



ALBANY COUNTY AIRPORT AUTHORITY
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ACAA - Finance Committee
APPROVED
 10/25/07

**Minutes of the Finance Committee and Audit Committee Meeting
 of the Albany County Airport Authority**

March 5, 2007

Pursuant to notice duly given and posted, the Finance Committee and Audit Committee meeting of the Albany County Airport Authority was called to order on Monday, March 5, 2007 @ 4:30 PM in the Terminal Building, Conference Room B, located at the Albany International Airport by Audit Committee Chair Elliott A. Shaw and Finance Committee Chair Daniel M. Sleasman with the following present:

MEMBERS PRESENT

Daniel M. Sleasman, Chair Finance Committee
 Elliott A. Shaw, Chair Audit Committee
 David E. Langdon, Chair, ACAA
 Richard J. Sherwood
 Charla M. Everette

MEMBERS ABSENT

None

STAFF

John A. O'Donnell
 J. Dwight Hadley
 Doug Myers
 Margaret Herrmann
 Ginger Olthoff

ATTENDEES

Robert Urban, UHY, LLP
 Marilyn Pendergast, UHY, LLP via Telephone Conference Call

Audit Committee Chair Shaw recommended moving Agenda Item No. 2 to the top of the agenda with Audit Committee review of the Audit and Compliance Reports of UHY, LLP, Certified Public Accountants and Review and Acceptance of UHY, LLP, Letter Regarding Information Related to their Conduct of the Audit Required under Generally Accepted Auditing Standards. There were no objections.

2. Review and Acceptance of UHY, LLP Letter Regarding Information Related to their Conduct of the Audit Required under Generally Accepted Auditing Standards Presented to the Audit and Finance Committees and Review

Mr. Hadley introduced Ms. Marilyn Pendergast from UHY, LLP. Ms. Pendergast referred to the draft letter from UHY, LLP outlining the results of their audit. She stated that the Authority was given the highest level "clean" opinion. Ms. Pendergast did not anticipate any changes being made to the draft letter and this draft would be followed by a final signed letter.

Ms. Pendergast then introduced Mr. Robert Urban, who was in charge of the audit conducted by UHY, LLP.

Mr. Urban stated that UHY, LLP met with the Audit Committee prior to conducting the audit to outline the conduct of the Audit required under Generally Accepted Auditing Standards. Mr. Urban then reviewed the draft opinion letter which outlined required communications to be made to the Authority Board and stated that the Authority was given the highest level "clean" opinion.

ACAA Chair Langdon inquired as to whether there was anything the Committee should be made aware of. Mr. Urban stated that outside of the normal course of business such as debt service requirements, there were no items of concern. Mr. Urban stated that Airport staff was very competent in putting together the Financial Statements and accounting for day to day operations.

Ms. Pendergast added that if there were any items that the ACAA Board needed to be made aware of, it would have been included as part of the draft letter outlining the results of the audit.

Acceptance of Airline Rates and Charges Settlement and Revenue Sharing Transfer Calculation for 2006

Mr. Hadley reviewed the Airline Rates and Charges Settlement and Revenue Sharing Transfer Calculation for 2006. Mr. Hadley referred to Tables 11, 11.1 and 12 noting the actual settlements and revenue sharing with the airlines.

ACAA Chair Langdon inquired as to how the cost per enplanement (CPE) is derived. Mr. Hadley stated that Airport CPE is derived from airline net revenues divided by the number of enplanements. The enplanement numbers are provided monthly by each airline. The FBO CPE includes revenues received from the airlines principally from deicing services, although some of the airlines provide their own deicing.

Mr. Langdon inquired as to what airlines did their own deicing. Mr. Hadley stated that the one that comes to mind is Southwest Airlines.

Mr. Langdon inquired as to whether the airlines look at the CPE numbers. Mr. Hadley stated that the airlines look closely at the CPE and use it to compare overall costs at airports as part of their determination whether they will provide service to an airport.

Review and Acceptance of Authority's Twelfth Comprehensive Annual Financial Report, as of, and for the year ended, December 31, 2006, together with the Audit and Compliance Reports of UHY, LLP, Certified Public Accountants,

Mr. Langdon referred to Page 3 of the UHY, LLP letter included at the beginning of the Financial Report wherein there is the following statement: "This information is intended solely for the use of the Members and management of the Albany County Airport Authority and is not intended to be and should not be used by anyone other than these specified parties." He stated that given that this was a public document, why would a statement such as this be included. Ms. Pendergast stated that the sentence is used as notice that the reader has to have a background or knowledge of GAAP standards. Mr. Langdon suggested this explanation be included in the document in the future, if possible.

Mr. Hadley reviewed the Management Discussion and Analysis included in the Financial Report.

Mr. Shaw inquired as to what was included in the funds due Albany County. Mr. Hadley stated that the largest share of funds were for reimbursement of services provided by the Albany County Sheriff's office. Mr. Hadley stated that there was a large increase this year due to the fact that the union agreement was settled which included a 3-year retroactive salary increase. Other reimbursements include services provided by Albany County Code Enforcement.

Mr. Sleasman entered the meeting.

Mr. Hadley noted that there will be future increases related to reimbursement for Sheriff's services in that the requirement to accrue employee OPEB benefits on an annual basis over the course of their employment goes into effect in 2007. The cost of this in 2006 for the Authority was \$386,000. The County will be required to recognize this expense and the Airport will be required to reimburse its share for those Sheriff's Deputies assigned to the Airport.

Mr. Shaw inquired if health insurance benefits were a lifetime benefit upon retirement or was the employee covered by Medicare once they retire. Mr. Hadley stated that the health insurance was currently a lifetime benefit.

Mr. Langdon stated that the presentation made by Mr. Hadley was excellent. He referred to Page 21 and Page 61, noting that there was a difference in the spelling for the management contract for airport management, i.e., Page 21 refers to Maquire Aviation North America, Inc. and Page 61 refers to MacQuarie Aviation North America. He inquired as to which was the correct spelling. Mr. Hadley stated that the correct spelling was noted on Page 61.

Mr. Langdon inquired as to whether there was anything the ACAA Board needed to be made aware of. Mr. Hadley stated that cost per enplanement and landed weights need to be monitored very closely and, if necessary, attention needs to be paid to reduction in costs by cost control and new ideas for revenue enhancement. On the reverse side, if growth returns, the focus can be on future facility expansion in the terminal and parking garage.

Finance Committee Chair Sleasman stated that he would make a recommendation to the Board at this evening's meeting, to approve the Authority's Eleventh Comprehensive Annual Report as of, and for the year ended, December 31, 2006, and Airlines Rates and Charges Settlement and Transfer Calculation Report for 2005. There were no objections.

Audit Committee Chair Shaw stated that he would make a recommendation to the Board at this evening's meeting to approve the Audit and Compliance Reports of UHY, LLP, Certified Public Accountants and UHY, LLP Letter Regarding Information Related to their Conduct of the Audit Required under Generally Accepted Auditing Standards. There were no objections.

1. Approval of Minutes: November 16, 2006 Finance Committee Meeting/September 6, 2006 Audit Committee Meeting

Finance Committee Chair Sleasman moved to approve the November 16, 2006 Finance Committee minutes. The motion was adopted unanimously.

Audit Committee Chair Shaw moved to approve the September 6, 2006 Audit Committee minutes. The motion was adopted unanimously.

There being no further business, the meeting was adjourned at 5:45 PM.

Respectfully Submitted,

Daniel M. Sleasman, Finance Committee Chair
Elliott A. Shaw, Audit Committee Chair



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JOINT FINANCE/AUDIT

COMMITTEE MEETING

AGENDA

March 5, 2007

- 1. Approval of Minutes**
 - 1.1 Finance Committee: November 16, 2006**
 - 1.2 Audit Committee: September 6, 2006**

- 2. Review and Acceptance of Authority's Twelfth Comprehensive Annual Financial Report, as of, and for the year ended, December 31, 2006, together with the Audit and Compliance Reports of UHY, LLP, Certified Public Accountants, Review and Acceptance of UHY, LLP Letter Regarding Information Related to their Conduct of the Audit Required under Generally Accepted Auditing Standards Presented to the Audit and Finance Committees and Review and Acceptance of Airline Rates and Charges Settlement and Revenue Sharing Transfer Calculation for 2006**

DAVID E. LANGDON, CHAIR

HENRY E. DENNIS, JR.

JOHN A. GRAZIANO, JR.

RICHARD J. SHERWOOD, VICE CHAIR

DANIEL M. SLEASMAN

ELLIOTT A. SHAW

CHARLA M. EVERETTE

JOHN A. O'BONNELL, CHIEF EXECUTIVE OFFICER