

Centre County Airport Authority Meeting Minutes, December 8th, 2022

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

Absent: R. Finley

Additional Attendees: J. Meyer C.M., Executive Director, CCAA; J. McMurtrie, Terminal Manager, CCAA via Zoom; T. Benson, legal Counsel for the Authority via Zoom; B. Rodgers via Zoom; Jeff Krause, HR Office

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

Public Comments: None

- 1) **Approval of the October 27th, 2022 meeting minutes:** Motion for approval was made by H. Mose. G. Khoury seconded the motion. The motion was unanimously approved.
- 2) **Executive Session for Real Estate and Personnel Matters:** Motion to go into Executive Session was made by R. Stewart. D. Johnson seconded the motion. The motion was unanimously approved.

J. Meyer, J. McMurtrie, and B. Rodgers were excused from the Exec Session.

The meeting was called back to order by C. Groshel following the Executive Session

- 3) **Treasurer's Report/Financial Statements for October and YTD:** G. Downsbrough reviewed the October 2022 financial reports starting on pg. 5 of the agenda.
 - A. **Statement of Revenues and Expenses – Modified Cash YTD:** The financials look good. The rental car revenue is good. The café is a disappointment. On the expense side, some expenses are higher than budgeted – sewer charges for new maintenance building and security (Sheriff Office) due to planes coming in late. Two large capital expenses were the maintenance building and the restroom renovation. These capital projects cost approximately \$1.2 M. Operating income is approximately \$484,000.

B. Statements of Assets, Liabilities & Equity – Modified Cash:

Cash/savings assets are \$6.5M. The largest liability is the Pennsylvania Infrastructure Bank (PIB) loan at \$5.76M related to the access road and storm drainage system upgrades.

C. Statement of Revenues and Expenses - October: There was discussion regarding 99-790 Cross Winds Parking Lot expense and the FNB Letter of Credit related to 99-442 interest Income. This report indicates a total net income of \$138,014.62 for October.

D. Statement of Cash Flows YTD: Cash YTD is at \$7,460,415.35. This report shows the PIB loan payments to date.

E. Schedule of Budget (annual) vs. Actual (YTD): Discussion took place on the URBN/Café issue; additional advertising revenue; some areas under and over budget.

F. 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. Expenses are down in Payroll due to being one employee short till September. Revenues are doing well. Overall revenues are good or above budget primarily due to a strong rental car market.

Acceptance of Financials for July: G. Downsborough made a motion to accept the Report. H. Mose seconded the motion. The motion was unanimously approved.

4) Executive Director's Report: J. Meyer's written report was provided with the agenda materials. Comments were as follows:

- Enplanement reports – numbers are down due to fewer flights caused by pilot shortages. We are still substantially lower now compared to our 2019 numbers. Load factors are excellent.
- Reef parking – typically better numbers in the Fall. October gross revenue was \$99K.
- J. McMurtrie summarized a meeting held with representatives of Piedmont and American Airlines regarding flights to Charlotte. The meeting was very positive.
- 2023 Board member list - the list was reviewed.

5) Air Operations Report: B. Rodgers submitted a report. He was not available to provide an oral overview. There were some questions related to the

information on the last page – 11/27 airport Ops/ARFF personnel and the additional support for charter operations.

6) Continuing Business:

- A. **HR Proposal Acceptance:** G. Downsbrough made a motion to accept the HR Office proposal, @ (\$10,000). D. Johnson seconded the motion. The motion was unanimously approved.
- B. **Personnel Committee:** H. Mose, D. Gray and G. Khoury stated the committee was off to a good start.
- C. **URBN Flavourhaus Express:** T. Benson summarized issues with the vendor. There was a lengthy discussion about this issue and options to resolve the lack of service to terminal customers. No formal action was taken at this time. Bees Knees is to be asked to setup a cart in the departure lounge to serve coffee and bake goods during the early morning departures.
- D. **Airport Name Change:** D. Gray stated that the PSU representatives were in alignment with the name change. They were very supportive. Efforts will be taken to rebrand the entire airport as "State College Regional Airport." T. Benson will look into any name change issues.

7) New Business:

- A. **Set Airline Rates, 2023:** J. Meyer referenced page 33 and proposed an 8.5% increase. He summarized how the increase is split based on an enplanement formula. There has not been a rate increase for three years. There was discussion as to the timing and if a rate increase should be done now. L. Lingle made a motion to approve the airline rate increase as proposed. G. Downsbrough seconded the motion. The motion was unanimously approved.
- B. **Five Year Capital Improvements Budget:** There was discussion about the CIP being incorporated into the Converge accounting system. There were questions about the CIP not having enough detail – vehicle replacement, IT equipment replacement, etc. The CIP will be reviewed at the January meeting. H. Mose made a motion to approve year one (2023) of the Capital Improvement Plan. G. Downsbrough seconded the motion. The motion was unanimously approved.

C. 2023 Six Month Budget Approval: Discussion was held on the revenue and expenses outlined on pages 40-41. G. Downsborough made a motion to approve the 2023 Six Month Budget with the condition that payroll numbers are worked out. H. Mose seconded the motion. The motion was unanimously approved.

D. Set 2023 Meeting Calendar: H. Mose made a motion to approve the 2023 Meeting Calendar. G. Downsborough seconded the motion. The motion was unanimously approved.

Around the room: J. Meyer – Real IDs deadline has been changed to May 7th of 2025, pushed it out two more years; L. Lingle – DEP evaluating options to address PFAS/PFOS in the Walnut Grove neighborhood; C. Groshel thanked everyone for their contributions to the Board.

Adjournment: G. Khoury made a motion to adjourn. G. Downsborough seconded the motion. The motion was unanimously approved. The meeting ended at 8:42 p.m.