



Minutes for August 29, 2022 Budget Workshop Meeting

Dan P McClure Auditorium East - Conference Room

Attendees

Commissioners: Carlos Beruff; Jesse Biter; Doug Holder; Kristin Incrocci; Jeff Jackson; Robert Spencer
Staff/Council: Fredrick Piccolo; Kent Bontrager; Anita Eldridge; Joseph Filippelli; Lionel Guilbert; Pamela Kantor; Evan Knighting; Mark Stuckey; Dori Guzman; Dan Bailey

Agenda

Call to Order

Vice Chairman Jackson called the meeting to order at 11:03 a.m.

Presentation of FY 2023 Sarasota Manatee Airport Authority Budget

Mr. Piccolo introduced Pamela Kantor, new Executive Vice President, CFO. Pamela is replacing Anita Eldridge, who is retiring in November 2022 after more than 30 years of service to SRQ. He then presented the proposed FY 2023 budget for discussion. He noted the following airlines have a six-year agreement: Allegiant, American Delta, JetBlue, Southwest and United, effective October 1,2018.

Significant changes to revenue in the FY 2023 budget include:

Total Airline Fees	\$368,188	+ 03.9%
Non-Airline Revenue	\$4,822,694	+ 21.6%
RAC	\$1,350,000	+ 15.0%
Parking Revenue	\$1,780,000	+ 34.0%
Buildings Non-Aviation	\$100,424	+ 32.0%
Concessions & Advertising	\$479,000	+ 22.0%
Interest Earnings	\$320,000	+ 400%
<i>Total Projected Non-Airline Revenues</i>	<i>\$27,147,694</i>	<i>+ 22.0%</i>
<i>Total Projected Airline Revenues</i>	<i>\$10,697,672</i>	<i>+ 05.1%</i>
<i>Total Projected Operating & Airline</i>	<i>\$37,845,366</i>	<i>+ 16.5%</i>

Notes on Revenues:

Fuel flowage increase due to commercial and general aviation traffic	\$554,000	+ 74%
Terminal building increases due to added concessions & ad revenues	\$524,670	+ 20%
Terminal area projections due to RAC, parking & ground transport increased traffic	\$3,249,337	+ 21%
Non-Airline revenue increase	\$4,822,294	+ 22%
Other buildings & areas increase	\$174,287	+ 5%
Interest income increase due to inflationary interest rises	\$240,000	
SRQ parking rates adjusted by \$1/day (over \$10,00,000 in projects/expansions)		

Significant changes to expenses in the FY 2023 budget include:

Overall Operational Expense Increase	\$2,805,084	+ 11.3%
Utilities Budget Increase	\$151,800	+ 16.3%
Personnel Expenses Increase	\$1,560,930	+ 9.9%
Operations Increase	\$1,050,299	+ 34.8%
Administration Increase	\$432,709	+ 12.6%
Capital Equipment Decrease	(\$219,350)	(379%)
Supplies Increase	\$178,010	+26.5%

Notes on Expenses:

Adding two new positions in Facilities Dept, versus 26 positions added overall in 2022.

Total personnel is 154 FTE. Airport assumed nighttime janitorial services with six in-house personnel to ensure quality.

Increased personnel expenses include staff which was added in 2022; salary study adjustment; 2% increase to health insurance; and 2.9% retirement contribution increase.

Property and liability insurance, as well as legal costs are up \$222,079 (15%), due primarily to property insurance increase of 66%.

Janitorial services and supplies up due to increased passenger volume and wage inflation.

Information Technology services/expenses up due to new common use system used by all airlines; increase in software licensing; replacement of 10-year-old software.

Utilities up \$151,800 (16.3%) due to rate increases and usage with added passengers.

Capital equipment decrease estimated at \$219,350 (379%) due to major capital equipment purchased in FY 2022.

Major Capital Projects:

15 capital projects of various scope & size are included in the budget at an estimated cost of \$83,676,598.

Two major multi-year projects include terminal expansion & GA Customs Facility; estimates and updates provided as needed.

Airport received \$21,500,000 (earmarked) from State of Florida & \$10,000,000 (discretionary) Federal BIL funds this year for terminal project.

Staff continues to meet with FAA & FDOT for additional funding.

Ongoing Construction Projects:

New Cell Phone Lot: 152 spaces, restrooms, flight information screen.

Ground Transportation Center: larger staging areas for limo/taxi; new TNC pickup area (Uber, Lyft, Toro); new MCAT and SCAT terminal; hotel shuttle pickup area.

West Apron Expansion & Employee Lot Relocation: add three hardstand spaces for aircraft parking; employee lot expanded and relocated.

East Commercial Apron Expansion: new concrete ramp; three additional parking hardstands; Taxiway R5 reconstructed; Taxiway A8 removed.

New Observation Area: joint project with SMAA & Manatee County; viewing area will include airport history displays, audible air traffic radio, playground, Welcome to Manatee County signage.

Consolidated Baggage System: will connect all ticket counter positions with a central baggage screening room.

Escalator Project: replacing and adding new escalators – two up and two down.

Ground Level Boarding Terminal: currently under design, will include five new ground boarding gates.

General Aviation Customs Facility: adding a second facility on opposite of airfield for Customs clearance of smaller general aviation aircraft; 474 international flights cleared in 2021 and 352 flights in 2022.

New Fixed Base Operator: Sheltair.

Manatee Technical College: Aircraft maintenance, airframe and powerplant licensing training.

Mr. Piccolo detailed the airline rates and charges for FY 2023, noting that SRQ continues to have the lowest unit cost of the region's competing airports, and the lowest CPE by a significant margin. Also, important to note SRQ has not utilized any of its relief funds.

Staff responded to clarifying questions from the Board.

Adjournment

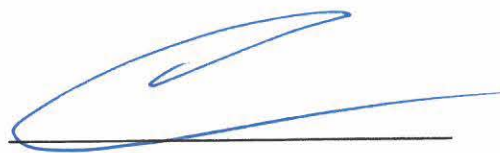
The meeting was adjourned at 12:02 p.m.

ATTEST:

A handwritten signature in black ink, appearing to be 'JB', written over a horizontal line.

Jesse Biter, Secretary

APPROVE:

A handwritten signature in blue ink, appearing to be 'CB', written over a horizontal line.

Carlos Beruff, Chairman