

Susquehanna Area Regional Airport Authority
Executive Committee
September 22, 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, September 22, 2023, at 9:00 a.m. Members of the committee present were:

James Helsel
William Leonard

Erik Hume
Carolyn Van Newkirk

Also attending were: Timothy Edwards (Executive Director), Marshall Stevens (Deputy Executive Director), Brian Enterline (SARAA Board), Lou Pirozzi (Deputy Director, Engineering & Planning), Jamie Sides (Deputy Director, Maintenance), Michael Moskal (Deputy Director, Finance & Administration), Kevin Bryner (Deputy Director, IT), Scott Miller (Deputy Director, Marketing, PR & Advertising), Belinda Svirbely (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 25, 2023 Executive Committee were deemed approved.

Financials & Dashboard (August 2023 Financials):

Total YTD revenue of \$19.1 million was \$23,000 or 0.12% below budget. Airline Revenue is under budget by \$186,000, or 2.8% below budget YTD. Parking Revenue is over budget by \$326,000, or 5.7% YTD. Rental Car Revenues are \$193,000, or 5.6% under budget YTD. As a reminder, all variances in the current year are due to sales as concession relief funds were applied in 2022. Concession revenue is under budget by \$71,000, or 16.6% YTD. Credit memo's offset revenue by \$69,000 to be drawn against ARPA concession relief, total cash receipts are under \$2,000, or (0.4%). Total YTD expenses of \$14.5 million are \$742,000, or 4.86% below budget YTD. Personnel expenses are -\$165,000, or 2.5% below budget YTD. Parking expenses are \$241,000, or 20% below budget YTD. Net operating revenue of \$4.6 million YTD was \$718,000 or 18% over budget. Non-operating revenue and expenses total (\$5.5) million, resulting in a net variance to budget of (\$918,000). When CRRSA & ARPA funds are added, the net position is \$2.1 million YTD. The Debt Coverage Ratio is 2.01 on a 1.25 requirement. YTD enplanements are 2.6% above YTD 2022 enplanements. Food and gift sales are 13% above YTD 2022. August Hotel Sales were 3% above YTD 2022. August Rental Car sales were 1% below YTD 2022. August CFC's were 4% above YTD 2022 CFC's. The Turo August sales totaled \$15,672, resulting in \$940.33 commissions. August CPE was \$11.15. YTD CPE was \$11.79. On the Fuel Flowage report, there was no CXY reporting from Skyport resulting in zero gallons/\$\$. Total 60-day plus receivables are 7% of total outstanding receipts. Three vendors account for 73% of total 90+ day receivables and 51% of total 60+ day receivables. While revenue is lagging budgeted values, it is imperative that we keep our focus

on the robust budget put forth, ample relief funds remain available to fill the revenue shortfalls. Care must be taken to avoid recurring expenditures beyond subsidized years to avoid further shortfalls in cashflows.

General Insurance Program:

Mr. Edwards reported that this is for the SARAAs Board to award the General Insurance Program Renewal for the year of October 1, 2023 to September 30, 2024 to the insurance companies proposed by SARAAs insurance broker, Arthur J. Gallagher (AJG) for \$645,203. AJG recommends renewing our insurance policies with our existing carriers. The property coverage is renewing with AIG but there is a 14% increase this year on the property coverage for the following reasons:

- Insurers are seeking recovery margins due to high loss rates.
- SARAAs recent loss history. AIG paid out a total loss this year of \$900,000.

AIG has proposed raising the deductible from \$25,000 to \$100,000. Overall, there is an 8.8% increase in premiums due primarily to the increases in property renewal cost. The \$645,203 of premium will be paid from SARAAs operating budget.

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

Workers' Compensation Insurance Renewal:

Mr. Edwards reported that this is to approve selecting UPMC Workpartners as SARAAs workers' compensation provider for the October 1, 2023 to September 30, 2024 policy period at an annual cost of \$111,952. This is a reduction of \$13,726 (11%) compared to the current \$125,677 premium. This is at least the fourth year in a row that SARAAs workers' compensation premium has decreased. The premium will be paid out of SARAAs general fund.

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

Vision Insurance:

Mr. Edwards reported that this is to approve renewing SARAAs vision insurance coverage with Highmark Blue Shield/Davis Vision for the October 1, 2023 to September 30, 2024 policy period with a 0% increase in cost. The renewal maintains the same level of coverage and benefits. The annual cost is estimated at \$14,000 and is paid by SARAAs and employee contributions.

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

Adjournment: Mr. Helsel adjourned the meeting at 9:26 a.m.

Next Meeting: Friday, October 20, 2023, 8:00 a.m., **Harrisburg International Airport**

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer