

## WARREN COUNTY BOARD OF SUPERVISORS

**COMMITTEE: COUNTY FACILITIES**

**DATE: MAY 7, 2013**

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**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS GIRARD  
WOOD  
LOEB  
WESTCOTT  
MASON

**OTHERS PRESENT:**

JEFFERY TENNYSON, SUPERINTENDENT OF THE DEPARTMENT OF PUBLIC WORKS  
ROSS DUBARRY, AIRPORT MANAGER  
KEVIN B. GERAGHTY, CHAIRMAN OF THE BOARD  
JOAN SADY, CLERK OF THE BOARD  
JOANN MCKINSTRY, ASSISTANT TO THE COUNTY ADMINISTRATOR  
FRANK THOMAS, BUDGET OFFICER  
MICHAEL SWAN, COUNTY TREASURER  
SUPERVISORS BENTLEY  
MONTESI  
MONROE  
STRAINER  
TAYLOR  
RICH WATERS, OF RICH AIR  
NEAL VAN DORSTEN, WARREN COUNTY RESIDENT  
BRIAN STRAUB, WARREN COUNTY RESIDENT  
DON LEHMAN, *THE POST STAR*  
SARAH MCLENITHAN, LEGISLATIVE OFFICE SPECIALIST

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Mr. Girard called the meeting of the County Facilities Committee to order at 10:03 a.m.

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

Mr. Girard advised the purpose of this meeting was to review the Airport budget and to answer any questions the Committee members may have. He stated that he asked Jeffery Tennyson, Superintendent of the Department of Public Works, and Ross Dubarry, Airport Manager, to prepare a line by line report of the current budget, as well as estimates for future budgets.

Privilege of the floor was extended to Mr. Dubarry, 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 presented a request to submit a grant application to the New York State Department of Transportation (NYSDOT) Aviation Capital Grant Program for an amount not to exceed \$600,000, to design and install a natural gas distribution system and backup generator for all airport buildings currently being served by other fuel types. He explained the County share would be \$60,000; however, he estimated the savings to the County would be approximately \$17,332 annually. He noted approximately \$200,000 of the grant funds would be used to purchase a new backup generator, as replacement parts were no longer available for the current one.

Mr. Loeb questioned where the savings estimate was derived and Mr. Dubarry stated, the savings would be generated from the conversion of the current heat sources to natural gas. Mr. Tennyson advised the proposed project included replacement or upgrading of the existing heating units, which he felt would result in additional savings.

Mr. Westcott questioned where the grant funds originated from and Mr. Dubarry responded the funds were from the NYSDOT, which had allocated funds to the State Aviation Capital Grant Program. He noted there had not been funding in several years; however, the State had reinstated the funds this year. Mr. Westcott queried whether the funds were derived from income taxes and Mr. Dubarry replied he was unsure.

In response to Mr. Westcott's question as to the usable life of a \$200,000 generator, Mr. Tennyson estimated it to be between 20-30 years. Mr. Westcott said replacing the generator was essential, as replacement parts were no longer available. Mr. Mason advised he felt the generator should be considered a separate item, meaning the natural gas conversion project had an estimated cost of \$400,000. He remarked the savings did not include the increase in efficiency, which he projected would be considerable.

Motion was made by Mrs. Wood, seconded by Mr. Loeb and carried unanimously to authorize submission of the grant application as outlined above. *A copy of the resolution request form is on file with the minutes and the necessary resolution was authorized for the May 17, 2013 Board meeting.*

Mr. Dubarry distributed copies of the Operating budget for 2012, adopted budget for 2013 and projected budgets for 2014-2018, which he reviewed in detail; *a copy of the which is on file with the minutes.*

Mr. Loeb asked what the green bars on the graph on page one indicated and Mr. Dubarry replied they signified the dollar amounts including inflation and the blue bars referenced operating costs. He explained operating costs were running consistently below the inflation rate which increased an average of 2% annually. He noted the spike in 2011 was due to a change that allocated fringe benefits to the individual divisions of the DPW. Mr. Tennyson said the green line represented imaginary costs if the Airport operating costs were running at inflation. He pointed out the Airport had reduced its costs while inflation steadily increased at 2%. He said the increase in fringe benefits was due to an accounting change implemented by the County Treasurer's Office.

Mr. Westcott questioned if the Airport budget operating costs for the current year were \$880,000 and Mr. Dubarry replied that \$880,000 was the deficit, which reflected the difference between operating expenses and revenues. With regards to the second page of the presentation, Mr. Dubarry said line 1710 represented the anticipated revenue from donations for the balloon festival, which offset some of the overtime costs the County incurred during the event.

Mr. Loeb queried why there was a decrease in revenues from 2010 to 2011 and Mr. Dubarry replied he believed the increase in 2010 was due to the construction of corporate jet hangars and the reduction in 2011 occurred from the decrease in the land lease rates. Mr. Tennyson clarified the revenue from the corporate jet hangars was reduced from an estimated \$34,000 in 2010 to \$17,000 the following year. He indicated he felt the revenue estimate from Balloon Festival parking and donations was conservative. He said he felt there was the potential to cover all overtime costs incurred during the event.

In response to a question from Mr. Westcott, Mr. Dubarry said the cost of the drainage system installed to accommodate Balloon Festival parking was allocated to the Airport budget in material costs and equipment rental. Mr. Tennyson stated he felt this was a required expense to ensure the lawn was available for parking and did not become a "mud pit" in case of rain since parking passes had already been sold.

In reference to page 5 of the presentation, Mr. Mason asked for further explanation on line 421, Equipment Rental expense in the amount of \$166,500 for 2013. Mr. Tennyson explained the expense was similar to that of employee fringe benefits, in that they were allocated to the different divisions of the DPW. He said the purchase, repair, refueling, insurance and maintenance of any DPW equipment were included in the machinery code for the shop located in Warrensburg and then the expenses were distributed to the various divisions of the DPW. Mr. Mason asked if the figure was accurate and Mr. Tennyson replied he felt the system should be reevaluated, as the DPW were incurring costs for maintaining vehicles outside of their department.

Mr. Westcott questioned what type of equipment the expense referred to and Mr. Tennyson responded it applied to all equipment that required gas to operate. Mr. Loeb pointed out other airports managed by Counties did not have this type of allocation for equipment and Mr. Tennyson agreed. He referenced Saratoga County having zero dollars allocated for equipment; however, he added, they obviously had equipment, but must have allocated it elsewhere in their budget.

Mr. Monroe suggested exploring the installation of solar panels, as he felt this would result in substantial savings. Mr. Dubarry responded that he concurred with Mr. Monroe; however, the Federal Aviation Administration (FAA) had temporarily banned the use of solar panels at airports due to reflectivity concerns. He noted he would look into this option should the FAA release the ban.

Mr. Loeb queried where the \$175,000 in revenue was reflected and Mr. Tennyson responded it was represented on page 5 of the presentation under 470 (Contracts). He said the dollar amounts did not equal because there were other contracts included in the contract figure.

Mr. Girard asked for clarification on what the Retiree Hospitalization included and JoAnn McKinstry, Assistant to the County Administrator, advised it was the cost of health insurance for all former County Airport employees. In reference to slide 6 of the presentation, Mr. Strainer asked if the Airport expense budget projections included employee salaries and Mr. Dubarry replied in the affirmative.

Mr. Dubarry stated that slide 7 of the presentation depicted the 2012 actual operating revenue and adopted budget for 2013, as well as operating revenue projections for 2014 through 2018. He indicated the projected numbers were based upon the 2% inflation rate, as well as prior years performance. He noted he anticipated the figures for Balloon Festival donations and revenue from parking fees would remain flat each year; however, the figure could change depending on the attendance and weather conditions during the festival.

Neal Van Dorsten, Resident of Warren County, suggested the County not close the entire Airport for three days during the Balloon Festival. He said the County could increase revenue by including the aviation community in the event such as is the case with other major Balloon Festivals in the United States. He noted rather than closing the Airport for three days, the County could provide black out times for balloon launches and air shows. Mr. Westcott pointed out if the runway was expanded and more commercial air service was acquired by the Airport, it may not be feasible to host the Balloon Festival.

In response to a question from Mr. Loeb, Mr. Dubarry said the revenue received from the Fixed Base Operator (FBO) was reflected in Airport Rentals. Other revenue received from Airport rentals was in reference to land leases, he stated.

Mr. Westcott asked whether the roof repair discussed in the previous committee meeting was included as a capital project and Mr. Dubarry replied affirmatively. Mr. Loeb questioned why the equipment rental fee was reflected at a flat rate and Mr. Tennyson explained he asked Mr. Dubarry to keep equipment rental at a flat rate. He said he felt it would be decreasing due to the possibility of making a change in the way it was accounted for in the budget.

Kevin Geraghty, Chairman of the Board, asked for clarification on the commercial airline service Mr. Westcott had referenced previously, as he was not aware of this. Mr. Girard responded there was a misconception that the County was trying to attract much larger aircraft services such as 727's to the Airport. He said the extension was for the corporate jets that currently used the Airport, as well as to increase the possibility of attracting more jets like this in the future. Mr. Geraghty suggested refraining from a reference to attracting commercial airline service, as this was not the case.

Mr. Bentley queried if Warren County accounted for their salaries, fringe benefits and equipment similar to the way Saratoga County Airport did, would the operating costs of the Airport be less than Saratoga and Mr. Dubarry replied it was possible. Mr. Tennyson pointed out the Saratoga County Airport included some salaries in their operating expenses; however, they did not account for the cost of snow and ice removal.

Mr. Dubarry explained the last few slides referenced the Capital Projects, the first of which encompassed all Capital Projects included in the Master Plan and the next included only high priority projects. Mr. Tennyson said this was similar to how the DPW selected the highway projects that would be completed in a fiscal year. He pointed out due to lack of funding some projects were placed on hold and carried over into future budgets. Mr. Dubarry noted the runway expansion was included in 2014 and 2015. Projects that had been overlooked were included in 2016 and 2017, he said.

Mr. Girard advised due to the increase in public interest in the Airport, he felt the review of the budget and the projected budgets was warranted. He suggested before the meeting adjourned, a tour of the Airport be scheduled for the Committee so they were aware of the items being discussed.

Brian Straub, Warren County Resident, asked if the construction of two 10-bay T-hangars referred to replacing the T-Hangar where his airplane was currently stored and Mr. Dubarry replied in the negative. He explained it represented the construction of two new T-Hangars and not replacement of existing ones. Mr. Straub explained that he wrote a check for \$265 a month to store his aircraft in one of the current T-Hangars at the Airport, which originated when the Airport was located on Aviation Road. He stated, he felt the building was in need of replacement within the next few years due to its age, as well as other issues, including a leaky roof. He added T-Hangar rental was a source of revenue for the County. Mr. Dubarry replied the County only received a small portion of the funds, as the majority of revenue was allocated to the FBO. He explained as per the contract with the FBO the old T-Hangars generated 10% of the total fee in revenue and 50% of the fees from the new T-Hangars. Mr. Tennyson pointed out of the \$265 Mr. Straub paid, the County received \$26.

Mr. Westcott advised he felt the Economic Development Corporation (EDC) would be able to use the Airport as an asset to market Warren County to potential new businesses. Mr. Dubarry remarked that he had planned on requesting more funds for marketing in the Airport budget. Mr. Westcott recommended that Mr. Dubarry develop a plan on how the marketing would equate to new business and revenue in Warren County, prior to making a request for funds.

Mr. Girard commented he felt it was important to commend C&S Engineering on their knowledge and expertise on the Airport projects over the past several years. Mr. Dubarry clarified C&S had a five year term contract with Warren County to provide engineering consulting and aviation services. He noted he relied on them profoundly for engineering guidance in preparing realistic budgets on Capital Projects. He said he felt due to the consistency of dealing with the same company for a number of years, it had aided the County in securing Capital project funding.

Privilege of the floor was extended to Mr. Straub, who advised the Committee he had been aggravated by claims made by the media that the Airport was a waste of taxpayer money; therefore, he said, he had performed substantial research and compiled a packet of information. He noted the information from the packet could be viewed on the website [www.warrenctyairport.com](http://www.warrenctyairport.com), as well.

Mr. Straub distributed copies of the packet, which he reviewed in detail; *a copy of which is on file with the minutes*. He began by stating that FAA and State regulations governed many portions of the Airport's operation and safety standards. He said the Counties contribution to the Airport had averaged \$750,000 annually for the past ten years. He noted a 2010 study sponsored by the FAA and the NYSDOT concluded the Airport's total economic impact to the region was estimated at \$8.3 million annually. According to Mr. Straub, the National Airport Improvement Program is fully funded by taxes on aviation fuels and aviation passenger tickets, which were used to finance 90% of the priority projects at airports around the nation. He said it was worth noting that Warren County Airport had been successful in securing grants from the program, saving taxpayers a substantial amount of money. He stated, if the proposed cuts that airport opponents advocated for were implemented it would decrease the feasibility of obtaining grants and the taxpayer portion of the Airport budget would increase. He pointed out the combined economic impact of the Airport and effect on the grants received by the Airport totaled more than \$80 million since 2002.

Mr. Straub pointed out the FAA would not allow 32% of all corporate jets to ever land at the Airport, as well as not allowing 30% of corporate jets to use the current runway during inclement weather such as snow, ice or rain as it was deemed too short to land safely. He advised several jets currently arriving at the Airport only used partial fuel in order to remain light enough to safely take off on the existing 5,000 foot runway. He noted by extending the runway, with 90% of the funding being provided by the National Airport Improvement Program, Warren County would be able to increase revenues by attracting more traffic and larger jets, as well as increasing fuel sales.

Referring to the claim made that the Airport's Part 139 status classified Warren County Airport as a commercial airport which burdened county taxpayers with expensive mandates that were questionable, Mr. Straub pointed out it would save the County a minimal amount of money if they discontinued the Part 139 status, unless the County decided to lower the safety standards. He said if the County did that it would take on additional risk and would be liable should an accident occur at the Airport. He noted it would also decrease the Counties chances of receiving grant funds from the National Airport Improvement Program, as the certification was a key factor in being awarded grant funds.

In response to the question, " why was Warren County acquiring more land when they already had 300% more than Saratoga County" Mr. Straub said this was incorrect. He explained the Saratoga County Airport was comprised of 522 acres while Warren County had 699 acres. He mentioned acquiring the additional land was necessary for the runway to be expanded and the cost to the taxpayers would be minimal, as the majority of the expenses were eligible for grant funding. He pointed out it was a misconception that Saratoga County received more air traffic, as the majority

of their flights were glider operations. He explained gliders were planes with no engine pulled by another plane to take off; therefore, he said, whenever a glider takes off, it was credited for two flights.

Continuing, Mr. Straub noted that at a previous meeting Mr. Westcott claimed Warren County should reduce the Airport budget because the Saratoga County Airport received more air traffic and was able to operate on a significantly smaller budget than Warren County; however, Mr. Straub stated, this was in part due to a difference in accounting. He said Saratoga County did not account for snow and ice removal or employee salaries in their Airport budget. He further noted Saratoga County was also looking into possible expansion in the future.

Mr. Straub recommended the County support the runway expansion, as he felt it was key to increasing the Airport's revenue. He suggested modifying the FBO contract to increase the County's share of revenue and eliminate provisions that did not permit attracting additional FBO's to the Airport. He proposed creating an Airport Advisory Board to advise the County with regards to the Airport. He said members should include the Airport Manager, a senior member of the EDC staff, four pilots and three members of the local business community.

Mr. Straub exited the meeting at 11:49 a.m.

Before adjourning the meeting Mr. Girard said the next meeting of the County Facilities Committee would be held on May 23, 2013 at 2:00 p.m at the Floyd Bennett Airport to give Supervisors and opportunity to tour the buildings of the Airport.

As there was no further business to come before the County Facilities Committee, on motion made by Mr. Loeb and seconded by Mrs. Wood, Mr. Girard adjourned the meeting at 11:54 a.m.

Respectfully submitted,  
Sarah McLenithan,  
Legislative Office Specialist