



ALBANY COUNTY AIRPORT AUTHORITY

FINANCE COMMITTEE

AGENDA

July 10, 2023

- 1. Acceptance of Minutes: October 17, 2022**
- 2. Professional Services Contract No. 23-1148 Government Banking Services**

AGENDA ITEM NO. 1

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

October 17, 2022



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

October 17, 2022

Pursuant to notice duly given and posted, the Finance and Administration Committee meeting of the Albany County Airport Authority was called to order on Monday, October 17, 2022 at 10:45 a.m. in the Third Floor Conference Room in the Main Terminal at the Albany International Airport, Albany, New York by the Finance Committee Chair, Kevin Hicks, with the following present:

MEMBERS PRESENT

Kevin Hicks (Chair, Committee)
Lyon M. Greenberg, M.D. (Committee Member)
Sari O'Connor (Committee Member)
Samuel A. Fresina, (Ex Officio)
Steven Heider (ACAA Board Member)

MEMBERS ABSENT

STAFF

Philip F. Calderone, Chief Executive Officer
Michael Zonsius, Chief Financial Officer
Christine Quinn, Authority Counsel
Liz Charland, Administrative Services
Steve Iachetta, Airport Planner

ATTENDEES

Ray Casey, Airport Consultant
James E. Amell, CPA, Marvin & Company, P.C.
Christopher J. Healy, CPA, Marvin & Company, P.C.
Jeffrey Jamison, Counsel to the Albany County Executive
George Penn, Albany County Director of Operations
John DeCatur, Alliant Insurance Company



1. Approve Minutes

Ms. O'Connor moved to approve the November 15, 2021 Finance Committee minutes.

The motion was adopted unanimously.

2. Presentation of Annual Budget for the Year Beginning January 1, 2023

Mr. Zonsius presented a memo outlining the changes that have been made from the 2023 Preliminary Budget to the proposed 2023 Final Budget.

Ms. O'Connor moved to send the 2023 Budget to the full board for review and approval. The motion was adopted unanimously.

There being no further business, the meeting was adjourned at 11:30 a.m.



ALBANY COUNTY AIRPORT AUTHORITY

FINANCE COMMITTEE

AGENDA

October 17, 2022

- 1. Acceptance of Minutes November 15, 2021**
- 2. Review and Approve Final 2023 Operating Budget**

AGENDA ITEM NO. 2

**Service Contract: Professional Services Contract
No. 23-1148 Government Banking Services award to:**

**KeyBank, N.A.
66 South Pearl Street
Albany, NY 12207**

AGENDA ITEM NO: 2
FINANCA COMMITTEE
MEETING DATE: July 10, 2023

**ALBANY COUNTY AIRPORT AUTHORITY
REQUEST FOR AUTHORIZATION**

DEPARTMENT: *Finance*

Contact Person: *Michael F. Zonsius, Chief Financial Officer*

PURPOSE OF REQUEST:

Service Contract: *Professional Services Contract No. 23-1148 Government Banking Services
award to:*

*KeyBank, N.A.
66 South Pearl Street
Albany, NY 12207*

CONTRACT AMOUNT:

Total Contract Amount: *NA*

BUDGET INFORMATION:

Anticipated in Current Budget: *Yes ✓ No NA*
Funding Account Number: *Various*

JUSTIFICATION:

The Authority issued a Request for Proposal for Government Banking Services on May 9, 2023 with stated goals to obtain the best value in banking services and increase the potential to earn income on the Authority's funds while maintain security and meeting liquidity requirements.

The Authority received four (4) proposals to provide said services and an evaluation committee selected KeyBank N.A. as the qualified proposer that offered the best value.

CHIEF EXECUTIVE OFFICER'S RECOMMENDATION:

Recommend approval.

FINAL AGREEMENT SUBJECT TO APPROVAL BY COUNSEL: YES NA ✓

PROCUREMENT DEPARTMENT APPROVAL:

Procurement complies with Authority Procurement Guidelines and Chief Financial Officer has approved. Yes ✓ NA

AGENDA ITEM NO: 2
FINANCA COMMITTEE
MEETING DATE: July 10, 2023

BACK-UP MATERIAL:

Please refer to the following attachments:

- *Recommendation Memo*
- *Exhibit A, Government Banking Services Proposals Summary*
- *Exhibit B, Proposed Interest Revenue*



To: Finance Committee

From: Michael Zonsius

Date: June 29, 2023

A solicitation for Government Banking Services was last conducted May 13, 2018. The contract was for a three (3) year term with two one-year options and expires July 31, 2023.

The Authority issued an RFP for Contract No. 23-1148 Government Banking Services on May 9, 2023. A Pre-proposal Meeting was convened on May 15 and the following four (4) banks submitted bids and were opened on June 9th:

1. Key Bank; and,
2. J.P. Morgan; and,
3. M&T Bank; and,
4. TD Bank.

Exhibit A was prepared and all responses were considered acceptable. A conference call was scheduled with each respondent to review and affirm the interest revenue garnered from each institution as shown on Exhibit B. A review committee met on June 28 and scored the respondent RFPs as follows (possible score 300 pts.): Key Bank 300, TD Bank 291, JP Morgan 288, and M&T Bank 278

Accordingly, the recommendation is to award the contract to Key Bank. I have reviewed the proposed agreements with Key Bank including the Cash Management Services Master Agreement, Deposit Account Agreement and Funds Availability Policy, and Depository Collateral Agreement.

I have reviewed the banking service online platform demonstration and find the platform to satisfy our needs.

Accordingly, I recommend the Authority transition its deposits and banking services to Key Bank and maintain a "thin client" relationship with its current bank, TD Bank, to provide access to reports, clearing and capture of items that may continue to be deposited for what could be years to come such as Passenger Facility Charge Fund.

Exhibit A
Government Banking Services Proposals

Bank	Proposed Compensating Balance	Earnings Credit Rate	Annual Charge	Collateral	Collateral	Basis Points deducted by Fed Funds Rate	Type Rate	Effective Rate	Projected Annual Interest
Key Bank	\$ 1,250,017	3.00%	\$ 39,010	102%	Third Party , Bank of New York Mellon	+/- 50 basis points	Index	4.58%	\$ 2,998,517
TD Bank	3,626,181	0.90%	29,935	102%	Third Party , Bank of New York Mellon	98 basis points	Managed	4.10%	2,684,262
JP Morgan	417,859	3.95%	25,992	102%	Self	108 basis points	Managed	4.00%	2,618,792
M&T Bank	2,350,889	2.25%	62,801	102%	Third Party, Wilmington Trust	-150 basis points	Index	3.58%	2,255,400

Exhibit B
Proposed Interest Revenue

	Key Bank	TD Bank	M&T Bank	JP Morgan
Available Balance	\$ 65,500,000	\$ 65,500,000	\$ 65,500,000	\$ 65,500,000
Less: Available Float	-	30,204	-	-
	65,500,000	65,469,796	65,500,000	65,500,000
Less: 10% Reserve	-	6,546,980	-	-
	65,500,000	58,922,816	65,500,000	65,500,000
Proposed Compensating Balance	(1,350,017)	3,626,181	(2,500,000)	-
Collected Balance	64,149,983	62,548,997	63,000,000	65,500,000
Balances Available for Earnings Credit	65,500,000	58,922,816	2,500,000	65,500,000
Earnings Credit Rate	3.00%	0.90%	2.25%	3.95%
Annual Earnings Credit Allowance	1,965,000	530,305	56,250	2,587,250
Annual Service Charges	39,010	29,935	62,801	25,992
Annual Service Charges Due	\$ -	\$ -	\$ -	\$ -
Investable Balance	65,469,796	65,469,796	63,000,000	65,469,796
	4.58%	4.10%	3.58%	4.00%
Projected Annual Interest	\$ 2,998,517	\$ 2,684,262	\$ 2,255,400	\$ 2,618,792