

**April 14, 2020**  
**BUDGET WORK SESSION**  
Chair John Shaski

*Due to the Covid-19 Pandemic the Budget Work Session was held as an Audio/Video Conference (GoToMeeting)*

**Board Members Present:** John Shaski & Jordan Leaming

**Ex-Officio Present:** Joseph Brehler

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

**Members of the Public Present:** None

**CALL TO ORDER**

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1. John Shaski, Chair, called the Budget Work Session of the Capital Region Airport Authority to order at 5:02 p.m.

**PUBLIC COMMENT**

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1. None

**PRESENTATION AND DISCUSSION OF DRAFT FY2021 BUDGET**

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Rob Benstein presented an overview and the assumptions used for the FY2021 budget.

- Coronavirus has had a profound impact on airline/airport industry. Initial industry estimates showed a 30% decrease in pax March - October; now the estimate is around 60%. Yesterday (4-12-20), TSA screened approx. 90,000 passengers; 3.7% of the number screened a year ago.
- The first nine months of FY2020 were good. Compared to budget, revenues were up and expenses were down which has positioned us well.
- We anticipate that many of the bad debts and rent deferrals will take place in the April – June time frame and impact the FY2020 budget. We continue to receive requests and will be evaluating them on a case-by-case basis.
- We have run several scenarios with our financial consultant at Landrum and Brown. Ultimately, we chose a fairly conservative scenario for the FY2021 budget. The scenario assumes a V-shaped recovery starting in June (15% load factor), leveling off at a 65% load factor in November. With load factors capped at 65% for the remainder of the year, this reflects a 15% drop compared to FY2020.
- We are projecting a 52% drop in enplanements for FY2021. Draft FY2021 budget reflects an operating shortfall of \$1.3M
- The draft budget does not take into account any relief funding available (CARES Act). We just learned a couple hours ago that Lansing will receive 10.3 million from the CARES Act but we need to look into the authorized uses of this funding.

Dale Feldpausch presented the FY2021 budget:

- 16<sup>th</sup> CRAA budget and certainly most difficult.
- All elements of the mill levy were discussed with the goal to be self-sustaining.
- The Statement of Source, Use of Funds was presented as a balanced budget.

Rob Benstein presented the Capital Budget projects in the areas of Planning, Technology, Terminal Improvements, Fleet & Equipment, Rental Car Facilities and Mason Jewett Field.

Discussion involved whether the rebranding project was reimbursable, if workforce reduction was part of the CARES Act and millage restrictions.

Sophie Giviyani-Kermani, new Director of Finance & Accounting, was introduced and welcomed.

Rob explained the budget process moving forward would be:

- Present the draft budget at the April Board meeting; it will be available for public inspection.
- Hold the public hearing for the draft budget immediately preceding the May meeting.
- Approve the budget at May meeting contingent upon airline approval of agreements (no comments).
- Approve the Rates and Charges Ordinance as a separate resolution.

**PUBLIC COMMENT**

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1. None

**BOARD MEMBER COMMENT**

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1. Board Members expressed their appreciation to staff.
2. Dale Feldpausch reminded the board that his last day is April 17, 2020 and thanked the board for their support. The Board Members thanked Dale for his years of service and wished him well in retirement.

**ADJOURNMENT**

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1. John Shaski moved the meeting be adjourned at 5:56 pm.

*signed*  
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John Shaski, Chair

*signed*  
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Bonnie Wohlfert, Secretary