

**MINUTES OF THE JANUARY 19, 2024
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 19, 2024, at Pittsburgh International Airport.

Members in attendance in person:

David Minnotte, Chairman

Jan Rea

Tom McIntyre

Via Teams:

Matt Smith

Ashley Henry-Shook

Randy Vulakovich

Cynthia Shapira

Also, in attendance:

Christina A. Cassotis, Chief Executive Officer

Eric Sprys, Executive Vice President & Chief Financial Officer

Jeffrey W. Letwin, Solicitor

Members of staff, press and public

Mr. Minnotte called the meeting to order and asked for approval of the minutes of the meeting of the Board of Directors of December 15, 2023.

Mr. Minnotte called on Mr. Vulakovich who reported that the Operations and Facilities Committee met and approved the minutes of the December 15, 2023 meeting. The following Action Items were presented:

- Action Item No. 46-24 Siemens Industry, Inc. - Authorization is requested to approve Revision Request #2 to Contract #4651 with Siemens Industry, Inc. This Revision Request will increase the contract amount by \$416,225.00 from \$1,250,042.08 to \$1,666,267.08, and will extend the contract term through February 5, 2025. This change is necessary to provide access control, alarm monitoring and CCTV Video Surveillance systems at Pittsburgh International and Allegheny County Airports.
- Action Item No. 34-24 W.G. Tomko, Inc. (HVAC) - Authorization is requested to approve Change Order #10 to Contract #4922 with W.G. Tomko, Inc. (HVAC). This change order will increase the contract amount by \$2,172,361.90 from \$36,464,211.11 to \$38,636,573.01. This change is necessary to fund various construction tasks for the new Terminal and various other airport renovations.

- Action Item No. 37-24 W.G. Tomko, Inc. (Plumbing and Fire Suppression) - Authorization is requested to approve Change Order #7 to Contract #4923 with W.G. Tomko, Inc. (Plumbing and Fire Suppression). This change order will increase the contract amount by \$1,235,831.00 from \$15,692,814.86 to \$16,928,645.86. This change is necessary to fund various construction tasks for the new Terminal and various other airport renovations.
- Action Item No. 36-24 Permission to Award Core Ceiling Renovations - Authorization is requested for the Chief Executive Officer to award and execute a contract with the lowest responsible bidder meeting the requirements of the contract documents for bids opened on January 10, 2024, or to reject bids individually or in their entirety and re-advertise, with the concurrence of the solicitor should that be necessary for Project Number 23TG03, Core Ceiling Renovations for the Terminal Modernization Program at Pittsburgh International Airport.
- Action Item No. 41-24 Permission to Award Landscape Package - Authorization is requested for the Chief Executive Officer to award and execute a contract with the lowest responsible bidder meeting the requirements of the contract documents for bids opened on January 24, 2024, or to reject bids individually or in their entirety and re-advertise, with the concurrence of the solicitor should that be necessary for Project Number 22LG01 - REBID, Landscape Package for the Terminal Modernization Program at Pittsburgh International Airport.
- Action Item No. 33-24 Solutions4Networks - Authorization is requested to purchase network hardware, software, and associated manufacturer support items from Solutions4Networks for an amount not to exceed \$3,000,000.00, utilizing the Pennsylvania Co-Stars purchasing program. This purchase is necessary for the Terminal Modernization Program (TMP) network and information technology infrastructure at Pittsburgh International Airport. This falls under MSA #4658 signed February 10, 2021.
- Action Item No. 35-24 Joseph B. Fay Company - Authorization is requested to approve Change Order #18 to Contract #4907 with Joseph B. Fay Company. This change order will increase the contract amount by \$2,484,390.99 from \$174,003,293.38 to \$176,487,684.37. This change is necessary to fund various construction tasks for the Terminal Modernization Program (TMP).
- Action Item No. 39-24 TranSystems Corporation - Authorization is requested to enter into an agreement with TranSystems Corporation d/b/a TranSystems Corporation Consultants for an amount not to exceed \$229,500.00. The term of this agreement will be for 24 months from the notice to proceed. This agreement is for design engineering services for Project Number 8G2-24, 2024 Terminal Apron Rehabilitation at Pittsburgh International Airport.
- Action Item No. 40-24 Stantec Architecture and Engineering LLC - Authorization is requested to approve Change Order #2 to Contract #5395 with Stantec Architecture

and Engineering LLC. This change order will increase the contract amount by \$470,200.00 from \$635,193.92 to \$1,105,393.92. This change is necessary for additional engineering services for Project 55A1-23, Holdroom Renovations Project at Pittsburgh International Airport.

Upon motion duly made and seconded, the foregoing Action Items were approved; Ms. Henry-Shook abstained from voting on Action Item No. 35-24.

Mr. Vulakovich reported that an information item was presented by Paul Hoback. The Committee did not enter into Executive Session.

Mr. Minnotte next called on Ms. Henry-Shook who reported that the Business and Communications Committee met and approved the minutes of the meeting of December 15, 2023. The following Action Items were presented:

- Action Item No. 42-24 Atlantic Aviation - Authorization is requested to enter into a Lease Agreement with Atlantic Aviation for Hangar 54 at Allegheny County Airport. The term of the agreement will be from February 1, 2024 through November 30, 2036. The rental rate will be \$4.50 per square foot, or \$18,540.00 per year, with three (3%) percent annual escalations over the term of the agreement. The Authority will reimburse Atlantic \$38,530.00, or \$7,706.00 per year over 5 years, for hangar improvements that are not limited to general conditions, electrical, plumbing, and HVAC.
- Action Item No. 44-24 Namloc LLC - Authorization is requested to approve Revision Request #3 to Contract #5076 with Namloc LLC. This Revision Request will increase the contract amount by \$595,505.00 from \$765,960.00 to \$1,361,465.00, and will extend the contract term through December 31, 2024. This change is necessary for management services for the ACAA xBridge Innovation Hub.
- Action Item No. 43-24 Carahsoft - Authorization is requested to purchase Salesforce licenses with Carahsoft for an amount not to exceed \$102,200.25, utilizing the Pennsylvania DGS contract #4400028357. This purchase is necessary for the yearly renewal of licenses for the Salesforce Service Cloud.
- Action Item No. 45-24 Carahsoft - Authorization is requested to execute Amendment #1 to Contract #5523 with Carahsoft. This amendment will increase the contract amount by \$204,822.88 from \$300,000.00 to \$504,822.88, and will not extend the contract term. This amendment is necessary for the Service Now Phase 1 Implementation.
- Action Item No. 15-24 Department of Transportation 75% Grant - Board Ratification of the Allegheny County Airport Authority Chief Executive Officer's application for, and if awarded, acceptance of the Department of Transportation (DOT) 75% Grant in the amount of \$18,801,811.46 for the Production of Commercially Viable SAF via Domestically Produced Oil Seeds and Wastes.

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

Ms. Ashley-Shook reported that the Committee did not enter into Executive Session.

Mr. Minnotte next called on Mr. Smith, who reported that the Finance and Administration Committee met and approved the December 15, 2023 meeting minutes. The following Action Items were presented:

- Action Item No. 48-24 Wesley & Associates, Inc. d/b/a Science + Soul of Speaking - Authorization is requested to approve Revision Request #4 to Contract #5085 with Wesley & Associates, Inc. d/b/a Science + Soul of Speaking. This Revision Request will increase the contract amount by \$650,000.00 from \$660,000.00 to \$1,310,000.00, and will extend the contract term through (December 31, 2024). This change is necessary for continuation of services related to CEO Strategy Advisory services.
- Action Item No. 955-23 Schmidt Market Research, Inc. - Authorization is requested to approve Revision Request #4 to contract #4396 with Schmidt Market Research, Inc. This Revision Request will increase the contract amount by \$124,000.00 from \$247,600.00 to \$371,600.00 and will extend the contract term through December 31, 2024. This change is necessary for Schmidt Market Research to continue conducting customer research.

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. The Committee reconvened in open session and voted to recommend to the full Board that the CEO be awarded a 45% bonus based on her achieving her performance goals and other organizational milestones for the Authority. The meeting was then adjourned.

Ms. Christina Cassotis presented the 2023 yearly round up and December 2023 PIT air service dashboard. Ms. Cassotis noted that 2023 saw airlines, including Breeze, Southwest, Icelandair, Frontier, Spirit and American Airlines, announce or launch 17 new routes from PIT as airlines recognized the strategic value of this market. In addition to new routes, in 2023 airlines, including United, Sun Country, Southwest, British Airways, Air Canada, American and Spirit, also increased capacity on a number of existing routes to meet growing demand. She continued by saying that momentum continues in 2024 as PIT capacity will exceed pre-pandemic levels in the first and second quarters. Capacity is forecasted to increase .9% in the first quarter and ten percent in the second quarter compared to the same periods in 2019. The number of passengers utilizing PIT in 2023 was 9.2 million. December's passenger traffic was 90.9% recovered compared to 2019 traffic levels. Passengers in the month of December 2023 totaled 738,100, a 10.8% increase when compared to December 2022, which had 666,300 total passengers. December 2023 showed a 90.9% recovery rate when compared to December 2019 which saw 812,000 total passengers. Ms. Cassotis reported that Southwest has been the market share leader at PIT every month in 2023. The four airlines with the highest percentage of passengers were: Southwest at 26.5%, American Airlines at 22.3%, Delta at 15.3%, and United at 13.8%. Spirit,

Allegiant and Breeze combined for 17%. She added that with announcements by several airlines, PIT now has nonstop service to 61 destinations with 133 peak-day departures. Ms. Cassotis then concluded by talking about the cargo volumes at PIT. While near-term air cargo demand is down due to global cargo challenges, 2023 air cargo at PIT is up 14.2% versus 2014. 2023 cargo volumes decreased by over 13% compared to 2022 as global cargo demand continued to be soft. While FedEx, UPS and Amazon continue to carry the bulk of cargo at PIT, British Airways continues to grow its share of cargo tonnage.

Ms. Cassotis then presented the AGC fourth quarter business dashboard. AGC had the best year in a decade with 72,581 total operations in 2023. Operations in the fourth quarter have increased every year since the 2020 pandemic and this is due to several factors including flight training, corporate travel and continued growth in general aviation as a whole.

Mr. Minnotte then noted that as part of today's agenda, we will be voting on the CEO's well-deserved performance payment.

Christina has met and exceeded all the goals we set for her in 2023. She has helped to maintain an excellent relationship with the airlines and kept the airport's finances competitive.

As a result, based on her achievements last year, we are proposing to award Christina a performance payment of 45 percent of her 2023 salary.

Two things to keep in mind: There is no local taxpayer money in our budget, and her compensation is in line with what other airports nationally and internationally are paying to keep top talent.

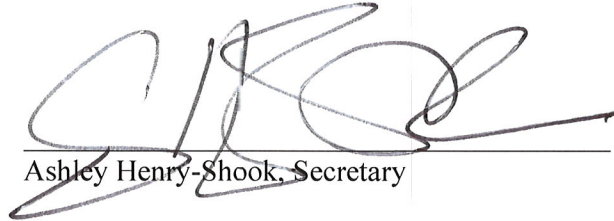
Among her accomplishments are:

- Securing additional international air service to Iceland.
- Growing our domestic portfolio with new low-cost service to Philadelphia, new service to the West Coast and others.
- Recruiting partners in exploring on-site SAF production while
- Propelling PIT to numerous international awards – including the Center for Aviation's 2023 Environmental Airport of the Year for our microgrid.
- Helping to establish PIT2Work and an on-site childcare center.
- Keeping our finances stable with increased revenue, recognized by straight As from three financial ratings agencies
- Guiding the new terminal program for a 2025 opening.

Upon motion duly made, seconded and unanimously approved, it was:

RESOLVED: based on the CEO's success in meeting or exceeding her performance goals, that she be awarded a performance year-end bonus for 2023 of 45% of her annual salary for a total amount of \$240,203.00.

Mr. Minnotte then stated there was no public comment, no new business and no need for an Executive Session. Accordingly, the meeting stood adjourned.



Ashley Henry-Shook, Secretary