

# SYRACUSE REGIONAL AIRPORT AUTHORITY

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## **Minutes of the Regular Meeting of the Syracuse Regional Airport Authority**

**Friday, September 24, 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, September 24, 2021, at 12:31 p.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport and via Teams Video/Audio Conferencing by Chair, Ms. JoAnne Gagliano.

### **Members Present/Video Conference:**

Ms. Jo Anne Gagliano – Chair  
Ms. Latoya Allen  
Dr. Shiu-Kai Chin  
Dr. Donna DeSiato (joined after attendance)  
Mr. William Fisher – Vice Chair  
Mr. Michael Frame (joined after attendance)  
Mr. Michael Lazar  
Mr. William Meyer  
Mr. Michael Quill  
Mr. Robert Simpson

### **Members Absent:**

Mr. Kenneth Kinsey

### **Also Present/Telephone Conference:**

Mr. H. Jason Terreri	Ms. Stephanie Zumbuhl
Ms. Robin Watkins	Mr. Brian Meyer
Mr. John Clark	Ms. Heather Rudick
Ms. Cheryl Herzog	Ms. Clarissa Simpson
Ms. Debi Marshall	Mr. Rob Poyer, Bond Counsel
Mr. Jason Mehl	
Ms. Joanne Clancy	
Ms. Linda Ryan	
Ms. Jennifer Sweetland	

## **Roll Call**

As noted above, all board members were present except Mr. Ken Kinsey.

Chair Gagliano began by welcoming everyone to the scheduled meeting of the SRAA Board at 12:31 p.m.

## **Reading and Approval of the Minutes**

Having no objections or additions to the minutes from the June 25, 2021, SRAA Regular Meeting of the Board, a motion was made by Mr. Lazar and seconded by Mr. Simpson, and the minutes were unanimously approved.

The Board agreed to take the agenda out of order and move to New Business/Discussion so that Rob Poyer our Bond Counsel could be present for the first three Resolutions.

Executive Director Terreri addressed the Board regarding debt issuance. He updated the Board that the authority has been working with Bond Counsel, CFO Watkins, and our consultant from Frasca and Associates to obtain our bond ratings so that the SRAA has the ability to issue debt. A resolution on that topic is on today's agenda for SRAA Board vote. Director Terreri shared with the Board some exciting news, yesterday for the first time, the authority received ratings for both Fitch and Moody's. We received an A minus from Fitch and Moody's was a Baa1. Director Terreri wanted to remind the board where we were 18 months ago. At that time, the SRAA had an organization that needed some big changes in finance in terms of accounting, a new system that needed replacing and if you remember CFO Watkins joined the Authority only 18 months ago, so it has been an incredible journey. CFO Watkins was asked to invite the finance team to the meeting. She introduced her team of people who make it happen on a daily basis. Brian Meyer, Finance Manager oversees the activities, Clarissa Simpson is our AP Specialist, she handles all the invoicing and payments and has streamlined that process. Heather Rudick, Purchasing Contract Clerk, handles all the procurement quoting and processes purchase requisitions. There is total segregation of controls in that area with no overlapping functions. Stephanie Zumbuhl, Airport Grants Administrator handles all the grant activity and has streamlined this process so that we are now submitting invoices within 30 days for all construction projects. The Authority no longer has receivables that are out a year and a half as we had 18 months ago. Close outs are now done in a timely manner.

Director Terreri explained everything that has occurred in the last 18 months from a finance perspective and that there is now a new chart of accounts. Jason Mehl started as a contractor in accounting and returned to join the SRAA team as Chief Commercial Officer. Additionally, we rolled out the new ERP system, switched Audit firms and just had a clean, on-time audit. All of this happened through a pandemic with a brand-new team. Director Terreri recognized the Accounting Team and Robin for what they have accomplished over the last 18 months.

## **New Business/Discussion**

### **MASTER RESOLUTION AUTHORIZING ISSUANCE OF SENIOR AIRPORT REVENUE BONDS**

Mr. Poyer explained that the Authority reviewed the presentation last week regarding the content of the Master Resolution. He explained the issuance of the bonds, defined certain Bond parameters and covenants with the bondholders. Mr. Poyer reviewed the revenues and net revenues and stated that the year-end audit is required to complete the preliminary official

statement, which is the sales document, that needs to be in final form. Once the audit is approved, Mr. Poyer, will have preliminary efficiency in final form. It then would be posted online equivalent to what would be a stock exchange. Fortunately, the Authority received wonderful ratings for a first timer and the authority should be proud.

Mr. Fisher applauded the management team on an excellent job. He had two questions, given these ratings and the size of the bond issuance, what interest rate might we expect in terms of a range in basis points or whatever way it should be measured? Mr. Poyer and Ms. Watkins stated they have not seen anything on that yet, they are looking at pricing around October 12<sup>th</sup>. CFO Watkins stated we are waiting for the POS to go out Monday of next week at 9:00 a.m. Mr. Fisher asked about going to the market and looking at bond buying today and other specific issuance questions. Mr. Poyer informed Mr. Fisher that he does not have full answers at this time but will email the information once he receives it. Mr. Fisher also asked when we issue the bonds, will we have a call option and if so, how long will that be before we can call the bonds? CFO Watkins stated there is a call option and believes it is 10 years. Mr. Fisher also asked about bond insurance, Mr. Poyer stated if it is feasible, it would be something that the authority will explore. Dr. Chin inquired if anything has changed since last week's presentation prior to voting on this resolution. Mr. Poyer stated nothing.

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

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

**FIRST SUPPLEMENTAL RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF SENIOR AIRPORT REVENUE REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45 MILLION**

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

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

**RESOLUTION APPROVING THE FISCAL YEAR END 2021 DRAFT AUDIT OF THE SYRACUSE REGIONAL AIRPORT AUTHORITY**

Mr. Lazar gave a briefing from the Audit meeting. Fust Chambers recommended approval of the draft audit to the board with no negative comments. They explained how well they worked with the Authority with getting all information needed and were well prepared in advance for their review. This is a very positive audit result. He informed the board that the SRAA Audit Committee met with the auditors without any SRAA staff in Executive Session.

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

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

## **RESOLUTION AMENDING CODE OF ETHICS FOR THE SYRACUSE REGIONAL AIRPORT AUTHORITY**

Director Terreri informed the board that the current Code of Ethics does not allow any airport Authority employee to obtain secondary work at the airport with any of the airport tenants. The Authority Executive Team would like to make a change to allow Authority employees to take advantage of secondary work opportunities at the airport, especially as we will be having some upcoming opportunities through our new concessions program. Staff would need to fill out a secondary work application and would have to have it approved by the Authority and it will be clear and strict that the applicant's position cannot conflict with their current position at the airport. Employee cannot call out sick and work for their secondary employer. Mr. Clark stated that Director Terreri can pull that approval if things do not work out. Mr. Simpson asked if it would be a blanket exemption for all staff or does it apply to certain staff? Mr. Terreri clarified that it would be open to any Airport Authority staff as long as there is not a conflict of interest. He stated that there are opportunities at the airport that would not interfere with their contract. Mr. Meyer asked how long the approval would be good for? A conversation ensued regarding this question and it was decided the application would be subject to annual approval. Ms. Allen asked about termination from an employer and if it would affect their other employment. Mr. Terreri stated no it would be two separate employers and they would be issued two separate badges, if required. They would use the appropriate badge based on who they are working for at that time. If the employee is terminated because of a major offense the Authority would know immediately and action would be taken. Mr. Simpson asked how extensively this would be utilized. Director Terreri stated very few people have expressed interest. Ms. Marshall explained that there are people that work in other parts of the airport and apply positions with the authority and have been told they would have to quit their current job to work for the Authority. This will remove that barrier as a conflict of interest. Dr. Chin asked if the nature of the job changes how would the Authority know? Director Terreri stated work will be monitored and make sure it not impacting their primary job with what they do with the Authority. Mr. Simpson asked about denying an application. Mr. Clark stated that there would need to be a reason for denial. This would then be documented and can be revisited at a later date. Mr. Fisher asked if this would end if the labor market opened up. Mr. Terreri stated this would continue. Mr. Fisher asked if this needed to be negotiated with the collective bargaining units. Ms. Marshall stated she will look into this since this was never an issue with the City of Syracuse. Mr. Lazar stated that there is a large positive potential which is free education regarding different aspects of the airport operations. Mr. Lazar stated that the Authority always speaks about opportunities for climbing the ladder and that this would give employees the opportunity to learn different areas of the airport. Conversation continued regarding this, and all questions were answered fully.

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

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

## **RESOLUTION CREATING THE POSITION OF PROJECT MANAGER (TEMPORARY)**

Ms. Marshall stated that this position is for a Project Manager and that it's temporary for projects that come up which are for a limited period of time. As an example, currently we have a new communications system being put in place and someone was hired for the duration of this project. This could be used for any project. Mr. Lazar stated that we can then take advantage of their expertise.

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

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

**RESOLUTION APPROVING SRAA APPLICATION FOR AN ACCEPTANCE OF (IF AWARDED) NYS GRANT MONIES RE TERMINAL/CONCOURSE IMPROVEMENTS**

Director Terreri stated that the SRAA has submitted an application for the Upstate Airport Initiative Grant. Ms. Zumbuhl and CFO Watkins put the grant together. Director Terreri updated the board with the improvements and the packet is in Dropbox for the boards review. Just to name a few items within this application, are a new FIS, passenger amenities such as visual paging, a building management system with lights, an app to order food, reserve parking, install LED lights, install self-boarding scanning equipment to work with mobile phones, and phone check ins with QR codes for self-bag tags to expedite the check-in process.

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

The resolution was adopted: 8 ayes, 0 nays, 0 abstain

**Executive Team Report**

Director Terreri informed the group regarding the Upstate Initiative Grant and thanked CFO Watkins and her team, along with Brian Dorman and C&S Engineers as they worked as a group putting this together. American Airlines Dallas Fort Worth service has launched and is exceeding expectations with the airline. The Maintenance Team was awarded the Honorable Mention for the 2021 snow season Balchen/Post Award. They did a fantastic job, and we are expecting the same with use of three new pieces of snow equipment this year. The parking prebook program began and now passengers can reserve a spot at the airport garage and outdoor lots in advance. Mr. Mehl and Ms. Ryan are leading that effort for our Commercial Team. The Runway 10-28 project is now complete with the project finished two weeks earlier than planned. This was an AIP project led by Mr. Dorman and was one of the largest AIP projects. Southwest Airlines coordination is ongoing for their start at the airport on November 14<sup>th</sup>. There are many moving parts that staff is working on. We are implementing Common Use rollout for the Gates which will allow more flexibility with multiple carriers being able to use the same gate. Gates one and twenty will be the first Gates to roll out the Common Use platform. When existing leases expire, we can start to roll out a true Common Use platform across the board. Director Terreri shared the enplanement numbers which continue to trend upwards. In November, Nonstop service to Miami on American and Frontier commences. We continue to see other service markets return, such as Boston, Tampa, and Fort Myers. The Atlanta and Detroit flight capacities have returned to 2019 levels and the D.C. market is getting close. Europe is starting to open back up. Our capacity numbers are doing well. Our traffic percentage breakdown currently is 60% leisure and 40% for business travel which is a good split. Mr. Simpson asked if we knew what this map would look like in Rochester and how much they're pulling for our market. The Director advised that while we do not have that information, we do have a study that would calculate that, and we will be updating it soon. The last time we did a catchment study was in 2019. Cargo continues to do well. The cargo area is starting to reach capacity therefore is part of the Master Plan to expand the cargo footprint.

CFO Watkins reported on Finance and the landing weights are currently above budget. Enplanements are also above budget with a slight dip in August, but nothing to worry about. Ms. Watkins reviewed the

financial summary with the board. The operating revenue is up on our year-to-date income. The non-operating revenue is stable and on target where we need to be budget wise.

Director Terreri reviewed the elements that made up the Upstate Initiative Grant Proposal.

Mr. Mehl provided information on the Commercial side. The SYRenity Bar is open along with the new full serve Dunkin Donuts. Coming soon to the airport is Yo-Kai Express Ramen and a meeting was held with Delaware North but nothing further to report at this time. Mr. Mehl spoke about new opportunities that will be coming to the airport such as Escape Pods to rollout in October 2021; Reach TV will provide TV entertainment at the gate; and a contract is in progress regarding a Priority Pass Lounge. Expected RFP out in mid-October. Mr. Lazar asked if this is something they have in other airports? The answer was yes this in many airports.

Ms. Marshall gave the HR update. She reviewed the SRAA Organizations updates. She reviewed the new employees, the recruiting position and positions anticipated for 2021/22. She updated the board about the Health Insurance RFQ and stated we are going to continue with OCEBA but offer the existing plan along with some other plan options at a lower cost. There will be a meeting with the Unions in October. This information will be presented to the HR Committee in October. Upcoming training for staff was reviewed. Ms. Marshall spoke about the drugfree workplace policy and hopes it will be ready for the October meeting. Some discussion ensued regarding legalized marijuana. Ms. Marshall reviewed the 21/22 Initiatives, milestone awards at September town hall, employee newsletter, recognition/reward platforms. In reference to Diversity, Equity and Inclusion, Centerstate CEO will conduct a survey, and will hold in person focus groups and interviews in October. Succession Planning will include developing training matrixes for each position and identifying promotional pathways.

Director Terreri discussed Honor Flight Mission 15 on September 25<sup>th</sup> and how successful it was. SRAA Quarterly Town Hall meetings to be held next week. Landside redevelopment plan meetings kicked off this week and will focus on the parking deck along with the roadways and parking. The update to the Master Plan is in progress and a reminder that Southwest Airlines are starting service from SYR on November 14<sup>th</sup>.

### **Committee Reports**

There was no discussion regarding the Audit or HR Committees.

### **Executive Session**

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

Mr. Meyer made the motion and Mr. Lazar seconded the motion. Executive session began at 1:49 p.m. Executive session ended at 2:21 p.m. No action was taken.

### **Adjournment**

A motion was made by Mr. Frame and seconded by Mr. Lazar to adjourn the meeting. The meeting was adjourned at 2:22 p.m.