

MINUTES OF
LANCASTER AIRPORT AUTHORITY

January 25, 2021

A meeting of the Lancaster Airport Authority was held in-person and remotely using ZOOM on Monday, January 25, 2021. The meeting began at 3:30 p.m. Mr. James Cunningham, Chair, presided at the meetings and the following persons attended:

Lancaster Airport Authority

Chair	James Cunningham
Vice-Chair	Valerie Moul
Secretary	Matthew Brown – Absent
Treasurer	Amanda Lehman– Virtually
Asst. Secretary/Asst. Treasurer	Richard Stauffer –Virtually

Counsel – Aaron Zeamer, Esquire of Russell, Krafft & Gruber, LLP

Lancaster Airport Authority Staff

Ed Foster –Airport Director
Cheryl Martin – Finance Administrator
Austin Beiler – Facilities Administrator
Mary Forney – Manager, Alliance Aviation

PUBLIC COMMENT:

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

MINUTES OF LAST MEETINGS:

Copies of the proposed minutes of the Lancaster Airport Authority Board meeting held on December 21, 2020 were distributed to the Board members. Upon motion duly made by Ms. Moul, seconded by Mr. Stauffer, and unanimously agreed, the minutes were approved as submitted.

FINANCE COMMITTEE:

FINANCIAL REPORT – Ms. Lehman reviewed the financial report for period ending December 31, 2020. Landfill ended the year still on a downturn from budgeted. Employee costs are on target this month. Employee expense category was down with the Board retreat postponed until 2021 and the annual holiday dinner cancelled due to gathering restrictions. The following table is the report for the referenced period.

<i>Period Ending December 31, 2020</i>		
Combined General Fund and Alliance Aviation		
Reporting Period	Budget	Actual
December Net Revenue:	\$52,757.64	\$31,892.43
Year to Date Net Revenue:	\$1,093,750.00	\$1,363,930.63
General Fund Report		
Reporting Period	Budget	Actual
December Net Revenue:	\$22,777.24	\$15,146.45
Year to Date Net Revenue:	\$602,109.41	\$841,011.39
Alliance Aviation Report		
Reporting Period	Budget	Actual
December Net Revenue:	\$29,980.40	\$16,745.98
Year to Date Net Revenue:	\$491,640.59	\$522,919.24
Cash and Cash Equivalents		
Item		Current Balance
General Fund Checking Account:		\$741.78
General Fund Liquid Reserves:		\$253,664.70
Certificate of Deposit:		\$2,968,000.00
PLGIT Cash Account:		\$189.46
PLGIT Prime Investment Account		\$1,819,503.24
PLGIT Term Account		\$0.00
General Fund Accounts Receivable:		\$140,203.43
General Fund Accounts Payable:		(\$62,140.64)
Alliance Aviation Checking/Cash on Hand:		\$61,012.41
Alliance Aviation Accounts Receivable:		\$35,639.34
Alliance Aviation Accounts Payable:		(\$52,357.83)
Total Cash and Cash Equivalents:		\$5,164,455.89
Grant-Funded Project Construction Report		
Balance @ November 30, 2020		\$568.60
Grant Receipts/Transfers:		\$240,197.90
Line of Credit Drawdowns:		\$0.00
Total Cash Disbursements:		(\$240,197.90)
Balance @ December 31, 2020		\$568.60
Passenger Facility Charge Account		
Balance @ December 31, 2020		\$2,199.46

\$ 1 Million Line of Credit Report		
Item	Rate of 4.0000%	Available Balance:
Balance @ December 31, 2020		\$1,000,000.00

The financial reports for the period ending December 31, 2020 were moved for approval as submitted by Ms. Lehman, seconded by Ms. Moul, and unanimously approved subject to audit.

AUDITOR APPOINTMENT – The firm selected to perform the 2020 audit is Baker Tilly Virchow Krause LLP. Following is a resolution for consideration to approve the auditor selection.

**Resolution No. 1 of 2021
Auditors Appointment**

WHEREAS, the Financial Documents for the Lancaster Airport Authority must be audited annually in conjunction with Federal, State and Local regulations; and

WHEREAS Baker Tilly Virchow Krause, LLP presented the Lancaster Airport Authority with a proposal to perform the 2020 Fiscal Year Audit not to exceed \$20,000.00.

THEREFORE BE IT RESOLVED, that the Lancaster Airport Authority hereby accepts the proposal from Baker Tilly Virchow Krause, LLP to perform the 2020 Fiscal Year Audit and to be the independent certified public accountants for the Airport Authority.

Upon motion duly made, seconded, and unanimously approved, the resolution was adopted and the auditors were approved.

2021 BUDGET UPDATE – At the December Board meeting, the Lancaster Airport Authority Board approved a budget for Fiscal Year 2021 reflecting the pending loss of airline service as of January 1, 2021. Since the meeting, the US DOT extended the airline to December 31, 2021 which allowed the airline to remain at the Airport. The Board desired to update the budget to reflect the continued airline presence on the field. Following is a resolution for consideration to approve an updated budget.

**Resolution No. 2 of 2021
Budget Revision for Fiscal Year 2021**

WHEREAS during Fiscal Year 2019, the Lancaster Airport Authority requested and was granted additional extensions from the DOT of the current contract between Southern Airways and the DOT in order to allow commercial airline service to continue at the Lancaster Airport. These extensions permitted commercial airline service to continue as part of the EAS program through December 31, 2020; and

WHEREAS, due to the uncertainty regarding the continuation of the EAS program beyond December 31, 2020, the Lancaster Airport Authority prepared and published a proposed budget for Fiscal Year 2021 with two options concerning the commercial airline services; with one option containing airline service for fiscal year 2021 and another option without airline service; and

WHEREAS, the budget proposals as set forth above for Fiscal Year 2021 were both prepared and published in advance of the December Board meeting of the Authority; and

WHEREAS, at the December Board meeting, the Board of Directors approved the budget for Fiscal Year 2021 without airline service with the recommendation to update the budget if the EAS program is extended beyond December 31, 2020; and

WHEREAS, on December 31, 2020, the DOT issued an Order extending the EAS program at Lancaster Airport through December 31, 2021; and

WHEREAS, as a result of the extension of the EAS Program, the Board of Directors now desire to update the budget to include the additional revenues and expenses associated with commercial airline service.

NOW, THEREFORE, BE IT RESOLVED, that the Lancaster Airport Authority hereby approves an update to the budget for Fiscal Year 2021, a copy of which was previously published and included as part of the tabled budget; and

BE IT FURTHER RESOLVED that this resolution shall be made part of the minutes of the Lancaster Airport Authority.

Upon motion duly approved by Ms. Moul, seconded by Mr. Stauffer, and unanimously approved, the resolution was adopted and the budget was updated for Fiscal Year 2021.

PERSONNEL COMMITTEE REPORT:

COUNSEL APPOINTMENT – The Lancaster Airport Authority approves legal counsel on an annual basis. Russell, Krafft, and Gruber has been the primary legal counsel and desires to continue in this capacity. Following is a resolution approving their continued

**Resolution No. 3 of 2021
Legal Counsel Appointment**

WHEREAS, the Lancaster Airport Authority consults with legal counsel to review documents; and

WHEREAS, Russell, Krafft & Gruber, LLP has been the engaged solicitor of record for the Lancaster Airport Authority on various projects for several years.

BE IT RESOLVED, THEREFORE, that the Lancaster Airport Authority hereby continues the appointment of Russell, Krafft & Gruber, LLP as the Lancaster Airport Authority solicitor of record for the calendar year 2020.

Upon motion duly made, seconded, and approved unanimously, the resolution was adopted and Russell, Krafft & Gruber, LLP was approved to consult with legal matters for calendar year 2021.

OFFICERS FOR 2021 – Ms. Moul presented her recommendation for officers for 2021.

Officers:

Chairman	James J. Cunningham
Vice-Chairman	Valerie Moul
Secretary	Matthew Brown
Treasurer	Amanda Lehman
Asst. Sec./Asst. Treas.	Richard Stauffer

COMMITTEES

Property Committee:

Chairman	Matthew Brown
	Richard Stauffer

Finance Committee:

Chairman	Amanda Lehman
	Valerie Moul

Personnel Committee:

Chairman	Valerie Moul
	James Cunningham

Facilities Committee:

Chairman	Richard Stauffer
	Matthew Brown

Upon motion duly made, seconded, and unanimously approved, the slate of officers was approved.

FACILITIES COMMITTEE:

FIorentino's RESTAURANT UPDATE – Mr. Foster reported that Ms. Billas has not yet submitted a written request of exactly what type of assistance she is looking for. Verbally she has expressed that she only wants to defer for 2 months and does not want to pay a late fee for non-payment. Mr. Foster has learned that the latest aid package for airports is being geared towards concessions in the Terminal. Currently the FAA is working on how it will be distributed which will hopefully be released very shortly. All Terminal concessions will be required to be treated equally so whatever type of aid provided to Fiorentino's must be extended to the car rental concessions as well.

RURAL AIRPORTS CLASSIFICATION – Mr. Foster was apprised by Southern Airways Express that the Lancaster Airport was not listed in the Rural Airports Classification for

which the Lancaster Airport is eligible. Airlines operating at eligible airports are not required to charge an excise fee on the flight to or from the Lancaster Airport as both portions are exempt from the tax. In 2020, the tax was \$4.30 per segment or flight leg. Passengers are still required to pay the ticket tax of 7.5% of the ticket price.

PROPERTY COMMITTEE:

BUS LOT/MTSD PROPOSED BUILDING PROJECT UPDATE – Mr. Foster reported that the project has been released for bids and bids are due back February 12, 2021. As soon as the bids are compiled, then the total project cost will be reviewed with Manheim Township School District to ensure they desire to move forward with the project.

STAFF MANAGEMENT REPORTS:

AIRPORT DIRECTOR REPORT – Mr. Foster reported that he has been in communication with Southern Airways Express and they desire to add/change service to include flights to Dulles and possibly a New York airport. They hope to have a similar agreement with United as they do with American Airlines. They would like to transition out of PIT, however, Mr. Foster feels that route will bounce back once restrictions are lifted. They are working on a marketing campaign to increase the flight loads again.

Mr. Foster held one on one meetings with each employee and has completed them. Ninety-Five (95%) of the feedback was very positive with minor issues already being resolved or will be in the future. The management team will start weekly meetings.

FINANCE ADMINISTRATOR REPORT – Ms. Martin reported that aircraft activity was up almost 27% from December 2019 with an overall drop of under 12%. Activity continues to recover overall. About 68% of Receivables are outstanding from the end of December with Penn Cinema equivalent to about 62% of the overall outstanding Receivables.

FACILITIES ADMINISTRATOR – Mr. Beiler reported that Alliance has fully moved into the Terminal and Maintenance staff is working to rehabilitate the old Alliance so that Advanced Aircraft Services can move in. The contractor has final items, however, they are minor.

Mr. Beiler also reported that he is working on pricing to replace ARFF gear. Even though the gear is in perfect condition, it must be replaced. There is a shelf life for the protective lining that the FAA rigorously follows. In 2010, 4 sets of gear cost \$20,000 to provide an idea of the potential cost.

MANAGER, ALLIANCE AVIATION – Ms. Forney reported that access to the new facility is from the ramp and the Terminal entrance. The facility is manned from 7 am until 8 pm daily. A buzzer opens the door. If a customer needs after hours services, they contact Alliance to make arrangements. The facility is not quite fully decorated as some furniture required extra long lead time. She is working with Mr. Foster to put together a Grand Opening that would be over a

month rather than a day to capture as many customers as possible. AvFuel, the fuel provider, has committed to assist with getting the word out to the aviation community.

BOARD COMMENTS

Mr. Cunningham asked how the conference room space would be utilized. At this time, Alliance CSR staff are coordinating usage of it. Mr. Eberly had hoped to hold events such as Chamber meetings and Mixers in the Terminal, however, until restrictions are lifted, it will be difficult to have groups in a small space. Groups utilizing the new conference room or the new space will be able to have their meetings catered as well. The Conference Room is able to be utilized for up to 12 attendees around the table with additional seating around the exterior for about 20 people.

Mr. Cunningham also noted that the movie industry seems especially hit right now with few movie releases. He is concerned about the current and future status of Penn Cinema.

PUBLIC COMMENT

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

DATE FOR NEXT MEETING

The date for the next meeting is scheduled for Monday, February 15, 2021 at 3:30 p.m. by ZOOM. Meetings have been scheduled on ZOOM until the Board is ready to return to meetings on-site. There being no further business to discuss, motion was duly made by Ms. Lehman, seconded by Ms. Moul, unanimously approved, and the meeting was adjourned.

Respectfully submitted,

Cheryl Martin
Recording Secretary