Minutes of the Regular Meeting of the Albany County Airport Authority

February 2, 2009

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

**MEMBERS ABSENT**

None

**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  
Eric Andersen, Times Union

Chair Langdon noted that there was a quorum.
1. **CHAIR'S REMARKS**

None

2. **MINUTES**

Mr. Whitehead moved to approve the minutes of the December 1, 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 February 2009.

He also reported on the following:

- **President Obama’s Stimulus Package** - The following projects have been included for consideration in the President’s Stimulus Package:

<table>
<thead>
<tr>
<th>Project Title</th>
<th>Bottom Range</th>
<th>Top Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Runway Obstruction Removal</td>
<td>$4,890,000</td>
<td>$5,640,000</td>
</tr>
<tr>
<td>Hangar Door Replacement</td>
<td>$415,000</td>
<td>$435,000</td>
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<tr>
<td>Terminal Floor Replacement</td>
<td>$1,200,000</td>
<td>$1,255,000</td>
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<tr>
<td>Terminal Carpet Replacement</td>
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<td>$550,000</td>
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<tr>
<td>U/V Protection &amp; Roof Repair</td>
<td>$380,000</td>
<td>$420,000</td>
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<tr>
<td>Garage Surface Rehabilitation</td>
<td>$580,000</td>
<td>$640,000</td>
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<tr>
<td>Garage 5th Floor Canopy</td>
<td>$3,998,000</td>
<td>$4,496,000</td>
</tr>
<tr>
<td>Roundabout*</td>
<td>$1,200,000</td>
<td>$1,200,000</td>
</tr>
<tr>
<td>Glycol/Stormwater Storage Tank</td>
<td>$2,122,000</td>
<td>$2,312,980</td>
</tr>
<tr>
<td>Cargo Ramp Drainage Improvement</td>
<td>$398,000</td>
<td>$441,780</td>
</tr>
</tbody>
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  * Subsequently Approved for NYSDOT Funding

Mr. O'Donnell introduced Mr. Joel Russell, AvPORTS Airport Manager, to report on the recent Air Canada aircraft incident.

Mr. Russell reported the following on the recent Air Canada aircraft incident and emergency response:

- On 10:10 am on January 15th, the FAA Tower initiated an Emergency Alarm utilizing the Emergency Conference Line which notifies Airport Operations, ARFF, ACAA, and Colonie Dispatch.
- The aircraft involved was a Beechcraft 1900 with 9 passengers on board and 1800 lbs. of fuel.
- The Airport commenced with an emergency response which includes: ARFF positioned on the field; Albany County Sheriff’s Department; Airport Operations; Colonie EMS; Verdoy Fire Department and Shaker Road Fire Department.
• The aircraft landed at 10:32 am and all units responded. The aircraft applied heavy braking and blew out all four main landing gear tires and came to rest at the intersection of the Airport’s two runways.
• It became quickly apparent that there was no further danger of fire or injuries. As a result, the mutual aid fire departments were released and the need for a Command Center was dismissed.
• There were several issues to resolve at that point: accommodation of the 9 passengers; custom complications and the aircraft being disabled thereby closing the Airport.
• The Airport provided a bus and the airlines and Customs accommodated the passengers on board.
• Regarding the aircraft, FISDO was contacted and released the aircraft. Four spare wheels were located and the aircraft was put on jacks and the tires were replaced. The aircraft was then towed at 11:58 am. The Airport was reopened at that time. Total time of incident: 1 hour and 48 minutes.

Mr. O’Donnell stated that if the aircraft had not landed in the intersection of the runway, the Airport could have remained open; however, the Airport was put to task and did a great job in removing the aircraft from the runway intersection.

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 December 2008

Mr. O’Reilly distributed and reviewed a power point presentation outlining the financial performance for the period ended December 31, 2008.

Mr. O’Reilly stated that the unrestricted working capital presented was budget to actual rather than actual year end figures. He stated that December’s report did not factor in all expenses and did not factor in the airlines rates and charges and receivables from the airlines of approximately $722,000.

He stated that the December report will be revised to reflect the final audited numbers and the Financial Statements will have to be reviewed and certified by Jacobs Consultancy, the Airport’s financial consultant.

Chair Langdon suggested that Mr. O’Reilly and Mr. O’Donnell prepare recommendations to the Board, using percentages down for January and February, as the financial performance continues to decline and more drastic measures may have to be taken. Mr. O’Donnell agreed to do this.
Mr. O'Reilly stated that measures have been taken, i.e., parking fees were raised, staff has been reduced at the Authority, vacant positions are being held open and an application will be made to increase PFCs.

Chair Langdon acknowledged that these measures have been taken; however, there are circumstances that are not controlled by the Authority that have to be considered. He stated that he would like to see the percentage down for each month to begin to prepare, if necessary.

Mr. O'Donnell stated that a contingency plan will be prepared. Mr. O'Reilly stated that if January enplanements are used for this purpose they will likely reflect a downward percentage as there were a number of cancelled flights due to inclement weather.

Chair Langdon requested the recommendations be prepared for discussion purposes only and not for action at this time.

Mr. O'Reilly stated that looking forward, the rates and charges for 2009 have been raised and comparisons to the 2008 budget are over. He again stated that there was inclement weather in January which resulted in heavy snow operations for the month.

Chair Langdon complimented Mr. O'Reilly on his presentations to the Board.

Mr. Sleasman inquired as to the expense budget variance for debt service in the amount of $1.074 million. He stated that he did recall the refunding transaction which was done in consultation with financial advisors from Boston. He inquired as to how the transaction could be off by $1.74 million. He inquired as to whether the risks were adequately disclosed and if we had known would the transaction had been looked at differently by the Board.

Mr. O'Reilly stated that a portion of the additional debt service ($574,000) was known at the time of the transaction; however, it was not contemplated in the budget due to the timing of the transaction. Mr. O'Reilly stated that in addition to this, the effects of the financial crisis in the economy negatively affected the debt service and created serious leakage.

Mr. Sleasman inquired as to whether Mr. O'Reilly had an opinion as to whether the refunding transaction was a sound one. Mr. O'Reilly stated that he didn’t think it was an inordinate risk and some excellent choices were made in relation to the transaction. He stated that in hindsight, it is always good to have a fixed rate; however, no one anticipated how the financial crisis has unfolded.

Mr. Sleasman requested that a notation be made in the internal report which explains the deviation over $1 million. Mr. O'Reilly stated that he would explain this in the management report.

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 February 2009.

7. **Counsel**

Mr. Stuto referred to a short report in the Agenda book prepared by Mr. Meyers. The report points out that the time for appeal in the Maloy litigation had expired and the litigation has now successfully ended.

8. **Concessions/Ambassador Program**

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

Ms. Chadderdon gave a brief report on the status of the transition to HMSHost. She stated that temporary concepts were now in place and review of design/construction was underway. She also stated that a DBE proprietor was selected for Dunkin Donuts and is currently awaiting certification by NYSDOT.

Chair Langdon requested that the Board receive a written update on the transition/construction schedule. He also requested notification if there are any changes to the schedule. Ms. Chadderdon agreed to do this.

9. **Public Affairs Report**

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

9.1 **Interspace Advertising Presentation**

Chair Langdon noted that this item would be deferred to the March 2009 meeting.

10. **Business and Economic Development Report**


**ACTION ITEMS:**


11.1 **Construction Contract No. 592E: Fuel Farm Electrical Improvements**

Mr. Iachetta recommended authorization to award Construction Contract No. 592E: Fuel Farm Electrical Improvements to DLC Electric, LLC, in the amount of $115,600, to be funded from Capital Improvement Project Account No. 2590.

Mr. Iachetta stated that the two lowest bidders sent in written withdrawals of their bids; one due to a mathematical error and one due to an overextension of work.

Mr. Sherwood moved to authorize said contract award. The motion was adopted unanimously.
11.2 **Purchase Order No. 109725: Acquisition of Glycol Recovery Vehicle**

Mr. Iachetta recommended authorization of Purchase Order No. 109725: Acquisition of Glycol Recovery Vehicle to Maryland Industrial Truck, Inc., in the amount of $351,562, to be funded from Capital Improvement Project Account No. 2590.

Mr. Iachetta stated that this contract had been awarded as part of the Federal General Services Administration Contract Number GS-30F-1012H.

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

11.3 **Purchase Order No. 109726: Acquisition of Runway Deicer Vehicle**

Mr. Iachetta recommended authorization of Purchase Order No. 109726: Acquisition of Runway Deicer Vehicle to Batts, Inc., in the amount of $280,833, to be funded from Capital Improvement Project Account No. 2590.

Mr. Iachetta stated that this contract had been awarded as part of the Federal General Services Administration Contract Number GS-30F-1022G.

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

11.4 **Concurrence of Award - Latham Water District – Phase 2 Construction Contract: Runway 28 Approach Obstruction (Water Tanks) Removal**

Mr. Iachetta recommended authorization of concurrence on award of Latham Water – Phase 2 Construction Contract: Runway 28 Approach Obstruction (Water Tanks) Removal to the Highlander Construction, Inc., in the amount of $2,064,152.80 (includes Alternate No. 1, 2 & 3), to be funded from Capital Improvement Project Account No. 2512 contingent upon federal funding in the increased amount of up to $2,064,153.

Mr. O'Donnell stated that award of this project will be held until FAA funding is in place. Mr. Iachetta stated that funding was expected to be in place by February 20, 2009.

Mr. Whitehead moved to authorize concurrence on award of said contract contingent upon FAA funding. The motion was adopted unanimously.

11.5 **Concurrence of Change Order - Latham Water District – Phase 1 Construction Contract Change Order No. 1 to Highlander Construction, Inc. - Runway 28 Approach Obstruction (Water Tanks) Removal**

Mr. Iachetta recommended authorization of Concurrence of Change Order - Latham Water District – Phase 1 - Runway 28 Approach Obstruction (Water Tanks) Removal, Change Order No. 1 to Highlander Construction, Inc., in the amount of $227,886.37, to be funded from Capital Improvement Project Account No. 2512.

Mr. Sherwood moved to authorize concurrence of said change order. The motion was adopted unanimously.
11.6 License Agreement with US Department of Commerce, National Oceanic and Atmosphere Administration (NOAA)

Mr. Stuto recommended authorization of a License Agreement with US Department of Commerce, National Oceanic and Atmosphere Administration to permit the federal agency to place weather reporting equipment on the airfield.

Chair Langdon inquired as to the weather observation function at the Airport. Mr. Iachetta stated that this equipment provided automated weather observation for the FAA and NOAA on a continuous basis.

Chair Langdon inquired as to the Airport's weather observation program. Mr. Russell stated that the FAA contracts with the Airport to provide weather observation services. This function is performed manually by Operations staff who are trained as qualified weather observers which augments the automated function when it cannot measure conditions such as ice and fog.

Chair Langdon inquired as to whether additional equipment or associated costs are required for the Airport to provide this function. Mr. Russell stated that there is no additional equipment or associated costs required as the observation is done manually by staff and the program is fully funded by the FAA.

Mr. Shaw moved to authorize said license agreement. The motion was adopted unanimously.


Mr. Iachetta recommended authorization of Amendment No. 2: Professional Services Contract No. S542: Design/ Construction Phase Services – Runway 19 Protection Historic House Relocation with Argus Architecture & Preservation, P.C., in the amount of $20,600, to be funded from Capital Improvement Project Account No. 2516.

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

11.8 Service Contract No. SC593: Elevator/Escalator Maintenance Services

Mr. O'Donnell recommended authorization to award Service Contract No. SC593: Elevator/ Escalator Maintenance Services to Otis Elevator in the amounts that follow:

- Year 1: $73,992
- Year 2: $76,280
- Year 3: $78,640

to be funded from the Airport Operating Budget.

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

11.9 Lease Assignment: Eclipse Aviation Corporation

Mr. Stuto stated that he was presenting this item on behalf of Mr. Richard Meyers, who was out of town. Mr. Stuto recommended authorization of an Assignment of Lease with Eclipse
Aviation Corporation to EclipseJet Aviation International, Inc. He stated that pursuant to the bankruptcy rules and regulations, the purchaser, EclipseJet, will be required to cure the default in the amount of $58,361 and thereafter keep all rent payments current.

Chair Langdon inquired as to where the purchaser, EclipseJet, is located. Mr. O’Donnell stated that the company is a Russian group.

Mr. Elliott inquired as to when the Airport would receive the back rent. Mr. O’Reilly stated that since the payment of the back rent is a part of the assignment, payment would occur when the transaction is finalized.

Mr. Graziano moved to authorize said lease assignment. The motion was adopted unanimously.

11.10 Lease Extension to Lease No. L521: 55 Sicker Road, ACAA Bldg. No. 216 with Northeast Fiberglass Products, Inc.

Ms. Zieske recommended authorization of Lease Extension to Lease No. L521: 55 Sicker Road, ACAA Bldg. No. 216 with Northeast Fiberglass Products, Inc.

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


Mr. O’Donnell stated that these were additional services associated with the relocation of the Russell property. These additional services were due to unforeseen site conditions and an extended construction period which required additional inspection and coordination services to complete the work of construction, plumbing, heating and electrical contracts.

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

11.12 Lease No. L631: Antenna Equipment Located on Concourse ‘A’ Roof with NEW CINGULAR WIRELESS PCS, LLC

Mr. O’Reilly recommended authorization of Lease No. L631: Antenna Equipment Located on Concourse ‘A’ Roof with NEW CINGULAR WIRELESS PCS, LLC. Mr. O’Reilly stated that this was a 5-year renewal with an increase in rate from $637 per month to $1,400 per month.

Mr. Sherwood moved to authorize said lease agreement. The motion was adopted unanimously.
12. Authorization of Change Orders

Mr. Iachetta recommended authorization of the following change order:


Mr. Sleasman moved to authorize said change order. The motion was adopted unanimously.


13.1 Airport Improvement Program Grant: Purchase of Replacement Safety Equipment (Glycol Recovery Vehicle and One Runway Deicing Vehicle) – Federal AIP No. 3-36-0001-101-09; NYS PIN No. 1913.94

Mr. Iachetta recommended authorization of Airport Improvement Program Grant: Purchase of Replacement Safety Equipment (Glycol Recovery Vehicle and One Runway Deicing Vehicle) – Federal AIP No. 3-36-0001-101-09; NYS PIN No. 1913.94 in the amount of $632,395 as follows: Federal Share - $600,775; State Share - $15,810; ACA Share - $15,810.

Mr. Sherwood moved to authorize said grant. The motion was adopted unanimously.

13.2 Airport Improvement Program Grant: Runway 28 Obstruction (Water Tank) Removal – Phase 3 - Federal AIP No. 3-36-0001-102-09; NYS PIN No. 1913.95

Mr. Iachetta recommended authorization of Airport Improvement Program Grant: Runway 28 Obstruction (Water Tank) Removal – Phase 3 - Federal AIP No. 3-36-0001-102-09; NYS PIN No. 1913.95 in the amount of $2,064,154 as follows: Federal Share - $1,960,946; State Share - $51,604; ACA Share - $51,604.

Mr. Iachetta stated that these grant amounts are revised from those presented in the agenda book, as the FAA revised the amounts based upon the actual bid results.

Mr. Dennis moved to authorize said grant. The motion was adopted unanimously.

Chair Langdon inquired of Mr. Stuto whether Items 14, 15 & 16 could be voted on together. Mr. Stuto stated that this would be acceptable.

14. Authorization of Corporate Resolutions to Open Accounts at Fidelity Investments and Processing of Transactions in Connection with Shares of Delta Stock

15. Authorization to Execute Documents or Issue Letter Necessary to Sell Shares of Delta Stock
16. **Authorization to Execute Documents or Issue Letter Necessary to Sell Shares of US Airways Stock**

Mr. O’Reilly stated that since there was no provision in the Authority’s investment guidelines for acquiring stock, it was necessary to sell all of the airline stock that was received as a result of Delta and US Airway’s bankruptcy filing.

Mr. O’Reilly stated that in order to sell the Delta stock, two accounts had to be opened at Fidelity Investments.

Mr. O’Reilly recommended authorization for the following:

- Two Corporate Resolutions, which will be attached to the minutes, to Open Accounts at Fidelity Investments and Processing of Transactions in Connection with Shares of Delta Stock
- Execution of Documents or Issuance of Letter Necessary to Sell Shares of Delta Stock
- Execution of Documents or Issuance of Letter Necessary to Sell Shares of US Airways Stock

Chair Langdon inquired as to the value of the stocks. Mr. O’Reilly stated that the value fluctuates; however, the value today is approximately $90,000 (Delta = $81,852; US Airways = $8,522).

Mr. Shaw moved to authorize Items 14, 15 and 16, including said two corporate resolutions in Item 16 and execution of said documents. The motion was adopted unanimously.

**Old Business:**

None

**New Business:**

None

**Attorney-Client Privilege/Executive Session**

Chair Langdon requested a motion to go into Executive Session to discuss one matter related to real property.

Mr. Graziano moved to go into Executive Session. The motion was adopted unanimously.

Mr. Graziano moved to go into Regular Session. The motion was adopted unanimously.

No action was taken.

There being no further business, the meeting was adjourned at 7:40 pm.
ALBANY COUNTY AIRPORT AUTHORITY

REGULAR MEETING
AGENDA

February 2, 2009

General:

1. Chairman's Remarks
2. Approval of Minutes
3. Communications and Report of Chief Executive Officer

3.1 AvPORTS Presentation: Air Canada Aircraft Incident

4. Interesting Correspondence

Management Reports:

5. Chief Financial Officer

5.1 Statistical and Financial Performance
5.2 Comparison of Enplanements
5.3 Summary of Airline Scheduled Flights and Markets
5.4 USDOT Arrival and Departure Statistics

6. Project Development

7. Counsel

8. Concessions/Ambassador Program

9. Public Affairs

9.1 Interspace Advertising Presentation

10. Business & Economic Development
Action Items:

   11.1 Construction Contract No. 592E: Fuel Farm Electrical Improvements
   11.2 Purchase Order No. 109725: Acquisition of Glycol Recovery Vehicle
   11.3 Purchase Order No. 109726: Acquisition of Runway Deicer Vehicle
   11.4 Concurrence of Award - Latham Water District – Phase 2 Construction
       Contract: Runway 28 Approach Obstruction (Water Tanks) Removal
   11.5 Concurrence of Change Order - Latham Water District – Phase 1 Construction
       Contract Change Order No. 1 to Highlander Construction, Inc. - Runway 28
       Approach Obstruction (Water Tanks) Removal
   11.6 License Agreement with US Department of Commerce, National Oceanic and
       Atmosphere Administration
   11.7 Amendment No. 2: Professional Services Contract No. S542: Design/
       Construction Phase Services – Runway 19 Protection Historic House Relocation
       with Argus Architecture & Preservation, P.C.
   11.8 Service Contract No. SC593: Elevator/Escalator Maintenance Services
   11.9 Lease Assignment: Eclipse Aviation Corporation
   11.10 Lease Extension to Lease No. L521: 55 Sicker Road, ACAA Bldg. No. 216 with
        Northeast Fiberglass Products, Inc.
   11.11 Amendment No. 2: Professional Services Contract No. S552: Engineering/
        Design Services – Runway 19 RPZ and Approach Property Acquisitions – Residential
        Structural Relocation – 24 Buhrmaster Road with Saratoga Associates, LA, Architects,
        Engineers & Planners, P.C.
   11.12 Lease No. L631: Antenna Equipment Located on Concourse ‘A’ Roof with
        NEW CINGULAR WIRELESS PCS, LLC

12. Authorization of Change Orders
   12.1 Construction Contract No. 542E: Electric – Runway 19 Protection Obstruction
       Removal (Circa 1792 Historic House Relocation/Restoration with J. McBain
       Electric, Inc.

   13.1 Airport Improvement Program Grant: Purchase of Replacement Safety
       Equipment (Glycol Recovery Vehicle and One Runway Deicing Vehicle) –
       Federal AIP No. 3-36-0001-101-09; NYS PIN No. 1913.94
   13.2 Airport Improvement Program Grant: Runway 28 Obstruction (Water Tank)
       Removal – Phase 3 - Federal AIP No. 3-36-0001-102-09; NYS PIN No. 1913.95
Albany County Airport Authority
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14. Authorization of Corporate Resolutions to Open Accounts at Fidelity Investments and Processing of Transactions in Connection with Shares of Delta Stock

15. Authorization to Execute Documents or Issue Letter Necessary to Sell Shares of Delta Stock

16. Authorization to Execute Documents or Issue Letter Necessary to Sell Shares of US Airways Stock

Old Business:

None

New Business:

Executive Session:

ES-1 Real Property Matter

Attorney-Client Privilege Matters:
STATE OF NEW YORK, COUNTY OF ALBANY SS:

I, the undersigned, Secretary of the Albany County Airport Authority do certify that the annexed minutes of the Albany County Airport Authority February 2, 2009 meeting has been compared by me with the original and found to be a true and complete copy thereof.

I affirm that the foregoing statements are true under penalties of perjury.

Dated: March 2, 2009

Elliott A. Shaw

On this 2 day of March, 2008, before me personally came
Elliott A. Shaw

to me known, who being by me duly sworn, did depose and say that he is the Secretary of the Albany County Airport Authority, and which executed the above instrument.

STEPHEN IACETTA
Notary Public, State of New York
No. 4691198
Qualified in Albany County
Commission Expires Jan. 27, 2010