

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

June 22, 2023, 8:00 a.m.

Commissioners in Attendance:

Chair, Lindsey Carney Smith
Vice Chair, Thomas “Tommy” Garner
Treasurer, James “Jay” Joseph
Secretary, Sharon Scott (arrived 8:07 a.m.)

Staff Members in Attendance:

Interim Executive Director, John Borden
Office Manager, Barbara Rumsey
Director of Finance, Mark Adams
Business Development Manager, Bill LaManque
Commission Clerk, Patricia Speno

Public Officials Present:

Assistant City Manager of Newport News, Ralph “Bo” Clayton

Counsel:

Counsel, L. Scott Seymour

Public Attendees:

Kiln Creek HOA representative, David Hause
PHF Hero’s Lounge Volunteer Manager, Jacqueline Wade
GA Hangar tenant, Brian Hutchinson

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

Minutes: Commissioner Joseph moved to accept the May 18, 2023, meeting minutes. Commissioner Garner seconded and the minutes were approved unanimously.

Public Comment: No public comment

Finance and Audit Committee Report: Commissioner Joseph met with Mr. Borden, Mr. Adams, and Ms. Rumsey. There was not a quorum but an informal discussion did occur. Expenses are under control. There was discussion on future revenue sources. Options are few, but we will pursue every opportunity we can.

Mr. Borden stated that having one extra American Airlines flight makes a big difference on revenue. We had five flights in April, four flights in May, and we are back to five flights for June and July and the fill rates are 75-95% which is excellent. Chair Smith asked how many seats are on the flight. Mr. Borden

answered there are 50 seats. Mr. Adams remarked that we can expect more income from rental car agencies due to the extra flight.

Commissioner Garner asked for an update on the status of the bank account that was going to be changed. Mr. Adams said it is on hold. The Primis Bank account needs to be settled first. Mr. Adams has asked Truist Bank to send over documents that need to be completed and they haven't sent them yet. Commissioner Garner asked to get it settled within the next seven days. Mr. Adams said he would contact Truist Bank again to expedite.

Planning and Development Committee Report: There will be a series of meetings regarding the Master Plan which will include public comment. The meetings will begin during the week of July 17.

Take PHFlight restaurant revenues are increasing and doing well. There are adjustments being made with regard to employees. Everything is on track for budget purposes.

With regard to land releases, PAC attorney Scott Seymour gave a briefing. We have received approval for Virginia Natural Gas easement to be put in a permanent easement. Hampton Roads Sanitation Division easement has been approved subject to including FAA required language. HRSD and VNG have not been communicating so had no idea they were both building easements on the same land. The organizations were informed and the engineers are now discussing the easements. The language for the HRSD easement needs to be finalized with their counsel. With regard to VNG, we have to make sure we have the correct easement that was approved by the FAA. Both should be resolved before the next PAC Board of Commissioners meeting.

Chair Smith asked about funding. Mr. Seymour said PHF will receive \$195,000 for the HRSD easement. Mr. Borden said the Habersham parcel was approved and we will be receiving funds for that as well. It was noted that VNG has not recorded their temporary construction easement yet. They have recorded batches. Chair Smith asked Mr. Borden to remain on top of these projects and their funding. Mr. Seymour stated we have received a \$4,000 reimbursement for the recent Right of First Refusal that was discussed at the May Board of Commissioners meeting.

Commissioner Joseph asked if the PAC gets reimbursed for legal fees associated with land releases. Mr. Seymour says it needs to be negotiated. Commissioner Joseph said it should always be negotiated for deals that are not mutually beneficial – where the purchaser reaps the benefit and the PAC does not see continuing generated revenue from the deal. Chair Smith said it should always be included on all future negotiations. Commissioner Joseph asked for a policy to be written and staff trained and familiarized with the policy moving forward.

Air service was also discussed during the Planning and Development Committee meeting and it will be further discussed during closed session.

Commissioner Joseph raised the topic of the airport land at Jefferson and Kiln Creek. We have brought two projects forth to the city of Newport News and both have been denied. He suggests we approach the city and request they find something they will approve to occupy that parcel. Chair Smith said the EDA has done a good job proactively reaching out about what they can do to assist with all of the land, not just specific parcels. She stated they need to be part of the discussion.

Commissioner Joseph requests that staff have a plan on development of a marketing strategy for the next Board of Commissioners meeting in July. We should not wait 18 months for the Master Plan to be presented.

Chair Smith said with regard to the Go Virginia grant, it was approved at the regional and state levels and now needs to be approved by the administration. Consultants have been asked to respond to an RFQ (Request for Quote). Commissioner Joseph asked who has the final authority and the answer was VHCD.

Discussion continued about land parcels, communication with agencies, and the Master Plan and how to coordinate efforts to be of the most benefit to the airport.

Executive Director Report: On June 15, we were notified that PHF received an AIP grant for work on Taxiway Delta.

Virginia Aviation Board meeting held in Staunton was held earlier this month. The first day of the conference was about economic development around airports. The second day focused on the PFAS fire retardant, which is going to be eliminated and replaced with an alternative fire retardant. There is no plan yet on how to make the transition, which will be very costly.

Commissioner Scott asked if during the discussion of economic development, there were any suggestions on the types of projects airports should investigate. Mr. Borden responded that the main suggestions were drones, air commerce, cargo, hangars, aeronautic development, vertiplanes. No vendors were there to present to the attendees. Mr. Borden said some funding rules are being changed to enable airports to be able to develop projects. Mr. Borden further stated that EURP money for PHF will remain unchanged at \$2 million.

The Virginia Department of Aviation approved our bond pay-off. Paying off the bond will help the debt to income ratio for PHF. Mr. Adams said the pay-off was paid.

Also approved was funding for the Delta Taxiway project and another lawn mower.

Old Business: The Virginia Natural Gas easement approval letter from the FAA was reviewed. Per Mr. Seymour, confirmation that the correct version was received. It has been approved in concept. There are no concerns.

New Business: Mr. Borden reminded the commissioners that they received the 2022 Annual Report and asked if there was any feedback. No feedback was given.

Chair Smith asked when registration for the 5k is open. Mr. Borden said it is open and we have already begun to receive sponsorships as well. The date of the 5k on the Runway is September 16, 2023.

Chair Smith opened the floor for nomination of officers for FY 2024. Commissioner Scott nominated Commissioner Tommy Garner for Chair. Commissioner Garner declined the nomination. Commissioner Joseph recommended continuing the board with the officers as now installed. Commissioner Garner seconded Commissioner Joseph's motion. Chair Smith called for a roll call vote. Chair Smith – For, Commissioner Scott – For, Commissioner Garner – For, Commissioner Joseph – For. The motion passed unanimously.

The approval for the rate increase for TSA SAM was removed from the agenda.

Chair Smith asked if there was any discussion needed for Resolution 23-007 Grant Agreement for AIP Funding. Commissioner Scott moved to accept the resolution as presented. Commissioner Garner gave the second. Chair Smith called for a roll call vote. Chair Smith – For, Commissioner Scott – For, Commissioner Garner – For, Commissioner Joseph – For. The motion passed unanimously.

Closed Session: Counsel Scott Seymour read the Virginia code to enter in to closed session: 2.2-3711.A.(5): Prospective business discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made.

Commissioner Scott asked to amend the closed session to include discussion of personnel. Virginia code 2.2-3711.A.(1). Mr. Seymour read the verbiage for section 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 motion was made by Commissioner Scott and seconded by Commissioner Garner. A roll call vote was taken. Chair Smith – For, Commissioner Scott – For, Commissioner Garner – For, Commissioner Joseph – For. The motion passed unanimously.

Closed session began at 8:35 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.”

A motion was made by Commissioner Scott and seconded by Chair Smith. A roll call vote was taken. A roll call vote was taken. Chair Smith – Yes, Commissioner Joseph – Yes, Commissioner Scott – Yes. The motion passed unanimously. The meeting resumed in open session at 9:25 a.m.

Chair Smith asked if there was any other business to come before the commission. Commissioner Scott thanked Mr. Borden and the PHF team for working so hard to keep PHF afloat.

There being no further business to come before the commission, the meeting adjourned at 9:26 a.m.