

## **Centre County Airport Authority Meeting Minutes, February 23<sup>rd</sup>, 2023**

**Attending:** C. Groshel; D. Johnson via Zoom; G. Downsbrough; R. Finley; L. Lingle; H. Mose; G. Khoury; R. Stewart

**Absent:** D. Gray

**Additional Attendees:** J. Meyer C.M., Executive Director, CCAA; J. McMurtrie, Terminal Manager, CCAA via Zoom; T. Benson, legal Counsel for the Authority; Bryan Rodgers via Zoom; LeRoy Kline, Jake Corman, Darin Asper and Brandon Smith with Delta Development.

**The meeting was convened at 5:00 PM by C. Groshel.**

**Public Comments:** None

- 1) Approval of the January 26<sup>th</sup>, 2023 meeting minutes:** Motion for approval was made by G. Downsbrough. R. Finley seconded the motion. The motion was unanimously approved.

C. Groshel moved New Business item A - Delta Development Presentation - up to this point on the agenda. Representatives LeRoy Kline, Darin Asper and Jake Corman referenced work done for the Authority in 2016 and 2017. They summarized various potential funding opportunities and expressed now is the time to move. No action was taken by the Authority at this time.

- 2) Treasurer's Report/Financial Statements for January and YTD:**

G. Downsbrough reviewed the January 2023 financial reports starting on pg. 6 of the agenda packet.

**A. Statement of Budget Annual vs. Actual YTD:**

Data was not sent by Converge

**B. Statements of Assets, Liabilities & Equity – Modified Cash, as of January 31<sup>st</sup>.** This report is similar to the December report – it is early in the year. Cash/savings assets are \$8.3M. The largest liability is the Pennsylvania Infrastructure Bank (PIB) loan at \$5.6M related to the access road and storm drainage system upgrades.

**C. Schedule of Cash Flows YTD:** No PIB loan payment until February. Line item 203 under Liabilities in the amount of \$1,134.08 is a December payroll correction. Cash at end of period is \$8.3M.

**D. Statement of Revenues and Expenses – Modified Cash YTD:**

Income is approx. \$74k to the positive. There were some capital expenses – approx. \$10k for camera upgrading/replacement. Some airline rate changes and payments are lagging.

**E. Excel Budget Format Rev and Exp:**

These spreadsheets are produced by J. Meyer and show the actual versus budgeted Operating Revenue and Expenses for the month. Revenues are doing well. The Authority is under budget on payroll by approx. \$6k due to being down an employee. March will be a three-pay month. The audit invoice has not come in yet. The electric bill for January has not been processed to date. There are some expenses related to janitorial supplies and to the HR Office for consulting work. HVAC expenses are over budget for January and can be erratic.

J. Meyer reiterated that airline rates have changed and there is some lag in payment increases. Revenues of parking, advertising, rental cars, and the wash bay were reviewed. J. Meyer stated that the audit will be an additional \$6k (audit was budgeted at \$19,250) for a Single Audit tied to federal grant dollars received. The \$6k is not budgeted.

**Acceptance of Financials:** G. Downs brough made a motion to accept the report. G Khoury seconded the motion. The motion was unanimously approved.

**3) Executive Director's Report:** J. Meyer's written report was provided with the agenda materials and begins on page 12. Comments were as follows:

- Enplanement reports – numbers are now current compared to same time one year ago. Numbers are generally up about 40% over same time last year. Some load factors down with the use of larger aircraft.
- Comparison to Wilks-Barre Airport, J. McMurtrie provided some statistics related to seats available at State College compared to Wilks-Barre Scranton International Airport. The Authority is seeing a 32% increase and Wilks-Barre Scranton is seeing an 8% decrease in the yearly seating capacity. This is positive for the Authority. The flights to New York are not doing well. The bookings for Charlotte are doing well. The Dulles service is still being evaluated.
- Reef parking – Usage in the Main Lot and the Economy lot is changing due to the new rates. There is an approx. 50 car flip in the numbers of users going from Main to Economy. January is typically a low volume month. The lots look busy due to the

rental car parking and vehicles parked close to the terminal. Fullington has started their pick up and drop off program related to bus trips.

**4) Air Operations Report:** B. Rodgers provided an overview of his submitted report which included December 2022 numbers. December 2022 total aircraft numbers were down 30.2% over December 2021. January 2023 total aircraft numbers were up 3.2% over January 2022. Jet A fuel sales are up while 100LL is down over same month last year. Year-to-date sales are similar to last year. Both T-hanger and corporate hanger occupancy is strong. The January financials are projecting a fiscal year end net margin of \$80k. We are still waiting to receive approval for grant funding for the passenger boarding bridge feasibility study. The runway 24 Runway Visual Range (RVR) System was commissioned in late January. Changes due to the RVR system may include new classifications for and access to the airport during low visibility. B. Rodgers answered some questions regarding larger planes being used for PSU athletics.

## **5) Continuing Business:**

- a. Airport Name Change:** H. Mose reported on behalf of the committee. There was another meeting with PSU representatives and representatives from the Happy Valley Adventure Bureau and the Chamber of Business and Industry of Centre County. There is agreement to change the airport name to "State College Regional." Task lists have been developed including logo and branding work. There are some issues with the new name length being put in place of the existing name. The new name being longer would create a great expense for new signage boards, so efforts are being made to abbreviate to use the existing sign boards. Efforts to change the call letters of "UNV" to "SCE" will not take place as the FAA does not support it. It is estimated that the name change project will be complete in six months.
- b. Food and Beverage Cart in Departure Area:** Security badging for the Daily Dose personnel is complete and the service is expected to be operational sometime in March.
- c. HR Update:** H. Mose, D. Gray and G. Khoury are the HR committee members. H. Mose stated that the J. Meyer performance review and goal setting for 2023 is complete. They have met with J. Krauss to work on the employee handbook, review compensation levels and benefit coverages. The process is going well. There was some discussion related to the legal issues of adopting HR policies or not. This issue is to be discussed further with J. Krauss.
- d. URBN Flavourhaus Express:** Solicitor T. Benson summarized his efforts to end the relationship with URBN Flavourhaus. There was much discussion as to the process and timing for having a new entity occupy the Café space

going forward. Details like lock changes or reprogramming will be handled by J. Meyer.

## 6) **New Business:**

**A. Purchase of Restaurant Equipment:** J. Meyer stated that if the Daily Dose occupies the Café space, they need about \$30k of equipment. He proposed the Authority make this purchase to help establish the café. Under this plan, the café could be open in April. There was much discussion about the terms and conditions; an RFP process; a trial basis with the lounge cart first; a subcontractor relationship; a hood system for the stove; and purchasing equipment through COSTARS. It was decided to have the owner attend the next Authority meeting to make a presentation.

**B. Delta Development:** Projects/topics will be discussed at the March meeting. J. Meyer will put together an overview of the Authority's history with Delta Development. There were some questions related to identifying the Authority's capital priorities and plans.

R. Finley made a motion to go into executive session to discuss a legal matter.

G. Downsbrough seconded the motion. The motion was unanimously approved.

G. Downsbrough made a motion to end the executive session and resume to the regular meeting. R. Finley seconded the motion. The motion was unanimously approved.

C. Groshel asked for a motion to authorize Babst Calland Attorneys at Law, to contract with Sanborn Head per a proposal dated February 23, 2023, for engineering services with an estimated budget of \$105,000, and to authorize signature by J. Meyer for any related paperwork and to pay related invoices from Babst Calland. H. Mose offered to make the motion as stated. G. Downsbrough seconded the motion. The motion was unanimously approved.

**Around the room:** Reminder – discuss Delta Development and have the owner of Daily Dose at the next meeting.

**Adjournment:** The meeting was adjourned at 8:07 p.m.