

Minutes of the Regular Meeting of the Syracuse Regional Airport Authority

Friday, March 25, 2022

Pursuant to the notice duly given and posted, the regular board meeting of the Syracuse Regional Airport Authority was called to order on Friday, March 25, 2022, at an offsite location by Chair Jo Anne Gagliano.

Members Present:

Ms. Jo Anne Gagliano – Chair
Mr. William Fisher – Vice Chair
Ms. Latoya Allen
Dr. Shiu-Kai Chin
Dr. Donna DeSiato
Mr. Michael Frame
Mr. Kenneth Kinsey
Mr. Michael Lazar
Mr. Nick Paro
Mr. Robert Simpson

Members Absent:

Michael Quill

Also Present

Mr. H. Jason Terreri
Ms. Robin Watkins
Mr. John Clark
Ms. Joanne Clancy
Ms. Debi Marshall
Mr. Jason Mehl
Mr. Brian Dorman

Chair Gagliano started the SRAA Board meeting at 1:30 p.m. She thanked all the Board members for attending along with the staff. The effort everyone made for the meeting is greatly appreciated.

Roll Call

As noted above all members were present, except Michael Quill who recently resigned his position with the SRAA Board.

Consent Agenda

- Approval of minutes from January 21, 2022, Regular Board Meeting
- Resolution Creating the position of Airport Communications Center Manager

Chair Gagliano asked for a motion to approve the Consent Agenda as a whole. Having no further discussion, a motion was made by Mr. Fisher and seconded by Mr. Simpson.

The resolution was adopted: 10 ayes, 0 nays, 0 abstain

Committee Updates

Governance

Mr. Fisher spoke about a change that was discussed regarding how the committees should operate. General Counsel Clark researched this and Chair Gagliano believes strongly in the support that the committees should be able to take action. When the board of authority was set up, only the SRAA Board voted to take actions and the committee's only real powers were to discuss things and present them to the board for recommendation and/or adoption. General Counsel Clark explained that the board can only act through a majority, and only some committees have enough participants to establish a quorum within them. There is a structural issue as to how this can be handled. If the committee has six members, it is okay. For less than six members there will be an issue. It was suggested that committee recommendations/approvals be included on upcoming board consent agendas. Dr. DeSiato agreed that this recommendation is good as the board grows and turns over yet still want the full board to have the knowledge of why something is being recommended for a vote. This will benefit the full board to always know something is being acted upon, that will either change a structure of position, policy, or financials. Mr. Frame agreed that delegating much of the review of materials and to put forth recommendations by the various committees should be approved, but not the decision for final approval.

Finance

Dr. Chin stated there is no further updates.

Executive Team Report

Director Terreri reviewed air service updates with the group. Breeze Airways will be servicing SYR two times a week flying to Charleston and Las Vegas starting June 10th. This airline is getting a new aircraft every month for the next 10 years. Breeze is very interested in Syracuse, and we expect to see expansive growth from them. Their aircraft is 25% more fuel-efficient, making the west coast flights profitable from Syracuse. SYR expects to see new cities added within the next two years. Frontier Airlines announced bringing back the Raleigh-Durham flight which was a top performer for Frontier. The recent announcement that Frontier and Spirit are merging will not affect the SYR airport in the near future because it will be two to three years before any major change. Mr. Frame stated there will be some interest in the Raleigh-Durham market coming to Syracuse.

Director Terreri spoke about the enplanements and mentioned we are 3.8% from our 2019 numbers. The SYR airport is head of the national average in terms of recovery. Much of it had to do with the new service but right now system-wide load factor for our airport is over 90%. Many flights are oversold, and

the airlines are very pleased from a performance standpoint. The limit currently for grown potential is lack of aircraft and pilots. February was a busy month, and it is expected that March and April will be scheduled at 15% higher in open seats and flights than February. The most recent flight schedule showed SYR added a tremendous amount of flights in recent months. Certain cities had not come back online, Raleigh-Durham will be back next month, and Minneapolis will be back starting in September. SYR will have some capacity adds to get closed to the 2019 number.

CFO Watkins provided a financial update. Landing weights are still running above what we budgeted. Enplanements had a slight dip in January and February compared to budget. SYR continues to do well. The revenue is doing well for landing and parking fees since our landing weights are above budget. Passenger traffic is up month over month especially with the traffic during winter break. The concessions are doing great. Mr. Mehl and his team have been doing a phenomenal job improving them. As passenger traffic rebounds, it continues to have a positive impact for both parking and car rental revenues. CFO Watkins discussed the lease agreement changes with Prime Flight. CFO Watkins explained the finances and how every department is reviewed. She explained the timing differences that sometimes occur. The Cost Per Enplaned passenger (CPE) and the CARE Funds were reviewed. Glycol Recycling update is that SYR now has an MOU signed with AeroMag, awaiting final contract. This will stabilize our costs and will provide an opportunity for an additional revenue stream.

Mr. Carni provided the Operations update. The transition with ARFF from the Syracuse Fire Department to the 174th is going very well. The MOA was received and will be reviewed and signed so an agreement will be in place. Overall, this will save the authority about 3 million dollars per year. The SRAA Police Department legislation is with Assemblyman Magnarelli for approval. The goal is to have our own SRAA Law Enforcement Division by the end of 2022. Additionally, there will be a 5th lane installed at the TSA Checkpoint starting on April 11th. This will help alleviate the wait times at the checkpoint. This lane will be a dedicated TSA Precheck lane, there will no longer be a blended lane. The work for the overflow parking lot began on March 16th and will complete on April 1st. There will be a transition of employees over to this lot around April 4th, which will be for about 2 weeks during spring break travel. This lot was designed for future construction at the airport to ensure no loss of revenue for parking space needs.

Mr. Mehl updated the group for the Commercial Division. He discussed the revenue per enplanement comparison regarding the food and beverage component. SYR is currently better than the average small hub airport in sales. The SYR Team is working to make this better when someone sees something in concessions that is not right, it is reported. SYR is working through many changes within the Delaware North account and things are improving every day. Mr. Mehl reviewed the vending machine updates along with an update with Reach TV. Linda Ryan has worked diligently with Paradis to get “Sense of Place” offerings in our retail stores, which currently include five local retailers: Upstate of Mind apparel; Chocolate Pizza Co.; Dinosaur BBQ; Tate’s Bake Shop Cookies; and Sprague’s Maple Farms. Ms. Marshall asked about the liquid items since this would not be able to go through TSA would they have issues selling this product? Director Terreri explained that the items are also available post TSA and can be purchased to go on the plane. Mr. Simpson asked if the airport is looking for other partners, he knows of many other brands, what do they need to do? Mr. Mehl explained this is just a start and would like for Mr. Simpson to reach out to him with other retailers that may be interested. Mr. Mehl updated everyone regarding Land Releases and the various site locations. Mr. Mehl stated that the Airport received a release from the FAA for the 174th Barracks. The Airport has had many discussions on the development of this area. The early development site plan was viewed by the Board. Mr. Mehl indicated there is a lot of opportunity for warehouse space. Mr. Mehl has had conversations with a company that provided a business plan for this site. This site could be used for warehousing and manufacturing to name a few uses. Zoning issues with this area are being resolved. This site was zoned for General Commercial and

Industrial. The authority filed an application with the town of Cicero to have the area rezoned as a General Commercial plus. All the Hancock Airpark Parcels are zoned for the same General Commercial plus designation as well. A conversation ensued regarding the potential uses for this site. Mr. Mehl spoke about the changes with Delaware North working with the Authority are looking at making changes to the Northside Middle Ages and branding it as Heritage Hill. This is still early in the process. Delaware North is working directly with Heritage Hill to come up with the concept and menu.

Ms. Marshall provided the HR Update. There are three new SRAA employees: Dave Sutton, Maintenance Worker; Brittany Pauls, Custodial Worker I; and Arjun Nair, Airport Planner. Three employees in Maintenance received their Airfield Marking Professional Certification they are: Tracy Budzielek; Lorenzo Emmi; and Jeff Kunsman, congratulations! The airport is partnering with the Syracuse City School District for an internship program this summer. There will be two interns that are high school students, one will be in Business Development and the other in the Security office. Ms. Marshall provided the Authority newsletter to the board. She explained that our last city employee Walter Bliss has retired and therefore have no more City of Syracuse employees. Also retiring are: Frank Moran in Operations who has worked at the airport for 30 years; and Pat Barrett in Custodial.

Executive Session

Chair Gagliano invited a motion to go into Executive Session to discuss matters pertaining to potential litigation and the employment of a particular person or corporation.

Mr. Fisher made the motion and Dr. DeSiato seconded the motion. The executive session began at 2:24 p.m. The executive session ended at 2:52 p.m. No action was taken.

New Business/Discussion

ARFF Discussion

Director Terreri updated the Board regarding the ARFF transition, which is going well, there is a Memorandum of Understanding (MOU) under review with John Clark. The Authority is on track for the July cutover to the 174th. The authority is comfortable there will be no disruption to operations.

Police Discussion

Director Terreri discussed the Police update; the Authority is working through Enabling Legislation changes. Currently, the needs in the facility are being looked at along with what will it take to hire, what are the terms of timing, creating job descriptions, equipment and inventory, and space needs.

Enabling Act Legislation update status

General Counsel Clark indicated the process is continuing the authority is in contact with Assemblyman Magnarelli and his people regularly. They are working on draft legislation at this time that we should see within the next week to 10 days for comment and it appears things are on track. Assuming the Authority's Enabling legislation is changed, the target date will be January, 2023.

SRAA Committee updates and structure discussion

Director Terreri stated this was explained by Mr. Fisher during the Governance Committee update.

View concession concept – North Terminal

This was discussed in the Executive Team Report.

A conversation ensued about the new Microsoft Teams concept and board materials. All questions were answered.

Ms. Gagliano asked if the guest presenter presentations could be put into Teams. Director Terreri asked if the Board retreat was helpful and would like any feedback from members. He thanked all members for taking the time out of busy schedules to attend.

Mr. Simpson stated the team is doing a great job he sees the product of it in the community and just appreciates everything the SRAA team is doing.

Adjournment

A motion was made by Mr. Fisher and seconded by Mr. Simpson to adjourn the meeting. The meeting was adjourned at 2:58 p.m.