

Minutes
Monroe County Airport Authority
January 16, 2008

Members Present: James Vazzana, Chairperson
Valerie Christianson
Don Johnson
Bernard Iacovangelo
Nicholas Juskiw
Stephen Tucciarello
Willie Lightfoot Jr.

Others Present: David Damelio, Director of Aviation
Andrew Moore, Deputy Director of Aviation
Daniel DeLaus, County Attorney
Hope Christansen, Contracts & Leasing
David Haas, Budget Analyst
Philip Mancini, Assistant Treasurer
Charles Turner, Assistant Secretary

The meeting was called to order by Chairman Vazzana at 12:00 pm.

The minutes from December 12, 2007 were approved unanimously 7-0.

Member Christianson reported that the Audit Committee Meeting had just met prior to the Board Meeting and had reviewed the Audit plan presented by the Bonadio Group. They will be presenting the audit to the Board at its next meeting in March 2008.

Traffic Report: Dave Haas presented a written traffic report. He highlighted the report by indicating that total enplanements for 2007 were 2.8 million. The load factors was 74%.

Financial Disclosure Statement: Assistant Secretary, Chuck Turner distributed the Financial Disclosure Statement to all Board Members and asked that they return it by no later than April 15, 2008. He also provided each Board Member with an article from the NYS Bar Association entitled "How Not to Govern: Lessons from the Report to the Board of Regents of the Smithsonian Institution".

Directors Report: Director Damelio reported Terminal Improvements are on schedule and on budget. Phase III regarding the B Concourse will have reconstruction commencing in the fall of 2008. The Parking study is being reviewed for an addition to the parking garage which is estimated to start in the fall of 2008.

He noted that legislative action by the County Legislature will be necessary regarding the acquiring of eight parcels in the landing protection zone. One parcel needs to be acquired by eminent domain. The other seven parcels have already been acquired.

The recent heavy snow experienced by the airport in December was handled well with the airport maintenance crews.

There was a master plan hearing in December in which no major issues were revealed.

The airport has secured a grant for a new fire truck in the amount of approximately \$400,000.00.

There should be a press conference in February regarding this year's air show which will be held on July 25 through July 17, 2008.

The airport is considering implementing a registered travelers program which will work in conjunction with TSA. This will allow passengers to bypass a security line reducing wait times but of course all passengers will still have to comply with all security and screening requirements. The national average for wait time is fourteen minutes and the average at the Greater Rochester International Airport is nine minutes. Several airports have instituted this program. This may be implemented on an experimental basis to be sure that the program works and there is interest in the community. The cost to participate in the program by the passengers is \$99 per year.

The Airport Council is advocating an increase in PFCs. Membership in the Council is \$20,000.00. Jim Vazzana congratulated County Executive Maggie Brooks and Director Damelio in regard to the success in operating the airport and obtaining funding for the airport.

The airport will be profiled in the Business Excellence Magazine in an upcoming issue.

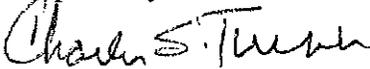
Director Damelio introduced Andy Moore as the new Deputy Director who started his position in mid December.

The airport has been coordinating with the Senior PGA regarding that event upcoming in May.

There being no further business the meeting was adjourned at 12:45 pm.

The next meeting is scheduled for Wednesday, March 19, 2008 at 12:00 pm.

Respectfully Submitted,



Charles S. Turner
Assistant Secretary

Dated: Feb. 12, 2008

Minutes
Monroe County Airport Authority
March 19, 2008

Members Present: James Vazzana, Chairperson
Valerie Christianson
Don Johnson (joined meeting in progress)
Bernard Iacovangelo
Nicholas Juskiw
Stephen Tucciarello

Others Present: David Damelio, Director of Aviation
Andrew Moore, Deputy Director of Aviation
Daniel DeLaus, County Attorney & Secretary
Hope Christansen, Contracts & Leasing
David Haas, Budget Analyst
Philip Mancini, Assistant Treasurer
Charles Turner, Assistant Secretary

The meeting was called to order by Chairman Vazzana at 12:00 pm.

Public Hearing on a Resolution Authorizing a Lease Agreement with Avis Rent A Car System LLC for Operation of a Car Rental Maintenance Facility at the Greater Rochester International Airport. Chairperson Vazzana opened the public hearing and asked whether anyone desired to speak on this resolution. No one requested to speak and the public hearing was closed.

Public Hearing on a Resolution Authorizing a Registered Traveler Program Service Provider Agreement at the Greater Rochester International Airport. This Public Hearing was cancelled at the request of the Airport Administration and will be rescheduled for a future date.

Approval of Minutes of Meeting held January 16, 2008. It was moved by Member Juskiw and seconded by Member Iacovangelo that the minutes of the meeting held January 16, 2008 be approved. The motion was adopted unanimously 5-0.

Authorize a Lease with Avis Rent A Car System LLC for Operation of a Car Rental Maintenance Facility at the Greater Rochester International Airport. It was moved by Member Christianson and seconded by Member Tucciarello that Resolution No. 1 of 2008 be adopted. The motion was passed unanimously 5-0.

Approve Submission of Annual Report. It was moved by Member Juskiw and seconded by Member Iacovangelo that Resolution No. 2 of 2008 be adopted. The motion was approved unanimously 5-0.

At this point of the meeting Member Johnson joined the meeting in progress.

Audit Committee Report. Chairperson Christianson of the Audit Committee reported that the Committee had met just prior to the regular meeting on March 19, 2008 and had reviewed the 2007 Audit prepared and submitted by Bonadio & Co. The final report will be submitted to the Board at its next meeting on May 21, 2008.

Traffic Report. Dave Haas reviewed the traffic report which was submitted to the members of the Authority. He stated that the report was positive overall.

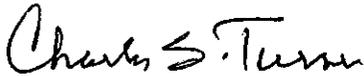
Directors Report. Director Dave Damelio submitted the following to the Authority:

1. He gave credit to Dave Haas and Phil Mancini on establishing the rates and charges for 2008. The airlines are receiving a one million dollar in credit as a result of the operation of the airport.
2. There is an article on cost control at the Greater Rochester International Airport in the Business Excellent Magazine.
3. He is visiting Frontier Airlines in April in a continuing effort to get extended service to the west.
4. Terminal construction is under way. The restrooms on the lower level on the east end are nearing completion. The escalators on the east end are being replaced in April. The work is within budget. The rotunda floor on the B concourse is being replaced. Much of the baggage screening area has been moved out of the ticket space to the baggage area. Eventually all baggage screening will be in the baggage make up area. Field work will start in about two weeks.
5. There will be a press conference on the air show April 4, 2008 and all Members of the Authority are invited. The air show is scheduled for the last weekend in July 2008.
6. On occasion the airport is running out of parking. Last week only 20 spots were available. The parking study is due next week with consideration of expanding the garage. This will be funded by local dollars with no aid from Federal or State governments.
7. There has been an offer to move the clock at Midtown Plaza to the airport. The Airport Administration is pursuing this offer. There will be some expense in moving the clock to the airport of approximately \$25,000.00. The clock will be restored as part of the relocation. The airport can accept a gift of this nature.

8. Notice of claims have been filed by those involved in the accident on 390N during a snow storm. Those claims will be defended vigorously by the County Law Department.

There being no other business the meeting was adjourned at 12:30 pm. The next meeting will be held May 21, 2008.

Respectfully Submitted,



Charles S. Turner
Assistant Secretary

Dated: *April 4, 2008*

MONROE COUNTY AIRPORT AUTHORITY

RESOLUTION NO. 1 of 2008

**AUTHORIZE A LEASE WITH AVIS RENT A CAR SYSTEM, LLC FOR
OPERATION OF A CAR RENTAL MAINTENANCE FACILITY AT THE
GREATER ROCHESTER INTERNATIONAL AIRPORT**

BE IT RESOLVED BY THE MEMBERS OF THE MONROE COUNTY AIRPORT AUTHORITY, as follows:

Section 1. The County Executive, or her designee, is hereby authorized to execute a lease with Avis Rent A Car System, LLC to provide for the following:

- A. premises consisting of approximately 93,000 square feet of improved land comprised of four structures and a parking lot enclosed by a fence located on the northeast side of the Greater Rochester International Airport;
- B. a term commencing on April 1, 2008 and terminating on September 30, 2016; if, however, for any reason during the term of this Lease, the concurrent Car Rental Concession and Lease Agreement is terminated or expires and is not extended, and Tenant is not granted a new Concession Agreement by Authority, this Lease may be terminated by the Authority at its sole option and discretion.
- C. rent April 1, 2008 to March 31, 2011 of \$83,700 per year (\$.90/sf);
rent April 1, 2011 to March 31, 2014 of \$88,350 per year (\$.95/sf);
rent April 1, 2014 to September 30, 2016 of \$93,000 per year (\$1.00/sf); and.
- D. A capital investment of \$76,232.48 for facility improvements.

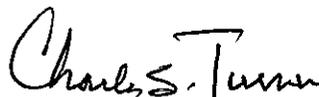
Section 2. This resolution shall take effect immediately.

ADOPTION: Dated: March 19, 2008

Vote: 5-0

I, Charles S. Turner, Assistant Secretary, Monroe County Airport Authority, do hereby certify that the within Resolution was duly adopted by the Monroe County Airport Authority at a General Meeting held March 19, 2008

Dated: 4-4-08



Charles S. Turner, Assistant Secretary

MONROE COUNTY AIRPORT AUTHORITY

RESOLUTION NO. 2 OF 2008

APPROVE SUBMISSION OF ANNUAL REPORT

BE IT RESOLVED BY THE MEMBERS OF THE MONROE COUNTY AIRPORT AUTHORITY, as follows:

Section 1. Pursuant to Public Authorities Law Section 2800, the Administrative Director is hereby authorized and directed to file an annual report as required by statute and hereby approves the financial report (unaudited) for 2007 to be part of said report.

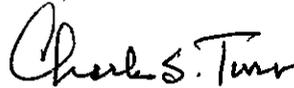
Section 2. This resolution shall take effect immediately.

ADOPTION: Dated: March 19, 2008

Vote: 5-0

I, Charles S. Turner, Assistant Secretary, Monroe County Airport Authority, do hereby certify that the within Resolution was duly adopted by the Monroe County Airport Authority at a General Meeting held March 19, 2008

Dated: 4-4-08



Charles S. Turner, Assistant Secretary

Minutes
Monroe County Airport Authority
Annual Meeting
March 19, 2008

Members Present: James G. Vazzana, Chairperson
Valerie Christianson
Bernard Iacovangelo
Don Johnson
Nicholas Juskiw
Stephen Tucciarello

Members Absent: Willie Lightfoot Jr.

Meeting was called to order by Chairman Vazzana at 12:30 pm.

The election of officers was moved by Chairman Vazzana and seconded by Member Iacovangelo as follows:

Vice Chairperson:	Nicholas Juskiw
Assistant Treasurer:	Philip Mancini
Assistant Secretary:	Charles Turner
Administrative Director:	David Damelio

Motion was adopted unanimously by a vote of 6-0.

Meeting was adjourned at 12:35 pm.

Respectfully Submitted,



Charles S. Turner
Assistant Secretary

Dated: April 4, 2008

**Minutes
Monroe County Airport Authority
Special Meeting
March 31, 2008**

Members Present: James Vazzana, Chairperson
Valerie Christianson
Don Johnson
Bernard Iacovangelo
Stephen Tucciarello

Others Present: David Damelio, Director of Aviation
Andrew Moore, Deputy Director of Aviation
David Haas, Budget Analyst
Philip Mancini, Assistant Treasurer
Charles Turner, Assistant Secretary

The special meeting was called to order at 3:00 pm by Chairperson Vazzana. The special meeting was called at the direction of Chairperson Vazzana. The call for the meeting was mailed to the business or home address of each member of the Authority on Friday, March 28, 2008 setting forth the purpose of said meeting. The media was notified of the special meeting on March 28, 2008 in compliance with the open meetings law.

Acceptance of Annual Report as Required by Public Authorities Law Section 2800 and Authorization of Such Other Matters Incident to said Annual Report and Acceptance of 2007 Audit Report by Bonadio & Co. CPA: Director David Damelio stated the purpose of the meeting was to review and accept the annual report prepared for filing with the Authority budget office and other local officials in compliance with Public Authorities Law Section 2800. He asked Special Counsel, Chuck Turner to review the contents of the proposed resolution.

Mr. Turner indicated that a requirement of the Public Authorities Law is for the Authority to accept the annual report and authorize its filing as required by statute. The annual report is attached to the resolution as exhibit 1 and will be filed electronically with the NYS Authority Budget Office under the PARIS System. The Authority is approving the Financial Reports contained in the annual report and is authorizing Assistant Treasurer, Phil Mancini to certify as to the reports.

The resolution further adopts or readopts certain policies for the Authority as required by the Public Authorities Law.

The resolution sets forth a statement that the effectiveness of the internal financial control that the Authority has been assessed and have been determined to be effective in requiring no change at this time. This is based upon recommendations of staff and the

findings of the 2007 audit. The resolution further authorizes acceptance of the 2007 report on property and the 2007 investment report.

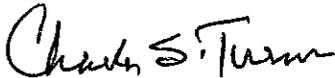
The resolution authorizes and directs that to the extent practicable all documentation pertaining to the mission current activities most recent annual financial reports current year budget and most recent audit shall be made accessible on the County web site.

Assistant Treasurer Phil Mancini reviewed the financial report, his certification, and the filing of the entire annual report with the Authority Budget Office through PARIS. The final audit was distributed to members of the Authority. Previously the Authority's Audit Committee had reviewed the draft audit and there are no changes to the draft audit to the final audit being submitted. The Resolution will reflect the acceptance of the 2007 Audit Report.

It was moved by Member Johnson and seconded by Member Christianson that Resolution No. 3 of 2008 be adopted. The motion was adopted unanimously 5-0.

The meeting was adjourned at 3:30 pm.

Respectfully Submitted,



Charles S. Turner
Assistant Secretary

Dated: 4-4-08

MONROE COUNTY AIRPORT AUTHORITY

RESOLUTION NO. 3 OF 2008

**ACCEPTANCE OF ANNUAL REPORT AS REQUIRED BY PUBLIC
AUTHORITIES LAW SECTION 2800 AND AUTHORIZATION OF SUCH
OTHER MATTERS INCIDENT TO SAID ANNUAL REPORT AND
ACCEPTANCE OF 2007 AUDIT REPORT BY BONADIO & CO CPA**

**BE IT RESOLVED BY THE MEMBERS OF THE MONROE COUNTY
AIRPORT AUTHORITY, as follows:**

Section 1. The Annual Report for the Monroe County Airport Authority as presented to this meeting, (Exhibit 1 hereto), is hereby accepted and it is authorized and directed that said report be filed with NYS Authority Budget Office, the County Executive, Chief Financial Officer, and President of the County Legislature for the County of Monroe in compliance with Section 2800 of the Public Authorities Law. The financial reports included as part of the Annual report are hereby approved. Assistant Treasurer Phil Mancini is hereby designated to certify the Annual Report, and any portions thereof, requiring certification by the Public Authorities Law.

Section 2. Public Authorities Law Section 2824 requires the establishment of policies regarding payment of salary, compensation and reimbursement and rules for time and attendance of the chief executive and senior management. The Authority hereby determines that said policies and rules are not required since all services to the authority are rendered by the County of Monroe pursuant to a Lease and Operating Agreement dated September 15, 1989 and the Authority has no employees and has not created any employee positions.

Section 3. The Monroe County Airport Authority has assessed the effectiveness of the internal financial controls of the Authority and based upon the report of the auditors of the Authority and staff of the Monroe County Department of Aviation have determined that said controls are effective and require no change at this time.

Section 4. The Monroe County Airport Authority hereby adopts and readopts certain policies as follows: Whistleblower Protection, (Exhibit 2 hereto), Prohibiting Extension of Credit to Board Members and Staff pursuant to Public Authorities Law Section 2824(5), (Exhibit 3 hereto), Investment Guidelines, (Exhibit 4 hereto), Internal Controls and Financial Accountability, (Exhibit 5 hereto), and Tracking and Disposal of Fixed Assets and Acquisition of Real Property. (Exhibit 6 hereto).

Section 5. The Monroe County Airport Authority hereby accepts the 2007 Report on Property, as presented, (Exhibit 7 hereto), and as required by Public Authorities Law Section 2896(3) and directs that said report shall be filed with the New York State Comptroller, Director of the Budget, Commissioner of General Services and the Legislature.

Section 6. The Monroe County Airport Authority hereby accepts the 2007 Investment Report, as presented, (Exhibit 8 hereto), as required by Public Authorities Law Section 2925(6).

Section 7. To the extent practicable documentation pertaining to the mission, current activities, most recent annual financial reports, current year budget and its most recent independent audit report of the Authority shall be accessible to the public via the official web site of the County of Monroe in accordance with Public Authorities Law Section 2800 (2) (b).

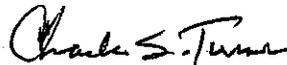
Section 8. The Authority having reviewed the 2007 Audit Report prepared by Bonadio & Co CPA hereby accepts said Audit Report and authorizes its filing as required by the Public Authorities Law.

ADOPTION: Dated: March 31, 2008

Vote: 5-0

I, Charles S. Turner, Assistant Secretary,
Monroe County Airport Authority, do hereby
certify that the within Resolution was duly
adopted by the Monroe County Airport Authority
at a Special Meeting held March 31, 2008.

Dated: 4-4-08



Charles S. Turner, Assistant Secretary

Exhibit 3

Monroe County Airport Authority

Extension of Credit to Board Members and Executive Officers

Adopted: March 31, 2008

The Monroe County Airport Authority may not directly or indirectly, including through any subsidiary, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any board member, officer, or employee of the Monroe County Airport Authority.

Monroe County Airport Authority

Whistleblower Policy

Adopted: March 31, 2008

1. This policy is to protect the Monroe County Airport Authority ("Authority") employees including employees of the County of Monroe who make allegations to officials of the Authority of illegal activity or misconduct.
2. Illegal activity or misconduct is any action by an officer or an employee of the Authority or County of Monroe which is undertaken on behalf of the Authority in violation of any federal, state or local law, rule or regulation.
3. Any Authority employee including employees of the County of Monroe may in good faith provide information on any matter involving illegal activity or misconduct to the Chairman of the Authority or any member of the Authority who shall conduct such investigation or cause such investigation to be conducted as may be appropriate. In conducting an investigation best efforts shall be used to keep confidential the identity of the person providing the information which initiated the investigation, unless it is determined the information was provided other than in good faith. The result of any investigation shall be reported to such other authority as the investigating authority deems appropriate.
4. No Authority officer or employee including those of the County of Monroe, may, directly or indirectly, use or attempt to use his/her official authority or influence for the purpose of intimidating, threatening, coercing, commanding, influencing or attempting to intimidate, threaten, coerce, command or influence any individual for the purpose of interfering with the right of such individual to disclose information relative to illegal activity or misconduct. Pursuant to this section, "use or attempt to use official authority to influence" includes promising to confer or conferring any benefit or threatening to effect any reprisal.

MONROE COUNTY AIRPORT AUTHORITY INVESTMENT AND DEPOSIT POLICY

Readopted: March 31, 2008

OBJECTIVES

The objectives of the Monroe County Airport Authority's (the Authority) Investment and Deposit Policy are three-fold:

- ▶ Investments and bank deposits (hereafter collectively referred to as investments) shall be made in a manner so as to safeguard the funds of the Authority and funds under the control of the Authority.
- ▶ Investments shall be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the Authority.
- ▶ Funds shall be invested in such a way as to earn the maximum yield possible given the first two investment objectives.

AUTHORIZATION

The authority to deposit and invest funds is delegated to the Authority's Treasurer. These functions shall be performed in accordance with the applicable sections of the Authority's enabling statute and the Public Authorities Law of the State of New York. The Treasurer may invest funds in eligible investments as specified in the State Finance Law, § 98

COLLATERAL

All investments of the Authority, except repurchase agreements and direct purchases of obligations of New York State or its political sub-divisions and public benefit corporations or of direct or guaranteed of the Federal Government, shall be secured (collateralized) by the pledge of eligible securities. All such investments shall first be secured by Federal Deposit Insurance Corporation (FDIC) insurance coverage to the extent available. Collateral required in excess of FDIC insurance coverage shall consist of unmatured obligations of:

1. The United States of America or any Obligation whose principal and Interest are fully guaranteed or insured by the United States of America;
2. The State of New York or political subdivisions and public benefit Corporations

Securities pledged as collateral shall be specifically identified and deposited in an account under the control of the Authority or a third party institution. The Treasurer, thru his designee, shall be advised as to the securities to be pledged as collateral and shall approve them as to amount, type of security and conformance to this Policy.

The market value of the securities pledged shall be regularly calculated based on quoted "bid" prices and must ordinarily be at no less than 105% of the value of the investments being secured. In those cases where the collateral is held by the Authority directly or by a third party institution, and the collateral is regularly repriced and supplemented by additional collateral if the market value of the collateral declines, collateral will be required as follows:

- A. If repriced and supplemented on a weekly basis, 103% of the value of the investment is required.
- B. If repriced and supplemented on a daily basis, 101% of the value of the Investment is required.

POSSESSION OF SECURITIES

Purchased Obligations:

When obligations of the State of New York or one of its political subdivisions and public benefit corporations or of the United States of America or Obligations guaranteed by the United States of America, are purchased directly by the Authority, the name of the Authority as owner shall be inscribed on the securities and they shall be delivered to the Authority, or its designated depository, for safekeeping. If in book entry form, such securities shall be registered in the name of the Authority.

Certificates of Deposit:

Investments in Certificates of Deposit shall be collateralized in the manner described above. The Authority shall take possession of the actual certificate which will be held in a secure place until maturity. In the event the institution does not issue a Certificate, it shall confirm the transaction in writing, deliver a safekeeping receipt of the Certificate to the Authority and advise the Treasurer of the location of the Certificate.

Repurchase Agreements:

Securities purchased under Repurchase Agreements (Repos) shall be limited to obligations of the United States of America of the State of New York or any of its political sub-divisions and public benefit corporations, or obligations whose principal and interest are guaranteed, or insured by the United States of America. The term of Repos shall generally not exceed 180 days. Each Repo shall be confirmed in writing by the seller, and each security purchased under a Repo shall generally not exceed 180 days. Each Repo shall be confirmed in writing by the seller, and each security purchased under a Repo shall be specifically identified and be physically delivered for retention to the Authority or its agent (which shall not be an agent of the party with whom the Authority enters in the Repo). Each seller shall enter into a master repurchase agreement with the Authority which shall specify the rights and obligations of the Authority and the seller in all Repo transactions. Repos will only be purchased from banks or trust companies authorized to do business in the State of New York or from broker dealers on the Federal Reserve Bank of New York's list of primary government securities dealers.

DEPOSITS

The Authority, upon the recommendation of the Treasurer, shall designate authorized depositories for funds of the Authority depositories, which shall only be commercial banks, banking associations or trust companies authorized to conduct business in the State of New York. Each authorized depository shall execute a Depository Bond by which the depository will commit to collateralizing all deposits that exceed FDIC insurance coverage. Deposits shall generally only be made with banks or trust companies having an office within the County of Monroe County

OPERATING PROCEDURES

The Treasurer is responsible for the investment of Authority funds. The Investment Advisor, Assistant Treasurer or authorized staff of the County's Finance Department under the direction of the Treasurer will make investments based upon projections of the Authority's cash flow needs, so that investments shall mature at such time when funds are estimated to be needed for the orderly payment of Authority obligations. The Treasurer or Assistant Treasurer shall annually receive and review or have reviewed the financial statements of all financial institutions and which the Authority is depositing funds or entering into investment transactions and shall determine that the institution has satisfactory financial strength.

Investment will generally be made based upon competitive bids solicited by telephone by the Investment Advisor, Assistant Treasurer or authorized staff of the County Finance Department and shall be awarded to the highest bidder who has who has and is willing and able to pledge sufficient and acceptable collateral.

Funds will only be transferred between institutions in the name of the Authority by using the Federal Reserve Wire Transfer (FedWire) system, or by Authority check prepared by the Assistant Treasurer or staff as authorized in writing by the Treasurer. Funds may be transferred within the same institution only between Authority accounts and by authorized staff. A listing of authorized staff will be maintained by the Treasurer or the Assistant Treasurer and will be forwarded to the authorized depositories. If changes in staffing or staff responsibilities occur, updated authorization letters will be forwarded to the depositories. All investments shall be made in the name of the Monroe County Airport Authority.

The Assistant Treasurer will maintain an investment log detailing the specific information relative to each investment. All investment transactions will be promptly recorded in the Authority's accounting system. Comparisons of the existing investments to those recorded in the accounting system will be performed routinely. Monthly, a report of all existing investments will be provided to the Treasurer or Assistant Treasurer who will compare existing investments to those recorded in the Authority's accounting system. The Treasurer or Assistant Treasurer shall report at least quarterly to the members of the Authority on the status of the investment program.

INTERNAL CONTROLS

The individual(s) responsible for the day to day activity of the cash investments must annually take at least one vacation of five (5) consecutive business days, and the day to day investment activities will be carried out by another.

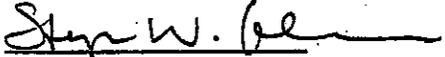
The Authority and its Independent Certified Public Accountants, in conjunction with the Authority's annual audit, shall annually review the Investment and Deposit Policy to be certain it is in conformance with all applicable laws, and regulations. The Authority's auditors shall review the investment program for compliance with this Policy and applicable law and shall report in writing to the Authority any material weaknesses found in internal controls or of non-compliance with this Policy and applicable State laws. The auditor shall make a statement of positive assurance of compliance on the terms tested, or negative assurance on items not tested and on any other material deficiency or finding identified during the audit.

AMENDMENTS

The Authority may, by majority vote, amend this Investment and Deposit Policy at any time.

APPROVAL

Adopted by the Monroe County Airport Authority on, May 9, 2007.


Stephen W. Gleason
Treasurer

MONROE COUNTY AIRPORT AUTHORITY
INTERNAL CONTROLS AND FINANCIAL ACCOUNTABILITY
ADOPTED: March 31, 2008

Monroe County Airport Authority (the "Authority") constitutes a public benefit corporation of the State of New York. The Authority fulfills a public mission and must comply with the provisions of applicable laws, including the New York Public Authorities Law. Because the Authority's assets are held for the public benefit, the Authority's Members and officers have a fiduciary duty to protect them. The following policy sets forth internal controls for the protection and oversight of the Authority's assets.

The Authority shall maintain policies and procedures so that (1) Members and officers understand their fiduciary responsibilities, (2) assets are managed properly and (3) the public purposes of the Authority are carried out. A failure to meet these obligations is a breach of fiduciary duty and can result in financial and other liability for the Members and the officers. Items (1) and (2) above are addressed respectively, in separate policies entitled "Responsibilities of Members and Officers" and "Annual Statement of Investment Policy" This document establishes internal controls that will help to protect the Authority's assets and assist in their proper management.

I. Internal Controls

Members and officers shall ensure that the Authority is accountable for its programs and finances to its customers, the public and regulators. The Authority shall accomplish through the development and maintenance of internal controls. Accordingly, the Authority shall comply with all applicable laws and ethical standards; adhere to its public mission; create and adhere to conflicts of interest, ethics, personnel and accounting policies; prepare and file annual financial data with appropriate federal and state regulatory authorities; and make its annual financial report available to all Members and any member of the public who requests it.

Examples of Internal Controls

Internal controls are systems of policies and procedures that protect the assets of the Authority, create reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations. These systems are not only related to accounting and reporting but also relate to communication processes, internally and externally, and include procedures for (1) handling funds received and expended by the Authority, (2) preparing appropriate and timely financial reporting to Members and officers, (3) conducting the annual audit of the Authority's financial statements, (4) evaluating staff and programs, (5) maintaining inventory records of real and personal property and their whereabouts, and (6) implementing personnel, ethics and conflicts of interest policies.

II. Implementation and Monitoring of Internal Financial Controls

A. Procedures for Monitoring Assets

The Authority shall have procedures to monitor and record assets

received, held and expended. These financial controls shall be described in an accounting policies and procedures manual. The manual shall be reviewed with and given to all Members and officers. It shall include procedures for:

- Preparing an annual income and expense budget and periodic reports (at least quarterly) comparing actual receipts and expenditures to the budget with timely variance explanations.
- Writing and signing checks or vouchers and receiving, recording, securing and depositing cash and other receipts. Such procedures should ensure that no single individual is responsible for receiving, recording and depositing funds or writing and signing checks. Checks and balances are essential to make embezzlement more difficult.
- Ensuring that grants and contributions received are properly recorded, accountings required as a condition of any grant are completed and restrictions on the use of such funds, such as contributions given for a restricted purpose (e.g., donated land with use restrictions), are obeyed.
- Requisitioning, authorizing, verifying, recording and monitoring all expenditures, including payment of invoices, petty cash and other expenditures. Such procedures shall ensure that no single individual is permitted to request, authorize, verify and record expenditures. For example, the same person shall not be responsible for cash disbursements and back reconciliations. These functions shall be assigned to different individuals.
- Accessing, inputting and changing electronic data maintained by the Authority. This process includes preserving electronic records, ensuring data compatibility when systems change and creating an appropriate records retention policy.
- Providing for regular oversight by an audit committee.
- Reporting to the audit committee or the Members by employees of allegations of fraud or financial improprieties.
- Ensuring that timely and appropriate financial reports are distributed to all Members and officers and reviewed by them.
- Providing procedures for approving contracts to which the Authority is a party, including securing competitive bids from vendors in accordance with applicable New York State laws.
- Retaining an updated organizational chart that makes clear the responsibilities of all individuals involved with the Authority, including Members, officers and employees.

- Preparing for the annual audit process in a timely manner.
- Developing a prudent investment strategy and providing proper oversight of the investment assets in compliance with New York law.
- Complying with obligations to Members, officers, employees and the public, including their right to a copy of the Authority's annual financial report.

B. Various Roles Within the Authority

There shall be periodically updated written job descriptions for Members, officers and employees. The work of the Authority will be more easily accomplished and problems will be avoided if all involved understand what is expected of them and the limits of their authority.

A comprehensive description of the Administrative Director's job shall make clear his or her responsibilities in the day-to-day activities of the Authority and set forth exactly what information is expected by the Members and when it must be communicated. For example, if the Members expect monthly financial reports and bi-monthly programmatic reports, making those expectations clear from the beginning will avoid ambiguity and will clarify the responsibility for accountability to the Members.

Likewise, all other employees shall have written job descriptions and be advised of what is expected of them.

C. Personnel Policies

If applicable, the Authority shall furnish to all non-union employees written personnel policies, including vacation and sick leave, health insurance and other benefits, evaluations, ordinary and overtime compensation, conflicts of interest and code of ethics. Such policies shall be furnished prior to commencement of employment, with changes in policies communicated on a regular basis.

The Authority shall furnish to all union employees a copy of the collective bargaining agreement by and between the Authority and the union.

D. Training

The Authority shall arrange for appropriate training for all involved, including new members, officers and employees. This training shall include familiarity with the Authority's internal control.

E. Conflicts of Interest Policies and Code of Ethics

The Authority shall adopt a "conflicts of interest policy" to make certain that Members, officers, and employees and others who serve the Authority not have any personal or business interest that may conflict with their responsibilities to the Authority.

The policy shall clearly state the procedures to be followed if a person's personal or financial interests may be advanced by an action of the Members. A written policy will be in addition to the provisions of Section 1107 of the New York Public Authorities Law.

The Authority shall also adopt a code of ethics to address integrity in day-to-day conduct by each Member, officer and employee. A written policy will be in addition to the provisions of Section 1107 of the New York Public Authorities Law.

All Members, officers and employees shall be given copies of both policies and sign a statement acknowledging that they have read them.

F. The Audit Committee

The Authority shall create an audit committee comprised of Members at least one of whom has familiarity with accounting or financial reporting. The audit committee shall act as a liaison to the Authority's independent external auditor who is certified public accountant ("CPA") or firm of CPAs. The audit committee shall have the following responsibilities as outlined in the Authority's bylaws:

- Make recommendations to the entire group of Members regarding the selection of the independent external auditors, periodic review of their performance, review of the annual fees to be paid for services rendered by them and a review of each proposed audit plan developed by management and the external auditors.
- Review with the independent external auditors the Authority's annual financial statements and reports. Consider whether they are complete and consistent with information understood by the committee members.
- Review and evaluate the management letter received from the independent external auditors and discuss recommendations for any changes necessary to remedy problems identified in the letter.
- Maintain communication between the Members and independent external auditors by meeting on a regularly scheduled basis with an opportunity for the auditors and the audit committee to meet without management present.
- At the completion of the audit, review the audit fieldwork process with the auditors. Obtain an understanding of their evaluation of management and whether they encountered any difficulties or had any disagreements with management during their audit. Review all journal entries proposed by the auditors.

Audits are a factor in providing proper financial management oversight of the Authority. The audit committee shall interact with management to implement and monitor the internal control structure and to take steps that insure that the possible risks of fraud or embezzlement are mitigated. In order for an audit committee to function properly, it shall be made up of people who are independent of the day-to-day management of the organization.

For example, no paid executive director, chief financial officer or other employee shall be on the audit committee.

In addition to the audit committee's role in the preparation of the audit, its responsibilities include the following:

- Ensure that proper federal and state tax filings are completed timely, including payroll taxes.
- Understand the Authority's internal controls and have policies in place to update them as needed.
- Periodically review the Authority's insurance coverage and determine its adequacy.
- Make recommendations necessary to improve the Authority's efficiency and/or remedy problems identified by the committee or others.
- Identify and monitor related party transactions and review the conflict of interest, ethics and related party disclosure policies periodically and update as needed.
- Monitor any legal matters that could impact the financial health and reporting of the Authority.
- Institute and oversee any special investigatory work as needed.

Whatever form the audit committee takes; if at all possible at least one member shall have an understanding of financial matters and be comfortable reviewing financial reports and other financial records. No member of the audit committee shall ever be involved in any conflict of interest transaction, and no member of the audit committee shall be compensated in any manner by the Authority other than standard compensation, if any, paid generally to all Members.

The audit committee shall be familiar with the Authority's internal controls and report to the members as appropriate the adequacy of the internal controls and any concerns raised by the staff or outside auditors.

G. Independent Certified Public Accountants

The Authority shall have procedures in place to ensure that the certified public accountant it engages has a good reputation in the marketplace, is qualified to perform the necessary work, commits to appropriate timeliness and offers a competitive fee. Before engaging an accounting firm, the Authority shall ask for a list of the firm's clients and contact some of them for references. In addition, the Authority shall request a copy of the firm's peer review report.

The Authority's auditors shall be viewed a resource for assistance with concerns about financial and other matters that arise during the year, not just during the audit fieldwork. The Authority shall make sure that its engagement with the audit firm includes an expectation that the firm may be called upon to provide such service.

The audit committee or the Members shall communicate regularly with the firm, making it aware of any problems and/or concerns with regard to the management of the Authority or its assets, whether there are steps that should be taken to ensure compliance with the existing internal control structure, or creation of new controls.

In addition to certifying the financial statements as part of the audit process, the auditors prepare a management letter to be sent to the Members, which discusses internal controls or other issues identified during the audit that concern the financial management of the Authority. Since the management letter is not a comprehensive evaluation and opinion on the internal controls (but rather just a by-product of the audit process), the Members shall decide whether further outside evaluation of the systems and procedures is warranted, and if so, by whom. The members shall also revisit issues arising from prior year's management letters to make sure they have been addressed to the firm's satisfaction.

Before releasing the opinion on the financial statements, the auditors will request a signed management representation letter (typically signed by both a Member holding office, such as the chair or the treasurer, and the executive director or the chief financial officer). This letter constitutes the Authority's agreement to provide accurate financial information. Before signing the letter, the persons signing shall affirm the accuracy of the representations made therein.

H. Review of the Authority's Governance Structure, Procedures and Programs

The Members shall conduct a periodic review of the Authority's structure, procedures and programs in order to determine what is working well and what practices the Authority might want to change in order to be more efficient, effective and responsible.

Monroe County Airport Authority

Policy for Tracking, Inventory, and Disposal of Assets and Acquisition of
Real Property

Adopted: March 31, 2008

The Monroe County Airport Authority (Authority) constitutes a public benefit corporation of the State of New York. The Authority fulfills a public mission and must comply with the provisions of applicable laws, including the New York Public Authorities Law. Because the Authorities assets are held for the public benefit, the Authorities members have a fiduciary duty to protect them. The following policies set forth internal controls for tracking, inventory and disposal of Authorities fixed assets and real property as required by Article 5A of the Public Authorities Law.

1. Purpose

The Authority seeks to establish a policy providing for orderly and consistent tracking and disposal of its assets, including real property, to insure that such assets are properly tracked, sold, transferred or disposed of and that the Authority realizes the best value for those assets and are intended to comply with the requirements of the Public Authorities Law. This policy shall be reviewed and approved annually by the Authority and a copy of this policy most recently adopted shall be filed with the Comptroller on or before March 31 of each year.

2. Designation of Contracting Officer

The Authority hereby designates David Damelio, Administrative Director as the Authorities Contracting Officer. The Contracting Officer shall be responsible for compliance with and implementation of this policy. The Contracting Officer shall cause this policy to be made available to the general public as requested and to be posted on the Authorities website if one has been created.

3. Scope

This policy applies to all fixed assets, which term includes property with a useful life of one year or longer and a value at the time of acquisition of over twenty five hundred dollars (\$2,500) that are owned or leased by the Authority. Examples include buildings, furniture, fixtures, tools equipment, vehicles, computer equipment, supplies and any other tangible goods purchased or leased by the Authority. This policy also applies to the disposition of real property.

4. Tracking of Assets

The Contracting Officer shall assign an asset number to each fixed asset and record a full description of the asset and the location to which the asset has been assigned. The number will allow the Authority to track each asset's deployment, redeployment and disposal.

5. Periodic Inventory of Assets

A physical inventory of all fixed assets shall be performed by the Contracting Officer no less frequently than once every three years. As part of each physical inventory the Contracting Officer shall identify assets that are no longer in use or should be disposed of or retired.

6. Identifying Assets for Disposal

Those assets that are no longer required, no longer functional and/or are no longer serving the purpose for which they were acquired shall be identified for disposal by the Contracting Officer.

7. Classifying Assets

Once assets have been identified for disposal, the Contracting Officer shall classify the assets into one of the following three categories:

- a. **Waste.** This category includes materials or items that have no functional value or known intrinsic value. These assets shall be disposed of as the Contracting Officer may determine in a safe and appropriate manner.
- b. **Scrap.** This category includes materials or items that have no functional value, but retain an intrinsic value due to the material out of which they are made. These assets may be disposed of as the Contracting Officer may determine obtaining the best value on behalf of the Authority.
- c. **Surplus.** This category includes materials or items that retain functional value and may or may not have an intrinsic value. These assets may be disposed of by the Contracting Officer and in accordance with this policy.

8. Disposal of Surplus Assets

The Contracting Officer may dispose of property for not less than fair market value by sale, exchange, transfer for cash, credit or other property upon such terms as the Contracting Officer deems proper. Any disposal of real property shall require an appraisal by an independent appraiser to determine fair market value.

9. Disposal of Surplus Assets Where Fair Market Value is Under \$15,000

Surplus assets with a fair market value of under \$15,000 may be sold through participation in the County of Monroe's public notice and auction process, use of any other public notice procedure, placement of ads in publications and general circulation or electronic classified ads or auction sites, or by negotiation. It is the responsibility of the Contracting Officer to determine the best method of disposal to achieve the greatest return for the Authority.

If the surplus assets offered for sale are not sold within a reasonable time (60 days) the Contracting Officer may determine to donate such items to a Governmental or not for profit organization or make any other disposition of the property.

10. Disposal of Surplus Assets Where Fair Market Value is \$15,000 or Greater and for Disposal of Real Property

a. Advertised Bid

All disposal of surplus property with a fair market value \$15,000 or greater shall be made after public advertising for bids for the purchase of the Authority property. The Contracting Officer shall order the advertising for bids in such a manner and in such publications as the Contracting Officer deems reasonably necessary to permit full and fair competition for the property consistent with the fair market value and nature of the property. All advertisements and announcements soliciting bids shall state the place and time at which the content of all bids received for the property advertised shall be publicly disclosed.

b. Award of Property Subject to Bid

The Contracting Officer shall evaluate the bids and select the bid most advantageous to the Authority based upon (a) conformance with the invitation for bids, (b) the terms, including but not limited to the price offered, and (c) any other factors that warrant consideration.

Notwithstanding the foregoing, the Authority may reject as inadequate all bids received in response to a particular solicitation for bids if the Contracting Officer deems that it is in the best interest of the Authority to reject all bids.

c. Notification of Successful Bid

The Authority shall notify the successful bidder in writing of the Authority's acceptance of the bid. This notice shall contain a description of the property, the amount of the successful bid and any other material items of the bid. The bidder shall be required to make payment to the Authority Treasurer in a form and on terms acceptable to the Authority before taking possession of the property. The Authority shall gather the following information regarding any successful bidder: name, address, phone number. The Authority shall provide to the successful bidder a deed, bill of sale, lease or other appropriate instrument adequate to transfer to the successful bidder the interest of the Authority in the property and the Contracting Officer is authorized to execute said documents on behalf of the Authority.

11. Disposal of Property by Negotiation

The Authority may dispose of property through negotiation or by public auction without regard to the above described procedures if the Contracting Officer determines that any of the following conditions exist:

- a. introduction into the market of the personal property to be disposed of would adversely affect the local market for that kind of property, and a fair market price and other terms for the sale of the personal property can be obtained through negotiation;
- b. prices for the property that were obtained by advertised bid were not reasonable or the bid process did not generate open competition;
- c. disposal of the property is to the state or any political subdivision and fair market value can be arranged through negotiation;
- d. the property is being disposed of for less than fair market value, the terms of the disposal have been reached through public auction or negotiation, the disposal of the property is intended to further the health, safety, welfare or economic development interests of the state or any of its political subdivisions, and the Members of the Authority have approved the particular transaction by resolution; or
- e. the use of advertised bids is an inappropriate method for disposal of the property.

12. Documentation of Disposal by Negotiation

The Contracting Officer shall cause to be prepared an explanation of the circumstances of the disposal when property is disposed of through the negotiation process described in Section 11, and any of the following are true; and also transmitted to the Comptroller, Director of Budget, Commissioner of General Services, and the New York State Legislature.

- a. personal property disposed of has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);
- b. real property sold has an appraised value in excess of one hundred thousand dollars (\$100,000.00);
- c. real property leased has been leased for a period of five years or less and the estimated annual fair market rent is in excess of one hundred thousand dollars (\$100,000.00);
- d. real property leased has been leased for a period of more than five years and the total estimated fair market rent over the term of the lease is more than one hundred thousand dollars (\$100,000.00);
- e. the personal or real property has been disposed of by exchange;
- f. any part of the consideration for the property disposed of consists of real property.

13. Yearly Property Report

Each year the Contracting Officer shall prepare and submit to the Board a report listing all real property of the Authority, all real and personal property disposed of by the Authority during the previous twelve-month period. The report shall contain a full description of each item of property disposed of, the price received by the Authority, and the name of the individual (s) or entity that purchased the property.

The Contracting Officer shall cause the report to be delivered to the Comptroller, Director of the Budget, the Commissioner of General Services, and the New York State Legislature c/o the Speaker of the House and the Senate Majority Leader.

The Contracting Officer shall cause the report to be made available to the public.

14.

Acquisition of Real Property

All real property shall be acquired in compliance with Chapter 663 of the Laws of 1989, and the Lease and Operating Agreement between the County of Monroe and the Monroe County Airport Authority dated September 15, 1989. All proposed acquisitions of real property shall be submitted to the Authority for approval.

Annual Real and Personal Property Report
For the calendar year ended 12/31/07

1. The Real property of the Authority consists of land (\$497,771), buildings and other facilities (\$121,113,857) as of 12/31/07. Note #5 to the annual Financial Statements as of 12/31/07 and 12/31/06 provides more detail on the real and personal property of the Authority.
2. No real property was acquired or disposed of during the reporting period.
3. Identification equipment and a pavement sweeper were the only personal property items retired during the reporting period. Both assets were fully depreciated (had a zero book value) and were retired when similar replacement property was acquired.

Annual Investment Report

For the calendar year ended 12/31/07

1. No changes or amendments have been made to the Investment Guidelines, as adopted.
2. No disclosed fees have been paid to investment bankers, brokers, agents, dealers and advisors during this reporting period.
3. Following a selection process, the Authority did enter into a two year Agreement with MTB Investment Advisors, Inc to provide investment advisor services. They have provided no services to date, no fees have been paid and their fee schedule is attached.
4. As part of the annual financial audit the independent auditors reviewed our investments and have prepared an investment guideline compliance report.
5. Interest revenue was \$1,530,342 for 2007. Note #3 to the Financial Statements as of 12/31/07 and 12/31/06 provides more detail on the investments and investment guidelines.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

March 15, 2008

To the Members of
Monroe County Airport Authority:

We have performed the procedures enumerated below, which were agreed to by the Members and management of Monroe County Airport Authority (the Authority), solely to assist you in reviewing the Authority's compliance with its Investment Policy. The Authority's management is responsible for compliance with its current investment policy. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedure and findings are as follows:

Procedure

We reviewed the Authority's current investment practices to determine if they are in accordance with the written investment policy.

Findings

The Authority is in compliance with its investment policy.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the Organization's investment compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the members and management of the Authority and is not intended to be and should not be used by anyone other than those specified parties.

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Monroe County Airport Authority Short Term Investment Management Fee

- The Investment Management fee is payable monthly and computed on the average daily market value as follows:
 - 0.25% (25 basis points) on the first \$10 million
 - 0.15% (15 basis points) on the next \$15 million
 - 0.12% (12 basis points) on the next \$25 million
 - 0.10% (10 basis points) on the balance

Minimum Average Annual Asset Size: \$5 Million

Minimum Annual Fee: \$10,000

Fees will be assessed on a monthly basis

If the Account Agreement is terminated, the Investment Management fee will be imposed as of the date of termination and will be prorated to cover the period from the first day of the month during which the Agreement is terminated to the date of termination.

Approved By: *Shirley K. McQueen*

Date: 1/15/67

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Monroe County Airport Authority Institutional Custody Fee Schedule

- The Institutional Custody Fee Schedule is payable monthly and computed on the average daily market value as follows:
- 0.05% (5 basis points) on the first \$10 million
- 0.04% (4 basis points) on the next \$15 million
- 0.03% (3 basis points) on the next \$25 million
- 0.025% (2.5 basis points) on the balance

Fees will be assessed on a monthly basis

If the Account Agreement is terminated, the Institutional Custody Fee will be imposed as of the date of termination and will be prorated to cover the period from the first day of the month during which the Agreement is terminated to the date of termination.

Approved By:  Date: 1/15/08 #282