

September 17, 2020
FINANCE COMMITTEE MEETING
Chair Daniel Schiffer

At this time, in the COVID-19 pandemic, meetings were allowed up to 10 people. This meeting was held in-person in the Community Room and a conference call option was provided.

Board Members/Ex-Officios Present: Daniel Schiffer, Debbie Groh & Joe Brehler

Management, Staff and Employees Present: Robert Benstein, Sophie Giviyan-Kermani, Ron O’Neil and Bonnie Wohlfert (called in).

Members of the Public Present: None

CALL TO ORDER & ROLL CALL

1. Daniel Schiffer, Chair, called the Finance Committee meeting of the Capital Region Airport Authority to order at 3:30 p.m. with all members present.

PUBLIC COMMENT

1. None

DISCUSSION

1. Temporary Waiver of Car Rental Minimum Annual Guarantee

Rob Benstein explained that the car rental agencies are concerned that the MAG (Minimum Annual Guarantee) used for their annual reconciliation is too high since it is based on 2019 sales. This temporary waiver, written by legal counsel, would apply only to agreement year three (3) (April 1, 2020 - March 31, 2021). The rental car concessionaires would continue to pay ten percent (10%) of their gross revenues and would continue to collect and remit Customer Facility Charge revenues.

The members discussed the current state of the car rental agencies and agreed to recommend approval of the Temporary Waiver at the September 28, 2020 regular board meeting.

2. Customs and Border Protection Memorandum of Agreement

Rob Benstein explained that this MOA reduces staffing from two officers to one, Monday-Friday, 8 am – 4 pm, which will result in a cost savings of approx. \$200,000 per year. We have had one officer since July 2020 and this MOA includes one officer for the next CBP fiscal year (October 1, 2020 – September 30, 2021). If we have seasonal international flights, additional CBP officers will still need to be brought in from DTW on an overtime basis.

The members discussed the cost-savings with one officer, the viability of the CBP program and the Foreign Trade Zone, as well as the need for a business plan and contributions from other entities. They agreed to recommend approval of the Customs and Border Protection Memorandum of Agreement at the September 28, 2020 regular board meeting.

3. Termination of Concessionaire Agreement

Rob Benstein stated that EMA Enterprises has requested to be released from their current contract with the Capital Region Airport Authority which runs through April 2023. They pay a percent of gross revenues (food & alcohol) and a monthly renovation investment fee related to the construction of the new Brewport restaurant. They have been shut down since March 20, 2020 due to the pandemic and are experiencing significant financial challenges. Staff had several discussions with EMA regarding their resumption of service, including options such

as a management agreement or covering their losses on a monthly basis. Ultimately, EMA determined that it was virtually impossible to financially maintain their restaurant business as well as the airport operation.

The members discussed negotiating a termination agreement, the outstanding fees due and the importance of maintaining the liquor license. The members directed staff to work with our attorney, proceed with negotiating a termination agreement and present it for approval at the October board meeting.

OLD BUSINESS

1. None

NEW BUSINESS

1. None

PUBLIC COMMENT

1. None

FINANCE COMMITTEE COMMENTS

1. None

ADJOURNMENT

1. Daniel Schiffer moved the meeting be adjourned at 4:47 pm.

signed

Daniel Schiffer, Chair

signed

Bonnie Wohlfert, Secretary