



## Finance Committee Meeting Minutes

April 19, 2019

10:00

These minutes reflect the activities of the Syracuse Regional Airport Authority Finance Committee during the meeting held at Syracuse Hancock International Airport in the SRAA Board Room on Friday, April 19, 2019.

The Meeting was called to order by Dr. Chin at 10:26am.

**I. Roll Call:**

In attendance: Dr. Shiu-Kai Chin, Mr. William P. Fisher, Mr. Mike Lazar, Mr. Trent Amond, Ms. Maureen Fogarty, and Ms. Linda Ryan.

**II. Review and Approval of Minutes:**

Mr. Lazar made a motion to approve the minutes from the previous meeting on March 15, 2019 and Mr. Fisher seconded that motion.

**III. Old Business:**

A. **CFC Study:** Mr. Amond went over the Landrum and Brown study on the Customer Facility Charge (CFC's) for Rental Car Operation. The plan is to rehabilitate the existing garage which will create a little more than 400 additional spaces for public parking and associated with that build a separate consolidated rental car facility (CONRAC) that will be placed in the current Overflow Parking Lot. This is the plan that the Board approved for us to explore. The estimated cost (numbers are 2 years old) was about \$55 million for the garage related project and the CONRAC was a little more than \$20 million and we anticipated doing this with funds from 2 sources both of which would be bonding. We would have about 35 million to bond based on the Authority's bonding capacity and the idea is to bond for the CFC's based on a CFC that we would impose on the Rental Car Facilities. We hired Landrum and Brown to conduct a study and let us know what kind of CFC we would be looking at and how we might go about this. They looked at the Rental Car Market Share. Avis and Enterprise have more than a third in CNY and Hertz has 25%. L&B did a survey of the Rental Car Companies to collect data on enplaned passenger and rental car transactions and transaction days. Mr. Amond referred to the handout and discussed L&B's finding on the

chart. They came up with a range of projected levels to figure out what bonding support we could have. We discussed a CFC charge between \$3 and \$5 dollars per day. They compared other airport's CFC charge. If we were to impose a \$4/day fee, we would be consistent with other small hub airports. The recommendation is to impose \$4/day CFC and to start collecting ASAP. They recommend that the resolution be written to pay for the construction cost for the CONRAC facility. We will recommend this to the full Board for the June meeting and begin collecting September 1, 2019. Mr. Simpson asked if L&B looked at how it would affect the car rental sales with the difference of \$3-5 dollars/day. Mr. Amond mentioned that this was not a part of the model and the market is not that elastic. Dr. Chin asked if this applies to off-airport as well. Mr. Amond mentioned that it does if they are licensed to operate here at the airport. Mr. Amond mentioned that the CFC's would be to pay for the construction cost of the CONRAC. We will brief the rental car companies before the May meeting and then we will brief the Board on what we went over today. The goal is to have a resolution by the June Board meeting. Mr. Fisher asked about the 6% sales tax recently implemented and would the CFC's impact the rental car companies. Mr. Amond mentioned that this is a pass through fee to the customers and the Rental Car Companies are in favor of it.

Mr. Lazar mentioned he was concerned about taking on additional debt when we have a \$17 million dollar debt from the Terminal Improvement Project. Mr. Amond mentioned that all of the \$17 million is coming from Federal monies. Mr. Simpson asked if the Authority has its own individual bond rating or do we use the City's? Mr. Amond mentioned that we will have a rating, but we don't yet as we have not started the process of obtaining it. For this project, we will use the Airport's Bond Rating. Mr. Simpson asked if we should increase the CFC to \$5.00 given the debt load, and because the market is inelastic. He stated that if we start collecting now, the additional revenue source can affect our Bond Rating in a positive way. Mr. Amond mentioned that the CFC can be adjusted without Board approval

Dr. Chin thanked Mr. Amond for preparing this report as this report was in response to Board's request to start collecting the CFC money ASAP. Mr. Amond said that we can go back to Landrum & Brown and ask them what the effect of charging a CFC of \$5 as opposed to \$4 would be. Dr. Chin recommended this. Mr. Amond is going to brief the rental car companies on the CFC fee before the next Board Meeting.

- B. Snow Removal RFP Recommendation:** Mr. Amond reported on the Snow Removal Bid. The RFP was issued on February 4, 2019. It was advertised in the 7 SRAA designated newspapers, the NYS Contract Reporter, AAAE and the Minority Reporter. We held a mandatory pre-proposal meeting on February 19, 2019, and there were 5 potential respondents that attended the meeting. Our current contractor, Ciotti Enterprises, did not attend and therefore made it known that they would not be submitting a bid. We received and opened two bids, Aero Snow Removal and Salt City Snow Removal. Salt City's bid was twice as much as Aero's bid so we discarded this bid as a serious contender. We tested the Aero proposal and found it to be within the reasonable range and proceeded to interview Aero Snow Removal. The Ad Hoc Committee consisted of John Carni, Antimo Pascarella, Ron Bowles, Trent Amond, Linda Ryan, Mike Lazar and Damion Ulatowski. Aero Snow

Removal is a national company that currently provides Snow Removal for Boston Logan, Newark, JFK, Philadelphia, Washington Dulles, Baltimore, O'Hare and Denver Airports. They don't move as much snow at other Airports but have a wider operational area to cover. We were able to work out a couple of issues with Aero. One issue was that they could only come within 50 feet of an aircraft. After negotiating with them, they said that they could come within 25 feet of an aircraft which is where we needed them to be. In regards to price, we asked them if this was their best offer and they sent an e-mail stating yes because of a couple additional costs they did not include in the bid but learned about in the interview. The Ad Hoc Committee sent a yes/no e-mail vote and the e-mail was a unanimous yes. Mr. Lazar added he was very impressed. Mr. Fisher made a motion to recommend to the Board approval and Mr. Lazar seconded that motion, all were in favor.

**IV. Adjournment:**

Dr. Chin ended the meeting at 11:02.