

Minutes of the Meeting of the Syracuse Regional Airport Authority

Friday, May 8, 2020

11:00 a.m. / SRAA Board Room and also via Conference Call/Webex

Pursuant to notice duly given and posted, the regular board meeting of the Syracuse Regional Airport Authority was called to order on Friday, May 8, 2020 at 11:02 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by Chair, Ms. Jo Anne Chiarenza Gagliano.

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.”

Members Present/Telephone Conference:

Ms. Jo Anne Gagliano – Chair
Mr. Kenneth Kinsey
Mr. Michael Lazar
Mr. Robert Simpson
Mr. Michael Frame
Mr. Michael Mirizio
Dr. Donna DeSiato – joined at 11:06 a.m.
Ms. LaToya Allen – joined at 11:04 a.m.
Dr. Shiu-Kai Chin – joined at 11:04 a.m.

Members Absent:

Mr. William Fisher
Mr. Michael Quill

Also Present/Telephone Conference:

Mr. H. Jason Terreri
Mr. John T. Carni
Ms. Joanne Clancy
Ms. Cheryl Herzog
Ms. Debi Marshall
Mr. R. John Clark

Roll Call

As noted, all Board members were present with the exception of, Mr. Fisher and Mr. Quill.

Ms. Gagliano started by welcoming everyone to the scheduled regular meeting of the Board at 11:02 a.m.

Reading and Approval of the Minutes

Having no objections or additions to the minutes from the March 20, 2020 Regular Meeting of the Board, a motion was made by Mr. Lazar and seconded by Mr. Mirzio and the minutes were unanimously approved.

The motion was approved: 6 ayes, 0 nays, 0 abstain

Dr. DeSiato joined the meeting at 11:06 a.m.

Director's Report

Executive Director Terreri updated the board on current events and operations at the airport. The impact to the airport by COVID 19 has been significant. As expected, traffic is down over 90% from last month. The airlines reports are not official yet, but based on the schedules, they have stabilized. A re-introduction of service is expected in June. Operations have been adjusted to the new guidelines. Typically, we would see 28,000 through the airport and instead we saw approximately 1,200. This is not unexpected as it is a nationwide situation. While the levels are low, they are increasing. It is expected that SYR will gain some traffic from the surrounding catchment area airports. The airlines minimum requirement is 24 scheduled flights per week, but they are providing more than the minimum required at this time. Parking numbers and concessions continued to decline with passenger load and will increase with the forecast we are projecting for flight operations. The board was shown a low, medium and high rate of recovery for enplanements and what is expected is that SYR will be back to 2016 enplanement levels by December.

Social distancing, crowd control initiatives, enhanced cleaning in all areas, sneeze guards at ticket counters, touchless pay options at concessions, 6-foot distance markers are all part of the re-opening plan. Hours are beginning to be extended in our concessions areas as passenger load increases.

Executive Session

Chair Gagliano invited a motion to go into executive session to discuss matters pertaining to a proposed lease of real property by the authority and potential pending or current litigation matters.

Dr DeSiato made the motion and Mr. Lazar seconded the motion. Executive session began at 11:16 a.m.

Executive session ended at 11:35 a.m. No action was taken.

New Business

CFO Watkins updated the board regarding the Operating Budget, the Capital Budget and Reserve Status, Capital projects, CARES Act funding status, Commercial General leasing policies and procedures and an update on the impacts of COVID-19 all discussed during the Finance Committee meeting along with that committee's recommendations. The SRAA realizes that the revenue will be down for 2020 due to the impact of COVID 19. The authority is committed to work with the airlines to attract business and therefore, no inflationary factors have been added to this budget. There will be no staffing increases and there will be potential changes to our rates and charges that would be beneficial to the airlines and attract increased enplanement rates for SYR.

PRSSM funding offers another opportunity for the next year. This is a pre-funded fee that about a third of it is paid by the airlines 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 our proposal to not fund PRSSM, this 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 our 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. It also will help the airlines. This budget does not touch our 300 days of cash on hand, which remains in reserve.

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, is \$2.5M for AIP projects that we now do not have to provide the matching portion of the funds for any 2020 grants. \$3.5M will remain and be put aside for future operational expenses as needed.

Capital requests have been identified but decisions have not been made yet. However, they will be covered by this year's budget in terms of revenues and shortfalls. The budget being presented allows the SRAA to keep our rates and charges flat for the 2020-2021 fiscal year which will benefit our airline partners.

Commercial General Leasing Policies and Procedures – Aviation Contracting Officer Linda Ryan and Executive Director Terreri drafted a policy to set up a format for how the authority charges, defines space and sets rates and charges across the all leases. This new policy will standardize the commercial leasing and non-aeronautical structures. Prior to this document creation, there has never been a standardized policy. This will be published on the SRAA website along with the application. This policy has been reviewed by legal counsel and the Finance Committee.

There were no further questions and no resolutions to approve before the board.

Committee Reports and other updates

There were no committee reports or other updates.

Adjournment

Having no other topics brought to the board, a motion was made by Dr. DeSiato and seconded by Dr. Chin to adjourn the meeting.

The meeting was adjourned at 12:07 p.m.