

PENINSULA AIRPORT COMMISSION

MINUTES

January 22, 2015

PRESIDED: James Bourey

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, January 22, 2015 at 8:00 a.m. in the Airport Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and George Wallace.

(Commissioners Herbert H. Bateman, Jr. and Steve Mallon were not in attendance)

Executive Director

Mr. Ken Spirito

Assistant Airport Director, Operations and Maintenance

Ms. Melissa Cheaney

Assistant Airport Director, Planning and Development

Mr. Ted Kitchens

Director, Marketing and Public Relations

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

Hugh Barlow- Dixon, Hughes & Goodman

Rob Oden- Dixon, Hughes & Goodman

Nick Patterson- RS&H

Chief Rittenhouse- PAC Police Chief

Heather Wilson- PAC Operations Supervisor

COMMENTS FROM THE PUBLIC

There were no comments from the public.

AUDIT REPORT-DIXON, HUGHES AND GOODMAN

Ms. Ford, Director of Finance and Administration introduced Rob Oden and Hugh Barlow from Dixon, Hughes and Goodman. Mr. Rob Oden presented the 2014 Annual Audit Report. Mr. Oden reported on all aspects of our financial operations for the past year. Mr. Oden reported the financial statements present fairly, in all material respects, the financial position of the Peninsula Airport Commission, as of June 30, 2014 and 2013, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Mr. Oden also reported that there were no internal control deficiencies and congratulated Ms. Ford and her staff for doing a nice job of maintaining the records. Mr. Spirito, Executive Director also congratulated Ms. Ford with the way the financials and compliances are maintained.

Ms. Ford recommends that the Annual Audit Report for 2014 be accepted as presented.

RESOLVED, that the Peninsula Airport Commission accept the Annual Audit Report for 2014 as presented.

Commissioner Aubrey Fitzgerald made the motion to accept the Annual Audit Report as presented. Commissioner George Wallace seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and George Wallace

MINUTES OF COMMISSION MEETING HELD DECEMBER 17, 2014

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held December 17, 2014.

Commissioner Aubrey Fitzgerald made the motion to adopt the December 17, 2014 minutes. Commissioner LaDonna Finch seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and George Wallace

ASSISTANT AIRPORT DIRECTOR, OPERATIONS/MAINTENANCE REPORT

Ms. Cheaney, Assistant Airport Director, Operations and Maintenance gave the following report:

- Blood Drive- the airport will be hosting a blood drive on February 6, 2015 in the Banquet Room from 10:00 a.m. to 3:00 p.m. This is open to the

public. Employees will be given a half day off for donating. This is the first blood drive to be held at the airport.

- Operations and Maintenance are focusing on preparing for spring operations mostly inside the terminal.
- Heather Wilson, PAC Operations Supervisor will be going on maternity leave so this will be her last Commission Meeting for a while. Mr. Spirito and staff congratulated Ms. Wilson.

ASSISTANT AIRPORT DIRECTOR, PLANNING/DEVELOPMENT REPORT

Mr. Kitchens, Assistant Airport Director, Planning and Development gave the following report:

- Mr. Kitchens is working on preliminary tasks for the environmental assessment.

APPROVAL OF 5 YEAR PROFESSIONAL SERVICES AGREEMENT-RS&H/TBI

Mr. Kitchens reported that at the November Commission meeting, the team of RS&H/TBI was selected for the on-call architectural, engineering and planning services contract. Staff and RS&H/TBI have worked in the meantime to update the professional services agreement.

The professional services agreement was drafted and sent to the FAA and Virginia Department of Aviation for their review and concurrence. The agreement has been reviewed and agreed to by the FAA and DOAV. The prior agreement served as the basis for the current agreement with minor modifications.

There are no budget impacts as this recommendation is for an on-call master agreement. Work authorizations, complete with budget impacts, will be brought to the Commission as projects are initiated.

Mr. Kitchens recommends approval of the 5 year Professional Services agreement with RS&H/TBI.

RESOLVED, that the Peninsula Airport Commission approve the 5 Year Professional Services Agreement with RS&H/TBI.

Commissioner Aubrey Fitzgerald made the motion to approve the 5 Year Professional Services Agreement with RS&H/TBI and Commissioner George Wallace seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and George Wallace

DIRECTOR OF MARKETING AND PUBLIC RELATIONS

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

- December passenger numbers were down 16.2%. YTD we are down 2.1%. Norfolk passenger numbers were down 13% for the month of December and decreased by 4.7% YTD. Richmond passenger numbers were increased by 2.8% and YTD increased by 4.8%.
- Delta will be adding mainline service on February 1, 2015. The MD88 will be back in the market. We have sent information out to our Corporate and Leisure travel agents to let them know. This will be a much better product for the community and business travelers. In April, they will switch to 717's and CR9's. This is for the Delta to Atlanta flight departing at 6:00 a.m. and arriving here at 10:30 p.m.

DIRECTOR OF FINANCE & ADMINISTRATION

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

Ms. Ford reported the Airport's revenues were 11.2% above budget and 7.2% above December 2013. Our expenditures for December 2014 totaled 5.3% below budget and 19.4% below December 2013.

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, the Commission will discuss the disposition of 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.

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, the Commission will discuss perspective business in the expansion of existing air service where no previous announcement has been made and consultation with legal counsel and briefings by staff pertaining to actual or possible litigation and

consultation with counsel regarding specific legal matters requiring the provision of legal advice.

Commissioner Aubrey Fitzgerald made the motion, seconded by Commissioner George Wallace to hold a closed meeting.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and George Wallace

The Commission entered into a Closed Meeting at 8:22 a.m. and reconvened in Open meeting at 9:19 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:

Jim Bourey, Aubrey Fitzgerald and George Wallace

(Commissioner LaDonna Finch left at 9:00 a.m.)

EXECUTIVE DIRECTOR 'S REPORT

Mr. Ken Spirito, Executive Director, gave the following report:

- Legislative Reception in Richmond on February 4, 2015. Mr. Kitchens, Ms. Cheaney, Mr. Bourey, Ms. Finch and Mr. Kelly will be attending. Mr. Spirito and Ms. Wharton will be attending an airline conference.
- House Bill 2027 pertaining to Firearms in the terminal building states that you can have a gun in the building but no ammunition. We will be pursuing this bill further to understand the language better and to voice our opposition.
- House Bill 1889 pertaining to a park-n-go operator in Richmond. Delegate Chris Jones filed this bill in favor of park-n-go to limit or regulate how airports charge for parking. States generally do not tell airports how to charge for parking unless they are state run airports. We have submitted letters to our legislative representatives to voice our opposition of this bill.
- Blue Sky Restaurant closed pre-security based on the current air service cycle and a reduction of passengers. Mr. Spirito and Mr. McDermott felt it was better to focus on post-security restaurant operations at this time. This will allow for more products to be offered post-security and better service for passengers waiting in the gate area.
- Hudson News reported that their business is down significantly. Mr.

Spirito will be working with them on this situation. Mr. Spirito stated they will wait for 30 days to see how the restaurant closing will affect their business and re-evaluate from there.

APPROVE 5-YEAR LEASE EXTENSIONS

Mr. Spirito reported that Hangar 4a-Ligon and Hangar 15a-Cable Associates (Tarpley) are both up for renewal. Management has been granting an additional 5-year renewal for all GA leases. The extra time on the lease will allow us to properly plan post-master plan approval and the allowance for our 5-year EA for future projects.

The budget impact is a small increase of approximately \$1,200/year for both leases.

Mr. Spirito recommends both Hangar 4A and Hangar 15A be approved for renewal with legal counsel's review.

RESOLVED, that the Peninsula Airport Commission approve the 5 Year Lease Extensions for Hangar 4a-Ligon and Hangar 15a- Cable Associates (Tarpley).

Commissioner George Wallace made the motion to approve the 5 Year Lease Extensions and Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

Jim Bourey, Aubrey Fitzgerald and George Wallace

ADJOURNED

There being no further business, the meeting was adjourned at 9:27 a.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, February 26, 2015 at 8:00 a.m. in the Commission Room.