

**ERIE REGIONAL AIRPORT AUTHORITY
MEETING
Wednesday, April 24, 2019**

Minutes of a Meeting of the Erie Regional Airport Authority duly posted and advertised, held in the Board Room on the second floor of the Intermodal Center, 208 East Bayfront Parkway, Erie, Pennsylvania.

Attendees:

Christopher Parker	Derek Martin	Cas Kwitowski, City Council
Daniel Giannelli	Michelle Magee	Sheilah Bruno
Marybeth Smialek	James Pacansky	Ernie Bruno
Aaron Susmarski	Jennifer Gornall	Larry Kluklinski, Hangar 20
Patrick Cappabianca		Jack Bendig, Hangar 20
David Hallman, Jr.		Ed Tropper, Aviation Flyers
Richard Wagner		Mark Youngs, Aviation Flyers
Gregory Hayes		Joe Ceresa, North Coast Air
		Keith Walach
		Sean Vanderhoof, BKD
		Mitch Kalkoff, BKD
		Val Myers, Times-News
		Don Chase, Hangar 20
		Bill Patterson, North Coast Air
		Greyson Patterson, North Coast Air
		WJET 24

Opened: 12:01 PM

Board President Christopher Parker opened the meeting with the Pledge of Allegiance to the Flag of the United States of America.

Approval of Agenda:

Mr. Parker recommended moving the audit presentation by BKD to after the approval of the minutes. David Hallman, Jr. moved to approve the agenda as amended and Gregory Hayes seconded. Approved by Yeas: Christopher Parker, Daniel Giannelli, Aaron Susmarski, Richard Wagner, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., and Marybeth Smialek.

Approval of Minutes:

Board Meeting- March 27, 2019

Mr. Parker asked for a motion to approve the minutes as presented. Patrick Cappabianca moved and Patrick Aaron Susmarski seconded. Approved by Yeas: Christopher Parker, Daniel Giannelli, Aaron Susmarski, Richard Wagner, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., and Marybeth Smialek.

Audit Review

Mitch Kalkhof and Sean Vanderhoof of BKD presented the audit of the 2018 financials to the Board. The review included:

- Operating revenue trends in airfield, terminal, landside, public safety, and offsite property. Public safety and offsite remain comparable to the previous year and all others have increased significantly.
- Outstanding debt per enplaned passenger and cost per enplaned passenger- this number has decreased for the first time in five years which is good.
- There were two audit adjustments recorded and no passed adjustments. One adjustment was recorded to accrue wages for the December 17th-30th payroll. The second adjustment was recorded to accrue grant revenues for invoices received subsequent to year-end. This second adjustment resulted in a significant deficiency (this is the one finding from the audit). It is recommended that Kim communicate with James regarding capital invoices and checks to avoid this in future audits.
- There will be changes to the accounting and financial reporting for leases (GASB 84 for 2019 and GASB 87 for 2020). The new standards were reviewed with James.
- The Management Letter was also reviewed.

Marybeth Smialek made a motion to accept the audit and Daniel Giannelli seconded. Approved by Yeas: Christopher Parker, Daniel Giannelli, Aaron Susmarski, Richard Wagner, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., and Marybeth Smialek.

Executive Director Presentation

Derek Martin's presentation included the minutes from a meeting held with members of the Aviation Flyers and Hangar 20 groups on April 9, 2019, an explanation rights verses privileges, and FAA frequently asked questions. After Mr. Bendig yelled for Mr. Martin to speak up, Mr. Martin shared information about Teterboro Airport where almost all aircraft are paying a fee to operate there. Mr. Martin again reviewed our grant assurances and lease language pertaining to minimum standards and insurance.

Mr. Cappabianca complimented Mr. Martin on the very thorough report. Mr. Cappabianca stated that he attended the April 9th meeting and was invited by the pilots. Mr. Hayes was also invited. Mr. Cappabianca didn't know why the pilots did not invite the other Board Members. Mr. Cappabianca stated that during the meeting Gary Jasper of Hangar 20 said that his insurance would cover a contracted mechanic. Mr. Martin said that if the pilots can provide proof of this then it is something we are willing to look at. Regarding the issue of gas storage in the hangar, Mr. Cappabianca shared information he gathered. Mr. Martin said that an FAA approved storage container would be allowed for gas storage in the hangars.

Public Comments

Mr. Parker invited members of the public to comment. He asked that comments be kept to 3 minutes for each speaker and reminded the group that this is an opportunity to comment; not a question and answer period.

- Jack Bendig, Hangar 20- Mr. Bendig stated that private aircraft “should” be insured even when grounded during the winter months; “should be; not “has to be”. Mr. Bendig wants leeway on this issue of insurance when they are not flying in the winter. Mr. Bendig also stated that he and many other private pilots still use radar. He shared information on Lancaster Airport stating how wonderful it was and how Erie can’t even compare. Mr. Cappabianca kindly asked Mr. Bendig to stick to the point. He added that the pilot group keeps bringing up issues that are completely irrelevant to the issue of insurance, fees, and gas can storage!
- Ed Tropper, Aviation Flyers- Mr. Tropper stated that his group has enjoyed years of harmony here. The enforcement of the airport’s rules has upset almost everyone on the airfield! He recommends that the Authority get input from the different airport groups/tenants when making rules and policies. He cited that most of the Authority Board Members are not aircraft owners or pilots!
- Mark Youngs, Aviation Flyers- Mr. Youngs shared information from the AirNav site that pilots use to get airport information. He also shared that he is close, personal friends with the local FAA manager at ERI. Mr. Youngs wanted it known that he does buy fuel from North Coast Air. He added that he plans to introduce himself at the next meeting. He really wants the Board to get to know him as a person.
- Bill Patterson, North Coast Air- Mr. Patterson stated that Grayson Patterson runs North Coast Air and safety is the number one concern. There was a don’t ask; don’t tell policy when it came to the freelance mechanics. The Authority learned of the activity and tried to address it. The pilots got angry and called the media and the FAA. The FAA heard about it and called Grayson to inquire. The pilots have awakened the “giant”. Now if ERI wants to continue to receive federal dollars, then they must comply. Mr. Patterson added that he has encouraged Grayson to petition the FAA to go back to the original minimum standards for maintenance/mechanic if the pushback from the pilot groups continue.

Committee Reports:

Finance Committee- Finance Committee Chair David Hallman stated that the Finance Committee held a meeting on April 23, 2019. The Committee received the audit report from BKD. The cash forecast, A/R summary, bills to be paid, finance report, capital fund transactions, and expense reports were reviewed with no questions or concerns. Approval of the Bills to be Paid- Patrick Cappabianca moved and Gregory Hayes seconded. Approved by Yeas: Christopher Parker, Daniel Giannelli, Aaron Susmarski, Richard Wagner, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., and Marybeth Smialek.

James Pacansky reviewed the Finance Report. We had a net surplus of \$41,781 for the month of March. Year to date we are favorable to budget \$72,679 with revenue favorable to budget \$40,457 and expenses are less than budget (favorable) to budget \$38,222.

Unfinished Business

Ad-Hoc Committee- Mr. Parker reiterated the issue of getting the canine back in to the community for mutual aid requests. Ms. Gornall explained that as long as we are following our policy and documenting training per our policy; the canine can get back out in to the community for mutual aid. Ms. Gornall will draft a mutual aid agreement that other agencies can chose to sign in order to use the airport's asset (the canine). Mr. Parker added that we already have something similar with the Department of Homeland Security (DHS). The Board will approve the agreement and discuss whether or not there will be a fee.

Resolutions

Resolution 2019-13 Approval of Purchase of Accounting Software

Mr. Martin explained that this has been a recommendation from our audit the past three years. There is \$200,000 budgeted for the new software.

David Hallman, Jr. moved for approval and Daniel Giannelli seconded. Approved by Yeas: Christopher Parker, Richard Wagener, Daniel Giannelli, Aaron Susmarski, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., and Marybeth Smialek.

Resolution 2019-14 Approval of Security Design Proposal

Mr. Martin explained that this is part of a previously accepted State Grant for security upgrades.

Marybeth Smialek moved for approval and Aaron Susmarski seconded. Approved by Yeas: Richard Wagener, Daniel Giannelli, Aaron Susmarski, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, and Christopher Parker.

Resolution 2019-15 Approval of Implementation of Identity Management System

Mr. Martin explained that this is also part of the security upgrades. Mr. Hayes asked if this system will become obsolete if the SIDA area is changed. Mr. Martin said that it will not.

Daniel Giannelli moved for approval and Aaron Susmarski seconded. Approved by Yeas: Daniel Giannelli, Aaron Susmarski, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., Marybeth Smialek, Christopher Parker, and Richard Wagner.

New Business

Mr. Cappabianca commented on the previous correspondence to the Board regarding someone in the community wanting an air show in 2019. Mr. Martin stated that previous information put a non-military air show at around \$250,000. Mr. Parker added that the Authority could not host a show at this cost. A privately funded air show could be possible.

Liaison Comments

Erie City Councilman Cas Kwitowski said that he hopes that the pilots and the Authority can all get together to work things out. Erie Airport is not in the same class as a lot of other airports. This airport is not just a commercial service airport. The things that have

been going on at the Airport is an embarrassment! Mr. Kwitowski added that he is still disappointed that Erie doesn't offer TSA precheck.

Board Member Comments

Mr. Parker congratulated staff on a successful audit. Mr. Giannelli commented that we are making progress! Our cost per enplaned passenger is decreasing and air traffic is increasing.

Executive Director's Report

Mr. Martin reported on the following:

- We have received signed Airline Operating Agreements (AOAs) from all three airlines- American, Delta, and United.
- The TSA precheck enrollment event held April 8th through the 12th was a huge success! Two agents enrolled 769 individuals during the one-week event.
- The Autism in Flight program mentioned at last month's meeting is scheduled for Saturday May 4th and Saturday May 11th. Registration numbers with the Autism Society of Northwestern PA have been positive so we are going to try to host a simulation every six months.
- Installation of the new flooring is underway.
- Improvements to the restaurant continue.

Patrick Cappabianca made a motion to adjourn and Gregory Hayes seconded. Approved by Yeas: Christopher Parker, Daniel Giannelli, Aaron Susmarski, Richard Wagner, Gregory Hayes, Patrick Cappabianca, David Hallman, Jr., and Marybeth Smialek.

Adjournment: 1:015 PM

Marybeth Smialek, Secretary