

PENINSULA AIRPORT COMMISSION

MINUTES

July 12, 2017

PRESIDED: George Wallace

The special meeting of the Peninsula Airport Commission was held on Wednesday, July 12, 2017 at 4:00 p.m. in the Airport Banquet Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Steve Mallon, Sharon Scott and George Wallace.

Commissioners not present were:

Rob Coleman, Walter Jubien, Jr.

Interim Executive Director

Mr. Sanford B. Wanner

Assistant Executive Director

Ms. Melissa Cheaney

Director, Finance & Administration

Ms. Renee Ford

Director, Air Service, Marketing & PR

Ms. Jessica Wharton

Legal Counsel

Mr. James S. McNider, III

Mr. Walter D. Kelley, Jr.

Executive Assistant

Ms. Rhonda Wissinger

Public in Attendance

The Honorable Aubrey L. Layne, Secretary of Transportation

Grindly Johnson-Deputy Secretary of Transportation

Stephen Cobb, Esquire-Office of Attorney General

Roderick Hall-Virginia Aviation Board Chair

Randall Burdette-DOAV Executive Director

Mike Swain-DOAV

Cliff Burnette-DOAV

Ted Hemmert-York County Resident

Kristen Bell-York County Resident

Public in Attendance (con't)

Mike and Ann Tiernan-James City County Resident

Jack Sheehan-AOPA-ASN

Dave Ress-The Daily Press

Reema Amin-The Daily Press

Jonathan Gruenke-The Daily Press

Jordan Pascale-The Virginian Pilot

Joe Fisher-Wavy 10 News

Rena Crabill-Citizen

Patricia McDermott-Newport News Resident

Brittany Stellute-New Dominion Clubs, Inc.

Marilyn Whitley-Newport News Resident

The special meeting of the Peninsula Airport Commission was called to order at 4:03 p.m. and Chairman Wallace introduced The Honorable Aubrey L. Layne, Secretary of Transportation for the Commonwealth of Virginia.

The Honorable Aubrey L. Layne, Secretary of Transportation, thanked the Commission for setting up a special meeting with the Commission and said what he hoped to accomplish was two-fold: to give us a way forward in terms of getting monies from the Commonwealth, from the Aviation Board, but also, he would like to hear from the Commission as well and hoped for an interactive exchange. He pointed out that he was not here to say who was right or wrong, he was here to say how do we move forward. He also stated that there are a lot of potential activities that may be going on outside of his scope and purview and he had no comment on those items since he was not involved with them. He is acting as a representative of the State and wants to have a restoration of a normal relationship with the Peninsula Airport Commission.

Secretary Layne stated that this situation was not taken lightly and that he has taken a lot of counsel in regard to how we move forward. He stated that one of the things we can all agree on is we need to rebuild public trust. Restoring public trust is paramount going forward. He said the "public" means, from his perspective, the "public at large/taxpayers" as we are stewards of their money, and this also includes legislators. He spoke to them about this path forward. It also includes our peers, the Aviation Board. Secretary Layne, introduced Rod Hall, Chairman of the Aviation Board and stated he met with his group, and our peers around the State, and talked about how we should move forward, what is fair, and making sure that we are going forward in the best interest of the Commission as well as the flying public. He stated he also consulted the Attorney General's office. He introduced Steve Cobb, representing the Attorney General. He stated that the Attorney General's office weighed in on this with his opinion that the monies were used inappropriately, so he wanted to make sure that it was comfortable with how we move forward here. He has also spoken to the Governor and the money committees about the potential issues that we could have here. From his perspective, they have spoken with a lot of constituents in coming up with a solution. We want to make sure that this doesn't happen again, but we also want to make sure they restore it the best they can for the flying public.

Secretary Layne stated they started this process by reviewing how the \$24 million is spent in aviation funds throughout the Commonwealth, across all our airports - the Entitlement funds and Discretionary funds that come from the Transportation Trust Fund. The key point is that these are Transportation Trust Fund monies that are passed through the Aviation Board and then to the airports. These monies constitute public use transportation capital assets. There is about \$6 billion a year that flows through the Commonwealth and the Commonwealth Transportation Board decides where it goes. Whether it goes to Surface Transportation, the Port of Virginia or Aviation, it is for public use capital assets. The only time this is overridden is when there is specific guidance given by the General Assembly. Since Secretary Layne has been Secretary, they have systematically looked at how projects are prioritized. In Surface Transportation where most of the funds go they use "Smart Scale" to prioritize projects. For the Port of

Virginia, they prioritize their investments. They were coming around to looking at Aviation. There are 66 airports in the State of Virginia, with 9 of them being carrier airports such as this Airport. They want to make sure the money is being used most effectively – that the taxpayers were getting the biggest bang for their buck as there are limited resources. He stated this is what they were looking at which led to the new legislation. While reviewing this process, the incident that happened here with PeopleExpress gave more interest in the legislation. They also wanted to make sure they were not using State Funds for one airport to compete against another airport. They want to support total service in Virginia. He stated they would not be good stewards of taxpayer money at the State level if they were giving money to one airport to compete against another airport.

Secretary Layne stated that the incident that happened here at this Airport resulted in new legislation that went into effect July 1, 2017. The new legislation will require that Entitlement monies that come through the Transportation Trust Fund must have a plan that is approved in advance before the airports are authorized to spend the money given them. He stated that before, the money just came and then there was supposed to be an annual report. Now that has been changed, not just for this airport, but for all airports. This will be controlled by the Aviation Board and they will be looking to us for a plan of what our projected expenditures are. They will determine if they are eligible. We will be required to report at the end of the year how we used them. The auditors may also review and verify that the monies were spent as they said they were going to be. This law also allows for the Aviation Board to withhold monies if they feel there has been abuse in the way the funds have been spent. He stated that it is pretty ambiguous as to what an abuse is. He said it is supposed to go along with Aviation's policies and using these funds for the public capital assets. They have a few exceptions such as extending the life of an asset, that is allowed. The Board will be making those determinations. If they determine the monies have not been used in compliance, they have the right to withhold monies, the Secretary said.

Secretary Layne stated the VDOT Auditors have been here at his request and they have completed the audit and the Peninsula Airport Commission has taken action on it. He stated his fiduciary responsibilities are to provide action on the audit. If there are other actions coming out of that, with other agencies involved, that will be dealt with through them and he is not involved in that, nor does he have any power to be involved in that. He stated that we also know that the Office of the Virginia Attorney General issued an opinion stating that the guarantee of the loan and the use of those monies were a violation of the Virginia Constitution. He stated that we are dealing with that issue where we sit today. As to the status of the Virginia State Police and the U.S. DOT, it is undetermined about where they are headed.

Secretary Layne stated that he is aware that the Peninsula Airport Commission has taken some actions. We have announced some new Commission members and some members have left. The Executive Director has moved on at our request. He stated as we sit today, we still don't know exactly what the \$3.5 million was used for. Secretary Layne encouraged the Commission to continue whatever efforts it thinks are at its

disposal in that regard. We have begun to get the public's confidence back but we have not gotten it back yet. There isn't anyone in here today would say that we have done everything the public would expect us to do. He stated it was not a condemnation of anybody, but just a fact of where he thinks we sit today. The way forward comes down to two areas: areas of governance and areas of how the monies will flow.

Secretary Layne stated that the governance is as much for this Board as it is to building the public's confidence in it. It is also for him, to be able to stand in front of the General Assembly members and money committees and be able to say he is comfortable allowing monies to flow because these actions have been taken. Some of these actions are going to be required and some will be encouraged. The actions that will be required will need to be done before any money is started. He stated that if you looked at the situation here, there were certainly issues of conflict of interest and issues of the Freedom of Information Act in the VDOT report. So, one of the things they are going to require is that every Board member will need to take the Virginia Municipal League's program on Conflict of Interest and the Freedom of Information training. He stated he did not think it was laborious, but at least he could tell the money committees that every member of the Commission has signed off and understands what those rules are. He stated that in addition to that, over the next six months or so, working with Department of Aviation Board, there is going to be a 101 Training Course developed by the Department of Aviation for all Virginia airports. He would like our commitment that, once it is available, that these Board members will take that. He stated that attendance won't be required before the State starts the monies, but at least to provide the commitment to do so. He stated that the other thing that they require is that the Board determine how far down in the organization that the employees should take this training and designate an individual (a trained FOIA officer) that reports to the Board on FOIA matters, not the Executive Director. The Board needs a trained person that they can go to if they have questions on FOIA. This person would be someone other than the Executive Director that the Board will have at their disposal. That person may also utilize the State FOIA Task Force with any questions they may have. He stated these will be the required steps they would have us do before monies would restart.

Chairman Wallace enquired whether these stipulations will be required of all aviation boards across the State now. Secretary Layne said they have not been, and he is going to require it of the Commission because what happened here, but he is going to encourage it elsewhere. He stated it is the same requirement they have in the Commonwealth Transportation System. He stated he thinks it is good for all of them to do.

Secretary Layne stated he has some recommendations that he would ask the Board to consider, similar to the Department of Transportation Board. He recommended that Commissioners should have term limits and they should be staggered. He recommended that there should be specific backgrounds of expertise represented by Commissioners such as business, construction, marketing, economic development, transportation, administration - things that would be helpful to the Board. He felt that it should be something discussed with the City Councils as they make appointments. He

stated he cannot require this, but recommended those types of things need to be considered.

Commissioner Sharon Scott stated they have already begun the discussion in Newport News on term limits. She stated we had one member that had been here over twenty years. Secretary Layne stated he thinks a turnover in new blood is very good as things change. She also stated we have begun to look at what each individual can bring to the Commission. Secretary Layne felt that was just good governance.

Secretary Layne stated that there are currently six members on the Commission: four from Newport News, and two from Hampton. He stated if we are truly going to be a regional asset we should consider asking other localities to be members and increase the number of members to an odd number. He also asked the Board to consider there be a higher quorum, a minimum before things get done, so that we don't have 2 or 3 people doing things that others don't know about.

Secretary Layne stated that those are the four things he would ask the Commission to take a look at that just are good governance. He stated it would frankly help build not just public confidence but regionalism as the Airport looks to service the greater region. He noticed that money was coming to the Airport, is not just from Hampton and Newport News. He stated if we are going to ask York County it makes sense to have some representation from them. Interim Executive Director Sandy Wanner explained that outreach has already started and the three jurisdictions have been contacted and they responded favorably. Secretary Layne stated that if there is anything the State can do to help in that regard, in terms of changes, they are more than happy to help with that.

Secretary Layne stated that the final thing that he would ask in governance to consider goes back to FOIA. He stated that in the last five years, a significant time the Commission has met has been in closed session. He suggested that the time in closed session should be limited. He stated the Commission is different than other Boards as we have personnel issues and some marketing issues that are confidential, but there should be enough discussion in open session so the public really understands the operations of the Airport, unless proprietary. He further stated that any votes have to be clear in the open session. He stated on the Transportation Board they have never had a closed session, but they do not have to deal with personnel issues. He suggested by example, the fact that we are contemplating a lease should be public but not the terms. He states this is just good governance and the public has a right to know.

Secretary Layne suggested we consider live streaming meetings so that the public can see what is going on in the meetings and how the public's money is being used. He stated this will make the Commission's job more messy but it is not our money, it is the public's money. He said that the audit should be presented in open session. Commissioner Sharon Scott stated that is was. He stated the overall way the peoples' money is used should not be a secret.

Secretary Layne said there are only three mandatory requirements but would encourage that we do the others. He stated he was encouraged that we are already considering those.

Secretary Layne discussed how the money will flow. He wants the Airport to be a vibrant Airport and an asset to the community. On the other hand, he wants to be sure that he is being a good steward of Virginia taxpayer's money, also. He said that the real issue that happened here is that the money was not spent in compliance with what it was meant to be spent on. The State is not looking for a return of the State Entitlement money; instead it is looking for this money to stay at the Airport and be deployed there once it is recovered or replaced. He stated what they are really looking for is that he wants the monies to be spent the way that they were intended to be spent. He stated that the way the law works is there are two types of monies; the Entitlement monies that flow through and then there is Discretionary money. He stated that on the Entitlement monies that we get somewhere between \$1.5 million and \$1.8 million, depending on enplanement. He stated what they are going to do is to begin immediately, assuming we do the three governance requirements, to release 50% of that money, roughly \$900,000. Then they are going to escrow the other \$900,000. He stated they needed to work through this but that money is not abated, it is there for the Airport but we have to deal with the fact that we used \$3.5 million inappropriately. He stated they will put that money with the Department of Aviation in a separate escrow and for every dollar that we either recover by legal means, or that we choose to use other from profits or contributions of other local monies, they will release the escrowed money, on a dollar for dollar match to spend on eligible airport capital items. He stated what he is trying to do is to have us recover the \$3.5 million and use it correctly. In other words, make that money good. The \$3.5 million would not come back to the State, but it should be recovered and used in the original manner intended. He stated there was no time limit on this, but if we recoup \$1 million dollars then they immediately will release \$1 million of this escrow to be spent on capital items. He stated if we have a locality that says it will give the Peninsula Airport Commission \$100,000 to bail money out of this escrow account, then Virginia will release \$100,000 from escrow.

The idea is to make the \$3.5 million spent the way it was intended. He stated as soon as, once we reach the \$3.5 million, however that comes about, either through spending or recouping, and when we recoup it we are still going to spend it on capital items here, this is not coming back to the State, then we will be back to normal. The only other stipulation until the \$3.5 million is made whole is that we will not be eligible for Discretionary funds. He restated that there is no time limit on this but we want to encourage the Commission to make the dollars whole in terms of bettering the Airport. He stated that is what the intent of this is. He stated that it is not a penalty, but they think those \$3.5 million were pretty much wasted and so they are asking us to find other monies or work with them to make sure the public got the benefit of \$3.5 million through other means.

Chairman Wallace asked about what happens if we are able to recover money. Secretary Layne replied that if we recoup it all tomorrow then we are back on, or if we

make \$1 million one year and we decide we want to put the whole \$1 million into an asset that would be otherwise eligible, then that would free up \$1 million out of the DOAV escrow account.

So, in other words, the State will end up getting what it wanted to get anyway and the Airport gets improved. He stated, basically that is what they are asking us to do, those few governance items and consider others. He stated this is how we will work forward under the new law. He stated that he spoke with a lot of people about it and he wants to be fair to the Commission and get it going, but on the other hand we have to realize we did lose a lot of public trust. So, the way to build that back is the governance provisions and also that the public sees that we are putting the money into bettering transportation here on the Peninsula. He states this is the original intent. He states as far as he is concerned it is not a penalty but it is asking us to spend the monies in a way they were intended to be spent. He stated that he has gone back and looked at our history over the years and that we tended to spend more money than from State entitlements so this should not be a significant burden to the Airport, he isn't going to say that it is going to be easy, but it should not be a significant burden.

Chairman Wallace commented that to say it another way, if we recover revenues from other sources, in excess of funds that we got from the, then those excess funds can be used to now match those funds. Secretary Layne said that is correct as long as they are used on eligible capital airport expenditures. Chairman Wallace asked if the eligible piece is better defined in the new legislation. Secretary Layne stated that it is all in there.

Secretary Layne stated that it is a huge responsibility to be on the Commission and to deal with taxpayer's money. It is a higher responsibility than if using his/her own money. If asked who in here would have spent their own money on this deal, not many of you would have raised your hand. It is a great honor to serve on the Commission, but the fiduciary responsibility is a great burden too. The success of this airport is tied with the economic success of the Peninsula.

Mr. Roderick Hall, Chairman of the Virginia Aviation Board reported that the Commonwealth consists of 66 public use airports. The Commonwealth system is one of the best in the country. He stated we have hit a minor stumbling block here but from what they are hearing from us it seems as if the Commission is on the right track. Mr. Hall said that they raise these funds for capital improvements/capital development projects for not only the greater good of the Peninsula but the Commonwealth as a whole. He feels the Virginia Department of Aviation has one of the best staffs throughout the country and if the Airport has any questions or concerns they will be happy to work with us.

The Honorable Aubrey L. Layne said this should be a working relationship and they are not trying to get into the marketing strategies but they do want to make sure that State monies are being used properly. He stated he tried to lay it out so that the public understands that they take it seriously. He invited questions or comments.

Commissioner Sharon Scott said she was not a part of the problem but she is going to be part of the solution. She stated she was not on the Board when this happened and her background/profession is accounting so she could understand why he would ask that question “would you invest your money that way?” She is on the record as Treasurer of this Commission. She was not aware of all that had gone on when she came on the Board. She is working with staff to see what we can do better. She stated that every time she comes here she gets a headache because it seems that some things have been going the wrong way for so long that nobody pays attention. She stated that she doesn’t think that anyone’s intentions were in the wrong place, but that the Bylaws and the powers given to the Executive Director are a little excessive. The power given to the Board Chair of the Commission is excessive. She stated that there are a lot of things she sees, that probably has developed a culture over time, that has been done in isolation. She stated that she thinks if the team works together on correcting things, and looking at the overall picture, that we will be alright. She stated that this Airport is directly tied to the success of our city. We have businesses coming here every day, we have new businesses and businesses expanding. The Governor delights in us and they have Opportunity Funds that they are investing in our city. She stated she is going to be part of the solution. She thinks we can turn it around and this will be a destination choice for businesses who want to locate in Hampton Roads. She thanked Secretary Layne for coming and realizes this was a herculean task. She had a chance to talk to his VDOT auditors and they were very thorough. She was a reporter before she was an elected official so she understood their questions and she thinks if we continue to ask questions then we can fix this together. She stated that the auditors can tell you that she asked the tough questions because she had no idea what was going on here until that audit came out. She stated she was totally in the dark. At that time, she had been on the Commission four or five months so she was still in the learning phase. She stated we have a lot of work to do and she is totally committed.

Secretary Layne stated that he would encourage all the Commissioners to ask questions.

Chairman Wallace assured him that everyone on the Board has the same type of fervor and commitment for accuracy and thoroughness and adhering to rules, regulations, and policies as expressed by Commissioner Scott. He stated that we have set on a new course based on what we learned. There are reasons and rationales for some of the actions that were taken and we recognize changes need to be made. So the fervor that Commissioner Scott speaks with, in terms of being attuned, astute, and desirous of things being better is reflective of all the members of this particular body.

Secretary Layne said there is no greater calling than advancing air service on the Peninsula and being a good steward to the public, and it is a significant task of this board. We need to make sure the right Executive Director is hired.

Mr. Sanford Wanner, Interim Executive Director said that we are going to be initiating a search for the next Executive Director and he is looking forward to working with Mr.

Randall Burdette, Department of Aviation and others in the department to assist us in the process to make sure we have qualified applicants in the vetting process. He further stated that unfortunately today that we do have to have a closed session that deals with some of the various issues which have to be addressed as a result of the audit.

Commissioner Scott stated that the City Managers have gotten involved as well and are meeting to be like an advisory to the Board. She stated she has always felt, what happens to this Airport happens to our city because when people read the headlines they do not separate the two. Most people think that the city owns the Airport. She feels it is very important that our City Managers are stepping up to play a more vital role. She asked Secretary Layne to clarify what he previously referred to as overrides on Entitlement monies. What would be considered a legitimate override of use?

The Secretary stated that there are some major repairs to equipment that would qualify. He stated that the Board has a long-standing policy which is pretty clear on that—an extension of the life of a major asset. Mr. Burdette said there is now a lot of interest in the General Assembly and we are working with the airports to tighten these things up so they are much more clear. He would encourage any of the staff to contact them at any time and to meet with him. He has Clifford Burnette, Jr., the Director of Airport Services, and Mike Swain, the gentlemen responsible for managing the Entitlement Program. He stated any questions we might have we should feel free to call them at any time as they are working through the new challenges for SB 1417 and tightening those things up. He stated there would be very few exceptions that we would have to go through the Board to approve as an exception to the policy.

Commission Scott asked what if we had a major plumbing issue, such as we had a \$20,000 water heater go out recently—things of that nature?

Secretary Layne said if they were here talking about those minor investments, he would not be here. He said if you go back and look, there were many times your Executive Director called down and said “hey, is this good?” and there was a discussion and it was worked out in an appropriate manner. Unfortunately, on this use of money, and how I have heard it best said—capital don’t mean venture capital – there is just no way that it made any sense that you should be guaranteeing the operation of a private company. But, we would not have been here if \$3 million was spent on a runway that he did not think was needed. Again, he assumed it was trying to attract service in that regard, and he gets that. But, we need to understand the enabling legislation, and what that money was used for. It is incumbent upon the Board to understand that. He further stated, based on the Virginia Constitution, that goes without saying, there is just no way you can guarantee private debt without the General Assembly approval.

Chairman Wallace said what he is understanding is that if it is not completely clear and definitive—then ask. It was pointed out that, in terms of capital development, the closer you are to the runway the higher you score, the closer you get to the terminal the less so. Just a general rule of thumb that DOAV staff believes.

Commissioner Mallon stated that capital investment is a defined word and looking at the IRS, it is a beginning point in a real estate matter for construction. Capital is a very defined term.

Secretary Layne stated that one of the things that they are dealing with is that they really do not know what the \$3.5 million was actually spent on. Nobody can sit here and list it down exactly what it was spent on. There have been some things they said they did, but we found out they didn't.

Commissioner Scott asked, referring the Secretary's earlier comments, whether the penalty period for the Discretionary Funds would continue after we recoup the \$3.5 million, will he remove that stipulation?

The Secretary replied, yes, that is correct. That is really the Board's decision and they are calling policy, but after speaking with the Board and the General Assembly members and the Attorney General, they felt like that was the appropriate course of action—so yes, once the \$3.5 million was restored or used the way it was intended, then discretionary funds would be turned back on—full program access would then be available to the airport.

Chairman Wallace expressed his profound appreciation to Secretary Layne, his staff and the Attorney General's office for the cooperation that Peninsula Airport Commission received. He stated that it is an unfortunate situation that did not accrue because we wanted it to. We acted in the best interest of what we thought was possible in light of that time, what the guidelines stipulated at that particular time. He wanted to once again express his appreciation to Secretary Layne for his cooperation and to helping us get to where we are now, and we look forward to a very positive relationship with the Aviation Board.

Secretary Layne said he must state a disagreement, that he doesn't see how this Board got to the decision it did. He stated they would just have to agree to disagree on that point because he doesn't think it had to do with the manual. But, they want to work together going forward in a positive manner.

Secretary Layne thanked the Chairman and stated they will do everything they can to help the Airport go down this path and restore the situation to the flying public's best interest.

Chairman Wallace called for any further questions or comments.

Commissioner Scott asked if the State Attorney General was still involved as far as us recouping money or is that solely on us. Secretary Layne stated that he would not speak for the Attorney General but the only thing he has asked him to do was for an opinion which he gave us. As he requested, the Attorney General did give an opinion. He did not know the status of any other issues that other agencies might be doing or investigating.

Chairman Wallace stated the Commission will take a ten-minute recess. After the ten-minute recess, the Commission entered into a closed meeting:

CLOSED MEETING

BE IT RESOLVED, that the Commission entered into a Closed Meeting pursuant to the Virginia Freedom of Information Act; Section 2.2-3711.A. pertaining to:

Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel.

Specifically, to discuss legal issues relating to the VDOT audit, the People Express Airlines, Inc. loan and New Dominion Clubs litigation.

Commissioner Steve Mallon made the motion, seconded by Commissioner Sharon Scott to hold a closed meeting.

Voting yes were:

Steve Mallon, Sharon Scott and George Wallace.

The Commission entered into a Closed Meeting at 5:12 p.m. and reconvened in Open meeting at 6:34 p.m. Upon reconvening, it was

RESOLVED, that to the best of the Commission's knowledge, only public business matters lawfully exempt from open meeting requirements, and only such public business matters as were identified in the motion by which the Closed Meeting was convened, were heard, discussed or considered in Closed Meeting.

Voting yes were:

Steve Mallon, Sharon Scott and George Wallace.

(Commissioner Steve Mallon left the closed meeting during the discussion of the New Dominion Clubs litigation and returned to the closed meeting once the discussion ended.)

Commissioner Steve Mallon made a motion pursuant with the Virginia Code Section 2.2-4344.A(2) permitting the retention of legal services without competition, Walter D. Kelley, Jr. Esquire and the law firm of Hausfeld, LLP shall be and are hereby retained as Special Counsel to the Peninsula Airport Commission and the Interim Executive Director is empowered to issue a purchase order/contract at a contract rate of \$945 per

hour, for an amount not to exceed \$40,000.

RESOLVED, that pursuant to Virginia Code Section 2.2-4344.A(2) permitting the retention of legal services without competition, Walter D. Kelley, Jr. Esquire and the law firm of Hausfeld, LLP shall be and are hereby retained as Special Counsel to the Peninsula Airport Commission and the Interim Executive Director is empowered to issue a purchase order/contract at a contract rate of \$945 per hour, for an amount not to exceed \$40,000.

Commissioner Steve Mallon made the motion and Commissioner Sharon Scott seconded the motion.

Voting yes were:

Steve Mallon, Sharon Scott and George Wallace.

Commissioner Sharon Scott objected to the hourly rate but stated she supports that the Peninsula Airport Commission continue to retain Walter D. Kelly, Jr. Esquire and the law firm of Hausfeld, LLP.

ADJOURNED

There being no further business, the meeting was adjourned at 6:36 p.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, July 27, 2017 at 8:00 a.m. in the Banquet Room.