

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: COUNTY FACILITIES

DATE: JUNE 6, 2013

COMMITTEE MEMBERS PRESENT: OTHERS PRESENT:

SUPERVISORS GIRARD
WOOD
LOEB
MASON

JEFFERY TENNYSON, SUPERINTENDENT OF THE DEPARTMENT OF PUBLIC WORKS
ROSS DUBARRY, AIRPORT MANAGER
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD
PAUL DUSEK, COUNTY ADMINISTRATOR
MARTIN AUFFREDOU, COUNTY ATTORNEY

COMMITTEE MEMBER ABSENT:

SUPERVISOR WESTCOTT

JOAN SADY, CLERK OF THE BOARD
FRANK E. THOMAS, BUDGET OFFICER
SUPERVISORS BENTLEY
CONOVER
MONTESI
STRAINER
TAYLOR
MICHAEL SWAN, COUNTY TREASURER
MORGAN MUELLER, INTERN FOR THE COUNTY ATTORNEY'S OFFICE
JOHN STROUGH, QUEENSBURY TOWN COUNCILMAN, 3RD WARD
RICH WATERS, OF RICH AIR
JOHN WHEATLEY, ECONOMIC DEVELOPMENT SPECIALIST, EDC WARREN COUNTY
JON MANDWELLE, WARREN COUNTY RESIDENT
CHARLENE DIRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

Mr. Girard called the meeting of the County Facilities Committee to order at 9:33 a.m.

Motion was made by Mr. Loeb, seconded by Mr. Mason and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Privilege of the floor was extended to Ross Dubarry, Airport Manager, who distributed copies of the agenda packet to the Committee members; *a copy of the agenda packet is on file with the minutes.*

Commencing the agenda review, Mr. Dubarry requested to amend Resolution No. 726 of 2012, which authorized the Chairman of the Board of Supervisors to execute a letter making a formal offer to purchase avigation easements for the approach to Runway 30 at Floyd Bennett Memorial Airport, in order to increase the amounts not to exceed from \$467,700 to \$855,300 for Charon Trust and from \$46,700 to \$75,000 for Queensbury 400 Properties, Inc.; and to authorize the Chairman to revise and execute a letter making the formal offers as amended.

Mr. Dubarry explained Charon Trust and Queensbury 400 Properties, Inc. had both presented counter offers. He stated the owner of the Charon Trust parcel had re-negotiated to include additional property and to only retain the house with the two acres surrounding it. He said they had the parcel appraised and forwarded the appraisal to the New York State Department of Transportation (NYS DOT) for approval of Just Compensation which was received in the amount of \$855,300. Mr. Dubarry stated in order to revise the offers, the prior resolution would require amendment. He pointed out the agenda packet contained a summary of the changes and the fiscal impact of the increases. He explained the Queensbury 400 Properties, Inc. counter offer did not include any changes in the easement acquisition. He said the amount of the increase was \$28,300 which had not been approved by the NYS DOT; therefore, he continued, it had been necessary to

seek an Administrative Settlement process through the FAA (Federal Aviation Administration). He added justifications had been submitted as part of the process and the FAA had indicated that the requested Just Compensation of \$75,000 was eligible for reimbursement under the grant.

Following a brief discussion, motion was made by Mr. Mason, seconded by Mr. Loeb and carried unanimously to amend Resolution No. 726 of 2012, as outlined above and to authorize the Chairman of the Board to revise and execute a letter making the formal offers as amended. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the June 21, 2013 Board meeting.*

Mr. Dubarry noted the next item on the agenda was a discussion on the FBO (Fixed Base Operator) lease renewal. Mr. Girard said the FBO, Rich Air, was interested in renewal of the five year contract for an additional five year term. He said he had requested the attendance of Jeffery Tennyson, Superintendent of the Department of Public Works (DPW), and Martin Auffredou, County Attorney, in order to discuss the lease renewal.

Mr. Auffredou explained renewal of the agreement for an additional five year term required written notice six months prior to the expiration date of December 31, 2013. He noted the date by which the decision would need to be made was fast approaching. He apprised that Article 3 of the Term and Renewal clause stated if the agreement was to be renewed it would be for an additional five year term upon the same terms and conditions.

Mr. Auffredou advised the Committee that the options for the FBO lease renewal were, as follows:

- ▶ to renew the lease for an additional five year term upon the same terms and conditions;
- ▶ to allow the current agreement to expire on December 31, 2013 which would require the release of an RFP (Request for Proposal) seeking a new FBO; or
- ▶ if the County had minor areas of concern with the current agreement they could contact Richard Schermerhorn, of Rich Air, to address them prior to renewal.

Mr. Auffredou stated that if the concerns pertained to fees or percentages then he would recommend another RFP process. He added if there were aspects of the agreement in which the County wanted to see improvement, for example increased marketing efforts, then he would recommend addressing these concerns with Mr. Schermerhorn.

Mr. Mason agreed with the options outlined by Mr. Auffredou. He said he favored either discussing the County's concerns with Mr. Schermerhorn or releasing a new RFP. He stated he did not want to renew the contract for an additional five year term upon the same terms and conditions. A brief discussion ensued as to the proper topics for open and executive session wherein Mr. Auffredou advised that issues of performance should be discussed in executive session.

Mr. Mason said he had been advised that the County should seek a larger percentage of the revenue from fuel sales. He added he would like to discuss some issues pertaining to performance in an executive session. Mr. Auffredou pointed out the percentage of revenue for fuel and other sources had been decided based on the RFP process. He advised any changes to fees and rates should be done through the RFP process in order to be fair to any possible competitors.

Mr. Loeb suggested the lease be renewed for a shorter period of time, such as six months to allow the County the necessary time to make an informed decision. Mr. Auffredou said a shorter renewal term had not been contemplated in the original agreement; however, he added, the County would

have the authority to enter into some kind of continuation of the current contract with the same terms and conditions.

Paul Dusek, County Administrator, pointed out that five years ago when the County released the RFP for an FBO, there had been very little interest. He noted the only responsible proposals received had been from the previous FBO and Rich Air. He stated the intention five years prior had been that the lease would be renewed for an additional five year term. He questioned if a new RFP process would yield different results than it had five years prior. Mr. Dusek agreed with Mr. Loeb's assessment that it would be difficult to negotiate a contract in the six months remaining on the current agreement.

Mr. Girard stated there had been questions regarding negotiation of the percentage of fuel revenues and he said his understanding was that negotiations pertaining to this issue would require a new RFP process. He noted there were older T-hangars at the Airport which also generated revenue which was collected by Rich Air. He pointed out there was a new facility utilized for repair and maintenance of aircrafts. He explained this meeting had been scheduled to discuss the options and if possible to make a decision pertaining to the FBO lease.

Mr. Loeb commented he did not have strong opinions one way or the other pertaining to the FBO lease; however, he added, he felt making a quick decision could lend itself to making an improper decision. He reiterated his recommendation of extending the current lease for an additional six to eight month period to allow the County time to make an informed decision.

Mrs. Wood stated that she appreciated Mr. Schermerhorn's investment in the Airport over the last five years; however, she opined, the County would have nothing to lose by releasing another RFP for an FBO. She added that Rich Air could submit the same proposal as the current agreement and there was a possibility that they would be the only bidder.

Mr. Montesi asked the amount of revenue generated by the T-hangars and he acknowledged the County did not currently receive a percentage of the revenue. Mr. Girard replied he had talked to one pilot who paid \$265 per month for one bay within a T-hangar. Mr. Dubarry opined there was one row of newer T-hangars with six bays per hangar. He said the newer T-hangars were County owned and the County received 50% of the revenue generated. He commented for all of the other County owned T-hangars the County received 10% of the revenue generated. A brief discussion ensued.

Jon Mandwelle, Warren County Resident, stated he had completed some calculations which showed that if the current contract was renewed for an additional five year term with an assumed 15% increase each year, the FBO would generate approximately \$670,000 and the County would generate approximately \$150,000 in the next five years. He noted the cost to the County for operating the Airport would increase incrementally each year and the County Treasurer had indicated the amount would be in excess of \$1 million per year. He added the County was responsible for the expenditures pertaining to capital investments such as the Runway expansion.

Mr. Mason mentioned he would like to see the condition of the old T-hangars improved as part of the FBO contract. He commented he would like to see greater marketing efforts included in the FBO contract. Mr. Auffredou replied that discussions could be held with Mr. Schermerhorn pertaining to marketing efforts within the context of the current agreement.

Following further discussion on the matter, motion was made by Mr. Loeb and seconded by Mr. Mason to extend the current agreement with Rich Air for the Fixed Base Operator lease under the

current terms and conditions for a term commencing December 31, 2013 and terminating August 31, 2014 to allow the necessary time to decide if the contract would be renewed for an additional five year term.

Mr. Conover questioned the aspects of contract negotiations which would be subject to an executive session. Mr. Auffredou replied any performance issues could be discussed in an executive session. He added that items such as rates, fees and percentages could be discussed directly with Mr. Schermerhorn and his representatives. Mr. Conover asked if items such as negotiation approach and strategy could be discussed in executive session and Mr. Auffredou replied in the negative.

Mr. Montesi asked if the motion was to extend the existing contract for eight months beyond the end of 2013 and Mr. Auffredou replied affirmatively. Mr. Montesi expressed the need to develop a plan of action and a list of concerns and issues to be addressed. Mr. Loeb responded the eight month extension would allow the County the necessary time to review all of the concerns and determine a course of action. Mr. Auffredou explained the current agreement required the County to exercise an option to renew by June 30, 2013 and the Committee was not prepared to do so at this time. A brief discussion ensued.

Mr. Girard called the question and the motion was carried unanimously to extend the current agreement with Rich Air for the Fixed Base Operator lease under the current terms and conditions for a term commencing December 31, 2013 and terminating August 31, 2014 to allow the necessary time to decide if the contract would be renewed for an additional five year term. *The necessary resolution was authorized for the June 21, 2013 Board meeting.*

Mr. Mason suggested the Committee enter into a brief executive session to discuss the performance history of a particular vendor.

Motion was made by Mr. Mason, seconded by Mr. Loeb and carried unanimously that executive session be declared pursuant to Section 105 (f) of the Public Officers Law.

Executive session was declared from 10:11 a.m. to 10:26 a.m.

The Committee reconvened and Mr. Girard noted no action had been taken in the executive session.

Mr. Montesi commented that various improvements had been made to the Airport by the FBO within the last five years. Mr. Loeb agreed with Mr. Montesi and noted there were only a few items in the contract which the County would wish to negotiate. Mr. Mason agreed and commented the County was in a very comfortable position. He added Rich Air had expressed an interest in renewing the contract and if the County wanted to change aspects of the contract, this was the time to do so.

Mr. Girard said the next item on the agenda was a discussion on the possibility of contracting for snow removal and mowing services at the Airport. He added this topic had been raised as a way to reduce costs for the 2014 budget. He stated if the County wanted to contract for these services it would require an RFP process. Mr. Mason stated he would prefer the service stay within the County as opposed to being contracted out; however, he challenged Mr. Dubarry to reduce the Airport operating budget by 10% for 2014. Mrs. Wood mentioned there were safety concerns pertaining to the mow02.ing and snow removal at the Airport and she would prefer the service be kept within the County. Mr. Loeb commented there was more urgency associated with snow removal than there was with the issue of mowing. Mr. Girard explained the issue involved four staff members who were responsible for both the mowing and the snow removal, as well as other duties. Mr. Girard apprised

that given the investments made by the County pertaining to the runway expansions and acquisitions, he felt contracting out these types of services would wound the momentum. He pointed out that in order to save money on these services, the County would need to layoff employees and contract with a company that charged less than the total salaries.

Mr. Girard pointed out there was a request from Cornell Cooperative Extension to cover the cost of re-stripping the parking lot at approximately \$400 and he requested the issue be forwarded to the Finance Committee to determine a source of funding. Mr. Mason pointed out Cornell Cooperative Extension leased the building for approximately \$30,000 per year and he felt the County should cover the expense. Mr. Tennyson stated his budget contained separate codes for each of the various County facilities and there was not a code in the budget for maintenance of the Cornell Cooperative Extension building. He further stated that none of the revenue from the lease of the building was allocated towards the DPW budget. He commented the DPW staff had assisted with maintenance and other issues pertaining to the property in the past; however, he reiterated, the \$400 for re-stripping the parking lot had not been budgeted. Mr. Dusek stated if the funds had not been budgeted for by DPW then the expense should not be encumbered through the DPW budget. He said the payment of the \$400 could be approved by this Committee and forwarded to the Finance Committee to determine a source of funding. He suggested the lease be reviewed to determine if re-stripping the parking lot was the obligation of Cornell Cooperative Extension. He pointed out there would be legal issues with the County covering the cost if the lease dictated this was the responsibility of Cornell Cooperative Extension.

Motion was made by Mr. Mason, seconded by Mr. Loeb and carried unanimously to approve the cost of \$400 for re-stripping of the parking lot at Cornell Cooperative Extension and to forward same to the Finance Committee to determine a source of funding. *(Subsequent to the Committee meeting, upon review of the lease agreement with Cornell Cooperative Extension by the County Attorney and the Superintendent of the DPW, it was determined that the County DPW would proceed with the striping of the parking lot for this year and the terms of the agreement as they related to maintenance of the property would be revised and clarified in the future renewal.)*

Mr. Girard apprised the Committee had been requested to hold an evening meeting in the past, particularly by Mr. Westcott. He opined that it was appropriate for the Economic Development Corporation (EDC), Warren County to attend this evening meeting to provide insight and he recommended the Committee wait until the EDC appointed a new President before they scheduled the evening meeting. Mr. Mason stated he had been taken aback at the previous Committee meeting when a representative of the EDC had commented the Airport was a community development project and not an economic development project. He said he had since done some research and in many parts of the Country, airports were economic development endeavors, some having Airport Economic Development Councils. A brief discussion ensued.

Mr. Loeb requested that bicycle racks be placed at appropriate locations on the Municipal Center Campus, particularly at the Human Services Building. He said he was aware of several requests from employees of the Human Services Building for bicycle racks. Mr. Tennyson responded he was unaware of any requests for bicycle racks but he would look into the matter. He explained that on the Warren County Bike Path the bicycle racks had been constructed; however, he added, he would recommend the purchase of steel racks for the Municipal Center Campus to match the current aesthetics of the buildings.

Mr. Mandwelle asked if there was a formal marketing plan in place for the Floyd Bennett Memorial Airport and Mr. Dubarry replied in the negative. Mr. Mandwelle requested the County to consider

development of a marketing plan for the Airport possibly supported by occupancy tax funding. Mr. Girard said a marketing plan had been suggested by a former President of the EDC but it had never been brought to fruition. Mr. Mandwelle stated the Airport should be promoted as a destination airport to bring in the traffic which would increase occupancy tax collections. Mr. Tennyson noted there were occasional grants available to complete the necessary marketing studies. He noted they had pursued grant funding for the natural gas conversion this year but they could pursue a grant for a marketing study in the future.

As there was no further business to come before the County Facilities Committee, on motion made by Mr. Mason and seconded by Mr. Loeb, Mr. Girard adjourned the meeting at 10:49 a.m.

Respectfully submitted,
Charlene DiResta, Sr. Legislative Office Specialist