

Susquehanna Area Regional Airport Authority
Executive Committee
November 22, 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, November 22, 2024, at 8:00 a.m., at Harrisburg International Airport. Members of the committee present were:

William Leonard	James Helsel
Erik Hume	Nelva Wright
James Gross	Brian Enterline

Also attending were: Timothy Edwards (Executive Director), Ryan Collins (Deputy Executive Director), Bennett Chotiner (SARAA Board), Keith Bashore (SARAA Board), Brian Seltzer (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), Belinda Svirbely (Deputy Director, Operations, Security & Public Safety), Mick Burkett (Deputy Director, Human Resources), Kevin Bryner (Deputy Director, IT) and Camille Springer (Executive Assistant).

Public Comments: None.

Minutes: The minutes of October 25, 2024, Executive Committee were deemed approved.

Financials:

Mr. Moskal reported that comparative statistics will be from the 2024 budget. Total YTD revenue of \$25.7M was \$727,000 over budget. Airline Revenue is under budget by \$118,000 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 \$418,000 YTD. Rental Car Revenues are \$79,000 over budget YTD. Total YTD expenses of \$23.3M are \$84,000 under budget YTD. Personnel expenses are \$176,000 over budget YTD. Parking expenses are \$368,000 below budget YTD. Utilities are \$206,000 over budget YTD due primarily to electricity costs. The Net Operating Revenue of \$2.4M YTD was \$811,000, or 51.4% over budget. Non-operating revenue and expenses total -\$2.6M resulting in a net variance to budget of -\$220,000. When \$3.2M of prorated CARES/CRRSA & ARPA funds are applied, the net position is \$3M. Debt Coverage Ratio of 1.39 on a 1.25 requirement, includes CARES, CRRSA and ARPA draws. YTD enplanements are 11.3% above YTD 2023 enplanements. The CPE is \$10.89; the YTD CPE is \$11.70. YTD Food & Gift Sales were 9.6% above YTD 2023. YTD Hotel Sales were 9% above YTD 2023. YTD Rental Car Sales were 7.5% above YTD 2023. YTD Rental Car CFCs were 2.5% above YTD 2023 CFC's. The total 60 plus day receivables are 23% of total outstanding receipts. \$240K of this balance was received in November representing 76% of the balance.

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

2025 Draft Budget:

Mr. Moskal presented the 2025 SARA Budget Highlights, the 2025 Capital Development Plan for all four airports, and the 2025 Revenue and Expense Overview.

The Budget Highlights include the following:

- All debt service paid, and coverage ratios met.
- 752,908 enplanements (increased 2,718 from initial draft; 87% Load Factor; 1.8% increase in Landed Weight from FY24 budget (including lost DHL landings budgeted in FY24)
- Airline Rates & Charges set by current AOA, including common use offset with ARPA funding. The first extension option has been executed.
- O&M expenses decreased by approximately \$838K (includes \$2.7M in non-recurring O&M expenses related to drawing of COVID grants)
- One new position was added through interdepartmental reallocation from the engineering department
- ARPA applied funds = \$3.7M with a carry forward of \$0
- The water/sewer rate increases were budgeted at 1/3 of total rate increases proposed +2.5% fee. The impact to the user is as follows:
Base Rate users: 0-5,000: \$125 to \$189.63 > \$64.63 inc. or 52%
Mid-tier users: 5,001 – 15,000 gallons: Avg. \$284.73 to \$387.18 > \$102.45 inc. or 37%
Top-tier users: 15,001 – infinity gallons: Avg. \$2,048.06 to \$2,694.51 > \$703.14 inc. or 38%
Bulk water fees increased from \$6 per 1000 gallons to \$8.09

2025 Revenue and Expense Overview (representing a balanced budget with a \$16,697 net surplus):

- Revenues: \$41,168,964
- Expenses: \$41,152,267

The 2025 budget will be presented at the December 4th, 2024, Board meeting for approval.

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

Resolution Authorizing Grant Application:

Mr. Edwards reported that this is a Resolution authorizing application to the Pennsylvania Department of Community and Economic Statewide Local Share Account Program for HIA Airport Signage and Wayfinding Upgrades Project. SARA is requesting a Statewide Local Share Account grant in the amount of \$970,013.10 from the Pennsylvania Department of Community and Economic Development to be used for construction, surveying, installation of post and structure-mounted signage. The Applicant designates Timothy Edwards, Executive

Director and William Leonard, Chairman, as the officials to execute all documents and agreements. There will also be a second Resolution authorizing application to the Pennsylvania Department of Community and Economic Pennsylvania Strategic Investments to enhance sites program for HIA Crawford Station Adaptive Reuse Project in the amount of \$247,796.

There were no objections to forwarding these items to the full Board for approval.

Adjournment: Mr. Leonard adjourned the meeting at 8:17 a.m.

Next Meeting: Friday, January 24, 2025, 8:00 a.m., Harrisburg International Airport

Respectfully submitted:

Timothy J. Edwards
Executive Director

Prepared by Camille Springer