



**ALBANY COUNTY AIRPORT AUTHORITY**  
 ALBANY INTERNATIONAL AIRPORT  
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**Minutes of the Finance Committee Meeting  
 of the Albany County Airport Authority  
 June 2, 2009**

*ACAA - Finance Committee*  
**APPROVED**  
 11/29/10

Pursuant to notice duly given and posted, the Finance and Administration Committee meeting of the Albany County Airport Authority was called to order on Tuesday, June 2, 2009 at 8:45 am in the Administration Building, 2<sup>nd</sup> Floor Conference Room, located at the Albany International Airport by Finance Committee Chair Daniel M. Sleasman with the following present:

**MEMBERS PRESENT**

Richard J. Sherwood (Committee Member)  
 Elliott A. Shaw (Committee Member)  
 David E. Langdon, (Ex Officio)

**MEMBERS ABSENT**

Daniel M. Sleasman

**STAFF**

John A. O'Donnell  
 Bill O'Reilly  
 Margaret Herrmann  
 Ginger Olthoff  
 Peter F. Stuto  
 Doug Myers

**ATTENDEES**

None

**1. Approve Minutes: March 23, 2009**

Mr. Sherwood moved to approve the minutes of the March 23, 2009 meeting. The motion was adopted unanimously.

**2. 2009 Budget Status Update**

Mr. O'Reilly distributed the 2009 Budget Status Update and reviewed the following:

- Current Projection of Year-End Settlement
- Revenue Variances
- Expenditures Variances
- Current Recommendation
- Summary of Other Airport Budgetary Actions



Mr. O'Reilly stated that based upon current assumptions, a final year-end settlement from the Airlines was projected at approximately \$528,000 with debt service coverage, exclusive of PFC funded debt service, will be exactly 125% of revenues net of operating expenses.

Mr. Shaw inquired as to why when enplanements were only down by 4,000, there is such a dramatic decrease in revenues. Mr. O'Reilly stated that the revenue projections included in the budget for the rental car concessions and parking revenues were higher than actual revenues received.

Mr. Shaw inquired as to whether any individual parking lot was affected by the decrease in revenues, i.e., short term, long term or economy parking. Mr. O'Reilly stated that the decrease in revenues was seen across the board in all parking lots.

Chair Langdon inquired as to whether the financial consultant could review the projections and determine why the projections were off and, if so, would there be a cost associated with the review. Mr. O'Reilly stated that he believed the projections were off due to the continued decline in interest rates and overly optimistic projections for rental car and parking revenues. He stated that the optimistic projections were included to avoid extraordinary coverage protection for debt service.

Chair Langdon requested that staff inquire of the consultant as to how other airports were doing and whether there were any dramatic differences between Albany and other airports. Mr. O'Reilly agreed to do this.

Mr. Sherwood stated that due to the current economic downturn, customers were likely being dropped off and picked up in lieu of paying for parking. Mr. O'Donnell stated that he agreed with Mr. Sherwood and added that there has also been a decline in the numbers of business travelers which effects the rental car concession.

Chair Langdon requested that he would like to hear the opinion of the financial consultant, as well, as to parking revenue trends at other upstate New York airports and Bradley International Airport. Mr. O'Reilly stated that he would be attending a financial workshop sponsored by NYAMA (NY Airport Management Association) at the end of the month and he would pose the question at that time.

Mr. O'Reilly stated that staff would reach out to Southwest Airlines to advise them of the current projections.

Mr. O'Donnell stated that the projected \$528,000 settlement does not reflect any savings that will be realized due to additional efforts that will be implemented to reduce costs such as energy cost reductions, attrition, and overall cost cutting measures. He stated that given the dismal fiscal conditions, the future is in the hands of the confidence factor in the region and in the nation. He stated that staff has been diligent in efforts to protect employees and their positions at the Airport; however, a cut of 10 positions could easily mitigate the \$528,000 settlement.

Chair Langdon stated that this option may have to be explored. Mr. Shaw stated that the conversation with Southwest Airlines will be a significant factor in any decisions in that regard.

Mr. O'Donnell reported that all of that having been said, Southwest Airlines Albany Station was named their Best Station in the country by Southwest Airlines based primarily on customer service and overall performance. He stated that this honor was a credit to the local Station Manager and his staff.

There being no further business, the meeting was adjourned at 9:30 am.



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FINANCE AND ADMINISTRATION COMMITTEE**

**AGENDA**

**June 2, 2009**

- 1. Approve Minutes: March 23, 2009**
- 2. 2009 Budget Status Update**
  - Current Projection of Year-End Settlement**
  - Revenue Variances**
  - Expenditures Variances**
  - Current Recommendation**
  - Summary of Other Airport Budgetary Actions**