Minutes of the Regular Meeting of the Albany County Airport Authority

August 10, 2009

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, August 10, 2009 @ 6:03 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.
Tony Gorman
John A. Graziano, Jr.
Elliott A. Shaw
Dorsey M. Whitehead

MEMBERS ABSENT

Dennis Fitzgerald

STAFF

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

Doug Myers
Steve Iachetta
Helen Chadderdon
Richard M. Meyers
Margaret Herrmann

ATTENDEES

Jeff Brisson, AvPorts
Pam Day, Million Air
John Tabner, Park, Ride N’ Fly Attorney
Phil Wertheim, Park, Ride N’ Fly

Eric Anderson, Times Union
Edward Duggan, Masterline
Susan Duggan, Masterline
Steve Duggan, Masterline

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

None

2. **MINUTES**

Mr. Shaw moved to approve the minutes of the June 8, 2009 and June 23, 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 August 2009.

Chair Langdon referred to the item related to McDonald's renovations and inquired as to whether there was a prohibition on coffee being sold at locations other than HMS Host locations. Mr. O'Donnell stated that there were no prohibitions, as exclusions were not allowed by the FAA.

Chair Langdon inquired as to whether HMS Host was aware of this policy when they executed their agreement. Mr. O'Donnell stated that they were aware of the non-exclusion policy.

4. **INTERESTING CORRESPONDENCE:**

Noted

Chair Langdon moved Agenda Item No. 11.3 to this point in the agenda. There were no objections.

11.3 **Operating Permit and Concession Privilege Fee Revision for Off-Airport Parking Concession**

Mr. Stuto stated that Jacobs Consultancy was hired to review Off-Airport Parking Operator Permit fees charged by the Authority. Mr. Peter Mandle, Director of Jacobs Consultancy, attended the June 8, 2009 Authority meeting and reviewed the report on Off-Airport Parking Operator Permit fees which was submitted to the Authority on May 18, 2009. One of the recommendations included in the report was to increase the Off-Airport Parking Operator Permit fees to 10 or 11% of gross revenues and a per trip fee of $1.25 for each trip to the Airport. Upon review of the report, Authority staff is recommending a fee increase to 10% but is not recommending an additional per trip fee.

Mr. Stuto stated that a letter sent by Jack Tabner, attorney for Albany Park Ride N Fly, was received on July 31, 2009 in response to the Jacobs Consultancy report. He stated that this letter was included in the agenda item under consideration at this meeting.

Mr. Stuto introduced Mr. Jack Tabner and Mr. Phil Wertheim who were here to make a presentation on this matter.

Mr. Tabner referred to his letter dated July 31, 2009 which was included in the agenda package and stated that he would be happy to answer any questions regarding the letter.
Mr. Tabner stated that the Jacobs report did not provide a basis by which the recommendation to increase off-Airport parking concession fees was arrived at. He stated that he and his client were happy to hear that Authority staff is not recommending the per trip fee.

Mr. Tabner stated that he felt like he was working in a vacuum, as he and his client don’t know the benefit formula. He stated that the NYS legislation creating the Authority required that the Airport be self-sustaining. In this regard, the courts have been involved, i.e., Northwest Airlines versus the County of Kent where it was decided that there has to be a fair and reasonable apportionment which cannot be excessive and must be without discrimination.

Mr. Tabner inquired as to how the recommendation to increase the fees to 10% was arrived at. Did Jacobs come up with a benefit formula? The Jacobs report refers to six northeast airports and the corresponding privilege/access fees charged:

<table>
<thead>
<tr>
<th>Airport</th>
<th>Fee Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albany</td>
<td>6.77%</td>
</tr>
<tr>
<td>Syracuse</td>
<td>10%</td>
</tr>
<tr>
<td>Rochester</td>
<td>6%</td>
</tr>
<tr>
<td>Buffalo</td>
<td>5%</td>
</tr>
<tr>
<td>Bradley</td>
<td>4%</td>
</tr>
<tr>
<td>Providence</td>
<td>10%</td>
</tr>
</tbody>
</table>

Mr. Tabner stated that Syracuse and Rochester no longer have off-Airport parking.

Mr. Tabner inquired as to what formula was used to arrive at the increase to 10% and how was it attributed to Park N Fly? He stated that the proposed increase to 10% from 6.77% was a substantial increase which would represent approximately $100,000 increase without the entrance fee.

Mr. Tabner stated that Jacobs was a competent firm; however, they did not provide any benchmarks. He referred to the fee charged hotels, i.e., $600 per year per vehicle and stated that this should be looked at from a benefit standpoint whereby individuals stay at a hotel near the Airport and provide free parking and shuttle.

Mr. Tabner stated that from a revenue standpoint, Park Ride N Fly is willing to pay their fair share and is not asking for a reduction in fees since business is down. He stated that Park Ride N Fly offers a VIP program with good service to Airport passengers. He stated that he would like to know what the broad picture was and how Park Ride N Fly fits into the picture.

Chair Langdon stated that it has been his experience that the level of financial detail presented to Board members and available to the public was extensive and in great detail. He stated that business was down for Park Ride N Fly and business was down for the Airport. He stated that the numbers are all put forward in an abundance of financial data.

Mr. Tabner stated that there is no question put forward on Airport financials, as he was sure they were audited. He stated that the question Park Ride N Fly has is how did Jacobs arrive at the recommended 10% increase. Why not use 11%? He stated that this increase of approximately $100,000 annually could put Park Ride N Fly out of business.

Mr. Tabner stated that they have made a large investment on Wolf Road and have invested several millions of dollars in property. He stated that as the Airport prospers, Park Ride N Fly
prospers. He stated that the Economy Lot fees have been the same for many years and has been tough competition over the years whereby Park Ride N Fly is supporting the Economy Lot.

Chair Langdon stated that parking fees have been raised and each time they are raised there are comparisons made to what other airports are doing, i.e., are they city-owned? Are they bigger? Are they run by an Authority? Do they have revenues coming in from other sources?

Mr. Tabner stated that Jacobs did not make the case for an increase and did not justify their decision with supportive documentation.

Mr. Tabner distributed an aerial photograph of Park Ride N Fly operation and property and stated that they were looking at possibly leasing this to the Airport. He stated that the operation produces $1.9 million in gross revenues with $150,000 coming in from the car care service and $140,000 coming in from Sun Belt. He stated that this could be available to the Airport via lease.

Mr. Wertheim stated that if the Airport was interested in providing valet service, Park Ride N Fly would be interested in contracting to provide this service.

Chair Langdon inquired if they provided this service at any other airports. Mr. Wertheim stated that they do not but they do operate this service in other cities.

Mr. Shaw stated that the contract with Park Ride N Fly requires submission of financial information to the Authority. He stated that there is a question as to whether this information has been submitted on a timely basis to the Authority.

Mr. Tabner stated that 2006-2008 financials have been submitted showing profit/loss, assets and tax returns. He stated that there was a change in accounting firms which did cause some delays.

Mr. Stuto stated that the information submitted is not what is required under the contract. Mr. O'Reilly stated that the financial information received does not comply with Generally Accepted Accounting Standards (GAAP).

Mr. Wertheim stated that they did submit 2006 financials. Mr. O'Reilly stated that the reports received were revenue reports which were fine; however, as noted, the full financial statements received did not comply with GAAP.

Mr. Stuto stated that the reports submitted make claims that the operation broke even; however, it is not easy to tell from the financials if this was actually the case.

Mr. Tabner stated that he could arrange to have the accountant meet with Authority staff.

Mr. Shaw inquired as to the firm used. Mr. Wertheim stated that the firm was from Farmington, CT.

Chair Langdon stated that this item would be deferred to the September 14, 2009 meeting. There were no objections.
Chair Langdon moved Agenda Item No. 11.4 to this point in the agenda. There were no objections.

**11.4 Construction Approval for Leased Property Located at 1050 Troy-Schenectady Road with Bucknell Construction Corp.**

Mr. O’Donnell stated that Mr. Ed Duggan who has been the owner of the Control Tower Ice Cream stand located at 1050 Troy Schenectady Road for the past 9 years was in attendance this evening. He stated that Mr. Duggan has subsequently subleased the ice cream stand. He stated that Mr. Duggan also subsequently built another facility on the property which is a recreational facility for children whereby they spend 45 minutes to 1 hour at the facility.

Mr. O’Donnell stated that approximately 6 months ago, Mr. Duggan requested to lease additional property to build a Go Kart track; however, subsequent to this request, the Authority received a letter from Mr. Duggan advising that he was no longer going to pursue this endeavor.

Mr. O’Donnell stated that a few weeks ago, as staff was driving by the property, it was noticed that construction was underway for a Go Kart facility. No formal request or notice was given to the Authority by Mr. Duggan that he was constructing the facility.

Mr. O’Donnell introduced Mr. Duggan who presented the following:

Mr. Duggan stated that he has received approval from the Town of Colonie Planning and Building Department in January or February of this year. He stated that he did mention this to Mr. Iachetta of the Authority staff when he inquired as to applying for an FAA height variance. He stated that he did get approval from the FAA. He stated that he thought that the FAA approval meant he had Airport approval. He stated that not coming to the Authority Board for approval was an oversight on his part.

Mr. O’Donnell inquired as to what had happened to Mr. Duggan’s earlier plan to lease additional land. Mr. Duggan stated that there were problems with wetlands and the NYSDOT estimate to mitigate the wetlands was much higher than he had anticipated.

Chair Langdon inquired as to whether the Authority was notified when Mr. Duggan received approval from the Town of Colonie. Mr. O’Donnell stated that the Authority was not notified at that time.

Chair Langdon inquired as to the time frame in which Mr. Duggan received the Town and FAA approval. He also inquired as to the results of a letter survey that was sent out to local neighbors.

Mr. Duggan stated that he had to apply for a variance from the Town and received approval approximately 4 months ago. He stated that he began the process with the Town approximately 1 year ago, although, he stated that he wasn’t really sure when he received approval.

Mr. Shaw inquired as to what facilities he owned and what facilities were being subleased. Mr. Duggan stated that he runs the mini-golf course and subleases the refreshment stand and the Tumbling Tykes operation. He stated, however, that he maintains the property meticulously.

Mr. Shaw inquired as to the process to receive FAA approval. Mr. Duggan stated that he submitted an application to the FAA and after a long period of time with no response, he made several telephone calls which helped to expedite the application which was subsequently approved.
Chair Langdon inquired as to whether the FAA issued a written approval. Mr. Duggan stated that they did and he recently sent a copy to the Authority. Chair Langdon requested confirmation that Mr. Duggan went to the FAA some time ago and the Authority was just receiving a copy now. Mr. Duggan stated that was correct.

Mr. Shaw inquired as to how far along Mr. Duggan was on construction of the Go Kart facility. Mr. Duggan stated that he was 2 ½ weeks from completion. He stated that it was his original intention to open on August 1, 2009.

Chair Langdon inquired as to whether all required documentation, lease information was in order at this time given the fact that this information only recently came to light. Mr. Meyers stated that we did not. He stated that the current lease would have to be modified and the required insurance coverage would have to be submitted for all facilities located on the property.

Mr. Duggan stated that he did provide Certificates of Insurance in the proper amounts over the last week and a corrected certificate was put in the mail today.

Chair Langdon stated that the exposure to the Authority would have to be looked at prior to consideration of this item by the Board.

Mr. Duggan stated that he would like to continue with the operation of the facilities and stated that this year was a very difficult year financially. He hoped to have this worked out prior to opening next season. He stated that he did cease construction as soon as he received the notice from the Authority and he does have a building without a roof and doors.

Mr. Duggan inquired as to whether he could get an answer regarding the construction of the facility this evening. Chair Langdon stated that due to the fact that this only recently came to light when staff drove by the facility, it will require further review and discussion.

Chair Langdon referred back to the Management Reports section of the agenda.

**MANAGEMENT REPORTS:**

5. Chief Financial Officer

Mr. O'Reilly presented the following:

5.1 Statistical and Financial Performance for the Month of June 30, 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 June 30, 2009.

Chair Langdon inquired as to what steps, if any, need to be taken at this point.

Mr. O'Reilly stated that he will continue to monitor the situation. He stated that he was currently working on the 2010 budget which is based on June data. He stated that since
we were in the 8th month, it would be difficult to make any changes to the 2009 budget at this point.

Mr. Shaw referred to page A-19 of the financials and inquired as to why there was a difference of $4.5 million from June '08 to June '09. Mr. O'Reilly stated that cash flow has improved this year. He stated that the airlines paid $1.7 million in revenue sharing settlements which improved cash flow this year. Also, the 2009 rates are higher than those charged in 2008 which also has helped to improve this year's cash flow.

Mr. Shaw referred to page A-31 and inquired as to the variance on the line item for Accounting/Auditing Expense. Mr. O'Reilly stated this was due to increased auditing fees, as well as the fees paid to Jacobs Consultancy for assisting with the application to increase PFCs.

Mr. Whitehead inquired as to the status of investments. Mr. O'Reilly stated that the market was bleak at this time and the CD rates are very low. He stated that the investment income does go to the landing fee and he was looking at ways to lessen the impact, i.e., a second application to increase PFCs which will be applied toward debt, and increasing the glycol recovery fee.

5.4 Presentation: Airline Business Models

Mr. O'Donnell stated that as a result of the Continental crash which was operated by a regional carrier (Colgan Air), the Board had requested a presentation on the various airline relationships.

Mr. O'Donnell presented the following on Airline Business Models:

Airline Business Models

Air Carriers Fall Into Two Broad Categories:

- Mainline Airlines over 100 seats
- Regional Airlines under 100 seats

Mainline Airlines

- Sufficient Demand to Service Major Cities
- Delta
- Continental
- Jet Blue
- United
- American
- Air Canada
- US Airways
- Southwest
- Plus Many Others
**Regional Airlines**

- Provide service to those communities that do not have sufficient demand for mainline airlines.

**Three Categories of Regional Airlines**

- Feeder
- Commuter
- Independent

**Feeder Airline**

- Delivers passengers for the mainline airlines to the hubs.
- Increase frequency of service when demand does not warrant large aircraft.
- Typically, operates under mainline as Express or Connection.
- Regional airlines operate under their own name providing needed service.
- Provides service to small isolated communities.
- Utilizes smaller aircraft.
- Cape Air

**Independent Airline**

- Large aircraft such as regional jets operating point-to-point under its own brand.
- Independence Air

**Hub & Spoke Concept**

- Mainline airlines form business relationships with regional carriers to feed their hubs and increase revenue opportunities.
- Regional airlines use mainline reservation system and have same logos, service marks, aircraft paint themes and uniforms.

**Airline Business Relationships**

- Mainline contracts with Regional Airlines through:
  - Wholly owned subsidiaries.
  - Capacity purchase agreement.
  - Prorate agreement.

**Wholly Owned Subsidiary**

- An entity which is controlled by a separate entity.
- Distinct legal entity for purposes of taxation, regulation, and liability.
**Capacity Purchase Agreement**

- Provides that all revenues, passengers and freight revenue go to the mainline airline.
- Mainline pays operating costs, landing fees, insurance, fuel usually based on fee per completed block hour and departure basis.
- Mainline pays fixed fee for operating flights without regard for number of passengers on board. May include a margin based on performance incentives.

**Prorate Agreement**

- The prorated carriers receive a prorated share of ticket revenue and pay certain service fees.
- The prorated carrier is responsible for all costs incurred operating the aircraft. May include performance incentives.

**Airline Affiliates: Delta Airlines**

- Northwest
  (wholly-owned subsidiary)
- Comair
  (wholly-owned subsidiary)
- Atlantic Southeast
  (capacity purchase agreement)
- Chautauqua
  (capacity purchase agreement)

**Airline Affiliates: US Airways**

- Air Wisconsin
  (capacity purchase agreement)
- Piedmont
  (wholly owned)
- Colgan Air
  (prorate)
- PSA
  (wholly owned)
- Mesa
  (capacity purchase agreement)

**Airline Affiliates: United Airlines**

- Go Jet
  (capacity purchase agreement)
- Mesa
  (capacity purchase agreement)
- Trans States
  (capacity purchase agreement)
Airline Affiliates: Continental Airlines

- Colgan  
  (capacity purchase agreement)  
- CommutAir  
  (capacity purchase agreement)

No Airline Affiliates: Southwest Airlines

- No subsidiaries  
- No subcontract agreements with Regionals  
- Unique

Code Sharing Agreement

- An agreement between two or more airlines where a customer can purchase a single ticket to fly on one or more airlines.  
- Typically one carrier places its designated code and sells tickets and handles luggage on flights of other carriers.

Alliance Agreement

Agreements between domestic and/or international carriers to give customers a greater choice in destinations.

Airlines participate in code sharing, frequent flyer agreements, club memberships.

Provides customers wide access to the global market place with a convenient single ticket pricing.

Affiliate

For purpose of Airport lease agreements:

- Non-Signatory Airline  
- Share flight codes with signatory.  
- Cannot be mainline airline.  
- Cannot sell own tickets.  
- Cargo feeders to mainline (signatory)

Chair Langdon stated that he would like the Board to be alerted in the future to whatever legal or fiscal sensitivities may result as a result of an airline business model used by airlines that operate out of Albany.

Mr. Whitehead inquired as to which airline is responsible for training. Mr. O'Donnell stated that the FAA dictates that each airline is responsible for providing their own training, i.e., regional airlines such as Colgan, Mesa, etc., would be responsible for providing their own training.
Mr. O'Donnell stated that he would have to do more research to determine if the mainline carriers impose their policies for training on the regional carriers.

Mr. Shaw inquired as to how the pay scale of pilots and First Officers is determined for regional carriers. Mr. O'Donnell stated that in the case of Continental/Colgan, Continental receives the revenues and pays Colgan for blocked hours of flight, therefore, Colgan may cut expenses which includes pilot’s and copilot’s pay in order to reduce costs.

6. **Project Development**

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

   Chair Langdon inquired as to what company provides jet fuel to the Airport. Ms. Herrmann stated that the fuel largely comes out of BP which is located at the Port of Albany.

   Mr. O'Donnell stated that we don’t price and own the fuel held by the airlines; however, we do purchase the fuel for Million Air’s clients.

   Ms. Herrmann stated that the airlines order their fuel based upon last week’s uptake and this lasts approximately 7-8 days. She stated that we purchase fuel from Ascent for resale, approximately 1.2 million gallons per year.

7. **Counsel**

   None

8. **Concessions/Ambassador Program**

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

   Mr. Whitehead inquired as to the minimum number required for a tour. Ms. Chadderdon stated that there was no minimum or maximum number for tours.

9. **Public Affairs Report**

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

10. **Business and Economic Development Report**

ACTION ITEMS:


11.1 Lease Agreement No. L672: 14 Jetway Drive with JB Hunt Transport, Inc.

Ms. Zieske recommended authorization of Lease Agreement No. L672: 14 Jetway Drive with JB Hunt Transport, Inc., for lease of the former Post Office facility. The facility will be used to distribute Whirlpool appliances. The lease is for two years at $50,075 per year with a 3.5% escalator in the second year.

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

11.2 Extension to Concession Agreement No. 458ATM with Bank of America

Mr. Stuto recommended authorization of Extension to Lease Agreement No. 458ATM with Bank of America for the ATM Concession located in the Terminal for an annual fee of $11,549. Mr. Stuto noted that the agreement references a MAG which is the fixed fee of $11,549.

Mr. Whitehead moved to authorize acceptance of said agreement. The motion was adopted unanimously.

11.3 Operating Permit and Concession Privilege Fee Revision for Off-Airport Parking Concession

Moved to an earlier portion of the agenda following Item No. 4.

11.4 Construction Approval for Leased Property Located at 1050 Troy-Schenectady Road with Bucknell Construction Corp.

Moved to an earlier portion of the agenda following Item No. 11.3 which was moved to follow Item No. 4.

11.5 Consent to Sublease: Colgan Air, Inc. to Lansing Flight Support – Portion of Hangar Located at 741 Albany-Shaker Road

Mr. Stuto recommended authorization of Consent to Sublease: Colgan Air, Inc. to Lansing Flight Support – Portion of Hangar Located at 741 Albany-Shaker Road. Mr. Stuto stated that The Authority entered into a Hangar Lease Agreement with Colgan as of January 1, 2008. The Lease provides Colgan may sub-lease with written approval of the Authority and provides that the Authority will be paid 50% of the sub-lease rental fee. Authorization is requested to waive the 50% sub-lease rental fee. The sub-lease rental to Colgan will be $600/month for 1,200 square feet.

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

11.6 Non-Exclusive Agreement to List and Sell Surplus Property on On-Line Auctioning Service, GovDeals.com

Mr. Stuto recommended authorization of a Non-Exclusive Agreement to List and Sell Surplus Property on an on-line auctioning service - GovDeals.com. He stated that this auctioning
service was similar to E-Bay but was for use by governmental entities to sell surplus property. He stated that the fees were on a sliding scale based upon sale prices as follows: $0 - $100,000 = 7.5% fee; $100,000-$500,000 = 5.5% fee; and $500,000 or greater = 3.5% fee.

Mr. Graziano inquired as to whether this was related to surplus property or equipment. Mr. O'Reilly stated it was for surplus equipment.

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

11.7 Landlord's Waiver and Consent: Pinnacle Airlines Corporation/Colgan Air Inc. and C.I.T. Leasing Corporation

Mr. Stuto recommended authorization of Landlord's Waiver and Consent: Pinnacle Airlines Corporation/Colgan Air Inc. and C.I.T. Leasing Corporation. He stated that Pinnacle Airlines, Inc., (a Signatory Airline) and Colgan Air, Inc., (an Affiliate of Pinnacle, they have a common corporate parent: Pinnacle Airlines Corp.) are undertaking a corporate financing. The loan will be collateralized by the inventory of spare parts in the Albany hangar. The lender, C.I.T. Leasing Corp., has requested the Authority enter into a Landlord's Waiver and Consent ("Consent"). This Consent would permit the lender, upon termination of the lease, to enter the premises (hangar) leased to Colgan for up to 90 days to take or sell the collateral. The lender would have to provide insurance and pay rent during that period.

Chair Langdon inquired if there was anything to be worried about legally. Mr. Stuto stated that there is a lease in place which is not changing and the Authority does not have a lien on the equipment.

Chair Langdon inquired as to whether Mr. O'Reilly was fine with this. Mr. O'Reilly stated that he was.

Mr. Dennis moved to authorize said Waiver and Consent. The motion was adopted unanimously.

11.8 Special Aviation Service Operator (SASO) with Lansing Flight Support, Inc.

Chair Langdon stated that this item would be deferred to the September 14, 2009 meeting.

11.9 Construction Contract No. 669DEM: Demolition and Site Restoration for 1043 Troy-Schenectady Road and 474 Old Niskayuna Road

Mr. Iachetta recommended authorization of award of Construction Contract No. 669DEM: Demolition and Site Restoration for 1043 Troy-Schenectady Road and 474 Old Niskayuna Road to the lowest qualified bidder, Dan's Hauling & Demo, as follows: 1043 Troy-Schenectady Road in the amount of $23,506, to be funded from Capital Improvements Project Account No. 2501; and 474 Old Niskayuna Road in the amount of $55,494, to be funded from Capital Improvement Project Account No. 2516. Award of this contract is contingent upon DBE compliance and FAA concurrence on award.

Mr. Dennis moved to authorize said award with said contingencies. The motion was adopted unanimously.
11.10 Bid and Service Contract for Electric and Gas Supplies

Mr. O'Donnell recommended authorization for Mr. O'Reilly, as CFO, to lock-in discounted rates with electric and gas suppliers. He stated that staff is working with NYSERDA and an approved energy consultant, Novus Engineering, to attract the lowest rates from an approved supplier. NYSERDA and Novus will assist in the preparation of bid documents. Since the suppliers require a one-day turnaround time for approval, authorization is required for Mr. O'Reilly to review the bid proposals with NYSERDA and Novus Engineering and enter into an agreement to achieve the best price available. Mr. O'Donnell stated that the criteria for the bid will be to find the best possible discounted rate. The Authority will not enter into a fixed hedge agreement.

Mr. Shaw inquired as to whether we currently pay National Grid. Mr. O'Reilly stated that we currently have two suppliers: NYS Gas and Electric and National Grid which was not competitively procured.

Mr. Graziano inquired as to what the term of the agreement would be. Mr. O'Reilly stated that the term was one year.

Mr. Graziano moved to authorize the CFO to enter into an agreement to lock-in discounted rates with electric and gas suppliers. The motion was adopted unanimously.

12. Authorization of Change Orders

None

Old Business:

None

New Business:

None

Attorney-Client Privilege/Executive Session

Chair Langdon stated that we would like to be advised by our attorneys with respect to the lease in Industrial park with Lansing Flight Support and with respect to Eclipse Aviation. I understand we may speak confidentially to our attorneys as a privileged Attorney-Client communication.

He stated that there would be action following the Attorney-Client session.

There being no further business, the meeting was adjourned at 8:45 pm.
ALBANY COUNTY AIRPORT AUTHORITY

REGULAR MEETING
AGENDA

August 10, 2009

General:

1. Chairman’s Remarks
2. Approval of Minutes
   2.1 June 8, 2009
   2.2 June 23, 2009

3. Communications and Report of Chief Executive Officer
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
   5.5 Presentation: Airline Business Models

6. Project Development

7. Counsel

8. Concessions/Ambassador Program

9. Public Affairs

10. Business & Economic Development

Action Items:

   11.1 Lease Agreement No. L672: 14 Jetway Drive with JB Hunt Transport, Inc.
   11.2 Extension to Lease Agreement No. 458ATM with Bank of America
   11.3 Operating Permit and Concession Privilege Fee Revision for Off-Airport Parking Concession

11.4 Construction Approval for Leased Property Located at 1050 Troy-Schenectady Road with Bucknell Construction Corp.

11.5 Consent to Sublease: Colgan Air, Inc. to Lansing Flight Support – Portion of Hangar Located at 741 Albany-Shaker Road

11.6 Non-Exclusive Agreement to List and Sell Surplus Property on On-Line Auctioning Service, GovDeals.com

11.7 Landlord’s Waiver and Consent: Pinnacle Airlines Corporation/Colgan Air Inc. and C.I.T. Leasing Corporation

11.8 Special Aviation Service Operator (SASO) with Lansing Flight Support, Inc.

11.9 Construction Contract No. 669DEM: Demolition and Site Restoration for 1043 Troy-Schenectady Road and 474 Old Niskayuna Road

11.10 Bid and Service Contract for Electric and Gas Supplies

12. Authorization of Change Orders

None

Old Business:

None

New Business:

Executive Session:

Attorney-Client Privilege Matters: