

Susquehanna Area Regional Airport Authority
Executive Committee
October 21, 2022
Minutes

A meeting of the Executive Committee of the Susquehanna Area Regional Airport Authority (SARAA or the Authority) was called to order by Mr. Helsel on Friday, October 21, 2022 at 9:51 a.m. Members of the committee present were:

James Helsel Carolyn Van Newkirk Erik Hume

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Bennett Chotiner (SARAA Board), Brian Enterline (SARAA Board), (SARAA Board), Michael Moskal (Deputy Director, Finance & Administration,), Scott Miller (Deputy Director, Marketing, PR and Advertising), Kevin Bryner (Deputy Director, Information Technology), Lou Pirozzi (Deputy Director, Engineering & Planning), Belinda Svirebely (Deputy Director, Operations, Security & Public Safety), Mick Burkett (Deputy Director, Human Resources) and Camille Springer (Executive Assistant).

Public Comments: None.

Minutes: The minutes of the September 23, 2022 Executive Committee were deemed approved.

Financials & Dashboard (September 2022):

Mr. Moskal reported that comparative statistics will be from the 2022 budget. Total YTD Revenue of \$19.7 million was above budget by \$999,000, or 5.3% above budget. Airline Revenue is under budget by \$85,000 or 1.2% below budget YTD. Parking Revenue is over budget by \$1 million, or 23.3% YTD. Rental Car Revenues are \$109,000, or 3% over budget YTD. Credit memo's offset revenue by \$136,000 to be drawn against CRRSA. Total cash receipts are over budget by \$245,000 or 7%. Concession revenue is under budget by \$248,000 or 71% YTD. Credit memo's offset revenue by \$430,000 to be drawn against concession relief. Total cash receipts are over budget \$182,000, or 52%. Overall expenses are \$345,000, or 2.4% under budget YTD. Personnel expenses are under budget by \$14,000 or 0.2%. Parking expenses are \$296,000, or 24.1% under budget. When combined with revenue variance, total parking operations are \$1.3 million over budget. Utilities net of MS4 accrual @ \$260,000 YTD, are \$189,000 over budget. Net Operating Revenue is \$5.8 million YTD, which is over budget by \$1.34 million or 30%. Non-Operating Revenue and expenses total (\$7.4 million) resulting in a net variance to budget of (\$1.6 million). Concession Relief and CRRSA/ARPA grant draws of \$3.29 million are drawn to arrive at a net position balance YTD of \$1.7 million. The Debt Coverage Ratio of 2.01 on a 1.25 requirement which includes CRRSA and ARPA non-operating concession relief revenues. On the Sales and Revenue Summary, YTD enplanements are 29.2% above YTD 2021 enplanements. Food/Gift sales are 53% over YTD 2021 sales. Hotel sales are 47% over YTD 2021 sales. Car Rental Sales were 26% above YTD 2021 sales. CFC days were 25% above 2021. YTD CPE @\$11.79, ARPA common use offset. On the Accounts Receivable summary, 94% of remittances outstanding at 60+ days is comprised by 4 vendors. On the GA

Airport YTD report, prior to indirect admin costs, the GA's had a net revenue gain of \$205,000. Post indirect costs resulted in a combined net loss of \$109,000. The grant receipts were all offset by capital spending not listed on the report.

Bond Refunding: This is progressing smoothly, with initial redline drafts of indenture and resolutions being circulated for review.

2023 Draft Budget:

Mr. Moskal presented the 2023 SARAA Budget highlights, the 2023 Capital Development Plan for all four airports, and the 2023 Revenue and Expense Overview. The 2023 budget will be presented to the Board for approval at the December 7th Board meeting.

The Budget Highlights include the following:

- 645,993 enplanements with an 85% load factor
- Airline rates and charges – rate setting methodology per the Airline Operating Agreement
- Parking – MMTF parking rates increase to \$16 on April 1st, 2023
- O&M expenses increased by \$3,362,391
- Health insurance premiums increased by 20%
- 4 new positions proposed
- CARES, CRRSA, ARPA – apply \$4.9 million, 2024 balance \$7.4 million

2023 Revenue and Expense Overview:

- Total Revenue: \$36,701,712
- Total Expense: \$36,627,139

Bond Refunding Recap:

Mr. Moskal gave a bond refunding recap. SARAA refunded \$72.9 million of 2012 bonds with \$72.3 million of 2022 bonds. Total principal savings were realized through SLGS interest earnings for funds held in escrow between the 2022 bonds closing date and 2012 bonds 1/1/23 call date, a release from the debt service reserve fund related to the lower requirement on the decreased overall debt and offset by costs of issuance. The 2012 A&B bonds were issued at 5% and 4% interest rates respectively resulting in total cash savings to SARAA of \$4.85 million dollars.

Resolution Authorizing the Executive Director to Sign the PennVEST Documents:

Mr. Edwards reported that this is to authorize the Executive Director to serve as the authorized signatory for the Board Chairman, and Michael Moskal, Deputy Director of Finance and Administration, to serve as the authorized signatory for the Keeper of the Records and to execute any documents required for PennVEST settlement process in relation to the Water Treatment Plant and Well Upgrades Project. SARAA was awarded a 100% principal forgiveness loan (grant) in the amount of \$6,700,809 from the Pennsylvania Infrastructure Investment Authority (“PennVEST”) for the Water Treatment Plant and Well Upgrades Project at HIA. The PennVEST settlement process requires the signature of the SARAA Board Chairman and the

Keeper of Records as authorized signatories. Official Board action is required to authorize alternative authorized signatories for the PennVEST settlement process.

There were no objections to forwarding this item to the full Board for approval.

Strategic Plan Update:

The Strategic Planning Partners will do a presentation at the Executive Committee meeting on Friday, November 18, 2022.

Adjournment: Mr. Helsel adjourned the meeting at 9:27 a.m.

Next Meeting: Friday, November 18, 2022, 8:00 a.m., David C. McIntosh Boardroom, HIA

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer