

MINUTES OF
LANCASTER AIRPORT AUTHORITY

May 11, 2009

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Terminal on Monday, May 11, 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

John Calla – Liberty Sport Aviation, LP
Rob Billas – Fiorentino’s Restaurant
Rose Billas – Fiorentino’s Restaurant
Jarib Hartman – Armstrong World Industries
Bill Lewis – Armstrong World Industries, Inc.
John Moeller – Lancaster Air Traffic Control Tower
Barry King – KLNS Aircraft Services

Lancaster Airport Authority Staff

David Eberly – Airport Director
Joyce Opp – Finance & Marketing Director
Austin Beiler – Facilities Administrator
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.

FIorentino's BAR & GRILL PROPOSED PROJECT

Mr. Eberly has been meeting with Mr. and Mrs. Billas about their proposed project to expand their business to include a patio area. Their proposal, which was previously distributed, was reviewed. Several key points were reviewed. If Fiorentino's would leave, the facility would remain the property of the Lancaster Airport Authority. They project about 25-30 tables, which would be seasonal and would open around lunch. Winter storage has not been fully addressed, however, the patio furniture can be stacked and stored outside on the patio if necessary. The patio will have an emergency exit but not a general entrance. The entrance will remain through the Terminal Building. The fence will be re-routed along the current parking facility. The Lancaster Airport Authority will participate in constructing the facility to make sure that it is completed according to the specifications. As part of the proposed patio, Mr. and Mrs. Billas have agreed to amend the Lease Operating Agreement to remove the current cap that exists for the commission schedule. A resolution will be available for consideration at the Business Meeting.

FULTON BANK LINE OF CREDIT AMENDMENTS

Mr. Eberly and Mr. Russell worked with Fulton Bank to complete the documents for the changes to the two (2) Lines of Credit currently utilized by the Lancaster Airport Authority. Fulton Bank prepared agreements as per their discussion with Mr. Sahd and Mr. Eberly regarding instituting an interest rate floor on both lines. A resolution has been prepared for the Board's consideration 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 April 13, 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 March 2009. The following outlines the financial report as of March 31, 2009.

Treasurer's Summary Report For Period Ending March 31, 2009 May 11, 2009

I. General Fund Account

March Revenue:	\$ 119,226.95	
Budgeted Amount March 2009: \$128,967.92		
Total 2009 Budget: \$1,561,185		
YTD elapsed time: 25.0%		
YTD Revenue (22.0%):		\$343,089.09
March Expense:	<u>94,363.77</u>	
Budgeted Amount March 2009: \$99,623.72		
Total 2009 Budget: \$1,184,661.56		
YTD elapsed time: 25.0%		
YTD Expense (23.6%):		<u>252,642.15</u>
Total Net Revenue for March	\$24,863.18	
Total Net Revenue YTD		\$90,446.93

II. Alliance Aviation Account

March Revenue:	\$64,714.75	
Budgeted Amount March 2009: \$51,653.33		
Total 2009 Budget: \$2,085,519		
YTD elapsed time: 25.0%		
YTD Revenue (7.6%):		\$158,803.88
March Expense:	<u>21,359.72</u>	
Budgeted Amount for March 2009: \$32,983.68		
Total 2009 Budget: \$1,836,849.00		
YTD elapsed time: 25.0		
YTD Expense (4.0%):		<u>72,991.32</u>
Total Net Revenue for March	\$43,355.03	
Total Net Revenue YTD		<u>\$85,812.56</u>

Net Revenue: General Fund and Alliance Aviation: \$176,259.49

III. Grant-Funded Project Construction Account

Balance as of February 28, 2009	\$47,928.60	
Grant Receipts:		
From Federal, State and/or County sources	\$90,607.00	
Plus: Line of Credit Drawdowns	0	
Total Grants & Drawdowns	<u>\$90,607.00</u>	
Total Funds Available		\$138,535.60

Less Cash Disbursements for March 2009:	99,538.17
Balance as of March 31, 2009:	<u>\$38,997.43</u>

 Note: Current balance in the LAA Passenger Facility Charges Fund Account at March 31, 2009 is \$108,682.52

Mr. Miller inquired about our PFC status and Mr. Eberly responded that we are working with the FAA on possibly having a prior year project approved for PFC's in order to drawdown the entire amount of the "local share" of a past project. After a brief discussion, it was decided that it would be best if the Airport utilize the future PFC collections on new projects.

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

FULTON BANK LINE OF CREDIT AGREEMENTS

Mr. Eberly presented agreements to amend the current Line of Credits utilized by the Lancaster Airport Authority to include a floor or base interest rate to charge when utilizing the funds. The following draft resolution approves the agreements:

**Resolution No. 7 of 2009
 Authorizing Minimum Interest Rate for Existing Fulton Bank Lines of Credit**

WHEREAS, on the dates set forth below, Fulton Bank (hereafter "the Bank") extended to Lancaster Airport Authority two lines of credit, evidenced by previously-executed loan documents (hereafter "Loan Documents"), as follows:

Current Principal Amount	Original Principal Amount	Original Loan Date	Existing Interest Rate
\$250,000	\$75,000	November 2, 1992	72% of Prime Rate
\$2,000,000	\$1,000,000	July 23, 2003	1 month LIBOR Rate + 2.3%

WHEREAS, due to current market conditions, the Bank requires the above-described existing lines of credit to be adjusted to establish a minimum interest rate for each line of credit; and

WHEREAS, the Bank requires that the minimum interest rate for the \$250,000 line of credit originating on November 2, 1992, be established at 2.88%; and

WHEREAS, the Bank requires that the minimum interest rate for the \$2,000,000 line of credit originating on July 23, 2003, be established at 4.00%; and

WHEREAS, the Bank requires that Letters of Understanding be executed to modify the Loan Documents for the above-described lines of credit; and

WHEREAS, the Bank will adjust the minimum interest rates as described herein and as more fully set forth in the Letters of Understanding for the above-described lines of credit.

NOW THEREFORE BE IT RESOLVED:

1. That Lancaster Airport Authority does hereby approve the Letters of Understanding Agreements from Fulton Bank, copies of which are attached hereto and made a part of this Resolution; and

2. That Marvin E. Miller, Jr., Chairman of the Authority, is hereby authorized to act as agent for the Lancaster Airport Authority to execute any and all necessary documents related to the aforesaid lines of credit; and

3. That the Secretary of the Authority is hereby directed to certify a copy of this Resolution and cause it to be filed with the records of the Lancaster Airport Authority.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the line of credit amendment agreements were approved. Documents will be forwarded to Fulton Bank to fully execute the agreements

FIorentino's Bar & Grill Operating Agreement Amendment

Mr. Eberly has been working with Mr. and Mrs. Billas of Fiorentino's Bar & Grill to potentially build a patio on the west end of the Terminal Building. The proposal includes amending the commission schedule for Fiorentino's Bar & Grill effective with their lease year, which commences on June 1, 2009. The following draft resolution approves the bid results pending their approval.

**Resolution No. 08 of 2009
Tino L.L.C. Operating Lease Agreement Amendment**

WHEREAS, the Lancaster Airport Authority has an Operating Lease Agreement with TINO L.L.C. under which they operate a restaurant at the Lancaster Airport; and

WHEREAS, TINO, L.L.C. desires to expand their restaurant operation to include a seasonal deck; and

WHEREAS, the Lancaster Airport Authority and TINO L.L.C. have agreed to modify their Operating Lease Agreement; 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 Operating Lease Agreement Amendment

NOW THEREFORE BE IT RESOLVED that the Lancaster Airport Authority does hereby agree to modify the Operating Lease Agreement with TINO, L.L.C. as follows:

1. Section 4(a) PERCENTAGE RENT is amended to read as follows:

Effective June 1, 2009, Tenant agrees to pay the landlord monthly during each year of the lease term and any renewal term as additional rent for the premises an amount equal to three (3%) percent of Tenant's gross sales. Said percentage rent shall be paid to Landlord 30 days following the close of each month.

2. A new section is added to the Operating Lease Agreement as follows:

Landlord and Tenant shall jointly construct a new exterior deck under the supervision of the Airport Director. The Landlord shall contribute to the cost in accordance with Exhibit A attached hereto and made part hereof.

3. All documentation required to carry out the intent and purpose of this resolution shall be subject to the approval of the Airport Director and Counsel.
4. 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 Operating Lease Agreement Amendment is hereby approved.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the Operating Agreement Amendment was approved pending final review and approval by Mr. Eberly and Counsel.

AIRPORT DIRECTOR'S REPORT

Mr. Eberly reported that the Aviation Alliance door replacement has begun. The doors are currently on order and custom posts are being manufactured to fit the doors. The new doors should hopefully be installed in approximately three (3) weeks.

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.

EXECUTIVE SESSION

At this time an Executive Session was held to discuss a personnel matter. The Executive Session adjourned and the Planning Meeting resumed. No action was taken at this time.

DATE FOR NEXT MEETING

The date for the next meeting was confirmed for Monday, June 8, 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