

Susquehanna Area Regional Airport Authority
Executive Committee
September 23, 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, September 23, 2022 at 9:25 a.m. Members of the committee present were:

James Helsel William Leonard Carolyn Van Newkirk Erik Hume

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), James Anderson (SARAA Board), Brian Enterline (SARAA Board), Nelva Wright (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 Svrbely (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 August 26, 2022 Executive Committee were deemed approved.

Financials & Dashboard (August 2022):

Mr. Moskal reported that comparative statistics will be from the 2022 budget. Total YTD Revenue of \$17.5 million was above budget by \$909,000, or 5.5% above budget. Airline Revenue is under budget by \$49,000 or 0.8% below budget YTD. Parking Revenue is over budget by \$929,000 or 23.7% YTD. Rental Car Revenues are \$63,000, or 2% over budget YTD. Credit memo's offset revenue by \$136,000 to be drawn against CRRSA. Total cash receipts are over budget by \$199,000 or 6%. Concession revenue is under budget by \$205,000 or 67% YTD. Credit memo's offset revenue by \$373,000 to be drawn against concession relief. Total cash receipts are over budget \$145,000, or 55%. Overall expenses are \$437,000, or 3.5% under budget YTD. Personnel expenses are under budget by \$49,000 or 0.8%. Parking expenses are \$261,000, or 23.9% under budget. When combined with revenue variance, total parking operations are \$1.2 million over budget. Utilities net of MS4 accrual @ \$231,000 YTD, are \$112,000 over budget. August 2022 expenses are \$100,000 over August 2021 expenses and 80% higher than July 2022. Net Operating Revenue is \$5.3 million YTD, which is over budget by \$1.35 million or 35%. Non-Operating Revenue and expenses total (\$8.1 million) resulting in a net variance to budget of (\$2.9 million). Concession Relief and CRRSA/ARPA grant draws of \$3.23 million are drawn to arrive at a net position balance YTD of \$470,000. The Debt Coverage Ratio of 2.22 on a 1.25 requirement which includes CRRSA and ARPA non-operating concession relief revenues. On the Sales and Revenue Summary, YTD enplanements are 31.5% above YTD 2021 enplanements. Food/Gift sales are 57% over YTD 2021 sales. Hotel sales are 50% over YTD 2021 sales. Car Rental Sales were 29% above YTD 2021 sales. CFC days were

27% above 2021. YTD CPE @\$11.80, ARPA common use offset. On the Accounts Receivable summary, remittances for total 60+ day receivables to only 6.6% of all Accounts Receivable.

Ratification of Agreement with the HIA Police Officers Association:

Mr. Edwards reported that this is to approve the proposed settlement agreement between SARAA and the Harrisburg International Airport Police Officers Association to resolve both an unfair labor practice charge and grievance over the Performance Reward Program. In January, the 2022 Performance Reward Program for non-unionized employees was announced. Legally, an employer cannot unilaterally implement changes, even favorable ones, with a union without bargaining over those changes. The Association filed both an unfair labor practice charge with the PLRB and a grievance with the American Arbitration Association. To resolve the charge and grievance prior to a hearing and decision on the merits, the parties engage in bargaining. The parties agreed to use the PLRB's conciliation service. That process resulted in the proposed Agreement on September 1, 2022, by which Association members are eligible for the Reward Program in exchange for SARAA's ability to distribute mandatory overtime among all Officers based on a "fairness score". The benefit to SARAA is it can control the assignment of mandatory overtime to ensure it is done in a fair and equitable manner. If approved, the potential economic impact of up to ten Association members receiving the bonus is approximately \$10,000, assuming all bonus criteria are met. The overtime equalization process will more evenly distribute overtime at all levels of seniority.

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

General Business Insurance Renewal:

Mr. Edwards reported that this is to award the General Insurance Program renewal for year October 1, 2022 – September 30, 2023 to the insurance companies proposed by SARAA's insurance broker, Arthur J. Gallagher & Co. of Mt. Laurel, New Jersey for \$590,727. Overall, this is an 8% increase in premiums due primarily to the increases in property values and business auto increases. The \$590,727 of premium will be paid from SARAA's operating fund.

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

Workers' Compensation Insurance:

Mr. Edwards reported that this is to approve renewing SARAA's workers' compensation policy with Encova for the October 1, 2022 – September 30, 2023 policy period at an annual cost of \$125,677, a decrease of 3.88%. Encova has provided SARAA's workers compensation insurance for at least the last eight years. Claim administration and service have been acceptable. The premium will be paid out of SARAA's general fund.

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

Health Insurance Renewal:

Mr. Edwards reported that this is to select Capital Blue Cross (CBC) as SARAA’s health insurance carrier for the October 1, 2022 – September 30, 2023 policy period. CBC’s proposal is an 18% increase over Aetna’s expiring premium. The new annual cost to SARAA is \$1,276,674. Aetna initially proposed a 42% increase in premium attributed to several high-cost claimants. CBC’s most cost-effective plan design includes a \$4,000 individual deductible and \$8,000 family deductible with SARAA providing an HRA that provides \$3,750 per individual, and \$7,500 per family, leaving employees with a deductible responsibility of \$250 and \$500 respectively. Premium costs are shared between SARAA and its employees, with SARAA continuing to fund 100% of employee only coverage and most of the dependent coverage costs.

There were no objections to forwarding this item to the full Board for approval. Mr. Hume said he would recuse himself from this vote at the Board meeting.

Adjournment: Mr. Helsel adjourned the meeting at 10:01 a.m.

Next Meeting: Friday, October 21, 2022, 8:00 a.m., David C. McIntosh Boardroom, HIA

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer