

Minutes of the Regular Meeting of the Syracuse Regional SYR Airport Authority

Friday, March 26, 2021

Pursuant to notice duly given and posted, the regular board meeting of the Syracuse Regional SYR Airport Authority was called to order on Friday, March 26, 2021 at 12:01 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. Jo Anne Gagliano – Chair
Mr. William Fisher – Vice Chair
Ms. Latoya Allen
Dr. Donna DeSiato (joined after roll call)
Mr. Michael Frame
Mr. Kenneth Kinsey
Mr. Michael Lazar
Mr. Michael Quill
Mr. Robert Simpson (joined after roll call)

Members Absent:

Dr. Shiu-Kai Chin
Mr. William Meyer

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
Ms. Jennifer Sweetland
Ms. Penny Perkins

Roll Call

As noted above, all board members were present except for Dr. Shui-Kai Chin and Mr. William Meyer.

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

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. Lazar and seconded by Mr. Fisher.

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

Director's Report

Director Terreri reviewed the Directors Report with the committee members.

- Received an "A" rating for Minority/Women-owned Business Enterprise (MWBE) compliance program from the State. This was the first time this was done in-house by Stephanie Zumbuhl, kudos to her.
- The airport General Airport Consultant (GAC) Request for Quote (RFQ) was submitted. The pre-submittal meeting was held.
- The SYR airport was awarded one of five airport slots in the country for the FAA Drone Detection & Mitigation Pilot Program. This will be a two-year commitment where the airport will receive \$50K per year and the airports' role is to be the testbed for these companies selected by the FAA. The FAA and the companies will test their technology in a real-world environment at SYR to obtain FAA approval to be rolled out nationally. SYR received a tremendous amount of support from our community. The airport does not yet have a start date for this program.
- The airport completed the Airline Passenger Facility Charges (PFC) meeting. The airport completed the airline consultation. When a PFC application is submitted, it is required to consult with the airlines on the projects. The airlines can either approve or disapprove the projects. All indications are that the airlines are in agreement with the Authority.

Director Terreri discussed the Finance Landing Weights. Landing weighs were flat from last month. SYR is expecting this to start trending upwards given the announcement that as of April 1st there is no longer a travel restriction for New York. The airlines are starting to add capacity back into the market. In the passenger throughput, there is a little increase which is due to the school breaks. From the revenue side, we are off budget a little under \$4M. This continues to be related to activity. On the expense side, we are staying true to the budget. Overall, the financials for the airport are about \$4M off-budget. The airport is also looking at ways to reduce expenses or increase our revenue.

CARES Act update - The third round passed in Washington, the official amount has not been received, but it will be approximately \$10-\$12M. This will be in addition to the CARES Act1 and CARES Act2 that was already received. CARES Act3 will be focused on recovery of the airports financial position and airport efficiencies to maintain or lower rates and charges.

Director Terreri explained the Landing Fee charges. The landing fee is a calculation that includes airfield maintenance costs, operations costs and a portion of security and ARFF. Director Terreri spoke about the cost per enplanement. This fee needs to be between \$9-\$10 per enplaned passenger for a small airport. This gives the airport an advantage over some of the other airports since this is the fee that airlines look at to bring in new service. At the present time, the SYR's service is coming back faster than Buffalo, Rochester, and Albany. The total flight schedules for March and April shows a substantial increase. The airport is expecting the enplanement numbers to go up in March and April.

Director Terreri presented an overview of the FAA Airport Improvement Program (AIP). He explained how the airports large FAA projects are funded. SYR will be updating the Airport Master Plan and will be looking at the Capital Improvement Program preparing for a long-term capital plan for the budget. The AIP program only provides funding for eligible airports. Funds are for planning, development, or noise projects. The eligible projects must enhance, safety, capacity, security, and environmental (which is noise and competition) concerns. The AIP funds cannot be used for revenue generating projects. They can be used for runways and taxiways or for terminal projects and can only be used for the common space areas such as elevators, escalators, halls etc. It cannot be used to build out concession or airline space.

If SYR accepts and uses AIP Funds, the project to be funded must be identified on the Airport Layout Plan (ALP). The airport must agree to 39 grant assurances. The funding is 90% from the FAA, 5% from the State and the SRAA makes up the last 5%. During the pandemic, the FAA is paying 100% of the capital program. The airport must also maintain a 5-year development plan. The funds are distributed on a ranking system. Director Terreri reviewed the projects for 2021 thru 2024. He explained that by having the Airport Master Plan done now, it will help to identify what projects need to be done and what is the timing they need to be done and then the airport can determine how they will be funded. Mr. Dorman reviewed the AIP Timeline with the SRAA Board. Director Terreri explained that as we move into our budget for next year, we will meet with the FAA in September and go through the airports plan. At the meeting this year, we will include the results from the pavement management program. SYR may be through the forecasting portion of the AIP by that time and will be looking at some of the concepts. This will drive a change to the capital program if there is pavement that needs to be completed or other items identified by the Airport Master Plan.

Director Terreri updated the SRAA Board regarding the Common Use Terminal Equipment. This is a software which allows any carrier to use any gate that is has this equipment. There are currently 5 unused gates that we can put this equipment on. The airlines would be billed a per gate fee when using one of these gates. This is something that the airport would like to implement in phases. CFO Watkins has been looking at vendors. CFO Watkins stated she had preliminary discussions with a company who provides software to all five major airline carriers. The airport did get some budgetary estimates and the cost would be approximately \$320K for us to start with the five common use gates. The RFP should be ready to go out next week. This would be part of the budget approval process as we move forward. Director Terreri explained that the trend in the industry for an airport of our size is to move towards a common use environment. This will also assist with diversion flights that come into the airport.

New Business/Discussion

SYR Mission/Vision/Values

Penny Perkins from Steve Baldwin Associates provided an overview of the Mission/Vision/Values. Ms. Perkins reviewed the process/timeline which started in March of 2020. She proceeded to identify what was found in the Strengths, Weaknesses, Opportunities, Threats (SWOT) Analysis. This context that ensured the Mission/Vision/Values statements, which distilled down to the critical elements for management and the SRAA Board. Ms. Perkins reviewed the final versions of the Mission/Vision/Values Statements. It was mentioned that the Mission focuses on the present and describes the purpose of the organization and why it exists; it is concrete and action-oriented). The Vision focuses on the future and provides a guiding vision of the ideal conditions for stakeholders and the Values reflect SRAA core behaviors, beliefs, & guiding principles. Director Terreri thanked everyone for their feedback explained it has been a year-long process and that we have narrowed it down to be a true representation of who we are, who we want to be and what we believe in. He explained that once this is finalized this will help to complete the strategic plan. This will now be a good time to re-engage in the strategic plan which will layout the budget for next year, the Airport Master Plan and what we are planning for the next 5 to 10 years. Dr. DeSiato stated that the process worked by getting stake holder input and making revisions until it ultimately makes up something that truly reflects the airport. Chair Gagliano also agreed that all the points have been hit and that the team did a great job, and this should be moved forward for approval.

Having no further discussion regarding this resolution, Dr. DeSiato made a motion to approve the Mission/Vision/Values and Mr. Simpson seconded it.

The Mission/Vision/Values Statements was approved unanimously by the SRAA Board.

9 ayes, 0 nays, 0 abstain

RESOLUTION APPROVING AMENDMENTS TO BY-LAWS FOR THE SYRACUSE REGIONAL AIRPORT AUTHORITY

Having no further discussion regarding this resolution a motion was made by Mr. Fisher and seconded by Mr. Lazar.

The resolution was adopted: 9 ayes, 0 nays, 0 abstain

RESOLUTION AUTHORIZING THE CREATION OF THE POSITION OF DEPUTY CHIEF OPERATIONS OFFICER

Having no further discussion regarding this resolution a motion was made by Mr. Fisher and seconded by Mr. Simpson.

The resolution was adopted: 9 ayes, 0 nays, 0 abstain

Bond Refinancing Update

CFO Watkins indicated that the airport is in the process of reviewing and looking at refinancing the bonds. The airport currently is responsible for repayment of two different issuance of bonds along with a Key Bank Loan. The airport is looking at refinancing the bond from a 2011 bond amount. The bonds are currently held on the books by the City of Syracuse, but the airport is responsible for paying them, along with the principle and the interest. The payments come from our PFC dollars and therefore, do not come out of operating funds. The airport has an opportunity to float them at a reduced rate. This would represent a savings to the airport of approximately \$450K per year. The refunding would be in October 2021, which is the first call date. The float of the new bonds could take place anywhere from July through November, depending on the interest rate. The airport has their initial meeting with the Municipal Advisor to set out the plans for the year. CFO Watkins had discussed this with the City of Syracuse. The process is continuing. CFO Watkins also mentioned that the airport is looking at paying off the Key Bank loan and rolling it into the bond financing.

Mr. Fisher explained to the newer board members that when the Authority took over the airport, we also took over the debt. The Authority received revenue and committed to paying off all the bonds. He stated at one point there were some bond anticipation notes. Those were shorter-term financing that the City of Syracuse took on and we paid that off. The Authority has been systematically making the payments twice a year, including principal and interest for those commitments. The Authority is going to pay off those commitments.

Mr. Fisher also explained that the Authority is not only looking to replace the bonds that were taken over from the City of Syracuse but also replace some debt obligations that the Authority agreed upon. Management along with outside advisors will ensure that SRAA is getting the best rates and terms. These are all steps that we have not done previously as a board. This is a key step in the SRAA and the boards growth and maturity.

Review the Changes to the Enabling Legislation

Director Terreri indicated that he met with the Mayor to discuss some changes that the board has mentioned previously. Director Terreri went through the list that has been discussed to make sure this incorporates everything needed. Board member Allen will help explain these changes to her peers for discussion with the Common Council with a goal of obtaining the Home Rule resolution and then ultimately the SRAA will bring it to the state. The list of items includes:

1. Changing one of the Mayor's SRAA Board appointment terms to coincide with the election cycle. So, in the future if there is a new mayor, the new Mayor will be able to appoint someone of their choosing for the SRAA board.
2. Setting up the airports own code and standards from a development standpoint. This would require repealing an amendment and one of the amendments of state law. Right now, there is a 1976 law that gives the City of Syracuse control over the airport. The Airport would be looking at making a change to that so that SRAA/SYR will have control of our own standards and ownership regarding codes and standards

which would simply mean that we will adopt New York State and Federal standards for the airport.

3. Change the one-year appointment seat to a two-year term.
4. Give the Authority the ability to have its own police force. Currently, SYR does not have the ability to have its own force and it would require some changes to laws. This has been discussed with the Police force and the City of Syracuse and all are in favor. It is a matter of putting the process in place.
5. This item will need discussion with Common Council. Currently in our legislation, we are required to take any project in excess of \$10M to the Common Council for approval. This is a violation of one of grant assurances, #5. The airport is not allowed to have another entity have financial control over the airport. If there were a runway project with a cost over \$10M and the FAA says we must do it for safety reasons and the Common Council will not approve it, this would put us in violation of our grant assurances. While SYR requests a change in the language, we would still have the Common Council involved in the process, however, we cannot have Common Council's approval as a requirement. There is a letter from the FAA stating the Airport is in violation of grant assurance #5 which stems from a 2014 audit that was done by the FAA. This is an item still not corrected from that FAA letter that the SRAA is working through. This will require further discussion but must be resolved.
6. General Counsel Clark explained that right now, the Authority is operating on a 40-year lease with the City of Syracuse. The problem with that format, is as time goes on, we have less time remaining on the lease. The SRAA will get to the point where it will be difficult for tenants or people who would want to invest in the airport to fully amortize their investment. General Counsel Clark stated he is not sure if this will have to go through the Enabling Act. Ideally, what should be done is to amend the lease with the City of Syracuse to provide that every time a year gets taken off another one is added on. This will then always maintain a 40-year balance on the lease.

ACI Airport Service Quality Benchmarking Program

Director Terreri explained that Airport Council International, North America (ACI) is an advocate for airports and offers training. They created what the industry standards are in terms of quality service and benchmarking against other airports. The program is called Airport Service Quality. It is a global program that would benchmark Syracuse Airport against other airports of similar size in the US. This is made up of different surveys and if the board agreed, the first survey would be the departure survey. This would cover everything from the customer experience and will allow the airport to develop strategies as to how we are doing and what can we do better. The airport would have surveyors in the airport on a quarterly basis. Airport Service Quality (ASQ) or the airport could provide the surveyors. The data is pulled together, and it takes into account the passenger's perspective in the variety of categories. This is done quarterly so will provide benchmarking against all the different areas. The airport would then get a performance report to include, a global benchmark report, group benchmark report and demographics and behavior information. Director Terreri reviewed quarterly performance dashboard report with the board and stated how the airport can work on the areas in need of improvement. This will benchmark us against other airports, and we can provide this information to the board. The program costs \$20K per year plus surveyor's cost.

Mr. Fisher stated it sounds like a good idea. He would like to make sure that the airport gets their monies worth. Director Terreri explained that we would use local volunteers or a marketing company to assist. Chair Gagliano agreed this is a valuable tool and the airport should move forward.

Executive Session

Chair Gagliano invited a motion to go into executive session to discuss matters pertaining to ensuring public safety at the Airport, potential litigation and the proposed acquisition, sale, or lease of real property by the SRAA Authority.

Mr. Fisher made the motion and Mr. Lazar seconded the motion. Executive session began at 1:32 p.m. Executive session ended at 2:11 p.m. No action was taken.

Committee Reports and Other Updates

- Audit Committee – nothing new to report
- HR Committee –nothing new to report.
- Finance Committee – nothing new to report.
- Governance Committee – nothing new to report.

Adjournment

A motion was made by Mr. Fisher and seconded by Ms. Gagliano to adjourn the meeting. The meeting was adjourned at 2:14 p.m.