

MINUTES OF THE JANUARY 20, 2023  
THE ALLEGHENY COUNTY AIRPORT AUTHORITY  
BOARD MEETING

A meeting of the Board of Directors of The Allegheny County Airport Authority was held at 11:00 a.m. on Friday, January 20, 2023, at Pittsburgh International Airport.

Members in Attendance in person:

David Minnotte, Chairman  
Lance Chimka  
Jan Rea  
Dr. William Curtis  
Ashley Henry-Shook  
Matt Smith  
Tom McIntyre

Via WebEx:

Randy Vulakovich

Also, in Attendance:

Christina A. Cassotis, Chief Executive Officer  
Eric Sprys, Executive Vice President and Chief Financial Officer  
Jeffrey W. Letwin, Solicitor  
Mark Nowak, Special Counsel  
Members of staff, press and public

The Chairman called the meeting to order and asked for approval of the minutes of the meeting of the Board of Directors of December 16, 2022.

The Chairman called on Mr. Vulakovich who reported that the Operations and Facilities Committee met and approved the minutes of the December 16, 2022 meeting. The following Action Items were presented:

- Action Item No. 33-23 PAGE Industries, Inc. - Authorization is requested to enter into an agreement with PAGE Industries, Inc. for an amount not to exceed \$200,000.00. The term of this agreement will be from February 1, 2023 to December 31, 2024. This agreement is for the purchase of replacements parts for the Passenger Boarding Bridges (PBB) at Pittsburgh International Airport.
- Action Item No. 34-23 Unified Supply Company - Authorization is requested to enter into an agreement with Unified Supply Company for an amount not to exceed \$100,000.00. The term of this agreement will be from February 1, 2023 to December 31, 2024. This agreement is for the purchase of replacement parts for the Automated Baggage Systems at Pittsburgh International Airport.

- Action Item No. 36-23 JBT AeroTech - Authorization is requested to enter into an agreement with JBT AeroTech for an amount not to exceed \$750,000.00. The term of this agreement is from February 1, 2023 to December 31, 2025. This agreement is for the purchase of replacement parts for the Passenger Boarding Bridges (PBB) at Pittsburgh International Airport.
- Action Item No. 35-23 Velociti - Authorization is requested to execute Change Order #1 to Contract #5189 with Velociti. This Change Order will increase the contract amount by \$237,652.75 from \$178,864.00 to \$416,516.75, and will extend the contract term through June 30, 2023. This change is necessary for the cleaning of the food court and concession areas at Pittsburgh International Airport.
- Action Item No. 31-23 Eastern Fleet Supply Company - Authorization is requested to enter into an agreement with Eastern Fleet Supply Company for an amount not to exceed \$400,000.00. The term of this agreement will be from February 1, 2023 to January 31, 2024. This agreement is for automotive parts and accessories to maintain Authority's fleet vehicles.
- Action Item No. 32-23 Schmidt Market Research, Inc. - Authorization is requested to approve Revision Request #3 to Contract #4396 with Schmidt Market Research, Inc. This Revision Request will increase the contract amount by \$129,600.00, from \$118,000.00 to \$247,600.00 and will extend the contract term through December 31, 2023. This change is necessary for Schmidt Market Research to continue conducting customer research.
- Action Item No. 41-23 Solutions4Networks - Authorization is requested to approve new statements of work (SOW) with Solutions4Networks for an amount not to exceed \$941,088.00 The term of these SOW will be from January 1, 2023 to December 31, 2023. These SOW are for services supporting the Network Transformation Project, the Server Upgrade Project, and several operational purchases at Pittsburgh International Airport. This falls under MSA #4658 signed February 10, 2021.
- Action Item No. 43-23 Aspirant - Authorization is requested to approve new statements of work (SOW) with Aspirant for an amount not to exceed \$1,100,000.00. The term of these SOW will be from January 1, 2023 to February 28, 2024. These SOW are for program and project management services supporting the Network Transformation and Server Upgrade Projects at Pittsburgh International Airport. This falls under MSA #4566 signed September 1, 2020.
- Action Item No. 37-23 Landscape Package - Authorization is requested to reject, in its entirety, the bid received for Project No. 22LG01, Landscape Package at Pittsburgh International Airport, and re-advertise.
- Action Item No. 39-23 CSK Advertising - Authorization is requested to approve Amendment #1 to Contract #5221 with CSK Advertising. This amendment will

increase the contract amount by \$150,000.00 from \$40,000.00 to \$190,000.00 and will extend the contract term through January 31, 2024. This amendment is for media buying services for the Terminal Modernization Program and will have an option to renew for up to two additional years.

- Action Item No. 40-23 Alisha Wormsley - Authorization is requested to approve Amendment #2 to Contract #4895 with Alisha Wormsley. This amendment will increase the contract amount by \$435,000.00 from \$15,000.00 to \$450,000.00. This amendment is necessary to implement the artwork to be placed at the International Arrivals corridor.

Upon motion duly made and seconded, the foregoing Action Items were approved.

Mr. Vulakovich reported that the committee did not enter into Executive Session.

The chairman called on Ms. Shook who reported that the Business & Communications Committee and approved the minutes of the meeting of December 16, 2022. The following Action Items were presented:

- Action Item No. 42-23 Synergy Media Group - Authorization is requested to approve Revision Request #2 to Contract #4919 with Synergy Media Group. This Revision Request will increase the contract amount by \$166,175.00 from \$70,274.00 to \$236,449.00, and will extend the contract term through December 31, 2023. This change is necessary for conference room upgrades at Pittsburgh International Airport.
- Action Item No. 38-23 Dentons, Cohen Grigsby, P.C. - Authorization is requested to approve Revision Request #7 to Contract #2839 with Dentons, Cohen & Grigsby, P.C. This revision request will increase the contract by \$298,500.00 from \$1,182,000.00 to \$1,480,500.00 and will extend the contract term through December 31, 2025. This revision is necessary to perform state government consulting and/or lobbying services on behalf of the ACAA in connection with various state government.

Upon motion duly made and seconded, the foregoing Action Items were approved.

Ms. Shook reported that the committee did not enter into Executive Session.

The Chairman next called on Mr. Smith who reported that the Finance and Administration Committee met and approved the December 16, 2022 meeting minutes. The following Action Item was presented:

- Action Item No. 22-23 Wesley & Associates, Inc. d/b/a Science + Soul of Speaking - Authorization is requested to approve Revision Request #2 to Contract #5085 with Wesley & Associates, Inc. d/b/a Science + Soul of Speaking. This Revision Request will increase the contract amount by \$495,000.00 from \$165,000.00 to \$660,000.00 and extend the term of this agreement through December 31, 2023. This change is



necessary for continuation of strategic advisory services in support of key organizational initiatives.

Upon motion duly made and seconded, the foregoing Action Items were approved.

Mr. Smith reported that the Committee entered into Executive Session to discuss employment matters and no action was taken.

Ms. Christina Cassotis presented the December 2022 air service dashboard. Ms. Cassotis began the presentation stating the Pittsburgh market continued to recover in 2022, with 8.1 million passengers flying through PIT at 83% of 2019's total of 9.8 million passengers. Passengers in the month of December 2022 totaled 666,300, a 5.6% increase when compared with December 2021, which had 631,200 total passengers. Total year to date passengers for December 2022 is 8,113,800 which is a 27.7% increase compared to December 2021 which was 6,354,800. Ms. Cassotis reported that last year, passenger traffic recovered to 83% of pre-pandemic levels which was slightly below our forecast of 84%. This year, we are forecasting passenger recovery to be at 90% of pre-pandemic levels. Ms. Cassotis reported the four airlines with the highest percentage of passengers were: American 24.4%, Southwest 22.0%, United 16.4% and Delta 16.1%. Spirit, Allegiant, JetBlue, and Alaska collectively make up 17%.

Ms. Cassotis reported total year-to-date cargo for December 2022 was 219,700,000 pounds which is a 11.9 % decrease when compared to December 2021 which was 249,400,000 pounds. Ms. Cassotis reported while near-term air cargo demand is down, December 2022 air cargo at PIT is up 13% versus December [2015?]. Ms. Cassotis reported FedEx, UPS and Amazon continue to transport the bulk of cargo volume at PIT, comprising over 95% of all cargo carried at the airport in December.

Next, Ms. Cassotis reported on the Allegheny County Airport Dashboard for the 4<sup>th</sup> quarter 2022. Ms. Cassotis highlighted the busy year at the AGC had which included, Allegheny County Airport hosted several VIP movements throughout the course of 2022, including two presidential visits, highlighting the key role that the airport plays in the Pittsburgh region. Also AGC also hosted several community and corporate events last year and welcomed ATP, the country's largest flight school, which opened in February 2022. Ms. Cassotis highlighted the robust nature of the general aviation industry, AGC experienced its second-best year since 2015, with nearly 63,000 annual operations. Ms. Cassotis reported on the 4<sup>th</sup> quarter air traffic. For the 4<sup>th</sup> quarter 2022, air traffic was at 16,075 which is an increase when compared to 4<sup>th</sup> quarter 2021 which was 15,553.

The Chairman next called for new business and reported that he had one additional item to be considered as part of today's agenda and that is an addendum to the contract of the Airport Authority CEO, Christina Cassotis, and outlining the terms of her well-deserved performance payment.

Before reading the resolution, the Chairman recognized the accomplishments of this Airport team, led by Christina, during the past 12 months. She and her team think big and leveraged all assets of our airports to drive economic impact for the region.

The accomplishments in the past year include:

- Securing the return of British Airways and then leading a successful community delegation to London, resulting in additional service.
- Rebuilding our domestic air service portfolio with multiple new routes and available seats nearing pre-pandemic levels.
- Breaking ground on the new Cargo 4 facility which will increase our capacity and grow PIT into an international logistics center.
- Saving more than \$1,000,000 in utilities and cutting carbon emissions more than 8,000,000 pounds in the first year of operation of our first-in-the-world microgrid.
- Continuing to grow Neighborhood 91 and developing a new, advanced manufacturing industry in the region.
- Investing in our xBridge Innovation Center that highlights our region's growing tech economy and position our Airport as an industry leader.
- Leading the organization's transformation by focusing on a highly performing team culture that includes everyone from the front office to the front line.
- Incorporating an Agile team approach to create and elevate new customer experiences.
- All of this while successfully guiding our new terminal program as structural steel went vertical last year.

The Airport Authority also continues to be competitive financially under Christina's leadership and revenue is growing. It is the airlines who cover the vast majority of the Airport's budget, and they are supportive of her and her team and our budget. There is no county taxpayer money in our budget.

We also need to recognize the intense competition for talent that is underway across the country. In order to keep top people, salaries must be reflective of their work.

Last year this Board set the CEO annual bonus at 45%, subject to meeting the performance goals set by the Chairman. I have received and reviewed the performance goals with the CEO and have approved the same. I also believe the CEO has met or exceeded each of these performance goals and has, therefore, earned the 45% salary bonus as approved by the Board in the 2022 resolution.

Her compensation is in line with what other airports nationally and internationally are paying to secure and keep top talent. With that having been said, I ask our Solicitor to read the resolution.

The Chairman next made a motion approving the Contract Addendum as presented by the Solicitor and asked for someone to second that motion. Ms. Rea responded by seconding the motion. The Chairman next asked for any comments, there being none, noted that the motion was unanimously carried and the Contract Addendum is approved.



RESOLVED, that at the meeting of the Board of Directors of the Authority held on January 21, 2023, the Board approved a Resolution that the CEO's Employment Contract be amended to, among other things, set the annual bonus at 45% subject to the CEO meeting performance goals agreed upon with the Chairman. The Chairman stated he received and reviewed the performance goals with the CEO and the CEO has met or exceeded those goals. The Solicitor was directed to amend the CEO's Contract to effectuate the terms of the aforesaid Resolution and the Chairman is authorized to execute the same on behalf of the Authority. The Contract amendment, in the form of the Addendum presented by the Solicitor incorporates the terms of the Resolution and is presented today for approval by the Board. A copy of the Addendum has been circulated to the Board.

The CEO thanked Mr. Minnotte and the Board members for their guidance over the past years, their confidence in her and recognition of her performance.

The Chairman next called for additional new business and asked for nominations for officers for the Board for 2023. Jan Rea presented a slate of the existing officers to be re-elected for another term. Upon motion duly made, seconded and unanimously approved the following officers were elected to their positions for a period of one (1) year or until their successors are duly nominated and elected:

David Minnotte - Chairman  
Matt Smith - Vice Chairman  
Ashley Henry-Shook – Secretary  
Jan Rea – Treasurer

The Chairman next announced the Committee assignments for 2023:

1. Operations and Facilities
  - a. Chair – Randy Vulakovich
    - i. David Minnotte
    - ii. Tom McIntyre
    - iii. Dr. William Curtis
    - iv. Matt Smith
    - v. Jan Rea
2. Business and Communications
  - a. Chair – Ashley Henry-Shook
    - i. Lance Chimka
    - ii. Dr. William Curtis
    - iii. Cynthia Shapira
    - iv. Jan Rea
    - v. David Minnotte
3. Finance and Administration
  - a. Chair – Matt Smith
    - i. Cynthia Shapira

- ii. Ashley Henry-Shook
  - iii. Lance Chimka
  - iv. David Minnotte
4. Audit Committee
- a. Chair - Jan Rea
    - i. Cynthia Shapira
    - ii. Matt Smith

The Chairman stated there was no need for an Executive Session and the meeting stood adjourned.



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Ashley Henry-Shook, Secretary