

PENINSULA AIRPORT COMMISSION

MINUTES

January 24, 2019

PRESIDED: Sharon Scott

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, January 24, 2019 at 10:00 a.m. in the Commission Room at the Newport News/Williamsburg International Airport.

Commissioners present were:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace and Tom Herbert

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.

Phillip Hatchett, Esq.

Eric Ballou, Esq.

Administrative Assistant

Ms. Patricia F. Speno

Public in Attendance.

Viveca Munger-Legal Assistant

Dave Ress – Daily Press

Andrew Rich – Newport News Waterworks

Ron Harris – Newport News Waterworks

Louis Martinez – Newport News Waterworks

COMMENTS FROM THE PUBLIC

None.

APPROVAL OF MINUTES OF COMMISSION MEETING HELD NOVEMBER 29, 2019.

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held November 29, 2018.

Commissioner Rob Coleman made the motion to adopt the November 29, 2019 minutes and Commissioner George Wallace seconded the motion.

Voting yes were:

Rob Coleman, Jay Joseph, Sharon Scott and George Wallace

Abstaining:

Tom Herbert

EMPLOYEE RECOGNITION

Executive Director Mike Giardino recognized employees Randy Baily and Matt Kennedy.

Randy Baily has been a member of our Ground Maintenance team since 2001. His swift and knowledgeable action, while acting as Manager of the snow removal crew during a snowstorm, was able to get three pieces of equipment up in working order during the actual storm. His actions easily saved the airport hundreds of dollars in technician costs.

Matt Kennedy has been a member of the Airport Operations Team since 2017. During the extended absence of our Operations Manager due to illness, Matt volunteered to lead preparations for the annual FAA 139 inspection. In addition to his regular duties of Operations Supervisor, Matt kept the department on track by taking over numerous tasks such as the Operations Duty Schedule as well as SIDA and airfield driving training schedules.

Ms. Cheaney added that two employees, Ynez Gomola, Parking Lot and Marlon Rhim, Custodial were also chosen to be recognized and they will both be presented with their awards during their normal work shift.

ASSISTANT EXECUTIVE DIRECTOR

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

- Airfield Incident - Ms. Cheaney reported on an incident which occurred on December 28th, 2018 which involved a T38 from Langley Air Force Base which landed and skidded off the runway. She reported that we had to close both our runways. The closures lasted for about 6 hours. Our mutual aid teams and airport staff worked together and did an excellent job getting operations up and running again. An arrival and departure from Delta was cancelled and two arrivals and one departure from American Airlines was also cancelled. There were no injuries reported.
- Road Extensions – Ms. Cheaney reported that the City has started the roundabout road work on Siemen’s Way and McManus. Siemans Way will become Patrick Henry Drive Extension. The City wants to limit the amount of truck traffic through that area. She reported we have a lot of signage out and we posted on our website and social media that all airport traffic is welcome through. We also let our travelling public know to come up and use Bland Blvd. Our DPS is out there as well to help any of our customers who may have any questions. The estimated conclusion for this project is the end of February.
- Government Shutdown – Our TSA workers and FAA Controllers have been affected by the Government shutdown. Ms. Cheaney reported we have had no impact to our operations. She stated from an operational perspective, we are keeping things moving here at the airport.
- Hangar Space - Ms. Cheaney reported that our Director of Operations maintains a hangar waiting list. We took two sets of surveys. We have an older set of hangars and the majority of tenants in there are happy with their facility and are not looking to upgrade. We then took a look at our hangar waiting list. We had only about seven who said they could be ready in 6 to 12 months to move in and put down a deposit. A hangar bank is 10 slots. She added we’re not quite there from a build out perspective and Ms. Cheaney stated if interest continues to grow we can certainly look at it again.
- 5K on the Runway- Ms. Cheaney reported that we are getting great feedback for our 5K on the runway event. We have selected Flat Out Events to be our Event Coordinator. They host the One City Marathon each year. They are well followed by the running organization. We will be selecting a charitable organization that will benefit from the event. We have a lot of applications and all applications are due February 1st. We would like to do the drawing on Face Book Live. The race will be Sept. 14th, a Saturday, with probably an 8:00am start time.

CLOSED MEETING

Mr. Giardino proposed to change the agenda to move item #9, Closed Session, up to item #6. Ms. Scott approved such change. The Board accordingly entertained the following motion:

BE IT RESOLVED, that the Commission enter a Closed Meeting pursuant to Virginia Code Sections 2.2-3711(A) (1), (3), (7), and (8) for the following purposes: (i) the assignment, appointment, promotion, performance, demotion, salaries, disciplining, or resignation of specific public officers, appointees, or employees of the Commission (regarding the evaluation of the Commission's Executive Director); (ii) discussion and 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 Commission's bargaining position or negotiating strategy (regarding certain real property of the Commission no longer considered necessary for airport purposes as described in the Commission's Master Plan), (iii) 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 (iv) consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel (the latter two regarding the pending litigation matters of *Spirito v. Peninsula Airport Commission* (USDC Newport News) and *New Dominion Clubs, Inc. v. Peninsula Airport Commission* (Circuit Court Hampton)).

Such motion was duly moved and seconded. Voting yes were:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace and Tom Herbert.

The Commission entered into such Closed Meeting at 10:25 a.m., reconvened in Open meeting at 11:55 a.m, and thereupon considered a motion pursuant to Virginia Code § 2.2 3712(D) that, to the best knowledge of each Commissioner then present, (i) only such public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Board and that a statement to such effect would appear in the minutes of the meeting. Such motion was duly made, seconded and approved in a roll call vote with the following Commissioners voting yes:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace and Tom Herbert.

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 we served 33,833 passengers for the month of November versus 35,645 passengers in November of 2017. This is a decrease of 5%. Delta had a change in their seat capacity for the month and American had 5 cancellations for the month of November. In December of 2018 we served 31,091 passengers versus 33,985 in December of 2017. This is a decrease of 8.5 % with American Airlines. Ms. Wharton reported there was a significant winter storm in Charlotte in December which impacted our flights. American Airlines cancelled 35 flights due to this weather event. She stated it is very difficult to recover in a month from an impact such as this.
- Ms. Wharton reported that we will be present at the One City Marathon in March. She stated if registration is open for our 5K event in September we will be passing out Save the Date cards at this event.
- Ms. Wharton mentioned our new Welcome Wall in the terminal and reported she is very pleased with the results and asked the Commissioners to take a look at the wall on their way out.
- Ms. Wharton reported that the TSA workers, Tower workers and Custom Agents here at the airport have all been affected by the Government shutdown. The community has been reaching out and assisting with donations of food. The local Food Bank was here last week and set up donations in the Banquet room for anyone who needed supplies. She reported that she has had numerous inquiries from the community wanting to know how they can help. Students from the College of William and Mary were involved in the shopping and donation of food. Ms. Wharton also reported she had contact information for anyone wanting to donate and said that TSA was keeping track of all donations received.

DIRECTOR OF FINANCE & ADMINISTRATION

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

- The airport reported a gain of 24K for the month against a budgeted loss of 13K and last December's loss of 83K. Revenues totaled \$659K, \$3K or .4% greater than budget and \$29K or 4.5% better than last December. Our expenditures this month totaled \$635K, \$34K or 5.1% below budget and \$78K or 11% below last December.

At the mid-point in the year we are performing very well compared to budgeted expectations and last December year to date. As stated previously, the implementation of an 8% increase airline rates and

charges, restaurant operations, and the increased revenue from the rental cars has resulted in an 8.1% increase in revenue year over year. Expenditures are slightly above the budget and the prior year, however the amount is just over one percent.

There is \$1.3M in unrestricted cash and there are no outstanding FAA reimbursements.

- Ms. Ford asked if there were any questions on the 2018 Annual Audit presented at the last meeting and asked that the financial statements, consisting of the comprehensive annual financial reports of the Commission's 2018 fiscal year, be accepted as presented.

Mr. Coleman made the motion to accept such 2018 Fiscal Year Audit as presented and Mr. Jay Joseph seconded the motion.

Voting yes were:

Rob Coleman, Jay Joseph, Sharon Scott, George Wallace

Abstaining:

Tom Herbert

EXECUTIVE DIRECTOR'S REPORT

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

- Mr. Giardino reported that the staff attended The Virginia Economic Summit in Williamsburg in December.
- Mr. Giardino reported that the Airport hosted a Community Air Service Development meeting. It was attended by City Managers, Economic Development Authority Heads, Development Consultants and staff. We facilitated conversation to let them know we are very happy to provide our expertise in air service to the community in exchange for a little help in getting air service here. Mr. Giardino stated it is on the record that he has not counted on community support in his air service development efforts, but he will be glad to have the community support.
- Mr. Giardino welcomed new Commissioner Tom Herbert. He reported they had a 3 hour meeting and thanked Mr. Herbert for his time and engagement.

- Mr. Giardino reported staff began working on a mobile home audit. This is an internal audit to look at a contract and make sure the contract was in compliance. We will need to consult with our legal team on actions that will be taken. Mr. Giardino reported we had no results back from the mobile home RFP. Mr. Giardino reported that Authorities were notified about a suspicious site on airport property. Staff worked with Law Enforcement and a team came in to clean it up. Appropriate notifications were made and we have contracted to clean up the rest of this site.
- Mr. Giardino reported that Hudson News still wishes to be past security, on the sterile side where the passengers are. He reported he has met with Hudson News and they have been in negotiations for a while. He stated we're continuing the dialogue with them and any concessionaire that wants to engage.
- Air Service- Mr. Giardino reported we have been in constant contact with Elite Airways. We are trying to find a city pair for Elite to be successful. Our efforts with Elite are ongoing. We continue to work with Elite and every airline. Mr. Giardino stated his latest engagement was with Sky West. We are going to continue to do so. The message is, we are moving forward and we're working on routes that will satisfy. He stated we will not bring anything to this Commission that will not succeed
- Aviation Academy – Mr. Giardino stated he hopes the chair will champion a project that we can come to a conclusion with City and School Districts to keep the Aviation Academy alive and functioning. He believes we are all dedicated to this end.
- Kentucky Farm Lease- Mr. Giardino reported that they have had one response to the RFP. He indicated he has a draft lease document and is working through the terms.

NEW BUSINESS

None.

OLD BUSINESS

Mr. Giardino reported that the Audit Committee did not meet but he met with the Audit Committee Chair. He presented again what he had thought would move his staff forward. Mr. Giardino once again requested that he be allowed to add two positions as presented to the audit committee chair.

ADJOURNED

There being no further business, the meeting was adjourned at 12:30 p.m.

NEXT MEETING

The next regular meeting of the Peninsula Airport Commission will be held on Thursday, February 28, 2018 at 8:00 a.m. in the Commission Room.