

MINUTES OF
LANCASTER AIRPORT AUTHORITY

June 8, 2009

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Terminal on Monday, June 8, 2009. The planning session began at 3:00 p.m. and the business meeting began at 4:00 p.m. Mr. Russell Howell, Vice-Chairman, presided at the meetings and the following persons attended:

Lancaster Airport Authority

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

Counsel – Craig Russell, Russell, Krafft & Gruber, Esq.
Engineer – Brian McKeehan, Delta Airport Consultants, Inc.
Beth Brennan – Beard Miller Company

Others

Pat Burns – Lancaster Newspapers
Nathaniel Nolt – Nolt Air, LLC
Brad Ream – KLNS Aircraft Services
John Moeller – Lancaster Air Traffic Control Tower

Lancaster Airport Authority Staff

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

PUBLIC COMMENT

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

CAPE AIR LEASE AGREEMENT

Mr. Eberly presented a lease agreement for consideration by the Board for Cape Air to utilize the airline space at the Lancaster Airport. The agreement is for the term provided for in the EAS funding request which is until September 30, 2009.

TAXIWAY A REHABILITATION PROJECT

Mr. Eberly, Mr. Russell, and Mr. McKeegan updated the Board on the Taxiway A Rehabilitation project. The project is funded through ARRA (American Recovery and Reinvestment Act), otherwise known as the stimulus package passed by Congress. The bids were received and were very favorable. The grant application is currently being prepared and the grant should be ready to issue immediately. The Lancaster Airport Authority has 15 days to accept the grant and then 15 days for the Notice to Proceed to the contractor.

Since the stimulus funds were adopted by Congress on February 17, 2009, major changes have been set up as the program as materialized. The Board must have full review and have vetted the project to verify that the project is an appropriate use of funds. It was decided that a formal review of the project and its financing would be held at the 4:00 pm regular meeting. The project is funded at 100% by the ARRA, which does not require any additional funding from PennDOT or local shares. The project must be posted and updated as required on our website. Mr. Eberly anticipates calling a special meeting to accept the grant due to deadline requires of the FAA in order to receive final approval of the grant and release of the funds.

Mr. Eberly has requested a waiver of security requirements for the project. He is attending a Manheim Township commissioner meeting to respond to any questions or comments prior to their decision. If the waiver is not approved, the cost is project eligible. The specifications and plans are in the final stages of approval by Manheim Township staff.

TAXIWAY N CONSTRUCTION PROJECT

Mr. Eberly reported that the bid results for Taxiway N have been received and are currently being reviewed. This project is required as a result of future projects on the north side of the field, which is directly related to the Abel Hangar project at this current time. Final details on the project are being completed prior to submission to the FAA for a grant agreement. Mr. Eberly anticipates a grant offer within the next few weeks.

ADJOURNMENT

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

PUBLIC COMMENT

Mr. Howell 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. Howell then requested any public comments from the meeting attendees. No public comment was offered at this time, however, Mr. Howell 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 May 11, 2009, were distributed to all members of the Authority. Upon motion duly made, seconded, and unanimously approved, the minutes were approved as submitted.

FINANCIAL REPORT

The monthly financial reports were distributed to all members for April 2009. The following outlines the financial report as of April 30, 2009.

**Treasurer's Summary Report
For Period Ending April 30, 2009
June 8, 2009**

I. General Fund Account

April Revenue:	\$ 108,967.22	
Budgeted Amount April 2009: \$133,398.42		
Total 2009 Budget: \$1,561,185		
YTD elapsed time: 33.0%		
YTD Revenue (29.0%):		\$453,056.98
April Expense:	<u>106,965.84</u>	
Budgeted Amount April 2009: \$102,731.22		
Total 2009 Budget: \$1,184,661.56		
YTD elapsed time: 33.0%		
YTD Expense (30.0%):		<u>359,464.56</u>
Total Net Revenue for April	\$2,001.38	
Total Net Revenue YTD		\$93,592.42

II. Alliance Aviation Account

April Revenue:	\$78,586.15
Budgeted Amount April 2009: \$58,633.33	
Total 2009 Budget: \$2,085,519	

YTD elapsed time: 33.0%
 YTD Revenue (11.0%) \$238,790.03

April Expense: 41,327.54
 Budgeted Amount for April 2009: \$35,133.18
 Total 2009 Budget: \$1,836,849.00
 YTD elapsed time: 33.0
 YTD Expense (6.0%) 114,547.11
 Total Net Revenue for April **\$37,258.61**
 Total Net Revenue YTD **\$124,242.92**

Net Revenue: General Fund and Alliance Aviation: **\$217,835.34**

III. Grant-Funded Project Construction Account

Balance as of March 31, 2009 \$38,997.43
 Grant Receipts:
 From Federal, State and/or County sources \$40,539.31
 Plus: Line of Credit Drawdowns 0
 Total Grants & Drawdowns \$40,539.31
 Total Funds Available \$79,536.74
 Less Cash Disbursements for April 2009: 32,988.98
 Balance as of April 30, 2009: **\$46,547.76**

 Note: Current balance in the LAA Passenger Facility Charges
 Fund Account at April 30, 2009 is \$108,777.80

General Fund and Alliance Aviation Combined
 For Period Ending April 30, 2009
 June 8, 2009

I. General Fund & Alliance Aviation Accounts Combined

April Revenue: \$ 187,553.37
 Budgeted Amount April 2009: \$133,398.42
 Total 2009 Budget: \$1,945,034.00
 YTD elapsed time: 33.0%
 YTD Revenue (35.5%): \$691,847.01

April Expense: 148,293.38
 Budgeted Amount April 2009: \$102,731.22
 Total 2009 Budget: \$1,568,510.56
 YTD elapsed time: 33.0%
 YTD Expense (30.0%): 474,011.67
 Total Net Revenue for April **\$39,259.99**
 Total Net Revenue YTD **\$217,835.34**

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

FISCAL YEAR 2008 AUDIT REPORT

Beard Miller Corporation performed the audit for Fiscal Year 2008. Draft copies were distributed prior to the meeting. Beth Brennan of Beard Miller Company reviewed the results for the Board. The audit was performed using generally accepted auditing rules. No significant audit adjustments or compliance issues were reported.

Ms. Brennan highlighted several items. The Beard Miller review does not relieve the Board of the oversight requirements. No disagreements or significant findings were found during the course of the audit. The audit is an unqualified, or clean, opinion. In the management discussion portion and analysis, the variances are mostly attributed to the opening of Alliance Aviation. The affect trickles down to the expenses. Additional details are outlined in the report. In the Management Letter, the standard items are the segregation of duties and the Financial Statement Findings. These standard findings are due to the small size of the staff and the financial burden would be too cumbersome to comply with these requirements.

The following draft resolution approves the financial statement and compliance report for the Fiscal Year 2008 audit.

Resolution No. 09 of 2009 Adoption of Auditor's Reports

WHEREAS, Beard Miller Company LLP, Certified Public Accountants, being the auditors engaged to perform an independent audit of the Authority's financial statements, have completed and submitted financial statements for the year ended December 31, 2008, together with an independent auditors' report thereon; and

WHEREAS, the Board of the Lancaster Airport Authority, having been presented with said reports and having reviewed the same, do hereby accept the reports as submitted.

NOW THEREFORE, BE IT HEREBY RESOLVED, that the Lancaster Airport Authority accepts the audited financial statements for the fiscal year ended December 31, 2008, and the compliance audits for the year ended December 31, 2008 submitted by Beard Miller Company LLP; and

BE IT FURTHER RESOLVED, That the Secretary is directed to certify this Resolution and file the same with the minutes of the meeting of the Board of the Lancaster Airport Authority.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the reports were approved. The reports will be filed with the appropriate agencies as required.

CAPE AIR LEASE AGREEMENT

Cape Air offers airline service at the Lancaster Airport to the BWI airport through the EAS program. A lease agreement has been approved by Cape Air and been reviewed by Counsel. The following resolution approves the lease agreement.

Resolution No. 10 of 2009 Cape Air Lease Agreement

WHEREAS, Hyannis Air Service, Inc. d/b/a Cape Air desires to lease space to operate an aircraft transportation system at the Lancaster Airport; 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 Lease Agreement.

NOW THEREFORE BE IT RESOLVED that Lancaster Airport Authority does hereby approve the Lease Agreement for Hyannis Air Service, Inc. d/b/a Cape Air to rent facilities operate an aircraft transportation system at the Lancaster Airport; 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 Lease Agreement is hereby approved.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the agreement was approved. Signatures will be affixed to fully execute the document.

TAXIWAY A REHABILITATION CERTIFICATIONS – FORMAL REVIEW

The acting chairman announced that a review of the Taxiway A Rehabilitation Project and Grant Funding would be undertaken. The acting chairman called on Airport Director, David F. Eberly, Jr.

Mr. Eberly reported on the ARRA funded project, Taxiway A Rehabilitation Project. The project improves the taxiway that is in front of the passenger terminal. Currently, the taxiway does not meet the standards to sit on the tarmac and have another aircraft pass by. The project will add another 50 feet to the ramp. The project will also realign the taxiway to bring into compliance the separation between the taxiway and runways.

A run-up area will be created to allow aircraft that are not quite ready to and are coordinating with the Tower to stay to the side and allow other aircraft ready to take off to proceed. This will ease the potential buildup of aircraft waiting to be released to take off. The taxiway also requires longitudinal crack repairs to maintain it and keep it a useable part of the Airport. Runway 31 is the busiest with the prevailing winds favoring it and the taxiway allows access to this very busy runway.

The project is on our current ACIP 5-year plan. It was originally slated to be completed in 2010 and 2011, however, the ARRA funds have permitted it to be completed in 2009. The estimated financing is \$3.5 million. The projected cost had to include all proposed costs because any overage will not be funded through the ARRA grant. The request for bids was released with 3 alternatives due to costs for the 2008 asphalt figures. Seven bids were received and Landis C. Deck was the low bidder. The electrical work is underground and the design plan addresses overnight parking.

Brian McKeehan from Delta Airport Consultants, Inc., the Authority's engineers, reported on the need for and design elements of the new taxiway. Mr. McKeehan supported Mr. Eberly's statements with regard to the safety issues that the new taxiway design and construction would improve. Mr. McKeehan further indicated that re-configuring the radius of the taxiway at its intersection with Runway 13-31 provides for a more or less ninety degree angle which significantly increases visibility and allows for increased safety at the intersection of the taxiway with the runway. Mr. McKeehan indicated that the present configuration of the runway/taxiway intersection results in an angle which makes visibility somewhat difficult. This newly designed configuration greatly increases visibility for the pilots.

Mr. Moeller from the Lancaster Air Traffic Control Tower feels the run-up area will be very advantageous for based and itinerant flight school students. There are economic advantages as well with the reduction in aircraft waiting to be released to proceed for takeoff.

As part of the ARRA requirements, the Lancaster Airport Authority must certify that the bids have been received, the project, if it requires any Buy American waivers, will be submitted pursuant to requirements, and that the information will be posted on the Lancaster Airport website with the requirements. The following resolution considers approval of the required certifications.

Resolution No. 11 of 2009
Authorizing Certifications Required by the
American Recovery & Reinvestment Act of 2009 (ARRA)

WHEREAS, the American Recovery & Reinvestment Act of 2009 ("hereafter ARRA") was enacted for the purpose of, among other things, promoting economic recovery and providing investments for transportation projects; and

WHEREAS, ARRA, through the United States Department of Transportation, has provided new funding to improve transportation infrastructure; and

WHEREAS, no state or local funding match is required to receive ARRA funds; and

WHEREAS, ARRA funds are available and have been offered to help the Lancaster Airport Authority to improve Taxiway A; and

WHEREAS, under Section 1511 of ARRA, in order to receive available ARRA funds, the governor, mayor, or other chief executive, as appropriate, must certify that the infrastructure investment has received the full review and vetting by law and is an appropriate use of taxpayer funds; and

WHEREAS, the Authority has determined that it is in the best interest of the Lancaster Airport Authority and taxpayers to apply for and accept the aforementioned ARRA funds for the purpose of improving Taxiway A in accordance with ARRA requirements.

BE IT THEREFORE RESOLVED:

1. That the Lancaster Airport Authority does hereby apply for the ARRA funds for the purpose of improving Taxiway A; and

2. That, by the authority of the Lancaster Airport Authority, the Chairman be authorized and directed to provide all certifications required by Section 1511 of the American Recovery & Reinvestment Act of 2009, and execute all other documents required for receipt of ARRA funds, and that the Secretary be authorized to attest the same.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the certifications were approved. The certifications will be submitted along with the grant application for the project.

AIRPORT DIRECTOR'S REPORT

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

FINANCE & MARKETING DIRECTOR'S REPORT

Ms. Opp reported that Cape Air passenger load count was 14% ahead in May than April. Currently they are seeing an average of 27% load factor for their flights. They are very encouraged about the traffic at the Lancaster Airport. From June 1 – 7, they had a 32% load factor and it is continuously increasing.

PUBLIC COMMENT

Mr. Howell 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, July 13, 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