



ALBANY COUNTY AIRPORT AUTHORITY

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ACAA
APPROVED
7/12/10

Minutes of the Regular Meeting of the Albany County Airport Authority

May 3, 2010

Pursuant to notice duly given and posted, the regular meeting of the Albany County Airport Authority was called to order on Monday, May 3, 2010 @ 6:00 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
Rev. Kenneth J. Doyle
Dennis Fitzgerald
Tony Gorman
Dorsey M. Whitehead
Elliott A. Shaw

MEMBERS ABSENT

John A. Graziano, Jr.

STAFF

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

Doug Myers
Steve Iachetta
Helen Chadderdon
Denise Zieske

ATTENDEES

Joel Russell, AvPorts
Pam Day, Million Air
Dan Slote, NAI Platform
Tyler Culberson, NAI Platform
Jim Harder, NAI Platform

Chair Langdon noted there was a quorum.

1. **CHAIR'S REMARKS**

None

2. **MINUTES**

2.1 **Approval of Minutes: March 1, 2010**

2.2 **Approval of Minutes: March 25, 2010**

Mr. Shaw moved to approve the March 1, 2010 minutes and the March 25, 2010 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 2010.

Mr. O'Donnell also reported on the following:

- **Military Courtesy Room:** The Military Courtesy Room is officially open and has received over 500 service personnel and their families. This number is much higher than anticipated so staff will be monitoring the use of the facility with an eye towards expansion, if necessary.
- **Effects of Volcanic Ash on Air Traffic:** Overall, approximately 29,000 European flights are expected to be cancelled as a result of the Icelandic volcanic eruption which is spewing volcanic ash into the sky. Approximately 5-6,000 American flights have been affected.

Mr. Gorman referred to the parking access improvements and inquired as to what happens if a patron loses their parking ticket.

Mr. O'Donnell stated that a reconciliation process is followed based upon the flight times on the patron's airline ticket. He stated that with the addition of a license plate reader which is part of the improvements currently under consideration, the actual time in and out will be recorded.

Mr. Fitzgerald inquired as to whether there might be a Homeland Security Grant available for the plate readers. Mr. O'Donnell stated that he will look at that.

Mr. Whitehead inquired as to whether the General Aviation Fly-In will be enhanced next year. Mr. O'Donnell stated that it would be and the event may be opened to the general public next year, as well.

Mr. Shaw stated that he attended the opening ceremonies for the Military Courtesy Room. He stated that the event was a great success and Mr. O'Donnell, Mr. Myers and staff should be commended for a job well done.

Chair Langdon stated that he would like to thank County Executive Breslin for making the call to support moving ahead with the approvals for the Military Courtesy Room.

Mr. Gorman inquired as to whether any research had been done on the valet parking option. Mr. O'Donnell stated that staff has been looking at this option for a long time and research has been done at other airports providing this service. He stated that the research showed that valet parking does not improve revenues; however, the service could provide relief in the event that additional parking is needed, particularly, since construction of a second parking garage is not an option.

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 January 31, 2010**
- 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, 2010.

Mr. Gorman referred to the operating expenses variance for Operations and Security in the amount of \$300,000 and inquired as to the reason for such a large credit. Mr. O'Reilly stated that this was due to the fact that the actual costs incurred by Albany County for Sheriff's services were much less than they originally estimated.

Mr. Gorman inquired if this was expected news. Mr. O'Reilly stated that he did not expect it.

Mr. O'Reilly stated that there was a positive variance to budget of over \$550,000. He stated that this has not happened in a very long time.

Mr. Shaw inquired as to the savings for natural gas. Mr. O'Reilly stated that the market for natural gas came down across the board and there was an excess supply, all of which resulted in savings.

5.5 Presentation: NAI Platform – Eclipse Facility

Mr. O'Donnell introduced Mr. Dan Slote from NAI Platform. Mr. Slote distributed a NAI Platform's marketing packet for the Eclipse facility.

Mr. Slote stated that the agreement was signed by the end of January and a new 4 x 8 sign was placed on site. He reviewed the following steps that have been taken:

Focus:

Groups that will lend traffic to the airport to not only occupy the space but increase revenues from additional fees associated with the airport.

- Government Agencies – US Customs, Military, INS, DEA
- Major Airplane and Jet Manufactures – top 10
- Search and Rescue – Emergency Response
- Maintenance and Repair
- Jet Refurbishing

Marketing:

- NAI OBS – 5000 Broker Nation Wide
- 3 Articles in the Albany Business Review
- Data Mining: Our proprietary software allows us to research companies that our network has done deals with in the last 5+ years in the Aviation Industry.
- Aircraft Sale World – We have employed their service to send out the information to over 30k aviation users once a month. We have already sent it out twice and will be sending it out five more times.
- Direct Call Marketing: We have called over 150 Groups that are involved in the aviation industry. We have all sent follow up emails to all these groups with a copy of the flyer. We ask that people forward this information along to other contacts that might have an interest.
- CIREB Event: On April 1st we held the month CIREB Marketing session at the site. This event was attended by about 75 local commercial brokers as well as notable political leaders.
- Million Air: We met with the General Manager of the facility, Pam Day, to collaborate on potential users that might benefit from this location.

Real Trac:

We have kept Denise up to date on all our activities via our Real Trac system along with emails. We have updated the real trac every two weeks or so and speak directly with Denise a couple times a week.

Interest:

We have generated a significant amount of interest considering the factors in the industry. At this point we have a couple rather serious interests that will be coming into town in the next week to further discuss possibilities. Some concerns that have been brought up by potential users is the width of the door, the height of the facility, the depth of the hanger for moving aircraft, the load capacity of the apron space, and the sale of fuel at the airport.

Mr. Shaw inquired as to whether the opportunities were greater to attract a company that is expanding or a company that is relocating. Mr. Slote stated that all conversations point to companies that are looking for opportunities to expansion rather than to relocate.

5.6 Presentation: Refunding of Bonds

Mr. O'Reilly distributed and reviewed a report outlining the plans for refunding the EFC Series 1999B Bond and the Series 2008A Variable Rate Bond (AMT).

Chair Langdon referred to the new accounting standard which requires determination that the swap is highly effective and asked Mr. O'Reilly to define "highly."

Mr. O'Reilly stated that the new accounting standards effective January 1, 2010 requires periodic interest rate swap effective determination to apply Hedge Accounting and avoid reporting changes in swap value as investment income/loss. He stated that highly effective falls within a narrow range using one of several methods. For instance using the synthetic instrument method the effective interest rate achieved has to be within 90% to 111% of the intended synthetic rate. We found during the current reporting period our synthetic instrument fell just above the upper midpoint of that range. We had also found using regression analysis, another available method, perform by Public Resources Advisory Group (PRAG) that the swap did not test effective from inception to the end of the current reporting period where in the regression standard deviation had to be at least .80 with a 95 percent confidence level.

Mr. Fitzgerald inquired as to where the Financial Advisor was located. Mr. O'Reilly stated that Public Resources Advisory Group's the nearest office was located in New York City.

Mr. Fitzgerald inquired as to whether there was a longstanding relationship with the financial advisor. Mr. O'Reilly stated that PRAG has not had a relationship with the Airport; however, the Airport "piggybacked" on the NYS Competitive Bid for Financial Advisor with PRAG. PRAG has a reputation of being highly competent and respected and is currently working with Bradley Airport.

Mr. Fitzgerald inquired as to who would sit on the Selection Committee for the selection of the Underwriter. Mr. O'Reilly stated that at this time the Selection Committee included himself, Mr. O'Donnell, and Mr. Stuto.

Chair Langdon stated that it would be appreciated if Board members could sit on the Committee.

Mr. Fitzgerald inquired as to the expected responses to the Request for Proposals (RFP) for Underwriter. Mr. O'Reilly stated that he expected the participation to be very good.

Mr. Stuto stated that due to the fact that the RFPs were "on-the-street", there was a blackout period whereby it is illegal for anyone other than the designated contact, who is the Financial Advisor, to talk with the underwriters who may be submitting. Mr. Stuto stated this was important to keep in mind, as the law was very strict.

Mr. Gorman inquired as to the value of the 2008A offering. Mr. O'Reilly stated that the issuance costs were close to \$90 million.

Mr. Shaw inquired as to the timeline for the bond sale. Mr. O'Reilly stated that the sale should take place around July 20, 2010. He stated that Mr. O'Donnell has reached out to the Albany County Comptroller, Mike Connors, who would be required to sign off on a negotiated sale. NYS Office of the State Comptroller would also be required to approve the sale.

Mr. Shaw inquired as to when the documents would be available for approval. Mr. O'Reilly stated that they would be available around the time of pricing, i.e., typically the bonds are sold and an agreement could be signed in a matter of hours.

Mr. Shaw inquired if this will require a special meeting. Mr. O'Reilly stated that there may be a need for a special meeting in July. He stated that there may be a need for another special meeting for selection of the underwriters.

Mr. O'Donnell asked Mr. O'Reilly to review timing issues related to going to the bond market. Mr. O'Reilly stated that the current cost of the 2008A swap was 5.3%; however, this is not expected to last as the Letter of Credit with Bank of America will be expiring at the end of this year. Therefore, it is necessary to refund the bonds as soon as possible particularly because there may be a large volume of bond issues coming out in the fall as the result of the large number of Letters of Credit that will be expiring at the end of the year and the AMT tax will be expiring, as well. It would be prudent to get to the bond market prior to the fall.

Chair Langdon inquired if there were any other airports that have gone to the market recently. Mr. O'Reilly stated that O'Hare Airport recently had a \$1 billion issue. He stated that the market seems to be "thawing" for airports.

6. Project Development

Mr. Iachetta presented the Project Development Status Report for the month of May 2010.

7. Counsel

Mr. Stuto stated that Financial Disclosure Statements are due May 15, 2010 to Albany County. He stated that staff will provide assistance, if needed, in getting the statements to Albany County.

8. Concessions/Ambassador Program

Ms. Chadderdon presented the Concessions/Ambassador Program Report for the month of May 2010.

Mr. Fitzgerald inquired as to the turnover rate for the Ambassadors. Ms. Chadderdon stated that the turnover rate is very small.

Mr. Fitzgerald inquired as to how individuals are recruited to become an Ambassador, i.e., word of mouth. Ms. Chadderdon stated that receiving a recommendation from someone else is

preferable; however, there have been individuals who will come in without a recommendation and will be interviewed, as well.

Mr. Fitzgerald inquired as to the typical amount of hours volunteered by the Ambassadors. Ms. Chadderdon stated that it varies but she has one ambassador who volunteers 12 hours a week who had recently been nominated for and won an award with RSVP. Her name is Connie Scheideher and she will get the award on May 11th.

9. Public Affairs Report

Mr. Myers presented the Public Affairs Report for the month of May 2010.

10. Business and Economic Development Report

Mr. O'Donnell presented the Business and Economic Development Report for the month of May 2010.

ACTION ITEMS:

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

11.1 Construction Contract No. 688GC: General Construction – Runway 19 Protection Zone Obstruction Removal – 1010 Troy-Schenectady Road – Historic House Renovations

Mr. Iachetta recommended authorization of award of Construction Contract No. 688GC: General Construction – Runway 19 Protection Zone Obstruction Removal – 1010 Troy-Schenectady Road – Historic House Renovations to Iota Construction Corporation, in the amount of \$77,624, to be funded from Capital Improvements Project Account No. 2516.

Mr. Fitzgerald inquired as to whether due diligence has been done in light of the fact that Iota's bid was very low. Mr. Iachetta stated that a pre-award meeting was held and representatives from Iota stated that they were confident in the bid price they had submitted.

Mr. Fitzgerald inquired as to what would happen should they have made a mistake in their bid. Mr. O'Donnell stated that if they requested their bid be withdrawn, we would approve that as long as they could show proper justification to withdraw. If they could not show proper justification, the bid deposit would be held.

Father Doyle moved to authorize said contract award. The motion was adopted unanimously.

11.2 Construction Contract No. 709GC: Parking Lot E – Automated Access Improvements

Mr. O'Donnell recommended authorization of award of Construction Contract No. 709GC: Parking Lot E – Automated Access Improvements to Lash Contracting in the amount of \$119,440, to be funded from Capital Improvements Project Account No. 2161, contingent upon satisfactory DBE compliance.

Mr. Fitzgerald moved to authorize said award with said contingency. The motion was adopted unanimously.

11.3 Addendum No. 1 to Lease No. L-574: Javian, Inc., Office Space: 16 Jetway Dr., Million Air, (ACAA Bld. #109)

Mr. Stuto recommended authorization of Addendum No. 1 to Lease No. L-574: Javian, Inc., Office Space: 16 Jetway Dr., Million Air, (ACAA Bld. #109). Mr. Stuto stated that this is one-year lease extension at an annual rate of \$2,535. He stated that there is a cost-of-living adjustment included in the lease.

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

11.4 Service Contract No. SC698: HVAC Technician

Mr. O'Reilly recommended authorization of award of Service Contract No. SC698: HVAC Technician to Technical Building Services, at an estimated amount of \$75,000 for one year. The contract will be on an as-needed/on-call basis and will be under the supervision of the AvPorts HVAC Technician.

Mr. Gorman inquired as to why this selection was made, as they were not low on any item. Mr. O'Reilly stated that the proposal scoring was quite close; however, Technical Building Services' value of service was rated higher in that they had a greater level of HVAC and computer control experience, while the other proposer had more experience in plumbing. Mr. O'Reilly stated that it was the opinion of the Selection Committee that having more HVAC experience will result in greater efficiency and lower costs.

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

11.5 Purchase Order: Sweeper Replacement Blades

Mr. Stuto recommended authorization of Purchase Order: Sweeper Replacement Blades to United Rotary Brush Corporation in the estimated amount of \$56,016 based upon usage, to be funded from the Operating Budget. Mr. Stuto stated that there was only 1 bidder due to the fact that there are only a few brush manufacturers that provide brushes for airport equipment. He stated that the bid price is 15% lower than the prior quote that is currently being used.

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

11.6 Construction Contract No. 701GC: General Construction – Relocation of Departure Gift Shop and Information Booth

Mr. O'Donnell recommended authorization of award of Construction Contract No. 701GC: General Construction – Relocation of Departure Gift Shop and Information Booth to Sam Greco Construction, Inc., in the amount of \$198,000, to be funded from Capital Improvements Project Account No. 2150. Mr. O'Donnell stated that all contract requirements have been met by the contractor.

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

12. Authorization of Contracts/Leases/Contract Negotiations/Contract Amendments

12.1 Construction Contract No. 542GC: General Construction – Runway 19 Runway Protection Zone Historic House Relocation

Chair Langdon stated that this item would be deferred until the next meeting. There were no objections.

12.2 Concurrence on Change Order: Latham Water District - Phase 5 Electrical Construction Contract with Brunswick Electric, Inc., for Runway 28 Approach Obstruction (Water Tank) Removal

Mr. Iachetta recommended authorization of Concurrence on Change Order: Latham Water District - Phase 5 Electrical Construction Contract with Brunswick Electric, Inc., for Runway 28 Approach Obstruction (Water Tank) Removal, in the additional amount of \$905.86, to be funded from Capital Improvements Project Account No. CPN 2512.

Father Doyle moved to authorize said concurrence on change order. The motion was adopted unanimously.

12.3 Concurrence on Change Order: Latham Water District - Phase 5 General Construction Contract with W. M. Schultz Construction, Inc., for Runway 28 Approach Obstruction (Water Tank) Removal

Mr. Iachetta recommended authorization of Concurrence on Change Order: Latham Water District - Phase 5 General Construction Contract with W. M. Schultz Construction, Inc., for Runway 28 Approach Obstruction (Water Tank) Removal, in the additional amount of \$29,164, to be funded from Capital Improvements Project Account No. CPN 2512.

Mr. Fitzgerald inquired as to the numbering outlined on the Request for Authorization form referring to CO #1A, etc., when the change order is referred to as Change Order No. 2.

Mr. Iachetta noted that the numbering on the request form was incorrect and would be corrected for the minutes.

Mr. Fitzgerald moved to authorize said concurrence on change order. The motion was adopted unanimously.

Old Business:

None

New Business:

None

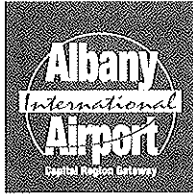
Attorney-Client Privilege/Executive Session

Chair Langdon requested a motion to go into Executive Session to discuss one real property matter. He stated that no action would be taken on this item.

Father Doyle moved to go into Executive Session. The motion was adopted unanimously.

No action was taken.

There being no further business, the meeting was adjourned at 8:32 pm.



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REGULAR MEETING AGENDA

May 3, 2010

General:

1. Chairman's Remarks
2. Approval of Minutes
 - 2.1 March 1, 2010
 - 2.2 March 25, 2010
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: NAI Realty - Eclipse Facility
 - 5.6 Presentation: Refunding of Bonds
6. Project Development
7. Counsel
8. Concessions/Ambassador Program
9. Public Affairs
10. Business & Economic Development

Action Items:

11. Authorization of Contracts/Leases/Contract Negotiations/Contract Amendments
 - 11.1 Construction Contract No. 688GC: General Construction – Runway 19 Protection Zone Obstruction Removal – 1010 Troy-Schenectady Road – Historic House Renovations
 - 11.2 Construction Contract No. 709GC: Parking Lot E – Automated Access Improvements
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**11. Authorization of Contracts/Leases/Contract Negotiations/Contract Amendments
(Cont'd.)**

- 11.3 Addendum No. 1 to Lease No. L-574: Javian, Inc., Office Space:
16 Jetway Dr., Million Air, (ACAA Bld. #109)**
- 11.4 Service Contract No. SC698: HVAC Technician**
- 11.5 Purchase Order: Sweeper Replacement Blades**
- 11.6 Construction Contract No. 701GC: General Construction – Relocation of
Departure Gift Shop and Information Booth**

12. Authorization of Change Orders

- 12.1 Construction Contract No. 542GC: General Construction – Runway 19
Runway Protection Zone Historic House Relocation**
- 12.2 Concurrence on Change Order: Latham Water District - Phase 5 Electrical
Construction Contract with Brunswick Electric, Inc., for Runway 28 Approach
Obstruction (Water Tank) Removal**
- 12.3 Concurrence on Change Order: Latham Water District - Phase 5 General
Construction Contract with W. M. Schultz Construction, Inc., for Runway 28
Approach Obstruction (Water Tank) Removal**

Old Business:

New Business:

Executive Session:

ES-1 Real Property Matter

Attorney-Client Privilege Matters: