

Peninsula Airport Commission Board of Commissioners Meeting Packet

Lindsey Carney Smith, Chair
John Borden, Acting Executive Director

Thursday, February 27, 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: February 27, 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 January 16, 2025
- 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

MINUTES

Peninsula Airport Commission

Board of Commissioners Meeting Minutes

January 16, 2024

Commissioners in Attendance:

Chair, Lindsey Carney Smith

Vice Chair, Thomas Garner

Assistant Secretary, John Lawson (virtual)

Treasurer, James “Jay” Joseph

Assistant Treasurer, McKinley Price, DDS

Staff Members in Attendance:

Interim Executive Director, John Borden

Office Manager, Barbara Rumsey

Chief Financial Officer, Mark Adams

Architect, Fabio Bendena, Passero & Associates

Public Officials Present:

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

Counsel:

L. Scott Seymour

Public Attendees:

David Hause, Kiln Creek HOA

Chair Smith called the meeting to order at 8:00 a.m. She began by thanking everyone in attendance, announcing that Mr. Lawson was unable to attend in person due to business travel and is attending virtually, all voted yes. She then moved on to the last meeting’s minutes.

Approval of Minutes from November 26, 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. **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. Cherry Bekaert and Anothy Walsh, the senior manager presented the audit, spoke on weaknesses and segregation of duties. No findings for ALP and PFC. Chair Smith stated the PFC review in not validation of the R&C policy. Mr. Joseph thanked the staff and was pleased to hear how smoothly the audit went. Mr. Joseph moved a motion and Mr. Garner seconded the motion to accept the audit. Voice vote by roll call. **5-0 Audit approved.**

Planning & Development Committee. Chair Smith met with consultants to re-engage with the Master Plan. Discussed the scope of duties with Passero and Talbert and Bright. Forecasting was done but put on hold and needs additional forecasting for the air commerce park. The Master Plan will have alternative uses for land and property. DOAV has been supportive. John Borden stated that Breeden is big on justification. Mr. Joseph stated the secret is flexibility and Ms. Smith agreed, mentioning that we will have alternatives. Mr. Joseph felt the 2nd runway should be protected and Ms. Smith replied that they are. Mr. Joseph mentioned that the existing projections are 390 at current and Ms. Smith replied, stating that it was made clear to Lisa on the projections to be specific to diversification. Dr. Price asked if we were still decoupling, and Ms. Smith answered that it needs to be addressed. Dr. Price asked about a timeline and Ms. Smith replied that the expedited review is to be expected by the end of the year.

Facilities Committee.

Windows Project. Fabio stated that all the glass is on site, however missing gaskets and should be in by next week. Installation should begin next week, depending on the weather. Old windows will be taken out and new windows will be placed within one day. Repainting and brick repair on hold due to the weather. John Borden expects 90% completion in January.

Jetbridge Replacement Project. Bids in February.

Roof. Mr. Joseph said estimates for the roof are about \$800k.

Snow and ice event in Charlotte last Friday and Saturday. Lost three flights.

Jump Start in June in Indianapolis.

Executive Director Report: Mr. Borden gave kudos to the staff. Brought up a 5k for 2025. Dr. Price mentioned considering partnering with One City and getting dates to commissioners.

Old Business. There was none.

New Business: Ms. Smith brought up the Senate bill – ATAC public aircraft. Senator Locke patroned the bill. She and Greg Campbell went to ATAC, ATAC plan for expansion. Mr. Joseph asked if there were any conversations with Ft. Eustis and what their needs may be. Ft Eustis has limitations on their airfield. Bo will follow up.

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. Mr. Garner moved the motion. Mr. Joseph seconded the motion. Roll call by voice vote. **5-0 approved. The PAC went into closed session at 8:44 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. The open session began at 9:20 a.m.**

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

Chair Smith adjourned the meeting at 9:21 a.m.

Next Meeting Date: February 27, 2025

FINANCIALS

**PENINSULA AIRPORT COMMISSION
JANUARY 2025
OPERATING INCOME STATEMENT**

| DESCRIPTION | JAN 2025 ACTUAL | JAN 2025 BUDGET | | YTD ACTUAL | YTD BUDGET | | ANNUAL BUDGET | |
|-------------------------------------|--------------------|--------------------|---------------|------------------|--------------------|---------------|--------------------|--------------|
| REVENUE | | | | | | | | |
| Airline Fees | 42,741 | 35,730 | 119.6% | 297,744 | 264,456 | 112.6% | 457,441 | 65.1% |
| Fixed Based Operators | 56,487 | 48,487 | 116.5% | 430,273 | 350,713 | 122.7% | 604,451 | 71.2% |
| Property Rental | 118,488 | 125,068 | 94.7% | 696,457 | 766,402 | 90.9% | 1,282,638 | 54.3% |
| Rental Cars | 146,939 | 134,640 | 109.1% | 1,185,027 | 1,093,687 | 108.4% | 1,918,090 | 61.8% |
| Parking Lot | 64,866 | 62,082 | 104.5% | 493,679 | 438,417 | 112.6% | 752,676 | 65.6% |
| Restaurant Income | 14,680 | 20,627 | 71.2% | 151,509 | 167,959 | 90.2% | 294,665 | 51.4% |
| TOTAL REVENUE | 444,201 | 426,634 | 104.1% | 3,254,689 | 3,081,634 | 105.6% | 5,309,961 | 61.3% |
| EXPENSES | | | | | | | | |
| Labor and Benefits | 333,534 | 383,039 | 87.1% | 2,137,321 | 2,351,273 | 90.9% | 4,596,473 | 46.5% |
| Marketing & Advertising | 8,960 | 5,234 | 171.2% | 86,340 | 64,664 | 133.5% | 90,838 | 95.0% |
| Office & Administration | 49,981 | 45,256 | 110.4% | 627,903 | 714,227 | 87.9% | 968,973 | 64.8% |
| Utilities | 61,738 | 65,116 | 94.8% | 507,318 | 505,812 | 100.3% | 887,479 | 57.2% |
| Repairs & Maintenance | 83,609 | 83,459 | 100.2% | 297,658 | 467,598 | 63.7% | 762,588 | 39.0% |
| Restaurant Expense | 20,700 | 21,387 | 96.8% | 158,693 | 173,381 | 91.5% | 304,121 | 52.2% |
| Bond Debt | 55,100 | 55,100 | 100.0% | 385,701 | 385,700 | 100.0% | 661,200 | 58.3% |
| TOTAL OPERATING EXPENDITURES | 613,622 | 658,591 | 93.2% | 4,200,934 | 4,662,655 | 90.1% | 8,271,672 | 50.8% |
| NET INCOME | (169,421) | (231,957) | 73.0% | (946,245) | (1,581,021) | 59.9% | (2,961,711) | 31.9% |
| OTHER ITEMS | | | | | | | | |
| Trailer Park | - | - | | - | - | | - | |
| Expense Subsidy | - | - | | - | - | | - | |
| Sale of Land/Fixed Assets | 340 | - | | 2,995 | - | | - | |
| NET AFTER OTHER | (169,081) | (231,957) | | (943,250) | (1,581,021) | | (2,961,711) | |

BALANCE SHEET

| | Change Current mo | Prior mo | Change Current YTD | PY End | YTD End |
|--|----------------------|-------------------|-----------------------|-------------------|-------------------|
| Cash - Unrestricted | (213,453) | 2,331,703 | (857,782) | 2,976,032 | 2,118,250 |
| Cash - Restricted | (107,711) | 15,057,395 | 462,309 | 14,487,375 | 14,949,684 |
| Accounts Receivable | 21,099 | 236,641 | 124 | 257,616 | 257,740 |
| Other Current Assets | - | 755,091 | (225,142) | 980,233 | 755,091 |
| Fixed Assets (Net of Depreciation) | (3,188) | 64,759,645 | - | 64,756,457 | 64,756,457 |
| TOTAL ASSETS | (303,253) | 83,140,475 | (620,491) | 83,457,713 | 82,837,222 |
| Current Liabilities | (26,459) | 1,403,570 | (139,551) | 1,516,661 | 1,377,111 |
| 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 | (26,459) | 11,207,627 | (139,551) | 11,320,718 | 11,181,168 |
| Net Capital Beginning | - | 72,136,995 | - | 68,827,056 | 72,136,995 |
| Capital Contributions | (107,711) | 570,020 | 462,309 | 3,309,939 | 462,309 |
| YTD Earnings Current Year | (169,083) | (774,167) | (943,250) | - | (943,250) |
| TOTAL LIABILITIES AND CAPITAL | (303,253) | 83,140,475 | (620,492) | 83,457,713 | 82,837,222 |

Peninsula Airport Commission

Operating Income Statement results analysis

January 2025

Revenue:

Airline Fees Revenue is over budget but down from the prior month. Available seats were down month over month due to expected seasonal scheduling. Passenger count and fill rates were above projection. Seasonal swings for the winter months are still provided for in budget.

Rental car revenues improved slightly from the prior month and came in above budget relative to passenger enplanements and the year-to-date total is above budget. The second quarter of the fiscal year did have lower revenue per enplanement compared to the first quarter. The decreases are consistent for all six brands.

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

Property rental revenues include one new tenant this month. The loss of the TSA reimbursement program for Law Enforcement assistance is the reason for the 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. January total was below budget despite the colder temperatures in December. Efforts to improve the terminal building efficiency (time of day usage and unused space monitoring is paying off).

Repairs and maintenance month over month and compared to budget increase is due to planned security system replacements. The under-budget amount year to date is viewed as natural timing. Year-end total in this category is still expected to come in near budget as emergency repairs and snow removal season could result in unexpected expenses at any time.

Labor costs increased month over month as open positions are being filled and snow removal overtime. 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 changes in current receivables, liabilities and uncollected Federal AIP grants. 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 year to date increase reflects two quarterly allocation from the Virginia Department of Aviation, FAA grant collections and interest earned less payments for terminal windows replacement.

AIR SERVICE REPORT

Monthly Air Service Report Summary January 2025

- Load factors:
 - o 78% for American
 - o 82% Charters/Diversions
 - o 83% Overall
- 3060 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: 11,623 | 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: 91,630 PAX | Total: 137,059 PAX | Total: 150,760 PAX |

RESOLUTION(S)