



**ALBANY COUNTY AIRPORT AUTHORITY**  
 ALBANY INTERNATIONAL AIRPORT  
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**ACAA**  
**APPROVED**  
 12/1/08

**Minutes of the Regular Meeting of the Albany County Airport Authority**

**November 3 , 2008**

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, November 3 2008 @ 6:03 PM in the 3<sup>rd</sup> 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. Sleasman  
 Elliott A. Shaw  
 Dorsey M. Whitehead

**MEMBERS ABSENT**

Richard J. Sherwood

**STAFF**

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

Doug Myers  
 Steve Iachetta  
 Ginger Olthoff  
 Helen Chadderdon

**ATTENDEES**

Joel Russell, AvPorts  
 Pam Day, Million Air  
 Eric Andersen, Times Union  
 Steve Williams, Gazette  
 Peter Kwan, Coffee Beanery

Chair Langdon noted that there was a quorum.

**DAVID E. LANGDON, CHAIR**

**RICHARD J. SHERWOOD, VICE CHAIR**

**HENRY E. DENNIS, JR.**

**DANIEL M. SLEASMAN**

**JOHN A. GRAZIANO, JR.**

**ELLIOTT A. SHAW**

**DORSEY M. WHITEHEAD**

**JOHN A. O'DONNELL, CHIEF EXECUTIVE OFFICER**

1. **CHAIR'S REMARKS**

None

2. **MINUTES**

Mr. Graziano moved to approve the minutes of the November 3, 2008 Regular Meeting. 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 November 2008.

Mr. O'Donnell referred to Chair Langdon who made a special award presentation to Mr. Steve Iachetta, Airport Planner.

Chair Langdon presented an award plaque to Mr. Iachetta and made the following remarks:

"This evening the Authority Board would like to recognize an individual who has been on the Authority staff for 14 years. This is an individual who has demonstrated exemplary service in the administration of the Airport's Federal and State grant program.

He has served as environmental and Airport planner, as well as grant administrator and, prior to the creation of the Authority, implemented procedures to attract and justify Federal and State grants that helped lead to our new and efficient Airport.

Tonight I would like to recognize Stephen Iachetta for his efforts in securing over \$113 million in State and Federal grants for the benefit of the Albany International Airport, the airlines, the leisure and business travelers of the greater Capital Region.

If you look around the Airport, almost every significant project that we have completed here has been influenced by Steve's ability to overcome environmental obstacles and secure funding assistance through the state, federal government and other available sources.

Steve's passion to "preserve and enhance aeronautical safety," is legend among the board and staff. But Steve's desire and drive has helped to make Albany among the safest airports in the nation.

Long before it was fashionable and politically correct, Steve was turning this Airport "Green."

Steve helped the Albany International Airport create and become the first airport to build a Glycol Treatment Facility that cleans and transforms icy water, snow and glycol into methane gas with which we now heat two buildings.

Steve led the program to change our shuttle bus fleet from dirty diesel to clean-burning natural gas.

This fall, Steve is spearheading a pilot program that will see two of our Airport fleet vehicles powered by hydrogen.

Steve, we are extremely pleased to honor you this evening and present you with this plaque.

On behalf of the Board and the 3-million people who travel through the Albany International Airport each year, we wish to extend our gratitude for your dedication, enthusiasm and commitment to our Airport.”

**4. INTERESTING CORRESPONDENCE:**

Noted

**MANAGEMENT REPORTS:**

**5. Chief Financial Officer**

Mr. O'Reilly presented the following:

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

Mr. O'Reilly distributed and reviewed a power point presentation outlining the financial performance for the period ended September 30, 2008.

Mr. O'Reilly noted that the net results, as of September 30<sup>th</sup>, show a negative (\$1,214,584), of which the Airline share was (\$607,292) and the Authority share was (\$607,292).

In light of the net results, Mr. O'Reilly outlined the following recommendations:

- Increased parking rates for 2008 will result in additional revenue of approximately \$167,000 and additional revenue for 2009 of approximately \$700,000.
- Year-end settlement will restore some of the shortfall in early 2009.
- Defer discretionary expenditures such as elective maintenance and small capital projects (those under \$50,000) funded from operating funds.
- Do not defer necessary maintenance.

He also stated that the budget for 2009 is being planned to more accurately reflect landing fees and revenues which will in turn result in more accurate airline rates and charges.

Mr. Shaw inquired as to what the estimated savings might be based on the recommendations made. Mr. O'Reilly stated that he was not sure but the goal would be to defer spending to reserve cash.

Mr. O'Donnell stated that small construction maintenance projects, costing approximately \$2200 per week and electrical maintenance projects costing approximately \$1,400-\$1,700 per week will be deferred; however, there are some FAA required projects, i.e., airfield lighting costing approximately \$5,000-\$8,000 per week which will have to move forward.

Mr. Shaw inquired as to whether these recommendations will have an impact considering the fact that it is so late in the year. Mr. O'Reilly stated that he was not sure. He stated that the shortfall at the end of the year can be covered with development funds; however, it was important to hold the line on cash spending.

Mr. Sleasman stated that he was surprised to see the bond refunding off by \$780,000. Mr. O'Reilly stated that \$500,000 was a result of the refunding and the remaining \$280,000 was a result of the variable interest on the new bond.

Mr. Sleasman stated that he was aware there would be additional debt service costs as a result of the refunding and due to the timing of the transaction, this was not reflected in the budget. He stated that this should have been reflected in the budget right after the transaction. He inquired as to whether there could be some clarification in that regard, i.e., including some type of foot note.

Mr. O'Reilly stated that he had reviewed adjusting the billing rates back in August with Jacobs Consultancy (Financial/Rates & Charges Advisor) since the non-Signatory airlines, who do not participate in the revenue sharing agreement, will not be billed for the shortfall, as the Signatory airlines will. However, in order to do this, per the Airline Use and Lease Agreement, revenues have to off by 10% which they are not.

Mr. O'Donnell stated that the Authority would seek to raise PFCs from \$3.00 to \$4.50 which will cover funding for previous projects. Also, it will be used to cover the debt service of the 2008A bond and some other bonds, as well. However, this will not take effect until 2010.

Mr. O'Reilly stated that the Airline Affairs Committee doesn't generally favor increasing PFCs; however, the members stated that they would be willing to look at it on a case by case basis. He stated that he will be forwarding the Committee a report on the impact of increasing the PFCs.

Chair Langdon inquired if there was anything else that needed to be done. Mr. O'Reilly stated that it was important to hold the line on capital projects under \$50,000 and deferring any unnecessary spending.

- 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 November 2008.

Mr. O'Donnell stated that it was recently determined that funding for the Automatic Switch Gear for the Terminal will be funded through a previously approved Airport Improvement Grant for Terminal Improvements.

**7. Counsel**

None

**8. Concessions/Ambassador Program**

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

**9. Public Affairs Report**

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

Mr. Dennis referred to the Impact of Weather presentation made by Airport Operations and requested that Board members receive a copy of the disk that will be made available of the presentation.

**10. Business and Economic Development Report**

Ms. Zieske presented the Business and Economic Development Report for the month of November 2008.

**ACTION ITEMS:**

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

**11.1 Lease Agreement No. L594: Office Space – 16 Jetway Dr., Million Air, with Hawker Beechcraft Corporation**

Ms. Zieske recommended authorization of a one-year lease renewal of Lease Agreement No. L594: Office Space – 16 Jetway Dr., Million Air, with Hawker Beechcraft Corporation. She stated that the monthly lease payment was \$281.60.

Mr. Shaw moved to authorize said lease extension. The motion was adopted unanimously.

**11.2 Lease Extension to Lease Agreement No. L497: 11 Northway Lane North (ACAA Bldg. No. 410) with Lash Contracting, Inc.**

Ms. Zieske recommended authorization of a one year lease extension of Lease Agreement No. L497: 11 Northway Lane North (ACAA Bldg. No. 410) with Lash Contracting, Inc. she stated that the monthly lease payment was \$1,607.49 with a 3.5% COLA being added beginning June 1, 2009.

Mr. Whitehead moved to authorize said lease extension. The motion was adopted unanimously.

**11.3 Purchase Order - Purchase of Materials: Type I & Type IV Glycol from Ascent Aviation**

Ms. Herrmann recommended authorization of a Purchase Order for Purchase of Materials: Type I & Type IV Glycol from Ascent Aviation in the amount of \$1,134,680 (based upon estimated usage), to be funded from the Airport Operating budget.

Mr. Sleasman inquired as to whether there was a pass-through to the airlines for handling and administrative costs. Mr. Herrmann stated that there was a 20 cents per gallon mark-up to cover these costs.

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

**11.4 Commodity Contract No. 585: Liquid & Solid Deicer for Runways, Taxiways and Ramps**

Ms. Herrmann recommended authorization of Commodity Contract No. 585: Liquid & Solid Deicer for Runways, Taxiways and Ramps as follows, to be funded from the Airport Operating Budget:

Cryotech - Liquid Acetate Base Deicer

30,000 – 60,000 estimated gallons

Cost per gallon = \$7.02                      \$210,600 - \$421,200 (Estimates)

Clariant - Solid Compound Deicer - Clariant

175,000 – 225,000 estimated pounds

Cost per pound = \$0.839                      \$146,825 - \$188,775 (Estimates)

Mr. Sleasman moved to authorize award of said contract. The motion was adopted unanimously.

**11.5 Concession Contract No. 566: Food & Beverage Concession**

Mr. O'Reilly recommended award of Concession Contract No. 566: Food & Beverage Concession to HMS Host, based on the Selection Committee's recommendation. The Committee looked favorably upon the Minimum Annual Guarantee proposed by HMS Host