



greater rochester international airport

**MONROE COUNTY AIRPORT AUTHORITY
ANNUAL PUBLIC AUTHORITY REPORT - 2017**

MONROE COUNTY AIRPORT AUTHORITY ANNUAL PUBLIC AUTHORITY REPORT – 2017

ORGANIZATION AND PURPOSE

The Monroe County Airport Authority (the Authority) is a public benefit corporation that was created to finance, construct, develop, operate, and maintain aviation and other related facilities and services within the County of Monroe (the County). The Authority is organized under the Public Authorities Law of the State of New York. The oversight body is the Authority board, which is approved by the County Legislature on the recommendation of the County Executive. The Authority leases the Greater Rochester International Airport (the Airport) from the County and operates under the terms of a trust indenture dated September 15, 1989, as amended.

The Authority's address is 1200 Brooks Avenue, Rochester, New York. Its website can be viewed at <http://www.monroecounty.gov/airport-MCAA.php>.

DESCRIPTION OF AUTHORITY BOARD

The Authority board shall consist of seven members appointed by the County Executive, provided that two such members shall be appointed upon the written recommendation of the President of the County Legislature. Regular meetings are held bi-monthly with the annual meeting in March. Special Meetings are conducted on an as needed basis. Standing Committees include an Audit Committee, Governance Committee and a Finance Committee. Meeting minutes and attendance can be found on the Authority's website.

A summary of each Board Members committee involvement and the Board's annual self-evaluation can be found in [Exhibit A](#).

MISSION

The mission of the Authority is to ensure that the Airport provides safe, efficient and economical air transportation for the traveling public and promotes economic development, trade and tourism throughout the Greater Rochester area.

The Authority will continue to optimize the use of airport facilities in order to enhance and expand business development and to foster economic growth in our region.

The performance measure report is attached to this report as [Exhibit B](#).

OPERATIONS AND ACCOMPLISHMENTS

In its sixty-ninth year of operation, the Greater Rochester International Airport (ROC) remains a positive force in the sustainability of our local economy. ROC's regional, national and international connectivity makes our hometown airport the community's gateway to the world.

ROC is responsible for creating and sustaining 9,998 jobs, generating \$295 million in income, and contributing over \$800 million to our local economy each year.

Over 2.4 million passengers were served by ROC in 2017. Total aircraft operations (commercial, military, corporate and general aviation) in 2017 were 87,261. ROC offered an average of 4,120 seats per day or 28,919 seats per week to nineteen airport destinations on seven carriers.

The 2017 adopted budget of \$33.2 million was a 0.2% decrease over the 2016 amended budget. Due to the excellent stewardship of the Authority Board along with the cost cutting strategies implemented throughout the year, the actual expended by the Authority was \$29.9 million or 8.8% under budget. The strong commitment to seek new or additional non-airline revenue sources as well as continuing to look for ways of reducing operating costs remains strong and will continue into 2018. The Authority values its Airline partners and wants to demonstrate its commitment by operating this facility as efficiently as possible while maintaining a superior level of safety and security.

Cost per enplanement decreased slightly from \$9.46 in 2016 to \$9.43 in 2017. The Terminal Base Rental Rate decreased by 3.42% from \$29.40 in 2016 to \$28.39 in 2017.

The Upstate Airport Economic Development & Revitalization Project continues to progress at ROC Airport. The \$79 million project will improve the access and approach to the terminal, include construction of a new terminal entrance canopy, smart terminal improvements, expanded food and beverage concessions and a more spacious passenger security checkpoint. The project is being funded with a \$39.8 million dollar grant ROC won in a state-wide competition and the remainder will be funded through a combination of Passenger Facility Charges (PFC) and Airport Authority Funds. The project is slated for completion in October 2018.

Ultra-low-cost carrier Allegiant commenced new twice weekly non-stop service between ROC and Punta Gorda (PGD), Southwest Florida with access to destinations like Sarasota, Bradenton, Naples and Coastal Islands.. Nationwide in 2017, aviation industry load factors were high; likewise for ROC load factors remained high at 80.6%.

In terms of average domestic airfare comparisons (USDOT, Bureau of Transportation Statistics, 1Q-3Q 2017) ROC fared just above the national average at \$372 and better than thruway like-size competitors Syracuse \$429 and Albany \$407. The average cost of airfare from ROC has decreased 37% over the last 21 years.

\$15.4 million in Airfield and Terminal Improvements were completed to include: continuing design and construction on the NYS Revitalization and Redevelopment project encompassing Airport Access and Approach, Terminal Entrance Canopy, Smart Terminal Enhancements and Business/Technology Incubator Study; the reconstruction of Taxiway H between Taxiway L and Taxiway D; implementation of a Drainage Improvement Project at the 800 Ramp; rehabilitation

of portions of the North Ramp to improve safety for aircraft movement; construction of a facility to store collected aircraft deicing fluids and manage discharge of fluids to the sewage treatment plant; initiated implementation of the new building energy management system; delivery of a 750 gallon Glycol Recovery vehicle; and delivery of scheduled replacement equipment to be used for snow removal.

FINANCIAL REPORT

The Authority's financial statements and the Independent Auditors' Report are included in this report as Exhibit C.

INVESTMENT REPORT

The Authority has made no changes or amendments to the Investment Guidelines adopted on March 27, 2013. In addition, no fees have been paid to investment bankers, brokers, agents or advisors during 2017. The Authority's interest revenue for 2017 was \$38,000.

The Authority's Independent Auditors' have issued a report on compliance with the Investment Guidelines. That report on compliance is included in this report as Exhibit D.

PENDING LITIGATION REPORT

The Authority's material pending litigation report is included in this report as Exhibit E.

SCHEDULE OF BONDS AND NOTES

The 1989 Series Bonds were the original debt issuance pursuant to the indenture, the purpose of which was to provide financing for the original construction of the Airport.

In October 1999, the Authority issued Revenue Refunding Bonds to partially refund outstanding 1989 Series Bonds. The proceeds received, net of bond discount and issuance costs were used to purchase U.S. Government securities to refund the 1989 Series Bonds.

The 1999 Series Bonds are not subject to redemption prior to their maturity.

In June 1993, the Authority issued Revenue Refunding Bonds to partially refund outstanding 1989 Series Bonds. The proceeds received, net of bond discount and issuance costs, were used to purchase U.S. Government securities to refund the 1989 Series Bonds, including an additional reserve requirement representing a deferred amount on refunding. The deferred amount on the refunding was being amortized over the term of the 1993 Series Bonds.

In March 2004, the Authority issued Revenue Refunding Bonds to refund the outstanding 1993 Series Bonds. The proceeds received, net of bond discount and issuance costs were used to purchase U.S. Government securities. The transaction resulted in a deferred amount on refunding to the Authority related to the difference between the reacquisition price and the net carrying amount of the 1993 Series Bonds at the date of issuance of the 2004 Series Bonds of \$2.1 million. This deferred amount on refunding is being amortized over the term of the Series 2004 Bonds.

The Series 2004 Bonds maturing after January 1, 2017, are subject to redemption by the Authority, in whole or in part, at any interest payment date on or after January 1, 2017.

SCHEDULE OF BONDS AND NOTES, Cont.

Bond activity for the year ended December 31, 2017 was as follows (000s omitted):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Ending Balance</u>
Bonds issued as part of the 1999 refunding:					
Serial bonds maturing in annual amounts ranging from \$5,970 to \$6,330 from 2018 to 2019 bearing interest paid semi-annually at 5.750% to 5.875%	\$ 17,945	\$ -	\$ (5,645)	\$ (5,970)	\$ 6,330
Bonds issued as part of the 2004 refunding:					
Serial bonds maturing in annual amounts ranging from \$1,790 to \$1,860 from 2018 to 2019 bearing interest paid semi-annually at 4.000% to 5.250%	5,365	-	(1,715)	(1,790)	1,860
Add: Premium on bond	68	-	(45)	-	23
Less: Unamortized Bond Discount	<u>(12)</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>(4)</u>
Long-term debt	<u>\$ 23,366</u>	<u>\$ -</u>	<u>\$ (7,397)</u>	<u>\$ (7,760)</u>	<u>\$ 8,209</u>

All outstanding Revenue Bonds were issued under the terms of a universal indenture agreement. The indenture pledges certain revenues and other income collected by the Authority, primarily for payment of principal and interest on the bonds. The indenture also requires the establishment of various trust funds to be held by the trustee and by the Authority.

Management believes the Authority is in compliance with all covenants under the indenture.

The indenture between the Authority and the trustee dated September 15, 1989, as amended, provides for the creation and maintenance of several bank subaccounts related to the debt issues. These subaccounts are aggregately reflected as a part of net assets in the accompanying statement of net assets.

A brief description of each of these subaccounts is as follows:

Revenue Account - Represents revenues of the Authority, net of certain transfers to the other accounts created under the indenture. The amounts designated for this account are included in unrestricted cash and cash equivalents in the accompanying statements of net assets.

Principal and Interest Account - Represents amounts required to be reserved for debt service for each respective bond issue.

SCHEDULE OF BONDS AND NOTES, Cont.

Construction Account - Represents an account required to be held by the trustee. The trustee establishes a separate project account for each construction project.

Renewal and Replacement Account - Represents funds for anticipated capital expenditures.

Operating and Maintenance Reserve Account - Represents amounts to be reserved for at least one-sixth of the budgeted operating and maintenance expenses for the succeeding fiscal year.

Surplus Account - Represents amounts defined by the indenture that are subject to use by the Authority, including transfers to other accounts, as appropriate.

Other

Payment of the principal and interest on the Authority's bonds is insured by the Municipal Bond Investors Assurance Corporation.

Maturities of revenue bonds for the fiscal years after December 31, 2017 are as follows (000s omitted):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	7,760	657	8,417
2019	<u>8,190</u>	<u>223</u>	<u>8,413</u>
	<u>\$ 15,950</u>	<u>\$ 880</u>	<u>\$ 16,830</u>

REAL AND PERSONAL PROPERTY REPORT

Capital asset activity for the year ended December 31, 2017 was as follows (000s omitted):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated or amortized:				
Land and easements	\$ 498	\$ -	\$ -	\$ 498
Capital assets, being depreciated or amortized:				
Buildings and other facility equipment	123,909	10	-	123,919
Office furniture and equipment	1,927	111	(17)	2,021
Transportation equipment	<u>1,051</u>	<u>70</u>	<u>(185)</u>	<u>936</u>
Total capital assets, being depreciated or amortized	<u>126,887</u>	<u>191</u>	<u>(202)</u>	<u>126,876</u>
Less:				
Accumulated depreciation and amortization				
Buildings and other facility equipment	(106,392)	(4,435)	-	(110,827)
Office furniture and equipment	(1,270)	(181)	12	(1,429)
Transportation equipment	<u>(710)</u>	<u>(82)</u>	<u>185</u>	<u>(607)</u>
Total accumulated depreciation	<u>(108,372)</u>	<u>(4,698)</u>	<u>197</u>	<u>(112,873)</u>
Capital assets being depreciated or amortized, net	<u>18,515</u>	<u>(4,507)</u>	<u>(5)</u>	<u>14,003</u>
Capital assets, net	<u>\$ 19,013</u>	<u>\$ (4,507)</u>	<u>\$ (5)</u>	<u>\$ 14,501</u>

The Authority neither acquired nor disposed of real property during 2017. The Authority acquired \$192,000 of personal property which consisted of assets used in the parking operation, improvements to buildings, and one new shuttle bus. The Authority disposed of personal property in 2017 with a historical cost of \$202,000 and accumulated depreciation of \$195,000. The disposed of equipment consisted of snow removal equipment, security equipment and transportation equipment

FINANCIAL PLAN

A multi-year operating budget is submitted to the Authority Budget Report as required. The most recent report is presented in Exhibit F.

CODE OF ETHICS

The Code of Ethics for the Authority is attached as Exhibit G to this report.

ENABLING LEGISLATION

The Authority's Enabling Legislation is attached as Exhibit H to this report.

PROCUREMENT REPORT

The Authority's Procurement Report for 2017 is included in this report as Exhibit I.

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE AND PROCEDURES

Exhibit J to this report assesses the effectiveness of the internal structure and procedures of the Authority as of December 31, 2017.

Exhibit A

A summary of each Board Members committee involvement and the Board's annual self-evaluation

MCAA Members of Governance, Audit & Finance Committees

Governance Committee

Name	Resolution	Adopted
R. Thomas Flynn (Chair)	2	February 15, 2012
James G. Vazzana	12	March 24, 2010
Susan Keith	12	March 24, 2010
Cynthia Kaleh	4	January 15, 2014

Audit Committee

Name	Resolution	Adopted
John J. Perrone Jr. (Chair)	13	July 24, 2013
Charles Henry Stuart	13	July 24, 2013
John J. Howland	Board Action	March 23, 2016

Finance Committee

Name	Resolution	Adopted
Charles Henry Stuart (Chair)	13	July 24, 2013
James G. Vazzana, Esq.	12	March 24, 2010
Susan Keith	12	March 24, 2010

Summary Results of Confidential Evaluation of Board Performance - 2017

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.	7			
The policies, practices and decisions of the Board are always consistent with this mission.	7			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	7			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	7			
The Board sets clear and measurable performance goals for the Authority that contributes to accomplishing its mission.	7			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	7			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	7			
Board members are knowledgeable about the authority's programs, financial statements, reporting requirements, and other transactions.	7			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	7			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	7			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	7			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	7			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	7			
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	6		1	
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	7			
Board members demonstrate leadership and vision and work respectfully with each other.	7			

Name of Authority: Monroe County Airport Authority

Date Completed: SUMMARY 7

Exhibit B

The Performance Measure Report

TO: The Monroe County Airport Authority Board Members
FROM: Donald L. Crumb Jr., Esq., - Assistant Secretary
DATE: March 28, 2018
SUBJECT: Annual Review of MCAA Mission, Goals & Performance Measures

1. Mission Statement as Adopted September 15, 2010 by Resolution 21 of 2010

The mission of the Monroe County Airport Authority is to ensure that the Greater Rochester International Airport provides safe, efficient and economical air transportation for the traveling public and promotes economic development, trade and tourism throughout the Greater Rochester area.

The Authority will continue to optimize the use of airport facilities in order to enhance and expand business development and to foster economic growth in our region.

2. Performance Goals and Measures as Adopted September 15, 2010 by Resolution 21 of 2010

Goal #1: Effective oversight by Authority Board.

- A. Measure:** Each MCAA Board member has received Public Authorities training. Below are the names of each Board member and the date that training occurred:

- James G. Vazzana, Esq. (5-13-2011)
- R. Thomas Flynn (3-14-2012)
- Susan Keith (9-26-2008)
- Charles Henry Stuart (12-16-2011)
- John J. Perrone, Jr. (6-19-2013)
- Cynthia Kaleh (1-8-2014)
- John J. Howland (4-6-2016)

B. Measure: Record of attendance of each Board Member:

NAME	1/18/17 Meeting	3/29/17 Meeting	6/21/17 Meeting	7/19/17 Meeting	9/27/17 Meeting	11/29/17 Meeting	% Attended
Vazzana	Yes	Yes	Yes	Yes	Yes	Yes	100%
Flynn	Absent	Yes	Absent	Yes	Yes	Yes	67%
Keith	Yes	Yes	Yes	Yes	Absent	Yes	83%
Perrone	Absent	Yes	Yes	Yes	Yes	Yes	83%
Stuart	Yes	Yes	Yes	Yes	Yes	Yes	100%
Howland	Yes	Absent	Yes	Yes	Yes	Yes	83%
Kaleh	Yes	Yes	Yes	Yes	Yes	Yes	100%

Goal #2: Maintain the Airport Certification Manual (ACM) in accordance with the Federal Aviation Administration (FAA) Rules and Regulations for certification 14 CFR Part 139.

Measure: The FAA Certification Inspection was conducted in October 17-19, 2017. During that inspection there were no deficiencies that warranted legal enforcement by the FAA. (Tim Woolston – Airport Operations Manager)

Goal #3: Airport personnel are trained in all procedures to be followed for routine matters; unusual circumstances; and/or emergencies as detailed in the ACM.

Measure: In October 2017, as required by 14 CFR Part 139.303, all Airport Operations Personnel have completed their required recurrent training. There was one reportable incident in 2017. The incident was investigated by the Airport. A report with mitigation action was reported to the FAA and the incident was closed with no further action. (Tim Woolston – Airport Operations Manager)

Goal #4: Maintain the Airport Security Program (ASP) in accordance with the Transportation Security Administration (TSA) 49 CFR Part 1542.

Measure: On September 8th 2017 the TSA completed ROC's 2017 Security Audit. It was assessed that ROC has a complete approved ASP and is up to date with all TSA Security Directives issued up to the date of September 8, 2017. (Mike Hunzek – Airport Security Coordinator)

Goal #5: All badged airport personnel are trained in all procedures and guidance that pertains to their level of security clearance as in the ASP.

Measure: As per TSA regulations 1542, all airport badged individuals are trained prior to badge issuance. TSA conducted an annual Security Audit (completed 9/8/17) and concurs that ROC is compliant with this regulation. (Mike Hunzek – Airport Security Coordinator)

Goal #6: Ensure that the Annual Rates & Charges are communicated to the Airlines, in writing, not later than ninety days prior to the end of each fiscal year. The proposed schedule of rates includes rentals, fees and charges for the ensuing fiscal year.

Measure: The Monroe County Airport Authority provides its Signatory Airlines with transparent and adequate financial, operational and other information to allow these airlines to make informed comments at the annual Rates & Charges meeting. Reasonable advance notice of materials prior to the meetings is provided. The Signatory Airlines are given the opportunity to submit their views and consult with the Airport Director. The 2018 Rates and Charges budget was presented to the Signatory Airlines on the mutually agreed date of November 14, 2017. (Maryanne Fedison – Assistant Treasurer)

Exhibit C

**The Authority's financial statements and the Independent Auditors' Report
can be obtained at
<http://www.monroecounty.gov/airport-MCAA.php>**

Exhibit D

Authority's Independent Auditors' report on compliance with the Investment Guidelines

INDEPENDENT AUDITOR'S REPORT

March XX, 2018

To the Members of
Monroe County Airport Authority:

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements of the Monroe County Airport Authority (the Authority) (a public benefit corporation of the State of New York and a discretely presented component unit of the County of Monroe, New York), which comprise the statements of net position as of December 31, 2017 and 2016, and the related statements of revenues, expenses, and change in net position and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated March XX, 2018.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with its own investment policy initially adopted on March 24, 2010. However, our audit was not directed primarily towards obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with its investment policy, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the Board of Directors and management of the Authority and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

Draft - Subject to Change

Exhibit E

Authority's Material Pending Litigation report



Monroe County Airport Authority

Greater Rochester International Airport

Date: March 28, 2018
 To: MCAA Board Members
 From: Maryanne Fedison, Assistant Treasurer
 Re: Authority's Material Pending Litigation Report

James G. Vazzana, Esq.
Chairman

Andrew G. Moore
Administrative Director

Listed below are the Authority's Material Pending Litigation cases:

R. Thomas Flynn
Vice Chairman
Governance Committee Chair

John J. Perrone, Jr.
Audit Committee Chair

Charles Henry Stuart

Susan Keith

Hon. Cynthia W. Kaleh

Hon. John J. Howland

Michael E. Davis, Esq.
Secretary


Robert Franklin
Treasurer

Case	Type of Case	Status	Next Step	Assigned Attorney
Full v. MCAA et.al. - 2	Personal Injury based on the Permit Agreement between <u>Lebauc</u> and the County	County moved to dismiss on Complaint, which was granted by Court	Plaintiff filed Notice of Appeal – waiting to see if Plaintiff perfects appeal	Monroe County Law Department
<u>Riaza</u> v. MCAA	Personal Injury	Lawsuit	In discovery	Bond, <u>Schoeneck & King</u> (Insurance Co.'s attorney)
<u>Siemens</u> Industry, Inc.	Contract / bid issues: GRIA Mechanical Contract awarded to <u>Alerton</u> .	Notice of Claim	Waiting to see if action commenced	Monroe County Law Department

1200 Brooks Avenue • Rochester, New York 14624
 (585) 753-7020 • fax: (585) 753-7008

Exhibit F

The most recent Adopted Budget

						
Budget Report for Monroe County Airport Authority						Run Date: 10/27/2017
Fiscal Year Ending 12/31/2018						Status: CERTIFIED
<u>Budget & Financial Plan:</u>	<u>Budgeted Revenues, Expenditures, And Changes In Current Net Assets</u>					
	Last Year (Actual) 2016	Current Year (Estimated) 2017	Next Year (Adopted) 2018	Proposed 2019	Proposed 2020	Proposed 2021
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges for services	\$30,476,000	\$33,138,482	\$35,051,723	\$26,610,107	\$26,828,258	\$27,048,591
Rentals & Financing Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Nonoperating Revenues						
Investment earnings	\$38,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
State subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Federal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Public authority subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from the issuance of debt	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues & Financing Sources	\$30,514,000	\$33,178,482	\$35,091,723	\$26,650,107	\$26,868,258	\$27,088,591
EXPENDITURES						
Operating Expenditures						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$1,216,000	\$692,500	\$744,380	\$751,824	\$759,342	\$766,935
Supplies and Materials	\$22,551,000	\$20,039,199	\$19,849,144	\$20,047,635	\$20,248,112	\$20,450,594
Other Operating Expenditures	\$667,000	\$962,578	\$1,005,592	\$1,015,648	\$1,025,804	\$1,036,062
Nonoperating Expenditures						
Payment of principal on bonds and financing arrangements	\$0	\$7,760,000	\$8,190,000	\$2,000,000	\$2,000,000	\$2,000,000
Interest and other financing charges	\$1,269,000	\$868,625	\$446,288	\$335,000	\$335,000	\$335,000
Subsidies to other public authorities	\$0	\$0	\$0	\$0	\$0	\$0
Capital asset outlay	\$2,312,000	\$2,794,452	\$4,825,000	\$2,500,000	\$2,500,000	\$2,500,000
Grants and Donations	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Expenditures	\$101,000	\$61,128	\$31,319	\$0	\$0	\$0
Total Expenditures	\$28,116,000	\$33,178,482	\$35,091,723	\$26,650,107	\$26,868,258	\$27,088,591
Capital Contributions	\$377,000	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues and capital contributions over expenditures	\$2,775,000	\$0	\$0	\$0	\$0	\$0

The authority's budget, as presented to the Board of Directors, is posted on the following website: <http://www.monroecounty.gov/airport-MCAA.php>

Exhibit G

Code of Ethics

Code of Ethics Policy
Adopted: March 31, 2006

ARTICLE I
Purpose

1. As a public benefit corporation, the Monroe County Airport Authority (“Authority”) must conduct its operations in a manner that best serves the interest of its customers and the general public. The Authority expects all members, officers and employees to observe high ethical standards of conduct in the performance of their duties; comply and cause the Authority to comply with all laws and regulations governing business transactions, and use and cause the Authority to use Authority funds and assets only for legally appropriate public purposes.

2. It is recognized that at the time of the adoption of this Code of Ethics the Authority does not have any employees but intends this Code to apply automatically to any employees that the Authority may employ in the future without the necessity of amendment of this Code.

3. It is intended that this Code of Ethics shall meet or exceed the standards established in Section 74 of the Public Officers Law and said standards are hereby incorporated herein.

4. It is recognized that the Authority leases the Greater Rochester International Airport (“Airport”) from the County of Monroe and the County of Monroe operates the Airport on behalf of the Authority pursuant to a Lease and Operating Agreement dated September 15, 1989. Pursuant to said agreement certain employees of the County of Monroe serve as officers or assistant officers of the Authority. Said relationship shall not be considered a violation of this Code of Ethics or a conflict of interest in which further disclosure must be made.

ARTICLE II
Policies

1. Discharge of Duties. In the course of performing his or her duties, Members, officers and employees shall endeavor to perform the duties of their positions to the best of their ability and in a spirit of service to all persons and concerns for which the Authority was formed; to uphold the high standards of dedicated public service established over the years by the Authority’s Members, officers and employees; support and encourage fellow employees in the proper execution of their duties; and when a question of conduct or regulation occurs, seek the advice of a supervisor or the Authority’s attorneys.

2. Prohibited Conduct. In the course of performing his or her duties, Members, officers and employees shall not:

a. receive any compensation for or have an interest, financial or otherwise, direct or indirect, or incur any obligation that is in substantial conflict with the proper discharge of their duties with the Authority;

b. engage in other employment that might impair the independence of their judgment in the execution of their duties with the Authority;

c. disclose confidential information acquired in the course of official duties nor use such confidential information to further their own personal financial interests;

d. in any manner be interested, directly or indirectly, in the furnishing of work, materials, supplies or labor, or in any contract therefore which the Authority is empowered to make pursuant to Public Authorities Law Section 2769;

3. Gifts and Favors. No member, officer or employee shall, directly or indirectly solicit or accept any gifts, entertainment, discounts, services, loans or anything of value totaling \$75 or more in any calendar year from suppliers, significant commercial customers, or other persons with whom the Authority does business or from any other person or entity under circumstances in which it could reasonably be inferred that the gift was intended to influence said member, officer, or employee or could reasonably be expected to influence said member, officer or employee in the performance of his or her official duties or was intended as a reward for any official action on his or her part.

4. Borrowing Funds. No member, officer or employee shall borrow money from suppliers, significant commercial customers, or individuals of a firm with whom the Authority does business (loans or mortgages from banks or individuals doing business with the Authority are exempted if the terms are at current rates and the customary collateral for such transactions is provided).

5. Acquiring Interest in Real Estate. No member, officer or employee shall acquire an interest in real estate in which it is known that the Authority has a current or anticipated future interest.

6. Soliciting Funds. No member, officer or employee shall solicit funds or other items of value from Authority vendors, suppliers or consultants for oneself or to benefit any organization, club or person, whether such other persons or entities are charitable, religious or profit making.

ARTICLE III Conflict of Interest Disclosure and Policy

1. In the event any member, officer or employee has a financial interest (ownership or investment interest, or compensation arrangement) directly or indirectly through a relative (spouse, child, step-child, brother, sister, parent, step-parent or a person claimed as a dependent on the latest income tax return) with any entity or individual in which the Authority has a proposed business transaction, said interest shall be disclosed in writing or verbally at a duly called Authority meeting and said disclosure shall be set forth in the minutes.

2. The remaining members of the Authority shall determine, after due deliberation and in the absence of the member with the financial interest, whether a conflict of interest exists.

3. If a conflict of interest is determined to exist the disinterested board members shall determine by majority vote, in the absence of the member with the conflict, whether the Authority can obtain a comparable arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a comparable arrangement is not reasonably obtainable which would not give rise to a conflict of interest the Board shall determine by a majority vote of disinterested board members whether the transaction arrangement is in the Authority's best interest and for its own benefit and whether the transaction is fair and reasonable to the Authority and shall make its

decision as to whether to enter into the transaction or arrangement in conformity with such determination.

5. Nothing herein shall be construed to authorize a violation of Public Authorities Law Section 2769.

ARTICLE IV Statements of Financial Disclosure

1. On an annual basis, the Authority shall obtain a completed Statement of Financial Disclosure (in the form set forth as Exhibit A attached hereto, "Financial Disclosure") from each Member, officer (including assistant officers), and employees having managerial responsibilities of the Authority. Said Financial Disclosure shall be filed on or before April 15 in each year and any new member, officer or employee appointed to the Authority shall file a disclosure statement within 30 days of said appointment. All disclosure statements shall be filed with the Secretary of the Authority who shall cause said statements to be reviewed and to be filed with the Monroe County Board of Ethics as required by the Public Authorities Accountability Act of 2005, Section 2825 (3).

2. Any member, officer or employee of the Authority completing a Statement of Financial Disclosure for the County of Monroe may submit a copy of said Statement to the Secretary of the Authority to satisfy the requirements of this Article, which statement shall be endorsed with the statement that said Disclosure Statement has been prepared for both the County of Monroe and the Monroe County Airport Authority.

Article V Distribution of the Code of Ethics

The Chairman of the Authority shall cause a copy of this Code of Ethics to be distributed to every member, officer and employee of the Authority within thirty (30) days after its adoption. Each member or employee appointed thereafter shall be furnished with a copy before entering upon the duties of his or her office of employment.

Exhibit H

Authority's Enabling Legislation

NY PUB AUTH § 2750

Title 31. Monroe County Airport Authority

Mckinney's Consolidated Laws of New York Annotated

Public Authorities Law

Chapter 43-A. Of the Consolidated Laws

Article 8. Miscellaneous Authorities

Title 31. Monroe County Airport Authority

§ 2750. Short title

This title may be cited as the “Monroe County Airport Authority Act”.

§ 2751. Statement of legislative findings and purpose

The legislature hereby finds and declares as follows:

1. The economic well-being of the state and the general welfare of its people require adequate, safe, secure and efficient aviation and transportation facilities at a reasonable cost to the people.
2. The strengthening and improvement of aviation facilities and related services for the western part of the state is a matter of vital importance not only to the residents of western New York but to all the state's residents and is therefore a matter of state concern.
3. In order to insure a healthy economy for such area and to promote the general welfare of its residents, it is necessary to expand and improve the existing aviation facilities and services in Monroe county in such a manner as to stimulate and promote increased local, state, national and international air travel and commerce through western New York.
4. The health, welfare, safety and security of the state's residents and of those passengers using air transportation requires coordinated operation of aviation facilities and services in Monroe county by a public benefit airport authority.
5. The purposes of such authority shall be (i) to stimulate and promote economic development, trade and tourism (ii) to acquire, construct, reconstruct, continue, develop, equip, expand, improve, maintain, finance and operate aviation and other related facilities and services within Monroe county (iii) to promote safe, secure, efficient and economical air transportation by preserving and enhancing airport capacity (iv) to form an integral part of a safe and effective nationwide system of airports to meet the present and future needs of civil aeronautics and national defense and to assure inclusion of the authority's facilities in state, national and international programs for air transportation and for airport or airway capital improvement, all in accordance with the provisions of this title (v) to insure that aviation facilities authorized pursuant to this title shall provide for the protection and enhancement of the natural resources and the quality of the environment of the state and the western New York area.

6. Such purposes are in all respects public purposes for the benefit of the people of the State of New York and for which public funds may be expended and both the county and the authority in carrying out their respective powers and duties under this title shall be deemed to be acting in a governmental capacity. The acquisition, construction, reconstruction, development, expansion, improvement, equipping, operation and maintenance of any project financed or undertaken by the authority or the county shall be deemed to be the performance of an essential governmental function by the authority or the county acting in its governmental capacity, whether such project shall be owned or operated by the authority or by any person or public corporation.

§ 2752. Definitions

As used or referred to in this title, unless a different meaning clearly appears from the context:

1. “Airport” (a) shall mean any area of land or water which is used, or intended for use, for the landing and takeoff of aircraft, and any appurtenant areas which are used, or intended for use, for airport buildings or other airport facilities or rights-of-way, together with all airport buildings and facilities located thereon; and (b) includes any heliport.
2. “Airport hazard” shall mean any structure or object of natural growth located on or in the vicinity of an airport, or any use of land near such an airport, which obstructs the airspace required for the flight of aircraft in landing or taking off at such airport or is otherwise hazardous to such landing or taking off of aircraft.
3. “Authority” shall mean the corporation created by this title.
4. “Aviation facilities” shall mean any airport facility or terminal including but not limited to any facility, property or equipment necessary, convenient or desirable for the landing, taking off, accommodation or servicing of aircraft of all types, and shall include such other facilities, equipment, property, structures and appurtenances as may be necessary or convenient in the operation, maintenance, development or improvement of an airport including facilities, equipment, property, structures, and appurtenances, leased by the authority to persons, engaged in air transportation or the production or development of materials, goods or equipment for an airport or air transportation or in providing facilities or equipment for the accommodation, safety, security or comfort of the traveling public and for purposes related or incidental to one or more of the foregoing purposes. It shall include, without limitation, runways, aprons, hangars, control towers, ramps, taxiways, navigation aids, warehouses, office and service buildings, structures, parking facilities, concession facilities, maintenance facilities, fuel facilities, facilities for the overnight accommodation of passengers and carrier employees, including hotels and motels located at an authority's airport, and facilities for the loading, unloading, holding, interchange or transfer of such passengers, freight, baggage or cargo. It shall also mean any property necessary to remove, mitigate, prevent or limit airport hazards. It shall also mean facilities and equipment providing access to an airport facility or terminal, including appropriate mass transportation terminal facilities at and within the airport facility or terminal itself. It shall also mean highways, access roads, driveways and approaches in the vicinity of an airport facility or terminal providing improved access to such airport facility or terminal. Notwithstanding any contrary provision of law, general, special or local, it shall also mean railroad freight projects related or of benefit to an airport facility or terminal consisting of railroad freight transportation facilities or railroad freight terminal facilities; and any equipment, improvement, structure or

facility or any land, and any building, structure, facility or other improvement thereon, or any combination thereof, and all property in connection therewith or incidental thereto, deemed necessary or desirable in the opinion of the authority, whether or not now in existence or under construction, for the undertaking of such railroad freight projects.

5. "Bonds" shall mean the bonds, notes or other evidences of indebtedness issued by the authority pursuant to this title and the provisions of this title relating to bonds and bondholders which shall apply with equal force and effect to notes and noteholders, respectively, unless the context otherwise clearly requires.

6. "Construction" shall mean the acquisition, erection, building, alteration, repair, improvement, increase, enlargement, extension, installation, reconstruction, renovation or rehabilitation of a project including any appurtenances thereto which may be necessary or desirable to promote the efficiency or effectiveness of such project; the inspection and supervision thereof; and the engineering, consulting, architectural, legal, fiscal and economic and environmental investigations and studies, surveys, designs, plans, working drawings, specifications, procedures and other actions incidental thereto and claims arising therefrom.

7. "Cost", as applied to any project, shall include the cost of construction, the cost of the acquisition of all property, both real and personal, improved and unimproved, the cost of demolishing, removing or relocating any buildings or structures on lands so acquired, including the cost of relocating tenants or other occupants of the buildings or structures on such land and the cost of acquiring any lands to which such buildings or structures may be moved or relocated, the cost of all systems, facilities, machinery, apparatus and equipment, financing charges, interest prior to, during and after construction to the extent not paid or provided for from revenues or other sources, the cost of engineering and architectural surveys, plans and specifications, the cost of consultants' and legal services, the cost of lease guarantees, credit enhancement or bond insurance, other expenses necessary or incidental to the construction of such project and the financing of the construction thereof, including the amount authorized in the resolution of the authority providing for the issuance of bonds to be paid into any reserve or other special fund from the proceeds of such bonds and the financing of the placing of any project in operation, including reimbursement to any public corporation, the state, the federal government or any other person for expenditures that would be costs of the project hereunder had they been made directly by the authority.

8. "County" shall mean Monroe county.

9. "Equipment" shall mean snow removal vehicles, fire fighting and rescue vehicle, passenger and freight vehicles, aircraft, motors, boilers, engines, wires, ways, conduits and mechanisms, machinery, tools, implements, materials, supplies, instruments and devices of every nature whatsoever used or useful for aviation and transportation purposes or for the generation or transmission of motive power including but not limited to all power houses, and all apparatus and all devices for navigation, security, safety, signalling, communications and ventilation as may be necessary, convenient or desirable for the operation of aviation facilities and pollution control facilities.

10. "Facility" shall mean, among other things, such properties, structures, appurtenances, utilities, terminals, railroad trackage, warehouses, elevators and such other works, properties, buildings or allied items necessary or desirable in connection with development, operation,

maintenance or improvement of airport and public transportation needs and for the accommodation, safety, security or comfort of the public and of commercial enterprise.

11. "Federal government" shall mean the United States of America, and any department, board, commission, bureau, division, corporation, agency or instrumentality thereof.

12. "Joint service arrangement" shall mean agreements between or among the authority and any person, the state, the county, any other public corporation, the federal government, any other state or agency or instrumentality thereof, relating to property, buildings, structures, facilities, services, rates, fares, classification, divisions, allowances or charges (including charges between operators of railroad, omnibus and aviation facilities), or rules or regulations pertaining thereto, for or in connection with or incidental to transportation in part in or upon railroad, omnibus or aviation facilities located within the county and in part in or upon railroad, omnibus or aviation facilities located outside the county.

13. "Municipality" shall mean a county, city, town, village or school district.

14. "Person" shall mean any natural person, firm, partnership, association, joint venture or corporation, exclusive of a public corporation.

15. "Personal property" shall mean chattels and other tangible things of a movable or removable nature.

16. "Pollution control facilities" shall mean any equipment, improvement, structure or facility or any land and any building, structure, facility or other improvement thereon, or any combination thereof, and all property deemed necessary therewith, which if within any city are not of a character or nature then or formerly furnished or supplied by the city, having to do with or the end purpose of which is the control, abatement or prevention of land, sewer, water, air, noise or general environmental pollution deriving from the operation of aviation facilities, including, but not limited to any air pollution control facility, noise abatement or suppression facility (including physical barriers, landscaping and sound proofing for the purpose of diminishing the effect of aircraft noise on any area adjacent to an airport), water management facility, waste water collecting system, waste water treatment works, sewage treatment works system, or sewage treatment system or site.

17. "Property" shall mean both real and personal property.

18. "Project" shall mean any property or improvements located within the state of New York and within or outside or partially within and partially outside Monroe county, including, but not limited to, machinery, equipment and other facilities deemed necessary or desirable in connection therewith, or incidental thereto, whether or not now in existence or under construction, which shall be necessary or suitable for aviation purposes and airport development and which may include or mean aviation facilities and pollution control facilities; provided, however, the authority shall not use its funds in respect of any part of a project located wholly or partially outside the county without the prior consent thereto by the governing body of any other county in which a part or parts of the project is, or is to be located. It shall also mean any property necessary to remove, mitigate, prevent or limit airport hazards.

19. "Public corporation" shall mean a county, city, town, village, school district or special district, any public benefit corporation, agency or instrumentality of the state or of any municipality, or two or more of any of the foregoing acting jointly.

20. "Real property" shall mean lands, structures, franchises and interests in land, airspace, waters, lands under water, riparian rights, air rights, any fixtures, equipment and articles of personal property affixed to or used in connection therewith, and any and all things and rights included within said term and includes not only fees simple absolute but also any and all lesser interests including but not limited to easements, rights of way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages, or otherwise.

21. "Revenues" shall mean all rates, fees, rents, revenues, charges and other income derived by the authority from the operation, leasing, sale or other disposition of a project or projects.

22. "State" shall mean the state of New York.

§ 2753. Monroe county airport authority

1. There is hereby created the Monroe county airport authority. The authority shall be a body corporate and politic constituting a public benefit corporation. The authority shall consist of seven members appointed by the county executive, provided that two of such members shall be appointed upon the written recommendation of the president of the county legislature and one of such members shall be appointed upon the written recommendation of the minority leader of the county legislature. No more than five members may be registered members of the same political party. All appointments by the county executive shall be confirmed by a majority vote of the county legislature. The county executive shall designate the chairperson of the authority who shall serve at the pleasure of the county executive. The member initially appointed upon the written recommendation of the minority leader of the county legislature shall serve for a term ending December thirty-first, nineteen hundred ninety-one. Of the members initially appointed upon the written recommendation of the president of the county legislature, one shall serve for a term ending December thirty-first, nineteen hundred ninety-two; and one shall serve for a term ending December thirty-first, nineteen hundred ninety-three. Of the remaining members initially appointed by the county executive other than the chairperson, one shall serve for a term ending December thirty-first, nineteen hundred ninety-one; one shall serve for a term ending December thirty-first, nineteen hundred ninety-two; and one shall serve for a term ending December thirty-first, nineteen hundred ninety-three. Thereafter each member, other than the chairperson, shall serve a term of four years.

2. All members shall continue to hold office until their successors are appointed and qualify. Vacancies shall be filled in the manner provided for original appointment. Vacancies, occurring otherwise than by expiration of term of office, shall be filled for the unexpired terms. Members may be removed from office for the same reasons and in the same manner as may be provided by law for the removal of officers of the county. The members of the authority shall receive no compensation for their services but shall be reimbursed for all their actual and necessary expenses incurred in connection with the carrying out of the purposes of this title. The powers of the authority shall be vested in and be exercised by the members of the authority at a meeting duly called and held and a majority of directors shall constitute a quorum. No action shall be

taken except pursuant to the favorable vote of at least a majority of directors. The members of the authority may delegate to one or more of its members, officers, agents or employees such powers and duties as it may deem proper.

3. Notwithstanding any inconsistent provision of any general, special or local law, ordinance, resolution or charter, no officer, member or employee of the state or of any public corporation shall forfeit his or her office or employment by reason of his or her acceptance of appointment as a member, officer or employee of the authority, nor shall service as such member, officer or employee be deemed incompatible or in conflict with such office, membership or employment.

4. The authority shall continue for a term of one year after all its bonds have been fully paid and discharged. Upon termination of the existence of the authority, all of its rights and property shall pass to and be vested in the county.

§ 2754. Advances on behalf of the authority; transfer of property to authority; acquisition of property by county for authority

1. In addition to any powers granted to it by law, the county may, from time to time, appropriate by resolution sums of money to defray project costs or any other costs and expenses of the authority including operating expenses. Subject to the rights of bondholders, the county may determine if the moneys so appropriated shall be subject to repayment by the authority to the county and, in such event, the manner and time or times for such repayment.

2. Notwithstanding any inconsistent provision of any general, special or local law, ordinance, resolution or charter, any public corporation may, by a majority vote of its governing body and the approval of its chief executive officer, give, grant, sell, convey, loan, license the use of or lease to the authority any property or facilities, including aviation facilities and pollution control facilities, which are useful in connection with the exercise by the authority of its powers under this title. Any such gift, grant, sale, conveyance, loan, license or lease shall be upon such terms and conditions, and for such term or terms of years, subject to the rights of the holders of any bonds, as the authority and such public corporation may agree. Any such gift, grant, sale, conveyance, lease, loan or license shall not be subject to referendum, permissive or mandatory. In the event that any public corporation gives, grants, sells, conveys, loans, licenses or leases any aviation facilities or pollution control facilities to the authority, such public corporation may contract with the authority to lease, borrow, license, operate, maintain, manage and provide services for such facilities upon such terms and conditions and for such term or terms of years, subject to the rights of holders of bonds, as the authority and such public corporation may agree. The authority, in furtherance of any purchase, conveyance or lease of any property or facility from any public corporation, may assume the primary responsibility for the payment of the principal and interest on any bonds or notes issued by such public corporation for such property or facility. For purposes of section 136.00 of the local finance law, any agreement by the authority to assume the primary responsibility for the payment of the principal and interest on any bonds or notes issued by any such public corporation shall, so long as such agreement shall continue to be honored by the authority, cause such bonds or notes to be deemed to have been refunded and any such public corporation may deduct from its gross indebtedness any outstanding indebtedness contracted for such property or facility to be acquired by the authority.

3. The county may acquire by purchase, grant, lease, gift or condemnation pursuant to the eminent domain procedure law real property in the name of the county for any corporate purpose of the authority.

4. Notwithstanding the provisions of any other law, general, special or local, real property acquired by the authority or the county from the state may be used for any corporate purpose of the authority.

§ 2755. Transfer of officers and employees

1. In accordance with the provisions of section seventy of the civil service law, any officer or employee of the county, selected by the authority may, with the consent of the county executive, be transferred to the authority and shall be eligible for such transfer and appointment, without further examination, to applicable offices, positions and employment under the authority.

2. A transferred employee shall remain in the same collective bargaining unit as was the case prior to his or her transfer; successor employees to the positions held by such transferred employees shall, consistent with the provisions of article fourteen of the civil service law, be included in the same unit as their predecessors. Employees serving in positions in newly created titles shall be assigned to such same collective bargaining unit if they would have been assigned to such unit were such titles created prior to the establishment of the authority. Nothing contained in this title shall be construed to diminish (a) the rights of employees pursuant to a collective bargaining agreement or (b) to affect existing law with respect to an application to the public employment relations board seeking a designation by the board that certain persons are managerial or confidential.

§ 2756. General powers of the authority

Except as otherwise limited by this title, the authority shall have power:

1. to sue and be sued;
2. to have a seal and alter the same at pleasure;
3. to borrow money and issue bonds for any of its corporate purposes or its projects and to provide for the rights of the holders thereof;
4. to make and alter by-laws for its organization and management, and, subject to agreements with its bondholders, to make and alter rules and regulations governing the exercise of its powers and the fulfillment of its purposes under this title;
5. to acquire by purchase, grant, lease, gift, condemnation pursuant to the provisions of the eminent domain procedure law with the approval of the county, or otherwise and to hold and use property necessary, convenient or desirable to carry out its corporate purposes, and to sell, convey, mortgage, lease, pledge, exchange or otherwise dispose of any such property in such manner as the authority shall determine;

6. to acquire, construct, reconstruct, lease, expand, improve, maintain, equip, furnish, operate one or more projects and, if necessary, to pay or finance the cost thereof;
7. to apply for and to accept gifts, grants, loans, or contributions of funds or property or financial or other aid in any form from, and enter into contracts or other transactions with, the federal government, the state or any public corporation or any other source, and to use any such gifts, grants, loans or contributions for any of its corporate purposes;
8. to grant options to renew any lease with respect to any project or projects and to grant options to buy any project at such price as the authority may deem desirable;
9. to designate the depositories of its money;
10. to establish its fiscal year;
11. to enter into contracts, agreements and leases with the federal government, the state, the county, any person or other public corporation and to execute all instruments necessary or convenient to accomplishing its corporate purposes;
12. to appoint such officers, employees and agents as the authority may require for the performance of its duties, and to fix and determine their qualifications, duties, and compensation subject to the provisions of the civil service law and any applicable collective bargaining agreement, and to retain or employ counsel, auditors, engineers and private consultants on a contract basis or otherwise for rendering professional, management or technical services and advice;
13. with the consent of the county executive to use employees, agents, consultants and facilities of the county, paying the county its agreed proportion of the compensation or costs;
14. to make plans, surveys, and studies necessary, convenient or desirable to the effectuation of the purposes and powers of the authority and to prepare recommendations in regard thereto;
15. to enter upon such lands, waters or premises as in the judgment of the authority may be necessary, convenient or desirable for the purpose of making surveys, soundings, borings and examinations to accomplish any purpose authorized by this title, the authority being liable for actual damage done;
16. the authority may covenant and consent that the interest on any of its bonds or notes issued pursuant to this title shall be includible, under the United States Internal Revenue Code of 1986, [FN1] or any subsequent corresponding internal revenue law of the United States, in gross income of the holders of the bonds or notes to the same extent and in the same manner that the interest on bills, bonds, notes or other obligations of the United States is includible in the gross income of the holders thereof under said Internal Revenue Code or any such subsequent law;
17. to do all things necessary, convenient or desirable to carry out its purposes and for the exercise of the powers granted in this title;
18. to insure or provide for the insurance of the authority's property or operations as required by law and also against such other risks as the authority may deem advisable.

§ 2757. Special powers of the authority

In order to effectuate the purpose of this title:

1. The authority may enter into any joint service arrangements as hereinafter provided.
2. The authority may, on such terms and conditions as the authority may determine necessary, convenient or desirable, establish, construct, effectuate, operate, manage, maintain, renovate, improve, extend or repair any aviation facilities or pollution control facilities, or may provide for such establishment, construction, effectuation, operation, management, maintenance, renovation, improvement, extension or repair by contract, lease, or other arrangement on such terms as the authority may deem necessary, convenient or desirable with the federal government, any state or agency or instrumentality thereof, any person or public corporation. In connection with the operation of any such facilities, the authority may establish, construct, effectuate, operate, manage, maintain, renovate, improve, extend or repair or may provide by contract, lease or other arrangement for the establishment, construction, effectuation, operation, management, maintenance, renovation, improvement, extension or repair of any related services and activities it deems necessary, convenient or desirable.
3. The authority may establish, fix, revise, levy and collect or cause to be established, fixed, revised, levied and collected and, in the case of a joint service arrangement, join with others in the establishment, fixing, revision, levy and collection of such fares, rentals, rates, charges, landing and field use fees, concession fees and other fees as it may deem necessary, convenient or desirable for the use and operation of any aviation facilities, and related services operated or managed by the authority or under contract, pollution control facilities, lease or other arrangement, including joint service arrangements, with the authority. Such fares, rentals, rates, charges, landing and field use fees, concession fees or other fees shall be at least sufficient at all times in the judgment of the authority to establish and maintain the combined operations of the authority on a self-sustaining basis. Such operations shall be deemed to be on a self-sustaining basis as required by this title, when the authority is able to pay or fund or cause to be paid or funded from revenues and any other funds actually available to the authority (i) the principal of, premium, if any, and the interest on the outstanding bonds of the authority as the same shall become due and payable and any capital or debt service reserve therefor and, to the extent required by any agreement between the county and the authority, the principal of and interest on any general obligation bonds, notes or other evidence of indebtedness of the county issued for or allocable to any project of the authority as the same shall become due and payable and any reserves therefor, (ii) the cost of administering, maintaining, repairing and operating any project of the authority, (iii) the cost of constructing capital improvements thereto pursuant to any agreement between the county and the authority, (iv) any liabilities incurred for or allocable to any project of the authority including any liabilities of the county assumed by the authority pursuant to any agreement between the county and the authority, as the same become due and payable, (v) any requirements of any agreement including those relating to the establishment of reserves for renewal and replacement and for uncollected fares, rentals, rates, charges and fees and covenants respecting rates and debt service and earnings coverage ratios, (vi) all other reasonable and necessary expenses of the authority, and (vii) the cost of such additional projects as may be now or hereafter authorized by law and agreed to by the authority.

4. The authority may establish and, in the case of joint service arrangements, join with others in the establishment of such schedules and standards of operations and such other rules and regulations including but not limited to rules and regulations governing the conduct, safety and security of the public as it may deem necessary, convenient or desirable for the use, operation and management of any project and related services operated or managed by the authority or under contract, lease or other arrangement, including joint service arrangements, with the authority. Such rules and regulations governing the conduct, safety and security of the public shall be filed with the department of state in the manner provided by section one hundred two of the executive law. In the case of any conflict between any such rule or regulation of the authority governing the conduct, safety and security of the public and any local law, ordinance, rule or regulation, such rule or regulation of the authority shall prevail.

5. The authority may do all things it deems necessary, convenient or desirable to manage, control and direct the maintenance and operation of aviation facilities, equipment or property operated by or under contract, lease or other arrangement with the authority. Except as agreed to pursuant to any agreement between the authority and any public corporation and except as hereinafter specially provided, no municipality except for the county, shall have jurisdiction over any facilities of the authority or any of its activities or operations. The county shall provide for such facilities police, fire and health protection services.

6. The authority may accept unconditional grants of money or property from any municipality the whole or any part of which municipality shall be served or to be served by an aviation facility operated by the authority. Such grants of money or property would be for the purpose of assisting the authority in meeting its capital or operating expenses. The acceptance of any such grant shall not operate to make the authority an agency of the municipality making the grant.

7. In any instance where the county is required by law, with respect to an airport or any aviation facilities, to conduct a public hearing in connection with a contract, lease, joint service arrangement, charge, fare, rental or fee, the authority shall not enter into such contract, lease, joint service arrangement, or establish, fix, revise or levy any charge, fare, rental, landing and field use fee, concession fee or other fee unless and until the authority has held a public hearing at which interested persons have had an opportunity to be heard concerning the same, provided however, if the county has conducted a public hearing in connection with such contract, lease, joint service arrangement, charge, fare, rental or fee, the authority shall not be required to hold a public hearing. Notice of such public hearing shall be published by the authority at least ten days before the date set therefor, in at least one newspaper of general circulation in the county. Such notice shall set forth the date, time and place of such hearing and shall include a brief description of the matters to be considered at such meeting. At all such hearings, any interested persons shall have an opportunity to be heard concerning the matters under consideration. Any decision of the authority on matters considered at such public hearing shall be in writing and be made available in the office of the authority for public inspection during regular office hours.

§ 2758. County approval required

Notwithstanding any inconsistent provision of this title, no project, including but not limited to the acquisition of real property by the authority or the expansion of the authority's aviation facilities, may be undertaken by the authority unless such project is approved by a resolution of the county legislature adopted by a majority vote and approved by the county executive;

provided, however, that Resolution No. 157 of 1989 of the county legislature approving an airport expansion project shall be deemed to be an approval within the meaning of this section without further action by the county. All future projects not incorporated in or contemplated by Resolution No. 157 of 1989 shall be subject to approval by the county legislature and the county executive as set forth in this section.

§ 2759. Bonds of the authority

1. The authority shall have the power and is hereby authorized from time to time to issue bonds, notes or other obligations to pay the cost of any project or for any other corporate purpose, including the establishment of reserves to secure the bonds, the payment of principal of, premium, if any, and interest on the bonds and the payment of incidental expenses in connection therewith. The aggregate principal amount of such bonds, notes or other obligations shall not exceed two hundred million dollars (\$200,000,000), excluding bonds, notes or other obligations issued to refund or otherwise repay bonds, notes or other obligations theretofore issued for such purposes; provided, however, that upon any such refunding or repayment the total aggregate principal amount of outstanding bonds, notes or other obligations may be greater than two hundred million dollars (\$200,000,000) only if the present value of the aggregate debt service of the refunding or repayment bonds, notes or other obligations to be issued shall not exceed the present value of the aggregate debt service of the bonds, notes or other obligations so to be refunded or repaid. For purposes hereof, the present values of the aggregate debt service of the refunding or repayment bonds, notes or other obligations and of the aggregate debt service of the bonds, notes or other obligations so refunded or repaid, shall be calculated by utilizing the effective interest rate of the refunding or repayment bonds, notes or other obligations, which shall be that rate arrived at by doubling the semi-annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the refunding or repayment bonds, notes or other obligations from the payment dates thereof to the date of issue of the refunding or repayment bonds, notes or other obligations and to the price bid including estimated accrued interest or proceeds received by the authority including estimated accrued interest from the sale thereof. The authority shall have power and is hereby authorized to enter into such agreements and perform such acts as may be required under any applicable federal legislation to secure a federal guarantee of any bonds.

2. The authority shall have power from time to time to renew bonds or to issue renewal bonds for such purpose, to issue bonds to pay bonds, and, whenever it deems refunding expedient, to refund any bond by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other corporate purpose of the authority. Bonds (other than notes or other evidence of indebtedness) issued for refunding purposes, which have a final maturity date longer than the maturity of the bonds being refunded, shall be approved by a resolution of the county legislature adopted by a majority vote and approved by the county executive. Bonds issued for refunding purposes shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds or notes to be refunded.

3. Bonds issued by the authority may be general obligations secured by the faith and credit of the authority or may be special obligations payable solely out of particular revenues or other moneys as may be designated in the proceedings of the authority under which the bonds shall be authorized to be issued, subject as to priority only to any agreements with the holders of

outstanding bonds pledging any particular property, revenues or moneys. The authority may also enter into loan agreements, lines of credit and other security agreements and obtain for or on its behalf letters of credit, insurance, guarantees or other credit enhancements to the extent now or hereafter available, in each case for securing its bonds or to provide direct payment of any costs which the authority is authorized to pay.

4. Bonds shall be authorized by resolution of the authority, be in such denominations and bear such date or dates and mature at such time or times, as such resolution may provide, provided that bonds and renewals thereof shall mature within forty years from the date of original issuance of any such bonds.

Bonds shall be subject to such terms of redemption, bear interest at such rate or rates, be payable at such times, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms and conditions as such resolution may provide.

Notwithstanding any other provision of law, the bonds of the authority issued pursuant to this section shall be sold to the bidder offering the lowest true interest cost, taking into consideration any premium or discount not less than four nor more than fifteen days, Sundays excepted, after a notice of such sale has been published at least once in a newspaper of general circulation in the area served by the authority, which shall state the terms of the sale. The terms of the sale may not change unless notice of such change is published in such newspaper at least one day prior to the date of the sale as set forth in the original notice of sale. Advertisements shall contain a provision to the effect that the authority, in its discretion, may reject any or all bids made in pursuance of such advertisements, and in the event of such rejection, the authority is authorized to negotiate a private or public sale or readvertise for bids in the form and manner above described as many times as, in its judgment, may be necessary to effect a satisfactory sale.

Notwithstanding the provisions of the preceding paragraph, whenever in the judgment of the authority the interests of the authority will be served thereby, the members of the authority, on the written recommendation of the chairperson, may authorize the sale of such bonds at private or public sale on a negotiated basis or on either a competitive or negotiated basis. The authority shall set guidelines governing the terms and conditions of any such private or public sales.

The private or public bond sale guidelines set by the authority shall include, but not be limited to a requirement that where the interests of the authority will be served by a private or public sale of bonds, the authority shall select underwriters for private or public bond sales conducted pursuant to a request for proposal process undertaken at least once annually and consideration of proposals from qualified underwriters taking into account, among other things, qualifications of underwriters as to experience, their ability to structure and sell authority bond issues, anticipated costs to the authority, the prior experience of the authority with the firm, if any, the capitalization of such firms, participation of qualified minority and women-owned business enterprise firms in such private or public sales of bonds of the authority and the experience and ability of firms under consideration to work with minority and women-owned business enterprises so as to promote and assist participation by such enterprises.

The authority shall have the power from time to time to amend such private bond sale guidelines in accordance with the provisions of this subdivision.

No private or public bond sale on a negotiated basis shall be conducted by the authority without prior approval of the comptroller.

The authority shall annually prepare and approve a bond sale report which shall include the private or public bond sale guidelines as specified in this subdivision, amendments to such guidelines since the last private or public bond sale report, an explanation of the bond sale guidelines and amendments, and the results of any sale of bonds conducted during the fiscal year. Such bond sale report may be a part of any other annual report that the authority is required to make.

The authority shall annually submit its bond sale report to the comptroller and copies thereof to the senate finance committee and the assembly ways and means committee.

The authority shall make available to the public copies of its bond sale report upon reasonable request therefor.

Nothing contained in this subdivision shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, the provisions of this subdivision.

5. Any resolution or resolutions authorizing bonds or any issue of bonds may contain provisions which may be a part of the contract with the holders of the bonds thereby authorized as to:

(a) pledging all or any part of the revenues, other moneys or property of the authority to secure the payment of the bonds, or any costs of issuance thereof, including but not limited to any contracts, earnings or proceeds of any grant to the authority received from any private or public source subject to such agreements with bondholders as may then exist;

(b) the setting aside of reserves and the creation of sinking funds and the regulation and disposition thereof;

(c) limitations on the purpose to which the proceeds from the sale of bonds may be applied;

(d) the rates, rents, fees and other charges to be fixed and collected by the authority and the amount to be raised in each year thereby and the use and disposition of revenues;

(e) limitations on the right of the authority to restrict and regulate the use of the project or part thereof in connection with which bonds are issued;

(f) limitations on the issuance of additional bonds, the terms upon which additional bonds may be issued and secured and the refunding of outstanding or other bonds;

(g) the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

(h) the creation of special funds into which any revenues or moneys may be deposited;

(i) the terms and provisions of any trust, mortgage, deed or indenture securing the bonds under which the bonds may be issued;

(j) vesting in a trustee or trustees such properties, rights, powers and duties in trust as the authority may determine which may include any or all of the rights, powers and duties of the trustees appointed by the bondholders pursuant to this title and limiting or abrogating the rights of the bondholders to appoint a trustee under such section or limiting the rights, duties and powers of such trustee;

(k) defining the acts or omissions to act which may constitute a default in the obligations and duties of the authority to the bondholders and providing for the rights and remedies of the bondholders in the event of such default, including as a matter of right the appointment of a receiver, provided, however, that such rights and remedies shall not be inconsistent with the general laws of the state and other provisions of this title;

(l) limitations on the power of the authority to sell or otherwise dispose of any project or any part thereof;

(m) limitations on the amount of revenues and other moneys to be expended for operating, administrative or other expenses of the authority;

(n) the payment of the proceeds of bonds, revenues and other moneys to a trustee or other depository, and for the method of disbursement thereof with such safeguards and restrictions as the authority may determine; and

(o) any other matters of like or different character which in any way affect the security or protection of the bonds or the rights and remedies of bondholders.

6. In addition to the powers herein conferred upon the authority to secure its bonds, the authority shall have power in connection with the issuance of bonds to adopt resolutions and enter into such trust indentures, agreements or other instruments as the authority may deem necessary, convenient or desirable concerning the use or disposition of its revenues or other moneys or property, including the mortgaging of any property and the entrusting, pledging or creation of any other security interest in any such revenues, moneys or property and the doing of any act, including refraining from doing any act which the authority would have the right to do in the absence of such resolutions, trust indentures, agreements or other instruments. The authority shall have power to enter into amendments of any such resolutions, trust indentures, agreements or other instruments. The provisions of any such resolutions, trust indentures, agreements or other instruments may be made a part of the contract with the holders of bonds of the authority.

7. Any provision of the uniform commercial code to the contrary notwithstanding, any pledge of or other security interest in revenues, moneys, accounts, contract rights, general intangibles or other personal property made or created by the authority shall be valid, binding and perfected from the time when such pledge is made or other security interest attaches without any physical delivery of the collateral or further act, and the lien of any such pledge or other security interest shall be valid, binding and perfected against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether or not such parties have notice thereof. No instrument by which such a pledge or security interest is created nor any financing statement need be recorded or filed.

8. Whether or not the bonds are of such form and character as to be negotiable instruments under the terms of the uniform commercial code, the bonds are hereby made negotiable instruments within the meaning of and for all the purposes of the uniform commercial code, subject only to the provisions of the bonds for registration.

9. Neither the members of the authority nor any person executing its bonds shall be liable personally on its bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

10. Subject to such agreements with bondholders as may then exist, the authority shall have power out of any funds available therefor to purchase bonds of the authority, which shall thereupon be cancelled, at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date, or (b) if the bonds are not then redeemable, the redemption price applicable on the first date after such purchase upon which the bonds become subject to redemption plus accrued interest to the next interest payment date. Bonds so purchased shall thereupon be cancelled.

§ 2760. Remedies of bondholders

Subject to any resolution or resolutions adopted pursuant to this title:

1. In the event that the authority shall default in the payment of principal or of interest on any issue of bonds after the same shall become due, whether at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the authority shall fail or refuse to comply with the provisions of this title or shall default in any agreement made with the holders of any issue of bonds, the holders of twenty-five percent in aggregate principal amount of the bonds of such issue then outstanding, by instrument or instruments filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of such bonds for the purpose herein provided.

2. Such trustee may, and upon written request of the holders of twenty-five per centum in principal amount of such bonds outstanding, shall in its own name:

(a) by action or proceeding in accordance with the civil practice law and rules, enforce all rights of the bondholders, including the right to require the authority to collect rents, rates, fees and charges adequate to carry out any agreement as to, or pledge of, such rents, rates, fees and charges and to require the authority to carry out any other agreements with the holders of such bonds to perform its duties under this title;

(b) bring an action or proceeding upon such bonds;

(c) by action or proceeding, require the authority to account as if it were the trustee of an express trust for the holders of such bonds;

(d) by action or proceeding, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds; and

(e) declare all such bonds due and payable, and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of such bonds then outstanding, to annul such declaration and its consequences.

3. Such trustee shall in addition to the foregoing have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of bondholders in the enforcement and protection of their rights.

4. The supreme court shall have jurisdiction of any action or proceeding by the trustee on behalf of such bondholders. The venue of any such action or proceeding shall be laid in the county.

5. Before declaring the principal of bonds due and payable, the trustee shall first give thirty days notice in writing to the authority.

6. Any such trustee whether or not the issue of bonds represented by such trustee has been declared due and payable, shall be entitled as of right to the appointment of a receiver of any part or parts of the project, the revenues of which are pledged for the security of the bonds of such issue, and such receiver may enter and take possession of such part or parts of the project and, subject to any pledge or agreement with the holders of such bonds, shall take possession of all moneys and other property derived from such part or parts of the project and proceed with any construction thereon or the acquisition of any property, real or personal, in connection therewith that the authority is under obligation to do, and operate, maintain and reconstruct such part or parts of the project and collect and receive all revenues thereafter arising therefrom subject to any pledge or agreement with bondholders relating thereto and perform the public duties and carry out the agreements and obligations of the authority under the direction of the court. In any suit, action or proceeding by the trustee, the fees, counsel fees and expenses of the trustee and of the receiver, if any, shall constitute taxable disbursements and all costs and disbursements allowed by the court shall be a first charge on any revenues derived from the project.

§ 2761. State and county not liable on authority bonds

Neither the state nor the county shall be liable on the bonds of the authority and such bonds shall not be a debt of the state or the county, and such bonds shall contain on the face thereof a statement to such effect.

§ 2762. Moneys of the authority

All moneys of the authority from whatever source derived shall be paid to the treasurer of the authority and shall be deposited forthwith in a bank or banks designated by the authority. The moneys in such accounts shall be paid out on check of the treasurer upon requisition by such person or persons as the authority may authorize to make such requisitions. All deposits of such moneys shall be secured by obligations of the United States or of the state or of any municipality of a market value equal at all times to the amount on deposit and all banks and trust companies are authorized to give such security for such deposits. To the extent practicable, consistent with the cash requirements of the authority, all such moneys shall be deposited in interest bearing

accounts. The authority shall have power, notwithstanding the provisions of this section, to contract with the holders of any bonds as to the custody, collection, security, investment and payment of any moneys of the authority or any moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds, and carry out any such contract notwithstanding that such contract may be inconsistent with the provisions of this section. Moneys held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of such moneys may be secured in the same manner as moneys of the authority and all banks and trust companies are authorized to give such security for such deposits. Any moneys of the authority not required for immediate use or disbursement may, at the discretion of the authority, be invested in those obligations specified pursuant to the provisions of section ninety-eight-a of the state finance law. Subject to the provisions of any contract with bondholders and with the approval of the comptroller, the authority shall prescribe a system of accounts.

§ 2763. Bonds legal investment for fiduciaries

The bonds of the authority are hereby made securities in which all public officers and bodies of the state and all municipalities, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, and administrators, guardians, executors, trustees and other fiduciaries and all other persons whatsoever, who are now or may hereafter be authorized to invest in bonds or other obligations of the state may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding other provisions of law, the bonds are also hereby made securities which may be deposited with and may be received by all public officers and bodies of the state and all municipalities for any purposes for which the deposit of bonds or other obligations of this state is now or hereafter may be authorized.

§ 2764. Agreement with state

The state does hereby pledge to and agree with the holders of any bonds issued by the authority pursuant to this title and with those persons or public corporations who may enter into contracts with the authority pursuant to the provisions of this title that the state will not alter, limit or impair the rights hereby vested in the authority to purchase, construct, own and operate, maintain, repair, improve, reconstruct, renovate, rehabilitate, enlarge, increase and extend, or dispose of any project, or any part or parts thereof, for which bonds of the authority shall have been issued, to establish and collect rates, rents, fees and other charges referred to in this title, to fulfill the terms of any contracts or agreements made with or for the benefit of the holders of bonds or with any person or public corporation with reference to such project or part thereof, or in any way to impair the rights and remedies of the holders of bonds, until the bonds, together with interest thereon, including interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of bonds, are fully met and discharged and such contracts are fully performed on the part of the authority. The authority is authorized to include this pledge and agreement of the state in any agreement with the holders of bonds.

§ 2765. Agreement with county

The county is authorized to pledge to and agree with the holders of any bonds issued by the authority pursuant to this title and with those persons or public corporations who may enter into contracts with the authority pursuant to the provisions of this title that the county will not alter, limit or impair the rights hereby vested in the authority to purchase, construct, own and operate, maintain, repair, improve, reconstruct, renovate, rehabilitate, enlarge, increase and extend, or dispose of any project, or any part or parts thereof, for which bonds of the authority shall have been issued, to establish and collect rates, rents, fees and other charges referred to in this title, to fulfill the terms of any agreements made with the holders of the bonds or with any public corporation or person with reference to such project or part thereof, or in any way impair the rights and remedies of the holders of bonds, until the bonds, together with interest thereon, including interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the holders of bonds, are fully met and discharged and such contracts are fully performed on the part of the authority.

§ 2766. Exemption from taxes, assessments and certain fees

1. The authority shall not be required to pay any fees, taxes, special ad valorem levies or assessments, whether state or local, including but not limited to fees, taxes, special ad valorem levies or assessments on real property, franchise taxes, sales taxes or other excise taxes, upon any property owned by it or under its jurisdiction, control or supervision, or upon the uses thereof, or upon its activities in the operation and maintenance of its facilities or any fares, tolls, rentals, rates, charges, fees, revenues or other income received by the authority. Notwithstanding the previous sentence, the authority shall be required to pay water and pure water fees or charges imposed by any public corporation. The authority shall at all times be exempt from any filing, mortgage recording or transfer fees or taxes in relation to instruments filed, recorded or transferred by it or on its behalf. The construction, use, occupation or possession of any property owned by the authority or the county, including improvements thereon, by any person or public corporation under a lease, lease and sublease or any other agreement shall not operate to abrogate or limit the foregoing exemption, notwithstanding that the lessee, user, occupant or person in possession shall claim ownership for federal income tax purposes.

2. Any bonds issued pursuant to this title together with the income therefrom as well as the property of the authority shall at all times be exempt from taxes, except for transfer and estate taxes. The state hereby covenants with the purchasers and with all subsequent holders and transferees of bonds issued by the authority pursuant to this title, in consideration of the acceptance of and payment for the bonds, that the bonds of the authority issued pursuant to this title and the income therefrom and all revenues, moneys, and other property pledged to secure the payment of such bonds shall at all times be free from taxation, except for transfer and estate taxes.

§ 2767. Actions against authority

1. Except in an action for wrongful death, no action or special proceeding shall be prosecuted or maintained against the authority, its members, officers, or employees for personal injury or

damage to real or personal property alleged to have been sustained by reason of the negligence, tort or wrongful act of the authority or of any member, officer, agent or employee thereof, unless (i) a notice of claim shall have been made and served upon the authority within the time limit set by and in compliance with section fifty-e of the general municipal law, (ii) it shall appear by and as an allegation in the complaint or moving papers that at least thirty days have elapsed since the service of such notice and that adjustment or payment thereof has been neglected or refused, (iii) the action or special proceeding shall be commenced within one year and ninety days after the happening of the event upon which the claim is based, and (iv) an action against the authority for wrongful death shall be commenced in accordance with the notice of claim and time limitation provisions of title eleven of article nine of this chapter.

2. Whenever a notice of claim is served upon the authority, it shall have the right to demand an examination of the claimant relative to the occurrence and extent of the injuries or damages for which claim is made, in accordance with the provisions of section fifty-h of the general municipal law.

3. The authority may require any person presenting for settlement an account or claim for any cause whatever against the authority to be sworn before a member, counsel or an attorney, officer or employee of the authority designated for such purpose, concerning such account or claim and, when so sworn, to answer orally as to any facts relative to such account or claim. The authority shall have power to settle or adjust all claims in favor of or against the authority.

4. Any action or proceeding to which the authority or the people of the state may be parties, in which any question arises as to the validity of this title, shall be preferred over all other civil causes of action or cases, except election causes of action or cases, in all courts of the state and shall be heard and determined in preference to all other civil business pending therein except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the authority or its counsel in any action or proceeding questioning the validity of this title in which the authority may be allowed to intervene. The venue of any such action or proceeding shall be laid in the supreme court of the county.

5. The rate of interest to be paid by the authority upon any judgment for which it is liable, other than a judgment on its bonds, shall be the rate prescribed by section five thousand four of the civil practice law and rules. Interest on payments of principal or interest on any bonds in default shall accrue at the rate borne by such bonds from the due date thereof until paid or otherwise satisfied.

§ 2768. Contracts

All contracts for construction shall be let by the authority in conformity with the applicable provisions of section one hundred thirty-five of the state finance law and shall be let in accordance with the provisions of state law pertaining to prevailing wages, labor standards and working hours. In the case of industrial projects, whenever the authority determines that trade secrets or other confidential information about the prospective project occupant's business operations, products, processes or designs would be revealed by public bidding, the requirements of section one hundred thirty-five of the state finance law with respect to public bidding may be waived. In such event, separate specifications shall be prepared for, and separate and

independent contracts shall be entered into, for the following three subdivisions of work to be performed: (a) plumbing and gas fitting; (b) steam heating, hot water heating, ventilating and air conditioning apparatus; and (c) electric wiring and standard illuminating fixtures. The authority may, in its discretion, assign contracts for supervision and coordination to the successful bidder for any subdivision of work for which the authority receives bids. The authority shall not award any construction contract except to the lowest bidder who, in its opinion, is qualified to perform the work required and who is responsible and reliable. The authority may, however, reject any or all bids or waive any informality in a bid if it believes that the public interest will be promoted thereby. The authority may reject any bid if, in its judgment, the business and technical organization, plant, resources, financial standing, or experience of the bidder justifies such rejection in view of the work to be performed.

§ 2769. Interest in contracts prohibited

It shall be a misdemeanor for any member, officer or employee of the authority to be in any way or manner interested, directly or indirectly, in the furnishing of work, materials, supplies or labor, or in any contract therefor which the authority is empowered by this title to make.

§ 2770. Agreements relating to payment in lieu of taxes

1. In order to assure that municipalities may not suffer undue loss of taxes or assessments in the event that the authority acquires any airport from the county, any person paying real property taxes or assessments as of the date of the transfer of title from the county to the authority on any property located within any such airport shall make payments in lieu of taxes in an amount equal to the sums which would ordinarily be imposed as taxes by any municipality in which such property is located, pursuant to the prevailing method of determining taxes and assessments.

2. Subject to any agreement with bondholders, the authority may, but is not required to, enter into agreements with any municipality of the state to pay annual sums in lieu of taxes to any such municipality in respect of any real property which is owned by the authority is located in such municipality and is used for public aviation purposes or pollution control purposes. For the purposes of this section, such public aviation purposes shall include without limitation air terminal facilities, parking facilities, fuel facilities, maintenance facilities, and facilities for the loading, unloading, holding, interchange or transfer of passengers, freight, baggage or cargo.

3. In the event that any real property owned by the authority is used or is to be used by the authority or a lessee thereof for purposes other than public aviation purposes, the authority, or lessee thereof, as the case may be, shall enter into agreements with any municipality of the state to pay annual sums in lieu of taxes in respect of such real property located in such municipality. For the purposes of this section, such purposes other than public aviation purposes shall include without limitation hotels, motels, restaurants and retail stores and concessions not located within any air terminal building, office buildings to the extent not used by the authority or any other public corporation for its own corporate purposes, and such other buildings and improvements as determined by the authority to be not exclusively for public aviation purposes.

The authority shall determine (i) the amount of such annual payments in lieu of taxes, (ii) whether the use of such property is for purposes other than public aviation purposes and (iii) the extent to which such property is used for purposes other than public aviation purposes. In making such determinations the authority shall take into consideration the recommendations, if any, of the county.

§ 2771. Audit and annual report

In conformity with the provisions of section five of article ten of the constitution, the accounts of the authority shall be subject to the supervision of the state comptroller and an annual audit shall be performed by an independent certified accountant. The authority shall annually submit to the governor and the state comptroller and to the chairperson of the senate finance committee and the chairperson of assembly ways and means committee a detailed report pursuant to the provisions of section two thousand eight hundred of title one of article nine of this chapter, and a copy of such report shall be filed with the clerk of the county legislature and the county executive.

§ 2772. Limited liability

Neither members, officers or employees of the authority, nor any municipality, or an officer or employee thereof acting on behalf of the authority, while acting within the scope of their authority, shall be subject to any personal liability resulting from the construction, maintenance or operation of any of the properties of the authority or from carrying out any of the powers expressly given in this title provided, however, that this section shall not be held to apply to any independent contractor.

§ 2773. Transfer of applications, proceedings, approvals and permits

1. Any application, review or process in relation to or in furtherance of the purposes of or contemplated by this title heretofore filed or undertaken, or any proceeding heretofore commenced or any determination, finding or award made, by the county or by the county with the federal government, the state department of environmental conservation, the state department of transportation or any other public corporation shall inure to and for the benefit of the authority to the same extent and in the same manner as if the authority had been a party to such application, review, process or proceeding from its inception, and the authority shall be deemed a party thereto, to the extent not prohibited by any federal law. Any license, approval, permit, determination, finding, award or decision heretofore or hereafter issued or granted pursuant to or as a result of any such application, review, process or proceeding shall inure to the benefit of and be binding upon the authority and shall be assigned and transferred by the county to the authority unless such assignment and transfer is prohibited by federal law.

2. All such applications, proceedings, licenses, approvals, permits, determinations, findings, awards and decisions shall further inure to and for the benefit of and be binding upon any person

leasing, acquiring, financing, constructing, maintaining, operating, using or occupying any facility financed in whole or in part by the authority.

§ 2774. Separability

If any clause, sentence, paragraph, section, or part of this title shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section, or part thereof involved in the controversy in which such judgment shall have been rendered.

§ 2775. Effect of inconsistent provisions

In so far as the provisions of this title are inconsistent with the provisions of any other act, general or special, or of the county charter or any local law, charter, ordinance or resolution of the county or any other municipality, the provisions of this title shall be controlling. Nothing contained in this section shall be held to supplement or otherwise expand the powers or duties of the authority otherwise set forth in this title. Except as specifically provided for in this title, in the performance of any of its functions, powers and duties, the authority shall be subject to all applicable general or special laws of the state, the county charter, and any local law, ordinance or resolution of the county.

Current through L.2010.
END OF DOCUMENT

Exhibit I

Authority's Procurement Report for 2017

Procurement-Information:

Question	Response	URL (if applicable)
1. Does the Authority have procurement guidelines?	Yes	http://ww.monroecounty.gov/airport-MCAA-php
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	Yes	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents or specifications for procurement contracts?.	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Transactions Listing:

<p>1. Vendor Name: Ailevon LLC</p> <p>Type of Procurement: Consulting Services Award Process: Authority Contract - Competitive Bid Award Date: 01/01/2017 End Date: 12/31/2017 Amount: \$75,000 Amount Expended for Fiscal Year: \$57,758.3 Fair market value: Explain why the fair market value is less than the amount:</p> <p>Address Line1: 4423 W. University Blvd Address Line2: City: DALLAS State: TX Postal Code: 75209 Plus 4: Province Region: Country: USA</p> <p>Procurement Description: Professional Services; Airline Consultant</p>	<p>2. Vendor Name: Allegiant Air LCC</p> <p>Type of Procurement: Other Award Process: Non Contract Procurement/Purchase Order Award Date: End Date: Amount: Amount Expended for Fiscal Year: \$77,328.5 Fair market value: Explain why the fair market value is less than the amount:</p> <p>Address Line1: 1201 N Town Center Drive Address Line2: City: ROCHESTER State: NY Postal Code: 14614 Plus 4: Province Region: Country: USA</p> <p>Procurement Description: Marketing Incentives</p>
--	---

Procurement Transactions Listing:

3. Vendor Name: American Association of Airport Executives

Type of Procurement: Other

Award Process: Non Contract Procurement/Purchase Order

Award Date:

End Date:

Amount:

Amount Expended for Fiscal Year: \$5,523.6

Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 601 Madison Street

Address Line2:

City: ALEXANDRIA

State: VA

Postal Code: 22314

Plus 4:

Province Region:

Country: USA

Procurement Description: Membership

4. Vendor Name: Ber National Automation Inc.

Type of Procurement: Commodities/Supplies

Award Process: Non Contract Procurement/Purchase Order

Award Date:

End Date:

Amount:

Amount Expended for Fiscal Year: \$17,600

Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 1137 East Main Street

Address Line2:

City: ROCHESTER

State: NY

Postal Code: 14609

Plus 4: 6901

Province Region:

Country: USA

Procurement Description: Security-gate arms for roads

Procurement Transactions Listing:

5. Vendor Name: Bonadio & Company LLP

Type of Procurement: Financial Services
Award Process: Authority Contract - Competitive Bid
Award Date: 10/01/2017
End Date: 09/30/2020
Amount: \$122,200
Amount Expended for Fiscal Year: \$40,500

Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 171 Sullys Trail
Address Line2:
City: PITTSFORD
State: NY
Postal Code: 14534
Plus 4:
Province Region:
Country: USA

Procurement Description: Professional Services; External Audit Services

6. Vendor Name: Bruce Fennie & Associates

Type of Procurement: Other Professional Services
Award Process: Authority Contract - Competitive Bid
Award Date: 06/30/2013
End Date: 06/30/2017
Amount: \$624,000
Amount Expended for Fiscal Year: \$78,000

Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 98 North Country Club Drive
Address Line2:
City: ROCHESTER
State: NY
Postal Code: 14618
Plus 4:
Province Region:
Country: USA

Procurement Description: Professional Services; Lobbying & Consulting

Procurement Transactions Listing:

7. Vendor Name: LeighFisher Inc.

Type of Procurement: Consulting Services
Award Process: Authority Contract - Competitive Bid
Award Date: 01/01/2017
End Date: 12/31/2017
Amount: \$85,307.17
Amount Expended for Fiscal Year: \$85,307.17
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: 800 Market St
Address Line2: Lockbox 18713F
City: SAINT LOUIS
State: MO
Postal Code: 63150
Plus 4:
Province Region:
Country: USA
Procurement Description: Airport consulting services

8. Vendor Name: M&T Bank N.A.

Type of Procurement: Financial Services
Award Process: Non Contract Procurement/Purchase Order
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$8,000
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: 255 East Avenue
Address Line2:
City: ROCHESTER
State: NY
Postal Code: 14604
Plus 4:
Province Region:
Country: USA
Procurement Description: Bank Service Charges

Procurement Transactions Listing:

9. Vendor Name: Monroe County Director of Finance

Type of Procurement: Other
Award Process: Authority Contract - Non-Competitive Bid
Award Date: 09/15/1989
End Date: 09/15/2019
Amount: \$16,419,808.92
Amount Expended for Fiscal Year: \$15,813,864.84

Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 39 West Main Street
Address Line2:
City: ROCHESTER
State: NY
Postal Code: 14614
Plus 4:
Province Region:
Country: USA

Procurement Description: Operation & Maintenance Agreement

10. Vendor Name: NYAMA

Type of Procurement: Other
Award Process: Non Contract Procurement/Purchase Order
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$6,500

Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 136 Everett Road
Address Line2:
City: ALBANY
State: NY
Postal Code: 12205
Plus 4:
Province Region:
Country: USA

Procurement Description: Conference Sponsorship/Membership Dues

Procurement Transactions Listing:

<p>11. Vendor Name: Northeast Chapter-American Association of Airport Executives</p> <p>Type of Procurement: Other</p> <p>Award Process: Non Contract Procurement/Purchase Order</p> <p>Award Date:</p> <p>End Date:</p> <p>Amount:</p> <p>Amount Expended for Fiscal Year: \$12,350</p> <p>Fair market value:</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 136 Everett Road</p> <p>Address Line2:</p> <p>City: ALBANY</p> <p>State: NY</p> <p>Postal Code: 12205</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Sponsorship/membership/conference</p>	<p>12. Vendor Name: Schuler-Haas Electrical Corporation</p> <p>Type of Procurement: Design and Construction/Maintenance</p> <p>Award Process: Non Contract Procurement/Purchase Order</p> <p>Award Date:</p> <p>End Date:</p> <p>Amount:</p> <p>Amount Expended for Fiscal Year: \$10,830.48</p> <p>Fair market value:</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 240 Commerce Drive</p> <p>Address Line2:</p> <p>City: ROCHESTER</p> <p>State: NY</p> <p>Postal Code: 14623</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Electrical services for work in terminal</p>
--	--

Procurement Transactions Listing:

<p>13. Vendor Name: Seeler Engineering</p> <p>Type of Procurement: Other Professional Services</p> <p>Award Process: Authority Contract - Non-Competitive Bid</p> <p>Award Date: 04/06/2017</p> <p>End Date: 07/06/2017</p> <p>Amount: \$19,700</p> <p>Amount Expended for Fiscal Year: \$18,376.5</p> <p>Fair market value:</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 1151 Pittsford Victor Rd</p> <p>Address Line2: Ste 124</p> <p>City: PITTSFORD</p> <p>State: NY</p> <p>Postal Code: 14534</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Economic analysis</p>	<p>14. Vendor Name: Stonebridge Business Partners</p> <p>Type of Procurement: Financial Services</p> <p>Award Process: Authority Contract - Competitive Bid</p> <p>Award Date: 06/01/2017</p> <p>End Date: 05/31/2018</p> <p>Amount: \$75,000</p> <p>Amount Expended for Fiscal Year: \$48,193.25</p> <p>Fair market value:</p> <p>Explain why the fair market value is less than the amount:</p> <p>Address Line1: 280 Kenneth Drive</p> <p>Address Line2: Suite 100</p> <p>City: ROCHESTER</p> <p>State: NY</p> <p>Postal Code: 14623</p> <p>Plus 4:</p> <p>Province Region:</p> <p>Country: USA</p> <p>Procurement Description: Professional Services; Internal Audit Services</p>
--	---

Procurement Transactions Listing:

15. Vendor Name: Technical Systems Group

Type of Procurement: Technology - Software
Award Process: Purchased Under State Contract
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$103,570.61
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: 1799 North Clinton Avenue
Address Line2:
City: ROCHESTER
State: NY
Postal Code: 14621
Plus 4:
Province Region:
Country: USA

Procurement Description: Physical identity and access management solution

16. Vendor Name: USAirports LLC

Type of Procurement: Design and Construction/Maintenance
Award Process: Non Contract Procurement/Purchase Order
Award Date:
End Date:
Amount:
Amount Expended for Fiscal Year: \$21,714.08
Fair market value:
Explain why the fair market value is less than the amount:

Address Line1: One Airport Way
Address Line2:
City: ROCHESTER
State: NY
Postal Code: 14624
Plus 4:
Province Region:
Country: USA

Procurement Description: Capital Fuel Farm Reserve Funded Project

Procurement Transactions Listing:

17. Vendor Name: Universal Protection Svc LLC DBA Allied
 Univeral Security Svcs

Type of Procurement: Other Professional Services
 Award Process: Authority Contract - Competitive Bid
 Award Date: 07/01/2016
 End Date: 06/30/2018
 Amount: \$745,100.33
 Amount Expended for Fiscal Year: \$379,360.77
 Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: PO Box 828854
 Address Line2:
 City: PHILADELPHIA
 State: PA
 Postal Code: 19182
 Plus 4:
 Province Region:
 Country: USA

Procurement Description: Employee Access Control Services

18. Vendor Name: Universal Protection Svc LLC DBA Allied
 Universal Security Svcs

Type of Procurement: Other Professional Services
 Award Process: Authority Contract - Competitive Bid
 Award Date: 07/01/2016
 End Date: 06/30/2018
 Amount: \$95,055.75
 Amount Expended for Fiscal Year: \$45,894.84
 Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: PO Box 828854
 Address Line2:
 City: PHILADELPHIA
 State: PA
 Postal Code: 19182
 Plus 4:
 Province Region:
 Country: USA

Procurement Description: Employee Badging Office Services

Procurement Transactions Listing:

19. Vendor Name: VMD Integrators Inc.

Type of Procurement: Other Professional Services
Award Process: Authority Contract - Competitive Bid
Award Date: 10/01/2015
End Date: 09/30/2020
Amount: \$2,321,322
Amount Expended for Fiscal Year: \$512,338.23
Fair market value:

Explain why the fair market value is less than the amount:

Address Line1: 11440 Commerce Park Drive
Address Line2: Ste 400
City: RESTON
State: VA
Postal Code: 20191
Plus 4:
Province Region:
Country: USA
Procurement Description: Security Exit Lane Services

Procurement Transactions Listing:

Additional Comments:

Exhibit J

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE & PROCEDURES

MONROE COUNTY AIRPORT AUTHORITY

ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE AND PROCEDURES

This statement certifies that the internal control structure and procedures of the Monroe County Airport Authority (the Authority) have been documented and assessed for the year ended December 31, 2017. This assessment found the Authority's internal controls to be adequate, and to the extent that deficiencies were identified, the Authority has developed corrective action plans to reduce any corresponding risk.



Robert Franklin

Treasurer

Monroe County Airport Authority