



**Finance Committee Meeting Minutes
Friday, June 24, 2022**

Pursuant to notice duly given and posted, the Finance Committee meeting of the Syracuse Regional Airport Authority was called to order on Friday, June 24, 2022 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.

The meeting was called to order by Dr. Chin at 9:33 a.m.

Members Present

Dr. Shiu-Kai Chin
Mr. Michael Lazar

Mr. William Fisher
Mr. Nick Paro
Ms. Jo Anne Gagliano

Also Present:

Mr. Jason Terreri
Ms. Robin Watkins
Mr. John Clark
Ms. Cheryl Herzog
Mr. Jason Mehl
Mr. Dan Zenk

Members Absent:

Mr. Michael Frame
Mr. Robert Simpson

Roll Call

As noted above all members were present, except Mr. Michael Frame and Mr. Robert Simpson.

Review and approval of minutes from the 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 May 20, 2022, and Mr. Fisher seconded the motion. Motion carried unanimously.

CFO Report

CFO Watkins stated that the purpose of the meeting was to do a thorough overview of the 2022-23 budget. There was a quick update for the month of May finance report. The landing weights were up year to date. Enplanements were down slightly due to the number of flights. Operating Revenue continues to exceed the budgeted forecast. The SRAA is in a better position than anticipated. Operating Expenses were higher this month as anticipated with some adjustments and deferred maintenance items addressed. This trend will continue in June as upgrades are being done in the Maintenance Building, the SRAA office administration build out continues and new roadway signage is being installed approaching the airport to address traffic flow issues. Non-Operating Revenue includes a capital contribution to the City of Syracuse due to the SRAA closing out a grant. Overall, the Authority is in a good financial position. The Cost Per Enplaned Passenger (CPE) continues on a downward trend.

New Business

2022-2023 Budget Review and Recommendation

CFO Watkins discussed the budgeted landed weights for 2022-2023. This has been updated based upon recent calculations made by Campbell Hill and the SRAA Research Analyst. The projections are also based on updated schedules from the airlines. The landing weight activity is on an upward trend for the next fiscal year, with a slight dip from last review. SYR has had a full year of activity from Southwest and recently added Breeze Airlines. Cargo activity remains steady. SYR is seeing similar seasonal changes now as they also were pre-pandemic. Mr. Fisher inquired about projections being made before a possible recession and what will happen to the projections if this should occur? CFO Watkins indicated there have been many conversations internally as well as externally regarding factors we are unable to control. With the recent airline decisions at the Ithaca Airport, this passenger traffic will be redirected to SYR. The SRAA created a base line budget to start the year with the anticipation that it will be revisiting it on a quarterly basis or sooner if required. In the month of September, the Authority will be finalizing a Capital Plan. Grants have been submitted awaiting results. The 2022/23 Budget Enplanement numbers projection is up from 2022, with two airlines adding incremental capacity. The Authority is managing the next fiscal year budget conservatively. Budget assumptions were discussed with the goal of attracting new airline service at SYR and improving Operations. The increased enplanements were factored into concession and transportation revenue calculations. Mr. Lazar inquired about the police staff. CFO Watkins explained that the Airport Police Chief position is included the budget along with the current Law Enforcement Officers (LEO) staffing. There will be additional costs related to the employee raises and incentive plans that have been previously reviewed and the budget also includes a 10% increase in utility rates and a 20% increase for fuel costs. Dr. Chin asked what indicators would put the airport in a hazardous position? CFO Watkins explained that proactive planning has been put in place such as the Common Use Software, if ever the need occurred, the Authority could close down one concourse and all operations could all work on just one side of the airport. CFO Watkins reviewed the The airline rates and charges targets were reviewed from 2022 through 2026.

The airline revenue/non-airline revenue detail was discussed. The Authority has found that the enplanements are the guiding metric for revenue areas such as food, beverage and parking. When this model is built, it looks at historical activity based on enplanement levels and rates. A conversation ensued regarding airport parking availability and future parking areas and how those are incorporated into the budget.

The 2022/2023 operating expenses were reviewed which showed the 2022 annualized and 2023 budgets. The first large item was the parking garage which incorporated the costs of the implementation of the surface lots that will allow more parking as garage repairs are made. CFO Watkins stated this needs to be done soon since prices are increasing. IT expenses will be incurred including for updates of the telephone system, the Flight Information Display System (FIDS), and adding Airport Operational Database (AODB) which will allow for better gate management. The Authority is researching a rideshare program with Enterprise that would increase transportation options for airport employees. Mr. Fisher asked why there is an increase in Airport Security. Director Terreri stated the cost for 2022 are under the current work permit, the cost to start up the SRAA police enforcement has remained constant. The authority knew we would see a slight increase in the budget but what is shown indicates the transition until the first officer joins the Authority. The increase takes into consideration the Authority will have the officers necessary for full coverage. The cost savings was shown to the group for the ARFF transition. Director Terreri indicated that the Executive Team had an off-site meeting recently and that this year is a rebuilding year for this airport with some uncertainty about the upcoming year due to interest rates going up. A high level of deferred maintenance over several years is being addressed from the last two years due to COVID. Mr. Fisher agreed with everything that management is doing regarding the parking garage. The breakout of expenses was viewed by category. The Budget for P&L was discussed briefly along with cash needs. Pending items with impacts for 2022/2023 were reviewed. The Capital Plan for 2022/2023 will be submitted in September 2022.

The ACIP Program was submitted to the FAA and the Authority is working through their comments right now. No major comments. CFO Watkins stated there are frequent conversations with the FAA.

A motion was made to recommend approval of the Operating Budget and the Capital Budget to the SRAA Board. The motion was approved by Mr. Lazar and seconded by Ms. Gagliano. All committee members agreed.

Adjournment:

Mr. Lazar made a motion to adjourn, and Mr. Frame seconded that motion. The meeting was adjourned at 10:59 a.m.