

# Peninsula Airport Commission Board of Commissioners Meeting Packet

*Lindsey Carney Smith, Chair*  
*John Borden, Acting Executive Director*

Thursday, September 19, 2024

8:00 a.m.

Peninsula Pastoral Counseling Center

707 Gum Rock Ct

Newport News, VA 23606

# AGENDAS

# Newport News Williamsburg Airport

## **PENINSULA AIRPORT COMMISSION MEETING AGENDA**

**Date: September 19, 2024**

**Time: 8:00 a.m.**

**Location: Peninsula Pastoral  
Counseling Center Board Room**

**707 Gum Rock Road  
Newport News VA 23606**

- 1) Call to Order
- 2) Chair will entertain a motion to amend the posted agenda.
- 3) Planning and Development Committee Report
  - a) Update on Virginia Business Ready Sites Program Grant
- 4) 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
- 5) Return to Open Session
- 6) Approval of Minutes from August 15, 2024
- 7) Approval of Minutes from Special Meeting with NN City Council August 13, 2024
- 7) Read Instructions for Public Comment
- 8) Public Comment
- 9) Additional Committee Reports
  - a) Finance & Audit
- 10) Executive Director Report
- 11) Old Business
  - a) Electronic Participation Policy

# Newport News Williamsburg Airport

12) New Business

13) Adjourn

# Newport News Williamsburg Airport

## **PENINSULA AIRPORT COMMISSION**

### **COMMITTEE MEETING AGENDA**

#### **FINANCE & AUDIT COMMITTEE**

**DATE: September 17, 2024**

**TIME: 8:00 a.m.**

- 1) Call to Order
  
- 2) New Business
  
- 3) Old Business
  - a) August Financial Results
  
- 4) Adjourn

# MINUTES

# Peninsula Airport Commission

## Board of Commissioners Meeting Minutes

August 15, 2024

### **Commissioners in Attendance:**

Chair, Lindsey Carney Smith

Vice Chair, Thomas Garner

Treasurer, James “Jay” Joseph

Assistant Treasurer, McKinley Price, DDS

### **Commissioners Absent:**

Assistant Secretary, John Lawson

### **Staff Members in Attendance:**

Interim Executive Director, John Borden

Office Manager, Barbara Rumsey

Director of Finance, Mark Adams

### **Public Officials Present:**

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

### **Counsel:**

L. Scott Seymour

### **Public Attendees:**

Dave Dober, ATAC

Fabio Bendana, Passero Associates, LLC., Architect for PAC

**Chair Smith called the meeting to order at 8:00 a.m.** Counsel and two board members stated that they have a meeting elsewhere this morning and will need to leave by 10am. Chair Smith agreed that the meeting will be prompt.

**Approval of Minutes from July 18, 2024.** Chair Smith asked if everyone had time to review and if there were any comments or edits to the minutes. There were none. Dr. Price moved a motion and Mr. Garner seconded the motion. Voice vote by roll call. **4-0. 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:** The Chair stated that we will move forward with Committee Reports. She asked Mr. Joseph if the Finance Committee met.

**Finance & Audit Committee.** Mr. Joseph stated that the Committee met on Tuesday, and we are ahead of budget and seat counts are good. He added that we have two empty hangars, but they are scheduled to be occupied. Mr. Joseph added that our Restricted Funds are not bearing good interest and there are two opportunities through the Commonwealth. The first is Virginia Municipal League (VaML) and the other is a Local Government Investment Pool (LGIP). The interest we accrue remains restricted but adds to Capital Funds. The recommendation is for staff to bring a resolution to the PAC to earn 4.1% on our Restricted Capital Funds. Mr. Seymour stated that he recommended LGIP and has no insight into the VaML. Mr. Joseph stated to Mr. Adams that we still have more to find out. Mr. Joseph asked Mr. Adams if he is comfortable using our recommendation. Mr. Adams replied that we will continue to research. Chair Smith stated that she would like a presentation on use. Mr. Joseph added that he would like for staff to speak to users and recommended Carl Daughtery. Chair Smith asked Mr. Seymour about the decision for the operating account and how we will be moving forward. Mr. Seymour cited regulation for small procurement based on fees or sole source with a waiver on debt. He added that the issues could be that the bonds are unsecured, and we would need to review the deposit account agreement. Chair Smith stated that Towne has not told us that waiving fees was a condition, but it would show good faith. Chair Smith asked if we are on track to get the audit to the City of Newport News by the deadline. Mr. Adams replied that we are on track. Mr. Joseph added that the auditors also work with the city, and we had a call with all three parties, so everyone is on the same page.

**Planning & Development & Facilities Update.** Chair Smith stated the Committee did not meet but we do have an update on the Windows Project from Fabio Bendana. Mr. Bendana stated that we received three bids, and we recommend GCCM, LLC. We included a bid tabulation in your packet with all bid information. This project is an FAA approved PFC project, app 6. Fabio then explained the bid process. Chair Smith asked what the next steps would be. Mr. Bendana replied that we will have an interview with the successful bidder, then an Intent to Award, we will then look at samples and mobilize them in 3 months. Chair Smith asked about passengers during

construction. Mr. Bendana replied that the construction will be done in phases so we can protect our passengers. Chair Smith would like the Facilities Committee to participate in the sample review. Mr. Joseph asked what samples would be reviewed. Mr. Bendana replied with the different samples of glass that will be reviewed.

**Executive Director Report:** Mr. Borden started with our 139 Inspection has been moved to September 4<sup>th</sup> and 5<sup>th</sup>. He added that the 5K is moving along, we are ahead on runners but short on sponsors and would like to see sponsorships from within the room. Mr. Borden stated that we are looking at 6 flights per day in September and currently remaining at 73-95% load factors. Dr. Price asked how long that is going to last. Mr. Borden replied that through September that is as long as they plan in the future stays at 2 days with four flights, and 5 days with six flights.

Mr. Borden gave his trip report from the Virginia Aviation Board Conference.

- The main theme at the round table of airports is that is difficult to find workers.
- Manassas will become a commercial airport ran by AV Ports
- DOAV is being requested to provide more incentives.
- AIP increases are coming.
- ALP is particularly important for all construction on airport property.
- Site Ready Grants-GA airports are requesting acreage to be lowered.

**Old Business:** The Chair asked Mr. Seymour about the ROW to Ridgeway Park. Mr. Seymour stated that we have not seen anything that shows we own the property. We asked the title company for their research that shows it is ours.

**New Business:** Chair Smith stated that she would like to bring back the Remote Participation Policy and asked Mr. Seymour if he had a draft already. Mr. Seymour stated that he would revise and bring forth next month.

**Closed Session:** Chair Smith asked Mr. Seymour to read closed session statements for Personnel §2.2.3711. (A)(1), Acquisition & Disposition §2.23711. (A)(3), and Prospective Business §2.2.3711. (A)(5) Chair Smith asked for a motion. Mr. Garner moved the motion. Dr. Price seconded the motion. Roll call by voice vote. **4-0 approved.**

**The closed session began at 8:43 a.m.**

Mr. Seymour read the open certification and asked for a motion. Dr. Price moved the motion. Mr. Garner seconded the motion. Roll call by voice vote. **4-0 Approved.**

**The open session began at 9:28 a.m.** Chair Smith asked if there was anything for the good of the order. There were no comments.

**Chair Smith adjourned the meeting at 9:34 a.m.**

**Next Meeting Date:** Sep 19th at 8 a.m.

# FINANCIALS

## Peninsula Airport Commission

### Operating Income Statement results analysis

July 2024

#### Revenue:

Airline Fees Revenue over budget amount is consistent with the better than projected number of passengers. Seats available increased by 300 over the previous month with passengers increase of 556.

Rental cars, parking lot and restaurant revenues follow the airline passenger counts. These revenue areas are above the projection in total but are consistent with projections on a per passenger basis. The restaurant yield per passenger is down due to the overweight of seats in the early morning flights. These areas will be watched closely to see if the above projection experience is a seasonal variation or a positive upward trend.

Property rental revenues experienced some rare tenant transitions. Four vacant hangars, loss of a parking tenant, rent abatement due to equipment downtime during a repair and loss of the TSA reimbursement program for Law Enforcement assistance.

Fixed Based Operator revenues are above budget for the month due to the collections of some past due concession fees (based on a percentage of revenue calculation). This monthly revenue is expected to return to monthly budget amounts later in the year.

#### Expenses:

The utilities expense usage and price components continue to be difficult to anticipate.

Repair and maintenance expenses experienced fluctuation due to unpredictable items. The under-budget amount for the month is viewed as natural timing. The total for the year will be monitored closely compared to expectations. Emergency repairs could result in unexpected expenses at any time.

Labor costs are in line with to the monthly amounts for the last half of the prior year. The budget amount includes expected positions to be added during the current year.

Office & Administration budget anticipates increases in consulting, training and travel to coincide with the addition of an Executive Director. The current month includes an adjustment to Insurance expense related to finding a better competitive bid for property and general liability coverage. The current expectation is this expense area will be under budget for the year.

Marketing and Advertising expenses include some annual subscription payments. This expense is projected to be in line with the total budgeted amount for the year.

#### Balance Sheet:

Unrestricted cash increased due to receiving a prior receivable for an AIP construction grant and an increase in current liabilities. These are normal cash flow timing issues and do not impact the expected budget projections for the year.

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

DESCRIPTION	AUG 2024 ACTUAL	AUG 2024 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET	
<b>REVENUE</b>								
Airline Fees	41,920	39,317	106.6%	81,770	78,454	104.2%	457,441	17.9%
Fixed Based Operators	58,640	51,313	114.3%	119,413	102,485	116.5%	604,451	19.8%
Property Rental	92,659	106,937	86.6%	194,155	213,867	90.8%	1,282,638	15.1%
Rental Cars	195,072	172,441	113.1%	396,360	342,993	115.6%	1,918,090	20.7%
Parking Lot	76,016	63,043	120.6%	153,254	126,038	121.6%	752,676	20.4%
Restaurant Income	21,613	26,520	81.5%	46,711	52,745	88.6%	294,665	15.9%
<b>TOTAL REVENUE</b>	<b>485,920</b>	<b>459,571</b>	<b>105.7%</b>	<b>991,663</b>	<b>916,582</b>	<b>108.2%</b>	<b>5,309,961</b>	<b>18.7%</b>
<b>EXPENSES</b>								
Labor and Benefits	314,527	333,039	94.4%	592,243	636,078	93.1%	4,596,473	12.9%
Marketing & Advertising	27,486	22,374	122.8%	42,492	29,944	141.9%	90,838	46.8%
Office & Administration	(9,895)	59,255	-16.7%	378,005	448,860	84.2%	968,973	39.0%
Utilities	74,551	65,116	114.5%	144,459	130,232	110.9%	887,479	16.3%
Repairs & Maintenance	26,211	70,440	37.2%	81,132	132,043	61.4%	762,588	10.6%
Restaurant Expense	24,853	27,305	91.0%	49,302	54,314	90.8%	304,121	16.2%
Bond Debt	55,100	55,100	100.0%	110,200	110,200	100.0%	661,200	16.7%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>512,833</b>	<b>632,629</b>	<b>81.1%</b>	<b>1,397,833</b>	<b>1,541,671</b>	<b>90.7%</b>	<b>8,271,672</b>	<b>16.9%</b>
<b>NET INCOME</b>	<b>(26,913)</b>	<b>(173,058)</b>	<b>15.6%</b>	<b>(406,170)</b>	<b>(625,089)</b>	<b>65.0%</b>	<b>(2,961,711)</b>	<b>13.7%</b>
<b>OTHER ITEMS</b>								
Trailer Park	-	-		-	-		-	
Expense Subsidy	-	-		-	-		-	
Sale of Land/Fixed Assets	-	-		340	-		-	
<b>NET AFTER OTHER</b>	<b>(26,913)</b>	<b>(173,058)</b>		<b>(405,830)</b>	<b>(625,089)</b>		<b>(2,961,711)</b>	

**BALANCE SHEET**

	Current mo	Prior mo	YTD Total
Cash - Unrestricted	16,092	2,752,169	2,768,261
Cash - Restricted	(55,534)	14,542,726	14,487,192
Accounts Receivable	26,183	239,874	266,057
Other Current Assets	(225,041)	978,882	753,841
Fixed Assets (Net of Depreciation)	258,757	64,587,042	64,845,799
<b>TOTAL ASSETS</b>	<b>20,457</b>	<b>83,100,693</b>	<b>83,121,150</b>
Current Liabilities	55,341	1,510,201	1,565,542
Long Term Notes Payable - Restricted	-	-	-
Long Term Notes Payable - Unrestricted	-	4,255,649	4,255,649
OPEB	-	5,548,408	5,548,408
<b>TOTAL LIABILITIES</b>	<b>55,341</b>	<b>11,314,258</b>	<b>11,369,599</b>
Net Capital Beginning	-	43,522,412	43,522,412
Capital Contributions	(7,971)	28,642,940	28,634,969
YTD Earnings Current Year	(26,913)	(378,917)	(405,830)
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>20,457</b>	<b>83,100,693</b>	<b>83,121,150</b>

# AIR SERVICE REPORT

## Monthly Air Service Report Summary August 2024

- Load factors:
  - 82% for American
  - 96% for Charters/Diversions
  - 89% Overall
- 4003 Flight Ops (landings & take-offs)

<u>FY25 Actual PAX</u> <u>(7/1/24 - 6/30/24)</u>	<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>
Jul: 13,079	Jul: 13,283	Jul: 15,044
Aug: 14,420	Aug: 13,558	Aug: 14,280
Sep:	Sep: 14,153	Sep: 12,372
Oct:	Oct: 11,343	Oct: 13,649
Nov:	Nov: 11,864	Nov: 14,626
Dec:	Dec: 10,608	Dec: 14,860
Jan:	Jan: 11,668	Jan: 9,029
Feb:	Feb: 8,459	Feb: 10,879
Mar:	Mar: 8,847	Mar: 13,322
Apr:	Apr: 10,442	Apr: 11,596
May:	May: 10,797	May: 8,480
Jun:	Jun: 12,057	Jun: 12,623
<b>Total: 27,499 PAX</b>	<b>Total: 137,059 PAX</b>	<b>Total: 150,760 PAX</b>

RESOLUTION(S)

**PENINSULA AIRPORT COMMISSION**

**RESOLUTION 25-001  
APPROVING ELECTRONIC PARTICIPATION POLICY  
FOR SITUATIONS OTHER THAN A DECLARED STATE OF EMERGENCY**

**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 Virginia Freedom of Information Act (“FOIA”) permits a member of the Commission’s Board of Commissioners (the “Board”) to attend a meeting of the Commission by electronic communication means from a remote location under limited circumstances if the Commission has adopted a written policy permitting such remote participation;

**WHEREAS**, the Commission believes it is in the best interest of the Airport that the fullest participation and attendance in all of its meetings be achieved whenever possible;

**WHEREAS**, the Commission also believes that it is in the best interest of its members to be able to continue participation in its meetings and associated activities even if they are unable to be physically present during periods of prolonged, excused absence; and

**WHEREAS**, after mature deliberation, the Commission has determined that it is appropriate to adopt such a policy and there has been presented to this meeting and attached hereto as **Exhibit A** an “Electronic Participation Policy (Situations Other than a Declared State of Emergency)” (the “Policy”).

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

1. The Commission hereby adopts the Policy as permitted by FOIA.
2. This Resolution shall take effect immediately upon its adoption.

**PENINSULA AIRPORT COMMISSION**  
**ELECTRONIC PARTICIPATION POLICY**

(Situations Other Than a Declared State of Emergency)

It is the policy of the Peninsula Airport Commission (the “Commission”) that individual members of the Commission’s Board of Commissioners (the “Board”), and/or any committees or subcommittees thereof, may, with the approval of a quorum that is physically assembled, participate in meetings of the governing body by electronic communications means as permitted by Virginia Code § 2.2-3708.3.

A Board member who seeks to participate electronically must notify the Board that:

1. The member is unable to attend the meeting due to a temporary or permanent disability or other medical condition that prevents the member’s physical attendance (medical condition or disability need not be identified);
2. A medical condition of a member of the member's family requires the member to provide care that prevents the member's physical attendance or the member is a caregiver who must provide care for a person with a disability at the time the public meeting is being held thereby preventing the member's physical attendance; or
3. The member is unable to attend the meeting due to a personal matter, and the member identifies with specificity the nature of the personal matter. However, the member may not use remote participation due to personal matters more than two meetings per calendar year or 25 percent of the meetings held per calendar year rounded up to the next whole number, whichever is greater.

Individual participation from a remote location shall be approved unless such participation would violate this policy or the provisions of the Virginia Freedom of Information Act. If a member’s participation from a remote location is challenged, then the Board shall vote whether to allow such participation. If the Board votes to disapprove of the member’s participation because such participation would violate this policy, such disapproval shall be recorded in the minutes with specificity.

If a participation by a member through electronic communication means is approved by a vote of the quorum that is physically assembled, the minutes will record the remote location from which the member participated. (The remote location need not be open to the public.) However, if three or more members are gathered at the same remote location, then such remote location shall be open to the public.

If participation is approved pursuant to subdivision 1 or 2, the Board shall also include in its minutes the fact that the member participated through electronic communication means due to a (i) temporary or permanent disability or other medical condition that prevented the member's physical attendance or (ii) family member's medical condition that required the member to provide care for such family member, thereby preventing the member's physical attendance. If participation

is approved pursuant to subdivision 3, the Board shall also include in its minutes the specific nature of the personal matter cited by the member.

Whenever an individual member participates from a remote location that is open to the public there must be arrangements for the voice of the remote participant to be heard by all persons at the primary or central meeting location.

This policy shall be applied strictly and uniformly, without exception, to the entire membership and without regard to the identity of the member requesting remote participation or the matters that will be considered or voted on at the meeting.

This policy shall be in effect from the date of its adoption through June 30, 2025.