

Minutes of the Regular Meeting of the Syracuse Regional Airport Authority July 12, 2013

Pursuant to notice duly given and posted, the regular meeting of the Syracuse Regional Airport Authority was called to order on Friday, July 12, 2013 @ 12:09 pm in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by Chair Mr. William Fisher.

Members Present:

Mr. William Fisher-Chair
Mr. Khalid Bey
Dr. Robert DiFlorio
Ms. Judy Flanagan
Mr. John B. Johnson, Jr.
Mr. Patrick Mannion
Ms. Beth Rougeux
Ms. Irene Scruton
Mr. Donald Thompson
Ms. Eleanor Ware

Members Absent:

Dr. Donna DeSiato (arrived at 12:20 pm)

Also Present:

Hon. Morris Sorbello
Ms. Christina Callahan
Ms. Jennifer McIntyre
Ms. Cheryl Herzog
Mr. John McCann
Mr. Tim Frateschi
Mr. Andrew Serota
Mr. Steven Baldwin

1. Roll Call

As noted above, all Members were present at the time of roll call, with the exception of Dr. Donna DeSiato. Dr. DeSiato arrived at 12:20 p.m.

2. Reading and Approval of the Minutes of the Previous Month

A motion was made by Ms. Scruton, seconded by Ms. Ware, and unanimously approved to accept the minutes from the June 14, 2013 regular meeting.

The motion was approved 10 ayes, 0 nays.

3. Report of Officers

The Chairman's Report was given by Chair Fisher

On Monday, June 17th Steve Baldwin provided drafts of three documents – Lease Agreement, Services Agreement, and Assignment and Assumption Agreement – to the FAA, asking them to review and then discuss via conference call.

Dr. DeSiato arrived at 12:20 p.m.

On Monday, June 24th the Common Council voted unanimously to approve the Interim Management Agreement.

On Friday, June 28th the City and SRAA participated in a conference call meeting to discuss the documents provided by Mr. Baldwin. John McCann participated in the call on behalf of the SRAA. I was not present on the call.

Dr. DeSiato arrived at the meeting.

On Tuesday, July 2nd Steve Baldwin circulated meeting minutes from the 6/28 conf. call. The FAA had questions about the Lease Agreement, Airport Services Agreement, and Assignment and Assumption Agreement. They also had specific questions about the PILOTs. The FAA told the City and SRAA that we could expect FAA final review of the documents in the week of July 8th. There was subsequent discussion with Mr. McCann and Ms. Callahan that the conference call went very well.

On Wednesday, July 3rd, in response to input from the HR committee members, John McCann produced a new draft version of an employment agreement with Ms. Callahan. The HR committee will discuss this draft and counsel at its July 19th meeting.

On Thursday, July 11th Steve Baldwin forwarded a letter from John McCann regarding Syracuse Regional Airport Authority PILOT Agreements to the FAA's Kevin Willis. I will describe this letter in further detail at our meeting.

On Thursday, July 11th I met with Chief of Staff Bill Ryan and discussed the Common Council's comments at Wednesday's study session and the timing of (1) the pending application to the FAA, along with revised documents and (2) our plan to provide these revised documents to the

Common Council as soon as they have been sent to the FAA. Mr. Ryan and I also discussed the Common Council's pending vote to appropriate funds necessary to fund the Interim Management Agreement that they approved at an earlier session.

Mr. Fisher updated the Board regarding the Interim Management Agreement. He informed the Members that it was in the budget to cover security costs and extra monies to hire a CEO but there was no money in the budget that was adopted for the 6 employees. The Common Council has been asked to make that money available which has been scheduled for a vote.

During the interim management agreement the employees will still provide service to the City. It has been agreed upon that if this Operating Certificate does not get passed the employees that have been transferred will back to their former positions with the City. The employee's salary will be paid the same amount they are being paid today. The City has already set a budget for the salaries so therefore the salaries will remain the same until the Operating Certificate is approved.

The target date to receive the Operating Certificate approval from the FAA is January 1st. Once the Authority receives the Operating Certificate the salaries for the employees will be reflect a new salary range. Mr. Fisher said the Authority will implement an employment agreement for the Chief Executive Officer and then there will be salary ranges set for the employees. Ms. Callahan stated that she has submitted salary ranges to the HR Committee. Ms. Callahan stated that the salary ranges fall between the City and the County.

Ms. Rougeux stated that the salary ranges should be submitted to the Board. Ms. Callahan stated that she would bring information to the Members for the CFO and General Counsel positions since they are a vital part of the Authority. Mr. Johnson stated that at the time of take over the Board should know the current salary of every employee that is moved over, not for action just for information. It should also be distributed on an annual basis to the Authority so the Members. The Members agreed that this should be the Authority's practice.

The Secretary's Report was given by Ms. Callahan

- Updated SRAA information on www.syrairport.org as needed.
- Prepared for and participated in the Finance, Human Resources and Governance Committee meetings.
- Reviewed and processed four (4) invoices from G4S totaling \$143,333.44
- Updated summary of payments made to date to G4S for Security Personnel Services (enclosed)
- Reconciled bank statement ending June 30, 2013 against SRAA monthly statement (enclosed)

4. Committee Reports

- The Human Resources Committee Report was given by Committee Chair Mr. Donald Thompson.
- The Finance Committee Report was given by Committee Chair Ms. Judy Flanagan.
- The Governance Committee Report was given by Committee Chair Ms. Irene Scruton

5. Commissioner's Report

Legal/Legislative Update

1. Airline Use and Lease Agreement

The current Airline Use and Lease Agreement expired on June 30, 2013. The Agreement allows two (2) one-year extensions, the first of which was exercised last year, the second of which the airlines collectively agreed to at the June 11, 2013 Airline Budget Meeting. Subsequent to that meeting, the Syracuse Common Council authorized legislation to exercise the renewal option at their June 24, 2013 meeting. The 2nd Amendment to the Airline Use and Lease Agreement was forwarded to the airlines for execution. As of the date of this report, we have received a signed Amendment from Delta Air Lines, Inc.

2. Car Rental Concession Agreement

The Department of Aviation successfully negotiated a new 5-year concession agreement with the Car Rental Companies at Syracuse Hancock International Airport. The new agreement includes increases in terminal rent and ready-return parking space rent, for a total annual increase of \$126,220. As of the date of this report, we have received signed Agreements from all seven (7) car rental companies: Dollar, Thrifty, Alamo/Nation, Enterprise, Avis, Budget, and Hertz. The effective date is the new agreement is retroactive to January 1, 2013.

3. ATM Agreement

On July 15, 2013 the City of Syracuse Common Council is scheduled to hold a public hearing and consider an amendment to the current Lease Agreement with Key Bank National Association for an Automated Teller Machine in the Terminal Building at the Airport. The amendment would authorize a one year extension to the Agreement, making the new effective expiration date July 31, 2013, and will increase rent by CPI from \$1,850 per month, to \$1,881 per month. It is our intent to issue an RFP for ATM services and request at a minimum one additional machine in the new security checkpoint area.

4. Facility Use and Lease Agreement

On July 15, 2013 the City of Syracuse Common Council is scheduled to hold a public hearing and consider a Facility Use and Lease Agreement with DAL Global Services, LLC for operations and office space leased in the terminal building. DAL provides ground handling services to Delta Air Lines. During discussions with DAL, they indicated the possibility of

leasing additional space to accommodate their growing operations, and as a result, we agreed to issue a month to month agreement, allowing more flexibility to incorporate additional leased space. The monthly rent will increase from \$1,000 to \$1,050.

5. TSA Lease Agreement

On August 5, 2013 the City of Syracuse Common Council is scheduled to hold a public hearing and consider an amendment to the Lease Agreement with the United States of America for 1,973 sq. feet of space lease by the Transportation Security Administration in the terminal building. The proposed amendment would authorize a one-year extension to the agreement.

6. Waiver of Competitive Bid to Acquire Jetbridge from USAirways

On July 15, 2013 the Syracuse Common Council will consider a request to allow the Department of Aviation to acquire, following approval by the Mayor to waive the competitive bid process, a 1987 Jetway System jetbridge from USAirways, Inc., in the amount of \$22,500. The jetbridge, which is located at Gate 5, has been assessed by Oxford Technical services and deemed to be in “very good condition.” Gate 5, which had been leased by USAirways, was returned to the Airport in an effort to “right size” their SYR operation. Given that the Airport now controls the use of Gate 5, we made an offer to USAirways to acquire the jetbridge. Gate 5 will become a common-use gate, leased to airlines on a per-turn basis, used to accommodate charters and diversions. As a point of interest, a new jetbridge, including installation, can cost upwards of \$450,000.00. With annual maintenance, the jetbridge located at Gate 5 has a useful life of 10-15 years.

Air Service Update

On June 5&6, 2013, Jennifer McIntyre, Marketing Coordinator, attended the annual Jumpstart Conference in Atlanta. As with the Network conference we both attended earlier this year in San Antonio, Jumpstart provides a forum for airports to have one-on-one meetings with network planners from several airlines, in one central location. This report summarizes the meetings that were held at the conference.

JetBlue: The airline indicated that SYR-BOS is in the budget which is being prepared for 2014. They want to do 3 flights daily (we had a brief discussion about doing 1 a day to start, with a remain-over-night (RON), but they want it to serve both local and connecting traffic). Josh Powe, Network Planner, JetBlue, said we should follow up with him in October; that should be decision time.

Cape Air: We had an interesting discussion, but we do not see a short-term opportunity for them at SYR. There was an interesting discussion about how a little advertising in the Canadian market is actually bringing people to their EAS service at Ogdensburg (note that this is a 9-seat airplane to Albany, so it’s not a significant impact on SYR).

United: Our discussion with Andrew Rusin was encouraging. They are very happy with SYR contribution to local and network traffic in all four of the UA markets from SYR. It was interesting that there are high levels of flow traffic over Newark (87%) and Cleveland (91%) - understandable given the amount of LaGuardia and JFK service SYR has, and the small SYR-CLE local market. SYR-Chicago is also high, with 79% flow. This opened the discussion that we need more west-bound capacity, either aircraft upgrade to Chicago or service to Denver. They will look at the aircraft situation regarding SYR-Chicago, and we should come back to them in the fall regarding the SYR-DEN possibility. Barney Parrella will follow up with Martin Kammerman in the coming weeks to discuss this further.

Air Canada: We met with Eric Bordeleau, and focused immediately on the question of whether the SYR-Toronto service is in jeopardy. He said it is “not one of the worst”, but that they have pulled several of their small market US services in recent months, including Albany. They are having some difficulty getting recognition of the international connecting opportunities at Toronto. It was agreed that SYR will look at how this can be marketed to the Syracuse area business community. Since it’s a small airplane, a few more passengers a day will make a big difference.

American: We met with Colin Wheeler and Dustin Robbins. The focus was on SYR-Dallas. Colin appreciated getting the incentive information, and asked if there was any interest in providing a minimum revenue guarantee (MRG). We responded that we would explore this with the business community. Colin asked about the state of the regional economy; this requires follow up with the business community.

Southwest: We met with John Kirby. He indicated that they are on track for full integration with AirTran by the later part of 2014, so they expect to be looking next year at new markets for deployment in 2015. We reminded him that the Syracuse market area is the largest in the U.S. that they or AirTran don’t already serve. John noted that their internal labor agreements still have some renegotiation needed to accommodate small operations; they are able to do small operations at AirTran stations, but when the integration is done they have to have all the labor agreements sorted out. He suggested that we stay in touch, and target spring of 2014 for a fresh discussion of WN at SYR, for 2015 service.

Mr. Fisher requested made a request to take the meeting out of order since some of the Members needed to leave early and to move forward to New Business. The Members were in full agreement to move the sequence of the meeting.

6. New Business

Resolution #12-Amending 2013 Regular Meeting Schedule for the Syracuse Regional Airport Authority was moved by Ms. Scruton and seconded by Ms. Flanagan and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #13-Authorizing a Forty Year Lease with the City of Syracuse Related to the Syracuse Hancock International Airport as amended was moved by Ms. Flanagan and seconded by Ms. Ware and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #14-Authorizing an Airport Services Agreement with the City of Syracuse Related to the Syracuse Hancock International Airport as amended was moved by Ms. Rougeux and seconded by Ms. Scruton and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #15-Authorizing the Assignment and Assumption of Certain Obligations of the City of Syracuse Related to the Syracuse Hancock International Airport as amended was moved by Mr. Johnson and seconded by Dr. DeSiato and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #16-Authorizing the Submission of the Part 139 Operating Certificate Transfer Application to the Federal Aviation Administration Related to the Syracuse Hancock International Airport as amended was moved by Mr. Johnson and seconded by Ms. Scruton and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #17-Authorizing the Authority to Purchase Workers' Compensation Insurance was moved by Dr. DiFlorio and seconded by Ms. Ware and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #18-Authorizing the Authority to Purchase Short Term Disability Insurance was moved by Ms. Flanagan and seconded by Ms. Ware and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #19-Authorizing the Adoption/Acceptance of the New York State Deferred Compensation Program was moved by Mr. Johnson and seconded by Ms. Scruton and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #20-Authorizing the Creation of the Position of Executive Director for the Syracuse Regional Airport Authority was moved by Ms. Scruton and seconded by Mr. Mannion and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #21-Authorizing the Creation of the Position of General Counsel for the Syracuse Regional Airport Authority was moved by Ms. Rougeux and seconded by Ms. Ware and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #22-Authorizing the Creation of the Position of Paralegal for the Syracuse Regional Airport Authority was moved by Ms. Ware and seconded by Mr. Thompson and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

Resolution #23-Authorizing the Creation of the Position of Executive Secretary for the Syracuse Regional Airport Authority was moved by Mr. Thompson and seconded by Dr. DiFlorio and was unanimously approved.

The resolution was presented by Chair Fisher. There was no discussion regarding the resolution.

The resolution was adopted: 11 ayes, 0 nays.

The meeting resumed with the Commissioner's Report

Ms. Ware stated that she thought the new format of the Commissioner's Report was very informative. Ms. Callahan stated that if there are other areas that the Members would like to see covered to let her know and she will include it in future reports.

Eleanor Ware left the meeting at 1:50 p.m.

Dr. DeSiato also before her leaving stated that the design of the new center checkpoint is wonderful it takes the airport to a whole new level.

Dr. DeSiato left at 2:00.

Ms. Flanagan left the meeting at 2:00 p.m.

Project Update

The following projects are currently in progress at Syracuse Hancock International Airport. This report includes a brief description of the project, estimated construction costs, and timeline for completion

1. Passenger Terminal Security and Access Improvement Project (Under Construction)
Passenger Facility Charge Funded \$49,740,000

As of June 20, 2013, 660 calendar days have elapsed with 70 calendar days remaining for completion of all work. The current contract completion date without any approved extensions or adjustments is August 30, 2013.

Major work items currently in progress include the installation of HVAC equipment, new fire sprinkler and alarm systems and lighting in the rental car area, completion of the conference rooms, restrooms, and exhibit space in the center lobby new addition, and installation of the exit portals in the two concourse checkpoints. Once the exit portals are installed and operational,

4. Construction of Remain Over Night (RON) Apron and Access Taxiway (Design Phase)
FAA Funded \$4 million (construction estimate)

This project includes the rehabilitation of 180,000 square feet of existing concrete of abandoned runway 6-24, and bituminous pavement and the construction of an access taxiway of approximately 1,200 feet long by 75 feet wide. Works includes cracking and sealing of existing pavement, crack repair, a true and level course, and a concrete overlay. The access taxiway will be constructed of bituminous concrete over a crushed stone base. Also included with the project are associated grading and drainage improvements, associated apron and taxiway edge lighting, storm water quality management measures, and pavement markings.

SYR has historically been a diversion airport for both domestic and international flights. Air Traffic Control has advised the Department of Aviation that diversions will not be turned away under any circumstances. The Proposed Ron Apron will allow SYR to safely park aircraft diversions without causing an impact to regularly scheduled operations.

Public Relations/Media/Community Outreach/Industry Involvement

1. Art Program

We have been working with Kate Auwaerter and the Syracuse Public Art Commission on the development and installation of an Airport Art Program. We have had several meetings with the group, discussed the types of programs we would like to see (painting, sculpture, ceramics, etc.) and possible locations for permanent displays, rotating displays, and a gallery. The goal of the project is to have permanent pieces in place, and pieces for the public to purchase.

On March 12, 2013 the Syracuse Public Art Commission issued a Request for Qualifications for inclusion in a pre-qualified artist pool for public art opportunities in the City of Syracuse, including the Airport. The intent of the RFQ, is to review and rank applicants' qualifications and select the highest-ranking artists for inclusion in the Artist Pool. To assist in the development of an art program for the Airport, we budgeted \$50,000 in the 2013/14 Aviation Budget.

As of this report, the Syracuse Public Art Commission has received proposals, and has scheduled a meeting with the Department on Monday, July 15 to look at the areas we have identified on the first and second floors of the new center terminal.

2. Website Update

Development of the new website continues and is available to view at <http://www.syrairport.com/>.

The web designer is working on updates to the home page. The wi-fi info is going to be smaller and a different icon. We added a button called “find flights and fares” so people can click to a site to find tickets. This will probably be Kayak, although we are also looking into getting a free widget from AirFareWatchdog that would be pre-loaded with SYR information.

The arrival/departure information is working and the web designer is tweaking a few things in the feed now. The box on the home page will be limited to a set number of flights so that the height of the box is in line with the rest of the content.

The Twitter feed for the airport now streams on the home page. It will ONLY show tweets directly from the Airport or retweets that we send out. It will not show comments from others or anything people post to our Twitter page. This is to prevent anything undesirable or negative from appearing on our page. We intend to put out at least one tweet per week to keep this information fresh.

Some of the pages still need to be updated, which we continue to work on. We have also left space on the home page for future advertising. Once the website goes live, we will develop an advertising plan. We are on a 6-week schedule for completion.

3. NYAMA CEO Summit

On Tuesday, June 18, 2013 Syracuse hosted the annual New York Aviation Management Association (NYAMA) CEO Summit. This is probably one of the most valuable summits the organization hosts, as it brings together CEO’s, Airport Directors, CFO’s and other executive airport staff in a forum fosters open discussion of issues all airports in New York state face. Among the topics we discussed – the outsourcing of law enforcement and other airport services, growth of non-aeronautical revenue, public art programs, airline use and lease agreements, to name a few. Representatives from SYR, ROC, ALB, BUF, ELM and BGM were in attendance. Steve Baldwin, of Steve Baldwin and Associates, moderated the summit.

Syracuse Regional Airport Authority

1. Employee Health Insurance

At the last meeting the Board selected the OCEBA/POMCO plan for employees who will be transferred to the Authority. Since that time we have begun the process of enrolling the six to-be-transferred employees in the new plan. A meeting with employees and a POMCO representative was held on July 11, during which the plan was described to the employees in great detail, and enrollment forms were submitted. As soon as a transfer date is finalized, we will provide that information to POMCO so that enrollment cards can be issued, and enrollment in the City’s plan can be cancelled.

2. Payroll Coordination

At the last meeting the Board selected HR One to provide payroll and HR services to the SRAA and employees. Since that time, I had a meeting with HR to begin the process of setting up the payroll account, provide HR with employee information, and receive training on how to process payroll through HR One's web-based system. In addition to working with HR One, I have been working with Key Bank to establish a separate payroll account. This is required as HR One requires an account number for EFTs as each payroll is issued.

3. Enrollment in the NYS Retirement System

On June 7, 2013 I received correspondence from the NYS Retirement System requesting information on the six employees who will be transferred to the Authority. On June 12th I provided that information: names, titles, SSN's, retirement numbers, dates of birth, and hire dates for each of the six employees. That information has been received and is currently being reviewed by the NYS Retirement System. I made a follow-up call on June 27 and was told that the information is now being review by the actuarial unit.

4. Status of SRAA Positions

As of this report Onondaga County Personnel has approved New Position Duties Statements for the Executive Director, General Counsel, Executive Secretary and Paralegal. They are currently reviewing the Assistant Airport Security Coordinator, and we expect to submit a NPDS for the CFO and Airport Security Coordinator next week. Several steps are still required before the positions can be filled including action by the Board to pass a resolution creating each of the positions, the salary for each of the new positions, a copy of the SRAA budget, an organizational chart, and the P-100's making the appointments to these positions.

5. FYE2012 Audit

As of this report I have been informed by D'Arcangelo and Co. that the draft audit is substantially complete. I have a meeting with Chip Clark next week, where I will receive the draft audited financials. Once they are received, I will reach out to the Audit Committee in order to schedule a meeting.

6. Security Personnel Services

Year one of the Security Personnel Services Agreement with G4S Secure Solutions ended on June 30, 2013. Initial calculations indicate that we saved \$42,444.84 as a result of not filling vacant shifts as a result of call-ins and officers being called out on an emergency. I met with

Mike Calkins to discuss additional opportunities for cost savings and efficiencies, which I will present to this Board at a future meeting.

5. RFP for Passenger Terminal Concessions

On Friday, June 28, 2013 the SRAA issued a request for proposals for Passenger Terminal Concessions at the Airport. The scope of the RFP focuses on three essential areas: 1) the amount of space to be developed 2) the amount of the investment to be made and 3) the financial considerations. We set a minimum development of 15,000 square, of which 6,500 square feet is mandatory (the center lobby café, two kiosks post security, and the areas located pre-security at the old checkpoints. Proposers can chose from existing space and new space provided in the layout to fulfill the minimum requirement.

Our intent was to craft an RFP that would encourage multiple proposals, increase the size of the concession program, offer nationally recognized and local brands, set minimum design standards, and increase concession revenue.

A pre-proposal meeting will be held on Tuesday, July 23; proposals are due Tuesday, August, 27. The RFP is available on the Authority's website.

Department of Aviation

Department of Aviation report was reviewed by Members. There was no further discussion.

There was no additional New Business.

7. Adjournment

A motion was made by Ms. Rougeux and seconded by Mr. Thompson to adjourn the meeting.

The motion was approved: 8 ayes, 0 nays

The meeting was adjourned at 2:09 p.m.