

MINUTES OF
LANCASTER AIRPORT AUTHORITY

April 13, 2009

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Terminal on Monday, April 13, 2009. The planning session began at 3:00 p.m. and the business meeting began at 4:00 p.m. Mr. Marvin Miller, Chairman, presided at the meetings and the following persons attended:

Lancaster Airport Authority

Chairman	Marvin Miller
Vice-Chairman	Russell Howell
Secretary	James Cunningham
Treasurer	Gregory Sahd
Asst. Secretary/Asst. Treasurer	Valerie Moul

Counsel – Craig Russell, Russell, Krafft & Gruber, Esq.

Others

Amber Lynn – Aero-Tech Services, Inc.
Matt Kauffman – Aero-Tech Services, Inc.
Tom Huber – Venture Jets, Inc.
Victor Miasnikowicz – Venture Jets, Inc.
Chris Meja – Transline Trucking
Joe Milazzo – Armstrong World Industries, Inc.
Bill Lewis – Armstrong World Industries, Inc.
John Calla – Liberty Sport Aviation, LP
John Moeller – Lancaster Air Traffic Control Tower
Chad Ochs – Freightliner of Harrisburg
Brad Ream – KLNS Aircraft Services
Rob Billas – Fiorentino’s Restaurant
Rose Billas – Fiorentino’s Restaurant

Lancaster Airport Authority Staff

David Eberly – Airport Director
Joyce Opp – Finance & Marketing Director
Cheryl Martin – Administrative Assistant

PUBLIC COMMENT

Mr. Miller began the planning meeting and thanked everyone for attending. He introduced members of the Authority and staff and recognized a quorum present. Mr. Miller then requested any public comments from the meeting attendees. No public comment was offered at this time; however, Mr. Miller encouraged anyone to get his attention throughout the meeting if desired.

HEALTH CARE RESOLUTION

Mr. Eberly reported that he has been working with the Benecon Group, which represents an Intergovernmental Insurance Cooperative. Other local municipalities participate and Mr. Eberly spoke with about 8-10 participants, who are happy with their performance. This insurance is a three-year commitment and if the group does not submit a lot of claims, there is potential to be reimbursed the difference at the end of the year. The coverage is virtually the same and has almost the same carrier network as the current carrier. Mr. Cunningham inquired if limits are set up over the three-year agreement, however, it is strictly based on experience. There is no Not-To-Exceed premium and the renewal rate remains the same. As Mr. Eberly reviewed other entities participating in the program, he noted that the track record has been good to receive a refund as well as single-digit renewals rather than the double digit the Lancaster Airport Authority has been experiencing over the past years. The plan requires approval to participate by resolution, which is why the change has been presented to the full Board and a resolution is available for consideration at the Business Meeting.

FULTON BANK MEETING

Mr. Eberly and Mr. Sahd met with representatives of Fulton Bank to review the current accounts with Fulton Bank. The main reason for the meeting was to discuss the two (2) lines of credit currently utilized by the Lancaster Airport Authority. Fulton Bank has changed the interest rate to include a floor of 4% for the \$2 million and 2.88% of the \$250,000 lines. They did inquire about a ceiling on rates and have offered 16% on the \$2 million and 12% on the \$250,000 lines respectively. The index rate is the LIBOR rate and it is competitive compared to other banks in the area.

Mr. Sahd had recommended considering an additional money market savings account for Alliance Aviation and Construction Funds. The FAA does not permit earning interest on funded monies so the Construction Fund account is ineligible. Currently, there is a high balance in the Alliance Aviation checking account, however, there are several large costs due in the near future. Any excess funds in Alliance Aviation may be utilized to repay the startup costs back to General Fund Reserve. Ms. Opp reported that the Lancaster Airport Authority should put all excess funds into the General Fund Reserve Account rather than opening a new account because it is a tiered account. The more funds on deposit, the higher the interest rate.

Ms. Moul asked about FDIC limits and if the reserves are adequately collateralized. Fulton Bank had assured Mr. Eberly and Mr. Sahd that they are financially secure to cover all accounts.

HANGAR DOOR BID RESULTS

Mr. Eberly reported that the hangar door re-bid results have been reviewed and forwarded to PennDOT – Bureau of Aviation for review and approval. The low bidder, Lancaster Door Service, had substituted the request from steel to aluminum and have been disqualified as bidders. The next low bidder, Shank Door, submitted a bid proposal for \$50,994.00 and their proposal meets the required specifications. The bid proposal includes the doors, tracks, motors, gears and any related materials. Currently, the facility has five (5) doors, however, the new doors will be a three-door system.

This company, Shank Doors, is the same company who installed the doors for the Dart Container hangar facility and they seem very pleased with the new doors. Mr. Eberly is also waiting for an environmental release from the FAA before proceeding. He is requesting approval pending PennDOT – BOA approval at the Business Meeting.

ADJOURNMENT

At this time, the Planning Session adjourned. A brief recess was held before the 4:00 meeting began.

PUBLIC COMMENT

Mr. Miller began the 4:00 business meeting and thanked everyone for attending. He introduced members of the Authority and staff and recognized a quorum present. Mr. Miller then requested any public comments from the meeting attendees. No public comment was offered at this time; however, Mr. Miller encouraged anyone to get his attention throughout the meeting if desired.

MINUTES OF LAST MEETING

Copies of the proposed minutes of the Lancaster Airport Authority Board meeting held on March 9 2009, were distributed to all members of the Authority. Upon motion duly made, seconded, and unanimously approved, the minutes were approved as amended.

FINANCIAL REPORT

The monthly financial reports were distributed to all members for February 2009. The following outlines the financial report as of January 31, 2009.

Treasurer's Summary Report
For Period Ending February 28, 2009
April 13, 2009

I. General Fund Account

February Revenue:	\$111,061.16	
Budgeted Amount February 2009: \$117,793.85		
Total 2009 Budget: \$1,561,185		
YTD elapsed time: 16.6%		
YTD Revenue (14.3%):		\$223,275.48
February Expense:	<u>89,411.99</u>	
Budgeted Amount February 2009: \$92,498.76		
Total 2009 Budget: \$1,184,661.56		
YTD elapsed time: 16.6%		
YTD Expense (13.9%):		<u>165,489.59</u>
Total Net Revenue for February	\$21,649.17	
Total Net Revenue YTD		\$57,785.89

II. Alliance Aviation Account

February Revenue:	\$49,835.66	
Budgeted Amount February 2009: \$39,804.26		
Total 2009 Budget: \$2,085,519		
YTD elapsed time: 16.6%		
YTD Revenue (4.5%):		\$94,176.02
February Expense:	<u>20,376.78</u>	
Budgeted Amount for February 2009: \$30,908.68		
Total 2009 Budget: \$1,836,849.00		
YTD elapsed time: 16.6%		
YTD Expense (2.8%):		<u>52,431.60</u>
Total Net Revenue for February	\$29,458.88	
Total Net Revenue YTD		<u>\$41,744.42</u>

Net Revenue: General Fund and Alliance Aviation: \$99,530.31

III. Grant-Funded Project Construction Account

Balance as of January 31, 2009	\$66.32	
Grant Receipts:		
From Federal, State and County sources	\$792,593.10	
Plus: Line of Credit Drawdowns	0	
Total Grants & Drawdowns	<u>\$792,593.10</u>	
Total Funds Available	\$792,659.42	
Less Cash Disbursements for February 2009:	<u>744,730.82</u>	
Balance as of February 28, 2009:		<u>\$47,928.60</u>

Note: Current balance in the LAA Passenger Facility Charges Fund Account at February 28, 2009 is \$108,596.36

Ms. Moul asked if the budget is equally divided with the percentages listed on the report. No, they are assessed to the month in which the costs are estimated to occur, such as quarterly or annual only income or expense categories.

Upon motion duly made, seconded, and unanimously approved, the financial report was approved subject to audit.

HEALTH CARE RESOLUTION

Mr. Eberly requested approval to change the current employee health care to an Intergovernmental Insurance Co-Operative. The insurance coverage will be virtually the same coverage as the current plan. This plan is maintained through the Benecon Group. The following draft resolution approves the agreement:

Resolution No. 5 of 2009
Employee Health Insurance
Intergovernmental Cooperation Agreement for the
Intergovernmental Insurance Cooperative

WHEREAS, the Lancaster Airport Authority is authorized to provide benefits to its employees and their dependents; and

WHEREAS, health insurance benefits are appropriate benefits for its employees and their dependents; and

WHEREAS, the Lancaster Airport Authority has reviewed and considered a proposal by the Intergovernmental Insurance Cooperative ("IIC") for the purpose of collectively purchasing employee health insurance benefits for the benefit of Lancaster Airport Authority employees.

NOW, THEREFORE, BE IT RESOLVED:

That the Lancaster Airport Authority agrees to become a member of the IIC for the purpose of providing health insurance benefits to its employees and hereby authorizes its Chairman and Secretary to execute, on behalf of the Lancaster Airport Authority, an Agreement with the IIC indicating the Lancaster Airport Authority's acceptance of the terms and conditions set forth in, and its intention to become a party to, the attached Intergovernmental Cooperation Agreement for the IIC as of May 1, 2009. This Agreement and the Lancaster Airport Authority's membership is to be for a minimum term of three (3) years and is subject to the provisions of the Pennsylvania Municipal Authorities Act of 1944, as amended and codified, and the provisions of the "Commonwealth Procurement Code" 62 Pa. C.S.A. Section 1902 and the by-laws of the Lancaster Airport Authority.

BE IT FURTHER RESOLVED:

That the Lancaster Airport Authority further directs the Airport Director to implement the terms and conditions of this Resolution and the attached Agreement.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the insurance agreement was approved. Employees will be notified about the new health care approval.

HANGAR DOOR BID RESULTS

Mr. Eberly has reviewed the Alliance Aviation hangar door bid results for a new door system at Alliance Aviation. This project is funded through the Airways/Cirrus PennDOT – BOA grant agreement. The bid results have been forwarded to PennDOT – BOA for their review and approval prior to awarding the project. The following draft resolution approves the bid results pending their approval.

Resolution No. 06 of 2009 Hangar Door Replacement Project Bid Results

WHEREAS, the Lancaster Airport Authority held a bid opening for work to be performed for the Hangar Door Replacement Project at the Lancaster Airport as part of the Airways/Cirrus Hangar Grant, Lancaster, Pennsylvania; and,

WHEREAS, the Lancaster Airport Authority has reviewed the bid results and concur that Shank Doors is the apparent low bidder for the project; and,

WHEREAS, David F. Eberly, Jr., Airport Director is hereby authorized to act as agent for the Lancaster Airport Authority to execute any and all necessary documents relating to the aforementioned project.

NOW THEREFORE BE IT RESOLVED:

That Lancaster Airport Authority does hereby accept Shank Door as the low bidder for the Hangar Door Replacement Project at the Lancaster Airport pending PennDOT – Bureau of Aviation approval; and

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 project, is hereby approved.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the bid results were approved pending PennDOT – BOA approval. Upon their approval, the contract will be awarded to Shank Doors.

AIRPORT DIRECTOR'S REPORT

Mr. Eberly did not have any additional items to report for this meeting.

FINANCE & MARKETING DIRECTOR'S REPORT

Ms. Opp did not have any additional items to report for this meeting.

PUBLIC COMMENT

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

DATE FOR NEXT MEETING

The date for the next meeting was confirmed for Monday, May 11, 2009, with a planning session at 3:00 p.m. and the business meeting at 4:00 p.m. There being no further business to discuss, motion was duly made, seconded, unanimously approved, and the meeting was adjourned.

Respectfully submitted,

Cheryl L. Martin
Recording Secretary