

SYRACUSE REGIONAL AIRPORT AUTHORITY

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Minutes of the Regular Meeting of the Syracuse Regional Airport Authority

Friday, January 22, 2021

Pursuant to notice duly given and posted, the regular board meeting of the Syracuse Regional Airport Authority was called to order on Friday, January 22, 2021 at 12:00 p.m. via Teams Video/Audio Conferencing by Chair, Ms. JoAnne 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/Video Conference:

Ms. JoAnne Gagliano – Chair
Mr. William Fisher – Vice Chair (joined at 12:09)
Dr. Shiu-Kai Chin
Ms. Latoya Allen
Dr. Donna DeSiato (joined at 12:21)
Mr. Michael Frame
Mr. Kenneth Kinsey
Mr. Michael Lazar
Mr. Robert Simpson

Members Absent:

Mr. William Meyer
Mr. Michael Quill

Also Present/Telephone Conference:

Mr. H. Jason Terreri
Mr. John T. Carni
Ms. Robin Watkins
Mr. John Clark
Mr. Brian Dorman
Ms. Elana Essig
Mr. Matt Szwejbka
Ms. Cheryl Herzog

Ms. Debi Marshall
Ms. Joanne Clancy
Ms. Linda Ryan
Mr. Al Overend

Roll Call

As noted above, all board members were present except for Mr. William Meyer and Mr. Michael Quill.

Ms. Gagliano started by welcoming everyone to the regular scheduled meeting of the SRAA Board at 12:01 p.m.

Ms. Gagliano thanked Director Terreri and his team for a job well done with the State of the Airport. It was presented well, was very informative, the community is embracing what is being done at the Airport, and there was great representation from our local community for the meeting. Director Terreri stated his intention to continue to do this meeting annually.

Consent Agenda

Chair Gagliano asked for a motion to approve the consent Agenda.

Having no further discussion regarding the consent agenda, a motion was made by Mr. Simpson and seconded by Mr. Lazar.

The resolution was adopted: 7 ayes, 0 nays, 0 abstain

Director's Report

Director Terreri reviewed the Director's Report with the board regarding the COVID-19 impact. The biggest challenge continues to be the New York State quarantine requirements, which is constraining our demand. The outbound demand is fine, but the challenge is anyone arriving in New York. There have discussions with the Governor through the Control Room to help SYR with testing protocols. The Authority has proposed a 72-hour testing protocol similar to what Connecticut and Hawaii offer. There has been some progress working through the Regional Control Room. Engagement with our delegation in Washington is on-going as this is not just a Syracuse issue, but a New York state issue. New York is trailing the rest of the country by roughly 20%.

Director Terreri updated the board regarding the concerns with Delaware North and their contract. Director Terreri reported that a new amendment was executed successfully and will be discussed in more detail. Director Terreri reviewed the year-end recovery forecast. He showed the total flights scheduled which showed the airlines are bringing more flights back in service in the month of February. The recovery trend was reviewed and showed SYR Airport in February ahead of all the other small airports in the state. Director Terreri reviewed the year's performance, which yielded

the expected results. The recovery rate for SYR Airport is higher than Rochester or Buffalo and SYR is on par with the Albany Airport.

Project status discussions for the airport:

- Finalizing the ACIP pre-application package, is due January 31st, with Brian Dorman, Director of Planning and Development is leading this effort.
- The PFC application required some changes back to the year 2012. The draft PFC application will be submitted soon and will fund the 8 replacement Jet Bridges, the new Customs Facility at Gate 15, and the Airport Master Plan update.
- The project for runway 10/28, contracts are being reviewed and will be executed. Construction should start in the spring 2021. Brian Dorman and his team are leading this project.
- A bid has been put out for Taxiway “A” design and qualification. The bids have been received and are currently being reviewed. There is a request into the FAA for multiple parcel land release requests for non-aeronautical development. This will allow the Authority to develop this land which incorporates the warehousing on Corporate Circle; the old barracks parcel space by C&S Offices; and some small parcels on Taft Rd. This is currently being reviewed. Once the Authority receives a determination on land release requests, we can move forward to generate non-aeronautical revenue.

Director Terreri reviewed the Financial Reports which showed the actuals below what was budgeted. This continues to be passenger driven. Travel restrictions continue to cause an impact. The land and weights portion of the budget are closer to budgeted figures. This is being supported by growth with Cargo operations. The numbers are not expected to increase until the airlines add capacity back. On the cargo side, all of the spaces are leased and at this point, we need to talk about expanding our ramp and our facilities. Director Terreri reviewed revenue and expenses of the budget. Revenue was in-line as projected, but on the expense side there were a few items that were not expected. An invoice was received from the City of Syracuse for firefighters at the airport going back to March of 2020. There was also the cost of the new Enterprise Resource Planning (ERP) system that is being implemented. An additional expense was incurred for a wetland assessment as part of the land release.

Director Terreri provided an update to the SRAA Board regarding the CARES Act funds. The first CARES Act funds balance is approximately \$4M remaining. These funds are being used for our operational expenses. The second round of CARES Act funding was approved, and the airport should receive about \$4.8 million to support the operations. This round of CARES Act funds includes funding for concessions, not just for food and vending but also for parking and any other type of terminal services. The estimate for the Concession MAG Relief will be around \$270K.

An agreement has been made with Delaware North, the third amendment to the agreement has been executed. The highlights of this agreement are the MAG relief for April 2020 thru March 2021. In exchange for the MAG relief, Delaware North has waived the exclusivity rights to the food, beverage, and retail program at the SYR Airport. Delaware North will retain first right of refusal, which means if the airport wants to add a new concept, Delaware North would have 30 days to respond, if they refuse the SYR airport can go ahead with the new concept. The airport also has

increase percentage revenue shares for all categories which will take effect once we hit \$8.5M in total revenue. As part of the amendment, Dunkin Donuts will be relocated, and the Authority will contribute up to \$100K for the construction costs. Also, the Authority retains the right to develop kiosks for local vendors/small businesses at the airport to sell their goods. The new upcoming changes include the opening of the SYReinity Bar, the relocation of Dunkin Donuts and the refurbishment for Middle Ages.

Director Terreri updated the board regarding COVID-19 testing. An agreement was made with the City for essential frontline workers in the Operations, Maintenance and Custodial departments, to have voluntary COVID-19 testing done at the Department of Public Works on Tuesdays and Thursdays. There have been a few cases in those departments, so this keeps the airport ahead of the virus. The airport testing sight logistics plan with the supplier and lab is being finalized. The County has put the airport in touch with a lab that provides the supplies as well as lab services. The lab services will be able to offer 24 hr. PCR and antigen tests. The testing protocol has been submitted and was approved by the County Health Department and is currently being reviewed by the State. The Authority is hoping that when the new testing protocols roll out to reduce the travel restrictions, that it will be the PCR test, which is what the airport will have available.

Some accomplishments for the airport include a mask donation of approximately 200,000 cloth masks to over 50 organizations. There is a new 174th Attack Wing/Airport Joint-Use Agreement being finalized. Once it is executed by the Air National Guard, the airport will receive a little over a \$1M in payment for past years, and then moving forward, will receive \$300K per year for the use of the airfield. These funds will offset maintenance and operational costs.

Current projects at the airport include the SRAA Boardroom improvement which was led by Matt Szejbka and the marketing team. Historical photos about the airport which tell a story about the authority and the airport have been placed throughout the conference room. The Authority has created a new Community Art Program. The painted canvases are placed on walls throughout the airport and have generated great feedback from the community. On social media we will be highlighting all the organizations involved.

Before moving on, Chair Gagliano mentioned that the graphics used in the State of the Airport presentation were very clear and concise. Job well done.

Executive Session

Chair Gagliano invited a motion to go into executive session to discuss matters pertaining to potential litigation and the potential lease of real property by the Authority.

Mr. Lazar made the motion and Mr. Simpson seconded the motion. Executive session began at 12:27 p.m. Executive session ended at 1:00 p.m. No action was taken.

New Business/Discussion

Resolution Approving Creation of Position of Purchasing Contract Clerk for the Syracuse Regional Airport Authority

The Resolution was presented by Director Terreri he explained this position is comparable to one that is currently covered under the city services contract. Creating this position will allow the move of the person in position to move into a comparable position on the Authority roster. This will be the last employee who needs to move over to the Authority other than a few employees soon to retire from the City of Syracuse. Having no further discussion, a motion was made by Dr. Chin and seconded by Mr. Simpson.

The resolution was adopted: 8 ayes, 0 nays, 0 abstain

Resolution Approving Revisions to 2021 Capital budget re: Federal Inspection Services Gate Expenditures for the Syracuse Regional Airport Authority

CFO Watkins explained that the ACIP had to be revamped. The FAA requires that the dollar amount for the program matches the time period that is to be expended. There is a forecasting process that identifies when the monies will come in and will be available to spend out of the PFC fund. The Authority had to make amendments to the forecast of revenue due to the change in passenger traffic this year in order to realign when expenditures will occur for the purposes of the ACIP plan. Some of the dollars for the FIS have been adjusted for that time frame. Having no further discussion, a motion was made by Ms. Allen and seconded by Dr, DeSiato.

The resolution was adopted: 8 ayes, 0 nays, 0 abstain

Resolution approving construction of new Transportation Security Administration (TSA) Offices

Director Terreri discussed that TSA is looking to expand their offices at the airport. TSA would like to have a reimbursable agreement in place where the Authority builds the office space and TSA will issue reimbursements. The space will be located on the adjacent side of the TSA checkpoint in a vacant space that has both air and landside capabilities. General Counsel Clark explained that the airport is working through the terms of the agreement that involves a construction agreement, lease agreement and several other agreements. This is out of the ordinary for the Authority with cost estimates in excess of a half a million dollars. This topic needs to be brought to the board because of the procurement policy to allow the authority to carry through with this project for TSA. Having no further discussion, a motion was made by Dr. DeSiato and seconded by Mr. Simpson.

The resolution was adopted: 7 ayes, 0 nays, 0 abstain

2Q Financial Review

Jason stated that the Authority will be holding the second quarter review with the airlines in February to lay the groundwork as we head towards next year.

RFP Discussion – Bonds – Municipal Financial Advisor

Ms. Watkins indicated that the Finance Department has reached out to other airports and gathered examples of their RFPs for financial advisors. There are 5 organizations that SYR can reach out to look at specifics in terms of experience within airports, bond refunding and rates and charges models. The Authority is going to be setting new rates and charges with the airlines within the next year, with the current agreement ending in 2025. They will need to meet the MWBE criteria. The RFP should be out within the next month, and once results are in, the bond refinancing can begin. The goal for having the refinancing complete will be around August 2021.

Ms. Gagliano requested a draft of the RFP to be sent soon so that nothing is delayed.

RFP Discussion – Audit Firm

CFO Watkins stated the RFP for the audit firm is in the preparation stages with the goal of identifying some regional firms which have national ties with GASB and GAAP knowledge. The RFP should go out within the next month, with the understanding that this is a busy season for audit firms. SYR would like to wrap up in the end of April - early May so we can have them start pre-audit work and fiscal-year end closing in July-August and meet the 90-day deadline requirement with the FAA. Once the RFP is drafted it will be sent out to the Audit Committee for review.

Committee Reports and Other Updates

Minutes from most recent SRAA committee meetings were attached to the packet.

- Audit Committee – Chair for the Audit Committee, Dr. DeSiato, thanked both Director Terreri and CFO Watkins and stated that we are in a very key time right now. Discussed was the fact that our audits have not met the standard that we were required to meet, especially with our requirements in relationship to the FAA with regards to auditing standards. The timeliness of this RFP will be for the airport to really look at an auditing firm that will meet that RFP standards. It is important to know the auditing procedures are in place.
- HR Committee – Chair Lazar noted in March that the committee will be starting Director Terreri's second annual performance review. HR Manager Marshall reported that the next meeting in April succession planning will be on the agenda as well as in the next quarter, reviewing different health care carriers, after meeting with brokers as well as the Unions for their input.
- Finance Committee – no further report
- Governance Committee – Director Terreri reported at the next meeting we will be working on changes to the enabling legislation.

HR Manager Marshall mentioned that the Authority recently hired two new employees - Clarissa Simpson, Accounts Payable Specialist, and Thom Garrison, IT Manager. Both have been doing a wonderful job.

Adjournment

A motion was made by Mr. Lazar and seconded by Dr. Chin to adjourn the meeting. The meeting was adjourned at 1:24 p.m.