

Susquehanna Area Regional Airport Authority
Executive Committee
November 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. Leonard on Friday, November 17, 2023, at 10:25 a.m. Members of the committee present were:

William Leonard Carolyn Van Newkirk Nelva Wright

Also attending were: Timothy Edwards (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 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 October 20, 2023 Executive Committee were deemed approved.

Financials & Dashboard (October) 2023 Financials:

Total YTD revenue of \$24.2 million was \$280,000 over budget. Airline Revenue is under budget by \$231,000 YTD. Parking Revenue is over budget by \$507,000 YTD. Rental Car Revenues are \$117,000 under budget YTD. Concession revenue is under budget by \$43,000, or -8% YTD. Credit memo's offset revenue by \$69,000 to be drawn against ARPA concession relief, total cash receipts are over \$26,000. Total YTD expenses of \$17.8 million are \$938,000 below budget YTD. Personnel expenses are -\$203,000 below budget YTD. Parking expenses are \$294,000 below budget YTD. Professional & Legal are \$111,000 over budget YTD. Utilities are \$1.2 M under budget due to lower actual costs and removal of MS4 invoice accruals. Net operating revenue of \$6.4 million YTD was \$1.2 M or 23.6% over budget. Non-operating revenue and expenses total (\$7.3) million, resulting in a net variance to budget of (\$934,000). When \$2.57 M CRRSA & ARPA funds are added, the net position is \$1.6 million. The Debt Coverage Ratio is 2.33 on a 1.25 requirement. YTD enplanements are 3.2% above YTD 2022 enplanements. Food and gift sales are 14% above YTD 2022. Hotel Sales were 3% above YTD 2022. Rental Car sales were -0.1% below YTD 2022. Rental Car CFCs were -1.8% below YTD 2022 CFC's. Turo had 33 unique license plates in this month's report. CPE was \$10.54. YTD CPE was \$11.63. Total 60-day plus receivables are 8% of total outstanding receipts. Additional work to close outstanding debts will transpire prior to year-end close. Some have been paid in November.

2024 Draft Budget:

Mr. Moskal presented the 2024 SARAA Budget Highlights, the 2024 Capital Development Plan for all four airports, and the 2024 Revenue and Expense Overview.

The Budget Highlights include the following:

- All debt service paid; coverage ratios met.
- 667,892 enplanements with an 87.7% load factor.
- Airline rates and charges – rate setting methodology per AOA.
- Parking—MMTF parking rates @\$20/Economy @\$10
- No new positions included.
- Wage analysis increases proposed.
- Health Insurance premiums – rates held flat for the current year.
- O&M expenses increased by \$5,206,350 (\$5M one-time)
- CARES, CRRSA, ARPA – Apply \$5.1M, 2025 Balance \$2.5M

2024 Revenue and Expense Overview (representing a balanced budget with a \$41,733 surplus):

- Total Revenue: \$41,354,917
- Total Expense: \$41,313,184

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

BOA Matching Funds: The BOA recently contacted SARAA stating that due to budget constraints for SFY 23-24, they are not in a position to provide any state matches to SARAA at this time. Mr. Enterline requested that Mr. Edwards send a letter to Senator Disanto emphasizing the burden this has placed on the Airport Authority by affecting SARAA’s ability to do additional projects.

Local Share Account Resolution:

Mr. Edwards said that this is to authorize the Chair of the Board of Directors to accept and sign the Commonwealth Financing Authority’s Statewide Local Share Account Program Grant Application and authorize the Executive Director to attest the same. SARAA is requesting a Statewide Local Share Assessment grant in the amount of up to \$1,000,000 from the Commonwealth Financing Authority to be used for the HIA Hydro Pillar Restoration Project. Since the application is due on November 30, 2023, approval was given to sign this Resolution now with the intent to ratify it at the official Board meeting on December 6, 2023.

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

Adjournment: Mr. Leonard adjourned the meeting at 10:47 a.m.

Next Meeting: Friday, January 26, 2024, 8:00 a.m., **Harrisburg International Airport**

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer