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Personnel Committee
ACAA
APPROVED
6/23/10

**Minutes of the Personnel Committee Meeting
 of the Albany County Airport Authority
 December 15, 2009**

Pursuant to notice duly given and posted, the Personnel Committee meeting of the Albany County Airport Authority was called to order on Tuesday, December 15, 2009 @ 3:00 pm in the 2nd Floor Conference Room of the Authority Administration Building, located at the Albany International Airport by Personnel Committee Chair Dorsey M. Whitehead with the following present:

MEMBERS PRESENT

Dorsey M. Whitehead, Chair Personnel Committee
 John A. Graziano, Jr.
 Elliott A. Shaw

MEMBERS ABSENT

None

STAFF

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

ATTENDEES

None

Personnel Committee Chair Whitehead noted that there was a quorum. Mr. Whitehead reported that he had met with Mr. O'Donnell earlier to review the agenda items.

1. Approval of Minutes: December 16, 2008

Mr. Graziano moved to authorize minutes of the December 16, 2008 meeting. The motion was adopted unanimously.

2. Discussion on Adoption of Deferred Compensation Committee Resolution to Amend and Restate the Model Plan

Mr. O'Reilly stated that four amendments to the Plan Document of the Deferred Compensation Plan for Employees of the Albany County Airport Authority (the "Model Plan") have been made by the

NYS Deferred Compensation Board. The Model Plan is offered for adoption by local employers of the following resolution:

“The Albany County Airport Authority, pursuant to Section 5 and the Regulations, has adopted and currently administers the Model Plan known as the Deferred Compensation Plan for Employees of Albany County Airport Authority;

Effective December 7, 2007 the Board amended the Model Plan to adopt provisions:

- Expanding the eligibility for unforeseeable emergency withdrawals.
- Permitting law enforcement officers, firefighters, members of a rescue squad or ambulance crew who have retired for service or disability to request a plan distribution of up to \$3,000 annually to pay for health insurance or qualified long-term care premiums for themselves, their spouse or dependents.
- Permitting a beneficiary who is not the spouse of the deceased Participant to transfer their Plan account directly to an IRA.
- Permitting a Participant who is eligible for a distribution to rollover all or a portion of their Plan account to a Roth IRA.

The Board has offered for adoption the amended and restated Model Plan to each Model Plan sponsored by a local employer in accordance with the Regulations; and it is prudent and appropriate to amend the Deferred Compensation Plan for Employees of Albany County Airport Authority by adopting the amended Model Plan.”

ACAA Chair Langdon inquired as to who the deferred comp program was with. Mr. O’Reilly stated the plan is with Nationwide Insurance.

Chair Langdon inquired as to whether there was any exposure to risk. Mr. O’Reilly stated that the contributions are self-directed and the investments do go up and down with the market. Mr. O’Donnell stated that the plan is very stable. Mr. O’Reilly stated that there is currently \$778,000 in contributions for the Authority which is covered by indemnity insurance.

Mr. Shaw moved to recommend approval of the Model Plan by the Authority at its February 2010 meeting. The motion was adopted unanimously.

3. Discussion on OPEB Health Benefit Plan

Mr. O’Donnell stated that the Other Post-Employment Benefit Plan (OPEB) Health Insurance Continuation for Eligible Retirees was adopted at the December 7, 2009 meeting. He stated that for clarification purposes he would like to amend the plan to add the following to the end of Paragraph I(a) under a. Retiring Employees:

“...and the employee must be at least 55 years of age.”

He stated that although the plan does include a reference to the age 55 requirement under section 1(c) he wanted it to be contained in Paragraph 1(a), as well. Mr. O'Donnell stated that this language reassures that retirees cannot receive the health insurance benefit unless they are age 55.

Mr. Whitehead inquired as to whether adding this language will clarify any ambiguities that may have existed in the original plan. Mr. O'Donnell stated that adding this language will make it perfectly clear. Mr. Stuto stated that adding this language would make it perfectly clear.

Mr. Shaw requested confirmation that all that was being done to the plan was closing this loophole. Mr. O'Donnell confirmed this was correct.

Mr. Graziano moved to recommend adoption of the plan as amended to add the age 55 requirement to the Authority at its February 2010 meeting. The motion was adopted unanimously.

4. Discussion on ACA Annual Cost of Living Adjustment

Mr. O'Donnell stated that the Authority Personnel Handbook provides for an annual cost of living adjustment (COLA) for its employees. The Authority has provided COLAs on an annual basis to its employees since its inception.

Mr. O'Donnell stated that although the CPI last year (2008) was at 4%, the following COLAs were authorized: CEO – 1.5%; Employees making more than \$70,000 – 2.25; Employees making less than \$70,000 – 3% ; and Hourly Couriers - \$.50/hour.

Mr. O'Donnell stated that in consideration of the current economic conditions, he has provided the Committee with three options for consideration for COLAs. Mr. O'Donnell distributed the 2010 Salary Schedule for Authority employees which contained three options for 2010 COLAs. He stated that 1.5% COLA was included in the 2010 budget and the current union contracts that have one year remaining call for raises between 3% and 3.5%. He stated that what is approved for the Authority employees will play an important role in future discussions regarding union raises.

Mr. O'Donnell reviewed the three options outlined in the 2009 Salary Schedule:

- Option 1: No Raise
- Option 2: 1% Raise
- Option 3: 1.5% Raise

Chair Langdon inquired as to the timeframe for union negotiations. Mr. O'Donnell stated that negotiations are underway currently with the UTU and they are requesting a 3-year contract with a 1.5% raise the first year; 2% raise the second year; and 3% raise the third year.

Chair Whitehead inquired as to what was being done at the Federal, NY State and Albany County levels. Mr. O'Donnell stated that the County offered 3% for 2009 but over the course of the year has issued a furlough program for 1 day a month resulting in an overall 8% reduction. Mr. O'Donnell stated that the Federal government will issue a 2% raise and NYS was honoring CSEA and PEF contracts in the range of 3%; and deferring raises for employees designated Management/Confidential.

Mr. O'Donnell stated that in light of economic conditions, the raises should be at zero; however, he was concerned with the morale of the workforce, he would recommend Option No. 2. He stated that this will send a positive signal to the employees.

Chair Whitehead inquired as to the percentage included in the budget. Mr. O'Donnell stated that 1.5% was included in the budget, along with the 2010 increments that were due to certain employees. He stated that the increment program was based on that of New York State's whereby there is a starting rate and job rate with 1/7th increment given over 7 years to reach the job rate. Mr. O'Donnell reviewed the increments that were due.

Mr. Graziano confirmed that the cost of the 1% raise in Option 2 was \$17,425. Mr. O'Donnell confirmed that this was correct.

Mr. Graziano moved to authorize Option 2 which includes a 1% COLA, as well as 2010 increments and adjustments to certain base salaries. The motion was adopted unanimously.

Mr. Shaw inquired as to how merit fits into the equation for raises. Mr. O'Donnell stated that he has used merit raises on occasion in the past on an individual basis; however, with the economic downturn, these types of raises have been minimal.

Chair Whitehead inquired as to where this information will be posted. Mr. O'Reilly stated that it will be posted with the Authority Budget Office and "SeeThroughNY."

Mr. Shaw inquired as to whether there were opportunities to grow in the organization. Mr. O'Donnell stated that there are very few promotional opportunities.

Mr. Whitehead inquired as to whether adjustments can be made should there be an upturn in the economy. Mr. O'Donnell stated that a Personnel Committee could be called at any time and he thanked the Committee for their consideration in this matter.

There being no further business, the meeting was adjourned at 3:40 pm.



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PERSONNEL COMMITTEE MEETING

AGENDA

December 15, 2009

- 1. Approval of Minutes: December 16, 2008**
 - 2. Discussion of Adoption of Deferred Compensation Committee Resolution to Amend and Restate the Model Plan**
 - 3. Discussion of Amendment to OPEB Health Benefit Plan**
 - 4. Discussion on ACAA Annual Cost of Living Adjustment**
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