

Susquehanna Area Regional Airport Authority
Meeting Minutes
September 25, 2024

A meeting of the Susquehanna Area Regional Airport Authority was called to order by Mr. Leonard at 8:00 a.m., on Wednesday, September 25, 2024. The following Board members were in attendance:

James Anderson	*Don Geistwhite	Erik Hume
Keith Bashore	James Gross	William Leonard
Bennett Chotiner	James Helsel	*Nelva Wright
Brian Enterline		

*Ms. Wright and Mr. Geistwhite arrived after Roll Call was taken.

Also attending were: Timothy Edwards (Executive Director), Michael Winfield (Post & Schell), Jamie Sides (Deputy Director, Maintenance), Kevin Bryner (Deputy Director, IT), Lou Pirozzi (Deputy Director, Engineering & Planning), Scott Miller (Deputy Director, Marketing & Business Development), Michael Moskal (Deputy Director, Finance & Business Administration), Mick Burkett (Deputy Director, Human Resources), and Camille Springer (Executive Assistant).

Public Comments: None.

Consent Calendar:

Mr. Leonard said this is to approve one Consent Calendar item, non-controversial item costing less than \$10,000.

1. Minutes of the August 28, 2024, Board Meeting

Motion: A motion was made by Mr. Helsel that the Board approve the Consent Calendar item. The motion was seconded by Mr. Anderson and unanimously approved by those present. Ms. Wright and Mr. Geistwhite were not present when this vote was taken.

Executive Committee:

a) **General Insurance Renewal:** Mr. Edwards reported that this is to award the General Insurance Program Renewal for year October 1, 2024 – September 30, 2025 to the insurance companies proposed by SARAA's insurance broker, Arthur J. Gallagher for \$714,453. AIG recommends renewing our insurance policies with our existing carriers. The property coverage is renewing with AIG but there is a 9% increase this year. The equipment policy will increase by 26%. Although rates are flat, coverage is increasing due to higher replacement costs. The auto rates are up again this year which reflects the continued problems in the auto insurance

market. Overall, there is a 10% increase in premiums due primarily to the increases in property renewal costs and increase in renewal exposures. The premium will be paid from SARAA's operating budget

Motion: A motion was made by Mr. Gross that the Board award the General Insurance Program Renewal for year October 1, 2024 – September 30, 2025, to the insurance companies proposed by SARAA's insurance broker, Arthur J. Gallagher & Co, (AIG) for \$714,453. The motion was seconded by Mr. Bashore and unanimously approved by those present. Ms. Wright and Mr. Geistwhite were not present when this vote was taken.

b) **Restructure of 2008B Bonds:** Mr. Edwards reported that this is to authorize the finance department's redemption of the 2008B bonds. Currently SARAA has an excess balance of \$1,268,000 within its debt service reserve amounts. Per the bond indentures these excess reserves must be used exclusively for the reduction of current period debt service payments to the specific bonds they were issued to. This balance will enable us to redeem the total callable balance of the 2008B bonds for approximately \$523,000. This would result in a 79% or \$510,000 savings on the scheduled remaining payments. Funding for this redemption will come from SARAA's 2024 capital improvement account.

Motion: A motion was made by Mr. Bashore that the Board authorize the finance department's redemption of the 2008B bonds. The motion was seconded by Mr. Helsel and unanimously approved.

Airport Operations:

a) **Server Network Switch Upgrade & Expansion, Dauphin Datacom:** Mr. Edwards reported that this is to authorize the purchase of network switches, hardware support, and installation services from Dauphin Datacom for an amount not to exceed \$101,427.32. SARAA's server hardware was installed in early 2017. In its current configuration, the server environment is entirely located in one location, the basement of the main terminal building. The single location poses a concern for failure if a catastrophic event such as a fire or flood were to occur in that area of the building. In order to mitigate the risk of failure, plans have been made to expand the server environment to include a redundant site at the ARFF/maintenance building 513. To do this however, the network that connects all the server hardware must be upgraded and expanded. Funding for this project will come from SARAA's 2024 O&M budget.

Motion: A motion was made by Mr. Geistwhite that the Board authorize the purchase of network switches, hardware support, and installation services from Dauphin Datacom for an amount not to exceed \$101,427.32. The motion was seconded by Mr. Chotiner and unanimously approve.

b) **Building 208 Demolition, HIA:** Mr. Edwards reported that this is to authorize the Executive Director to execute a construction contract with Golden Triangle Construction for the lump sum amount of \$750,000 to demolish Building 208 at HIA. A

water pipe on the 2nd floor of Building 208 broke during winter 2022 resulting in catastrophic flooding and structural damage. SARAA declared the building a total loss and submitted an insurance claim that was previously settled in the amount of \$900,000. An asbestos and hazardous waste assessment was completed by Urban Engineer's in August 2023 and provided to Golden Triangle to prepare an estimate. Golden Triangle was the successful bidder on the next and final phase of the Cargo Apron Expansion Project. This work will be fully funded through SARAA's insurance claim proceeds.

Motion: A motion was made by Mr. Geistwhite that the Board authorize the Executive Director to execute a construction contract with Golden Triangle Construction of Imperial, Pennsylvania for the lump sum amount of \$750,000 to demolish Building 208 at HIA. The motion was seconded by Mr. Enterline and unanimously approved.

c) **Award Runway 13-31 Approach Obstruction Removal, HIA:** Mr. Edwards reported that this is to award a contract to Lobar Associates in an amount of \$368,062.44 to complete obstruction removal of trees at Sunset Golf Course, and to authorize the Executive Director to sign the contract and all related documents. There are several areas of Sunset Golf Course with trees penetrating the approach surface of runway 31. Lobar Associates has provided pricing through the Keystone Purchasing Network/Gordian to remove these obstructions. The obstructions were identified in the 2024 PennDOT BOA survey that was done as part of our 2024 FAA Part 139 compliance inspection. Funding for this contract will come from the approved 2024 SARAA Operating & Maintenance Budget.

Motion: A motion was made by Mr. Enterline that the Board award a contract to Lobar Associates in an amount of \$368,062.44 to complete obstruction removal of trees at Sunset Golf Course, and to authorize the Executive Director to sign the contract and all related documents. The motion was seconded by Mr. Anderson and unanimously approved.

d) **Building Maintenance System (BMS) Modernization & Upgrade, HIA:** Mr. Edwards reported that this is to ratify an agreement with Johnson Controls for modernization and upgrade of components for the Metasys BMS (Building Management System) serving all occupied space in the Terminal and Multi Modal Transportation Facility. The total value of the agreement will not exceed \$200,780.00. This agreement is for the purchase of parts and components only and will save SARAA over 34% of the current cost. The Metasys BMS is original to our 2004 terminal building. Equipment and technology upgrades are required for continued service for the next 10 to 15 years. This project was planned for 2025 until we were presented the opportunity to purchase parts and equipment at a large discount if done prior to September 9th. The remainder of the project will be included in the building maintenance O&M budget for 2025. Funding for this purchase will come from SARAA's 2024 O&M budget.

Motion: A motion was made by Mr. Gross that the Board ratify an agreement with Johnson Controls, Inc. for modernization and upgrade of components on the Metasys

BMS serving all occupied space in the terminal and Multi Modal Transportation Facility. The total value of the agreement will not exceed \$200,780.00. The motion was seconded by Mr. Geistwhite and unanimously approved.

e) MDT Amend Agreement for Baggage Handling System: Mr. Edwards reported that this is to authorize the Executive Director to execute a revised agreement with Huntleigh USA for baggage handling system staffing. The amendment will revise the billing rates to proposed rates of \$20.78 for regular hours and \$31.16 for overtime hours, to take effect on January 1, 2025. Huntleigh USA has served HIA since 1989. In May 2023, the SARAA Board of Directors approved a contract amendment that revised the billing rates from \$14.50 for regular hours and \$21.75 for overtime hours to amended rates of \$18.10 for regular hours and \$27.15 for overtime house. Huntleigh recently advised that they continued to struggle attracting and retaining employees. They have requested an increase in billable rates to \$20.78 for regular hours and \$31.16 for overtime hours. This increase would take effect on 1/1/2025. Funding for this amendment will be included in the FY25 Operating Budget.

Motion: A motion was made by Mr. Enterline that the Board authorize the Executive Director to execute a revised agreement with Huntleigh USA for baggage handling system staffing. The amendment will revise the billing rates to proposed rates of \$20.78 for regular hours and \$31.16 for overtime hours, to take effect on January 1, 2025. The motion was seconded by Mr. Anderson and unanimously approved.

f) Avflight Proposed Lease Extension, Building 603: Mr. Edwards reported that this is to authorize the Executive Director and SARAA legal counsel to begin negotiations with Avflight to extend the land lease for Building 603 at HIA. In January 2021, the SARAA Board approved a lease assignment for Building 603 (Rite Aid Hangar) from Rite Aid to the Avflight Harrisburg. The final renewal term of the original lease will expire on August 31, 2026. Unless amended, SARAA will receive title to the building per the reversion clause in the lease beginning September 1, 2026. Avflight has submitted a proposal to extend the land lease with SARAA. The proposal includes the extension term, lease extension requirements, reversionary rights, initial tenant with Avflight, and maintenance.

Motion: A motion was made by Mr. Geistwhite that the Board authorize the Executive Director and SARAA legal counsel to begin negotiations with Avflight to extend the land lease for Building 603 at HIA. The motion was seconded by Ms. Wright and unanimously approved.

Executive Director's Report:

a) Financials & Dashboard (through August 2024): Total Revenues were \$20.2 million vs \$20.0 million budgeted, up 0.8%. Total Operating Expenses were \$17.5 million vs. \$18.8 million budgeted, down 7.2%. Net Operating Revenue is \$2,675 million. The Variance to Budget was \$916,724. Adding the Extraordinary Cash Inflows resulted in a Net Position of

\$3,496,425. The Debt Coverage Ratio is 1.68 on a 1.25 requirement. The Total Covid Grant Fund Balance is \$3.7 million. On the Sales and Revenue Summary, YTD enplanements were 10.3% above YTD 2023 enplanements. Food/Gift sales are up 10%. Hotel Sales are up 6.9%. Rental Car sales are up 6.2%. CFC Days are up 2.2%. On the Accounts Receivable Trade Summary, the total 60-plus day receivables are 7.6% of total outstanding receipts.

b) Project Update: Mr. Edwards reported on the following:

HIA:

Cargo Apron Expansion, Phase 5: Completed all concrete placements.

Baggage Handling System Control: The contract completion date is 7/13/2025.

Replace Passenger Board Bridges: NTP to be issued April 2025 after PBB's are manufactured.

Rehabilitate Escalators: FY24 BIL-ATP grant submitted and is pending selection results.

Public Restroom Renovations: FY24 BIL-ATP grant submitted.

Capital City Executive Airport:

Construct Parallel Taxiway: Preparing RFP for design.

Gettysburg Regional Airport:

Construct South Aircraft Parking Apron, Phase VI/VII: Project anticipated to be completed in November 2024.

Franklin County Regional Airport:

Update Master Plan: Preparing final report.

c) Enplanement Report: Mr. Edwards reported that August 2024 MDT operations were 4,137, down 13.2% vs August 2023. YTD MDT operations are down 3.4% vs YTD 2023. Local GA was down 38% vs last August, the second slowest month of 2024. August CXY operations were 2,361, up 3.6% vs August 2023. YTD 2024 CXY operations are up 0.8% vs YTD 2023. Local GA's are up 78% as last August RW 12/30 was closed for rehabilitation work during the first half of the month. August 2024 Air Cargo Tonnage decreased 7.5% vs August 2023. YTD 2024 Air Cargo Tonnage is down 3.9% vs YTD 2023. August 2024 enplanements totaled 63,676, up 11% vs August 2023. YTD 2024 enplanements were up 10.3% vs YTD 2023, up 6.7% vs budget. CY 2024 is currently pacing for between 715,000 and 720,000 enplanements, 5 to 7% above budget.

Marketing Update: Frontier resumes nonstop service to Orlando on 12/13/2024. A \$40,000 media campaign will target to F9 zip codes including billboards, online radio-Spotify, Lancaster Online, Digital ads.

Executive Session:

Mr. Leonard convened an Executive Session to discuss litigation matters at 8:48 a.m. Mr. Leonard reconvened the public meeting at 9:27 a.m. There was no action taken resulting from the Executive Session.

Board Member Comments:

Ms. Wright: Ms. Wright enjoyed the tour of the FCRA and GRA airports after the committee meetings.

Mr. Enterline: Mr. Enterline said there was great interaction on Friday at the Committee meetings at FCRA.

Mr. Gross: Mr. Gross said he enjoyed the tour of the airports and said the facilities are well maintained.

Mr. Geistwhite: Mr. Geistwhite thanked the staff for their efforts.

Mr. Leonard: Mr. Leonard enjoyed the tour of the airports. He said that a kickoff meeting for a refresh of the Strategic Plan was held on September 17th. This meeting will be held every two weeks and all Board members are welcome to attend.

Next Board Meeting:

**Wednesday, October 30, 2024, 8:00 a.m.
Harrisburg International Airport**

Adjournment:

There being no further business to discuss, Mr. Leonard adjourned the meeting at 9:34 a.m.

Respectfully submitted:

James Gross,
SARAA Secretary
Prepared by Camille Springer