

PENINSULA AIRPORT COMMISSION

MINUTES

February 22, 2018

PRESIDED: Sharon Scott

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, February 22, 2018 at 8:00 a.m. in the Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Rob Coleman, Jay Joseph, Sharon Scott, David Wasson, and George Wallace.

Commissioners not in attendance were:

Walter Jubien, Jr.

Executive Director

Mr. Michael Giardino, C.M.

Assistant Executive Director

Ms. Melissa Cheaney, A.A.E.

Director of Finance and Administration

Ms. Renee Ford

Director of Air Service, Marketing and P.R.

Ms. Jessica Wharton

Legal Counsel

James S. McNider, III, Esq.

Executive Assistant

Ms. Rhonda Wissinger

Public in Attendance

Peter Dujardin-The Daily Press

Jared Alexander-PAC Operations Manager

Viveca Munger-Legal Assistant

COMMENTS FROM THE PUBLIC

None.

APPROVAL OF MINUTES OF COMMISSION MEETING HELD JANUARY 25, 2018

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held January 25, 2018.

Commissioner Rob Coleman made the motion to adopt the January 25, 2018 minutes and Commissioner David Wasson seconded the motion.

Voting yes were:

Rob Coleman, Sharon Scott and David Wasson.

ASSISTANT EXECUTIVE DIRECTOR

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

- We are preparing for the new ground handling department. The advertisement for the position has been out and we will be issuing offer letters next week. Elite is prepared to begin on-site training at the end of the month.
- Virginia Aviation Legislative Reception in Richmond- attended by Ms. Cheaney on Wednesday, February 7, 2018 and this is in partnership with the Virginia Aviation Business Association and the Virginia Department of Aviation. This gives a chance for Aviation and Aerospace to be featured to the assembly. Ms. Cheaney met Mark Flynn, the new Director of the Virginia Department of Aviation.
- The Denbigh Aviation Academy invited Ms. Cheaney to review curriculum for their Aviation track. This was an outstanding opportunity to see what students were learning in this field.
- Blood drive-The airport will be hosting a blood drive on Friday, February 23, 2018 from 10:00 a.m.-3:00 p.m. in the airport Banquet Room. Commissioner Scott asked how this event was promoted and Ms. Wharton, Director of Air Service, Marketing and P.R. stated it was promoted on both Facebook and Twitter. Commissioner Scott recommended that it be sent out to public agencies and to the City of Newport News. Ms. Cheaney, Assistant Executive Director reported that we have filled most of the appointments and there were only about 4 (four) vacancies left.

DIRECTOR OF AIR SERVICE, MARKETING AND PUBLIC RELATIONS

Ms. Jessica Wharton, Director of Air Service, Marketing and Public Relations, gave the

following report:

- Passenger numbers for the month of January were decreased by 3.8%. American Airlines had 32 cancellations and Delta had 10 cancellations all due to weather. Norfolk passenger numbers were decreased by 4.4% and Richmond passenger numbers were increased by 1.6%.
- Elite Advertising-Elite Airways will begin twice weekly service to Myrtle Beach beginning on April 6, 2018. The first checked bag is free up to 50 lbs. and a golf bag is free if flying to Myrtle Beach. There are no change fees. Myrtle Beach is running television advertisements and there is also digital advertising to promote this service.

(Chairman George Wallace arrived at 8:15 a.m. and took over presiding the meeting.)

DIRECTOR OF FINANCE & ADMINISTRATION

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

Ms. Ford reported the Airport's revenues were 1.9% below budget and 4.4% above last January 2017. Our expenditures were flat -.1% last January 2017 and totaled 6.9% below January 2018.

Ms. Ford also reported that we are 99% ready to submit for re-imbusement for the consolidated checkpoint project. Ms. Ford will be resubmitting the re-imbusement with the reconciliation information. We are anticipating receiving about \$1 million from the FAA.

Mr. Giardino, Executive Director, stated that budget preparation will begin now for July 1, 2018 and Ms. Ford reported that the commission adopts the new budget at the May commission meeting.

EXECUTIVE DIRECTOR'S REPORT

Mr. Michael Giardino, Executive Director, gave the following report:

Mr. Giardino wanted to report on his first 100 days of service as the Executive Director of the Newport News/Williamsburg International Airport. He first wanted to get to know the airport and the people and he met with the entire staff. He talked about his Navy career and what that means to him. It means a lot of different experiences in a lot of different places. Loyalty and integrity are very important to him and also having good relationships with a diverse workforce. Mr. Giardino would like to work on adopting firm, fair and consistent policies, which we have, but still have a ways to go. He has talked with Ms. Jessica Wharton, Director of Air Service, Marketing and Public Relations about how to market and re-brand the airport. Mr. Sandy Wanner, former Interim Executive Director, has been a great asset to help him reach out to the community. They made

several visits to leaders of the community during the Holiday season. Mr. Giardino feels the leaders are passionate about the airport and offered to help any way they can. They want to know what the plan is for the airport. Mr. Giardino said we are going to restore public trust, first and foremost, and we have done that through the Department of Transportation. The Honorable Secretary Layne called Mr. Giardino on his second day to see what he could do for us. On January 9th, the Honorable Secretary Layne sent a letter that he was satisfied with the Commission's actions. Mr. Giardino credits the Commission with the progress that was made to reconcile with the State. On March 30th, funds will be released to us from the escrow account as well as our normal allotment that we would receive from the State. Mr. Giardino reported that when added to the settlement and the \$1.1 million in FAA funds to be received, we should be secure in our capital funding. Mr. Giardino visited with the FAA and the Department of Aviation, they met with the Virginia Aviation Board and they approved state documents that needed to be fixed for FY 14, 15, and 16 and they approved our plans through 2021. We are still strapped for cash and this is still a challenge but the airport has still been viable on its own. We have restored the public trust and that started with the Honorable Secretary Layne and will finish with the FAA. We are waiting to hear back from them. Our capital accounts will be full at the end of March and we have a plan for the future. We are focusing on the Airlines in the building because they are strong. When AirTran left, other airports suffered the same consequences we did. The good news is that we have the capacity to bring in more airlines. We are ready to welcome Elite Airways on April 6th.

Lastly, Mr. Giardino would like to work on changing the Communities behavior. We need to put ourselves back on the map. We are not the first choice to put into a search engine for people flying so we are in need of putting ourselves back on the map. We have been advertising for Elite Airways and have done a lot with social media and even though we have a constrained budget, we can go a long way. The focus is to strengthen the relationships with all of the building. Develop new air service and re-train the community on using this airport.

Commissioner Scott asked if we planned a celebration for the first flight for Elite Airways? Mr. Giardino stated yes, that we had discussed it and that we will be making arrangements for a small celebration.

Mr. Giardino commended the Operations staff for keeping the runways clear during two snow events and would like to commend Ms. Ford, Ms. Cheaney and our legal team for getting everything to the FAA and making sure we are in good standing with the Commonwealth. The grants and reports to the FAA have to be exact and down to the penny and Ms. Cheaney and Ms. Ford have worked very hard to get this done.

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:

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.

Specifically, the closed meeting shall be held to discuss legal issues relating to the case of New Dominion Clubs, Inc. v. Peninsula Airport Commission, the case of Spirito v. Peninsula Airport Commission, et al. and claims against Ken Spirito.

Commissioner Rob Coleman made the motion, seconded by Commissioner Sharon Scott to hold a closed meeting.

Voting yes were:

Rob Coleman, Sharon Scott, George Wallace and David Wasson.

The Commission entered into a Closed Meeting at 8:38 a.m. and reconvened in Open meeting at 9:55 p.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:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace and David Wasson.

NEW BUSINESS

Mr. Giardino, Executive Director reported that we received a GSA lease on the Customs Border Protection/Federal Inspection Station. They have been without a lease since 2014 and Mr. Giardino stated it would be appropriate for them to have a lease and recommends adopting the lease. Legal counsel also recommends adopting the lease. Commissioner Jay Joseph asked about the large payment and Ms. Cheaney stated that it was for the initial build out of the facility. Mr. Giardino reported that all of the equipment that went with the Federal Inspection station was payed for by us with a caveat that any upgrades to the system would be paid by us. Mr. Jim McNider, legal counsel stated that on the legal side, every 3-5 years there may be something that we might need to pay for and that would need to be taken into consideration. There is a future obligation to the lease. Commissioner Jay Joseph also asked if it was normal to

have a 20-year lease. Mr. Giardino stated that was not that long in the airport business and was pretty common. Commissioner Joseph stated he was good with it and Mr. Giardino stated that there was no rush with voting on the lease today. Chairman Wallace stated we will defer taking action until the next meeting.

Commissioner Sharon Scott brought up an opportunity with a new company named Muhlbauer. They are making new technology and she wanted to bring it to the Executive Director's attention. The piece of equipment for the Security checkpoint, is a card that you have all of your information on that would then be accessed at the security checkpoint and let you go through the checkpoint faster. Mr. Giardino, Executive Director, stated that this would be a TSA jurisdiction but he will be happy to learn more about it.

ADJOURNED

There being no further business, the meeting was adjourned at 10:06 a.m.

NEXT MEETING

The next regular meeting of the Peninsula Airport Commission will be held on Thursday, March 22, 2018 at 8:00 a.m. in the Commission Room.