



Finance Committee Meeting Minutes
Friday, May 8, 2020
9:30 a.m. / SRAA Board Room and also via Conference Call/Webex

These minutes reflect the activities of the Syracuse Regional Airport Authority Finance Committee during the meeting publically posted via ABO guidelines and held at Syracuse Hancock International Airport in the SRAA Board Room and also via WebEx and telephone conference call on Friday, May 8, 2020.

Note: The Authorities Budget Office (ABO) has waived the in-person meeting requirement during this public health emergency. During this public health emergency, in the event board members are unable to meet in person, the Governor’s Executive Order 202.1 permits the board to consider the use of telephone conferencing, “to the extent necessary to permit any public body to meet and take such actions authorized by the law without permitting in public in-person access to meetings and authorizing such meetings to be held remotely by conference call or similar service, provided that the public has the ability to view or listen to such proceeding and that such meetings are recorded and later transcribed.”

The Meeting was called to order by Mr. Lazar at 9:31 a.m.

I. Roll Call:

In attendance: Ms. Gagliano, Mr. Mike Lazar, Mr. Michael Frame; Mr. H. Jason Terreri; Mr. John Carni; Ms. Joanne Clancy; Ms. Cheryl Herzog; Ms. Robin Watkins; Ms. Linda Ryan; and Mr. R. John Clark. Dr. Chin joined the meeting at 10:08 a.m. Absent: Mr. Fisher and Mr. Simpson

II. Review and approval of minutes from previous meeting:

Mr. Lazar declined to give a motion to approve the minutes from the previous meeting on April 17, 2020 until such time that there is a quorum of the Finance Committee in attendance.

III. CFO Report

Executive Director Terreri stated that the Director’s report will be given at Finance Committee meetings from now on and that at the Directors report will be given at the board meetings.

CFO Robin Watkins then informed the board that Fiscal Officer, Maureen Fogarty has retired and that the Authority thanks her for her many years of service and dedication. The authority has brought in temporary help to bridge the gap and assist the CFO and the department during this transition period and awaiting on the Grants Administrator posting process.

IV. Executive Session

No executive session was held.

V. New Business

Draft 2020-2021 Operating Budget

CFO Watkins laid out various metrics and criteria that derive expenses and drive revenues at the airport and it impacts the overall budget. Passenger throughput is one main revenue driver. 2019-20 showed growth, however 2020-21 is projected to be lower due to the impact of COVID 19. Landing weights are another primary source of revenue. Our projections are based on data from the airlines, the Campbell-Hill company and our own specific data from the SYR marketplace. It is projected that in June 2020 there will be an uptick in revenue once an increase in travel resumes. CFO Watkins showed the board members a projection of low, medium and high projection calculations and she explained that the assumptions that were used as a base for this data. The hope is that the market opening will increase slowly to the previous, 2017 levels by January of 2021. The landing revenue is based on the airline flight schedules and the SRAA receives a fee from the airlines for those flights. The SRAA has held the rates to the 2020 level in the new budget so increase the market share for SYR over other local airports. Staffing also remains at Fiscal 2020 levels.

Historically, there is a 3-5% inflation rate factored in for expenses, however because we have identified savings in several areas and all departments will now be managing to their budget levels, we are able to not put in that inflation rate into the new budget. PRSSM funding offers another opportunity for the next year. This is a pre-funded fee that the airlines pay in their rates and charges that goes towards this account as part of their rent into a fund that covers operation repairs, equipment, matching of Federal Grant monies, etc. The SRAA is responsible for 61% of the charges. PRSSM is a current requirement in our airline agreement. If the authority does not participate in the PRSSM program, and the airlines agree with the proposal without the PRSSM funding which offers an opportunity for the airlines to pay a lower landing fee and a lower rent fee, which will help return and expand markets to SYR. The overall deficit in the budget would decrease and again, it would be made up by the CARES Act Grant funding. This is a great opportunity to remove PRSSM without risk and will keep the rates and charges flat and helps the airlines and neither the airlines nor the authority will contribute to that program.

The \$12.9M in CARES Act Grant funds that were received will be used on operational needs for lawful airport expense such as projects, replacement, and refurbishment or other future shortfall issues. Total projects of \$5.7M have been identified. Included in that, \$2.5M for AIP projects that we do not have to provide the matching portion of the funds for any 2020 grants. \$3.5M

will be put aside for future operating expenses as needed. This budget does not touch our cash on hand, that remains in reserve.

Next steps will be to present opportunities to the HR Committee and the next Finance Committee meeting before bringing the final products to the board for the June regular board meeting for consideration.

IT Update – CFO Watkins is conducting a full assessment of the airport’s communications needs, wifi, internet, phones, to improve the infrastructure. The current bandwidth level is at a critical need and business operations are being impacted due to the low limits. The new ABRM software remains on track to go live on July 1st.

Commercial General Leasing Policies and Procedures – Aviation Contracting Officer Linda Ryan and Executive Director Terreri have drafted a policy to set up a format for how the authority charges, defines space and these rates and charges will be approved by the board that has a rates and charges model that standardizes the commercial leasing and non-aeronautical structures. Prior to this document, there has never been a standardized policy. A discussion led by Michael Lazar ensued regarding this document and the committee agreed to recommend it to the board.

Now that a quorum was reached, Mr. Lazar made a motion to approve the minutes from the previous meeting on April 17, 2020 and Dr. Chin seconded the motion. Motion carried unanimously.

VI. Adjournment:

Mr. Lazar made a motion to adjourn and Dr. Chin seconded that motion. Meeting was adjourned at 10:46 a.m.