

PENINSULA AIRPORT COMMISSION

MINUTES

January 24, 2017

PRESIDED: George Wallace

The regularly scheduled meeting of the Peninsula Airport Commission was held on Tuesday, January 24, 2017 at 8:00 a.m. in the Airport Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon, and George Wallace.

(Commissioner Sharon Scott was not in attendance)

Executive Director

Mr. Ken Spirito

Assistant Executive Director

Ms. Melissa Cheaney

Director of Air Service, Marketing and P.R.

Ms. Jessica Wharton

Director, Finance and Administration

Ms. Renee Ford

Legal Counsel

Mr. Herbert V. Kelly, Jr.

Ms. Robyn Hansen

Executive Assistant

Ms. Rhonda Wissinger

Public in Attendance

Jay Talbert-Talbert & Bright

Kevin Cosgrove-Hunton & Williams LLP

Dave Ress-The Daily Press

John Borden-PAC Facilities Manager

Tommy Moore-PAC Maintenance Supervisor

Robert Sampley-PAC Maintenance

COMMENTS FROM THE PUBLIC

Mr. Herbert Kelly, Jr, legal counsel for the Peninsula Airport Commission, introduced Mr. Kevin Cosgrove, legal counsel representing New Dominion Clubs. Mr. Cosgrove addressed the Commission and stated that in October the Commission voted to terminate the lease for Food and Beverage Services for New Dominion Clubs to be effective on February 1, 2017. Mr. Cosgrove and Mr. Kelly were trying to get a hearing set before February 1, 2017 on this matter and the earliest hearing date they could get is February 16, 2017. Mr. Cosgrove respectfully requested the Commission to extend the New Dominion Clubs Lease until March 15, 2017. Mr. Cosgrove stated this will give time to resolve the issue one way or another and will give the airport time to build out the restaurant. It will also allow the patrons to have food and beverage services during this time.

Mr. Kelly requested that plans for the restaurant be reviewed with Mr. Cosgrove after the meeting. Mr. Spirito, Executive Director stated they would meet afterwards to go over the plans with Mr. Cosgrove.

MINUTES OF COMMISSION MEETING HELD NOVEMBER 22, 2016 and JANUARY 12, 2017

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held November 22, 2016 and January 12, 2017.

Commissioner Aubrey Fitzgerald made the motion to adopt the November 22, 2016 minutes and the January 12, 2017 minutes. Commissioner Jim Bourey seconded the motion.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon, and George Wallace

EMPLOYEE RECOGNITION PROGRAM JULY-DECEMBER 2016

Mr. Ken Spirito, Executive Director reported that last December the Commission approved a new Employee Recognition Program. Every six months nomination packages will be reviewed by airport directors and awards will be presented to recipients at the July and January Commission meetings.

From July through December, seven airport employees were nominated by their peers and supervisors for this award. The airport directors reviewed the packages and selected Robbie Sampley from the Terminal Maintenance Department and Rhonda Wissinger from the Administration Office. Each recipient will receive a plaque, lunch with the Executive Director, one paid day off and a gift card.

ASSISTANT EXECUTIVE DIRECTOR

Ms. Cheaney, Assistant Executive Director, gave the following report:

- Three weeks ago, we had a significant snow fall of about 11-13 inches in less than 24 hours. The Maintenance and Operations departments did an outstanding job of keeping the runways clean especially since we did get icing on the runways. Ms. Cheaney reported that she was very proud of them for such a great job. Chairman, George Wallace would like to send the team members a note from the board.
- Consolidated Security Checkpoint Project- Ms. Cheaney reported that TSA will have their contractors finishing up some work on February 12, 2017 and we are anticipating opening the new checkpoint of February 14, 2017. This will be great for our passengers with a very easy flow connecting the 2 concourses. Mr. Spirito said that he could take 2 board members at a time for a behind the scenes tour if they would like and to contact him to set up a date and time for this.

AirIT SOLE SOURCE PURCHASE AND GSE EQUIPMENT PURCHASE

Ms. Cheaney, Assistant Executive Director reported that Matt Kennedy will be the new Station Manager for Elite. He will be moving here from Louisiana. On January 31st, Ms. Cheaney and Mr. Kennedy will be going to Elite headquarters for training. Once trained, Mr. Kennedy along with Elite will provide training to staff for ground handling operations.

To process and check everyone in, Elite uses AirIT software and hardware at the the ticket counters and gates. The system includes four ticket counter stations, four gate stations, two office area stations, and all associated peripheral hardware. The total cost of the system will be \$158,750. Elite uses the AirIT platform in other stations and is part of their operational needs at the airport. This system is required to be purchased at this

time in order to meet the startup schedule of Elite. Elite has requested the system be operational by February 27, 2017. This is the only system Elite uses and the infrastructure will allow Elite and other airlines in the future to be accessed from this platform.

GSE Equipment Purchase- The Peninsula Airport Commission publicly advertised a request for bids for refurbished ground service equipment. This equipment will be used by the airport PHFlight Services department to ground handle aircraft at PHF. Staff researched and made contact with several ground handling equipment dealers and even visited the operation of GSE International Incorporated.

The airport received one bid, from GSE International Incorporated, for all requested ground service equipment. GSE International Incorporated has committed to having all equipment on site no later than March 1, 2017. The cost of the ground handling equipment will be \$235,550.00. Eighty percent of the cost will be from State Entitlements and twenty percent will be airport and RAISE funds.

RESOLVED, that the Peninsula Airport Commission approve the AirIT Sole Source Purchase and GSE Equipment Purchase.

Commissioner Jim Bourey made the motion to approve the AirIT Sole Source Purchase and GSE Equipment Purchase. Commissioner Rob Coleman seconded the motion.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, and George Wallace

Voting no was:

Steve Mallon

DIRECTOR OF AIR SERVICE, MARKETING AND PUBLIC RELATIONS

Ms. Jessica Wharton, Director of Air Service, Marketing and Public Relations, gave the following report:

- Passenger numbers for the month of December were decreased by 7.5% and YTD were decreased by 1.7%. There were multiple cancellations due to weather and maintenance. American Airlines had 11 cancellations and Delta airlines had 5 cancellations. Also, in November, Delta had two mainline 717's and then no mainline for December which reduced Delta's seats and impacted our numbers. Norfolk International Airport numbers were not reported yet. Richmond International Airport had increased 1.3% for the month of December and 1.3% YTD.
- Elite Advertising is out in the market and you should be seeing television

ads, print ads and billboards.

DIRECTOR OF FINANCE & ADMINISTRATION

Renee Ford, Director of Finance & Administration gave the following report:

- Ms. Ford handed out the 2016 Audited report for Commissioners to review. Ms. Ford reported that Dixon, Hughes and Goodman would be at the next board meeting to report on the results of the 2016 Audit.

Ms. Ford reported the Airport's revenues were 1.4% better than budget and 7.9% below December 2015. Our expenditures for December 2016 totaled 4.6% above budget and 8.3% above December 2015.

Commissioner Rob Coleman asked if aircraft taxes by the City of Newport News being lowered have helped to get aircraft here. Mr. Spirito reported that the board for Atlantic Aviation approved their large hangar construction, approximately 20,000 square feet, and should attract larger aircraft to the airport. Commissioner James Bourey reported that we have seen a doubling of the value of aircraft in Newport News with general aviation. Commissioner George Wallace suggested we do a P.R. piece to emphasize the benefit of this.

DPS CHIEF OF POLICE RESOLUTION

Ms. Ford reported that the Virginia Retirement System did an audit and found that we were not reporting our DPS Chief of Police which is a part-time position. His predecessor held this position as a full time employee, however it was determined to change the position to part time based on the size of the department, the experience of the department and the volume of tasks for this position. (The previous chief oversaw both the fire department and police department.)

VRS has requested that the Peninsula Airport Commission Board and Executive Director acknowledge and certify that Chief of Police position is a part-time position and that Todd Rittenhouse shall work and be paid for no more than thirty-two (32) hours in any regular work week.

Ms. Robyn Hansen, legal counsel recommends that the resolution be modified due to some of the wording being incorrect. Instead of the resolution showing that council will determine compensation, it should read that Ken Spirito, Executive Director will determine compensation. Once the resolution has been modified, it will be represented at the February Commission Meeting.

Mr. Herbert Kelly, Jr., legal counsel, reported that Commissioner Steve Mallon brought up that it may be a conflict of interest to use the Elite Marketing Materials that were provided by the airport. Ms. Robyn Hansen, legal counsel reported that it is not a prohibited act because Elite is not providing these materials, but the airport is providing

them to get the word out about Elite and to use as a Marketing tool.

(Robyn Hansen left at 8:47 a.m.)

CLOSED MEETING

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

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. Specifically, to discuss the disposition of publicly held real property.

Discussion concerning a prospective business or industry or the expansion of an existing business or industry where no previous announcement has been made of the business' or industry's interest in locating or expanding its facilities in the community. Specifically, to discuss perspective business opportunities for which no previous announcement has been made. Specifically, business opportunities regarding potential sources of additional revenues in 2017.

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 retain by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Specifically, to discuss probable and pending litigation including the Commission.

Commissioner Aubrey Fitzgerald made the motion, seconded by Commissioner Rob Coleman to hold a closed meeting.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, Steve Mallon and George Wallace.

The Commission entered into a Closed Meeting at 8:50 a.m. and reconvened in Open meeting at 9:21 a.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:

James Bourey, Rob Coleman, Aubrey Fitzgerald, and George Wallace.

(Commissioner Steve Mallon left at 9:00 a.m.)

EXTEND TERMINATION DATE OF NEW DOMINION LEASE

Commissioner James Bourey made a motion to extend the termination date of the New Dominion Lease from February 1, 2017 to March 1, 2017.

RESOLVED, that the Peninsula Airport Commission extend the termination date of the New Dominion Lease from February 1, 2017 to March 1, 2017.

Commissioner James Bourey made the motion to extend the termination date of the New Dominion Lease from February 1, 2017 to March 1, 2017. Commissioner Rob Coleman seconded the motion.

Voting yes were:

James Bourey, Rob Coleman, Aubrey Fitzgerald, and George Wallace

EXECUTIVE DIRECTOR 'S REPORT

Mr. Ken Spirito, Executive Director, had nothing more to report at this time.

ADJOURNED

There being no further business, the meeting was adjourned at 9:23 a.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, February 23, 2017 at 8:00 a.m. in the Commission Room.