



ALBANY COUNTY AIRPORT AUTHORITY
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ACAA
APPROVED
4/6/09

Minutes of the Regular Meeting of the Albany County Airport Authority

March 2, 2009

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, March 2, 2009 @ 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.
 Elliott A. Shaw
 Richard J. Sherwood
 Daniel M. Sleasman
 Dorsey M. Whitehead

MEMBERS ABSENT

John A. Graziano, Jr.

STAFF

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

Doug Myers
 Steve Iachetta
 Ginger Olthoff
 Helen Chadderdon

ATTENDEES

Joel Russell, AvPorts
 Pam Day, Million Air
 Jim Valachovic, Richmour Aviation
 Eric Andersen, Times Union

Chair Langdon noted that there was a quorum.

DAVID E. LANGDON, CHAIR

HENRY E. DENNIS, JR.

ELLIOTT A. SHAW

RICHARD J. SHERWOOD, VICE CHAIR

DANIEL M. SLEASMAN

DORSEY M. WHITEHEAD

JOHN A. GRAZIANO, JR.

JOHN A. O'DONNELL, CHIEF EXECUTIVE OFFICER

1. **CHAIR'S REMARKS**

None

2. **MINUTES**

Mr. Whitehead moved to approve the minutes of the February 2, 2009 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 March 2009.

He also reported on the following:

- Eclipse Aviation Bankruptcy: Counsel, Mr. Meyers, is currently working with the bank attorneys regarding gaining control of the Eclipse Hangar. This should occur within the next two months. We are also submitting the appropriate claims in an attempt to recover lease payments for the facility; however, there are other creditors that have first priority. It is possible that we may recover some utility costs but will likely not recover any funds to cover lease payments. There has been some reporting that there is interest out there for another sale, as there are currently 250 aircraft that have been manufactured that will require maintenance service. It is important to note that the 2009 budget does not include receipt of any revenues for the Eclipse facility.

Chair Langdon referred to the item related to Southwest Airlines recognizing Million Air's on-time performance and inquired as to whether this item had been released to the media. Mr. Myers stated that it had not. Chair Langdon stated that it would be good to get this to the media, if possible. Mr. Myers agreed.

Mr. O'Donnell stated that Southwest Airlines' local Station Manager was very pleased with the operations at Albany. He stated that their load factor has been at 80% over the last few months. He stated that in the 2nd week of April, another flight to Orlando will be added for 3 consecutive days due to spring break.

Mr. O'Donnell stated that Million Air-ALB won another award from AvWeb, an online publication, as their weekly FBO winner.

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 January 31, 2009; 2008 Final Audited Results and Associated Audit Reports**
- 5.2 **Comparison of Enplanements**
- 5.3 **Summary of Airline Scheduled Flights and Markets**
- 5.4 **USDOT Arrival and Departure Statistics**

Mr. O'Reilly stated that he would be reviewing the 2008 Final Audited Results, as well as the Statistical and Financial Performance for the month of January 31, 2009.

Mr. O'Reilly distributed and reviewed a power point presentation outlining the 2008 final audited results, as well as the financial performance for the period ended January 31, 2009.

Mr. O'Reilly stated that a new accounting standard regarding other post-employment benefits (OPEB) was incorporated into the year-end financial statement. This resulted in the inclusion of \$421,000 in administration expenses. Also included was a reversal of a write-off in relation to the TBI litigation in the amount of \$320,000.

Mr. O'Reilly stated that landing fees went up due to the impact of receiving less interest income over the year.

Mr. O'Reilly stated that the Airlines Rates and Charges Settlement costs to be shared with the airlines were \$1,716,511. He stated that the Chair of the Airline Affairs Committee (Southwest Airlines) has been notified of the settlement amount.

Mr. O'Reilly referred to the January 31, 2009 Financial Performance stating that January was typically a negative cash flow month.

Mr. O'Reilly stated that the only item to report on was the fact that the interest earnings were down and if extrapolated throughout the year, could have a negative effect on the budget. He stated that Bank of America was coming in for a meeting on March 12, 2009 to address this issue.

Chair Langdon requested confirmation regarding the fact that even though month-to-month statistics such as this could be off, the actual money to budget could be doing well. Mr. O'Reilly confirmed this.

Mr. O'Donnell inquired as to the recent history of interest rates. Mr. O'Reilly stated that over the past summer, interest rates were at approximately 2%; in the fall they were

3.65%; in November to December they went down to 2% and in January the rate is approximately 0.3%. Mr. O'Reilly stated that he would be discussing this with the Bank of America representatives on March 12th, as well as discussing the Letter of Credit that Bank of America holds.

Mr. Amell reviewed the Independent Auditors' Report stating that the opinion given on the financial statements was a clean one. He also stated that a clean opinion was given on the federal and state grants and PFCs. Mr. Amell stated that there were no adjustments proposed by the auditors as a result of the audit. Mr. Amell expressed thanks to Mr. O'Reilly and Ms. Herrmann on their cooperation during the audit.

Chair Langdon stated that Items 14.1, 14.2 & 14.3 would be moved to this portion of the agenda. There were no objections.

14. Acceptance of Financial & Audit Items

14.1 Review and Acceptance of Authority's Fourteenth Comprehensive Annual Financial Report, as of, and for the Year Ended, December 31, 2008, Together with the Audit and Compliance Reports of Marvin and Company, P.C., Certified Public Accountants

Mr. Shaw, Chair of the Audit Committee, stated that the Audit Committee met with Marvin and Company, PC, regarding the conduct of the 2008 audit and also held a joint meeting with the Finance Committee to review the inclusion of the new accounting standards into the financial statements.

Mr. Shaw moved to accept the Authority's Fourteenth Comprehensive Annual Financial Report, as of, and for the Year Ended, December 31, 2008, Together with the Audit and Compliance Reports of Marvin and Company, P.C., Certified Public Accountants. The motion was adopted unanimously.

14.2 Review and Acceptance of Marvin and Company, P.C. Letter Regarding Information Related to Their Conduct of the Audit Required under Generally Accepted Auditing Standards

Mr. Shaw moved to accept the Marvin and Company, P.C. Letter Regarding Information Related to Their Conduct of the Audit Required under Generally Accepted Auditing Standards. The motion was adopted unanimously.

14.3 Review and Acceptance of Airline Rates and Charges Settlement and Revenue Sharing Transfer Calculation for 2008

Mr. Sleasman, Chair of the Finance Committee, stated that the Finance Committee met prior to this meeting and reviewed the financial statements and proposed Airline Rates and Charges Settlement in great detail. He also stated that there was also a joint meeting held with the Audit Committee to review the 2008 financial statements and inclusion of the new accounting standards into the financial statements.

Mr. Sleasman stated that based upon these meetings and discussions and the Finance Committee's recommendation, he would move to accept the Airline Rates and Charges Settlement and Revenue Sharing Transfer Calculation for 2008. The motion was adopted unanimously.

Mr. Sleasman expressed thanks to Mr. O'Reilly and Ms. Herrmann on a job well done.

Chair Langdon referred back to the Item 6 of the agenda. There were no objections.

6. Project Development

Mr. Iachetta presented the Project Development Status Report for the month of March 2009.

Mr. Sleasman requested an update on the stimulus list. Mr. Iachetta stated that the proposed projects were still under review by the FAA. Early indications are that some of the projects will be well rated; however, it is still early in the process.

Chair Langdon inquired as to whether the FAA may not be looking at some of the projects favorably.

Mr. O'Donnell stated that Mr. Iachetta would be attending an FAA conference in Hershey, PA this month where he would have further conversations with FAA representatives.

Chair Langdon stated that it should be noted that some of the criteria for review of the stimulus projects was changed and this may have an effect on whether the proposed projects are funded. Mr. O'Donnell stated that this was true; however, he believed that the Authority will do well over time with FAA funding.

7. Counsel

None

8. Concessions/Ambassador Program

Ms. Chadderdon presented the Concessions/Ambassador Program Report for the month of March 2009.

Ms. Chadderdon stated that permits were being filed for the placement of the Starbuck's kiosk which will be located just outside the construction wall that will be in place at the beginning of April. She also stated that construction documents for Starbucks have been received and are currently under review.

9. Public Affairs Report

Mr. Myers presented the Public Affairs Report for the month of March 2009.

10. Business and Economic Development Report

Ms. Zieske presented the Business and Economic Development Report for the month of March 2009.

ACTION ITEMS:

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

11.1 Service Contract No. SC589: General Construction Services

Mr. O'Donnell recommended authorization to award Service Contract No. SC589: General Construction Services to Sano Rubin Construction and Sam Greco Construction on an hourly basis, including overhead and profit for miscellaneous general construction work. The contract term will be for a one year period with the Authority having the option to renew for each of the next two years. Sano Rubin Construction per hour charges on a time and materials basis are as follows: first year \$56.50, second year \$58.76 and third year \$61.02. Sam Greco Construction per hour charges on a time and materials basis are as follows: first year \$58.37, second year \$60.13 and third year \$61.94.

Mr. O'Donnell stated that an RFP was issued for this general construction work. He stated that the cost of services was given a point value of 80% in the RFP. The proposals were reviewed by a selection committee which recommended award to Sano Rubin Construction and Sam Greco Construction who were the two lowest bidders.

Mr. O'Donnell stated that given the economic downturn, this type of work has diminished a great deal over the past few months; however, should things begin to pick-up, the contractors will be in a position to begin work when needed.

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

11.2 Service Contract No. SC638: General Aviation Catering

Ms. Zieske recommended authorization to award Service Contract No. SC638: General Aviation Catering to Javian, Inc., d/b/a Professor Java's to provide catering services for the general aviation aircraft at MillionAir. The Authority will collect a 20% privilege fee on all catering services. The term of the contract is 12 months.

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