

ERIE REGIONAL AIRPORT AUTHORITY
MEETING
Tuesday, March 30, 2021

Minutes of a Meeting of the Erie Regional Airport Authority duly posted and advertised, held on the second floor Administrative Offices of the Erie Regional Airport Authority, Erie, Pennsylvania 16505.

Participated by Phone:

Derek Martin	Michelle Magee	James Pacansky
Marybeth Smialek	Gregory Hayes	Aaron Susmarski
Andrea Zdaniewski	Richard Wagner	Daniel Giannelli
Brad Pegnoff	David Hallman, Jr.	Jennifer Gornall

Board President Andrea Zdaniewski opened the meeting at 12:02 PM.

Approval of Agenda:

Ms. Zdaniewski asked for a motion to approve the agenda as presented. Marybeth Smialek moved to approve the agenda and David Hallman, Jr. seconded. Approved by Yeas: Richard Wagner, David Hallman, Jr., Gregory Hayes, Aaron Susmarski, Andrea Zdaniewski, Brad Pegnoff, Marybeth Smialek, and Daniel Giannelli

Resolution 2021-07 Award Contract for Electrical and Foundation Work for Passenger Boarding Bridge Project

Mr. Martin explained that the Board previously awarded a contract for a new Passenger Boarding Bridge (PBB) and the electric upgrade to support the new PBB. Ms. Zdaniewski asked for the total, final amount of the contract. Mr. Martin stated the amount is \$101,100 for E.E. Austin and \$583,500 for Newco Electric.

Mr. Pegnoff noted that the airport is nearing its 70th year. What is the useful life of our facility? Mr. Martin said he was not sure the useful life but at \$80 million to replace the terminal building it is a non-starter in his opinion.

Daniel Giannelli made a motion to approve Resolution 2021-07 as presented and Marybeth Smialek seconded. Approved by Yeas: Richard Wagner, David Hallman, Jr., Gregory Hayes, Aaron Susmarski, Andrea Zdaniewski, Brad Pegnoff, Marybeth Smialek, and Daniel Giannelli

There were no **Public Comments**

Board Member Comments

Mr. Hallman made a motion to remove Resolution 2021-06 Award of Contract for Apron Rehab and Expansion Project from the table and Daniel Giannelli seconded. Approved by Yeas: David Hallman, Jr., Gregory Hayes, Aaron Susmarski, Brad Pegnoff, Marybeth Smialek, Daniel Giannelli, and Richard Wagner. Nays: Andrea Zdaniewski.

Once removed from the table, the resolution was discussed in detail. At the request of Ms. Smialek, Mr. Martin provided an update on his most recent meeting with Delta.

Mr. Martin reported that using the federal formula for funding, we expect \$1.95 million under CARES III. The Apron Project like other projects we have done, is one that we would normally not have the money for on our own or get the money for from the FAA. Mr. Martin stated that even if Delta flights do not come back, we will still have \$2 million in the bank after this project. He added that we have not touched our 6 month reserve. Mr. Martin understands the concerns, but we still have to run an airport. The Apron Project deals with a safety issue and it needs to be done and we have the money. In response to a question from Mr. Peganoff, Mr. Martin confirmed that the apron work will have no interference with airline or Customs operations. Mr. Martin added that we will see some cost savings as well as he has had discussions with Millcreek regarding a reduction from Millcreek for the \$1,000,000 letter of credit to \$500,000.

Ms. Zdaniewski asked Mr. Pacansky to provide his thoughts on the funding of the project. Mr. Pacansky responded by saying that if the apron rehab project is approved, it would allow for roughly \$3M remaining from CARES 1, CARES 2, and CARES 3 which together totaled \$21.8M. This would provide the Authority with enough operating and maintenance reimbursements through November of 2021 and ERAA would have no more funds available for future use when funds could be used into 2024. Mr. Pacansky expressed great concern using all of the available funding this quickly as the Airport is not financially self-sufficient and without Delta Airlines operating it is unlikely the Airport would be financially self-sufficient moving forward. Mr. Pacansky suggested allocating more funds to O&M reimbursements as Authority revenue has plummeted since the pandemic. Mr. Pacansky stated that if 2021 continues its course, revenue would be roughly \$2.6M compared to \$4.6M in 2019. Mr. Pacansky estimated 2021's net loss could be around \$500K, and without Delta Airlines operating - in 2022 it could be near \$1M. This net loss would come directly out of the Authority's cash reserves that have been accumulated for years to protect itself against an industry downturn. Mr. Pacansky also advised the Board of potential cash flow issues with the numerous projects ongoing at the Airport.

Mr. Giannelli asked if there is a back up plan if COVID returns, Delta does not return, and enplanements continue to plunge? Mr. Martin explained that we continue discussions with low cost carriers and work with our legacy carriers to keep current routes with future additional frequency.

Daniel Giannelli made a motion to approve Resolution 2021-06 and David Hallman, Jr. seconded. Approved by Yeas: David Hallman, Jr., Aaron Susmarski, Andrea Zdaniewski, Brad Peganoff, Marybeth Smialek, Daniel Giannelli, and Richard Wagner. Abstained: Gregory Hayes

Ms. Zdaniewski thanked the Board for working through Resolution 2021-06 pertaining to the apron project. She asked that Mr. Martin provide more dialogue much earlier in the

process on project matters moving forward. Ms. Zdaniewski suggested we look at our bid process, so there is more Board involvement.

Marybeth Smialek made a motion to adjourn and David Hallman, Jr. seconded.
Approved by Yeas: Richard Wagner, David Hallman, Jr., Gregory Hayes, Aaron Susmarski, Andrea Zdaniewski, Brad Peganoff, Marybeth Smialek, and Daniel Giannelli

Adjournment: 12:41 PM

Marybeth Smialek, Secretary