". He stated that we didn't get here because of "clean hands". Mr. Keys stated that right to knows aren't a bad thing and because of them we did discover that not all i's were dotted nor t's were crossed. It was noted by Michelle Magee that Mr. Keys may be mixing up right to know requests with Part 13 requests.

Board Member Comments

Mr. Hallman commented on the "clean hands" comment made by Mr. Keys. He stated that he personally would not sit on a Board that was not ethically run. Mr. Hallman has full faith in the Executive Director and staff. Ms. Smith Frazier concurred with Mr. Hallman's comments.

Mr. Giannelli reported that he and Mr. Martin were invited to Pittsburgh Airport last week for a tour and discussion. Pittsburgh Airport is undergoing a significant redo of their terminal. Mr. Giannelli touched on the success of our tenants is a reflection of the airport. He shared fantastic news that Fundamental Flight Training is working on a program with Gannon similar to what is offered through Edinboro/PennWest.

Executive Director's Report

Mr. Martin asked Mr. Pacansky to explain what occurs with our annual audit. Mr. Pacansky stated that we are audited yearly by an independent audit firm. That audit is presented at a public Board Meeting in April by the audit firm. Mr. Pacansky stated that after the presentation of the audit in April, he forwards a copy of the audit to both the City and County. Mr. Pacansky has copies of this email correspondence for every year that he has been here. This was done prior to his arrival as well by the previous CFO.

Mr. Martin stated that although he was not at the last meeting, he explained that the information shared by Eric Rogers at the meeting pertaining to ongoing harassment by a citizen, one who happens to be in this room. It has absolutely nothing to do with anyone on the airport staff or Board. Mr. Rogers confirmed that what precipitated his statement about harassment is not related to anything airport staff or Board has done.

Mr. Martin stated that the airport held a town hall style meeting on November 2, 2023, at the Bayfront Convention Center. Jake Rouch from the Chamber participated and gave a thorough explanation of the Fly Erie Fund. For those still confused, the Fly Erie Fund is not an airport program; it is the Chamber's program.

Mr. Martin noted that the budget passed today will reflect a cash increase of \$800,000 from operations. He reiterated what Mr. Pacansky stated earlier- the airport is audited every year resulting in clean audit opinions.

Mr. Martin addressed the comment made by Mr. Keys regarding a ceasefire. A ceasefire would include not throwing stones at the airport or making false accusations. Mr. Martin added that no one alters anything in the record. No one at the airport should be subject to false accusations of any kind.

Mr. Martin addressed the public comments regarding the pension and "washing" money. Mr. Martin explained that the FAA approved the \$590,000 reimbursement to fully fund the pension and we were reimbursed the money. Then FAA decided that fully funding the pension should not be an eligible expense and asked us to submit other eligible expenses in the amount of \$590,000. No money was "washed"; the process was a credit memo and on the recommendation of the FAA. The Board approved acceptance of the CARES

money in April of 2020; additional Board approval of funds under CARES is not necessary.

David Hallman, Jr. made a motion to adjourn, and Aaron Susmarski seconded. Approved by Yeas: David Hallman, Jr., Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Dorothy Smith-Frazier, and Ryan Bergquist.

Adjournment: 12:47 PM



Brian Slawin, Secretary

