

Susquehanna Area Regional Airport Authority
Executive Committee
February 17, 2023
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, February 17, 2023 at 9:13 a.m. Members of the committee present were:

Bill Leonard
Erik Hume

Carolyn Van Newkirk

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Brian Enterline (SARAA Board), Michael Moskal (Deputy Director, Finance & Administration,) Scott Miller (Deputy Director, Advertising & PR), 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).

Guest: Rick Wittgren, FORVIS (via teleconference)

Public Comments: None.

Minutes: The minutes of the January 20, 2023 Executive Committee were deemed approved.

Financials & Dashboard (December 2022 Financials):

Mr. Moskal reported that comparative statistics will be from the 2022 budget. Total 2022 Revenue of \$26.4 million was over budget by \$1.4 million, or 5.7%. Total Airline Revenue was under budget by \$99,000, or -1%. Parking Revenue was over budget by \$1.5 million or 25%. Rental Car Revenues were \$157,000, or 3.4% over budget. Credit memo's offset revenue by \$136,000 to be drawn against CRRSA. Total cash receipts were over budget by \$293,000 or 6%. Concession revenue was under budget by \$353,000, or 74.9%. Similarly, credit memo's offset revenue by \$588,000 to be drawn against concession relief. Total cash receipts over budget were \$235,000 or 50%. Overall expenses of \$19.8 million were \$1 million over budget, or 5.7% over budget. This was purposefully done as revenues were trending well above budget and major O&M projects were able to be advanced due to SARAA's financial position. Personnel expenses were over budget by \$102,000, or 1.2%, due to approximately \$100,000 in year-end performance reward program. Parking expenses were \$321,000 or 19% under budget. When combined with the revenue variance, total parking operations are \$1.8 million over budget. Utilities net of MS4 accrual @\$346,000, were \$388,000 over budget. Net Operating Revenue of \$6.6 million was over budget by \$366,000, or 5.8%. Non-operating revenues & expenses total \$9.8 million resulting in a net variance to budget of \$3.2 million. Concession Relief and CRRSA/ARPA grant draws of \$3.4 million are drawn for a net position balance of \$198,000. Bonds exceeded the budgeted amount by \$487,000 due to 2022A bond interest payments. SARAA opted to pay the full 2012AB interest (\$571,000 for November and December) rather than using bond

refunding proceeds for this as to not incur interest over the life of the 2022AB's. The Debt Coverage Ratio is 1.46 on a 1.25 requirement. On the Sales and Revenue Summary, the YTD enplanements were 23% above 2021 enplanements. The Food/Gift sales were 42% over 2021 sales. Hotel sales are 40% over 2021 sales. The Rental Car Sales are 17.5% above 2021 sales. CFC days were 16% above 2021. On the Accounts Receivable summary, the 90+ day cash receipts are primarily held with United (claim payment is pending). Due to restructured AOA where SARAA keeps the first \$1 million, no revenue sharing was incurred.

FORVIS Audit Planning Review (Rick Wittgren):

Mr. Wittgren reported on the Audit Planning Review for 2023. He presented the Overview, Planned Scope & Timing, Approach to Planning and Consideration of Errors or Fraud.

The Planned Scope includes:

1. Management Override of Controls
2. Revenue Recognition
3. Capital Assets
4. Bonds Payable
5. Implementation of GASB No. 87, Leases
6. Passenger Facility Charge Program
7. Federal Award Programs

The Planned Timing includes:

- Planning & Risk Assessment: January 5th – 7th
- Final Audit Fieldwork: March 7th – 25th
- Executive Committee Presentation: April 21st
- Presentation to the Board: April 26th

Adjournment: Mr. Helsel adjourned the meeting at 9:35 a.m.

Next Meeting: Friday, March 24, 2023 8:00 a.m., David C. McIntosh Boardroom, HIA

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer