

MINUTES OF
LANCASTER AIRPORT AUTHORITY

December 16, 2019

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Authority offices on Monday, December 16, 2019. The meeting began at 3:30 p.m. Mr. James Cunningham, Chairman, presided at the meetings and the following persons attended:

Lancaster Airport Authority

| | |
|---------------------------------|---------------------------------|
| Chair | James Cunningham |
| Vice-Chair | Valerie Moul |
| Secretary | Matthew Brown – Excused Absence |
| Treasurer | Amanda Lehman |
| Asst. Secretary/Asst. Treasurer | Richard Stauffer |

Counsel – Craig V. Russell, Esquire of Russell, Krafft & Gruber, LLP

Others

Mark Cestari – Southern Airways Express
Ann Roberts – CAAMCO
Brad Witmer

Lancaster Airport Authority Staff

David Eberly – Airport Director
Cheryl Martin – Finance Administrator
Austin Beiler – Facilities Administrator – Excused Absence
Mary Stauffer – Manager, Alliance Aviation

PUBLIC COMMENT:

Mr. Cunningham began the meeting and thanked everyone for attending. He introduced members of the Authority and staff and recognized a quorum present. Mr. Cunningham requested any public comments from the meeting attendees. No additional comments were offered. Mr. Cunningham encouraged anyone, however, to get his attention throughout the meeting if desired.

MINUTES OF LAST MEETINGS:

Copies of the proposed minutes of the Lancaster Airport Authority Board meeting held on November 18, 2019 were distributed to the Board members. Upon motion duly made, seconded, and unanimously approved, the minutes were approved as submitted by Ms. Moul, seconded by Mr. Stauffer, and unanimously approved.

FINANCE COMMITTEE:

FINANCIAL REPORT – The financial report for period ending November 30, 2019 was submitted. Ms. Lehman reviewed the reports and noted that the financial status is following as anticipated. The accounts that are not performing as anticipated are as a result of the hangar and terminal projects taking longer than originally planned to be completed and available for occupancy. The following is the report for the referenced period.

| <i>Period Ending November 30, 2019</i> | | |
|--|---------------|------------------------|
| Combined General Fund and Alliance Aviation | | |
| Reporting Period | Budget | Actual |
| November Net Revenue: | \$97,065.44 | \$137,402.84 |
| Year to Date Net Revenue: | \$945,655.34 | \$1,305,859.98 |
| General Fund Report | | |
| Reporting Period | Budget | Actual |
| November Net Revenue: | \$55,103.76 | \$83,186.59 |
| Year to Date Net Revenue: | \$480,386.23 | \$664,397.71 |
| Alliance Aviation Report | | |
| Reporting Period | Budget | Actual |
| November Net Revenue: | \$41,961.68 | \$54,216.25 |
| Year to Date Net Revenue: | \$465,269.11 | \$641,462.27 |
| Cash and Cash Equivalents | | |
| Item | | Current Balance |
| General Fund Checking Account: | | \$21,594.27 |
| General Fund Liquid Reserves: | | \$211,095.76 |
| Certificate of Deposit: | | \$2,924,000.00 |
| PLGIT Cash Account: | | \$3,748.48 |
| PLGIT Prime Investment Account | | \$296,471.64 |
| PLGIT Term Account | | \$2,600,000.00 |
| General Fund Accounts Receivable: | | \$105,829.59 |
| General Fund Accounts Payable: | | (\$22,886.89) |
| Alliance Aviation Checking/Cash on Hand: | | \$34,890.53 |
| Alliance Aviation Accounts Receivable: | | \$50,569.71 |
| Alliance Aviation Accounts Payable: | | (\$90,889.00) |
| Total Cash and Cash Equivalents: | | \$6,134,424.09 |
| Grant-Funded Project Construction Report | | |
| Balance @ October 31, 2019 | | \$568.60 |
| Grant Receipts: | | \$94,846.01 |
| Line of Credit Drawdowns: | | \$0.00 |
| Total Cash Disbursements: | | (\$94,846.01) |
| Balance @ November 30, 2019 | | \$568.60 |
| Passenger Facility Charge Account | | |
| Balance @ November 30, 2019 | | \$5,362.10 |

| \$ 1 Million Line of Credit Report | | |
|---|------------------|--------------------|
| Item | Rate of 4.10425% | Available Balance: |
| Balance @ November 30, 2019 | | \$1,000,000.00 |

The financial reports for the period ending November 30, 2019 were moved for approval as submitted by Ms. Lehman, seconded by Ms. Moul, and unanimously approved subject to audit.

FISCAL YEAR 2020 PROPOSED BUDGET – The proposed budget was prepared with airline service and without airline service. No changes have been made to the budget as tabled. Ms. Lehman moved to adopt the budget without airline service with the recommendation that if airline service is restored after December 31, 2019, that the Board entertain updating the budget at a future meeting. The following resolution adopts the budget as submitted:

**Resolution No. 18 of 2019
Proposed Budget for Fiscal Year 2020**

WHEREAS, the Lancaster Airport Authority has prepared a proposed budget for Fiscal Year 2020; and

WHEREAS, the Lancaster Airport Authority has made no changes to the Budget Proposal as tabled.

NOW, THEREFORE, BE IT RESOLVED, that the Lancaster Airport Authority hereby approves the Budget for the Fiscal Year 2020, a copy of which is attached and made a part of this resolution; and

BE IT FURTHER RESOLVED that this resolution shall be made part of the minutes of the Lancaster Airport Authority.

Upon motion duly made by Mr. Stauffer, seconded by Ms. Moul, and unanimously approved, the budget as submitted was adopted.

PERSONNEL COMMITTEE REPORT:

OFFICERS FOR 2020 – Ms. Moul requested that anyone desiring to change their committee assignments to let her know as she will be presenting a recommendation for 2020 at the next Board meeting.

FACILITIES COMMITTEE:

ESSENTIAL AIR SERVICE UPDATE – Mr. Eberly and Mr. Russell reported on updates since the last meeting. The US DOT is requesting communication from the Lancaster Airport Authority that Lancaster Airport desires to stay in the program and that we are still working

on securing the local share. Federal congressional leaders have become involved in the matter which assisted with the DOT's apparent willingness to potentially grant a 12 month extension. Supports letters from the City and County and possibly the Lancaster Chamber will be welcomed even though at this time, they are unable to provide support with funds.

EXECUTIVE SESSION – at this time, the Lancaster Airport Authority went into Executive Session to discuss a legal matter related to EAS. After approximately 10 minutes, the Executive Session was closed and the meeting reconvened. No action was taken during the discussion.

ALPHA CHARLIE LEASE ASSIGNMENT - Troy Abel of Alpha Charlie/Abel Construction requested approval from the Airport Authority Board to consider a lease assignment of the lease agreement for their facility located on the north side of the field. About ten (10) years remain in the current term with options to renew at the current rental rate at the time of renewal. Ox Industries is the purchaser and intends to house two (2) Lear Jets as well as purchase fuel. The following resolution approves the lease assignment.

Resolution No. 19 of 2019
Alpha Charlie LLC – Assignment of Lease

WHEREAS, Alpha Charlie LLC, a Montana limited liability company, is the Lessee under a Lease Agreement and Amendment dated August 9, 2010, for a hangar facility located at the Lancaster Airport. Alpha Charlie LLC desires to assign all of its right, title and interest in the Lease, including the right to occupy the leased premises pursuant to the terms of the Lease, to Ox Industries, Inc., a Pennsylvania business corporation, maintaining an address at 11 Carlisle Street, Suite 201, Hanover, Pennsylvania 17331.

WHEREAS, the Lease and Amendment requires the consent of the Landlord, the Lancaster Airport Authority, to the Assignment.

NOW, THEREFORE, BE IT RESOLVED that the Lancaster Airport Authority does hereby consent to and approve the Assignment. This consent and approval is subject to David F. Eberly, Jr., Airport Director, receiving a fully executed copy of the Lease Assignment and Bill of Sale Agreement and is further conditioned upon said Airport Director being in receipt of proof of insurance as more fully described under the terms of the Lease. The effective date, unless extended, shall be January 1, 2020.

ALSO BE IT RESOLVED that the authorization of David F. Eberly, Jr., Airport Director, to act as agent to execute any and all necessary documents relating to the Lease Assignment is hereby approved.

Upon motion duly made by Mr. Stauffer, seconded by Ms. Moul, and unanimously approved, the resolution was adopted and the assignment was approved. Upon receipt of any required documentation, Mr. Eberly will execute the assignment approval.

PENNDOT – BUREAU OF AVIATION GRANT AGREEMENT – PennDOT – Bureau of Aviation has released a grant agreement for consideration by the Airport Authority to provide for five percent (5%) of allowable costs for the Federal Grant 3-42-0049-041-2019. The project provides for design services for Runway 8-26 Rehabilitation project. The approval will be pending Council’s review and approval.

Resolution No. 20 of 2019
PennDOT - Bureau of Aviation Grant Agreement
FAA Grant 41-19 Grant Match

WHEREAS, the Commonwealth of Pennsylvania, Department of Transportation, tendered a Grant Agreement to the Lancaster Airport Authority, Lancaster, Pennsylvania, for the Rehabilitate RW 8-26, Phase II (AIP 41-19) Project in the amount of \$48,100 for five percent (5%) of allowable costs at the Lancaster Airport; and

NOW THEREFORE BE IT RESOLVED the Lancaster Airport Authority does hereby accept the Grant Agreement for the above-referenced project at the Lancaster Airport, by the Commonwealth of Pennsylvania, as hereinafter set forth in the attached Grant Agreement pending Counsel’s review and approval; and

ALSO BE IT RESOLVED that the authorization of David F. Eberly, Jr., Airport Director, to act as agent to execute any and all necessary documents relating to the aforementioned grant agreement and project, is hereby approved.

Upon motion duly made by Mr. Stauffer, seconded by Ms. Moul, and unanimously approved, the resolution was adopted and the agreement was approved pending Council’s review and approval.

STAFF MANAGEMENT REPORTS:

AIRPORT DIRECTOR REPORT – Mr. Eberly provided photos of the projects that are finishing up – the nested box and 70 x 70 hangar. He also provided photos of the Terminal project currently underway. Mr. Eberly did report that with the Terminal expansion a portion of the restaurant would not be able to see the runway as they currently are able to. The restaurant owners are aware of the upcoming change.

Mr. Eberly reported that the Manheim Township School District has requested an extension on their lease agreement. The original agreement had been extended on a year to year basis. This agreement would replace the current one effective the end of the current term in September 2020. They are looking at possibly erecting a maintenance facility on the site as the site at the school complex will no longer be available.

FINANCE ADMINISTRATOR REPORT – Ms. Martin reported that the remaining Receivables are about 60% since the end of the month. Aircraft activity in November increased in 2019 compared to 2018 and activity still remains at a lower level compared to year-to-date. Ms.

Huber reported that the December 7 Fly-In had about 85 attendees. The annual Tenant Christmas luncheon will be held Tuesday, December 17 from 11:30 – 1:00 and will be highlighted with a cookie bakeoff.

FACILITIES ADMINISTRATOR – Mr. Beiler was unable to attend the meeting.

MANAGER, ALLIANCE AVIATION – Ms. Stauffer reported that as Alliance moves aircraft around, Alliance will only be utilizing one of the three new hangars. The new pending tenant, Ox Industries, will be utilizing contract fuel through AvFuel.

PUBLIC COMMENT

Mr. Cunningham asked if any attendees had any additional comments or questions. No additional comments were received at this time.

DATE FOR NEXT MEETING

The date for the next meeting is scheduled for Monday, January 27, 2020 at 3:30 p.m. in the Administrative Office conference room. There being no further business to discuss, motion was duly made by Mr. Stauffer, seconded by Ms. Lehman, unanimously approved, and the meeting was adjourned.

Respectfully submitted,

Cheryl Martin
Recording Secretary