

**ERIE REGIONAL AIRPORT AUTHORITY
MEETING**

Wednesday, December 20, 2023

Minutes of a Meeting of the Erie Regional Airport Authority duly posted and advertised, held in the second floor conference room of the Intermodal Center, 208 East Bayfront Parkway, Erie, PA 16507.

Attendees:	Daniel Giannelli	Derek Martin	Lauren Magee, Millcreek
	Ryan Bergquist	Michelle Magee	Bryan Magee, Millcreek
	Richard Wagner	Jennifer Gornall	Erin Kerner, Erie
	Peter Burton	James Pacansky	Jack Bendig, H20
	David Hallman, Jr.	Ian Bogle	Michael Keys, City Council
	Brian Slawin		Fred Rush, self
			Ed Tropper, self
			Arthur Gamble, GCS Business

Participated by Phone: Eric Rogers Dorothy Smith Frazier

Board President Daniel Giannelli opened the meeting at 12:08 PM with the Pledge of Allegiance to the United States of America.

Approval of Agenda:

Mr. Giannelli asked for a motion to approve the agenda as presented. Ryan Bergquist moved, and Brian Slawin seconded. Approved by Yeas: David Hallman, Jr., Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Approval of Minutes:

Mr. Giannelli asked for a motion to approve the minutes of last month's Board Meeting. David Hallman, Jr. moved to approve, and Ryan Bergquist seconded. Approved by Yeas: David Hallman, Jr., Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Announce Executive Sessions

There was also an Executive Session held today, December 20, 2023, prior to today's public meeting to discuss a real estate matter and receive privileged legal advice.

There were no **Public Comments**.

Committee Reports

Finance Committee- Finance Committee Chair David Hallman, Jr. stated that the Finance Committee met on December 19, 2023. Mr. Hallman stated the airport maintains a strong cash position. He stated that the Finance Committee recommends approval of the bills and made the motion to approve; seconded by Ryan Bergquist. Approved by Yeas: David Hallman, Jr., Richard Wagner, Daniel

Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Financial Report- James Pacansky reviewed the October report and stated that the November report will be available next month due to the early meetings in November and December. Mr. Pacansky reported a deficit of \$16,034 for the month of October which brings our year to date surplus down to \$14,395. We are unfavorable to budget \$300,386 with revenue unfavorable \$414,329 and expenses favorable \$113,943.

Mr. Ginnalli stated that the Personnel Committee is prepared to offer a recommendation for the Executive Director's annual evaluation. In the absence of Personnel Committee Chair Aaron Susmarski, Mr. Giannelli read a letter from the Personnel Committee for the record (*this letter is on file with the December 20, 2023 Board Meeting documents in the Airport Authority Administration office*).

Mr. Giannelli stated that the committee is recommending the following: a 5% salary increase, an increase of \$1,500 to the Executive Director's retirement contribution, and these be retroactive to August 16, 2023. A Special Board Meeting will be scheduled for Tuesday, December 26, 2023 at 9:00 am for the Board to consider the committee's recommendations. Michelle Magee will handle the arrangements and required notification for the meeting.

Mr. Hallman reported that the Nominating Committee held a meeting on December 18, 2023 to prepare the Slate of Officers for 2024. For the record, Mr. Hallman read the Slate of Officers for 2024 as follows:

President- Daniel Giannelli
Vice President- Brian Slawin
President Pro-Tem- Aaron Susmarski
Treasurer- David Hallman, Jr.
Secretary, Peter Burton

Mr. Hallman stated that the slate will be voted on with nominations from the floor at the first Board Meeting in January. Mr. Giannelli stated that Committee assignments will be considered after the vote to determine the 2024 officers.

Unfinished Business

Mr. Giannelli reminded the Board of the presentation given by Keith Kennedy and Jake Rouch and provided an update on the results of the survey conducted by Harmonic. He reported that a brainstorming session was held two weeks ago where 35 concepts were investigated as a result of the survey. Mr. Giannelli noted that our newest City Council appointed Board Member (term begins January 1, 2024) Erin Kerner was able to participate. Mr. Giannelli shared these goals for the airport: business development, services development, and air service development/Fly Erie Fund. Another town hall meeting is possible. Mr. Martin added that Altair looked at all available property at the airport to determine the best use of property for non-aeronautical use. Mr. Giannelli

added that we have been working with Tina Mengine at the Redevelopment Authority. Also, cargo- ask local shippers what they need to handle cargo at the airport. Mr. Wagner suggested options for housing on West 12th Street, a hotel/motel, or a small boutique.

Resolutions

Mr. Martin explained that Resolution 2023-28 appoints the Knox Law Firm as solicitor for 2024.

RESOLUTION 2023-28

APPOINTMENT OF THE KNOX LAW FIRM AS SOLICITOR FOR FY2024

Whereas, the Erie Regional Airport Authority (hereinafter the “Authority”) has been satisfied with the legal work of the Knox Law Firm over the last year, and;

Whereas, the Authority in the FY2024 General Operations Budget has allocated **\$55,000** to establish a retainer with the Knox Law Firm, and;

Whereas, the Authority and the Knox Law Firm agree to set a yearly retainer with two set payments.

Now, It Is Hereby Resolved That the Authority appoints the Knox Law Firm the sole solicitor to provide the Authority and the Board legal services as requested in FY2024 and the Authority is to make two payments of \$27,500, one in July and the final payment in December 2024 to establish the \$55,000 2024 legal retainer. The Authority authorizes the Executive Director to implement this resolution.

Peter Burton made the motion to approve the resolution and Brian Slawin seconded. Approved by Yeas: David Hallman, Jr., Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Mr. Martin explained that Resolution 2023-29 appoints McGill Power Bell & Associates as auditor for the 2023 financials.

RESOLUTION 2023-29

**APPOINTMENT OF MCGILL, POWER, BELL & ASSOCIATES FOR THE 2023
AUDIT**

Whereas, the Erie Regional Airport Authority (hereinafter the “Authority”) has been satisfied with the audit work and professional consulting services of McGill, Power, Bell & Associates (formerly Malin Bergquist, then BKD LLP CPAs & ADVISORS (“BKD LLP”), for the past twenty two (22) years, and;

Whereas, the fee for the audit of the 2023 financials and PFC is not to exceed **\$47,300.00**.

Now, Therefore Be It Resolved That the Authority authorizes the Executive Director to execute and enter into a contract for concession audit services.

David Hallman, Jr. made the motion to approve the resolution and Richard Wagner seconded. Approved by Yeas: Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr.

Mr. Martin explained that Resolution 2023-30 adds additional leased space to the area Turf Management is currently leasing. Mr. Slawin asked if a description of the additional space is needed to supplement the drawing in the agreement. Ms. Gornall stated the agreement has an out clause if we need the property for development.

RESOLUTION NO. 2023 - 30

TURF MANAGEMENT SERVICES, LLC EXPANSION OF LEASED PREMISES

It is hereby **RESOLVED** by the Erie Regional Airport Authority, that it shall expand the size of the airport property leased to Turf Management Services, LLC for storage purposes. The Modification to Agreement of Lease attached to this Resolution (the "Modification") is hereby approved. The Executive Director is authorized to execute the Modification on behalf of the Erie Regional Airport Authority.

Brian Slawin made the motion to approve the resolution and Ryan Bergquist seconded. Approved by Yeas: Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, and David Hallman, Jr.

Mr. Martin explained that the Board previously approved an air service incentive program. Resolution 2023-31 is an updated plan and is in compliance with FAA air carrier incentive policy effective February 5, 2024.

RESOLUTION 2023-31

APPROVAL OF AIR SERVICE DEVELOPMENT INCENTIVE PROGRAM AND AUTHORIZATION TO IMPLEMENT

IT IS HEREBY RESOLVED, by the Erie Regional Airport Authority Board of Directors, that the attached Air Service Development Incentive Program is **APPROVED** and the Executive Director is **AUTHORIZED** to implement the Air Service Incentive Program which is in compliance with the Federal Aviation Administration (FAA) air carrier incentive policy effective February 5, 2024.

Peter Burton made the motion to approve the resolution and Ryan Bergquist seconded. Approved by Yeas: Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr., and Richard Wagner.

Mr. Martin explained that Resolution 2023-32 extends our contract with Jacob's Engineering. We have been pleased with the work of Jacob's and our consultant Sheri Ernico for her assistance with operating and concessions agreements.

RESOLUTION 2023-32

APPROVAL OF AMENDMENT NO. 9 TO THE JACOBS ENGINEERING GROUP INC. (formerly LeighFisher) AGREEMENT

The Board of Directors of the Erie Regional Airport Authority desires to extend its agreement with Jacobs (formerly LeighFisher) for the continued provision of consultant services. Accordingly, the Board hereby **APPROVES** Amendment No. 9 to the original Agreement for Professional Services, which amendment extends the Agreement to December 31, 2025. The Board authorizes the Administration of the Authority to execute Amendment No. 9 on behalf of the Authority.

Richard Wagner made the motion to approve the resolution and Ryan Bergquist seconded. Approved by Yeas: Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr., Richard Wagner, and Daniel Giannelli.

New Business

Mr. Giannelli stated that the Nominating Committee read the proposed Slate of Officers for 2024 for the record during Committee Reports. The slate with possible nominations from the floor will be voted on at the first meeting of the Board in January.

Liaison Comments

Erie City Council Liaison Michael Keys is surprised that there have been no public relations or community relations committee meetings. The Authority should take some control. Community money is going into the Fly Erie Fund. Mr. Keyes wished the Authority luck and stated he is happy to see the Authority stepping up.

Board Member Comments

Mr. Burton stated that he will be scheduling a meeting with the owner of Hangar 20 soon and update the Board on that meeting in January. Mr. Burton stated he looks forward to welcoming Erin Kerner to the "front table" beginning at next month's meeting.

Mr. Giannelli thanked Richard Wagner for his years of service to the Airport Authority Board.

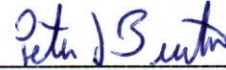
Mr. Wagner looked back on his five years of service on the Board and although there were obstacles, he wishes he could have done more. He wished the Airport luck and hopes things get better. Mr. Wagner added that it is not easy running an airport.

Executive Director's Report

Mr. Martin reported that the Senate has passed a continuous resolution to allow a tax on airline tickets.

Peter Burton made a motion to adjourn, and David Hallman, Jr. seconded. Approved by Yeas: David Hallman, Jr., Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, and Ryan Bergquist.

Adjournment: 12:49 PM



Peter Burton, Secretary



Mr. Derek Martin
Executive Director, Erie International Airport

November 15, 2023

Dear Mr. Martin:

On behalf of the Personnel Committee and the Board of Directors for the Erie Regional Airport Authority, I would like to thank you for your continued hard work, dedication, and leadership to the Erie Regional Airport ("ERI"). Your achievements in the past year were once again commendable and helped to position the airport for continued success. Among your goals for last year were:

1. Look for opportunities to utilize the recently purchased properties to increase non-aeronautical revenue within allowable parameters. Once plans are developed, share with BOD for pre-approval and support.
2. Continue to develop plans and maximize opportunities for increasing air service.
3. Attend a minimum of 5 meetings with local leaders to build support for business travel from ERI. Provide routine updates to BOD on these activities.
4. Continue to foster positive community engagement to support advancement of ERI.
5. Maintain fiscal integrity of ERI for future generations.

Success for this year has been complicated by a slow transition out of the pandemic with lingering effects on air travel. With that said, the Airport exited the year with a favorable budget considering the environment and compared to other regional airports. Tie that with the aggressive list of projects completed leveraging COVID funds, Derek has positioned the Airport extremely well to be successful as we exit the effects of the pandemic.

This year you demonstrated your leadership skills by leveraging the acquisition of CARES funding to complete multiple sustainable projects at the airport. In addition, through May 31, 2023, the combined load factor for ERI was 86.9% and as of month, ending May 31, 2023, the CPE is \$18.34 (compared to \$26.27 in 2017). On March 24, 2023, the Erie Regional Airport Authority hosted members of the business community, chief industry analyst William Swelbar and an executive from a low-cost carrier to discuss and understand the need to diversify ERI's airline portfolio. Through the first five months of 2023, we have averaged a \$20,000/month surplus. The parking rate for full day parking in both long term and short term lots was increased under our parking concessionaire agreement.

Even more impressive is that as of month ending May 31, 2022, the combined load factor was 86.9% and your ability to secure a two-year proposal with American Airlines for enhanced service at ERI. Extensive capital projects such as, but not limited to, general aviation apron

rehabilitation, as well as, realignment and Reconstruction of Taxiway A Phase 2 have been achieved.

We would also like to note your continued dedication to community outreach with the incorporation of an Internship Program, Job Shadowing opportunity, The Joel Natalie Show, TSA Pre-Check Enrollment Event, McDowell AFJROTC- FOO walks, Earn+Learn Program- GECAC, and On Board with Autism just to name a few. Once more your public relations achievements at Erie County Council, Erie City Council, and the County Executive's office.

With the amount of activity and change taking place at the airport comes the responsibility of communicating those changes and educating and guiding stakeholders through the change. Engaging the community, the Board, Airport tenants, and your executive staff may extend the process and incorporating some compromises, but the final product will ultimately be more successful because of the stakeholder engagement. We understand that when you make significant changes there will always be someone not happy with the change but engaging in this process will build support and minimize the negative impact.

As we enter the new year of your contract as Executive Director, the Board recommends the following goals which may result in the need to reevaluate these goals as the year progresses.

1. Continue to develop plans and maximize opportunities for increasing air service.
2. Find new ways to capitalize on non-used aeronautical resources. In addition, work with interested parties to make sure projects are properly vetted prior to proceeding forward.
3. Continue to focus on adding more flights and airlines so to increase aeronautical funding and overall service options. Focus on working with government agencies, obtaining political support, applying for grants, Fly Erie Fund, ULCC's, as well as innovative approaches to legacy and low-cost carriers.
4. Engage with local leaders to build support for business travel from ERI. Provide routine updates to BOD on these activities.
5. Continue to develop an employment structure focusing on recruiting and retaining qualified professionals.
6. Continue to foster positive community engagement to support advancement of ERI.
7. Maintain fiscal integrity of ERI for future generations.

Again, thank you for your leadership and dedication to EIA. The Board agrees that your overall performance this past year has exceeded our expectation.

We look forward to working with you and your team as you continue to move EIA into the future!

Sincerely,

The Personnel Committee

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The Personnel Committee