



## **Finance Committee Meeting Minutes Friday, February 26, 2021**

Pursuant to notice duly given and posted, the Finance Committee meeting of the Syracuse Regional Airport Authority was called to order on Friday, February 26, 2021 at 9:30 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport and Teams Virtual/Audio Conferencing by committee Chair, Dr. Shiu-Kai Chin.

**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.”

The meeting was called to order by Dr. Chin at 9:30 a.m.

### **Roll Call:**

In attendance: Dr. Shiu-Kai Chin, Mr. William Fisher, Mr. Mike Lazar, Mr. Robert Simpson, Ms. Joanne Gagliano, Mr. Jason Terreri; Mr. John Carni; Ms. Joanne Clancy; Ms. Cheryl Herzog; Ms. Robin Watkins; and Mr. R. John Clark. Absent: Mr. Michael Frame.

### **Review and approval of minutes from previous meeting:**

Chair Chin asked if there were comments to the minutes. A motion was made by Mr. Fisher to approve the minutes from the previous meeting on June 5, 2020 and Ms. Joanne Gagliano seconded the motion. Motion carried unanimously.

### **New Business**

#### **Procurement Policy revision review**

CFO Watkins discussed the changes in the procurement policy which was included in the packet. One of the changes was the purchase approval dollar amount levels have been increased according to standards which allows department managers to be more responsibility for their own budgets. This new process will be more efficient as we can move towards the electronic sign off process. Additionally, the General Airport Consultants (GACs) process was reviewed.

This process was modified to allow more expansive bidding procedures for larger contracts. The Authority will not only look at local (GACs) but also national (GACs) depending on their expertise. With these upcoming changes, it was clarified that there is a set of checks and balances in place and separation of duties. Director Terreri mentioned that the changes are in line with the rollout of the new Enterprise Resource Planning (ERP) system.

Mr. Fisher asked to clarify the separation of duties and documentations. CFO Watkins stated that the accounting department restructured many internal controls. Even though one can approve the purchase, it does not actually allow the purchase. The final purchase will go through the accounting channels before purchase is made and paid for. CFO Watkins explained that the current system is paper and on Monday the new Enterprise Resource Planning (ERP) system will be in place. Everything will get scanned into the system. When a purchase requisition is placed, attached is a pdf with the quote or email, the electronic document moves to the next signature where it is signed electronically for approval. There are daily backups for the system and files will be kept indefinitely.

Mr. Fisher spoke of concerns regarding how contracts are currently being awarded. CFO Watkins explained that it is recommended contracts go out to bid on a routine basis, it encourages competition and ensures the best value. Director Terreri mentioned projects go out for bid, including smaller projects. The SYR Airport recently put out an RFQ for General Aviation Consultant (GAC) Request for qualifications (RFQ). When the FAA awards Federally funded projects they have a separate set of procurement policies that we must follow, which we built into the new RFQs and are also looking at building that at the service level as well.

Mr. Lazar made a motion to recommend the Procurement Policy Revisions to the SRAA Board and was seconded by Mr. Fisher, all members agreed.

### **Municipal Advisory Update**

CFO Watkins updated the committee that under the existing Procurement Policy, the Authority has the right to go out and provide the best interest and sole source purchases under the municipal advisor. When the criteria required was reviewed, no local firm could be identified that had aviation industry background and experience. The Authority located Frasca & Associates who has previously worked with the airport as a subcontractor and is an MWBE business. By using Frasca & Associates we would meet the MWBE criteria required by the state. They have experience at SYR Airport and have references from the airport industry. The Authority is proposing and recommending that we move forward with Frasca & Associates for a two-year agreement with them and the fees would be on an as-needed basis. They could also help us to start setting up the airline rates and charges which we would be doing within the next year or two.

Mr. Lazar asked if this would be an hourly rate. It was explained that depending on the project it could either be a project fee or an hourly rate. Mr. Lazar inquired the costs over the two-year period, CFO Watkins stated that the bond refinancing alone would be about \$70,000, and then a

separate bond council is needed which would not be required to have aviation experience and could be someone local. Director Terreri explained that Frasca & Associates is the top firm for airports. CFO Watkins informed the committee that she has spoken to other airports and they came highly recommended with high ratings.

Mr. Fisher stated he would like to make sure that all areas were explored. He asked if we built in industry expertise requirements and excluded businesses that did not meet the criteria or create weighing criteria. CFO Watkins explained that both options were looked at. Director Terreri explained that where we are in the industry right now having the industry expertise to position the airport adds a tremendous value. Frasca & Associates is a New York based company that is a full MWBE, has the experience and is the leader in the field. The Finance Committee was in full support of management's plan to set up an agreement with Frasca & Associates.

### **January Financial Statement Reviewed**

CFO Watkins reviewed the financial statement with the committee and stated that a good portion of income that comes in is from landing weights. Landing weights are a combination of number of flights that arrive as well as the size of the plane. In the beginning of the year, the Authority was ahead of the adjusted budget. With the COVID-19 restrictions continuing, now the airlines are managing the number of flights and either retracted them or moved to smaller aircraft, which has brought us below the re-budgeted amount. Additionally, passenger throughput is down due to these restrictions SYR is 30% behind the domestic recovery average. Total finance revenues are down approximately \$2.8K which is all volume related. The expenditures are right on target with budget, with the biggest category is due to ARFF retirement costs from the City of Syracuse. CFO Watkins explained that as we go through contract renewals and RFPs, we are renegotiating with better terms for the Authority. We recently went through the RFP process for parking management which resulted in significant cost reduction from 160K to 89K. Since the grant administration processes were brought in-house, we no longer need to contract this service out and results in further savings. The potential savings benefits for other services contracted out of the airport is also being reviewed.

CFO Watkins provided an update on the CARES Act Funds. The grant received was 12.9M and the Authority has utilized \$8.7M of these funds. These funds were used to offset the losses from reduced operations; which leaves \$4.1M remaining that the airport will put in for reimbursement. CARES Act2 has come out and the airport will be receiving 4.8M with an additional of 272K for concession relief. These funds will come back to the airport and will offset income that we would have expected to receive during average business from our concessionaires. CARES Act3 is not out yet and is expected to be finalized around March 5<sup>th</sup>.

CFO Watkins explained we have put in an PFC Application 2021, this will include replacement of jet Bridges, an Airport Master Plan Update and Flight Information Service (FIS) Facility at (Gate 15). The draft has been approved by the FAA.

The new Enterprise Resource Planning (ERP) system will be going live this weekend, it is a cloud-based system which allows remote access and improved functionality compared to the old system. The account structure will be moving from 18 digits down to 6. This system is user friendly, it will take several transactions and automate them, streamline the purchasing process, and enhanced reporting and data capabilities. Our invoices will be emailed electronically.

SYR upgraded IT Infrastructure. The Wi-Fi has gone from a 20 mg to two 500 mg lines which took place on January 13th. This provides needed redundancy in the case of outages, due to the lines coming in from two different sides of the airport. New Wi-Fi access points have been installed throughout the terminal to provide better coverage. The airfield will also be receiving new Wi-Fi access points when weather permits.

CFO Watkins reviewed the 2021/2022 budget process; final draft will go to the board by May 21<sup>st</sup> with final board review on June 25<sup>th</sup>.

Mr. Fisher explained that in the past our budget depended in part on the City of Syracuse budget, due to staff who were employed by the City of Syracuse. Mr. Fisher asked if there still dependency on the City of Syracuse budgeting process. Ms. Watkins stated that the last Full Time Employee (FTE) on the City of Syracuse payroll will be moving to the SRAA on Monday. The Authority does have two City of Syracuse staff members who will be retiring next year and are still employed by the City of Syracuse. The SRAA has the ARFF payroll which is submitted every two weeks. The SRAA provides the City of Syracuse a copy of our financials to include in their report. Mr. Fisher indicated he would encourage the SYR airport to move towards a robust process for Capital Budgeting, which would include a detailed capital plan budget going out for multiple years. Mr. Fisher said he would like this in place by the 2022 budget. Ms. Watkins explained the airport started looking at a 5-year plan last year. The capital expenditures which we have the foundation for and the capital requirements will be updated as we go through the budget process. The AIP projects related to the facility are currently planned for a 6 year time-frame.

Chair Chin asked if the committee could have a briefing on which have been the most popular flight destinations in March. Director Terreri provided an update on February passenger traffic numbers. The airlines are cautiously optimistic that New York will begin to open, so they are adding in capacity.

### **Investment Guidelines Annual Review**

CFO Watkins stated that the Investment policy was included in the packet and that there have been no changes since the committee's last review. Mr. Lazar asked who the Treasurer is for the Authority, General Counsel Clark clarified that it is CFO Ms. Watkins.

**Adjournment:**

Mr. Simpson made a motion to adjourn, and Mr. Fisher seconded that motion. Meeting was adjourned at 10:46 a.m.