

PENINSULA AIRPORT COMMISSION

MINUTES

September 27, 2018

PRESIDED: Sharon Scott

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, September 27, 2018 at 8:00 a.m. in the Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Rob Coleman, Jay Joseph, Sharon Scott and George Wallace

Executive Director

Mr. Michael Giardino, C.M.

Assistant Executive Director

Ms. Melissa Cheaney, A.A.E.

Director of Finance and Administration

Ms. Renee Ford

Director of Air Service, Marketing and P.R.

Ms. Jessica Wharton

Legal Counsel

James S. McNider, III, Esq.

Administrative Assistant

Ms. Patricia F. Speno

Public in Attendance

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Peter Dujardin-The Daily Press
Viveca Munger-Legal Assistant
Ron Harris – Newport News Waterworks
Alan Archer – City of Newport News
Jim Jefferson – Newport News

Henry Piland – Newport News
Walter Jubien – Newport News
Alan McDonald – RS&H
Andrew Rich – Newport News Waterworks

COMMENTS FROM THE PUBLIC

None.

APPROVAL OF MINUTES OF COMMISSION MEETING HELD AUGUST 23, 2018.

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held August 23, 2018.

Commissioner Jay Joseph made the comment he felt the minutes were accurate, however, referencing a conversation held, he felt concepts were running together and there was need for greater clarity. It was agreed that future minutes should be edited for enhanced ease of reading.

Commissioner Rob Coleman made the motion to adopt the August 23, 2018 minutes and Commissioner Jay Joseph seconded the motion.

Voting yes were:

Rob Coleman, Jay Joseph, and Sharon Scott

Abstaining:

George Wallace

ASSISTANT EXECUTIVE DIRECTOR

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

- Hurricane Preparation - Ms. Cheaney reported that preparations were in place for Hurricane Florence and fortunately, the airport had no impacts. As part of that preparation she reported that we participate in a voluntary organization, SEADOG, (South East Airports Disaster Operation Group). These members include all the airports in the South East region of the United States. Members call in once a day to prepare for these storms and after the storm, to get updates. In the event we are ever hit with a major impact, the other airports can support us. Through FEMA they may

submit employees who are specialists in areas such as airport lighting and/or damaged generators during a storm. Ms. Cheaney stated it is a great program and we will continue to participate in this program and hopefully we will be an airport that can lend support and not need support.

- Update on Environmental for WM Jordan Hangar Proposal- Ms. Cheaney reported we are making progress. Our coastal zone review from DEQ is completed and that also involves input from people from the Department of Historical Resources and other agencies. The final Cat Ex was submitted to the FAA about a week and half ago and we could have that response back to us in about 30 days. Ms. Cheaney reported our joint permit application to the Corps has been submitted. The possible offset the impact to the wetlands, which may be about 26 acres, has not been finalized.
- Bid openings for Roadway, Parking Lot, Milling, Painting and Repaving- Ms. Cheaney reported we had a great response to this bid. Four companies bid the project and the low bidder was Branscome, Inc. Ms. Cheaney pointed out the area on a map which would have three phases of the repairs. She reported that all the road work is State Entitlement eligible, 80% with a 20% local match. The Parking Lot work is not eligible for State Entitlement funds as they are a revenue producing area. The total impact to local funds will be \$138,631.77 and Ms. Cheaney asked for a recommendation to the Commission to award the entire project to Branscome, Inc. in the amount of \$300,984.38.
- **RESOLVED**, that the Peninsula Airport Commission award the bid for roadway, parking lot, milling, painting and repaving to Branscome Inc. in the amount of \$300,984.38.

Commissioner Rob Coleman made the motion to award the bid to Branscome, Inc. and Commissioner George Wallace seconded the motion.

Voting yes were:

Rob Coleman, Jay Joseph, George Wallace and Sharon Scott

- PHF Road Games: Ms. Cheaney reported the airport staff will get together for an employee picnic called the PHF Games. The picnic will be held at Stoney Run in Newport News On October 12th. It's a great event and a fun event for all the employees. Ms. Cheaney invited the Commissioners to attend and participate in the games. Ms. Scott asked if all employees could participate. Ms. Cheaney answered that we encourage our department heads to rotate staff so that all the employees will have a chance to participate.

DIRECTOR OF AIR SERVICE, MARKETING AND PUBLIC RELATIONS

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

- Ms. Wharton reported passenger numbers for the month of August decreased by 5.1%. We served 37,252 passengers this month. The load factors were very strong, coming in at 88.4% on Delta and American had an 86% load factor. American did have 8 cancellations in August so that contributed to the drop in passenger traffic. September is generally a slow month.
- Ms. Wharton reported the new branding campaign hit the streets last week and this week with radio and digital advertising, with the message of experiencing PHF and rediscovering us. Ms. Wharton reported she will be posting an explanation to our passengers about our new logo and the old logo. This will be a phased process due to the cost incurred with all of the change. Ms. Wharton said she will be putting some information in the Commissioner's Corner as well.
- Ms. Wharton reported the Kentucky Farms RFP has been out on the street for about a week. Yesterday was the deadline for questions and Ms. Wharton reported we did get questions.
- Ms. Wharton stated that even though we missed a major impact from the hurricane, we did have flight cancellations due to Charlotte being heavily impacted. She reported all of our passengers were informed with the posting of updated information on Facebook and Twitter. During the storm we were able to switch over our website to a dark sight where everything stopped and there was one message. People could go onto this page and find everything they needed, airline information, phone numbers, travel warnings, delays, information any passenger would need. All of our passengers were well informed during the process.
- Ms. Wharton reported that the airport is going to have a presence at the Newport News Fall Festival on October 6th and 7th. She invited the Commissioners to come out and indicated she will post more information on their page.

DIRECTOR OF FINANCE & ADMINISTRATION

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

- Ms. Ford reported the month of August we performed very well despite the lower passenger numbers. The new rates that we implemented this year are certainly helping out with that.
- Terminal revenues were \$15,000.00 above budget due to Take PHFlight concessions. The restaurant has performed very well.
- Landside revenue did very well due to the rental cars. We were \$35,000.00 above our budget for August. In the expenses, we were slightly over budget and that was primarily due to some maintenance fees. We removed 3 abandoned trailers. Ms. Ford reported we had some asphalt repairs as the roads were deteriorating and we were focused on putting some money in that area. She stated our maintenance equipment is getting aged and we were forced to do engine repairs on a tractor and work on a sweeper. Ms. Ford reported overall we performed well for the month and year to date we are where we should be. She added we are now going into the slower months of the year and we should be able to maintain in a positive direction.
- Commissioner Joseph asked if we own any of the trailers or are they all owned by the tenants. Ms. Ford replied they are owned by the tenants. Mr. Coleman asked if the trailer park was a good revenue source. Ms. Ford answered it was and added most of our labor cost is allocated at the park.

EXECUTIVE DIRECTOR'S REPORT

Mr. Michael Giardino, Executive Director, gave the following report:

- Mr. Giardino reported that he and Jessica Wharton met with a resident of Kiln Creek to discuss helicopter noise late in August. Mr. Giardino stated he will keep the communication open at all times.
- Mr. Giardino reported the hurricane postponed his meeting with Dr. Parker,

Superintendent of Newport News Public Schools. The meeting has been rescheduled for October 17th, 2018. On the agenda will be the discussion of the Denbigh Aviation Academy.

- Mr. Giardino reported that he and Chairwomen Scott attended a Virginia Peninsula Chamber of Commerce event at Jefferson Lab. After taking a tour of the facility which he described as fabulous, Mr. Giardino was happy to report these are the kind of things we bring back to the airlines to sell this airport. Mr. Giardino reported he was invited by the former Interim Director to speak on air service development in front of a tourism group of the Historic Triangle on September 24th. Mr. Giardino stated the group had very good questions about air service and was told we will fill the air service void that the entire region supports. The American and Delta load factors are just terrific. He added getting other airlines in here is just a matter of time. Mr. Giardino stated he looks forward to briefing the Commission in October with an analysis to describe what we are trying to accomplish.
- Mr. Giardino reported outstanding work with our airport hurricane response. He stated he has done over 100 rescues and knows firsthand what these hurricane victims are going through. He reported his staff was very prepared and very well communicated with the passengers. Mr. Giardino acknowledged and thanked Ms. Cheaney for her support with SEADOG saying it was outstanding and the other airport directors in the south east were indeed grateful.
- Mr. Giardino acknowledged and thanked two volunteers in the room, Mr. Henry Piland and Mr. Jim Jefferson. He expressed his appreciation to them both for being at the airport. He stated the volunteer program is very important to us and he hopes to extend the program as well. Mr. Giardino concluded his report and asked if there were any questions or comments.

Commissioner Joseph asked if there was any cost incurred in the hurricane preparedness for the airport.

Ms. Cheaney responded there was minimal expense in getting prepared. She stated there was no overtime incurred or purchases needed to be made. Mr. Giardino added his staff had everything in place and it was a seamless operation.

DEED OF DEDICATION

Mr. McNider reported that we had previously presented to the Commission the Deed of Dedication. We did not have enough commissioners last time so we are bringing it up today.

RESOLVED That the Vice Chairman of the Peninsula Airport Commission (the "Commission") is hereby authorized to execute and deliver the Deed of Dedication between the Commission and the City of Newport News dedicating the existing public road that is part of Siemen's Way and McManus Blvd., subject to avigation easements, as set forth in the Deed of Dedication presented to the Commission with proper reference to the Plat of Property of RIGHT OF WAY DEDICATION AND PROPERTY LINE ADJUSTMENT. Until this Deed of Dedication is executed and delivered, the adoption of this resolution does not create any rights for the benefit of any party.

Mr. Coleman made the motion to execute and deliver the Deed of Dedication between the Commission and the City of Newport News. Commissioner Joseph seconded the motion.

Voting Yes:

Mr. Coleman, Mr. Joseph and Mr. Wallace.

Abstaining:

Sharon Scott

AGENDA SEQUENCE CHANGE

Ms. Scott indicated she would re-order the agenda as she may need to leave early, and accordingly she would like to go to New and Old Business at this time.

NEW BUSINESS

None.

OLD BUSINESS

Commissioner Joseph stated we deferred the decision of the Governance Consultant at the last meeting. He reported the staff had done a good job in the last month going back to two of the proposers, revising contracts and adjusting pricing based on a re-scope from ACS. At that end of that process Mr. Joseph stated we now have ratings, contracts from two vendors and the ability to act today to choose a Governance Consultant. Mr. Joseph made the recommendation that we engage DecideSmart for this project.

RESOLVED, That the Peninsula Airport Commission award a contract to DecideSmart,

LLC for governance consulting services for the Peninsula Airport Commission. Commissioner Joseph made the motion and Commissioner Coleman seconded the motion.

Voting yes:

Jay Joseph, Sharon Scott, Rob Coleman and George Wallace

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:

Subsection A3. 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.

Subsection A7 and A8- 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 closed meeting shall be held to discuss and report on the September 26, 2018 judicial settlement conference for the New Dominion Clubs, Inc. litigation, a personnel matter, and the possible disposition of real estate.

Commissioner Rob Coleman made the motion, seconded by Commissioner George Wallace to hold a closed meeting.

Voting yes were:

Rob Coleman, Jay Joseph and Sharon Scott

The Commission entered into a Closed Meeting at 8:35 a.m. and reconvened in Open meeting at 10:25 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.

Commissioner Rob Coleman made the motion, and Commissioner George Wallace seconded the motion to reconvene in open session.

Voting yes were:

Rob Coleman, Jay Joseph and George Wallace.

Attorney McNider made the statement to Vice Chairman George Wallace that Ms. Scott made her certification to the extent that she was in the closed meeting by written notice submitted to the secretary.

Commissioner Joseph made the following motion to retain Anne K. Sullivan, Esquire and her law firm, and Commissioner Coleman seconded the motion.

RESOLVED, that pursuant to Virginia Code section 2.2-4344.A2 pertaining to retaining legal services without competition, Anne K. Sullivan, Esquire, and the Law Firm of Sullivan Group, PLC shall be retained as counsel to the Peninsula Airport Commission and the Director of Finance is authorized and directed to issue a purchase order at a rate of \$325.00 per hour for Ms. Sullivan, with paralegals and other associated standard attorneys at her standard billing rates plus out of pocket expenses.

Voting yes were:

Rob Coleman, Jay Joseph and George Wallace.

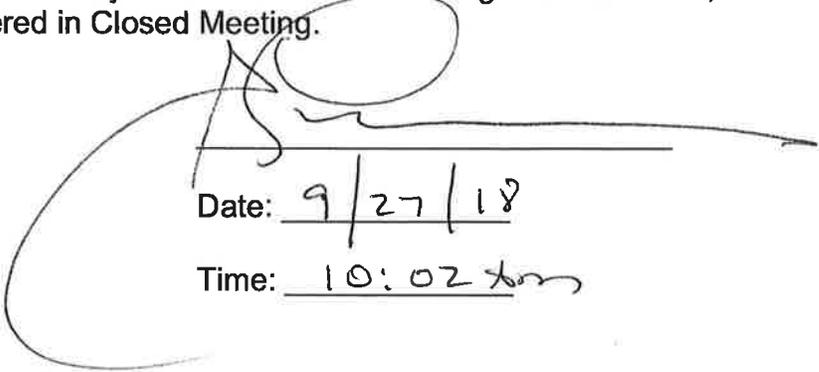
ADJOURNED

There being no further business, the meeting was adjourned at 10:28 a.m.

NEXT MEETING

The next regular meeting of the Peninsula Airport Commission will be held on Thursday, October 25, 2018 at 8:00 a.m. in the Commission Room.

For those portions of the Closed Meeting that I attended, 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.



Date: 9/27/18

Time: 10:02 am