



**ALBANY COUNTY AIRPORT AUTHORITY**  
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**ACAA**  
**APPROVED**  
 6/8/09

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

**May 4, 2009**

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, May 4, 2009 @ 6:00 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  
 John A. Graziano, Jr.  
 Elliott A. Shaw  
 Dorsey M. Whitehead

**MEMBERS ABSENT**

Henry E. Dennis, Jr.  
 Richard J. Sherwood  
 Daniel M. Sleasman

**STAFF**

John A. O'Donnell  
 Bill O'Reilly  
 Ginger Olthoff  
 Peter F. Stuto  
 Denise Zieske

Doug Myers  
 Steve Iachetta  
 Helen Chadderdon  
 Richard M. Meyers

**ATTENDEES**

Joel Russell, AvPorts  
 Pam Day, Million Air

Chair Langdon noted there was a quorum.

1. **CHAIR'S REMARKS**

None

2. **MINUTES**

Mr. Shaw moved to approve the minutes of the April 6, 2009 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 May 2009.

He also reported on the following:

- **HondaJet**: HondaJet has announced that they are delaying production due to a supply disruption. Delivery of the HondaJet is now scheduled for 2011. Construction of the Albany facility will begin in 2010 rather than 2009; however, design of the facility is being advanced. Staff is currently working with the Dormitory Authority to process the NYS grant that was awarded for design of the facility.
- **Law Enforcement Reimbursement Grant**: Official notice has been received that the Airport has been approved for a Law Enforcement Reimbursement Grant in the amount of \$1.7 million which will cover a four year period. The grant will be retroactive to October 2008.
- **Airport Art & Culture Award**: Sharon Bates was presented an award for the Airport Art & Culture Program at the Arts Center Gala on May 3, 2009.

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 February 28, 2009**
- 5.2 **Comparison of Enplanements**
- 5.3 **Summary of Airline Scheduled Flights and Markets**
- 5.4 **USDOT Arrival and Departure Statistics**

Mr. O'Reilly distributed and reviewed a power point presentation outlining the financial performance for the period ended March 31, 2009.

Mr. O'Reilly stated that interest earnings continue to be disappointing. He stated that in late March funds were placed in a CD which will show some improvement; however, interest earnings will continue to be below budget and are fully recoverable from the

airlines. Mr. O'Reilly stated that year-end projections are currently being prepared and will be finalized and forwarded to the Finance Committee for review.

Chair Langdon referred to the Comparison of Enplanements and inquired why Albany did so much better than other airports, i.e., Buffalo and Bradley. Mr. O'Reilly stated that the Airport benefits from the fact that the Airport is located in the Capital Region.

Mr. Whitehead referred to the investments and inquired as to whether they may improve. Mr. O'Reilly stated that most of the airline stock has been sold, so there would be no improvement in investments.

Chair Langdon requested information related to the other New York airports and their financial statistics. He requested that they be contacted to determine what strategies they are using given the fact that their numbers are down significantly. Mr. O'Reilly agreed to do this.

## 6. Project Development

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

Mr. Iachetta also reported on the following:

- **Exit 5 – Watervliet-Shaker Road Roundabout:** A Memorandum of Understanding was agreed to by the County of Albany, NYSDOT, Town of Colonie and the ACAA to fund this project. Funding is as follows: 30% NYSDOT; 25% Town of Colonie and Albany County, respectively and 25% ACAA. The archeologists have completed their site investigations and construction is scheduled to begin this July under NYSDOT's leadership.

Chair Langdon referred to the Parking Garage Lighting Improvements project and inquired as to the status of the pilot project with RPI, i.e., transition away from participating in the project. Mr. O'Donnell stated that the original RPI proposal included the placement of LED lighting on two levels of the parking garage with no cost to the Authority; however, the manufacturer has since changed the proposal to include only one level of the garage and require the ACAA to pay \$130,000 for the project. Mr. O'Donnell also stated that the replacement cost per bulb was \$700-\$1,000 per bulb. He stated that given the fact that the technology has not been proven, i.e., longevity of the bulbs and the additional cost of \$130,000, a determination was made not to participate in the program at this time. He stated that RPI was contacted and advised of this decision and notification letters will be sent to all those involved.

Chair Langdon stated that given that the Board took an official action authorizing this item, the Board should be officially notified when there is a change such as this. He stated that the decision was discussed and a good one in that the Board had been clear that the use of Airport funds was not possible; however, he requested that in the future the full Board be notified of changes to previously authorized Board actions.

Chair Langdon referred to the Roundabout project and inquired as to who was paying for the archeologist. Mr. Iachetta stated that was a direct contract with NYSDOT. Chair Langdon inquired as to why an archeologist was being retained. Mr. Iachetta stated that it was required given that this was an historic intersection. Chair Langdon inquired as to how far down the

archeologist digs. Mr. Iachetta stated that generally they go down until they see undisturbed, native soil. Mr. O'Donnell stated that it would also depend on what they find. A more significant "find" would result in more extensive digging.

## **7. Counsel**

Mr. Stuto stated that the annual Financial Disclosure forms were due in to the County by May 15, 2009.

Mr. Meyers reported that when Eclipse Aviation when into Chapter 11 Bankruptcy, they were obligated to pay their lease payments in full; however, as of the date they filed Chapter 7 Bankruptcy, they were not obligated to pay their lease payments although the Airport does have a claim to them. He stated that Eclipse was trying to sell their assets, i.e., bifurcating the business and the maintenance facility in Albany is important to that strategy. He stated that the interested party previously offered to pay the ACAA one-half of the lease payments for the months of March and April which totaled \$26,750. He went on to report that the ACAA has been contacted with an offer to again pay one-half lease payments for the months of May and June for a total of \$26,750.

Chair Langdon inquired as to whether Eclipse can do anything without our concurrence. Mr. Meyers stated that the Bankruptcy Court could direct that Eclipse's assets are to be sold to another company who would have to then negotiate with the ACAA.

## **8. Concessions/Ambassador Program**

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

Chair Langdon requested an update on the Food Concessions. Ms. Chadderdon reported the following:

- The DBE candidate for the Dunkin Donuts franchise was currently waiting for official DBE certification from NYS.
- Minor changes have been made on Concourse A which was being used as a prep kitchen.
- Silks and Brioche Duree were on-schedule to begin in September. A kiosk may be used on Concourse C while Brioche Duree is under construction.
- Starbucks was scheduled to be complete in mid-June.

Chair Langdon inquired as to the revenues being received at this time. Mr. O'Reilly stated that the ACAA was receiving the Minimum Annual Guarantee (MAG).

Chair Langdon inquired as to whether any complaints had been reported due to the transition. Ms. Chadderdon stated that there had been no complaints.

## **9. Public Affairs Report**

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

Mr. Meyers also reported on the following:

- **Airport Addresses Swine Flu:** The Centers for Disease Control (CDC) has notified air carriers to be on the alert for passengers displaying flu-like symptoms and has provided detailed interim safety recommendations regarding the treatment of such passengers which includes the use of protective masks and gloves. The Airport Authority and the Transportation Security Administration (TSA) began taking precautionary steps to help reduce the spread of the Swine Flu virus. The Airport Rescue and Firefighting department was issued special protective masks that are to be worn when treating any passenger or employee that exhibits flu-like symptoms. The TSA has reconfigured our checkpoint lanes to accommodate passengers that may exhibit flu-like conditions. The TSA will also attempt to identify passengers with flu-like symptoms and assign them voluntarily to these designated lanes. The TSA will then notify Airport Rescue and Firefighting for appropriate treatment, if the passenger agrees. Some airlines are allowing passengers to cancel or re-book flights without charge if they are traveling to areas impacted by the swine flu.

Other precautionary measures have been taken such as: placement of an announcement on the Airport's website; purchase of standalone Purell dispensers for the security checkpoint; janitorial staff is paying special attention to those areas where passengers have had hand contact; and Southwest Airlines has stopped giving pillows and blankets to passengers.

Chair Langdon requested that staff contact the airlines to learn of their plan in the event the outbreak exacerbates and becomes a greater problem. Mr. O'Donnell stated that he would also discuss whether improvements can be made in the air filtration systems in the aircraft.

## **10. Business and Economic Development Report**

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

### **ACTION ITEMS:**

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

##### **11.1 Extension of Concession Agreement No. 119: Terminal Advertising with Interspace Services, Inc., d/b/a Interspace Airport Advertising**

Mr. Stuto recommended authorization of an Extension to Concession Agreement No. 119: Terminal Advertising with Interspace Services, Inc., d/b/a Interspace Airport Advertising. He stated that the extension was for a two and one-half year period with a Minimum Annual Guarantee of \$300,000 or 42% of revenues.

Mr. Shaw inquired as to the status of the recently proposed additional advertising ideas. Mr. Myers reported that Interspace and Keeler Honda have reached agreement for the placement of a socially significant vehicle. He stated that Keeler will also design a display for the exhibit.

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

**11.2 Amendment to Operating Permit with North East Freightways, Inc., to Provide Cargo Handling to DHL Express (USA), Inc.**

Ms. Zieske recommended authorization of an Amendment to the Operating Permit with North East Freightways, Inc., to Provide Cargo Handling to DHL Express (USA), Inc. The amendment will allow for a \$1 million requirement for general liability insurance, as North East will not be operating vehicles airside.

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

**11.3 Commodity Contract No. 590: Janitorial Supplies**

Mr. O'Donnell recommended authorization of Commodity Contract No. 590: Janitorial Supplies to a variety of vendors, as recommended by the Selection Committee and outlined in the bid tally sheet which was distributed at the meeting. Mr. O'Donnell noted that the original bid tally sheet submitted in the Agenda Book was copied in black and white rather than color making the chart difficult to discuss.

Mr. O'Donnell stated that the total contract was valued at \$150,000 annually and will be funded by the Airport Operating Budget.

Mr. O'Donnell stated that the ACAA reserved the right to award each product separately in the bid documents. The bid documents also stated that the final selection would be made based on the intent of the specification which most nearly satisfied the overall operating requirement of the Airport.

Mr. O'Donnell stated that out of 72 products bid, there were 7 exceptions off the low bid. He stated that these items were tested and analyzed for quality control and recommendations were made to accept these 7 exceptions.

Mr. Shaw moved to authorize said contract awards. The motion was adopted unanimously.

**11.4 Amendment to Lease Agreement L637: 745 Albany-Shaker Road, ACAA Bldg. with Integra Networks, Inc.**

Ms. Zieske recommended authorization of Amendment to Lease Agreement L637: 745 Albany-Shaker Road, ACAA Bldg. with Integra Networks, Inc. for additional space. The amendment also provides for converting the lease from a month to month to an annual term at \$526 per month lease payments.

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

**12. Authorization of Change Orders**

Mr. O'Donnell recommended authorization of the following change orders: