

PENINSULA AIRPORT COMMISSION

MINUTES

August 27, 2015

PRESIDED: James Bourey

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, August 27, 2015 at 8:00 a.m. in the Airport Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Herbert H. Bateman, Jr., Jim Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

Executive Director

Mr. Ken Spirito

Assistant Executive Director

Ms. Melissa Cheaney

Director, Marketing and Public Relations

Ms. Jessica Wharton

Director, Finance and Administration

Ms. Renee Ford

Legal Counsel

Mr. Herbert V. Kelly, Jr.

Ms. Robyn Hansen

Executive Assistant

Ms. Rhonda Wissinger

Public in Attendance

Jay Talbert- Talbert & Bright

Nick Patterson-RS&H

Sean Corcoran-RS&H

Heather Wilson- PAC Operations Supervisor

COMMENTS FROM THE PUBLIC

There were no comments from the public at this time.

CLOSED MEETING

BE IT RESOLVED, that the Commission enter into a Closed Meeting pursuant to the Virginia Freedom of Information Act; Section 2.2-3711.A. pertaining to:

Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body. Specifically, the Commission will discuss the disposition of publicly held real property.

Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. Specifically, to discuss perspective business in the expansion of existing air service where no previous announcement has been made.

Commissioner Aubrey Fitzgerald made the motion, seconded by Commissioner LaDonna Finch to hold a closed meeting.

Voting yes were:

Herbert H. Bateman, Jr., James Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

The Commission entered into a Closed Meeting at 8:02 a.m. and reconvened in Open meeting at 8:50 a.m. Upon reconvening, it was

RESOLVED, that to the best of the Commission's knowledge, only public business matters lawfully exempt from open meeting requirements, and only such public business matters as were identified in the motion by which the Closed Meeting was convened, were heard, discussed or considered in Closed Meeting.

Voting yes were:

Herbert H. Bateman, Jr., James Bourey, Aubrey Fitzgerald, Steve Mallon and George Wallace.

MINUTES OF COMMISSION MEETING HELD July 23, 2015

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held July 23, 2015.

Commissioner Herbert H. Bateman, Jr., made the motion to adopt the July 23, 2015 minutes. Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

Herbert H. Bateman, Jr., James Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

ASSISTANT EXECUTIVE DIRECTOR

Mr. Ken Spirito, Executive Director was pleased to announce that Ms. Melissa Cheaney had been promoted to Assistant Executive Director, effective August 26, 2015 and that Jared Alexander, Operations Supervisor, was also promoted to Operations Manager. Ms. Cheaney thanked Mr. Spirito and stated that she was very excited for the opportunity to work in this role.

Ms. Cheaney, Assistant Executive Director gave the following report:

- Virginia Aviation Conference- Ms. Cheaney, Mr. Spirito, and Commissioner Aubrey Fitzgerald attended the Virginia Aviation Conference on August 18-20, 2015. Ms. Cheaney reported that there was a talk about the FAA re-authorization bill but at this time it is not going into effect. There was also an airport adaptations presentation comparing traveling for different generations and stated that 20% of the travelling public are baby boomers.
- Talbert & Bright & RS&H- Ms. Cheaney has been working with Talbert & Bright & RS&H on environmental analysis projects regarding the Master Plan.
- Hurricane Season- Ms. Cheaney reported that the first Hurricane of the season is in the Atlantic and we are watching its path. Hurricane Season has begun and we are prepared for it.

DIRECTOR OF MARKETING AND PUBLIC RELATIONS

Ms. Jessica Wharton, Director of Marketing and Public Relations gave the following report:

- July passenger numbers were down 36.4%. This is in line with seat capacity for July 2015 vs. last July 2014. In July 2014 we were down 47.5%. Richmond numbers were up over 3% and Norfolk passenger numbers were increased by 6.3%.
- Back to School Event- Ms. Wharton and Mr. Ramchandani, Operations Supervisor, worked a back to school event at the James A. Field House on Saturday, August 22, 2015. This event was hosted by Councilwoman Cherry and the airport provided pencils, giveaways, and had the flight simulator in place for the children to play with.
- Business Expo-The Chamber of Commerce will be hosting the Business Expo at the Virginia Air & Space Center on Thursday, September 10, 2015 from 6:00 p.m.-8:30 p.m. Ms. Wharton has tickets available if anyone would like to attend.

Mr. Ken Spirito, Executive Director, announced that October 16, 2015 will be the official date that U.S. Airways will be changing over to American Airlines.

DIRECTOR OF FINANCE & ADMINISTRATION

Renee Ford, Director of Finance & Administration gave the following report:

Ms. Ford reported the Airport's revenues were 1.3% above budget and 9.9% below last July 2014. Our expenditures for July 2015 totaled 1.6% below budget and 23.8% below July 2014.

Ms. Ford also reported that the FY15 Audit will begin next week.

VRA REFINANCING RESOLUTION

Ms. Ford reported that in July 2002 the Peninsula Airport Commission sold an Airport Improvement Revenue Bond, Series 2002 to the Virginia Resource Authority (VRA). The maturity date for this bond is July 1, 2027. In May 2015 the VRA defeased or redeemed a portion of their bonds allowing the VRA to reduce the interest rate on this 2002 Local Bond. The principle amount outstanding on the bond is \$1,528,516. The interest rate will be reduced from 4.50% per annum to 2.75% per annum. In order for this to take place the Peninsula Airport Commission must approve the resolution for the interest rate reduction, amend the financing agreement, and update the Allonge.

The interest rate reduction would save the PAC approximately \$371,810 over the remainder of the payment term of twelve (12) years less any legal costs that will be added to the outstanding principle balance of the bond. These savings are subject to the effective date on the financial agreement. It also allows the PAC to pay the bond off by May 1, 2027, two months earlier.

Ms. Ford recommends that the PAC approve the resolution providing for the reduction of the interest rate of the 2002 Local Bond and related paperwork related to the interest rate reduction.

RESOLVED, that the Peninsula Airport Commission approve the VRA Refinancing Resolution providing for the reduction of the interest rate of the 2002 Local Bond and related paperwork related to the interest rate reduction.

Commissioner Steve Mallon made the motion to approve the VRA Refinancing Resolution and Commissioner Herbert H. Bateman, Jr. seconded the motion. The VRA Refinancing Resolution has been adopted and is attached.

Voting yes were:

Herbert H. Bateman, Jr., James Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

(Commissioner George Wallace left at 9:03 a.m.)

EXECUTIVE DIRECTOR 'S REPORT

Mr. Ken Spirito, Executive Director, gave the following report:

- Newport News Public Arts Commission- we are moving forward with the project proposed for the Atrium area. Mr. Bobby Freeman has invited a board member to become a part of their Arts Committee.
- September Board Meeting- the September Board Meeting will need to be re-scheduled due to a scheduling conflict. We will send dates out to determine when it can be re-scheduled.
- Checkpoint project- Mr. Spirito reported that he has been working with the contractor to reduce the cost of this project. Through modifications and over pricing that he found he has been able to reduce the cost of the project by about \$530,000. The IA document is pending FAA and legal counsel review and approval. Once that is received we will then issue a notice to proceed. Once we get the final information, Mr. Spirito would like to have a press release sent out to discuss the importance of the project. October 1, 2015 will be the possible start date for this project.

ADJOURNED

There being no further business, the meeting was adjourned at 9:07 a.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, September 23, 2015 at 8:00 a.m. in the Commission Room.