

Peninsula Airport Commission Board of Commissioners Meeting Packet

Lindsey Carney Smith, Chair
John Borden, Acting Executive Director

Thursday, January 16, 2025

8:00 a.m.

Newport News Williamsburg International Airport

Commission Room

900 Bland Blvd.

Newport News, VA 23606

AGENDAS

PENINSULA AIRPORT COMMISSION

REGULAR MEETING AGENDA

Date: January 16, 2025

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 November 26, 2024
- 3) Read Instructions for Public Comment
- 4) Public Comment
- 5) Committee Reports
 - a) Finance & Audit Committee
 - i) Audit presentation by Charity Bekaert
 - 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

MINUTES

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

November 26, 2024

Commissioners in Attendance:

Chair, Lindsey Carney Smith

Vice Chair, Thomas Garner

Assistant Secretary John Lawson

Treasurer, James “Jay” Joseph

Assistant Treasurer, McKinley Price, DDS

Staff Members in Attendance:

Interim Executive Director, John Borden

Office Manager, Barbara Rumsey

Executive Assistant, Jenna Coyle

Director of Operations, Rob Gay

Architect, Fabio Bendena, Passero & Associates

Public Officials Present:

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

Counsel:

L. Scott Seymour

Public Attendees:

Gavin Stone, Daily Press/Virginian Pilot

Dave Dober, ATAC

David Hause, Kiln Creek HOA

Chair Smith called the meeting to order at 9:30 a.m. She began by thanking everyone in attendance, wishing everyone a wonderful Thanksgiving. She then moved on to last meeting’s minutes.

Approval of Minutes from October 17, 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. Lawson seconded the motion. Voice vote by roll call. **5-0. Minutes approved.**

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

Committee Reports:

Finance & Audit Committee. Mr. Joseph stated that the draft audit report is expected the second week of December, final in January. He also mentioned that passengers are up and had 5000 flight operations.

Planning & Development Committee. Chair Smith stated they did not meet.

Facilities Committee. Nothing significant to report

Windows Project. Fabio stated the project should start in February. The construction permit was granted yesterday. There will be some construction activity beginning the second week of December.

Jetbridge Replacement Project. There is a meeting on December 6. It is 100% designed and ready for bid out in January.

Executive Director Report: Mr. Borden stated that the 5k was a great event. There was a total of 550 runners, raised \$2271.07 for the Peninsula Pastoral Counseling Center. He added that we were short on sponsors this year and that the charitable partner was amazing to work with. He attended the VAB in Richmond. Mentioned 33 states so far are working together for FAA safety regulations regarding UAV. He also brought up that the state is conducting economic studies and that there is an attempt to try with the real estate disclosure/buyer beware section, instituting an interactive map.

Chair Smith asked to revive the master plan, meeting December 6.

Chair Smith asked Mr. Borden to present the check from PAC to the Peninsula Pastoral Counseling Center. They in turn presented Mr. Borden with a gift as a thank you and expressed their gratitude.

Old Business. There was none.

New Business: There was none.

Closed Session: Chair Smith asked Mr. Seymour to read closed session statements for §2.2-3711(A)(1): Personnel, §2.2-3711(A)(3) Acquisition & disposition of real property, and §2.2-3711(A)(5): Prospective Business. Chair Smith asked for a motion. Dr. Price moved the motion. Mr. Joseph seconded the motion. Roll call by voice vote. **5-0 approved. The PAC went into closed session at 9:44 a.m.**

Chair Smith asked Mr. Seymour for open certification. Mr. Seymour read the required certification statement. Mr. Lawson moved a motion; Dr. Price seconded the motion. Roll call by voice vote. **5-0. Open session began at 10:17a.m.**

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

Chair Smith adjourned the meeting at 10:18 a.m.

Next Meeting Date:

FINANCIALS

Peninsula Airport Commission

Operating Income Statement results analysis

October 2024

Revenue:

Airline Fees Revenue is over budget but down from the prior month. Passenger count had a decrease compared to the prior month but are up compared to the same month last year. These passenger count and seats available numbers remain above budget year to date. Seasonal swings for the winter months are still provided for in budget and actual compared to projections and will be watched closely.

Rental cars, parking lot and restaurant revenues had month over month declines in line with the passenger counts. Rental cars did have a larger per passenger decline. These type yield per passenger swings have happened in the past and seem to be related to the demographic of the individual customers and not expected to be a permanent shift. These areas will be watched closely as the seasonal trend returns to normal.

Property rental revenues have stabilized during the two most recent months. No new tenant additions were completed this month but there are multiple promising inquires. The loss of the TSA reimbursement program for Law Enforcement assistance is a difference to budget.

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. The current month over month decrease is consistent with the milder fall temperatures.

Repair and maintenance have been steady for the past few months and mostly confined to routine expected items. The under-budget amount for the month is viewed as natural timing. The recommendation is that no reforecasting changes to the budget be made as 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 expectation is this expense area will be under budget for the year.

Marketing and Advertising expense is in line with the budget for the month and is projected to be in line with the total budgeted amount for the year.

Balance Sheet:

Unrestricted cash decreased consistent with the decrease in current liabilities and uncollected Federal AIP grant. These are normal cash flow timing issues. The expectation for the remainder of the year is reported net losses will closely correspond to the reduction in unrestricted cash.

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

DESCRIPTION	OCT 2024 ACTUAL	OCT 2024 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET	
REVENUE								
Airline Fees	42,345	37,882	111.8%	168,270	153,859	109.4%	457,441	36.8%
Fixed Based Operators	62,183	50,182	123.9%	246,264	202,567	121.6%	604,451	40.7%
Property Rental	95,431	106,879	89.3%	385,107	427,611	90.1%	1,282,638	30.0%
Rental Cars	155,507	157,320	98.8%	751,919	653,854	115.0%	1,918,090	39.2%
Parking Lot	70,726	62,659	112.9%	295,135	251,259	117.5%	752,676	39.2%
Restaurant Income	23,690	24,163	98.0%	93,916	100,481	93.5%	294,665	31.9%
TOTAL REVENUE	449,882	439,085	102.5%	1,940,611	1,789,631	108.4%	5,309,961	36.5%
EXPENSES								
Labor and Benefits	292,353	333,039	87.8%	1,177,003	1,302,156	90.4%	4,596,473	25.6%
Marketing & Advertising	12,055	12,929	93.2%	60,095	48,962	122.7%	90,838	66.2%
Office & Administration	65,048	65,337	99.6%	463,529	563,417	82.3%	968,973	47.8%
Utilities	60,373	65,116	92.7%	272,937	260,464	104.8%	887,479	30.8%
Repairs & Maintenance	33,931	63,024	53.8%	149,795	258,091	58.0%	762,588	19.6%
Restaurant Expense	26,015	24,938	104.3%	96,597	103,598	93.2%	304,121	31.8%
Bond Debt	55,100	55,100	100.0%	220,401	220,400	100.0%	661,200	33.3%
TOTAL OPERATING EXPENDITURES	544,875	619,483	88.0%	2,440,357	2,757,088	88.5%	8,271,672	29.5%
NET INCOME	(94,993)	(180,398)	52.7%	(499,746)	(967,457)	51.7%	(2,961,711)	16.9%
OTHER ITEMS								
Trailer Park	-	-		-	-		-	
Expense Subsidy	-	-		-	-		-	
Sale of Land/Fixed Assets	295	-		1,270	-		-	
NET AFTER OTHER	(94,698)	(180,398)		(498,476)	(967,457)		(2,961,711)	

BALANCE SHEET

	Change Current mo	Prior mo	Change Current YTD	PY End	YTD End
Cash - Unrestricted	(290,602)	2,784,562	(482,072)	2,976,032	2,493,960
Cash - Restricted	12,562	14,583,150	108,337	14,487,375	14,595,712
Accounts Receivable	(21,965)	224,587	(54,994)	257,616	202,622
Other Current Assets	(1,170)	754,297	(227,106)	980,233	753,127
Fixed Assets (Net of Depreciation)	92,215	64,756,726	92,484	64,756,457	64,848,941
TOTAL ASSETS	(208,960)	83,103,322	(563,351)	83,457,713	82,894,362
Current Liabilities	(133,164)	1,481,395	(168,430)	1,516,661	1,348,232
Long Term Notes Payable - Restricted	-	-	-	-	-
Long Term Notes Payable - Unrestricted	-	4,255,649	-	4,255,649	4,255,649
OPEB	-	5,548,408	-	5,548,408	5,548,408
TOTAL LIABILITIES	(133,164)	11,285,452	(168,430)	11,320,718	11,152,289
Net Capital Beginning	-	72,136,995	-	68,827,056	72,136,995
Capital Contributions	18,902	84,653	103,555	3,309,939	103,555
YTD Earnings Current Year	(94,698)	(403,778)	(498,476)	-	(498,476)
TOTAL LIABILITIES AND CAPITAL	(208,960)	83,103,322	(563,351)	83,457,713	82,894,363

Peninsula Airport Commission

Operating Income Statement results analysis

November 2024

Revenue:

Airline Fees Revenue is over budget and up from the prior month. Available seats, passenger count and fill rates had a rebound increase from the prior month. Seasonal swings for the winter months are still provided for in budget.

Rental car revenues continued to decline relative to passenger enplanements. This is the second month in a row with this noticeable decline. The decreases are consistent for all six brands. More inquiries into the possible causes of these declines will be needed. One possible related corresponding factor is a noticeable increase in shared ride service revenue.

Parking lot and restaurant revenues remain in line with passenger counts.

Property rental revenues include two new tenants this month. The loss of the TSA reimbursement program for Law Enforcement assistance is a difference to budget.

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. The current month includes a budgeted semiannual stormwater management fee paid to the City of Newport News.

Repair and maintenance have been steady for the past few months and mostly confined to routine expected items. The under-budget amount for the month is viewed as natural timing. The recommendation is that no reforecasting changes to the budget be made as 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 and Marketing budgets anticipate increases to coincide with the addition of an Executive Director.

Balance Sheet:

Unrestricted cash decreased consistent with the monthly net loss after adjustments for changes in current receivables, liabilities and uncollected Federal AIP grant. These are normal cash flow timing issues. The expectation for the remainder of the year is the reported net losses will closely correspond to the reduction in unrestricted cash.

The restricted cash increase reflects the quarterly allocation from the Virginia Department of Aviation.

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

DESCRIPTION	NOV 2024 ACTUAL	NOV 2024 BUDGET		YTD ACTUAL	YTD BUDGET		ANNUAL BUDGET	
REVENUE								
Airline Fees	44,025	37,523	117.3%	212,295	153,859	138.0%	457,441	46.4%
Fixed Based Operators	62,266	49,900	124.8%	308,530	202,567	152.3%	604,451	51.0%
Property Rental	95,908	106,865	89.7%	481,015	427,611	112.5%	1,282,638	37.5%
Rental Cars	141,569	153,541	92.2%	893,487	653,854	136.6%	1,918,090	46.6%
Parking Lot	66,104	62,562	105.7%	361,239	251,259	143.8%	752,676	48.0%
Restaurant Income	19,820	23,573	84.1%	113,736	100,481	113.2%	294,665	38.6%
TOTAL REVENUE	429,692	433,964	99.0%	2,370,302	1,789,631	132.4%	5,309,961	44.6%
EXPENSES								
Labor and Benefits	308,970	333,039	92.8%	1,485,973	1,302,156	114.1%	4,596,473	32.3%
Marketing & Advertising	10,303	5,234	196.8%	70,398	48,962	143.8%	90,838	77.5%
Office & Administration	83,864	60,245	139.2%	547,394	563,417	97.2%	968,973	56.5%
Utilities	111,135	115,116	96.5%	384,071	260,464	147.5%	887,479	43.3%
Repairs & Maintenance	41,471	63,025	65.8%	191,266	258,091	74.1%	762,588	25.1%
Restaurant Expense	20,009	24,346	82.2%	116,606	103,598	112.6%	304,121	38.3%
Bond Debt	55,100	55,100	100.0%	275,501	220,400	125.0%	661,200	41.7%
TOTAL OPERATING EXPENDITURES	630,852	656,105	96.2%	3,071,209	2,757,088	111.4%	8,271,672	37.1%
NET INCOME	(201,160)	(222,141)	90.6%	(700,907)	(967,457)	72.4%	(2,961,711)	23.7%
OTHER ITEMS								
Trailer Park	-	-		-	-		-	
Expense Subsidy	-	-		-	-		-	
Sale of Land/Fixed Assets	1,090	-		2,360	-		-	
NET AFTER OTHER	(200,070)	(222,141)		(698,547)	(967,457)		(2,961,711)	

BALANCE SHEET

	Change		Change		YTD End
	Current mo	Prior mo	Current YTD	PY End	
Cash - Unrestricted	(166,807)	2,493,960	(648,879)	2,976,032	2,327,153
Cash - Restricted	544,339	14,595,712	652,676	14,487,375	15,140,051
Accounts Receivable	43,026	202,622	(11,968)	257,616	245,648
Other Current Assets	2,271	753,127	(224,835)	980,233	755,398
Fixed Assets (Net of Depreciation)	(32,541)	64,848,941	59,943	64,756,457	64,816,400
TOTAL ASSETS	390,288	82,894,362	(173,063)	83,457,713	83,284,650
Current Liabilities	41,238	1,348,231	(127,193)	1,516,661	1,389,469
Long Term Notes Payable - Restricted	-	-	-	-	-
Long Term Notes Payable - Unrestricted	-	4,255,649	-	4,255,649	4,255,649
OPEB	-	5,548,408	-	5,548,408	5,548,408
TOTAL LIABILITIES	41,238	11,152,288	(127,193)	11,320,718	11,193,526
Net Capital Beginning	-	72,136,995	-	68,827,056	72,136,995
Capital Contributions	549,121	103,555	652,676	3,309,939	652,676
YTD Earnings Current Year	(200,071)	(498,476)	(698,547)	-	(698,547)
TOTAL LIABILITIES AND CAPITAL	390,288	82,894,362	(173,064)	83,457,713	83,284,650

AIR SERVICE REPORT

Monthly Air Service Report Summary November 2024

- Load factors:
 - o 89% for American
 - o 85% for Charters/Diversions
 - o 87% Overall
- 4341 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: 11,676	Sep: 14,153	Sep: 12,372
Oct: 13,759	Oct: 11,343	Oct: 13,649
Nov: 13,571	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
Total: 66,505 PAX	Total: 137,059 PAX	Total: 150,760 PAX

Monthly Air Service Report Summary December 2024

- Load factors:
 - o 89% for American
 - o 0 Charters/Diversions
 - o 89% Overall
- 3037 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: 11,676	Sep: 14,153	Sep: 12,372
Oct: 13,759	Oct: 11,343	Oct: 13,649
Nov: 13,571	Nov: 11,864	Nov: 14,626
Dec: 13,502	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
Total: 80,007 PAX	Total: 137,059 PAX	Total: 150,760 PAX

RESOLUTION(S)