

April 13, 2020
BUDGET WORK SESSION
Vice Chair Greg Ward

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

Board Members Present: Greg Ward, Victor Celentino, Debbie Groh and Dan Schiffer

Ex-Officio Present: Kam Washburn

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

1. Greg Ward, Vice Chair, called the Budget Work Session of the Capital Region Airport Authority to order at 5:01 p.m.

PUBLIC COMMENT

1. None

PRESENTATION AND DISCUSSION OF DRAFT FY2021 BUDGET

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).

Dale Feldpausch presented the FY2021 budget:

- 16th 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.

Board discussion included suspending or delaying projects if possible, cash flow concerns and mill levy certification requirements.

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 draft budget immediately preceding the May meeting.
- Approve the budget at the May meeting contingent upon airline approval of agreements (no comments).
- The Rates and Charges Ordinance is a separate resolution.

PUBLIC COMMENT

1. None

BOARD MEMBER COMMENT

1. Board Members expressed their appreciation to staff. They thanked Dale for his years of service and wished him well in retirement. Debbie Groh asked if Dale's retirement could be delayed due to the extreme circumstances. Dale explained that MERS requires a 60-day separation after retirement; consulting may be an option after the separation period. Rob added that Sophie Giviyan, new Director of Finance & Accounting, is very sharp and has a good handle on the finances.

ADJOURNMENT

1. Greg Ward moved the meeting be adjourned at 6:14 pm.

signed
Greg Ward, Vice Chair

signed
Bonnie Wohlfert, Secretary