



Summary

On August 12, 2024, in accordance with the existing employment agreement by and between Phil Calderone and the Albany Airport Authority (“Authority”), the Authority’s Board of Directors provided Mr. Calderone with ninety (90) days written notice of its decision not to renew his contract. This action by the Board is expressly authorized in Paragraph 7 of the employment agreement (“If the Employer intends not to extend this Agreement [beyond December 1, 2024], it shall notify Employee, in writing, ninety (90) days prior to the expiration of the term of this agreement”).

The Board decided to not renew Mr. Calderone’s contract under Paragraph 7, instead of pursuing an alternative route, based on “cause.” The Board determined that a separation based on contract expiration was in the best interest of the Airport. The Board also wished to not embarrass Mr. Calderone publicizing his deficiencies. At least that was the plan. Since August 12, however, numerous entities and individuals (including Mr. Calderone) have requested an “explanation” as to why the Board decided to not to renew Mr. Calderone’s contract — even though the agreement expressly authorizes the Board may terminate the contract based on notice alone.

Appreciating the growing number of calls for “transparency,” including from the Albany County Legislature, the Board is now constrained to describe the basis for its decision not to renew Mr. Calderone’s agreement. As a general matter, the Board determined that a different level of

professionalism, aptitude and skill were needed to most effectively lead the Airport to success in the future, and that identification and selection of a new CEO would take place via a national search.

Over the course of the last five years, it had become increasingly apparent that Mr. Calderone was not going to maintain a relationship with the Authority Board that is typically expected of a CEO that reports to a Board and its members. Over the course of that time, the Board as a whole, and each Board Member individually, experienced Mr. Calderone's unwillingness to authentically collaborate and fully cooperate with the Board in what we viewed as our performance of our duties and responsibilities.

Mr. Calderone came to the Albany International Airport (ALB) with a plethora of local government experience, and many of those skills translated positively in various areas. Unfortunately, the deficiency of corporate management expertise, and having never been a chief executive with duties to report to a Board, has also shown through. The Authority Board is now specifically detailing instances that contributed to the Board's decision not to renew Mr. Calderone's contract:

- The Board is small yet rarely did Mr. Calderone proactively meet with or communicate with Board Members outside of formal meetings, even on matters of great importance. Specific requests made proactively by Board Members, including requests to solicit bids, provide documents related to Board action, and requests for briefings by major airport contractors, were ignored and left unfilled.
 - Mr. Calderone failed and/or refused to solicit competitive proposals for the Airport Authority's insurance broker and did so only upon repeated requests from the Board and when the Board intended to make his refusal a matter of record at a public meeting.
 - Mr. Calderone failed and/or refused to follow a Board directive to distribute a draft audit report to the Chair of Audit, before distribution to the entire Board as

well as the public. Such intentional act deprived the Chair of Audit the ability to make improvements to the audit.

- Mr. Calderone failed and/or refused to follow a Board directive to involve the Chair of Audit in the selection of a new auditing firm and failed and/or refused to respond to questions presented to him by the Chair of Audit regarding the selection of a new auditing firm.
- Mr. Calderone refused a Board directive to invite the Authority's Fixed Base Operator, Million Air, to appear at a Board meeting to discuss the planning and readiness for the increased general aviation activity expected by the Belmont Stakes in Saratoga. When confronted about the absence of the Million Air representative at the Board meeting, Mr. Calderone advised that he unilaterally decided against bringing the representative to the meeting, even though directed to do so by the Board.
- When normal disagreements happened with the Board, Mr. Calderone would be non-negotiable, and easily become incensed in private, as well as in public, with an approach inappropriate for a CEO.
 - Mr. Calderone failed and/or refused to take action in response to a Board directive to ensure the presence of ride-sharing vendors at the Airport. Calls from passengers who were stranded were made to Board Members and social media posts, including from a news reporter, were communicated to Mr. Calderone. Mr. Calderone's actions (or inactions) caused the Board to try address this issue on its own initiative. When asked in open session about the status of this issue, Mr. Calderone became riled and engaged in an unprofessional attack on the Board.
 - After one year of service, Mr. Calderone sought a major increase to his salary after the Authority budget had already been adopted. Mr. Calderone wished for this to take place without a Board vote, and Mr. Calderone advised the Board that no public vote was required for the additional spending. When the Board suggested the introduction of a resolution to pass the new spending at a public meeting, Mr. Calderone said he did not want "his salary to appear in the news."

- Contracts awarded on projects and with vendors favored by Mr. Calderone were allowed to bifurcate invoices and payments so that they fell under the \$50,000 threshold required to seek Authority Board approval, a direct violation of procurement protocols.
- Specific requests submitted by the Board related to strategic initiatives were minimized and left unaddressed.
 - Suggestions that Mr. Calderone as CEO travel and take a lead role on strategic business development were ignored. Previous CEOs regularly traveled and met with airlines annually, while Mr. Calderone did not. A commitment by Mr. Calderone to brief the Board quarterly on deal flow related to airline flights was not executed. Important potential flight changes, including loss of flights, were not communicated in advance, and the Board sometimes learned of both lost and new business when it was announced publicly.
- Board suggested improvements to governance and transparency, namely the creation of the ad hoc Capital Improvements Committee (CIC) and the development of a Strategic Communications Plan related to the \$100 million expansion project, were opposed and then slow rolled, forcing specific Board action to create this committee. The CIC has played a key role in all capital projects.
 - Mr. Calderone failed and/or refused a Board directive to develop a communication plan regarding the terminal expansion project to ensure passengers and guests were adequately informed. As a result, the Board pursued its own plan with assistance from the County. Upon leaving executive session in which he reluctantly accepted the Board's plan, Mr. Calderone openly disparaged members of the Board within earshot of Authority staff.
 - Information presented to Mr. Calderone by the Board related to impacts on the passenger experience due to construction were minimized and/or not addressed.
- Mr. Calderone failed and/or refused a directive by the Board to consider multiple applicants for the position of Public Information Officer.

- Mr. Calderone failed and/or refused a Board directive to post the Public Information Officer position prior to his selection of a candidate. The Board learned after the fact that a long-time Authority position had been transferred to private contractor Avports and that a candidate was hired.
- Mr. Calderone falsely advised a Board member that he contacted a specific applicant as part of the process to fill the open Public Information Officer position. The applicant was never contacted. When confronted, Mr. Calderone disingenuously asserted that there was a disconnect.

These incidents and interactions are only a few of the reasons why the Board decided not to renew/extend Mr. Calderone's contract.

It is also worth noting that over the past few weeks, Mr. Calderone has also sought to promote his tenure as having catapulted Albany Airport to great new heights. There are indeed many positive things happening at Albany Airport, but the reality is that Albany under Mr. Calderone's tenure has not kept pace with other upstate airports on important business metrics.

ALB still has a long way to go to reach 2019 levels for passenger boardings, also known as enplanements. Enplanements are a key metric in aviation because they are a major source of airport revenue.

- Total enplanements at ALB in 2019 were 1,518,969 compared to the 2023 total of 1,376,639. Unfortunately, cost per enplanement has increased, from \$5.90 in 2019 to \$9.95 in 2023. These higher costs negatively impact ALB's competitiveness.
- Other airports in New York State have simply experienced higher numbers than Albany. For example, Hancock International Airport in Syracuse surpassed ALB in enplanements in 2023. Hancock saw 1,412,838 boardings compared to ALB's 1,376,478 boardings. And while Albany Airport's enplanements increased from 2022 to 2023, the rate of growth was dwarfed by the other major Upstate airports.

Airport	2023 Enplanements	2022 Enplanements	% Change
Buffalo	2,291,949	2,007,508	14.17%
Rochester	1,325,285	1,156,276	14.62%
Syracuse	1,412,838	1,244,921	13.49%
Albany	1,376,478	1,277,329	7.76%

The decision to move in a new direction did not come lightly, and the Board deliberated for quite some time over the years on the best course of action. The Board did not undertake this action at anyone’s behest or influence. Each Board Member has examples of how Mr. Calderone dealt with us improperly on specific Airport matters. The Airport Authority has a small staff, and the Board is all-volunteer, with no permanent access to Human Resources assets. We decided ultimately not to pursue termination, but to let Mr. Calderone’s contract run out and bear the time.

Ironically, Mr. Calderone’s actions and those of his agents over the past few weeks shows everyone what they need to know about his relationship and level of trust with the Board. At the private meeting on August 12, the Board voted unanimously to not renew Mr. Calderone’s contract. We deliberated for some time over a variety of scenarios, including extending Mr. Calderone while we did a national search, and offering him a role to stay on in a different capacity through the end of the project. Sadly, the total lack of trust the Board has with him led us to conclude these scenarios were simply not going to work.

When the Board met with Mr. Calderone on August 12, we asked him to consider the information we presented and that we should reconvene in one week to discuss further. Within an hour, a wide variety of Airport staff knew the contents of our meeting. The information was then nearly immediately leaked to a media outlet, including the contents of our confidential letter. The Board did not turn this over to the media.

Over the past few weeks, the Board has responded to public inquiry – namely the media, the Albany County Legislature and the region’s State Legislators – at each and every request as best we can while preserving and maintaining our legal rights and independence.

We agreed to entertain mediation through trusted intermediaries. That process quickly broke down when Mr. Calderone made it clear his preferred option, a renewal, was the only option, even as the Board presented a simple neutral statement to alleviate some public concern. Again, those interactions are precisely what the Board has experienced for many years with Mr. Calderone.

The Board now has expressed concern to Mr. Calderone about his use of Authority resources in furtherance of his personal employment agreement. On three occasions, we know that Mr. Calderone directed an employee of an Authority contractor to issue media statements counter to statements of the Authority Board, and in all three of those occasions those statements did not include fully factual information, rather narrowly crafted portions of various situations. We formally notified Mr. Calderone to cease and desist the use of Authority resources for his personal pursuit.

In recent weeks and days, Mr. Calderone through his agents worked proactively to put enormous external pressure on the Authority Board and our legally allowable decision-making.

Today, for the third time, the Albany Airport Authority Board reiterates its decision not to renew Mr. Calderone’s contract. We will now be moving in a new direction immediately.

To reiterate what we said in our first statement, the Authority Board has full confidence and support for the talented and committed staff, contractors and vendors at our Airport. We are extremely appreciative of their hard work during this time of confusion, and especially those who have worked selflessly for many years. These dedicated employees are the ones that make Albany Airport great.

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