



**Finance Committee Meeting Minutes  
May 10, 2019**

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, May 10, 2019.

The Meeting was called to order by Dr. Chin at 9:32 a.m.

**I. Roll Call:**

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

**II. Review and approval of minutes from previous meeting:**

Mr. Lazar made a motion to approve the minutes from the previous meeting on April 19, 2019 and Mr. Simpson seconded that motion.

**III. Old Business:**

**A. CFC Study:** Mr. Amond gave an update on the CFC Analysis Study. Mr. Simpson asked if we went to a \$5 a day CFC as opposed to a \$4 CFC would it help our bond rating. Mr. Amond spoke to Landrum and Brown and they said a \$5 fee would be better for our bond rating as it is better to have more money on hand than less. We reported to the rental car facilities this week and we told them the CFC would be between \$4 and \$5 dollars. They all have the presentation that we presented to the Finance Committee last week and will present to the Board today. The Car Rental Companies need about 4-5 weeks to crank a CFC into their system. We hope to have the CFC approved in June and begin collecting in September. Mr. Clark has prepared a draft resolution for the Finance committee and the Board to review. Mr. Amond was hoping to hear from the rental car companies on their thoughts regarding the \$4 or \$5 charge and communicate this to the Finance Committee and put this in the actual resolution to prepare to the Board. Mr. Lazar asked if there was a cap on the per day charge. Mr. Amond mentioned that there currently is not but we are not opposed to it. We will see if the Rental Car Companies bring this to our attention.

**B. FBO Lease Rate Update:**

Mr. Amond mentioned that he and John Clark have reopened the discussions with Signature and that they are moving forward with addressing the issues that came out of the Landrum and Brown Study. Discussions are ongoing at this point.

**C. ASD Incentive Agreement**

Mr. Amond mentioned when we issued information to Allegiant about the incentives available for their new service to Sarasota but we omitted to bring that forward as a resolution so Mr. Clark has prepared a resolution which will retroactively endorse the incentive agreement that Allegiant is operating under. It is the standard incentive from the Matrix that the Board Approved.

**IV. Executive Session:**

Dr. Chin Invited a motion to go into Executive Session to discuss matters pertaining to the proposed acquisition, sale, or lease of real property by the Authority and any other matter in confidentiality by federal or state law. Mr. Fisher made the motion and Mr. Lazar seconded the motion.

**V. New Business:**

**A. Americar Receivable Issue:** When Americar was in business as the off-Airport Rental Car Company over a year ago they abruptly ceased their operations and left owing us \$150,000. Ms. Fogarty and Mr. Clark have been working with Americar's attorney. Mr. Clark mentioned that Americar proposed a \$25,000 settlement that has been outstanding for a while. Mr. Clark asked that they show reliable financial proof that this is all they have or that the offer would be rejected. They have not provided any financial proof to this date so currently we are rejecting their offer. According to their attorney, Americar is not in business but it is still an entity. Ms. Fogarty mentioned that Americar had collected a 10% concession fee from all of their customers over this period of time so this is definitely owed to us. Mr. Clark recommended that he continue discussions with Americar to attempt to determine their current financial status.

**B. Operating Budget 2019-20**

We are budgeting for revenues and expenses to be about 9½ % higher than this year's budget. Some of the key things going on in this draft of the budget are an overall salary and wage increase of about 7% that is included. We have budgeted revenue from parking, food, beverages and retail concessions and the car rental concessions based on actual numbers that are up from last year's budget. We have budgeted about \$160,000 for TNC companies, Uber and Lyft. Uber's new contract brings them in line with Lyft which is \$2.00 per drop off and \$2.00 per pick up as opposed to the first year they were here which they paid a flat fee of \$60,000. On the expense side, we've got the salary and benefit increases and the \$100,000 for further improvements to security which TSA is asking us to address. There was an increase in our Security Officer Staffing (non-LEO) due to the construction project. Since construction was completed, the additional officers have been well utilized by maintaining

traffic flow and orderly conduct of drop off and pick up. This has increased the budget by \$300,000. We have a few new positions at the Airport that were not in last year's budget but are in this year's budget. They are a Payroll Administer position, a Marketing and Communication Specialist, the Airport Welcoming Officer and the Director of Airport Operations. All of these positions were not in the previous budget. On the operations side, the largest increase is in Snow Removal Operations as you will recall we are going to the Board today with a resolution to approve a new Snow Removal Provider. Part of the reason the budget is higher is due to higher rates of the new Snow Removal Provider but also we have historically spent more than we have budgeted on Snow Removal and we wanted to move it closer to the actual spend. Mr. Fisher asked how we determine how we staff the Security Officers and who decides the staffing levels. Mr. Carni mentioned that he and Mr. Amond work with Securitas to determine the optimum level of staffing. We revisit our needs often and we feel that our current staffing levels are appropriate at this time. Ms. Gagliano mentioned that she would like to do a walk through with Mr. Carni.

Landing fees are going up about 6.7%. Most of the terminal charges are holding relatively constant and we believe this is mostly due to the increase volume of passengers that are going through. Auxiliary space is up a little bit as well. The landing fees are going up because several of those increased costs that we talked about are recovered through landing fees. Mr. Fisher mentioned that Cost Per Enplanement is a key metric. Mr. Amond said that a lot of the factors that determine Cost Per Enplanement are not within our control. If you look at the fact that we have a lot of fixed costs that means the CPE is mostly driven by the number of passengers flowing through. You can see with the increased volume due to Allegiant and Frontier's additional destinations, where we are looking at per passenger numbers those are going down and the rates in the terminal are staying flat even though we have increased expenses. Mr. Fisher asked what the trend was for next year. Mr. Amond said for next year we are forecasting it will go up on the landing rates and hold steady on the terminal rates and that is because the increases are falling into cost centers that are recovered through the landing rates. Mr. Fisher asked about the discretionary account that we have had in the past. Mr. Amond mentioned that at this point there is about \$700,000 budgeted as a surplus that will flow through to the discretionary account.

### **C. First Draft of 2019-20 Capital Budget and Reserve Status**

Mr. Amond discussed the capital budget is divided into 3 Sections. ACIP we are scheduled to take the entire amount of entitlements for the Terminal Improvement Project.

Of the local projects, we have limited these projects to those that we feel need to be done this year. We were awarded a State Grant \$330,000 for a Cold Storage Building. This building can house equipment not needing any heat. Our local share is \$160,000.

For debt service, we have used \$500,000 for the new financing we are looking at. This section also includes Air Service Development, and discretionary stabilization.

Mr. Amond went over the discretionary fund and PRRSM Fund. This is money we are setting aside to maintain the current operational level of the Airport because we are just starting these funds up, you can see that the PRRSM balance is negative for next year and the

discretionary is around 9 million because we did better on the surplus last year than we had budgeted. This is still not great for financial prudence. Mr. Amond would like another 1/3 of the year cash on hand. Mr. Fisher mentioned energy costs and he said there are a lot of grants to help with energy costs. Mr. Amond met with National Grid and a couple of Staff members and they discussed how their programs worked. We are going over the TIP projects and will get back with National Grid to see if we can reduce our energy costs. Mr. Lazar mentioned lighting in the garage that is on 24 hours a day. He has spoken with Mr. Brian Dorman about this issue and reducing the cost.

**VI Adjournment:**

Dr. Chin made asked for a motion to adjourn at 11:02 and Mr. Lazar made a motion and Ms. Gagliano seconded that motion.