



APRIL 25, 2019 COMMISSION MINUTES

PRESIDED: Sharon Scott

The regularly scheduled meeting for Peninsula Airport Commission was held on Thursday, April 25, 2019 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, George Wallace, Tom Herbert, and Lindsey Carney

Executive Director

Mr. Michael Giardino, C.M.

Assistant Executive Director

Ms. Melissa Cheaney, A.A.E.

Director of Finance and Administration

Ms. Renee Ford

Legal Counsel

Mr. Phillip L. Hatchett, Esq.

Administrative Assistant

Mrs. Patricia F. Speno

Executive Assistant

Mrs. Jande Freeman-Brewer

Public in Attendance

Mrs. Viveca Munger

Mr. Jared Alexander

Mr. Peter Dujardin- Daily Press



COMMENTS FROM THE PUBLIC

None.

APPROVAL OF MINUTES OF COMMISSION MEETING HELD MARCH 28, 2019 & April 11, 2019.

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held March 28, 2019 and Special Meeting held April 11, 2019

Commissioner Tom Herbert made the motion to adopt March 28 minutes, Commissioner George Wallace seconded the motion. Commissioner Rob Coleman made motion to adopt the April 11 minutes and Commissioner Lindsey Carney seconded the motion.

Voting yes were:

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

ASSISTANT EXECUTIVE DIRECTOR REPORT

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

- On May 1st DMV will be at the airport giving out information, answering questions, and briefing passengers about Real ID. By October 1st 2020, travelers without a Real ID indicator star on their driver's license will need to have an additional approved ID; such as a passport or birth certificate. The Commission will provide notices on some of its boards, so that the travelling public will be aware of these changes. The fee for the Real ID is \$10. Real ID concerns domestic travel only.
- The FAA annual inspection is to occur in the next week, and Director of Operations Jared Alexander and his team have been working diligently to prepare for this inspection. The inspection is a very intense 3-4 days process, covering the airfield, operations, fuel farm, notices issued to airmen in the last twelve months, any training, and all Commission records. Mr. Alexander and the Fire Chief, along with their respective departmental staffs, have been working long hours in anticipation of this important compliance event.
- The Commission's annual emergency plan review and table top exercise will be on May 15, and all are welcome to attend. Various of the Commission's mutual aid agencies will be attending, including the Red Cross and the Sheriff's Departments of York County and Newport News. During this process, the Commission will review its



emergency plan and table talk exercise.

- A tornado drill was held this past Friday, April 22, at the Airport, during which the Airport went into a watch status followed by a warning status later in the day. Things went smoothly thanks to Mr. Alexander, the Commission's public safety staff, and its police officers, who made sure that our passengers and tenants were prepared in the event of inclement weather.
- 5K on the Runway plans continue to progress well, with registrations occurring every week. Commission staff will be in attendance at the Chick-Fil-A 5k and 8k races to distribute information about the race. Sponsorship information is also out, and the Commission has coordinated with FAA and TSA regarding the event and formalizing plans. Currently, 275 runners are registered, but the goal is at least 800 runners. Registration continues to through September 18.

TREASURE & DIRECTOR OF FINANCE & ADMINISTRATION

Commissioner Coleman reported a net gain of \$107K for the month against a budgeted gain of \$51K and last March of \$21K. Revenues totaled \$734K, 3K or 4% greater than budget and \$21K or 2.1% better than last March.

Actual vs. Budgeted Revenues

Overall revenue is slightly higher than budget for this month. Airfield revenue dipped \$8K below the budget due to reduction in landing fees (\$3K), RON fees (2K) and fuel flowage fees (3K). Terminal revenue however, increased (\$8K) greater than the budget due to restaurant concessions. Revenue would be higher however, a write off of \$6K for an NDC receivable was also recognized this month. Trailer park revenue increased almost 5K compared to budget as a result of seven tenants paid their back rents. There are some who still needs to pay, and we are working with them. The current management company will be managing through end of April. A new management was not selected from the last RFP and the commission will be managed in-house until further notice. Administrative revenue ended at \$2k from public auction of PAC vehicles.

Actual vs. Prior Year Revenue

Airfield revenue is favorable \$9K as a result of FY2019 rate increase to airline landing weights. Actual landing weights. American Airlines has switched to a lighter aircraft for 83% of flights in March. Terminal revenues increased \$15K or 14.5%. 9K is due to the FY 2019 airline rate increases year over year. Restaurant revenue increased \$5K above last year however, net profit from the restaurant decreased \$2K as a result of increased labor and food supply cost.



Actual vs. Budgeted Expenditures

Total expenditures were \$627, \$53K or 7.8% below the budget. Favorable variances included labor & benefits totaling \$47K, repairs & maintenance \$16K, supplies \$7K, and travel & training \$4K. There are two budgeted positions that remain vacant. One in Administration which is now filled and the other is in terminal maintenance currently being advertised. Repairs & maintenance are low due to less maintenance cost overall. The unfavorable variances included services totaling \$10K for legal fees, utilities totaling \$7K and advertising totaling \$4K. RFP was sent out for Audit Services; the selection committee was Assistant City Manager of Hampton and Newport News Finance Director and Renee. There were four respondents, two came close. I recommend we go into negotiation with the top two firms to see which one we can select.

Commissioner Jay asked if we need to look at unrestricted cash and what or how much should we have? Director Giardino reported he will like to have at least one year of operational cash on hand.

EXECUTIVE DIRECTOR'S REPORT

Executive Director Michael Giardino gave the following report:

- He met with Vicki Cimino CEO of Williamsburg Tourism, who has good experience with airport air incentives and tourism programs. This is important, as the tourism council is proposing to sponsor advertising for PHF, which is a great move into building relationships with regional partners.
- He met with Gary Minter, who sits on the Economic Development Authority of Newport News. He had raised challenging questions during the last presentation to the EDA, and the conversation included building coalition and partnerships. The EDA is gaining trust and articulating the local and regional vision. The Commission is similarly working on maintaining a good public relation image, both locally and nationally.
- Mr. Giardino asked that the Commissioners schedule the annual meeting, which was held May last year, to include such topics as the report of the nominating committee (as to Commission officers) and a workshop for the budget management. Ms. Ford would like to remain on schedule to bring the budget first to the Finance Committee and have a budget workshop. Last year, the meeting consisted of one session because all of the Commissioners were present for the session.
- Commissioner Scott appointed Commissioners Carney and Herbert as members of the Nominating Committee.



CLOSED MEETING

None.

Real Estate Committee Report

Commissioner Joseph reported that he and Commissioner Herbert met with staff and counsel to discuss three transactions:

- Negotiations are nearly completed concerning a five-year operating lease for the Kentucky Farm.
- Reviewed waterworks votes.
- Reviewed the draft lease for renewal of the Denbigh Aviation Academy leasehold. The attorneys are reviewing the draft, with no action required by the Commission.

Governance Committee Report

Commissioner Carney and Joseph met with Executive Director Giardino to discuss four major goals:

- The need to better structure Commission activities, setting an annual calendar, developing a strategic plan, and establishing annual goals for Directors and the Executive Director. Staff to provide an orientation checklist, to include board member orientation.
- The Committee needs a complete review of its bylaws, to include working with counsel, followed by a report to the Commissioners as to recommended bylaw changes for their consideration.
- Air incentive, working on how Commissioners interact with local stakeholders and revive new and improve funds to support air service. Asking staff to research how other successful communities organize support funds and revenue. Recommend format to have discussions with Newport News, Hampton and other communities about their involvement in the way money is managed and spent.
- With respect to expansion of PAC Board, Bill Leighty met with Chair Scott and the City Manager. There will be a report in May.



NEW BUSINESS

- Commissioner Scott reported seeing the new FLY PHF billboard while flying out of Norfolk.
- Director Giardino is making room for 2 new staff in the Admin Office area.
- Upcoming items for the next meeting include a brief FOIA/COIA update and the adoption of the Commission's annual budget.

OLD BUSINESS

None.

ADJOURNED

As there was no further business, the meeting was adjourned at 8:50 a.m.

NEXT MEETING

The annual/regular meeting of the Peninsula Airport Commission will be held on Thursday, May 23, 2019 at 8:00 a.m. in the Commission Room.