

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: **AIRPORT**

DATE: October 23, 2006

**Committee Members Present:**

Supervisors Tessier  
Stec  
O'Connor  
Haskell  
Mason  
Girard

**Others Present:**

Marshall Stevens, Airport Manager  
William Lamy, DPW Superintendent  
Kim Lussier, Empire East Aviation  
William H. Thomas, Chairman  
Paul Dusek, County Attorney  
Joan Parsons, Commissioner of Administrative &  
Fiscal Services

**Vacant:** Town of Queensbury

Joan Sady, Clerk of the Board  
Nicholas Caimano, Budget Officer  
Supervisor Belden  
Supervisor Geraghty  
Supervisor Merlino  
Supervisor F. Thomas  
Supervisor Champagne  
Debra L. Schreiber, Legislative Office Specialist

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Mr. Tessier called the meeting to order at 10:34 p.m.

Motion was made by Mr. Mason, seconded by Mr. O'Connor, and carried unanimously to approve the minutes of the September 25, 2006 committee meeting, subject to correction by the Clerk.

Privilege of the floor was extended to Marshall Stevens, Airport Manager, who distributed copies of his Agenda to the committee members, and a copy of same is on file with the minutes.

Commencing with the first item on the agenda, Mr. Stevens reminded the committee they were considering changing the locks on some doors at the Airport from the current key lock system to a card reader system. He said this option originally arose when the fire department responded to an alarm and could not enter through the door and had the fire department not waited for someone to arrive with a key, the County would have had to replace the glass doors. He said the estimated installation and wiring cost of the magnetic locks into the security and fire alarm system was between \$2,500 and \$3,000. He further explained a schedule could be determined allowing specific individuals access to the building during specified times. The upgrade to the current system would only affect the terminal system, he noted, and not the individual offices. Mr. Stevens further apprised the committee that Mr. Schermerhorn's tenants had requested permission to use the airport address as their business address; however, the post office was not interested in displaying a bank of mailboxes near the hangars. At this point, he said he had an extra mailbox for their use but the tenants would not have access during non-business hours. He informed the committee there was approximately \$3,500 in the Airport budget that was originally intended for the purchase of a security camera; however, that equipment was being purchased through a grant applied by the Sheriff's Department. Mr. O'Connor queried why people would want their mail delivered to the Airport and Mr. Stevens advised that Mr. Schermerhorn's tenants had offices at the Airport. Mr. Haskell asked Mr. Stevens if he had mentioned this card reader system to the

Sheriff and Mr. Stevens responded he had not discussed this particular proposal but the Sheriff had these cards. If there was an alarm, he said, there were four members of the Airport staff that were notified to reset the alarm.

Motion was made by Mr. Haskell and seconded by Mr. Mason authorizing Mr. Stevens to obtain additional quotes for upgrading the key lock security system to a note reader system.

Mr. Stevens reiterated they were not installing this security system on every door of the terminal building, just specific designated doors. Furthermore, he said, they were only expanding the initial system as they already had the computer port and readers.

After discussion, Mr. Tessier called the question and the motion was carried unanimously to approve the request as outlined.

Continuing on with Item 2, Mr. Stevens advised the construction of the new maintenance hangar was near completion with the exception of the sewer connection from the maintenance hangar to the terminal building. He stated he provided a summary prepared by C&S Engineers that included four contracts approving the necessary allowances and changes; which reflected a total increase in the project of \$2,648.99. He indicated the general contractor encountered additional work in three primary areas:

- 1) three power cables that were found in or around the foundation that had to be relocated;
- 2) two manhole covers and the slope of the apron in front of the terminal building necessitated elevation thereby eliminating puddles of water being trapped in the airport drainage system; and
- 3) the sewer connection that was not anticipated in the original design.

Mr. Stevens said there was \$1 million in the capital project (No. H256 9550 280 Airport Maintenance Hangar) and bond resolution, and the total contract amount with C&S Engineers, Inc. was \$989,828.99, an increase of \$2,648.99 or less than 1%.

Mr. Caimano entered the meeting at 10:50 a.m.

Motion was made by Mr. O'Connor, seconded by Mr. Mason and carried unanimously approving the requests to amend the existing contracts as follows:

- authorizing a change order increasing the contract with Rozell East, Inc., in the amount of \$15,866.19 for additional unforeseen work;
- authorizing a change order decreasing the contract with Harold R. Clune, Inc., in the amount of \$3,449.20;
- authorizing a change order decreasing the contract with Rozell East, Inc., in the amount of \$5,000; and
- authorizing a change order decreasing the contract with Mazone Plumbing and Heating, Inc., in the amount of \$4,768.

Copies of the resolution request forms are on file with the minutes and the necessary resolutions were authorized for the November Board meeting.

Relative to Item 3 of the agenda, Mr. Stevens said Kim Lussier from Empire East Aviation was present to discuss the issue of rent between the County and the FBO (fixed base operator). Based

on research he had undertaken, Mr. Stevens said their current finance costs under a bond anticipation note was approximately \$40,000. Mr. Stevens stated it was his understanding that the construction of this new maintenance hangar would be incorporated into the bond with the Department of Social Services (DSS) building. Mr. Dusek commented the project would be bonded but he was unsure whether it would be connected with that building due to the involvement of private interests. Mr. Stevens indicated Warren County had one of the few relatively new maintenance hangars that were publicly funded. He apprised Albany Airport, which was the closest, amortized their entire hangar construction costs (including the design and engineering costs) and passed those on to the large corporations (Eclipse Aviation).

Mr. Stevens itemized the current rental agreement with Empire East:

- \$500 base rent (including the existing maintenance hangar, all t-hangars, large conventional hangar, small vehicle garage, as well as use of the apron);
- five cents per gallon on fuel sales;
- 3% of their gross revenue except charters, flight instruction and aircraft maintenance;
- 50% revenue from the new t-hangars with an annual guarantee of \$25,000 per year;
- maintain the buildings except the terminal; and
- provide utilities to their leasehold.

While he anticipated the current provisions to carry forward, Mr. Stevens noted a few options the County might like to pursue would be charging:

- a fixed rate;
- a percentage of their income; or
- a graduated rent scale based on their net billings or maintenance.

Mr. Tessier commented the \$40,000 finance cost was interest only. There were discussions with the prior FBO being able to afford \$1,500 per month and Mr. Haskell inquired whether the current FBO could afford same. Mr. Stevens commented Mr. Lussier was present to answer any questions from the committee. Mr. Mason queried how the FBO intended to increase business and where it would be generated.

Due to space constraints with the original maintenance hangars, Mr. Lussier apprised they were limited to the number of aircraft they could work on at any given time; however, with the new hangars, they could work on four to five aircraft at one time. He stated the new hangar would enable them to undertake additional insurance repairs, increase fuel sales and increase maintenance. Furthermore, based upon his past experience in Springfield, Vermont, Mr. Lussier commented they performed 52 annuals per year. Mr. Lussier stated he was in the planning stages relative to who would perform/finance the construction of the hangars and he recently learned of a company that specifically worked with airports to arrange t-hangar financing. He added that he had performed annual maintenance for some customers who had since gone elsewhere due to the lack of hangar space at this Airport.

Mr. Stec entered the meeting at 11:00 a.m.

In response to an inquiry by Mr. Mason, Mr. Lussier replied he had received additional fuel sales from tenants of Mr. Schermerhorn. Despite the increased price of fuel, he reported the overall fuel sales had increased due to the increase in jet traffic. Mr. Stevens added jet fuel (gallons) had increased 20% and fuel for small planes (low lead) was up 2% during the first three quarters of 2006.

Mr. Tessier suggested scheduling a special meeting/workshop at the Warren County Airport. Mr. Caimano recommended compiling a one, three and five year business plan for the Airport.

Mr. F. Thomas and Mr. Hess entered the meeting at 11:06 a.m.

Mr. Haskell acknowledged a meeting at the Airport was a good idea and based upon the consensus of the committee, the meeting was scheduled for Tuesday, October 31, 2006 at 9:30 a.m.

Mr. Lussier added he received an email from the American Yankee Association following their recent visit to the Airport on October 14, 2006, thanking the Airport staff members for their hospitality. He said the parting message was "We'll see you in June."

Continuing on with Item 4 of the agenda, Mr. Stevens stated he had the Department of Public Works (DPW) engineering staff peruse the old maintenance hangar and it was their recommendation the following repairs/work be performed:

- minor ceiling/roof patching;
- connect to the sewer (could be done in-house); and
- concrete columns supporting header over door.

By performing the necessary work in-house, Mr. Stevens estimated it would cost approximately \$5,000 and would extend the life of the building three years. He said he had received numerous inquiries relative to some possible uses including Empire East; a gentleman interested in rebuilding/reselling aircraft; a gentleman who wished to renovate the building for their private hangar, as well as another gentleman interested in replacing this building with their own but due to the electrical service being located in that building, that possibility was eliminated.

In reviewing the overall plan for the Airport, Mr. Stevens stated in three to five years they hoped all buildings in that area (County shop, sand/storage building and steel storage building) would be relocated up to the Fisher Farm. He suggested leasing the old hangar to some avionics specialty shop or upholstery repair shop.

Mr. Champagne entered the meeting at 11:15 a.m.

Due to the location of the power in that building, Mr. Tessier acknowledged the building could not be torn down; therefore, he recommended cleaning it up so the County could recognize a return on their investment.

Relative to Item 5 on the agenda, Mr. Stevens apprised Mr. Schermerhorn had been successful in attracting jets to base their aircraft at the Airport, specifically noting he currently had one jet, was close to obtaining a second, as well as bringing in his personal aircraft. He stated Mr. Schermerhorn had been approached by his tenants requesting maintenance on their aircraft be based at the Airport (cleaning of the aircraft, mailboxes and office space). Pursuant to the lease agreement with Mr. Schermerhorn, Mr. Stevens explained hangars 1 and 2 were limited to storage and minor maintenance that did not require authorization by a licensed aircraft mechanic. While there had been discussions between Mr. Schermerhorn and Mr. Lussier relative to aircraft maintenance, he said Empire East Aviation was not certified to perform jet maintenance. Mr.

Stevens said it had recently come to his attention that Mr. Schermerhorn had violated the Minimum Standards Document by bringing an individual in to clean aircraft. He noted that Mr. Schermerhorn had been compensated for hangar storage only.

Mr. Lamy exited the meeting at 11:20 a.m.

In conversations with Mr. Lapper, attorney for Mr. Schermerhorn, Mr. Stevens advised hangar No. 3 was based on the old lease model and Mr. Schermerhorn expressed the desire to upgrade that hangar to include jet maintenance. While the Minimum Standards Document gave the County structures by which they had agreements, he noted, their grant assurances restricted them from making those exclusive. Mr. Dusek reminded the committee that Mr. Schermerhorn, through his attorney, requested permission to perform maintenance in the hangar and was unsure he would continue construction if he was denied.

Mr. Caimano exited the meeting at 11:22 a.m.

Mr. Stevens encouraged the committee members to envision the overall growth plan of the Airport to include jet maintenance. Based upon information he learned from a conference he recently attended, Mr. Stevens said he anticipated a significant increase in corporate jets and recommended Warren County begin preparations.

Paul Dusek, County Attorney, requested an Executive Session to discuss a possible litigation claim, the employment history of a particular employee and attorney/client privilege information. Motion was made by Mr. Haskell, seconded by Mr. Stec and carried unanimously that Executive Session be declared pursuant to Sections 105 (d) and (f) of the Public Officers Law.

Executive Session was declared from 11:25 a.m. to 11:32 a.m.

Committee reconvened.

Mr. Tessier noted that no action was taken pursuant to Executive Session.

There being no further business to come before the committee, on motion by Mr. Haskell and seconded by Mr. Stec, Mr. Tessier adjourned the meeting at 11:35 a.m.

Respectfully submitted,

Debra L. Schreiber  
Legislative Office Specialist