

Finance Committee Meeting Minutes

October 13, 2017

These minutes outline the activities of the Syracuse Regional Airport Authority (SRAA) Finance Committee from the meeting held on October 13, 2017, in the Syracuse Regional Airport Authority Board Room located at Syracuse Hancock International Airport.

Mr. Lazar introduced Chris Carrick from the Central NY Regional Planning and Development Board. Mr. Lazar discussed the Solar Power program offered by Abundant Energy. He mentioned that the full study regarding Solar Panels and the Airport is located in dropbox. Ms. Callahan mentioned that in the New York State Grant, Solar Power is defined as one of the 11 components that the state is funding. C&S is tasked with putting together a plan for this for 120KW of solar energy to be located in the Cell Phone lot. Mr. Lazar asked that the Finance Committee recommend to the full Board that we authorize Ms. Callahan to sign a Memorandum of Understanding and any other related documents to allow Abundant Energy to begin the investigation of a full-scale solar project. Mr. Lazar mentioned that there is no commitment until you sign the contract. Dr. Chin mentioned that in order to enter into the MOU, it requires that we release financial data to allow a more detailed study and cost estimates. Ms. Rougeux has no problem making a recommendation to sign the MOU but in general does not like the 25 year commitment. Mr. Carrick mentioned that they are working with 24 other municipalities. Ms. Rougeux was concerned that the company was from Ontario, Canada. Mr. Carrick mentioned that they went through an RFP process and they received 12 proposals and that Abundant was the best offer. Abundant is currently working with local companies on planning and purchasing. The Committee supports a recommendation for the November Board Meeting that we enter into a MOU and would like to ask Mr. Carrick to come back in case the Board Members have questions.

The meeting was called to order at 11:25 by Dr. Chin.

I. Roll Call

In attendance: Dr. Shiu-Kai Chin, Mr. Michael Lazar, Ms. Beth Rougeux, Mr. Patrick Mannion (left at 11:25) Ms. Christina Callahan, Mr. Trent Amond, Ms. Maureen Fogarty, Ms. Linda Ryan

II. Approval of Minutes from the Previous Meeting

A motion was made by Ms. Rougeux and seconded by Mr. Lazar to accept the May 12, 2017 Meeting Minutes.

The minutes were unanimously approved.

III. Old Business:

Mr. Amond reviewed the Status of SRAA Agreements. The biggest one we are working on now is the Rental Car Concession Companies. Mr. Amond is continuing to work with our attorney John Clark and he hopes to have an agreement by the end of the month and fully executed agreements by the end of the year. Mr. Amond opened it up for comment and Mr. Lazar asked if we have looked into the industry standard on what is being charged for these contracts. Mr. Amond stated that this has not been our practice to date but we can certainly look at a comparison of what other Airports are charging. There was a question regarding the current Verizon agreement and Ms. Callahan mentioned that they are cell towers on top of the parking garage.

Mr. Amond went over a capital project that was originally in the 2016/17 Capital Budget, the South Concourse Elevator Project. The project was originally budgeted at \$150,000 based on a quote from Otis Elevator for \$96,000. There was a part of the quote that said it would require some additional electric or general contractor work. We estimated \$50,000 for the required additional work. When the actual quote came back for electrical work, it came in at \$128,000. We are now looking at \$220,000 - \$230,000 for this elevator project as opposed to \$150,000 as budgeted. This is an all-inclusive solution that will take care of all of the issues. A new elevator is around \$350,000 depending on size. Mr. Amond discussed we would like to use the "Best Interest" exception on this elevator that is in need of being repaired. Ms. Rougeux asked what the reason was for the Best Interest and not going out to bid. Mr. Amond mentioned so that we would be able to use the same company for the project that we are going to use for maintenance services under the Onondaga County Contract. Dr. Chin mentioned when there is two different companies working on the same elevator, there is circular firing squad of blame. Ms. Fogarty mentioned if it was a maintenance issue or a warranty issue, it should be the same company. Ms. Fogarty mentioned part of the County Bid also has discounted parts. Mr. Lazar asked if it would make sense to buy a new one. Ms. Callahan mentioned a new one would cost about \$350,000. This would be \$100,000 more than refurbishing the current one. Mr. Amond mentioned that this elevator that is going to be out of service is not a public elevator but used by the Custodial Staff, Creative Foods and Customs.

Mr. Amond and Ms. Callahan discussed parking garage updates. This is what will be presented at the November Board Meeting. A new garage is not an option from a financial standpoint. We would like to recommend that we rehabilitate the existing garage and build a new consolidated rental car rental facility in the current overflow lot. This will increase public parking spaces available by 300. It will allow us to consolidate all of the rental car activity into the new facility to include the customer service counters, office space and the ready return space. The old parking garage would be rehabilitated. The rehabilitated garage would include passenger convenience features such as identifying available parking spaces, additional wayfinding which supports pedestrian safety, as well as exterior work that would be visually consistent with the new Airport facade. The financing for the rental car facility would be covered by a Customer Facility Charge. The SRAA will be looking for financing for the rehabilitation of the current parking garage.

Ms. Rougeux asked if the customer facility charge was in line with what other Car Rental Companies are charging at other airports. Ms. Callahan mentioned she and Mr. Amond are going to a Rental Car Conference at the end of the month and hope to gain more insight into the charges. Ms. Callahan mentioned that we will not be out of line with the industry standards.

Mr. Lazar asked what the fees would be for the new Rental Car Facility. Mr. Amond stated that 25 million to rehab the garage and 11 or 12 million for the new rental car facility. A new parking garage would be 90 million. Mr. Amond mentioned the construction of the rental car facility would go rather quickly and the rehabilitation of the garage would be done in halves. Ms. Callahan mentioned that they would like to bring this to the Board in November. The Finance Committee agreed that this is the best financial option and should be brought to the Board.

Mr. Amond went over the Terminal Improvement Project budget (attached to the packet) as of September 29, 2017. He mentioned that this budget is a work in progress and they are currently working to bring the figures back down to budget.

Mr. Amond went over the timing of the cash flow and the cash flow schedule and how long it would take to be reimbursed. The state grant is about a 2 month lag and we have a signed contract with them. For the Federal reimbursement, it is about 30 days. We get 4 + million a year in entitlements and we are programming 9 million in funding that may not come in the same year. If we have to spread out the payments over a couple of years, we need to discuss how to cover the lag time of when we are reimbursed and when to pay the contractors. We suggest a line of credit as it is the cheapest way to go so we are only paying interest on the outstanding amount. Mr. Amond reached out to Key and M&T Bank. He is requesting a sense from the committee to see if we can get quotes to see what the carrying cost is. He said that the rate is about 4%. Mr. Lazar asked if we should reach out to more than two banks. Mr. Amond stated that we could.

The OHA History Museum is listed as a separate line in the budget and Mr. Amond wanted to point this out to the committee. Ms. Callahan mentioned that the Museum is listed as a part of the Grant agreement and will include an Aviation History Museum. We don't have the resources to design the museum so working with OHA makes sense to the Authority. The SRAA will build out the shell and OHA will provide the majority of the work. The original proposal was for 1.7 million and we said we can't spend this amount of money on a museum so they have sharpened their pencils and come back with a more reasonable proposal. Ms. Callahan is looking for a MOU from Mr. Clark to present to the Board in November.

IV. New Business

Ms. Callahan gave an update as to where we are with the Ground Transportation. Syracuse Regional Airport Taxi terminated their contract and pulled out of providing services in the terminal. The short term changes the SRAA has made is to allow all taxi cabs to be here in

the proper pick up locations to make sure that the passengers have options. The SRAA intends to develop our own licensing Policy for Taxies to maintain a certain level of service. Ms. Rougeux asked if we could replace the \$95,000 that we were to receive from Syracuse Regional Airport Taxi by licensing the Taxies. Uber pays \$60,000 and Lyft pays \$2.00 for each drop off and pick up which is about \$2,000 a month totaling about \$24,000 per year in addition to a possible 50 licenses at \$1,500 to \$2,000 a piece. Dr. Chin mentioned that the consensus is that we can move forward on developing a licensing Policy for the Board to review.

Adjournment

A motion was made by Ms. Rougeux and seconded by Dr. Chin to adjourn the meeting. The meet was adjourned at 1:30.