

April 21, 2021

BUDGET WORK SESSION

This Budget Work Session was held in-person in the Community Room.

Board Member Present: Debbie Groh
Ex-Officio Present: Kam Washburn

Management, Staff and Employees Present: Rob Benstein, Sophie Giviyani-Kermani, Ron O'Neil, and Bonnie Wohlfert

Members of the Public Present: None

CALL TO ORDER

1. Robert Benstein, Interim President & CEO, called the Budget Work Session of the Capital Region Airport Authority to order at 4:00 p.m.

PUBLIC COMMENT

1. None

PRESENTATION AND DISCUSSION OF DRAFT FY2022 BUDGET

Rob Benstein presented a summary of key items:

- The effects of the Coronavirus pandemic continue to have an impact on the airport/airline industry. For the calendar year ending December 2020, Capital Region International Airport passenger traffic was down approximately 62% compared to the prior year. We expect this to improve during fiscal year FY2022 and estimate that passenger traffic for the calendar year will be down approximately 48% compared to CY2019. Based on airline schedules, reports from airport industry associations, financial consultants, news outlets, etc., we are using the following assumptions for development of the FY2022 budget:
- The airline schedule will remain essentially as it is today, with the addition of one daily flight to Minneapolis.
- Domestic load factors are projected to average 55% for the year; international load factors are projected to average 65%.
- Total estimated enplanements for FY2022 are 92,400; this is an increase of 63% compared to FY2021.
- Total estimated landed weight for FY2022 is 407 million pounds; this is an increase of 17% compared to FY2021.

Rob also reviewed the Consolidated Rates and Charges changes from the past year, specifically CPE (Cost per Enplanement). He explained that the challenge is we do not control the enplanement portion of the equation; we can only control the cost portion.

Sophie Giviyani-Kermani presented the FY2022 budget in detail covering the following areas:

- Source of Funds
- Use of Funds
- Mill Levy Allocation

Referencing the follow-up email from Rob Benstein after the first budget work session regarding the mill levy revenue, Debbie Groh shared that the 6.1 million is just a projection and felt that the 5.69 million is probably more accurate.

Debbie Groh asked about the CFC (Customer Facility Charge) equation and wondered if we have experienced any rental car shortages. Rob Benstein explained that the CFC rate is \$3.00-\$3.50/contract day and we have not experienced a car shortage.

The members discussed the stimulus money (CARES, CRRSA and American Recovery Plan Act). Debbie Groh requested a general overview of the various grants and Rob Benstein advised that the Board Report will include this information.

Debbie Groh asked if the payroll figures include the new organization chart changes; Sophie indicated the changes are included. Debbie also inquired about marketing projects and Rob indicated that the website will be redesigned but the rebranding project is to be determined.

Ron O'Neil presented the Capital Budget projects in detail.

Sophie Giviyani-Kermani explained the organizational chart changes. Debbie Groh posed several questions related to the changes, specifically about the Director of Real Estate, Director of Marketing, and the Executive Assistant. The salary ranges were also discussed, and Rob Benstein advised that Nicole Noll-Williams plans to have an assessment done on all the ranges. Kam Washburn felt the assessment was very appropriate and shared a recent experience at Clinton County.

Debbie Groh asked about the CFO position since the COO position is included again. Rob Benstein indicated that the changes are Nicole Noll-William's vision of the organization and suggested discussing it with her. Debbie indicated that she would email any additional questions and include the full board.

Kam Washburn commented that the 84% funding of MERS is good and encouraged staff to keep it well funded. He asked how big the fund was and Sophie Giviyani-Kermani indicated it was about 12 million and 98% funded.

Rob Benstein provided a brief summary of the proposed budget approval timeline.

PUBLIC COMMENT

1. None

BOARD MEMBER COMMENT

1. None

ADJOURNMENT

1. Rob Benstein moved the meeting be adjourned at 5:30 pm.

signed

Robert Benstein, Interim President & CEO

signed

Bonnie Wohlfert, Secretary