



## **Finance Committee Meeting Minutes Friday, March 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, March 26, 2021 at 10:00 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 10:00 a.m.

### **Roll Call:**

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

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

Chair Chin asked if there were comments to the minutes. A motion was made by Mr. Lazar to approve the minutes from the previous meeting on February 26, 2021 and Mr. Fisher seconded the motion. Motion carried unanimously.

### **CFO Report**

CFO Watkins reviewed the Finance Committee Update that was included in the Finance packet. She discussed the Landing Weights which are going up slightly. The passenger throughput increased a little in February. Landing weights are down 17.6%. The February flights were 32.9% behind budget. Cargo flights continue to offset commercial losses. Parking improved in February but is still down. Terminal Rents are down, concession relief we have been doing well with Car Rental which is offsetting some lower income activities with some of the other concessions in terms of food, beverage, and retail. The good news is concessions are starting to

expand the hours that they are open. Year-to-date budget - the airport is near the top of where the budget was planned - 231K. Mr. Lazar inquired about the de-icing recovery if it has made a negative impact. Mr. Carni explained that this was a test project we partnered with Inland Technologies who recycle glycol. We wanted to partner with someone that may be willing to take the glycol off our hands and with the more concentrated levels that Inland Technologies would take away, it would save the airport money with the County. Mr. Carni stated that SYR did get some very good results from this test project and we are currently waiting on a report from Inland to decide how we will proceed. Director Terreri explained that this year's budget would not be affected by the Inland study. This was a test to figure out what we could do. If all goes well by next season, we could have this in place and the cost savings would not hit this fiscal year but the next fiscal year. CFO Watkins explained the test project cost \$15K and future reductions could run about 400K per year. The Financial Summary showed a total income loss of 3.9M. The Authority continues to cover these deficits through CARES funds. The airport is continuing efforts to reduce cost, whether through efficiencies, cost reductions, etc.

CARES funds update - The airport received final approval for CARES2 and the SYR airport will receive 4.8M which will help with operational deficits. CARES3 has been approved in Washington, D.C. The SYR airport has not received any formal, notification as to what the allocations are going to be, we have received estimates indicating between 10 and 12 million. These funds will be utilized for recovery. CFO Watkins explained that the CARES funds monies must be spent first, prior to asking for reimbursement.

CFO Watkins introduced her new staff members: Brian Meyers, Finance Manager; Clarissa Simpson, Accounts Payable and Receiving; and Heather Rudick, Purchasing Contract Clerk. Mr. Meyers reviewed the remaining financial reports included in the packet. Mr. Meyers explained that Accounts Receivable went up slightly due to a much healthier portfolio of receivables. Mr. Meyers explained that we are moving toward accrual accounting with the airport's prepaid expenses. Previously, if the airport received a subscription or a license which covered a longer time frame, it would be expensed all in one period, now it will be setup in a prepaid manner and allocated over the life of the subscription or license. This will provide better accuracy with the financial statements.

CFO Watkins updated the committee on the PFC/CFC projects. There is no new information. There was a meeting with the Airlines this week which went very well.

CFO Watkins reviewed the Landing Fees and how the fees are calculated. It was explained that the fee is calculated at the beginning of each year to come up with the budget number that will be billed to each of the Airlines throughout the year and then we have a year-end reconciliation. The Airlines would then be charged the additional amount if the costs are over budget or receive a credit if under the budget.

CFO Watkins proceeded to explain the Terminal Charges cost to the airlines. The airport calculates what the total requirement is and then there are credits based on rents and fees such as advertising, rents from concessionaires to determine the net terminal requirement. The airlines

pay close attention to the cost per enplanement. This helps them determine where they want service to return to. CFO Watkins explained that the new ERP System went online March 1, 2021. The transition went smoothly with no system malfunctions. Users adapted well to the new system and procedures. Controls can be tracked electronically. Writing of the standard reports was completed last week. There were some costs associated with this process that was brought in-house and did not use a consultant.

On the IT side, the Authority is finalizing the SD-WAN install this week. The Authority is installing a full upgrade of equipment for security and business networks. The 2021/22 budget process is on track.

Mr. Fisher asked if the airports budget is tied in with the City of Syracuse and if the City asks us to prepare anything? Director Terreri explained that the City did send a request in January and it was taken care of.

### **New Business**

#### **Bond Refinance Update**

CFO Watkins stated the airport had a meeting and we are in the process of looking at refinancing our outstanding bonds. These are bonds on the City of Syracuse that we are going to be refinancing and will move them over to the SRAA balance sheet. CFO Watkins explained during the first meeting that our Municipal Advisory put together the calendar of events. The bond float is scheduled and the float itself can happen anywhere from July through November. That will be based on what the interest rate is at that time to capitalize on the lowest rates. CFO Watkins met with Brad O'Connor from the City of Syracuse and went through all of the information and he has the calendar and all of the data. This will be a big savings to the airport. The first preliminary estimates are a savings of 400K a year in interest. CFO Watkins will share the calendar of events with the committee. The airport will also be looking at the Key Bank loan payable in 2026. The airport is looking at paying off that loan and rolling it into part of the bond issuance. There would be a one percent prepayment penalty fee on the Key Bank loan.

Mr. Fisher stated that the SRAA currently does not have a policy regarding bonds/issuance because the Authority was not borrowing any money. A policy would be useful to the municipal advisors to recommend some model guidelines to bring to this committee first, and then bring to the Board for approval sometime in the future.

#### **Adjournment:**

Mr. Simpson made a motion to adjourn, and Mr. Fisher seconded that motion. Meeting was adjourned at 11:40 a.m.