

Minutes –July 18th, 2023
Johnstown, Cambria County Airport Authority

The regular meeting of the Johnstown Cambria County Airport Authority was called to order by Chairman Rick McQuaide at 3:30 pm on Tuesday **July 18th, 2023**.

Members Present: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason via phone.

Members Absent: Ed Cernic Jr, George Arcurio III

Others Present: Cory Cree, Airport Manager, Heather Tomasko, Assistant Airport Manager; Dr. Larry Nulton, Nulton Aviation; Bernie Dunegan TranSystems; Attorney Tim Leventry, Solicitor; Dennis Kotzan, Accountant; Nathan Pilkington, JST SkyWest General Manager, Jenn Kirkland SkyWest Station Manager, Larry Hoover, Enplanement Committee Member and David Hurst, Tribune Democrat Reporter.

Public Comment: N/A

MINUTES:

- Mike Parrish made a motion to approve the minutes of the June 20th, 2023, Board Meeting. The motion was seconded Jim Brazill and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

SkyWest/United Report: Nathen, JST SkyWest

- Reviewed the SkyWest reports.

FBO Report: Dr. Larry Nulton

- 60 students enrolled in the Flight School
- 3-5 instructors for the flight school

Treasurer's Report:

- Reviewed Financials

Tim Mcllwain made a motion to approve the Treasurer's Report, the motion was seconded Adam Murphy and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Manager's Report: Cory Cree:

Audit Engagement Addendum

- Kotzan CPA & Associates, P.C. (Kotzan) have completed the 2022 Audit.
- On July 13th, Kotzan presented to the Finance and Administration Committee a summary of the 2022 Single Audit Report.
- On June 9th, Kotzan submitted a letter requesting approval of an addendum to their original engagement letter, to add an additional \$2,000.00 to the annual single audit fee as follows:
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Audit Year	Original Fee	Additional Requested Fee (Addendum Request)	Total Yearly Requested Fee (Addendum Request)
2022	\$9,750.00	\$2,000.00	\$11,750.00
2023	\$10,000.00	\$2,000.00	\$12,000.00

- In their letter, Kotzan provides the following justification:
 - o The number of federally funded capital projects has doubled from 2021 to 2022. Consequently, the additional compliance testing required on the federally funded projects has added the most time to the audit.
 - o The implementation of new accounting standards such as GASB Statement No. 87, Leases, effective in 2022, has had a significant impact on the Authority's audit because of the many, varied lease agreements in place.
- **Recommendation: We recommend that the Airport Authority approve the Kotzan CPA & Associates, P.C. addendum request, which increases the Single Audit Fees by \$2,000.00 for audit years 2022 and 2023.**
- **The action to approve this item is listed on the agenda under the Finance and Administration Committee.**

2-Unit Corporate Hangar – Contracting

- On February 9, 2023, at a Special Airport Authority meeting, the Authority directed TranSystems to proceed with repackaging and rebidding this project with a Base Bid for one corporate hangar and add alternate bids for the second corporate hangar, as well as any other items that may be paired off as an add alternate bid to increase the chances of receiving bids within the grant funds available.
- TranSystems proceeded as directed and repacked and rebid the 2-Unit Corporate Hangar.
- After rebidding the project, the project was awarded to Darr Construction, Inc., who will begin construction work this summer.
- TranSystems' Aviation Services group tracked their labor expenses separately for repackaging and rebidding. The labor effort resulted in an amount of \$9,146.00 for which they have submitted the attached supplement request. This actual amount is less than the \$14,055.00 that TranSystems estimated for the February 9, 2023, Special Airport Authority meeting. TranSystems' Aviation Services group also had additional effort to prepare a variance request and to participate in Richland Township's Zoning Hearing Board meeting. This effort resulted in a cost of \$4,220.00. Thus, TranSystems' Aviation Services group Supplement request totals \$13,366.00.
- TranSystems' Architectural and Engineering (A/E) group tracked their labor expenses separately for repackaging and rebidding. The labor effort resulted in an amount of \$11,734.68 for which they have submitted a supplement request. This actual amount is less than the \$13,110.00 that TranSystems estimated for the February 9, 2023, Special Airport Authority meeting.
- **Recommendation: We recommend that the Airport Authority approve TranSystems' Aviation Services group and Architectural and Engineering (A/E) group supplements in the amounts of \$13,366.00 and \$11,734.68, respectively.**
- **The action to approve this item is listed on the agenda under the Finance and Administration Committee.**

2-Unit Corporate Hangar – Leasing

- As you know, we are in the process of constructing two 62-foot by 65-foot corporate hangars between existing Hangars 11 and 12 along Fox Run Road.
- We have two (2) potential tenants interested in these new hangars.
- At the August 16, 2022, meeting, the Airport Authority approved a monthly lease rate of \$1,500.00 per unit/hangar.
- In preparation for the hangars being constructed and leased, we have prepared the attached draft lease agreement, which has been reviewed by the Facility and Administration Committee.
- After reviewing the lease, Solicitor Leventry added text to allow the Airport Authority to terminate the lease at the end of each term and revised the subleasing section. Attached is the revised lease.
- **Recommendation: We recommend that the Airport Authority approve the draft lease for the 2-Unit Corporate Hangars.**
The action to approve this item is listed on the agenda under the Facility and KOZ Committee.

Runway 33 Approach Obstruction Removal

- During the annual 5010 Airport Master Record Inspection, the PennDOT Bureau of Aviation (BOA) identified tree obstructions in the approach to Runway 33, specifically, trees located between Airport Road and US Route 219. To prevent the trees from impacting the approach minimums, these tree obstructions should be removed.
- This project is programed for funding in the FAA ACIP / BIL Program.
- TranSystems has prepared and provided an Engineering Agreement for the design, bidding, and construction phase services for this project.
- TranSystems has provided a construction cost estimate.
- We have reviewed the agreement and find it acceptable. However, prior to executing the agreement, the agreement should be reviewed and approved by the FAA.
- The FAA will require an IFE (Independent Fee Estimate) to verify the proposed Engineering Agreement fee is reasonable.
- **Recommendation: We recommend that the Airport Authority approve the TranSystems Engineering Agreement for execution in an amount of \$21,464.00 pending the completion of an IFE and the FAA's concurrence of the Engineering Agreement.**
- **The action to approve this item is listed on the agenda under the Finance and Administration Committee.**

Fire Protection Systems

- In 2023, when switched insurance brokers, as part of that process, our new insurance broker and a representative of the insurance provider completed a one-day tour of our airport facilities and provided some recommendations. We have been working through those recommendations. One of those recommendations was regarding fire protection systems in the Terminal Building and the ARFF (Aircraft Rescue and Fire Fighting) Building.
- Terminal Building
 - o It is recommended that sensors and alerting devices be tested at least annually by a qualified vendor.
- ARFF Building
 - o There is no central station monitoring smoke or heat sensors system in the ARFF Building. It is recommended that a detection system be installed in the ARFF Building.
- Quotes
 - o We obtained quotes from DirecTec LLC and Barclay Electric, Inc. The following is a summary of those quotes:

Type of Service	DirecTec LLC	Barclay Electric, Inc.
Terminal Building Fire Alarm Inspection	\$766.50	\$1,137.00
Annual Fire Alarm Monitoring for Terminal Building	\$625.00 / year	\$180.00 / year
Annual Fire Alarm Monitoring for ARFF Building	\$625.00 / year	\$180.00 / year
Add CO Detectors to ARFF Building	\$1,914.83	\$11,850.00
ARFF Building Fire Alarm (COSTARS# 534104)	\$9,987.00	
Cellular Communicator and First Year of Fire Alarm Monitoring for Terminal & ARFF Buildings	\$2,108.35	

- We have contacted Solicitor Leventry to verify we are in compliance with the 2023 public bidding threshold requirements.

- **Recommendation: We recommend that the Airport Authority approve Barclay Electric, Inc. to complete Terminal Building Fire Alarm Inspection, to provide Fire Alarm Monitoring for the Terminal & ARFF Buildings, and to install a fire alarm system in the ARFF Building per the quotes provided.**
- **The action to approve this item is listed on the agenda under the Finance and Administration Committee.**

Parking Lot Rehabilitation

- The Terminal Building Parking Lot construction work is on-going.
- This project was bid in July 2022 with a Base Bid and five (5) Add Alternate Bids to provide flexibility to award the project based on the bid results and available funds.
- Based on funds available and future planned projects, the Base Bid and Add Alternate Bid Nos. 1, 2, 3, and 5 were awarded to the low bidder, HRI, Inc. Add Alternate Bid No. 4 (the restaurant parking area) was not awarded.
- Add Alternate Bid No. 4 was not awarded for multiple reasons, which included:
 - o The restaurant parking area is not used by passengers nor restaurant patrons.
 - o In the future, if the Terminal Building is expanded, the restaurant parking area may be included in the expansion.
 - o The original amount budgeted for construction was \$167,855. If the entire project were awarded, including Add Alternate Bid No. 4, the project would have been \$95,702.50 over the original budgeted amount.
- Since the date of awarding the project, we have learned that the FAA will only support (fund) a Terminal Building Expansion when we can justify an expansion by demonstrating that our existing building is incapable of handling the current passenger volume.
- The Restaurant Parking Lot pavement is in poor condition.
- We have contacted HRI, Inc., who have stated that they would hold/honor their unit prices for the Add Alternate Bid No. 4 bid amount. However, they are requesting an additional mobilization fee due to the phasing structure of this project. The total for Add Alternate No. 4 would be \$84,778.50.
- We have reviewed our CARES Act savings account balance versus our remaining CARES Act projects expenses. We have sufficient funds to complete Add Alternate Bid No. 4 - Restaurant Parking Lot.
- **Recommendation: We recommend that the Airport Authority approve the award of Add Alternate Bid No. 4 - Restaurant Parking Lot in an amount of \$84,778.50 to HRI, Inc. as part of their current, existing contract.**
- **The action to approve this item is listed on the agenda under the Finance and Administration Committee.**

Airport Land Development Zone (ALDZ)

- The Airport Land Development Zone (ALDZ) program is an incentive-based tax credit program to foster redevelopment of vacant, underutilized land sites owned by airports, providing new revenue sources to the airport.
- Upon approval by the Department of Community and Economic Development (DCED), employers in an ALDZ may earn a tax credit of up to \$2,100 for each full-time employee in the Zone. These tax credits may be earned in any tax year for up to ten years during the period between July 1, 2022, and June 30, 2041 and may be assigned, sold, or used to offset the businesses' qualified tax liability.
 - o We recommend adding the three (3) KOZ lots into the ALDZ.
 - The reasoning for adding the KOZ to the ALDZ: If a parcel were permitted to be in both the ALDZ and a KOZ, it would give the employer the option to choose the credit from either the ALDZ or the KOZ that best fits his company, as long as the employer doesn't try to claim credit from both programs.
 - o We recommend adding to the ALDZ a vacant, undeveloped area between Hangars 11 and 12 where we will be constructing two-unit corporate hangars.
 - o We recommend adding to the ALDZ a vacant, undeveloped area between Hangars 13 and 14 where potentially a hangar could be constructed.
 - Adding these hangars to the ALDZ may help attract and maintain hangar tenants.
- **Recommendation: We recommend that the Airport Authority approve to be submitted to the DCED to be included within the Airport Land Development Zone (ALDZ) the following:**
 - o **the three (3) KOZ lots,**

- the vacant, undeveloped area between Hangars 11 and 12 where the two-unit corporate hangars will be constructed, and
 - the vacant, undeveloped area between Hangars 13 and 14 where potentially a hangar could be constructed.
- The action to approve this item is listed on the agenda under the Facility and KOZ Committee.

Hangar 15 Renovations – RACP Grant

- In December 2021, Nulton Aviation Services, Inc. (NAS) received a letter from the Office of the Governor authorizing the release of \$575,000 in RACP Program funding for Hangar 15C Renovations. By an agreement executed between the Airport Authority and NAS, which was dated February 10, 2022, the Airport Authority agreed to be the Grant Applicant and the Grant Recipient.
- On May 12, 2023, we had a conference call with the RACP Consultant to review the initial application submission and to discuss what other documentation must be submitted. Per the meeting minutes, the Applicant (Airport Authority) needs to be submit a Cooperation Agreement or ordinance that, at a minimum, authorizes the project and obligates the host municipality or county to reimburse the Commonwealth for any reimbursements that may later be determined to have been ineligible.
- The KSA Group provided a Draft Cooperation Agreement. This document is similar to the type of agreement the county enters into with JARI for RACP projects.
- Solicitor Leventry has reviewed the Draft Cooperation Agreement and found it to be satisfactory. He recommended that the Airport Authority approve the Cooperation Agreement and then forward it to the County for signature.
- **Recommendation: We recommend that the Airport Authority approve the execution of the attached Cooperation Agreement.**
- **The action to approve this item is listed on the agenda under the Facility and KOZ Committee.**

Airport Operations Report:

- On 6/22 I attended the final project meeting for the car wash building. The contractor has completed the punch list items and the building is in use by Hertz employees.
- On 6/22 I attended the punch list inspection for the RWY 5/23 LED lights and signs project. The contractors have completed the replacement of the lights, signs, regulator and have installed the snowplow rings on the 5/23 in pavement lights. A punch list has been generated and the contractors are working to complete the final items. We are still awaiting the replacement of the failed RWY 33 in-pavement light.
- Construction to install the new hangar door on building 15A has begun. Contractors have also begun to install sediment controls in preparation to begin the new 2-unit hangar project.

Kimball’s Engineer’s Report: Bernie Dungen

1) SFY 2020 Project - Terminal Building HVAC Upgrades

- a) TranSystems is preparing the grant closeout paperwork.

PennDOT BOA Grant Agreement Number	Total Grant (100%)	FAA Share (0%)	State Share (50%)	Sponsor Share (50%)	Addition al Local Share	Total Project Amount
ACB-2020-JCCAA-00007	\$500,000.00	\$0.00	\$250,000.00	\$250,000.00	\$97,528.50	\$597,528.50

2) FFY 2021 Project - Runway 15-33 LED Lights and Signs

- a) The contractor has most of the work on this project completed. They were some issues with installing snowplow rings on a few of the in-pavement lights, a few options are being reviewed.

FAA AIP No.	Total Grant (100%)	FAA Share (100%)	State Share (0%)	Sponsor Share (0%)

3-42-0045-056-2021	\$323,135.00	\$323,135.00	\$0.00	\$0.00
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3) **FFY 2021 Project - Remove Obstructions – Former Blair and Horner Properties**

- a) On June 15th, a final inspection was held with the FAA and contractors. Final redline as-builts are still needed from the contractor before final retainage can be released.
- b) TranSystems will be preparing the final documents and the grant closeout paperwork for this project.

FAA AIP No.	Total Grant (100%)	FAA Share (100%)	State Share (0%)	Sponsor Share (0%)
3-42-0045-061-2021	\$96,695.20	\$96,695.20	\$0.00	\$0.00

4) **FFY 2022 Project - Runway 5-23 LED Lights and Signs**

- a) The contractor has the majority of work on this project. There were some issues with installing snowplow rings on a few of the in-pavement lights, a few options are being reviewed.
- b) A final inspection will be scheduled.

FAA AIP No.	Total Grant (100%)	FAA Share (100%)	State Share (0%)	Sponsor Share (0%)
3-42-0045-060-2022	\$215,524.00	\$204,747.00	\$5,338.00	\$5,389.00

5) **FFY 2022 Project – Construct 2-Unit Hangar**

- a) Construction work has begun.
- b) TranSystems has submitted a supplement to the airport for repacking and rebidding services.

6) **FFY 2022 – Construct Car Wash**

- a) A final inspection was completed, a punch list was sent to the contractor.
- b) TranSystems will be preparing the final documents and closeout paperwork for this project.

7) **FFY 2022 – Rehabilitate Terminal Parking Lot**

- a) Construction has started and will continue this month based on clearing the phase areas of the parking lot and weather.

FAA AIP No.	Total Project Costs (100%)	FAA Share (0%)	State Share (0%)	Sponsor Share (100%)
N/A	\$206,252.00	0	0	\$206,252.00

8) **FFY 2022 – Terminal Building Renovations**

- a) Darr construction has replaced 2 flat roofs on the terminal building.
- b) Darr will be replacing a double leaf exit door at Flair of Country.

Solicitor’s Report: Attorney Tim Leventry

GENERAL SESSION MATTERS:

During the previous month, our office worked on the following items on behalf of the Johnstown-Cambria County Airport Authority (the "Authority"):

\$575,000 RACP Loan. By letter dated July 11, 2023, I advised Cory Cree of our review of the Redevelopment Assistance Capital Program for the Cambria County Airport Hangar 15 C, along with the Cooperation Agreement between the County and the Airport (attached herewith). The Cooperation Agreement provides that in the event it is determined by the Commonwealth of Pennsylvania or a Court of Final Jurisdiction that any of the RACP Funds received by the Airport under the Grant Agreement were ineligible expenditures that the County will reimburse the Commonwealth of Pennsylvania.

I found the Agreement to be satisfactory and recommend the Board approve same and then forward same to the County for signature. There is no reciprocal requirement placed on the Airport.

Additionally, we prepared an Opinion of Counsel letter relative to the Authority's ability to enter into the RACP Program \$575,000 Grant as requested by Cory Cree.

Airport Fire Alarm Systems. By email dated July 11, 2023, Cory Cree inquired about the 2023 bidding threshold requirements relative to the work needing completion for the fire alarm systems. We researched this issue and advised Cory Cree accordingly by letter dated July 12, 2023.

After reviewing the work that needs to be done, it appears there, at a minimum, are two (2) different distinct jobs; 1) the Terminal Building fire alarm inspection; and 2) the work to be done at the ARFF building involving the CO detectors and the building fire alarm. Based on the fact that the Terminal Building is clearly separate and distinctly different from the work on the ARFF Building, the work for each of these projects may be given to different contractors without combining the costs for bidding proposals. Given the actual cost in doing the ARFF work is below the \$12,200 threshold required to receive at least three (3) written telephonic quotes, the Authority does not have to go through any formal bidding process or telephonic quotations for either of these projects.

With regard to the work at the ARFF Building, Barclay's quote is the lowest the Airport received, therefore, awarding the ARFF Building project to Barclay is definitely in order.

With regard to the Terminal Building, given the total amount of this job is \$1,137.00, well below the requirements for obtaining any bidding, the Airport would have the right to proceed with awarding the contract to Barclay Electric. The Airport would be justified in awarding this contract to Barclay given their familiarity with all the electrical systems at the Airport.

Finance and Administration Jonathan Gleason, (Chair), George Arcurio, Ed Cernic Jr., and Dennis Kotzan

Audit Engagement Addendum

Jonathan Gleason made a motion to approve the Kotzan CPA & Associates, P.C. addendum request, which increases the Single Audit Fees by \$2,000.00 for audit years 2022 and 2023. The motion was seconded Tim Mcllwain and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

2-Unit Corporate Hangar – Contracting

Jonathan Gleason made a motion to approve TranSystems' Aviation Services group and Architectural and Engineering (A/E) group supplements in the amounts of \$13,366.00 and \$11,734.68, respectively. The motion was seconded by Mike Parrish and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Runway 33 Approach Obstruction Removal

Jonathan Gleason made a motion to approve the TranSystems Engineering Agreement for execution in an amount of \$21,464.00 pending the completion of an IFE and the FAA's concurrence of the Engineering Agreement. The motion was seconded by Jolene Wesner and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Fire Protection Systems

Jonathan Gleason made a motion to approve Barclay Electric, Inc. to complete Terminal Building Fire Alarm Inspection, to provide Fire Alarm Monitoring for the Terminal & ARFF Buildings, and to install a fire alarm

system in the ARFF Building per the quotes provided. The motion was seconded by Adam Murphy and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Parking Lot Rehabilitation

Tim Mcllwain made a motion to approve the award of Add Alternate Bid No. 4 - Restaurant Parking Lot in an amount of \$81,678.50 to HRI, Inc. as part of their current, existing contract. The motion was seconded by Jolene Wesner and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; and Jonathan Gleason (6).
Nays: None (0)
Mike Parrish abstained.

Facility and KOZ: Tim Mcllwain, (Chair), Mike Parrish, Jim Brazill, and Dennis Kotzan

2-Unit Corporate Hangar – Leasing

Tim Mcllwain made a motion to approve the draft lease for the 2-Unit Corporate Hangars. The motion was seconded by Mike Parrish and passed by the following vote:

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Airport Land Development Zone (ALDZ)

Tim Mcllwain made a motion to approve to be submitted to the DCED to be included within the Airport Land Development Zone (ALDZ) the following: The motion was seconded by Mike Parrish and passed by the following vote:

- **The three (3) KOZ lots, the vacant, undeveloped area between Hangars 11 and 12 where the two-unit corporate hangars will be constructed, and the vacant, undeveloped area between Hangars 13 and 14 where potentially a hangar could be constructed.**

Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Hangar 15 Renovations – RACP Grant

Tim Mcllwain made a motion to approve the execution of the attached Cooperation Agreement. The motion was seconded by Jolene Wessner and passed by the following vote:

- Yeas: Rick McQuaide; Tim Mcllwain; Jolene Wesner; Jim Brazill; Adam Murphy; Mike Parrish and Jonathan Gleason (7). Nays: None (0)

Enplanements: Mike Parrish, (Chair), Jonathan Gleason, Adam Murphy, Larry Hoover, and Larry Nulton
N/A

Personnel: George Arcurio, (Chair), Ed Cernic Jr, Jolene Wesner
N/A

Military: Adam Murphy, (Chair), Tim Mcllwain, and Jolene Wesner
N/A

9. Resolutions

10. Adjournment

The meeting was adjourned at 4:32 pm

Minutes approved by