

PENINSULA AIRPORT COMMISSION

MINUTES

November 21, 2014

PRESIDED: James Bourey

The regularly scheduled meeting of the Peninsula Airport Commission was held on Friday, November 21, 2014 at 2:00 p.m. in the Airport Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Herbert H. Bateman, Jr., Jim Bourey, LaDonna Finch, Aubrey H. Fitzgerald, Steve Mallon and George Wallace.

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

Theresa Clift-The Daily Press

Jared Alexander-PAC Operations

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES OF COMMISSION MEETINGS HELD OCTOBER 30 and NOVEMBER 10, 2014

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meetings held October 30 and November 10, 2014.

Commissioner Aubrey Fitzgerald made the motion to adopt the October 30 and November 10, 2014 minutes. Commissioner LaDonna Finch seconded the motion.

Voting yes were:

Herbert H. Bateman, Jr., Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and Steve Mallon

APPROVE RATES AND CHARGES POLICY 1-1-15 THROUGH 6-30-15

Ms. Ford was attending a conference, therefore, Executive Director, Ken Spirito reported the following:

As a result of an analysis on the airport's rates and charges done earlier this year, it was determined that the airport was significantly under recovering the costs of providing airline facilities and services. The results of this analysis were shared with the board and communicated to the airlines earlier this year. Our Airlines were given the opportunity to discuss the results of the study either by conference call or meeting in July. One airline asked for further details and it was provided. No further inquiries were made from the airlines.

The rates are to be effective for the second half of FY 2015. The increase in the rates and charges includes landing fees, RON fees, fuel flowage fees (commercial airlines), TSA security fees, Jet Bridge use, and common (non-exclusive) terminal space. The increase in the airlines' cost per enplaned passenger is \$.92. The current cost per enplaned passenger is \$2.04 and will increase to \$2.96 based on the new rates charged for a six month period. This cost is well below the airports in the region as well as other comparable airports of our size.

As the airport has experienced a sustained reduction in passenger activity, it has resulted in a significant decrease in revenue generation. This approach to adjusting the airline rates is fair, necessary and justified. Overall revenue will be increased by \$215K compared to the current budget.

Mr. Spirito recommended that the Rates and Charges Policy for January 1, 2015 through June 30, 2015 be approved as presented:

RESOLVED, that the Peninsula Airport Commission approve the Rates and Charges Policy for January 1, 2015 through June 30, 2015 as presented.

Commissioner Steve Mallon made the motion to approve the Rates and Charges Policy

as presented. Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

Herbert H. Bateman, Jr., Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and Steve Mallon.

ASSISTANT AIRPORT DIRECTOR, OPERATIONS/MAINTENANCE REPORT

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

- Taxiway Alpha Project Update- Taxiway Alpha is now open and operating smoothly. Ms. Cheaney reported that they were able to complete crack sealing before the cold weather set in.

ASSISTANT AIRPORT DIRECTOR, PLANNING/DEVELOPMENT REPORT

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

- FAA Grants- Mr. Kitchens is in the process of closing out all open FAA grants so that we can receive our final payments.
- Master Agreement Review with RS&H- Mr. Kitchens has been reviewing the Master Agreement with RS&H and they will start scoping for an environmental assessment.
- City and County Hazard Zoning- Mr. Kitchens has been working with the City and County on hazard zoning for off-airport use to be sure that it is compatible with the airport.

DIRECTOR OF MARKETING AND PUBLIC RELATIONS

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

- October passenger numbers were decreased by 1%. We are levelling out as far as our YTD numbers. Richmond passenger numbers were increased by 8.3% and YTD increased by 5%. Norfolk passenger numbers were not in yet.

DIRECTOR OF FINANCE & ADMINISTRATION

Renee Ford, Director of Finance & Administration was attending a conference, therefore Executive Director, Ken Spirito gave the following report:

Ms. Ford reported the Airport's revenues for October 2014 were 10.8% above budget

and 9.8% above October 2013. Our expenditures for October 2014 totaled 4.8% above budget and 7.8% below September 2013.

APPROVE AMENDMENT TO FY 2015 OPERATING BUDGET

Mr. Spirito reported that the amended budget includes rates and charges increases as a result of the analysis presented earlier this year and a 3% increase in wages and associated payroll costs for December through the remainder of the fiscal year. No raises were given last fiscal year. The current budget adequately reflects the increase in healthcare costs and no adjustment was needed as a result of the increase in healthcare rates for 2015.

Mr. Spirito recommends approving the amendment to the FY 2015 Operating Budget as presented.

RESOLVED, that the Peninsula Airport Commission approve the amendment to the FY 2015 Operating Budget.

Commissioner Steve Mallon made the motion to approve the Amendment to the FY 2015 Operating Budget as presented. Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

Herbert H. Bateman, Jr., Jim Bourey, LaDonna Finch, Aubrey Fitzgerald, and Steve Mallon.

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 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 LaDonna Finch to hold a closed meeting.

Voting yes were:

Herbert H. Bateman Jr., Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and Steve Mallon

The Commission entered into a Closed Meeting at 2:10 p.m. and reconvened in Open meeting at 3:28 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:

Herbert H. Bateman, Jr., Jim Bourey, LaDonna Finch, Aubrey Fitzgerald and Steve Mallon.

(Commissioner George Wallace arrived at 2:12 p.m. and left at 3:15 p.m.)

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 3:29 p.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Wednesday, December 17, 2014 at 10:30 a.m. in the Commission Room.