

**ERIE REGIONAL AIRPORT AUTHORITY
MEETING
Wednesday, September 27, 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	G. Patterson, NCA
	Brian Slawin	Michelle Magee	B. Patterson, NCA
	Eric Rogers	Jennifer Gornall	Michael Keys, City Council
	Richard Wagner	James Pacansky	Kim Hunter
	Dorothy Smith-Frazier	Ian Bogle	Cody Foust, Millcreek Township
	David Hallman, Jr.		David Benson, Fundamentals
	Aaron Susmarski		Flight Training
	Peter Burton		Val Myers, Erie Times
			Don Boetger

Participated by Phone: Ryan Bergquist

Board President Daniel Giannelli opened the meeting at 12:00 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. Dorothy Smith-Frazier moved, and Peter Burton seconded. Approved by Yeas: Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, David Hallman, Jr., 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 Brian Slawin seconded. Approved by Yeas: Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, David Hallman, Jr., and Dorothy Smith-Frazier. Abstained: Ryan Bergquist

MMO Update

Don Boetger gave our annual Minimum Municipal Obligation (MMO) to the Board. He explained that an actuarial evaluation is completed every two years to determine the MMO. Pennsylvania Act 205 dictates how pensions are funded, and this evaluation is done to determine how to fund the pension in the next two years. Erie Bank manages the pension.

Public Comments

Dave Benson of Fundamentals Flight Training thanked the Board and Authority staff for making ERI a general aviation friendly airport. He encouraged the Board to keep moving forward despite the people out there trying to thwart the progress being made. Mr.

Benson encouraged the public to work together rather than create barriers and roadblocks for progress at the airport.

Brad Peganoff of Millcreek Township referenced a prior right to know request filed with the Airport Authority from April 2023 citing violations for the portions denied. He also referenced a separate right to know request he filed with the City and denied by the City for records pertaining to the Airport Authority that the City does not have. Copies of both right to know responses were provided by Mr. Peganoff for the record.

Kim Hunter, candidate for Erie County Council inquired about taxpayer dollars and airport funding. Mr. Giannelli explained that public comment is not an opportunity for questions and answers. Mr. Martin explained to Ms. Hunter how airports are funded, including CARES money and the aviation ticket tax. Mr. Giannelli added that there is no line item in the City or County budget for the airport. The airport is self-sufficient.

Committee Reports

Finance Committee- Finance Committee Chair David Hallman, Jr. reported that the Committee met on September 26, 2023. The Committee reviewed the current Cash Forecast and AR Summary, the August Finance Report, current Bills to be Paid, and Expense Reports. Mr. Hallman stated the Finance Committee recommends approval of the bills and made the motion to approve; seconded by Richard Wagner. Approved by Yeas: Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, David Hallman, Jr., Dorothy Smith-Frazier, and Ryan Bergquist.

Mr. Hallman stated that the Committee continues to be encouraged by our very small deficit year to date.

Financial Report- James Pacansky reviewed the August report. The net deficit for the month of August was \$23,917. The year to date net surplus is \$25,624. We are unfavorable to budget year to date \$148,279 with revenue unfavorable to budget \$274,880 and expenses favorable to budget \$126,601.

There were no meetings of the Personnel, Ad Hoc, Nominating, or Public Relations and Marketing Ad Hoc Committees held.

Unfinished Business- none

Resolutions

Mr. Martin distributed a handout from Rockford Illinois' FY2022 budget book that shows where their money comes from. Currently, our Authority Bylaws do not allow the use of non-operating revenue to create a budget. As you can see, there are other airports that rely on taxpayer funds and other nonoperating revenue to create a budget. The Bylaw change reflects the practices of other airports throughout the United States. Resolution 2023-20 revises the Bylaws to allow the Finance Committee to present an unbalanced budget to the Board in November.

RESOLUTION 2023 -20

REVISION OF BYLAWS REGARDING BALANCED BUDGET REQUIREMENT

WHEREAS, the Erie Regional Airport Authority (“ERAA” or “Authority”) is currently exploring a variety of ways to attract new and additional air service to the Erie International Airport (“ERI” or “Airport”); and

WHEREAS, some of the options being considered to attract new air service would necessitate the Authority’s use of reserve funds to offset operating losses in the short term; and

WHEREAS, the ERAA’s auditors agree that using reserve funds to subsidize an operating loss is a plausible budget strategy in times where passing a budget at a deficit can be a well-reasoned financial strategy - such as when an airport is attempting to attract additional air service to create growth; and

WHEREAS, while having a balanced budget is a good goal to have as a fiscally prudent organization, there are times when not presenting a balanced budget as an intentional strategy to fund a budget deficit to allow an entity the ability to invest in future growth initiatives may be appropriate and necessary; and

WHEREAS, the Authority’s Bylaws currently require the Finance Committee to present to the ERAA Board of Directors (“Board”) balanced operating and capital program budgets each year; and

WHEREAS, the Authority’s Auditors and the Administration believe this balanced budget requirement restricts the Board from being able to make prudent decisions in the best long term interest of the Authority; and

WHEREAS, the purpose of this Resolution and proposed Bylaws revision is to remove the annual balanced budget requirement and to give the Board more flexibility in being presented with and approving annual budgets which may not be “balanced” when it is deemed in the best interest of the Authority; and

WHEREAS, the Board was provided notice of the below proposed amendment to the Bylaws through receipt of a copy of this Resolution via email seven calendar days in advance of the September 27, 2023 regular Board meeting.

AND NOW, on this 27th day of September, 2023, the Erie Regional Airport Authority RESOLVES that the Article IV, Section A.2 of the Bylaws, pertaining to Financial Matters and Budget, be amended as follows:

Article IV, Section A.2, which currently provides:

The Finance Committee will present the annual operating and capital program budgets to the Board

at the November Board meeting. Such budgets shall be balanced at the time of presentation.

shall be revised to read as follows:

The Finance Committee will present the annual operating and capital program budgets to the Board at the November Board meeting. Such budgets shall be balanced at the time of presentation unless the Finance Committee believes a balanced budget is not prudent nor feasible at that time and believes Board consideration, and possible approval, of a deficit budget is a well-reasoned financial strategy that is in the best interest of the ERAA. In such circumstances, the Finance Committee shall present to the Board a financial forecast showing when it is reasonably anticipated the budget can return to being balanced.

This Bylaw Resolution shall be effective immediately.

Upon approval, the Administration is directed to update the official Bylaws of the Authority on the ERAA website.

David Hallman, Jr. moved, and Eric Rogers seconded. Approved by Yeas: David Hallman, Jr., Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Dorothy Smith-Frazier, and Ryan Bergquist. Nays: Brian Slawin.

Mr. Martin explained that Resolution 2023-21 extends the airline operating agreement with American Airlines for two more years. American just notified us that they have already signed the agreement.

RESOLUTION 2023-21

APPROVAL OF THIRD AMENDMENT TO AIR TRANSPORT OPERATOR'S USE AND LEASE AGREEMENT- AMERICAN AIRLINES, INC.

The Board of Directors of the Erie Regional Airport Authority hereby RESOLVES to APPROVE the Third Amendment to Air Transport Operator's Use and Lease Agreement with American Airlines, Inc. a copy of said Third Amendment is attached hereto and incorporated herein as if fully set forth. The Executive Director is authorized to execute the Third Amendment on behalf of the Authority.

Peter Burton moved, and Aaron Susmarski seconded. Approved by Yeas: Aaron Susmarski, Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, David Hallman, Jr., Dorothy Smith-Frazier, and Ryan Bergquist.

Mr. Martin explained that Resolution 2023-22 updates our rates and charges to reflect what is in the American Airlines agreement.

RESOLUTION 2023-22

APPROVAL OF RATES AND CHARGES

WHEREAS, the Erie Regional Airport Authority has prepared a Schedule "A" for 2024 Rates and Charges and a Schedule "B" of Footnotes to the Rates and Charges which is attached hereto.

IT IS HEREBY RESOLVED, by the Erie Regional Airport Authority Board of Directors, that Schedule A 2024 Rates and Charges and Schedule B Footnotes to the Rates and Charges are approved.

Dorothy Smith-Frazier moved, and David Hallman, Jr. seconded. Approved by Yeas: Richard Wagner, Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr., and Aaron Susmarski.

Mr. Martin explained that Resolution 2023-23 accepts the State's share of funding for Phase I of the Taxiway A project.

RESOLUTION 2023-23

AUTHORIZE EXECUTIVE DIRECTOR TO ACCEPT AND EXECUTE STATE GRANT OFFER

WHEREAS, the Erie Regional Airport Authority (ERAA) has requested from the Pennsylvania Department of Transportation, Bureau of Aviation (BOA) funding in the amount of \$136,636 which is the 5% State share for the Reconstruct Taxiway A (Phase V) project.

IT IS HEREBY RESOLVED, by the Erie Regional Airport Authority Board of Directors, that the Executive Director is authorized to accept and execute the State Grant Offer upon receipt.

Eric Rogers moved, and Peter Burton seconded. Approved by Yeas: Daniel Giannelli, Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr., Aaron Susmarski, and Richard Wagner.

Mr. Martin explained that Resolution 2023-24 accepts the funding for Phase II of the Taxiway A project for construction to begin Spring 2024.

RESOLUTION 2023-24

AUTHORIZE EXECUTIVE DIRECTOR TO ACCEPT AND EXECUTE FAA GRANT OFFER- FY23

Whereas, the Federal Aviation administration has offered FY2023 Airport Improvement Program (AIP) grant 3-42-0030-082-2023 in the amount of \$2,420,405 for Reconstruct Taxiway A (Construct), Phase VI;

Whereas, the Authority pledges that the local share has been secured for this grant; and

Whereas, the Authority authorizes the Executive Director to accept the grant and execute said grant on behalf of the Authority.

It Is Hereby Resolved That:

1. The Board hereby APPROVES and ACCEPTS a grant from the FAA in the amount of \$2,420,405.
2. The Executive Director of the Authority is authorized to execute said grant on behalf of the Authority.

Aaron Susmarski moved, and Peter Burton seconded. Approved by Yeas: Peter Burton, Eric Rogers, Brian Slawin, Dorothy Smith-Frazier, Ryan Bergquist, David Hallman, Jr., Aaron Susmarski, Richard Wagner, and Daniel Giannelli.

There was no **New Business**.

Liaison Comments

Michael Keys of Erie City Council stated he would love to see more flights. Mr. Keys stated the airport seems to be operating on an unfavorable year over year. He added that he isn't sure if the Board has a healthy relationship with airport leadership. Sometimes you need to get together and fix the problems for optimum operations.

Board Member Comments

Mr. Slawin referenced the Chamber's Fly Erie Fund program. He stated that Council President Chuck Nelson is aware of the program. Mr. Slawin stated to Mr. Keys that he is happy to sit down with him, so he understands what is going on here.

Mr. Slawin shared an email from a colleague regarding his recent experience at ERI for a flight from Erie to California. A copy of the email was provided for the record. The passenger commends Derek Martin for his assistance and professionalism during the encounter.

Mr. Burton shared that he did attend the Hagan event honoring Tom Ridge. Derek Martin attended as his guest.

Ms. Smith-Frazier thanked Mr. Benson for his comments during Public Comments. She also thanked Mr. Martin for his work.

Executive Director's Report

Mr. Martin reported North Coast Air, Fundamentals Flight and the Airport Authority joined to hold a luncheon in the hangar at North Coast Air. North Coast and the Authority

hosted lunch for the 50 plus attendees. North Coast Air brought in a very nice Cessna for attendees to view.

Mr. Martin reported that we held a successful triannual disaster exercise at the airport on September 16. Mutual aid agencies in the area participated as well. The exercise is required every three years per the FAA.


Mr. Martin reported that the Customs & Border Protection office with support from the Airport Authority held global entry interviews in Erie on September 5-7th, 2023. The event was well received and completely booked. Interviewees traveled from as far as Dallas, Boston, West Virginia, and all over Ohio to participate. We look forward to hosting another global entry event.

Regarding American Airlines, Mr. Martin explained that they are looking at 76 passenger planes with two flights a day versus 50 passenger planes with three flights per day. Having the third flight per day allows for more flexibility for business travelers.

Mr. Martin gave a brief update on the potential government shutdown and how it may (or may not) affect the airport. Air traffic and TSA personnel have to show up to perform.

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

Adjournment: 12:57 PM



Brian Slawin, Secretary

