

Susquehanna Area Regional Airport Authority
Executive Committee
September 20, 2024
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, September 20, 2024, at 9:00 a.m., at the Franklin County Regional Airport. Members of the committee present were:

William Leonard
Brian Enterline

James Gross
Nelva Wright

Also attending were: Timothy Edwards (Executive Director), Ryan Collins (Deputy Executive Director), Keith Bashore (SARAA Board), Tim Tate (SARAA Board), Lou Pirozzi (Deputy Director, Engineering & Planning), Jamie Sides (Deputy Director, Maintenance), Michael Moskal (Deputy Director, Finance & Administration), Scott Miller (Deputy Director, Marketing & Business Development), Mick Burkett (Deputy Director, Human Resources), Kevin Bryner (Deputy Director, IT) and Camille Springer (Executive Assistant).

Public Comments:

Willie Hege, Tailwind Aviation Services: Mr. Hege introduced himself and said that in December the Board approved an operating agreement between SARAA and Tailwind Aviation Services to allow for the sale of fuel at FCRA. Tailwind will provide Avgas fueling services in an above-ground 6,000-gallon Avgas tank. They are currently working on installing gates, fire extinguishers, placards and signage, wiring and getting the proper inspections. He said they hope to start pumping fuel in October.

Minutes: The minutes of the August 23, 2024, Executive Committee were deemed approved.

Financials:

Mr. Moskal reported that comparative statistics will be from the 2024 budget. Total YTD revenue of \$20.2 M was \$157,000 over budget, the first positive variance in FY24. Airline Revenue is under budget by \$112,000 YTD. DHL & Frontier landing fees and apron rents were included in budget values so variances will persist throughout the year. Parking Revenue is over budget by \$104,000 YTD. Rental Car Revenues are \$74,000 under budget YTD. Total YTD expenses of \$17.5 M are \$1.4 million under budget YTD. Personnel expenses are \$190,000 over budget YTD. Parking expenses are \$270,000 below budget YTD. Utilities are \$231,000 over budget YTD due to electricity costs being \$223,000 over budget. Net Operating Revenue of \$2.7 M YTD was \$1.5 M, or 132% over budget. Non-operating revenue & expenses total -\$1.8 M resulting in a net variance to budget of \$917,000 due to grant receivables being received exceeding capital spending & this portion being reported on a cash basis. When \$2.6 M of prorated CARES/CRRSA & ARPA funds are applied, the net position is \$3.5 M. Debt Coverage Ratio of 1.68 on a 1.25 requirement includes CARES, CRRSA and ARPA draws. YTD enplanements are 10.3% above YTD 2023 enplanements. The CPE is \$11.49; the YTD CPE is

\$11.92. YTD Food & Gift Sales were 10% above YTD 2023. YTD Hotel Sales were 6.9% above YTD 2023. YTD Rental Car Sales were 6.2% above YTD 2023. YTD Rental Car CFCs were 2.2% above YTD 2023 CFC's. The total 60 plus day receivables are 7.6% of total outstanding receipts. Additional efforts are being made to reconcile invoices with airlines.

Restructure of 2008B Bonds: Mr. Moskal reported that this is to authorize the finance departments' redemption of the 2008B Bonds. The total cost of the redemption would be approximately \$1,970,084, a 79% or \$510,000 savings on the scheduled remaining payments. SARAA would be able to redeem the total callable balance of the 2008B bonds for approximately \$523,000. Funding for this redemption will come from SARAA's 2024 capital improvement account.

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

General Insurance Program Renewal:

Mr. Edwards reported that this is for the Board to award the General Insurance Program Renewal for year of October 1, 2024 – September 30, 2025, to the insurance companies proposed by SARAA's insurance broker, Arthur J. Gallagher & Co. for \$714,453.

AIG recommends renewing our insurance policies with our existing carriers. The property coverage is renewing with AIG but there is a 9% increase this year. The equipment policy will increase by 26%. Although rates are flat, coverage is increasing due to higher replacement costs. The auto rates are up again this year which reflects the continued problems in the auto insurance market. Overall, there is a 10% increase in premiums due primarily to the increases in property renewal cost and increase in renewal exposures. The \$714,453 of premium will be paid from SARAA's operating budget.

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

Adjournment: Mr. Leonard adjourned the meeting at 9:20 a.m.

Next Meeting: Friday, October 25, 2024, 8:00 a.m., Harrisburg International Airport

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer