



**Finance Committee Meeting Minutes
Thursday, October 13, 2022**

Pursuant to notice duly given and posted, the Finance Committee meeting of the Syracuse Regional Airport Authority was called to order on Thursday, October 13, 2022 in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by committee Chair, Dr. Shiu-Kai Chin.

The meeting was called to order by Dr. Chin at 9:34 a.m.

Members Present

Ms. Jo Anne Gagliano – Video/Teams
Mr. William Fisher -9:37a.m.
Dr. Shiu-Kai Chin
Mr. Michael Lazar
Mr. Michael Frame
Mr. Nick Paro
Mr. Robert Simpson

Members Absent:

Also Present:

Mr. Jason Terreri
Ms. Robin Watkins
Ms. Joanne Clancy
Mr. Jason Mehl
Mr. John Clark

Roll Call

As noted above all members were present.

Review and approval of minutes from the previous meeting:

Finance Chair, Dr. Chin stated that the first item on the agenda was to review and accept the minutes from the September 8, 2022 Finance Committee Meeting. Having no comments, Mr. Lazar made the motion and Mr. Frame seconded that motion. Motion carried unanimously.

CFO Report

CFO Watkins reviewed the financial statements and metrics. She noted that there are changes to the 2023 Finance Committee meeting dates to the ends of the months so that more up to date data will be available for next year's Finance Committee meetings. Landing weights for the month of September were slightly below budget. The market continues to be in flux with airlines realigning flights and aircrafts. Enplanements are spot on budget/slightly ahead. There are very high load factors due to size of aircraft. There were no surprises regarding the budgets. Concessions are coming in above the budget due to new installations such as Costa Coffee. Rental Cars and parking revenues are up, some of the parking areas are closed due to construction, however alternative parking has been arranged. There were no questions on revenues.

Expenses were below budget and there were no surprises. The airport is doing a good job of managing resources to achieve our goals and achieve efficiencies. Operating income is above budget. The non-operating revenue awaits some close-outs of grant monies. PFC and CFCs are slightly ahead of budget. Mr. Simpson asked questions around the grant revenue procedure and CFO Watkins explained the process and how progress payments work. Dr. Chin inquired about cash reserves and CFO Watkins assured him that the cash reserves amounts have not changed. Mr. Fisher began a discussion regarding interest rates in the market and how it might affect the Authority in the credit market? CFO Watkins is looking at rates, short term investments and explained that future projects must be paid for up front with documentation to the state for reimbursement afterwards. Further conversation ensued regarding funding for future projects such as the bonding for the parking garage and other grant opportunities to assist in these projects. Mr. Fisher asked about further contingency planning in the event of a recession. CFO Watkins stated that SYR has a \$19M cash reserve that is self-imposed, with \$18M in the operating account. Should a recession happen, due to common use being implemented, sections of the airport could be shut down to save money if necessary. Director Terreri noted that while a recession could hit, SYR would be more insulated from it than other airports in Central New York and he believes business travel will remain strong given recent announcements such as Micron, so the capacity would remain in SYR. A catchment study from 2019 – present day will be shared with the board at the December meeting. Dr. Chin noted that the Authority has 8 months of operating expenses in reserve.

Director Terreri noted that additional surface parking lots are being added in anticipation of parking issues to have contingency plans. Mr. Lazar inquired on the timing of the decision for the landside plan and Director Terreri indicated that decisions need to be made at the end 1Q 2023 with several options being considered. Mr. Simpson implored the board to reconsider the mindset for growth potential in Central New York due to the Micron announcement and how airport planning should include scaling for the large growth expected in this community and potential for mass transit at the airport in the future. Mr. Fisher mentioned a potential 100,000 person increase in the local community population and that should be built into planning assumptions. Dr. Chin stressed that flexibility to alter plans is what is required, and not perfectly solving the wrong problem and rather focus on modular expansion planning. Mr. Simpson

suggested we should expand the range of what might be possible. Director Terreri reminded the board that the Authority is going through updating the Master Plan, which is a 20-year vision of the airport as an entire holistic piece.

CFO Watkins held the airline PFC meeting with comments going to the FAA and once back, a package will be submitted to help with these capacity issues with jet bridge replacements that will be beneficial for passenger traffic load increases. The OIG visit is complete, this is an audit of the FAA, the documents requested have been provided and their report will be released mid-2023. Mr. Fisher continued a discussion surrounding this audit and the affects it could have on the City of Syracuse. CFO Watkins discussed a recent visit to the NYS DOT offices regarding the recent grant and that SYR must commit to being able to fund this project up front before being reimbursed with the grants after complying with all requirements. Although changes in design can be made, the integrity and purpose must be retained for the projects. Project 1 and 3 have been approved so far, the entire application also includes additional projects related to technology, infrastructure, lighting, etc. that may be required to be completed which total approximately \$4.5M. Mr. Simpson agreed that even if the additional amounts need to be paid by SYR that it is still an excellent deal. Dr. Chin was concerned about potential state mandated changes. Executive Director Terreri assured the board that any significant changes that would require additional funding by the Authority would be brought forward to the board first. Mr. Simpson believes this will be a positive working relationship. CFO Watkins stated that value engineering will be conducted to gain efficiencies in the bidding process to be the most cost effective as possible.

New Business

CFO Watkins spoke about the need to reassess the financial goals and re-budgeting in December due to the large financial shifts such as the Micron announcement, grants, etc. and would like to propose a re-budget alignment in December for January – June 2023. All agreed.

Adjournment:

With no further questions, Mr. Frame made a motion to adjourn, and Mr. Lazar seconded that motion. The meeting was adjourned at 10:28 a.m.