

Peninsula Airport Commission Board of Commissioners Meeting Packet

Lindsey Carney Smith, Chair

Michael Giardino, C.M., Executive Director

Thursday, January 26, 2023

8:00 a.m.

Commission Room

900 Bland Blvd

Newport News, VA 23602

AGENDAS

PENINSULA AIRPORT COMMISSION

REGULAR MEETING AGENDA

Date: January 26, 2023

Time: 8:00 a.m.

Location: Commission Room

- 1) Call to Order
- 2) Approval of Minutes from December 21, 2022
- 3) Read Instructions for Public Comment
- 4) Public Comment
- 5) Presentation of Jared Alexander Awards
- 6) Audit review with Cherry Bekaert (virtual)
- 7) Master Plan Update from Fabio Bendana (Presentation One)
- 8) Marketing update from Steve Romme (Closed session)
- 9) Committee Reports
 - a) Finance & Audit – did not meet. Will meet after Regular PAC meeting on January 26, 2023
 - b) Planning & Development – did not meet
- 10) Old Business
- 11) New Business
- 12) Read instructions for closed session
- 13) Closed Session
 - a) Discussion of review of Executive Director
 - b) Discussion concerning air service

2.2-3711.A.1: Discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body. A.39: Discussion or consideration of information subject to the exclusion of 3 of subsection 2.2-3705.6 related to economic development.

- 14) Open Session

15) Adjourn

Newport News Williamsburg Airport

PENINSULA AIRPORT COMMISSION

COMMITTEE MEETING AGENDA

FINANCE & AUDIT COMMITTEE

DATE: January 26, 2023

**TIME: Immediately following Board
of Commissioners meeting**

- 1) Call to Order
- 2) New Business
 - a) Firehouse lease extension
- 3) Old Business
 - a) December 2022 Financial Results
 - b) Fiscal Year 2022 Audit Results
- 4) Adjourn

MINUTES

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

December 21, 2022, 8:00 a.m.

Commissioners in Attendance:

Chair, Lindsey Carney Smith
Vice Chair, Brian Kelly
Secretary, Sharon Scott (arrived 8:03 a.m.)
Assistant Secretary, Thomas "Tommy" Garner
Treasurer, James "Jay" Joseph

Staff Members in Attendance:

Deputy Director, John Borden
Finance Director, Mark Adams
Marketing & Public Relations Manager, Victoria Hall
Executive Assistant, Jamie O'Brien
Counsel, L. Scott Seymour
Office Manager, Barbara Rumsey (arrived 9:00 a.m.)

Public Officials Present:

Ralph "Bo" Clayton, Assistant City Manager

Public Attendees:

David Hause, Kiln Creek HOA

Chair Carney Smith called the meeting to order at 8:00 a.m.

Minutes: Commissioner Joseph moved to accept the November 23, 2022 regular PAC meeting minutes as presented. Commissioner Garner seconded and the minutes were approved unanimously.

Commissioner Garner moved to accept the minutes from the Special Meeting held on December 1, 2022, as presented. Commissioner Joseph seconded the motion, and the minutes were approved unanimously.

Public Comment: No public comment

Committee Reports:

Finance and Audit Committee: Commissioner Joseph stated that the committee did not meet, but he did meet with Mark Adams, Director of Finance and with Mike Giardino, Executive Director. He noted the two-year capital improvement program (all commissioners were given a copy of this exhibit.) He suggested the commissioners take it with them and review it. If anyone has any questions, convey them to Mr. Giardino. The hand-out shows things we want to do but are currently unfunded to accomplish.

Commissioner Joseph reviewed the November financials with Mr. Adams and noted the memo included in the Board Packet covering the variances.

Finally, there was a re-forecast for the remainder of the year. When the original budget was forecast, the assumptions were substantially different from where we are today. We budgeted 114,000 enplanements based on American Airlines flying 5 CLT routes and 2 PHL routes. American Airlines has cut flights back and eliminated PHL entirely. We have added Avelo but those enplanements aren't enough to make up the shortfall from the American Airlines cutbacks, and Avelo has concessions from the airport so we aren't collecting the same monies from Avelo as we do from American. What staff intended was to give an update of where we are year-end based on the current flight schedule, with the caveat that this is a moving target and the schedule may change again.

To recap, the original budget forecast a \$2.1 million dollar loss. It is re-forecast to \$2.5 million dollar loss on the operating budget. The break-even was originally 151,000 enplanements. We budgeted for 114,000 enplanements. With the current flight service, we now project approximately 93,000 enplanements even with the addition of Avelo flights.

Mr. Giardino reviewed the budget presentation originally this past Spring for the new commissioners (See Exhibit 1). Due to constant churn on flights, it's been difficult to project on the budget. Commissioner Joseph recommends taking the hand-outs home to review and to direct questions to Mr. Giardino. There are no remarks that none of these numbers are surprising, but rather, they are expected. Commissioner Joseph noted that operating expenses are affected because of one-time expenses (mostly to prepare to handle Avelo flights), and one-time income from land sales. Cash on hand at the end of the fiscal year is projected to be between \$3.5 – 4 million dollars. Commissioner Garner asked why office and admin costs almost doubled the original projection. Mr. Adams explained that they were one-time or annual expenses that just all hit at once instead of being spread throughout the year. Commissioner Garner would like a breakdown of why it looks different than it was originally budgeted. Mr. Adams said it was included in the memo in the Board Packet. Chair Smith said instead of an overview narrative, it might be better to see the specific allocations. In future months, we will go into greater detail. (See Exhibits 2-5).

There was some discussion around financial covenants and the budget plan beyond FY23. Mr. Giardino said we are always 100% in compliance with our bond debt. The only solutions to a budget deficit are to ask for monies from the governing cities, and more air service. He continues to solicit every air carrier but is not getting commitments. He needs help from people above him whether from the Board of Commissioners, or political figures. Union issues and regional jet pilot shortage continue to plague the industry. In 2017, we were leaking 2,600 passengers a day. Now we are leaking 4,000 passengers a day.

Also discussed was the constant communication with Towne Bank about bond debt covenants during Covid and the money PAC received from the CARES Act. Mr. Giardino stated he has consistently reported about this communication with the Governance Committee as well as the Board of Commissioners whenever he had communications with Towne Bank. He has emails documenting this communication.

There were no further questions regarding the budget, and finance and audit.

Planning and Development Committee did not meet, though Chair Smith did speak with Mr. Giardino and it appears the two largest items for Planning and Development are the drainage project and the parking lot update. These items will be discussed later in today's agenda.

Executive Director Update: An overview was provided in the Board Packet. In the overview he addressed the cash flow.

The other item to discuss is that the USO is moving in a different direction and focusing on overseas operations and other larger airports. They will not be operating the USO at PHF. We have decided to take over running it with the same volunteers who are currently there. We won't use the USO name and the lounge will be open to first responders as well as military. It will be run the same way as the USO currently runs it. A staff member will oversee the operation. PHF will assume liability and do new protocols. A soft opening will be January 1 and a ribbon cutting event will be held when everything is ready. We will invite the press to the event. Chair Smith inquired how many people use our USO each year. Mr. Giardino answered that we don't have that information but he would obtain it and report back. Mr. Borden stated we had 60 people who used it on December 17 for the annual Block Leave. They do sign in on the USO iPads.

The Master Plan Update was removed from the agenda due to illness and travel issues. An update is targeted for January.

Airfield Drainage Project Update: This project was originally presented in October 2020. The General Aviation ramp area has a drainage problem and has standing water when it rains. The area is shaped like a topographic bowl, there is crumbling infrastructure, and the former mobile home park was on top of one of the most critical areas with a collapsed pipe. This prevented water from draining properly. PAC staff has been keeping the area clear of debris. Resolution 22-019 (distributed in the Board Packet) grants the Executive Director authorization to execute a Scope of Services Contract in the amount of \$117,241.00 with Talbert and Bright to address the Airfield Drainage Project. The project is funded 80% by the State, and 20% local funds. Once the Scope of Services is identified, we would phase the project to address the most critical issues first.

Commissioner Joseph moved to accept the resolution. Commissioner Kelly gave a second. There was further discussion to amend the resolution to eliminate the brackets and change subsection 2 to state: "The execution and delivery of the Scope of Services Contract for the airfield Drainage Project is approved, and each of the Chair, Vice-Chair or the Executive Director, any of whom may act, is authorized and directed to execute and deliver same. The contract will be substantially in the form presented to the PAC prior to this meeting, with such changes, insertions and omissions not inconsistent with this Resolution as may be approved by such officer, [with the advice of counsel,] whose approval shall be conclusively evidenced by the execution of the Agreement." (See Exhibit 6).

Commissioner Joseph agreed to amend his motion to change the paragraph as stated above. A roll call vote was taken: Ms. L. Smith – Yes, Mr. Kelly – Yes, Mr. Joseph – Yes, Ms. Scott – Yes, Mr. Garner – Yes. The motion passed unanimously.

Parking Lot Update: The Parking Access Revenue Control System (PARCS) was briefed to the PAC approximately 18 months ago and new equipment was implemented this past Summer. The new system was required due to failing and obsolete equipment.

Mr. Giardino reviewed the process, and the maps of the existing roadway as well as the future roadway goals.

Mr. Giardino introduced Victoria Hall, Marketing and Public Relations Manager. Ms. Hall gave a presentation on new signage for the existing parking lot. (See Exhibit 7). The cost of the new signage will be a few hundred dollars and is estimated to be installed by staff by the end of January 2023.

Commissioner Scott asked how customers get help when trying to leave. Ms. Hall said there is a call button on the kiosk for help. Customers press the help button. Mr. Giardino said we have 24/7 help coverage.

No New Business

Closed Session: Counsel Scott Seymour read the following to enter in to closed session: 2.2-3711.A.1: Discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body. Subsection A.5: 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. And subsection A.29: Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

A motion was made by Commissioner Scott, and seconded by Commissioner Garner. A roll call vote was taken: Ms. L. Smith – Yes, Mr. Kelly – Yes, Mr. Joseph – Yes, Ms. Scott – Yes, Mr. Garner – Yes. The motion passed unanimously. Closed session began at 9:01 a.m.

Attorney Seymour read the following: “To conclude the closed session meeting and return to the open meeting and that prior to a roll call vote, the Commissioners of the Peninsula Airport Commission shall certify that to the best of their knowledge (i) only such public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, 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 in the meeting by the members of the Commission.

Any member of the Commission who believes that there was a departure from the requirements just stated must so state prior to the roll call vote and indicate the substance of the departure that, in such Commissioner's judgment has taken place.

If there are no such statements of departure, if we could please have a motion and second to end and certify the closed session and return to open meeting.”

Commissioner Garner stated he “thought that Commissioner Kelly was out of line as far as that of the direction of the scope of the closed session.” Commissioner Kelly responded that he felt Freedom of Information Act (FOIA) subsection 2.2-3711.A.1 covers performance of specific public officers and can be discussed, and he asked Counsel Seymour if he was incorrect in discussing “that.” Mr. Seymour said he believes we went in to closed session to discuss the performance review of “the commissioner [sic], so comments directed back and forth between the commissioners as to their individual performance outside the scope of its impact on the Executive Director were outside the scope.” Chair Smith noted Commissioner Garner’s statement of departure from the scope of the closed session. Mr. Seymour noted no actions were taken as a result of the departure from scope. Commissioner Joseph said he had never participated in a vote where there was an exception and he asked how does an individual commissioner record their vote. “Do they say, ‘I certify with the exception of’?” Mr. Seymour said “yeah, as so noted by Commissioner Garner if you agree. If you disagree, I think you would simply certify that you think you were fully within the closed session.” For clarification, Commissioner Joseph said a motion is made and seconded and when voting, the commissioner(s) who believe there was a departure from the scope of the closed session states that s/he has an exception. Commissioner Joseph made the motion to accept the motion as read. Commissioner Kelly seconded the motion. Mr. Seymour said, “to state any exception before you vote.”

Mr. Seymour then said for the record that, “Commissioner Garner has stated an exception. A comment was made towards him with respect to his Conflict of Interest Training and access to the trailer park. No formal action was taken.”

A roll call vote was taken: Ms. L. Smith – Yes with the exception noted by Commissioner Garner, Mr. Kelly – Yes, Mr. Joseph – Yes, Mr. Garner – Yes with exception, Ms. Scott – Yes, with exception. The motion passed with exception and the meeting returned to open session at 9:50 a.m.

Chair Smith asked if there was anything else to come before the commission. There being none, she wished everyone a happy holiday and thanked everyone for their service. The meeting adjourned at 9:50 a.m.

Fiscal Year 2023 Budget

Peninsula Airport Commission

APRIL
2022



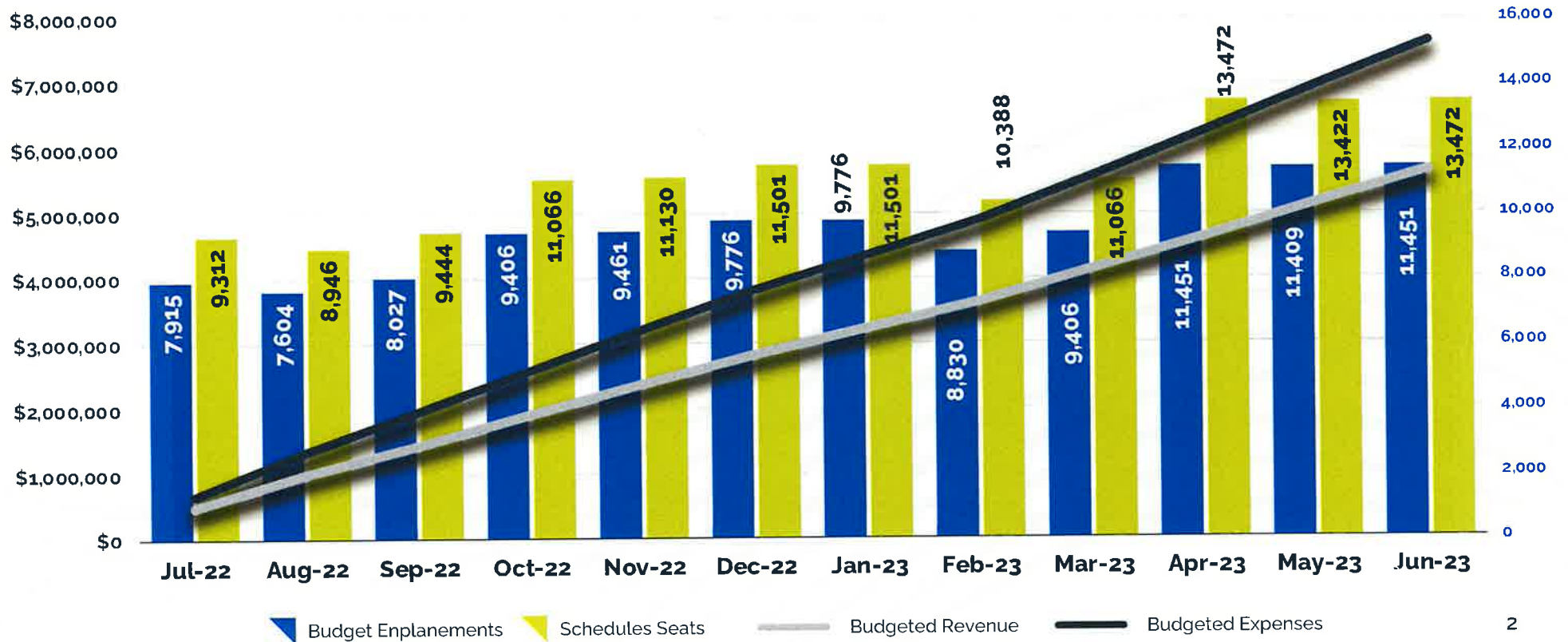


Budget Cycle

EVENT	DAYS BEFORE/AFTER FY	FY 22	NOTES
Budget to participating political subdivisions (per Acts of Assembly 1946)	-135	February 15, 2022	N/A
Performance Modeling	-120	February 1, 2022	Projected Enplanements/Revenue per Enplanement
Meet with Department	-90	March 1, 2022	Line-item Budgeting
Present to PAC	-60	April 25 & 28, 2022	Finance & Audit Committee and Regular PAC
Adopt Budget	-30	May 26, 2022	Annual Meeting
FY Begins	0	July 1, 2022	
Previous FY Audit Complete	+120	October 21, 2022	



Fiscal year 2023 budget





Conditions



- Airline recovery remains uncertain
- Leisure is outperforming business
- **PHF** remains one of the hardest hit airports due to pandemic
 - American suspended **PHL** *April 2022 – November 2022*
- Crew shortage is the primary reason for service reductions.
- Fuel prices will impact airlines and passengers



Requirement

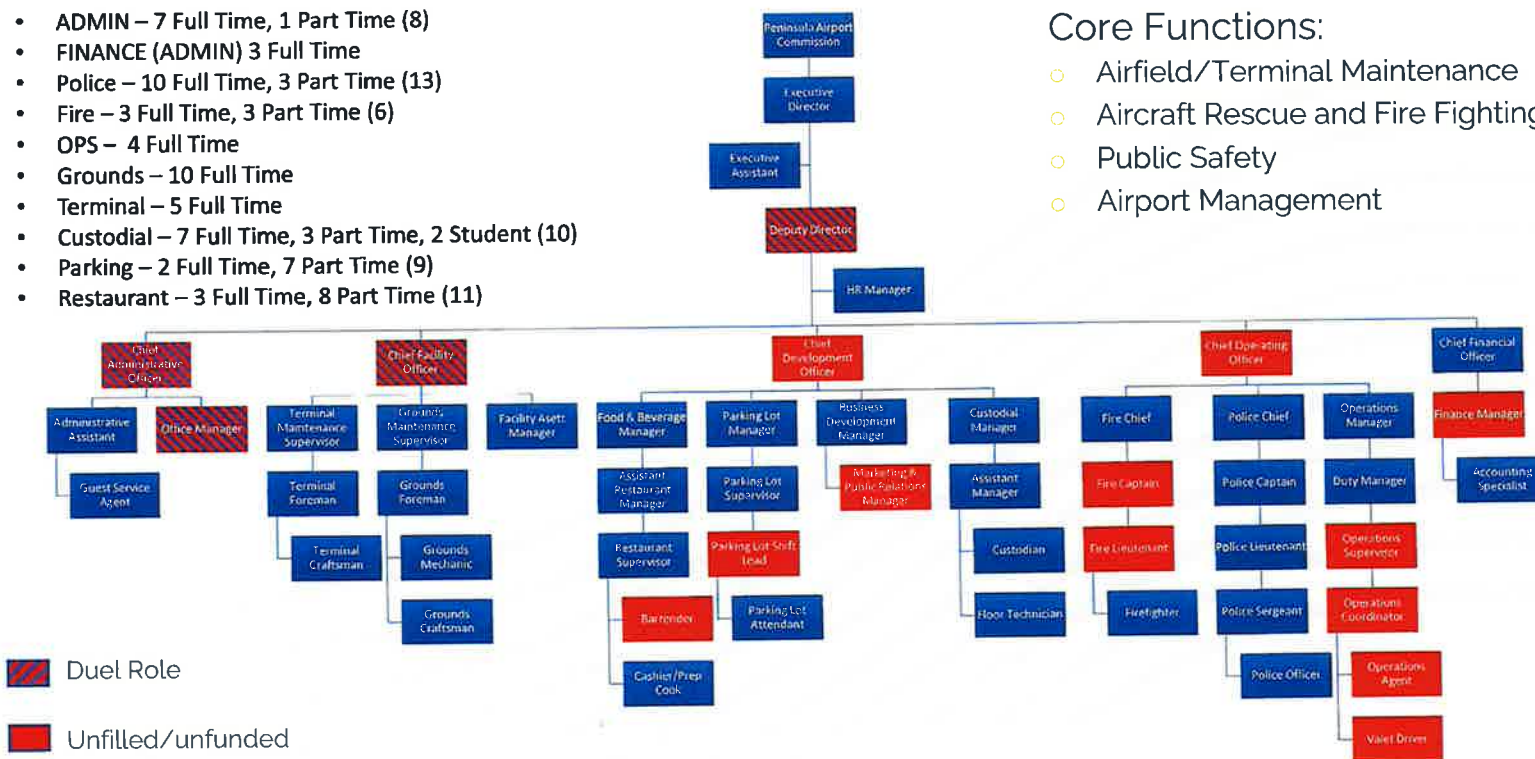
Full Time – 56 Part Time 23 Student – 2



- ADMIN – 7 Full Time, 1 Part Time (8)
- FINANCE (ADMIN) 3 Full Time
- Police – 10 Full Time, 3 Part Time (13)
- Fire – 3 Full Time, 3 Part Time (6)
- OPS – 4 Full Time
- Grounds – 10 Full Time
- Terminal – 5 Full Time
- Custodial – 7 Full Time, 3 Part Time, 2 Student (10)
- Parking – 2 Full Time, 7 Part Time (9)
- Restaurant – 3 Full Time, 8 Part Time (11)

Core Functions:

- Airfield/Terminal Maintenance
- Aircraft Rescue and Fire Fighting (ARFF)
- Public Safety
- Airport Management



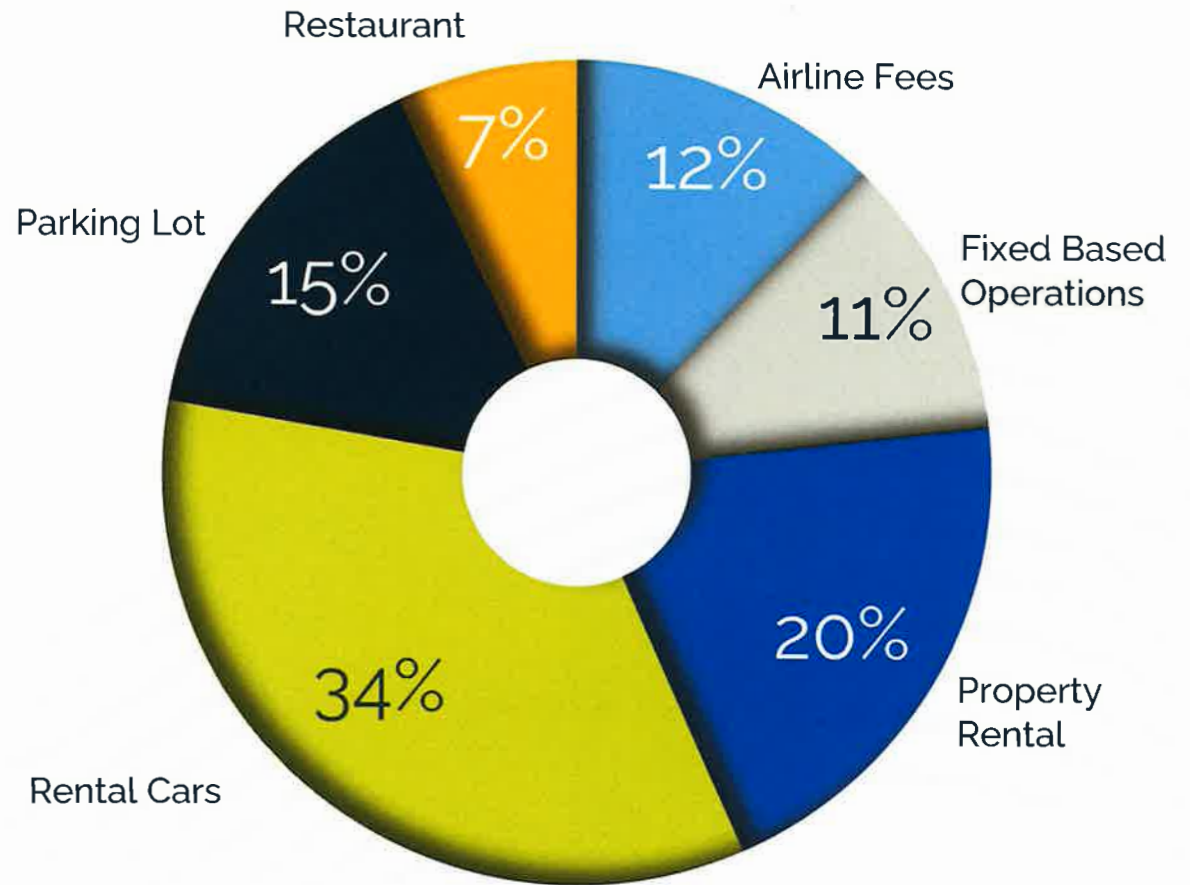


Revenue

Self-Funded by Cost Center

Total Revenue

\$5,652,682

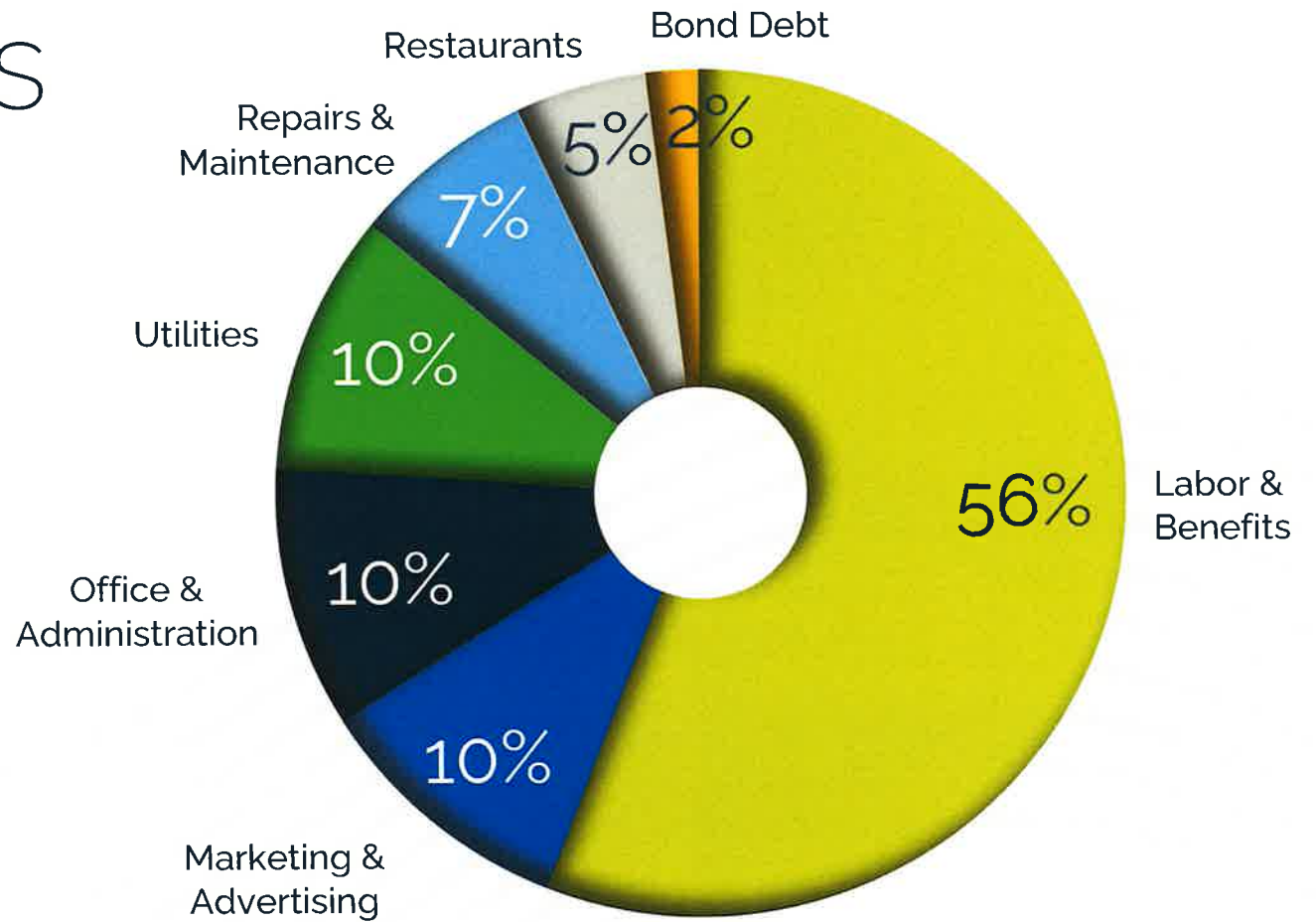




Expenses

Total Expenses

\$7,672,950





Assumptions



- 114,000 Enplanements
 - American Airlines only
 - 5x **CLT**; 2x **PHL** daily; *(Except Jun - Oct)*
2 Remain Overnight *(RON)*
- Freeze Airline Rates and Charges
 - Landing Fee \$1.98 / 1,000 lbs.
 - Terminal \$34 sq. ft *(Exclusive Use)*
 - \$2.40 Per Enplaned Passengers *(Common Use)*
 - Fuel Flowage GA / Charter - \$0.05/gal;
Commercial - \$0.015



Analysis



Breakeven

- Approximately 151,000 enplanements
 - Excludes airline incentives (*SCASD with United etc.*)
 - FY 2020 pace was \$1M budget surplus (*220,000 enplanements Q4 estimated*)

Revenue

- 300 additional enplanements/week = ~ \$150K parking revenue/yr
 - Every additional enplanement increases PFC Capital revenue \$4.39

Expenses

- Savings to be realized in execution of Terminal Building Improvements



Capital

Peninsula Airport Commission

Newport News
Williamsburg Airport



Capital Funding



Airport's Annual Entitlement Allotment

- Federal \$1.7M
- Commonwealth \$2M
- FAA Airport Improvement Grant Allotted [\(AIG\(A\)\)](#) \$2M/yr *(5 years)*

BIL and other Competitive Programs

- FAA AIG Competitive [\(AIG\(C\)\)](#) \$100M/Yr for 275 airports *(5 years)*
 - FY22 Application - \$10.5M requested
- USDOT RAISE Grant – PAC Intermodal/Road Study \$10M requested
- Community Project Funding – Airport Terminal \$5M requested



Completed and In Work



Airport Improvement Program (*AIP*)

- Taxiway A Shoulders and Lighting Rehabilitation
 - FY 2020 \$5.3M (*100% funded due to CARES Act vs. normal 90%/10%*)

Passenger Facility Charge (*PFC*) 6

- Terminal Rehabilitation
- GA Ramp Rehabilitation (*Design*)

Local

- Parking Access Revenue Control System (*PARCS*)



Seven (7) Year Capital Requirement

(Includes Federal FY22)



\$193M

- Near Term *(Federal FYs 2022 and 2023)*
 - PFC 6 Projects - \$3.85M
 - Airport Master Plan - \$1M
 - Taxiway Delta Design - \$1M
 - Old Terminal Demo - \$2.8M
 - Drainage - \$650K
 - Airport Terminal - \$18M
- Long Term *(Federal FYs 2024-2027)*
 - Remaining PFC 6 - \$3M
 - Taxiway Delta Construction (two phases) - \$12.5M
 - Remaining - \$133M

TWO YEAR CAPITAL PROGRAM

FEDERAL FISCAL YEAR (FY)	TOTAL COST	FAA ENTITLEMENT	STATE ENTITLEMENT	PFC	AIG (A)	AIG (C), RAISE, & Other	AIRPORT	Expensed	Notes
Annual Amount Received		\$1,879,732	\$2,000,000	\$384,480	\$2,016,868				
FY 2022		\$3,759,464	\$9,903,103	\$2,791,456	\$2,016,868	\$10,552,119			
Parking Access Revenue Control System	\$655,749						(\$655,749)	\$385,033.40	Waiting on Access Road
PFC 6.01 South Corporate Apron Design PFC	\$685,000		(\$548,000)	(\$137,000)				\$164,500.85	80 State / 20 PFC
PFC 6.02 GA Ramp Rehab Design	\$200,000		(\$160,000)	(\$40,000)				\$189,141.85	80 State / 20 PFC
PFC 6.05 Terminal Building Rehab	\$3,000,000		(\$1,800,000)	(\$1,200,000)				\$132,285.44	60 State / 40 PFC
Terminal Building Rehab AIG (C) Augment PFC 6.05	\$3,218,471		(\$160,924)			(\$3,057,547)			ATP Waiting Round Two
Restroom Renovation and Code Compliance	\$4,041,585		(\$202,079)			(\$3,839,506)			ATP Waiting Round Two
Main Terminal Roof Replacement	\$3,079,064		(\$1,231,626)			(\$1,755,067)	(\$92,372)		ATP Waiting Round Two
Main Terminal Lobby Renovation & Life Safety Egress Phase 1	\$2,000,000		(\$100,000)			(\$1,900,000)			ATP Waiting Round Two
Old Terminal Design Environmental	\$600,000		(\$480,000)				(\$120,000)	\$260,00.00	80 State / 20 Local
Airport Rail Intermodal	\$10,000,000		(\$1,600,000)			(\$8,000,000)	(\$400,000)		Raise Grant
Wayfinding Study	\$50,000		(\$20,000)				(\$30,000)		
Bond Debt	\$155,000		(\$155,000)						
Other EURP projects	\$700,000		(\$500,000)				(\$200,000)	\$643,347.75	\$156,048.75 Local
TOTAL	\$18,384,869	\$0	(\$5,357,629)	(\$1,377,000)	\$0	\$0	(\$1,498,121)		
Carryover / Balance		\$3,759,464	\$10,240,166.00	\$2,787,794.74	\$2,016,868	\$0	(\$532,064)		
		\$1,700,000	\$2,000,000	\$492,480	\$2,016,868				
FY 2023		\$5,459,464	\$12,240,166.00	\$1,906,936	\$4,033,736				
Master Plan Update	\$1,000,000	(\$900,000)	(\$100,000)						AIP Grant Scope in work
Rehabilitate Taxiway D Design (result of 2021 PMS)	\$1,000,000	(\$900,000)	(\$100,000)						AIP Hold
Drainage Third Runway	\$650,000		(\$520,000)				(\$192,000)	\$51,000.00	Plus \$117K TBI @ 80/20
Entrance Canopy and Wayfinding Signage	\$5,916,300		(\$591,630)			(\$5,620,485)			ATP Round Three
Old Terminal Abatement Phase 2	\$1,200,000		(\$960,000)				(\$240,000)		Local Hold
Old Terminal Demolition Phase 3/4	\$1,000,000		(\$800,000)				(\$200,000)		Local Hold
SRE Facility Design Siting and Environmental	\$500,000		(\$400,000)				(\$100,000)		Local Hold
Other EURP projects	\$500,000		(\$350,000)				(\$150,000)	\$308,000.00	Of 389K Runway 80/20
Main Terminal Lobby Renovation & Life Safety Egress Phase 2	\$23,446,800		(\$1,172,340)			(\$22,274,460)			ATP
TOTAL	\$25,213,100	(\$1,800,000)	(\$6,593,970)	\$0	\$0	(\$35,894,945)	(\$881,000)	\$359,000.00	
carryover		\$3,659,464	(\$48,496)	\$1,906,936	\$4,033,736	(\$2,515,277)	\$0		
FY 2024		\$1,700,000	\$2,000,000	\$648,000	\$2,016,868				

- **PFC: Passenger Facility Charge**
- **AIG: Airport Improvement Grant**
- **ATP: Airport Terminal Program**

PENINSULA AIRPORT COMMISSION
NOVEMBER 2022
PROJECTION OF CASH

	YTD 11/22	Rest of yr	Projected 06/23
Unrestricted cash beginning	2,775,071	5,874,725	2,775,071
Operating (loss) YTD	(1,219,424)	(1,247,987)	(2,467,411)
Other income/(Expense)	4,474,939	(200,000)	4,274,939
Capital expenditures	(1,530,167)	(200,000)	(1,730,167)
Debt principal payments	(280,282)	(392,394)	(672,676)
Other Assets/Liability changes	183,830	(183,830)	(0)
Unrestricted cash received (used)	1,628,896	(2,224,211)	(595,315)
Restricted cash (transferred)	1,470,758	230,000	1,700,758
Unrestricted cash ending	5,874,725	3,880,514	3,880,514
Restricted cash beginning	13,468,205	12,852,752	13,468,205
Restricted cash received	855,305	1,688,000	2,543,305
Restricted cash transferred	(1,470,758)	(230,000)	(1,700,758)
Restricted cash ending	12,852,752	14,310,752	14,310,752

**PENINSULA AIRPORT COMMISSION
NOVEMBER 2022
OPERATING INCOME STATEMENT**

DESCRIPTION	NOV 2022 ACTUAL	NOV 2022 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET		YTD Enplane	Nov-22 Per customer	Projected Enplane	Jun-23	Annual est Enplane	Break even
REVENUE														
Airline Fees	41,514	55,017	75.5%	221,400	281,290	78.7%	672,032	32.9%	31628	7.00	75907	531,359	151000	1,057,019
Fixed Based Operators	42,457	48,996	86.7%	230,830	247,794	93.2%	593,311	38.9%	31628	3.65	75907	277,061	151000	551,150
Property Rental	101,560	94,061	108.0%	503,399	491,194	102.5%	1,149,785	43.8%				1,149,785		1,149,785
Rental Cars	180,663	155,113	116.5%	944,837	815,796	115.8%	1,937,986	48.8%	34533	27.36	93337	2,553,738	151000	4,131,422
Parking Lot	63,174	70,965	89.0%	337,285	355,835	94.8%	853,512	39.5%	34533	9.77	93337	911,626	151000	1,474,822
Restaurant Income	35,583	32,885	108.2%	161,505	173,056	93.3%	411,056	39.3%	34533	4.68	93337	436,521	151000	706,201
TOTAL REVENUE	464,951	457,037	101.7%	2,399,256	2,364,965	101.4%	5,617,682	42.7%				5,860,091		9,070,399
EXPENSES														
Labor and Benefits	392,101	358,671	109.3%	1,798,079	1,793,355	100.3%	4,304,073	41.8%				4,384,073		4,624,073
Marketing & Advertising	62,061	63,177	98.2%	238,271	315,885	75.4%	758,911	31.4%				758,911		758,911
Office & Administration	63,878	37,523	170.2%	475,905	408,279	116.6%	821,674	57.9%				889,300		889,300
Utilities	104,893	109,687	95.6%	340,383	298,435	114.1%	677,486	50.2%				719,434		719,434
Repairs & Maintenance	70,664	48,977	144.3%	464,669	244,885	189.7%	588,618	78.9%				808,402		808,402
Restaurant Expense	54,851	29,402	186.6%	206,221	154,477	133.5%	367,136	56.2%	34533	5.97	93337	557,381	151000	901,728
Bond Debt	17,554	15,838	110.8%	95,555	79,190	120.7%	190,052	50.3%				210,000		210,000
TOTAL OPERATING EXPENDITURES	766,002	663,275	115.5%	3,619,083	3,294,506	109.9%	7,707,950	47.0%				8,327,501		8,911,848
NET INCOME	(301,051)	(206,238)	146.0%	(1,219,827)	(929,541)	131.2%	(2,090,268)	58.4%				(2,467,411)		158,552

- American enplane customers is a straight-line estimate of 5 months actual of 31628 projected to 12 months of 75907.
- Avelo year to date number of customers at 2905 for 6 weeks projected to a total of 17430. The estimate is conservative with the projection assumption of two days a week through the end of the fiscal year.
- Variable revenue per enplaned customer using the first 5 months average comes to a net of \$46 each.
- Office and equipment purchases related to Avelo are estimated to be completed for this year. Final projected increase in these expenses over budget is for these additional unbudgeted expenses only.
- Labor costs monthly excess over budget is expected to continue at the current rate projected to the end of the year.
- Operating revenue and expenses are only considered for the projection and break-even analysis.
- Other expenses (Trailer Park final closing and capital expenditures) are estimated in the unrestricted cash projection analysis.

COMING SOON

EASY PARKING ACCESS

Newport News
Williamsburg Intl Airport

- Future Entrance Signage Relocated to Detract from Idea of Permanence Created by the Visual of Jersey Barriers



- Larger Parking Entrance Sign Put in Place to decrease any confusion

- Parking signage relocated for ease to benefit guests
- Clear pricing and description laid out as well as directional arrows



← **Garage Parking**
\$2/Hour
\$10/Day
Covered & Uncovered Parking

← **Long Term Parking**
\$2/Hour
\$7/Day
Uncovered Parking Furthest From Terminal

→ **Short Term Parking**
\$2/Hour
\$8/Day
Uncovered Parking Closest To Terminal

STOP

SHORT TERM →
\$2 HR/\$8 DAY
GARAGE →
\$2 HR/\$10 DAY
← LONG TERM
\$2 HR/\$7 DAY

- Signage will be strategically placed to ensure no disruptions with future parking garage entrance



- A-Frame signs will be removed
 - Overstimulation can lead to confusion
 - signs on both sides can lead some guests to think both lanes are an entrance
 - pop-up temporary signage like this can look cheap and tacky

- A clear sign will be in place at each parking entrance to designate which lot guests are entering

Garage
Parking
Entrance

- A central barrier will be installed to prevent lane cross over



- To ensure guests can navigate their way out of the parking lot without confusion, an exit sign will be in place to replace old Exit Signage that is worn down



- A clear sign will be in place at each parking entrance to designate which lot guests are entering

Long Term
Parking

ATTENTION
DO NOT
LEAVE TICKET ON DASH



- A 'DO NOT ENTER' sign will be in place on the exit lane just like in garage parking to ensure no confusion

Short Term
Parking

- A clear sign will be in place at each parking entrance to designate which lot guests are entering

**PENINSULA AIRPORT COMMISSION
RESOLUTION 22-019
RESOLUTION AWARDDING CONTRACT
FOR AIRFIELD DRAINAGE PROJECT AUTHORIZATION**

December 21, 2022

WHEREAS, the Peninsula Airport Commission (the “Commission”) is a political subdivision of the Commonwealth of Virginia, created pursuant to Chapter 22 of the Acts of the General Assembly of the Commonwealth of Virginia of 1946, as amended, and owns and operates Newport News – Williamsburg International Airport (the “Airport”);

WHEREAS, the fiscal year 2023 Peninsula Airport Commission Capitol Budget was presented and approved, and which funding will be provided as an eligible project under the FY23 Entitlement Utilization Report and Plan ("EURP") 80% [entitlement funds] provided by the Commonwealth's Department of Aviation and 20% from local airport funds]; and

WHEREAS, the Commissioners of the Peninsula Airport Commission, was briefed on 22 October, 2020 by Talbert & Bright regarding the drainage deficiencies that have chronically affected the area; After mature deliberation and upon the recommendations of Staff, the Peninsula Airport Commission deem it prudent and desirable to authorize the Executive Director to execute a Scope of Services Contract for \$117,241.00.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE PENINSULA AIRPORT COMMISSION THAT:

1. The Commission authorizes the Executive Director to execute a Scope of Services Contract in the amount of \$117,241.00 with Talbert and Bright to address the Airfield Drainage Project.
2. The execution and delivery of the Scope of Services Contract for the Airfield Drainage Project is approved, and each of the Chair, the Vice-Chair or the Executive Director, any of whom may act, is authorized and directed to execute and deliver same. The contract will be substantially in the form presented to the PAC prior to this meeting, with such changes, insertions and omissions not inconsistent with this Resolution as may be approved by such officer, [with the advice of counsel,] whose approval shall be conclusively evidenced by the execution of the Agreement.
3. This resolution shall take effect immediately.

FINANCIALS

Peninsula Airport Commission

Operating Income Statement results analysis

December 2022

Airline revenues down due to the reduced schedule for American Airlines.

Fixed Based Operators revenues down due to reduced fuel sales generally associated with the American Airlines reduction.

Expenses were higher than budgeted due to the following:

Repairs and Maintenance expense included FAA inspection related runway line repainting. The over budget cost of \$305K was reimbursed 80% from the State of Virginia airport fund.

Labor expense is over budget due to Avelo flights services handled by PAC employees.

Restaurant expenses were higher than budgeted resulting mostly from a ramp up in staffing related to increased passenger traffic anticipated from the new Avelo flights. Variable food costs are up due to general inflation.

**PENINSULA AIRPORT COMMISSION
DECEMBER 2022
PROJECTION OF CASH**

	YTD 12/22	Rest of yr	Projected 06/23
Unrestricted cash beginning	2,775,071	5,420,140	2,775,071
Operating (loss) YTD	(1,769,398)	(1,100,388)	(2,869,786)
Other income/(Expense)	4,396,595	(200,000)	4,196,595
Capital expenditures	(1,619,178)	(200,000)	(1,819,178)
Debt principal payments	(274,027)	(274,028)	(548,055)
Other Assets/Liability changes	112,223	(112,223)	-
Unrestricted cash received (used)	846,215	(1,886,639)	(1,040,424)
Restricted cash expense reimbursement	287,673	50,000	337,673
Restricted cash capital reimbursement	1,511,182	180,000	1,691,182
Unrestricted cash ending	5,420,140	3,763,502	3,763,502
Restricted cash beginning	13,468,205	12,561,404	13,468,205
Restricted cash received	892,053	1,676,000	2,568,053
Restricted cash expense reimbursement	(287,673)	(50,000)	
Restricted cash capital reimbursement	(1,511,182)	(180,000)	(1,691,182)
Restricted cash ending	12,561,404	14,007,404	14,345,077

**PENINSULA AIRPORT COMMISSION
DECEMBER 2022
OPERATING INCOME STATEMENT**

DESCRIPTION	DEC 2022 ACTUAL	DEC 2022 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET		PRIOR YR ACTUAL	
REVENUE										
Airline Fees	35,836	54,722	65.5%	257,236	336,012	76.6%	672,032	38.3%	619,644	41.5%
Fixed Based Operators	43,726	48,863	89.5%	274,557	296,657	92.6%	593,311	46.3%	533,896	51.4%
Property Rental	111,042	94,051	118.1%	614,441	585,245	105.0%	1,149,785	53.4%	1,563,252	39.3%
Rental Cars	154,252	153,198	100.7%	1,099,089	968,994	113.4%	1,937,986	56.7%	1,948,834	56.4%
Parking Lot	62,891	70,917	88.7%	400,176	426,752	93.8%	853,512	46.9%	815,823	49.1%
Restaurant Income	42,294	32,474	130.2%	203,799	205,530	99.2%	411,056	49.6%	341,169	59.7%
TOTAL REVENUE	450,041	454,225	99.1%	2,849,298	2,819,190	101.1%	5,617,682	50.7%	5,822,618	48.9%
EXPENSES										
Labor and Benefits	396,439	358,671	110.5%	2,194,518	2,152,026	102.0%	4,304,073	51.0%	4,252,201	51.6%
Marketing & Advertising	70,599	63,177	111.7%	308,870	379,062	81.5%	758,911	40.7%	647,857	47.7%
Office & Administration	81,473	91,934	88.6%	556,973	500,213	111.3%	821,674	67.8%	758,936	73.4%
Utilities	46,730	47,187	99.0%	387,113	345,622	112.0%	677,486	57.1%	646,068	59.9%
Repairs & Maintenance	345,743	48,977	705.9%	810,413	293,862	275.8%	588,618	137.7%	751,540	107.8%
Restaurant Expense	40,140	29,048	138.2%	246,361	183,525	134.2%	367,136	67.1%	361,674	68.1%
Bond Debt	18,892	15,838	119.3%	114,447	95,028	120.4%	190,052	60.2%	246,068	46.5%
TOTAL OPERATING EXPENDITURES	1,000,016	654,832	152.7%	4,618,695	3,949,338	116.9%	7,707,950	59.9%	7,664,344	22.1%
NET INCOME	(549,975)	(200,607)	274.2%	(1,769,397)	(1,130,148)	156.6%	(2,090,268)	84.6%	(1,841,726)	22.1%
OTHER ITEMS										
Trailer Park	(78,344)	(80,000)	97.9%	(512,342)	(430,000)	119.1%	(500,000)	102.5%	(361,014)	
Expense Subsidy	-	-		689,688	689,689	100.0%	689,688	100.0%	4,300,988	
Sale of Land	-	-		4,219,249	-		-		302,520	
NET AFTER OTHER	(628,319)	(280,607)		2,627,198	(870,459)		(1,900,580)		2,400,768	

BALANCE SHEET

	Total
Cash - Unrestricted	5,420,140
Cash - Restricted	12,561,404
Other Current Assets	347,003
Fixed Assets (Net of Depreciation)	78,239,569
TOTAL ASSETS	96,568,116
Current Liabilities	661,028
Long Term Notes Payable - Restricted	627,886
Long Term Notes Payable - Unrestricted	5,002,978
OPEB	6,441,300
TOTAL LIABILITIES	12,733,192
Net Capital Beginning	58,031,741
Capital Contributions	23,175,985
YTD Earnings Current Year	2,627,198
TOTAL LIABILITIES AND CAPITAL	96,568,116

AIR SERVICE REPORT

Monthly Air Service Report Summary December 2022

- Load factors:
 - 85.6% for American
 - 72.3% for Charters
 - 73.6% for Avelo
 - 77.2% Overall
- Flight Ops (landings & take offs)
 - 3235

<u>FY23 Actual PAX</u> <u>(7/1/22 – 6/30/23)</u>		<u>FY23 Budgeted PAX</u> <u>7/1/22 – 6/30/23</u>		<u>FY22 Actual PAX</u> <u>(7/1/21 – 6/30/22)</u>		<u>FY21 Actual PAX</u> <u>(7/1/20 – 6/30/21)</u>	
Jul:	17,738	Jul:	15,830	Jul:	21,586	Jul:	12,409
Aug:	16,853	Aug:	15,208	Aug:	18,582	Aug:	9,589
Sep:	15,198	Sep:	16,055	Sep:	16,210	Sep:	8,384
Oct:	16,161	Oct:	18,812	Oct:	19,044	Oct:	11,463
Nov:	16,182	Nov:	18,921	Nov:	16,375	Nov:	10,113
Dec:	16,379	Dec:	19,552	Dec:	15,846	Dec:	10,201
Jan:		Jan:	19,552	Jan:	10,538	Jan:	6,929
Feb:		Feb:	17,660	Feb:	11,864	Feb:	6,775
Mar:		Mar:	18,812	Mar:	16,810	Mar:	9,116
Apr:		Apr:	22,902	Apr:	15,896	Apr:	12,840
May:		May:	22,817	May:	12,719	May:	11,744
Jun:		Jun:	22,902	Jun:	13,702	Jun:	20,408
Total: 98,511 PAX		Total: 229,024 PAX		Total: 166,770 PAX		Total: 129,971 PAX	

PRESENTATION(S)

Master Plan

- Why? Last completed 2014, needs updating, airport/airline/industry changes
- Funding? Federal Grant – 90% Federal, 8% State, **2% Local**
- Who? Master Plan team led by Passero and Talbert & Bright
- Critical Elements
 - Inventory
 - Forecasts - with your air service provider (CMT) – **FAA approval**
 - Alternatives – best use of airport, identify areas for aviation / econ development
 - Airfield, Terminal, Old Terminal Redevelopment, Cargo, Urban Air Mobility/EVTOL, ARFF, Cargo, General Aviation, Maintenance, Ground Access
 - Financial Plan – with your financial consultant (Frasca)
 - Airport Layout Plan – 20-year development graphic – **FAA approval**
 - Public Open House and Updates
- Schedule – anticipate start in April/May – conclusion in 18 months

TM

NEWPORT NEWS-WILLIAMSBURG
INTERNATIONAL AIRPORT