

**ERIE REGIONAL AIRPORT AUTHORITY
MEETING
Wednesday, November 28, 2018**

Minutes of a Meeting of the Erie Regional Airport Authority duly posted and advertised, held in the Board Room in the terminal of the Erie International Airport, Tom Ridge Field, 4411 West 12th Street in Millcreek Township, Erie County, Pennsylvania.

Attendees: Daniel Giannelli Derek Martin Kathy Fatica, County Council
Charles Augustine Michelle Magee Lisa Adams, Erie News Now
Namon McWilliams James Pacansky Greg Harayda, USI Insurance
Patrick Cappabianca Ian Bogle Bill Banister
Andrea Zdaniewski Irene Seyler Crystal Nye
David Hallman, Jr. Kim Scharrer
Daniel Giannelli
Marybeth Smialek
Tim Sennett

Members of the Public (that signed in legibly):

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|---------------------------|------------------------|----------------------|
| Joe Ceresa, NCA | Graysen Patterson, NCA | Bill Patterson, NCA |
| Ed Tropper, AV Flyers | Mark Youngs, AV Flyers | Don Chase, Hangar20 |
| Larry Kuklinski, Hangar20 | Jack Bendig, Hangar20 | Fred Veith, Hangar20 |
| Curtis Prue, United | Tawnya Rexford, Delta | |
| Dan Zamoski, NC Hangars | | |

Participated by Phone: Van Crosby, aviation insurance expert

Opened: 12:03 PM

In the absence of Board President Christopher Parker, Board Vice President Daniel Giannelli opened the meeting with the Pledge of Allegiance to the Flag of the United States of America.

Approval of Agenda:

Mr. Giannelli proposed the following additional items to the agenda:
4.a.) presentation by Derek Martin
4.b.) presentation by Van Crosby

Mr. Giannelli asked for a motion to approve the agenda as amended. Namon McWilliams moved and Charles Augustine seconded; Approved by Yeas: Charles Augustine, Daniel Giannelli, Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, and Andrea Zdaniewski.

Approval of Minutes:

Board Meeting- October 24, 2018

Mr. Giannelli asked for a motion to approve the minutes as presented. David Hallman, Jr. moved and Gregory Hayes seconded. Approved by Yeas: Charles Augustine, Daniel Giannelli, Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, and Andrea Zdaniewski.

Derek Martin Presentation

Mr. Martin provided an update on the mechanic issue. The Board will meet in an Executive Session next week to receive privileged legal advice. Legal opinion on this issue is deferred until sometime in January.

Van Crosby/Insurance Discussion

Mr. Crosby introduced himself and provided background information on insurance in the aviation industry. He explained that a representative of CHUB is currently onsite performing a risk assessment. This information will be used for recommendations regarding insurance requirements, updating the rules and regulations to reflect the insurance recommendations, etc. Mr. Crosby explained that the intent of the assessment is to set insurance limits that protect the airport that are also reasonable for the aircraft owners. The airport currently has \$50 million liability insurance, but tenants are financially responsible for their operations at the airport. Mr. Martin stated that the minimum standards in the airport rules and regulations was set by the Board in 2005. Because it is under review, we are not currently requiring our tenants to adhere to the rules and regulations at this time resulting in liability to the airport.

Public Comments

Mr. Giannelli acknowledged the large number of public in attendance and asked each speaker to limit his/her statements to 3 minutes.

- John Bendig- Hangar 20- Mr. Bendig stated that he has been at this airport for 20 years and now all of a sudden we are in a crisis over mechanics and insurance. Why didn't the Board just review the rules and regulations and make adjustments before this became a crisis? Mr. Bendig stated that no one wants to move on to the airport for business. LifeStar left here. Where is the cargo center?
- Ed Tropper- Aviation Flyers- Mr. Tropper asked if the insurance requirements will reflect the recommendations of the insurance company or will the Board pick some arbitrary number? Mr. Martin explained that in 2005, the airport put out an RFP for insurance analysis. We believe the limits reflected in the rules and regulations came from that analysis. The effort we are undergoing now is to ensure our requirements are reasonable for our tenants. Mr. Tropper wants to know if an airport has ever been sued as a result of work done by mechanics on the airfield. Mr. Martin said there have been several cases. He will forward some information to Mr. Tropper.

Attorney Tim Sennett added that all tenants should be aware of the language in their leases. Knox is reviewing the leases, the rules and regulations of the airport, and our grant assurances from the FAA. We plan to hold meetings with interested tenants to gain

feedback. Mr. Giannelli encouraged the tenants to forward their questions and concerns to Michelle Magee.

Mr. Tropper added that he is disappointed that Board Members have not been around to visit the hangars. He believes it is important for the Board to understand their operations. Only Mr. Cappabianca., Mr. Hayes and Mr. Martin participated in the tour that was previously set up. Mr. Tropper offered to give interested Board Members a tour of their hangars on a weekend to better accommodate schedules; just let him know.

- Fred Veith- Hangar 20- Mr. Veith asked why their lease agreement says something that contradicts the airport's rules and regulations. Mr. Sennett reminded the group that public comments is not a question and answer session, but did say that the airport's rules and regulations supersede lease language. Mr. Veith reminded the Board that they need to determine how important general aviation is to this airport. If it is made to be so unfriendly to general aviation; general aviation will leave!

Committee Reports:

Finance Committee- Finance Committee chair David Hallman, Jr. reported that the Committee held a meeting on Tuesday, November 27, 2018. The Committee reviewed the Cash Forecast, Finance Report, Capital Fund Transactions, Bill to be Paid, and Expense Reports with no concerns. Mr. Hallman stated that the Committee recommends approval of the Bills to be Paid. Namon McWilliams moved and Charles Augustine seconded. Approved by Yeas: Charles Augustine, Daniel Giannelli, Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, and Andrea Zdaniewski.

Chief Financial Officer James Pacansky, reported a net surplus of \$21,795 for the month of October. Year to date we are favorable to budget \$192,013. Mr. Pacansky reported that revenue is up \$76,267 (favorable to budget) and expenses are down \$115,746 (favorable to budget).

Ad-Hoc Committee- In the absence of Committee Chair Chris Parker, Andrea Zdaniewski reported that the Ad-Hoc Committee held a meetings on October 29th and Novmeber 15th for the purpose of continuing the review the current K9 program to make recommendations for possible policy changes. The Committee is also examining the airport's liability exposure and ensuring certification and training is completed and documented properly. Mr. Cappabianca wants to know if the dog can leave the property yet to assist other local agencies. Ms. Zdaniewski said that this is part of the Committee review and the canine is currently working on airport property only.

Nominating Committee- Committee Chair Charles Augustine reported that the Committee met this morning for the purpose of preparing the 2019 Slate of Officers. The Slate will be presented at the December meeting and voted on at the beginning of the January regular Board Meeting.

Resolutions

Resolution 2018-27 Approval of Office Sub-Lease Agreement Between North Coast Air and North Coast Flight School

Mr. Martin reported that legal counsel reviewed the lease. Mr. Cappabianca said that he would like to review the document and made a motion to table the resolution. No one would second the motion to table the resolution. Mr. Sennett explained that with no second to the motion to table it goes back to the original motion to approve the resolution. Namon McWilliams moved and David Hallman, Jr. seconded.

Charles Augustine moved and Marybeth Smialek seconded. Approved by Yeas: Charles Augustine, Daniel Giannelli, Namon McWilliams, David Hallman, Jr., Marybeth Smialek, and Andrea Zdaniewski.

Nays: Patrick Cappabianca

Abstained: Gregory Hayes

Resolution 2018-28 Authorize Executive Director to Secure and Execute Loan with Erie Bank

Mr. Martin explained that this resolution authorizes him to secure and execute a loan with Erie Bank for return lane and parking lot improvement for the car rental agencies. The upgrades to these areas will improve the overall flow of traffic around the terminal. Mr. Martin explained that the upgrades will support the increase in rental car activity with the added seats the new American Charlotte and Chicago service will bring. Mr. Martin explained that the Passenger Facility Charges (CFC) we collect from the agencies for every car rented here will pay back the loan. Mr. Cappabianca asked if we went out for bids on the loan rate. Mr. Martin stated that we did not; the rate being offered by Erie Bank is very good. After hearing this, the Board supports Mr. Martin's recommendation to secure the loan with Erie Bank.

Patrick Cappabianca moved and Marybeth Smialek seconded. Approved by Yeas: Charles Augustine, Daniel Giannelli, Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, and Andrea Zdaniewski.

Resolution 2018-29 Award of Security Fence Upgrade Bid

Mr. Martin reminded the Board the discussion about this project at last month's Board Meeting.

Namon McWilliams moved and Charles Augustine seconded. Approved by Yeas: Daniel Giannelli, Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, Andrea Zdaniewski, and Charles Augustine.

Resolution 2018-30 Adoption of 2019 Capital Budget

Charles Augustine moved and David Hallman, Jr. seconded. Approved by Yeas: Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, Andrea Zdaniewski, Charles Augustine, and Daniel Giannelli.

Resolution 2018-31 Adoption of 2019 General Operations Budget

Marybeth Smialek moved and Gregory Hayes seconded. Approved by Yeas: Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, Andrea Zdaniewski, Charles Augustine, Daniel Giannelli, and Namon McWilliams.

No **New Business** was brought forth and no liaisons present for **Liaison Comments**

Board Member Comments

Ms. Zdaniewski said she has been asked about our channel choice for the television in the airport lobby. Chief Bogle shared previous issues and decisions regarding the channel choice. Local channels are not an option for the package we subscribe to for television service in the terminal. The Board suggested trying a home improvement channel or food channel rather than an all-day news channel.

The Board was reminded that the December Board Meeting is scheduled for Wednesday, December 19th at NOON.

Executive Director's Report

Mr. Martin reported that the one week TSA pre-check enrollment event hosted here at the beginning of November was a huge success! Based on typical response, the company caps enrollment at 360 individuals for such events; 447 were enrolled here during the one week event! Special thanks to Michelle Magee for managing the event. We have scheduled another event for April 8th thru April 12th and again November 4th thru November 8th. Ms. Magee will handle distributing more information on these events when they get closer.

Mr. Martin reported that Lyft has agreed to the same terms at Uber- \$6,000 per year for 3 years.

Mr. Martin reported that the Airline Operating Agreements (AOAs) are expected to be finalized soon. We continue to negotiate the FAA lease. Mr. Martin hopes to have final agreements for the Board to consider in January.

Mr. Martin presented a catchment/leakage study recently completed by AILEVONPACIFIC Aviation Consulting. Mr. Augustine expressed his support of this effort. He has been asking for something like this for 10 years! The Board agreed that this information is very helpful.

Charles Augustine made a motion to adjourn and Andrea Zdaniewski seconded.
Approved by Yeas: Charles Augustine, Daniel Giannelli, Namon McWilliams, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, and Andrea Zdaniewski.

Adjournment: 2:04 PM

Namon McWilliams, Secretary