



PENINSULA AIRPORT COMMISSION

MINUTES

February 28, 2019

PRESIDED: Sharon Scott

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, February 28, 2019 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, George Wallace, Tom Herbert, and Lindsey Carney

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

Phillip Hatchett, Esq.

Eric Ballou, Esq.

Administrative Assistant

Ms. Patricia F. Speno

Public in Attendance.

Andrew Rich – Newport News Waterworks

Ron Harris – Newport News Waterworks

Louis Martinez – Newport News Waterworks



COMMENTS FROM THE PUBLIC

None.

APPROVAL OF MINUTES OF COMMISSION MEETING HELD JANUARY 24, 2019 AND SPECIAL COMMISSION MEETING HELD FEBRUARY 1, 2019

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held January 24, 2019 and Special Commission Meeting held February 1, 2019.

Commissioner Rob Coleman moved that the Commission approve the January 24, 2019 and February 1, 2019 minutes and Commissioner Tom Herbert seconded the motion.

Voting yes were: Rob Coleman, Jay Joseph, Sharon Scott, Tom Herbert and Lindsey Carney.

Commissioner George Wallace joined the meeting at 8:05 a.m.

ASSISTANT EXECUTIVE DIRECTOR

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

- Easement - Ms. Cheaney advised that the water easement resolution would be deferred to the March meeting. By way of background, she reported there are two easement locations for water service to be provided by the City of Newport News water works. One is for the WM Jordan hangar, in order to provide water service to the facility. In addition, a small water line easement is needed for the cooling tower system. Ms. Cheaney stated the new tower works great, however, the piping is old and a new water line is needed. Mr. Ballou is working with the City Attorney's office and he believes that the easement documentation should be in place for approval at the March meeting.
- 5K - Ms. Cheney reported we picked our charitable partner for our 5K on the runway event in September. She reported we had 22 applicants and we selected the Downtown Hampton Child Development Center. Ms. Cheaney stated we are now excited to launch the race registration. Ms. Cheaney stated we will be at the One City Health Expo and will have the ability to register participants with laptops at this event. Ms. Cheney said we are promoting the race on social media and we will be handing out save the date cards at numerous events as well.

DIRECTOR OF AIR SERVICE, MARKETING AND PUBLIC RELATIONS

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



report:

- Ms. Wharton reported we served 26,830 passengers for the month of January versus 27,820 passengers in January of 2018. We are down approximately 1,000 passengers. Seats were also down 5.7%. She stated January and February are generally slow travel months and we will pick back up again in the spring with more passengers travelling for spring break and of course summer travel.
- Ms. Wharton showed the Commissioners some historical photos on our website to commemorate our 70th Anniversary of commercial air service. In November of 1949, the first ever commercial airline flew out of Patrick Henry Field. Ms. Wharton displayed a banner up on our website announcing the anniversary and reported we will also be offering military discounts in both our restaurant and parking lot in recognition of this anniversary
- 5K – Ms. Wharton reported we had numerous save the date cards printed for our 5K event in September. These cards show the day, time and information on where you can register. She offered the cards to anyone who would like to take some and pass them out.
- Ms. Wharton reported we hosted a Chamber of Commerce Event here at the airport. It was a great turn out, with almost 100 guests in attendance. Mr. Giardino gave a presentation on the airport and what he pitches when speaking with other airlines in hopes of bringing them to the airport.

DIRECTOR OF FINANCE & ADMINISTRATION

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

- The airport reported a loss of 181K for the month against a budgeted loss of 117K and last January's loss of 173K. Revenues totaled \$586K, \$1K or .2% greater than budget and \$21K or 3.8% better than last January. Our expenditures this month totaled \$767K, \$66K or 9.4% above budget and \$29K or 4% above last January.
- Overall expenditures were 29K or 4% above last January. Legal costs were favorable \$74K and other services were favorable \$3K compared to last January. Variances that were unfavorable include labor & benefits \$12K, repairs & maintenance \$13K, and other expenses \$81K for the legal settlement and property cleanup. Repairs & maintenance was higher this month due to the replacement of the handrail on the outdoor escalator totaling \$9K and Snow Broom repairs totaling \$2K.



There is \$1M in unrestricted cash and there are no outstanding FAA reimbursements.

EXECUTIVE DIRECTOR'S REPORT

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

- Mr. Giardino reported he sent an email to the Commissioners on February 15th, 2019 that the City of Newport News is proposing a street widening project that would involve a small parcel of Airport property, a portion of which is in the runway protection zone. Mr. Giardino stated the FAA looks at these things differently. Mr. Ballou added as part of the street widening project, the City approved, in November, ordinances that would institute condemnation (or eminent domain) proceedings for a variety of parcels, The value in question is approximately \$50,000.00. Because the Airport Commission also has condemnation authority, provisions of the Virginia code may require the involvement of the State Corporation Commission, but this likely can be avoided by working with the City. In addition, as Mr. Giardino noted, as a federally obligated airport and the land in question appears to have come from the Federal Government, there are restrictions on the conveyance of the property, which may implicate height restrictions and the like. Mr. Ballou added this should be worked out over the next few months.
- Horse Farm Lease – The Horse Farm Lease is progressing. Mr. Giardino sat down with the selectees for the lease on Friday. He reported they worked through some insurance issues and he will forward the draft lease to the Real Estate Chair for review and discussion and possibly we can present that to the Commission in March.
- Positions- Mr. Giardino stated he is asking once again for consideration for two additional new positions and reported he did do an Executive Summary which will appear on the Commissioner's Corner.
- Mobile Home Park- Mr. Giardino reported we put out an RFP and we did not get any responses. The incumbent did not even respond to the RFP. He reported there was an audit done and many discrepancies were found and were brought to the attention of the management firm. Mr. Giardino stated they told him, via email, that they wanted to quit. He stated we were expecting this and was not surprised as we were holding them to a higher standard and we will now run the mobile home park. Mr. Giardino stated he is going to reissue the RFP. Ms. Scott asked what some of the challenges are to running a mobile park. Mr. Giardino stated the utilities are substandard in some locations.



Water and sewer is also an issue in the park. Infrastructure is the main challenge. Mr. Giardino said safety and quality of life for the residents is our main concern.

- Car Rental- Revenues are up \$10.00 per enplanement. Enterprise in particular is very happy and they are requesting more.
- The Peninsula Chamber Spotlight event was a great event. Mr. Giardino thanked his entire staff for their assistance in setting up and making this a great event. He reported we had the Chair and Commissioners present to participate and we have some leads on some things where people want to help us. Mr. Giardino reported he will be briefing the EDA tomorrow. Of course the main subject matter will be air service. Also, community involvement in air service. Mr. Giardino stated there has been no better community to support air service and community involvement than this community in getting air service here.
- Denbigh Aviation Academy – Mr. Giardino reported he had a good meeting with the School District to discuss the future of the Denbigh Aviation Academy which resides here in our old terminal building. Their lease expired in 2015. There were numerous lease extensions, one in place now that expires June 30th of this year. The meeting that we had here a week ago was to discuss the future of the school. Your predecessors entered into a memorandum of understanding in 2016 that was to look into building a new school. There has since been 3 lease extensions and almost three years have passed. He would like to propose we find another location, something on our campus. We are presently scoping this project. We have offered to assist to find other locations temporary while we work on the long term project. Mr. Giardino stated he has steered the school towards L3 Communications as half of that building is unoccupied. We are working with present tenants to get into these places. I believe we have a short term solution and I want to work through to a long term solution for the school.

CLOSED MEETING]

The Board entertained the following motion:

BE IT RESOLVED, that the Commission enter a Closed Meeting pursuant to Virginia Code Sections 2.2-3711(A) (1), (3), (7), and (8) for the following purposes: (i) the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of the Commission (regarding the evaluation of the Commission's Executive Director); (ii) discussion and 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 Commission's bargaining position or negotiating strategy (regarding certain real property of the Commission no longer considered necessary for airport purposes as described in the Commission's Master Plan), and (iii) 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 (iv) consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel (the latter two regarding the pending litigation matter of *Spirito v. Peninsula Airport Commission* (USDC Newport News)).

Such motion was duly moved and seconded. Voting yes were:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace, Tom Herbert and Lindsey Carney.

The Commission entered into such Closed Meeting at 8:55 a.m., and reconvened in Open meeting at 10:30 a.m., and thereupon considered a motion pursuant to Virginia Code § 2.2 3712(D) that, to the best knowledge of each Commissioner then present, (i) only such public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board and that a statement to such effect would appear in the minutes of the meeting. Such motion was duly made, seconded and approved in a roll call vote with the following Commissioners voting yes:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace, Tom Herbert and Lindsey Carney.

The Commission then took the following actions in open session:

RESOLVED, that the Peninsula Airport Commission hereby authorizes, pursuant to the Executive Director's Employment Agreement, a one-time bonus to the Executive Director in the amount of 3.0% of current base salary, to be payable in the next ensuing payment period.

Commissioner Coleman made the motion, seconded by Commissioner Wallace.

Voting yes: Rob Coleman, Jay Joseph, George Wallace, and Tom Herbert

Voting no: Sharon Scott



Abstain: Lindsey Carney

RESOLVED, that the Peninsula Airport Commission hereby authorizes an increase in the Executive Director's base salary of 3.0%, such increase to be retroactive to January 1, 2019.

Commissioner Coleman made the motion, seconded by Commissioner Wallace.

Voting Yes: Rob Coleman, Jay Joseph, Sharon Scott, George Wallace, and Tom Herbert

Abstain: Lindsey Carney

RESOLVED, that the Peninsula Airport Commission hereby approves a budget amendment to the Commission's FY 2019 budget to increase the personnel line item by an amount not to exceed \$70,000.00 to provide for the addition of the following two positions - Director Strategic Initiatives, Compliance and Governmental Affairs and Director Business Development and Corporate Analytics.

Commissioner Coleman made the motion, seconded by Commissioner Herbert.

Voting yes: Rob Coleman, Jay Joseph, George Wallace, and Tom Herbert

Voting no: Sharon Scott

Abstain: Lindsey Carney

NEW BUSINESS

- Ms. Scott spoke to the Commissioners about the different Committee Boards and their members. Ms. Scott stated she wanted the Commissioners to decide which Committee they would be interested in serving on. It was suggested that the Board take no action at this time, and it was asked that we coordinate and collate each Commissioner's request for the committee they wish to serve on.
- Commissioner Coleman spoke to the board about an aviation group, AOPA, which is a general aviation group of flyers. They have two annual fly-ins at airports and they are interested in Newport News. Mr. Coleman stated this could be a huge boom for us economically. Mr. Giardino added this is not an air show, as there is no acts and he will reach out to this group regarding the fly-in.



- Mr. Joseph spoke to the board about a conversation he had with a private aircraft owner who lives on the Peninsula but keeps her plane in Norfolk. He stated the taxes are not necessarily lower, however, the assessment methodology for Newport News is different. Mr. Joseph spoke with the Commissioner of Revenue for the City of Newport News, and asked her assistance with a survey to be done by the State Commission Association to understand how the municipalities assess these airplanes. Mr. Joseph stated this survey of the nine competitive airports will help us to understand our competition. Ms. Boyles agreed to have this done and will forward us the information when completed.

OLD BUSINESS

None.

ADJOURNED

There being no further business, the meeting was adjourned at 10:50 a.m.

NEXT MEETING

The next regular meeting of the Peninsula Airport Commission will be held on Thursday, March 28, 2019.