

MINUTES OF
LANCASTER AIRPORT AUTHORITY

October 12, 2009

A meeting of the Lancaster Airport Authority was held in the Lancaster Airport Terminal on Monday, October 12, 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 – Excused Absence
Treasurer	Gregory Sahd
Asst. Secretary/Asst. Treasurer	Valerie Moul

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

Others

Jarib Hartman – Armstrong World Industries, Inc.
Bill Lewis – Armstrong World Industries, Inc.

Lancaster Airport Authority Staff

David Eberly – Airport Director
Dolly Bankert – Accounting Director
Austin Beiler – Facilities Administrator
Kim Huber – 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.

HEALTH REIMBURSEMENT AGREEMENT

Mr. Eberly reported as part of the review of the new employee health insurance, the compliance staff for Benecon, our insurance agent, recommended language be drafted in the form of a resolution to permit reimbursement for qualifying medical expense not reimbursed by any other plan or taken as a tax deduction. A resolution will be presented at the 4:00 meeting.

ALPHA CHARLIE LEASE AGREEMENT

Mr. Eberly presented information pertinent to Alpha Charlie's request for assistance in covering over-budget construction costs associated with the construction of the new Alpha Charlie hangar on the north side of the Airport. The board recommended Mr. Eberly re-evaluate Mr. Abel's request for additional funds and give the Board his recommendation on how to proceed with the matter.

PENNDOT PIB LOAN AGREEMENT

Mr. Eberly reported the Lancaster Airport Authority has applied for a PA Department of Transportation PIB Loan. The loan would cover 50% of the funds needed for two (2) additional bays to be attached to Hangar 9 on the north side of the field. The total cost of the project would be funded by the Airport Authority and a matching grant provided by the PennDOT – Bureau of Aviation. Mr. Eberly apprised the Board that a request for funds was also submitted to the County as part of the Airport's 2010 County Request for Funds. Should the County approve the local share and provide the funds the PIB loan will not be required.

FISCAL YEAR 2010 PRELIMINARY BUDGET

Mr. Eberly distributed a final draft of the 2010 Proposed Budget for the Board's review and comment. The Board was encouraged to review the budget at its earliest convenience and direct questions to the Accounting Director or the Airport Director prior to the November board meeting.

CAPE AIR LEASE AGREEMENT

Mr. Eberly reported Cape Air currently offers flights to BWI. Their operating lease term expired September 30, 2009 with the DOT extending the EAS status until March 31, 2010. To date, Cape Air has not been charged any fees to operate at the Lancaster Airport. The decision of the Board is continue under the current lease agreement. If air service continues beyond March 31, 2010, the lease will again be reviewed.

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 September 14, 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 August 2009. The following outlines the financial report as of August 31, 2009.

**Lancaster Airport Authority
Treasurer's Summary Report
For Period Ending August 31, 2009
October 12, 2009**

<u>I. General Fund Account</u>	August Actual	August Budget	YTD Actual	2009 Budget
August Revenue	\$114,025.67			
August Budgeted Amount		\$144,665.06		
Total 2009 Budget:				\$1,561,185.00
YTD elapsed time:	66.7%			
YTD Revenue	57.9%		\$904,412.52	
August Expense	<u>\$90,578.75</u>			
August Budgeted Amount		\$100,919.89		
Total 2009 Budget:				\$1,184,661.56
YTD elapsed time:	66.7%			
YTD Expense:	61.2%		<u>\$724,985.09</u>	

Total Net Revenue for August	\$23,446.92	
Total Net Revenue YTD		\$179,427.43

II. Alliance Aviation Account

August Revenue	\$67,945.13		
August Budgeted Amount		\$65,318.33	
Total 2009 Budget:			\$2,085,519.00
YTD elapsed time:	66.7%		
YTD Revenue:	25.1%		\$524,458.31
August Expense	<u>\$24,994.42</u>		
August Budgeted Amount		\$31,908.68	
Total 2009 Budget:			\$1,836,849.00
YTD elapsed time:	66.7%		
YTD Expense:	14.7%		<u>\$254,274.42</u>
Total Net Revenue for August:	\$42,950.71		
Total Net Revenue YTD			\$270,183.89
<u>Net Revenue: General Fund and Alliance Aviation:</u>			\$449,611.32

III. Grant-Funded Project Construction Account

Balance as of July 31, 2009		\$35,274.50	
Grant Receipts:			
From Federal, State and/or County sources	\$1,079,659.41		
Plus: Line of Credit Drawdowns	\$0.00		
Total Grants & Drawdowns	\$1,079,659.41		
Total Funds Available		\$1,114,933.91	
		-	
Less Cash Disbursements for August 2009:		<u>\$1,035,732.50</u>	
			\$79,201.41
Balance as of August 31, 2009:			

IV. Passenger Facility Charge Account

Current balance at August 31, 2009:	\$109,138.86
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Upon motion duly made, seconded, and unanimously approved, the financial report was approved subject to audit.

HEALTH REIMBURSEMENT AGREEMENT

As part of the review of the new employee health insurance, the compliance staff for Benecon, our insurance agent, recommended an agreement be drafted to permit reimbursement for

qualifying medical expense not reimbursed by any other plan or taken as a tax deduction. The following draft resolution approves the agreement:

**Resolution No. 20 of 2009
Health Reimbursement Plan**

WHEREAS, the Lancaster Airport Authority desires to allow its employees to be reimbursed for Qualifying Medical Expenses not reimbursed by any other plan or taken as a tax deduction; and

WHEREAS, the Lancaster Airport Authority desires to establish a health reimbursement arrangement for its employees (the "Plan") that qualifies under Notice 2002-45 issued by the Internal Revenue Services as a health reimbursement arrangement and qualifies under the Internal Revenue Codes Section 105 as an accident and health care reimbursement plan.

NOW, THEREFORE, BE IT RESOLVED:

That the Lancaster Airport Authority adopt the Plan Document for the Lancaster Airport Authority Health Reimbursement Plan in the form attached to this Resolution; and

BE IT FURTHER RESOLVED:

That David F. Eberly, Jr., Airport Director, is authorized to take any actions that are deemed necessary and proper in order to create, implement and maintain the Plan.

BE IT FURTHER RESOLVED:

That David F. Eberly, Jr., Airport Director, is authorized and directed to take any and all other actions, including the execution of any and all necessary documents related to the implementation to the aforementioned Plan, to carry out the intent of this Resolution.

BE IT FURTHER RESOLVED:

That this resolution become effective at the earliest date permitted by law.

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

AIRPORT DIRECTOR REPORT

Mr. Eberly reported on the current projects underway at the Lancaster Airport. The Airport Safety Area project is nearly complete with only cleanup needed to bring the project to conclusion. The Alpha Taxiway project is ahead of schedule and is now into Phase II with

paving to begin within a few weeks. The Taxiway Mike project commenced today and will continue over the next few months.

CONGRATULATIONS EXTENDED

The Airport Authority extended congratulations to Cheryl Martin and her husband Brian on the birth of their second child, Jason Cole born October 10, 2009. The Board wishes Cheryl a restful and speedy recovery and looks forward to her return.

DATE FOR NEXT MEETING

The date for the next meeting was confirmed for Monday, November 9, 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,

Kimberly L. Huber
Recording Secretary