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ACAA
APPROVED
11/3/08

Minutes of the Regular Meeting of the Albany County Airport Authority

October 6 , 2008

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, October 6, 2008 @ 6:04 PM in the 3rd Floor Conference Room of the main Terminal located at the Albany International Airport by Chair David E. Langdon with the following present:

MEMBERS PRESENT

Chair David E. Langdon
 Henry E. Dennis, Jr.
 John A. Graziano, Jr.
 Daniel M. Slesman
 Richard J. Sherwood

MEMBERS ABSENT

Elliott A. Shaw
 Dorsey M. Whitehead

STAFF

John A. O'Donnell
 Bill O'Reilly
 Margaret Herrmann
 Peter F. Stuto
 Richard M. Meyers

Doug Myers
 Steve Iachetta
 Ginger Olthoff
 Helen Chadderdon

ATTENDEES

Joel Russell, AvPorts
 Eric Andersen, Times Union

Chair Langdon noted that there was a quorum.

1. **CHAIR'S REMARKS**

None

2. **MINUTES**

2.1 Mr. Graziano moved to approve the minutes of the September 8, 2008 Regular Meeting. The motion was adopted unanimously.

2.2 Mr. Dennis moved to approve the minutes of the September 23, 2008 Special Meeting and ratify all actions taken at the meeting, specifically, acceptance of the two federal grant amendments referenced in the minutes. The motion was adopted unanimously.

3. **COMMUNICATIONS AND REPORT OF CHIEF EXECUTIVE OFFICER**

Mr. O'Donnell presented the Communications and Report of the Chief Executive Officer for the month of October 2008.

Chair Langdon referred to the customer survey published by Stewart Airport. He inquired as to what time period the survey covered. Mr. O'Donnell stated that he would report back to the Board on the time period covered by the survey.

4. **INTERESTING CORRESPONDENCE:**

None

MANAGEMENT REPORTS:

Chair Langdon welcomed Bill O'Reilly as the new ACAA Chief Financial Officer.

5. **Chief Financial Officer**

Mr. O'Reilly presented the following:

5.1 **Statistical and Financial Performance for the Month of August 2008**

Mr. O'Reilly distributed and reviewed a power point presentation outlining the financial performance for the month of August 2008.

Mr. O'Reilly stated that at the September ACAA Meeting, the Board inquired as to the status of the change in cash. Mr. O'Reilly referred to a chart included in the presentation which shows that unrestricted working capital was holding steady.

Mr. O'Reilly pointed out that the budgetary performance was off; however, the financial status of the Airport was sound. He also stated that the 2009 Preliminary Budget was very conservative in covering revenues, expenses, and airline rates and charges.

Mr. Slesman stated that he would like to have a Finance Committee meeting to review the Preliminary 2009 Budget.

Chair Langdon inquired as to whether there were any additional recommendations staff could make other than the measures that have been already been taken to control costs and increase revenues. Mr. O'Reilly recommended the Board approve the increased parking rates that will be proposed later in the agenda.

5.2 Comparison of Enplanements

5.3 Summary of Airline Scheduled Flights and Markets

5.4 USDOT Arrival and Departure Statistics

6. Project Development

Mr. Iachetta presented the Project Development Status Report for the month of October 2008.

Chair Langdon inquired as to where HondaJet was in production. Mr. O'Donnell stated that it was expected that HondaJet would receive certification in 2010 with early delivery scheduled for 2011.

7. Counsel

Mr. Stuto stated that a few months ago, a recommendation on award had been made on an ARFF Structural Pumper following a formal bidding process. Mr. Stuto stated that subsequently, an objection was raised by another bidder regarding the specifications included in the bid. As a result, a professional consultant was hired to review the specifications who did find minor specification deviations and one major deviation that could be interpreted as a possible proprietary bid. This being the case, it was decided to reject all bids and rebid the vehicle purchase. He stated that a recommendation on award would be presented to the Board at the November meeting.

8. Concessions/Ambassador Program

Ms. Chadderdon presented the Concessions/Ambassador Program Report for the month of October 2008.

9. Public Affairs Report

Mr. Myers presented the Public Affairs Report for the month of October 2008.

10. Business and Economic Development Report

Mr. O'Donnell stated that Ms. Zieske was enroute to the NBAA Meeting in Orlando, Fl. Abd proceeded to present the Business and Economic Development Report for the month of October 2008. He stated that Ms. Zieske will be making contacts with 10 of the largest manufacturers of light jets in an effort to attract additional business to the Airport. As a part of the program, a mini-website was being set up for each manufacturer tailored specifically to the type of aircraft and perceived needs to make the website as attractive and interesting as possible.

ACTION ITEMS:

11. Authorization of Contracts/Leases/Contract Negotiations/Contract Amendments

11.1 Service Contract No. S146: Deicing Wastewater Treatment with Albany County Sewer District

Chair Langdon stated that this item would be deferred to the November 2008 meeting. There were no objections.

11.2 Service Contract No. – SC-588: HVAC Technician with BPI Piping, Inc.

Mr. Meyers recommended authorization of Service Contract No. – SC-588: HVAC Technician with BPI Piping, Inc., in the amount of \$150,000, \$75,000 of which will be reimbursed by FAA Airport Improvement Program grant funds for work included in the Russell property project, to be funded from the Airport Operating Budget and Capital Improvements Project Account No. 2516.

Mr. O'Donnell stated that this contract has two components, the first of which is to provide overall HVAC services for the Airport in light of the fact that AvPorts on-site maintenance staff left their employ some time ago. It was decided at that time to outsource the HVAC work at a budget amount of \$75,000. The second component of work includes HVAC work, in the amount of \$75,000, to be performed on the Russell property project which has been approved by the FAA and will be funded with Airport Improvement Program grant funds.

Mr. Sleasman inquired as to the term of the contract. Mr. Meyers stated that the term would run from October 8, 2008 to December 31, 2009.

Mr. Sleasman requested a change in the contract, i.e., where it refers to "Consultant" change to "Contractor."

Mr. Graziano moved to award said contract. The motion was adopted unanimously.

11.3 Operating Permit with JR Proprietors, Inc.

Mr. Stuto recommended authorization of an Operating Permit with JR Proprietors, Inc., who provides ice to the airlines. The operating permit provides for a 10 percent payment of gross revenues to the Authority over a 2 year term with option to renew in 2-year increments, if agreed by both parties.

Mr. Sleasman moved to award said operating permit. The motion was adopted unanimously.

11.4 Operating Permit with DAL Global Services, LLC (DGS)

Ms. Herrmann recommended authorization of an Operating Permit with DAL Global Services, LLC (DGS), who provides ground handling services to US Airways. The operating permit provides for a 5 percent payment of gross revenues to the Authority over a 2 year term with option to renew in 2-year increments, if agreed by both parties.

Chair Langdon inquired as to why the previously authorized operating permit provided for 10% payment of gross revenues. Ms. Herrmann stated that if the permit is authorizing a service, the percentage is 5% and if the permit is authorizing a product, the percentage is 10%.

Mr. Sherwood moved to award said operating permit. The motion was adopted unanimously.

11.5 Operating Permit with National Aviation Services (NAS)

Mr. Stuto recommended authorization of an Operating Permit with National Aviation Services (NAS), who provides aircraft cleaning and janitorial services to the airlines. The operating permit provides for a 10 percent payment of gross revenues to the Authority over a 2 year term.

Mr. Sherwood moved to authorize said operating permit. The motion was adopted unanimously.

11.6 Fueling Service Agreement with Hyannis Air Service, Inc., d/b/a Cape Air and Nantucket Airlines

Mr. O'Reilly recommended authorization of a Fueling Service Agreement with Hyannis Air Service, Inc., d/b/a Cape Air and Nantucket Airlines. Cape Air will purchase AvGas from the Authority at an initial rate equal to the Authority's purchase cost plus 25 cents per gallon. The Agreement provides that the rate will be reviewed and adjusted after six months.

Mr. Dennis moved to authorize said agreement. The motion was adopted unanimously.

11.7 Purchase Order: Billboard Advertising

Mr. Myers recommended authorization of a Purchase Order with Lang Media in the amount of \$25,450, to be funded from the Airport Operating Budget, for a three-month billboard advertising campaign to promote winter air travel. The program will have estimated views of 62,500 to 78,000 per day.

Mr. Sleasman stated that he was concerned with this type of expense in light of the cost control measures currently being employed in this time of austerity budgeting. He also stated that it would be very difficult to quantify the results of such an advertising campaign. He stated that he was not adamantly opposed but would not support this if it meant that someone's job was in jeopardy.

Mr. O'Donnell stated that serious consideration had been given to the proposed advertising campaign in light of economic conditions. However, he stated that since the airlines were not willing to discuss adding flights and markets at this time, avenues have to be explored to bring more business to the Airport and to preserve the business we do have. Mr. O'Donnell pointed out that the Airport's numbers are off-budget but was financially solid.

Mr. Sleasman stated again that he was not adamantly opposed; however, he was surprised to see this type of proposal come up.

Chair Langdon inquired as to Mr. O'Reilly's position on the matter. Mr. O'Reilly stated that he was on the fence but could support it.

Mr. Sherwood inquired as to whether other airports have advertised in this manner. Mr. Myers stated that this has been done at Buffalo, Manchester, Allentown and Boston airports.

Chair Langdon inquired as to whether the airlines have any interest in putting funds toward this advertising campaign. Mr. Myers stated that they did not; however, he was going to request they offer specials in conjunction with this campaign.

Chair Langdon stated that he would recommend moving forward with this; however, he would like the airlines to offer specials to enhance the campaign.

Mr. Sleasman stated that he was not convinced that the Airport needs an image program. Chair Langdon stated that he was not interested in an image program but did want to promote the Airport in an effort to increase the number of passengers at the Airport.

Mr. Sleasman did agree that if the campaign is tied into a specials program, it is more likely to get positive results.

Mr. Sherwood moved to authorize said purchase order. The motion was adopted unanimously.

12. Authorization of Change Orders

None

13. Authorization of Change in Current Published Parking Rates

Mr. O'Donnell stated that parking rates were increased in 2003 and the daily discount rate in the Economy Lot was discontinued in 2007. He stated that an increase in parking rates will generate positive revenue for the Airport.

Mr. O'Reilly referred to the Parking Comparison chart which was previously distributed with the agenda. He stated that given that the Airport compares favorable to other airports, a moderate rate increase was being proposed.

Chair Langdon stated that the chart was very good as he appreciates seeing the comparison to other airports in these types of analyses. He stated that he would like to see the percentage increase in rates for the garage (9.1%) be more in line with the percentage increase proposed for long term parking (12.5%), i.e., change the five day rate of \$48 to \$50 and seven day rate from \$60 to \$64.

Mr. Sleasman moved to authorize said increase in parking rates, as recommended by the Chair. The motion was adopted unanimously.

Old Business:

None

New Business:

None

Attorney-Client Privilege/Executive Session

Chair Langdon requested a motion to go into Executive Session to discuss two matters related to the appointment of a particular corporations and one matter related to a real property matter.

Mr. Sleasman moved to go into Executive Session. The motion was adopted unanimously.

Mr. Graziano moved to go into Regular Session. The motion was adopted unanimously.

ES-2: Professional Services Agreement: Fiscal Advisor

Mr. O'Reilly recommended authorization to enter into an agreement with Public Resources Advisory Group (PRAG) for Financial Advisory services regarding a potential transaction involving Airport Authority bonds, "piggybacking" under a previously bid NYS Office of the State Comptroller 2006-2010 contract at hourly rates with caps on specific transactions, as included on the New York State Comptroller's Contract Number C000832 (Page 4 – Section III Compensation) with annual COLAs based on the CPI and on a new transaction, PRAG will be funded through bond proceeds. Transactions are not-to-exceed the CPI adjustments.

Mr. Dennis moved to authorize said agreement. The motion was adopted unanimously.

There being no further business, the meeting was adjourned at 7:50 pm.