

Peninsula Airport Commission Board of Commissioners Meeting Packet

Lindsey Carney Smith, Chair

John Borden, Interim Executive Director

Thursday, June 20, 2024

8:00 a m

Commission Room

900 Bland Blvd

Newport News, VA 23602

AGENDAS

PENINSULA AIRPORT COMMISSION

REGULAR MEETING AGENDA

Date: June 20, 2024

Time: 8am

Location: Newport News / Williamsburg International Airport

Commission Room

900 Bland Blvd

Newport News, VA 23602

- 1) Call to Order
- 2) Approval of Minutes from May 23, 2024
- 3) Read Instructions for Public Comment
- 4) Public Comment
- 5) Committee Reports
 - a) Finance & Audit Committee
 - b) Planning & Development Committee
 - c) Facilities Committee
- 6) Executive Director Report
- 7) Old Business
- 8) New Business
- 9) Closed Session §2.2-3711(A)(1): Personnel, §2.2-3711(A)(3): Acquisition & disposition of property, and §2.2-3711(A)(5): Prospective Business
- 10) Adjournment

PENINSULA AIRPORT COMMISSION
COMMITTEE MEETING AGENDA
FINANCE & AUDIT COMMITTEE

DATE: June 18, 2022
TIME: 8:00 a.m.

- 1) Call to Order
- 2) New Business
 - a) June Financials
- 3) Old Business
- 4) Adjourn

MINUTES

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

May 23, 2024

Commissioners in Attendance:

Chair, Lindsey Carney Smith

Vice Chair, Thomas Garner

Assistant Secretary, John Lawson

Treasurer, James “Jay” Joseph

Commissioners Absent:

Assistant Treasurer, McKinley Price, DDS

Staff Members in Attendance:

Interim Executive Director, John Borden

Office Manager, Barbara Rumsey

Director of Finance, Mark Adams

Public Officials Present:

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

Counsel:

L. Scott Seymour

Public Attendees:

Jacqueline Wade, Volunteer Manager, Heroes Lounge

David Hause, Kiln Creek HOA

Fabio Bendana, Passero & Associates

Brad Huff, Wavy TV 10

Chair Smith called the meeting to order at 8:00 a.m. by welcoming and thanking everyone for attending the meeting.

Approval of Minutes from April 23, 2024. Chair Smith asked if there were any comments or edits to the Minutes. Ms. Rumsey stated that there is an amendment to the minutes as the vote count needs to be changed to reflect Commissioner attendance. Chair Smith also added that there needs to be a closing statement of action from the closed session. She asked for a motion to approve the minutes with the suggested edits. Mr. Joseph moved a motion and Mr. Garner seconded the motion. Voice vote by roll call. **5-0. Minutes approved.**

Public Comment. The Chair asked if there was anyone signed up for Public Comment and Ms. Rumsey replied that there was none.

Committee Reports: There were no Committee Meetings this month.

Executive Director Report: Mr. Borden presented the FY25 budget in a PowerPoint slideshow. The exhibit is included in the minutes. He asked if there were any questions. Mr. Joseph asked how raises would be implemented since they are included in the budget. Mr. Borden stated that June is the annual review deadline for Supervisors so raises can go into effect July 1st. Chair Smith asked for clarification regarding merit and cost of living increases. Mr. Borden replied yes, due to the pending minimum wage increase, we are making small adjustments to get everyone close to the new rate before it goes into effect so it is not a hard hit all at once.

FY25 Budget. Chair Smith requested a motion. Mr. Garner moved a motion, Mr. Lawson seconded the motion. Roll call by voice vote. **5-0. Approved.**

Mr. Borden provided information from the DOAV Conference; there is new legislation regarding fuel and derelict aircraft and we have been asked for a letter of support. He added that there will be a NAVAID study this year so we will expect a State visit. He added that the FAA is also talking about diversification and how airports can increase revenue. Mr. Borden added that there is also legislation regarding Real Estate disclosures for buyers that are purchasing near an airport. He added that the Virginia ARFF mobile unit trainer is over 25 years old and VAOC has decided to have the unit at a few sites and have everyone travel to the unit instead of the unit traveling to each airport. Mr. Borden also stated that the DOAV launched a new website. Chair Smith asked if there were any questions regarding the Conference or information provided by the Executive Director. There were none. Chair Smith thanked John for having a presence at the Conference.

Old Business: There was none.

New Business.

Dominion Power Easement. Mr. Seymour stated we have a tenant who wants to upgrade to Phase 3 power and we have sent back comments and will wait for a reply in order to move forward with the Easement required to complete the work. We have prepared Resolution 24-005 for your review and consideration. Chair Smith asked for questions or comments. There were none. She asked for a motion. Mr. Garner moved a motion. Mr. Lawson seconded the motion. Roll call by voice vote. **5-0. Approved.**

Closed Session: Chair Smith asked Mr. Seymour to read closed session statements for Personnel 2.2.3711.(A)(1) Discussion of employees of any public body, Property 2.237.11.(A)(3) 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, Prospective Business 2.2.3711.(a)(5) Discussion concerning a prospective business or industry or the expansion of air service. Chair Smith asked for a motion. Mr. Garner moved the motion. Mr. Lawson seconded the motion. Roll call by voice vote. **5-0 approved.**

The closed session began at 8:20 a.m.

Mr. Seymour read the open certification and asked for a motion. Mr. Garner moved the motion. Mr. Lawson seconded the motion. Roll call by voice vote. **5-0 Approved.**

The open session began at 8:45 a.m. Chair Smith asked if there was anything for the good of the order. There were no comments.

Chair Smith asked if there was anything else for the good of the order.

Chair Smith adjourned the meeting at 8:46 a.m.

Next Meeting Date: June 20th at 8 a.m.

FINANCIALS

Peninsula Airport Commission

Operating Income Statement results analysis

May 2024

Airline Fees Revenue is slightly below budget. The May monthly amount reported is calculated on the April passenger counts. The revenue reported is a combination of charges per flight and per passenger. The number of flights for the year is below expectations thus reducing this revenue opportunity. The passenger count for the year is basically right at the expected number. The miss in revenue from the per flight factor will likely cause the full year's revenue amount to be approximately 3% below projection.

Rental cars, parking lot and restaurant revenues follow the airline passenger counts. These revenue areas are expected to be above projection for the year.

Property rental revenues remain above budget by keeping the rent rolls managed at very near to 100% occupancy. There will be one General Aviation hangar vacancy in the month of June. One other hangar tenant has become past due on rent and will impact the June reported amount. The annual total for this area is expected to be above budget for the year.

The utilities expense usage and price components are starting to indicate this area will be over budget for the year. The air-conditioning season has started. This previously projected 20% above budget for the year is still expected.

Repair and maintenance expenses May monthly under budget amount is expected to reverse in June. This expense category continues to experience fluctuation due to unpredictable items. The exact timing of when they will need to be paid does cause monthly swings. The over budget year to date amount is a concern and continues to be monitored closely. Other emergency repairs could result in unexpected expenses at any time.

Labor costs are below budget estimates. Controlling the hours worked is the main reason for this below budget amount. The current estimate is this category will be less than the budget for the year. With the passenger counts increasing during the summer months, readiness of the staff is a primary concern. This area will be closely monitored monthly.

Marketing and Advertising expenses remain below budget. The negative amounts in May for actual and budgeted cost is due to an expected State of Virginia marketing reimbursement grant. The grant amount received was higher than originally budgeted. This area shows no immediate need to increase spending up to the budgeted amount. Passenger counts remain above the budgeted 75% fill rate of available seats. This area will be revisited as needed based on actual fill rates.

**PENINSULA AIRPORT COMMISSION
MAY 2024
OPERATING INCOME STATEMENT**

DESCRIPTION	MAY 2024 ACTUAL	MAY 2024 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET	
REVENUE								
Airline Fees	33,876	39,089	86.7%	401,589	411,942	97.5%	450,482	89.1%
Fixed Based Operators	52,494	56,394	93.1%	544,182	608,830	89.4%	664,881	81.8%
Property Rental	97,980	95,506	102.6%	1,161,007	1,049,832	110.6%	1,145,311	101.4%
Rental Cars	179,069	155,235	115.4%	1,756,930	1,540,451	114.1%	1,690,718	103.9%
Parking Lot	62,165	47,538	130.8%	668,798	520,119	128.6%	567,572	117.8%
Restaurant Income	22,223	26,123	85.1%	242,168	258,674	93.6%	283,947	85.3%
TOTAL REVENUE	447,807	419,885	106.6%	4,774,674	4,389,848	108.8%	4,802,911	99.4%
EXPENSES								
Labor and Benefits	290,621	309,030	94.0%	3,336,522	3,499,030	95.4%	3,808,255	87.6%
Marketing & Advertising	(25,458)	(6,816)	373.5%	47,036	275,024	17.1%	338,199	13.9%
Office & Administration	36,722	26,028	141.1%	657,624	636,269	103.4%	665,363	98.8%
Utilities	112,852	104,329	108.2%	778,516	667,699	116.6%	717,766	108.5%
Repairs & Maintenance	5,947	36,950	16.1%	544,340	418,998	129.9%	459,220	118.5%
Restaurant Expense	26,022	25,725	101.2%	236,162	257,507	91.7%	282,592	83.6%
Bond Debt	55,100	55,100	100.0%	606,102	606,100	100.0%	661,202	91.7%
TOTAL OPERATING EXPENDITURES	501,806	550,346	91.2%	6,206,302	6,360,627	97.6%	6,932,597	89.5%
NET INCOME	(53,999)	(130,461)	41.4%	(1,431,628)	(1,970,779)	72.6%	(2,129,686)	67.2%
OTHER ITEMS								
Trailer Park	-	-		(53,196)			-	
Expense Subsidy	-	-		-			-	
Sale of Land/Fixed Assets	323	-		283,778			-	
NET AFTER OTHER	(53,676)	(130,461)		(1,201,046)	(1,970,779)		(2,129,686)	

BALANCE SHEET

	Total
Cash - Unrestricted	2,913,066
Cash - Restricted	14,074,791
Other Current Assets	848,564
Fixed Assets (Net of Depreciation)	71,627,441
TOTAL ASSETS	89,463,862
Current Liabilities	1,227,482
Long Term Notes Payable - Restricted	-
Long Term Notes Payable - Unrestricted	4,850,957
OPEB	5,884,821
TOTAL LIABILITIES	11,963,260
Net Capital Beginning	51,981,870
Capital Contributions	26,719,778
YTD Earnings Current Year	(1,201,046)
TOTAL LIABILITIES AND CAPITAL	89,463,862

AIR SERVICE REPORT

Monthly Air Service Report Summary May 2024

- Load factors:
 - 85% for American
 - 89% Charters
 - 87% Overall
- 4018 Flight Ops (landings & take-offs)

<u>FY 24 Actual PAX</u> <u>(7/1/23 – 6/30/24)</u>	<u>FY23 Actual PAX</u> <u>(7/1/22 – 6/30/23)</u>	<u>FY22 Actual PAX</u> <u>(7/1/21 – 6/30/22)</u>
Jul: 13,283	Jul: 15,044	Jul: 21,586
Aug: 13,558	Aug: 14,280	Aug: 18,582
Sep: 14,153	Sep: 12,372	Sep: 16,210
Oct: 11,343	Oct: 13,649	Oct: 19,044
Nov: 11,864	Nov: 14,626	Nov: 16,375
Dec: 10,608	Dec: 14,860	Dec: 15,846
Jan: 11,668	Jan: 9,029	Jan: 10,538
Feb: 8,459	Feb: 10,879	Feb: 11,864
Mar: 8,847	Mar: 13,322	Mar: 16,810
Apr: 10,442	Apr: 11,596	Apr: 15,896
May: 10,797	May: 8,480	May: 12,719
Jun:	Jun: 12,623	Jun: 13,702
Total: 125,002 PAX	Total: 150,760 PAX	Total: 189,172 PAX

EXHIBIT(S)