



MEMO

TO: PAC
FROM: Ken R. Spirito, A.A.E.
DATE: 5/22/15
RE: **5/28/15 PAC Board Meeting**

Enclosed are the items for discussion at our meeting next Thursday. The meeting will begin at 8 am. Below are some topics of interest that will be discussed at the meeting:

Dominion Power

Joe Frank will be attending the meeting and reporting in open session to the PAC. He is representing Dominion Power and would like to get the PACs support for Dominion to move forward with its needed upgrades on the Peninsula.

VRS Resolution and Employee Increase

FY 2016 will be year 4 of 5. FY16 deductions will be 4%. However, we will be asking the board to authorize a 1% increase to employees to cover the increase. This amount is accounted for in the FY16 Budget Proposal.

FY 2016 Operating/Capital Budget

The FY 2016 Operating/Capital Budget will be presented for consideration.

Security Checkpoint Project

As you know, we have shelved this project previously due to funding reallocations. I have discussed this project in detail with each member and we are now ready to move forward with it. There are, as you know, many advantages to moving forward with this needed infrastructure project. Those advantages will allow us to redo many parts of the original terminal construction, which is now on its 23rd year. I will give a briefing to the PAC and we anticipate the construction contracts coming to the PAC for consideration in June or July with construction to begin in September.

Selection of Officers

The Chair will nominate a committee to select officers for 2015-2016.

We will discuss a few matters in closed session regarding Legal, Real Estate and Business Development



AGENDA

COMMISSION MEETING

May 28, 2015

8:00 a.m.

- | | |
|--|-----------------------------|
| 1) Call to Order | Chair |
| 2) Comments from the Public | Chair |
| 3) Approval of Minutes of Commission Meeting held April 23, 2015 | (Exhibit I)
Chair |
| 4) Assistant Airport Director – Ops/Maintenance Report | M. Cheaney |
| 5) Award Bid for Tree Harvest Management Services | M. Cheaney |
| 6) Assistant Airport Director – Planning/Development Report | T. Kitchens |
| 7) Approve Work Authorization with RS&H for Land Release | T. Kitchens |
| 8) Approve Land Lease Option with Dominion Power | T. Kitchens |
| 9) Director of Marketing and Public Affairs | J. Wharton |
| 10) Director of Finance & Administration Report | R. Ford |
| 11) Approve FY 16 Operating/Capital Budget | R. Ford |
| 12) Approve FY16 Rates and Charges Policy | R. Ford |
| 13) Approve VRS Resolution | R. Ford |
| 14) Approve VRS Resolution for Employers Contribution Rate | R. Ford |
| 15) Closed Session | |
| 16) Executive Director's Report | K. Spirito |
| 17) Approve Atlantic Aviation Lease Extension | K. Spirito |
| 18) Discuss Officer Selection for 2015-2016 | Chair |

CLOSED MEETING

ACTION: BE IT RESOLVED, that the Commission enter into a Closed Meeting pursuant to the Virginia Freedom of Information Act; Section 2.2-3711.A.

1. Discussion, consideration or interviews of prospective candidates for employment; assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific public officers, appointees or employees of any public body.
2. 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.
3. The protection of the privacy of individuals in personal matters not related to public business.
4. 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.
5. Discussion or consideration of the investment of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected.
6. 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.

PENINSULA AIRPORT COMMISSION

MINUTES

April 23, 2015

PRESIDED: James Bourey

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, April 23, 2015 at 8:00 a.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 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

Vincent Beyers-Atlantic Aviation

Nick Patterson- RS&H

Dave Ress- The Daily Press

COMMENTS FROM THE PUBLIC

There were no comments from the public.

MINUTES OF COMMISSION MEETING HELD MARCH 26, 2015

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held March 26, 2015.

Commissioner Steve Mallon made the motion to adopt the March 26, 2015 minutes. Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

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

ASSISTANT AIRPORT DIRECTOR, OPERATIONS/MAINTENANCE REPORT

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

- FAA Part 139 Inspection-We had our FAA Part 139 Inspection which covers the airfield and fueling operations. This year's inspection focused on our training records and the inspector spent about an hour and a half going through our training records and found no discrepancies in that area. Ms. Cheaney would like to recognize the Fire Department, FBO's and Operations Department for all of their hard work.
- NTSB (National Transportation Safety Board) Training-Ms. Cheaney reported that she attended a course for aviation professionals that was taught by accident investigators for the NTSB. She reported that it gave her a great understanding of what the airport and airlines would need to do in the event of an accident. Mr. Spirito stated that it was a privilege for our airport to be able to participate and interact with the accident investigators and gain information from them.

ASSISTANT AIRPORT DIRECTOR, PLANNING/DEVELOPMENT REPORT

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

APPROVAL OF CATEGORICAL EXCLUSION FOR RUNWAY/PERIMETER ROAD

Runway 2 and Runway 7 Perimeter Road Categorical Exclusion Documentation. Staff requested the RS&H/TBI Team to prepare scope and fee estimate for the preparation of a Categorical Exclusion to satisfy FAA National Environmental Policy Act (NEPA) requirements.

This type of project is a candidate for a Categorical Exclusion which, in essence, is a simplified environmental study that satisfies the FAA's NEPA Implementation

Guidelines. The Perimeter Road is a Phase 1 project from our 2014 Master Plan Update.

The cost to prepare the Categorical Exclusion documentation and coordination with the FAA Washington ADO and Virginia Department of Aviation is \$30,909 and is an eligible project formulation expense. Thus, upon activating the design phase of this project, the FAA will reimburse 90%, or \$27, 818. The balance will be funded through State Entitlement funds.

RESOLVED, that the Peninsula Airport Commission approve the Categorical Exclusion for Runway/Perimeter Road.

Commissioner Steve Mallon made the motion to approve the Categorical Exclusion for Runway/Perimeter Road. Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

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

APPROVAL OF CATEGORICAL EXCLUSION FOR TAXIWAY A

Taxiway Alpha Shoulders and Lighting Categorical Exclusion. Staff requested the RS&H/TBI Team to prepare scope and fee estimate for the preparation of a Categorical Exclusion to satisfy FAA National Environmental Policy Act (NEPA) requirements.

This type of project is a candidate for a Categorical Exclusion which, in essence, is a simplified environmental study that satisfies the FAA's NEPA Implementation Guidelines. The Perimeter Road is a Phase I project from our 2014 Master Plan Update. The purpose behind this project is to install taxiway shoulders and LED edge lighting for Taxiway Alpha. A portion of this project's scope (LED lighting) was originally included in the Taxiway Alpha construction project but was removed from the scope when the FAA changed Airport Design standards for taxiway shoulders. At the time design began for Taxiway Alpha, the FAA did not require shoulders on taxiways like Alpha. The FAA changed the requirement around the 90% design development stage for the Taxiway Alpha reconstruction and after a Categorical Exclusion was received for the project. This change increased impervious surface coverage by 2-acres and would have necessitated a new Categorical Exclusion. There simply was not enough time to meet to prepare a new Categorical Exclusion, receive FAA and VaDEQ concurrence, change the design drawings/details and still meet our bidding schedule. Thus, the lights were removed from the project as edge lighting has a higher national priority than shoulders alone.

The cost to prepare the Categorical Exclusion documentation and coordination with the FAA Washington ADO and Virginia Department of Aviation is \$28,864 and is an eligible project formulation expense. Thus, upon activating the design phase of this project, the

FAA will reimburse 90%, or \$25,978. The balance will be funded through State Entitlement funds.

RESOLVED, that the Peninsula Airport Commission approve the Categorical Exclusion for Taxiway A.

Commissioner Herbert H. Bateman, Jr. made the motion to approve the Categorical Exclusion for Taxiway A and Commissioner George Wallace seconded the motion.

Voting yes were:

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

DIRECTOR OF MARKETING AND PUBLIC RELATIONS

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

- March passenger numbers were down 10.7%. Our monthly seat capacity was down 12.2% compared to March 2014. Norfolk passenger numbers were down 8.61% for the month of March and Richmond passenger numbers were increased by 5.83% for the month of March.
- New American Revolution Museum in Yorktown- Ms. Wharton and Mr. Spirito toured the first phase of the New American Revolution Museum in Yorktown on Wednesday, April 22, 2015. The Museum is to be completed in 2016. Mr. Spirito reported there were several community leaders there and they discussed how the Museum will affect Tourism and potential UK visitors to this area.

DIRECTOR OF FINANCE & ADMINISTRATION

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

Ms. Ford reported the Airport's revenues were 9.8% above budget and 8.6% above March 2014. Our expenditures for March 2015 totaled 10% higher than budget and 11.9% above March 2014.

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 publicly held 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. Specifically, to discuss perspective business in the expansion of existing air service where no previous announcement has been made.

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, to consult with counsel regarding specific legal matters requiring the provision of legal advice.

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

Voting yes were:

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

The Commission entered into a Closed Meeting at 8:16 a.m. and reconvened in Open meeting at 9:37 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:

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

EXECUTIVE DIRECTOR 'S REPORT

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

The Peninsula Leadership Forum will be meeting on May 7, 2015 and Mr. Spirito will be participating with Transportation Secretary Aubrey Lane. They will be discussing transportation issues in Hampton Roads and Mr. Spirito will be talking about air transportation and the competitiveness in the Hampton Roads area.

ADJOURNED

There being no further business, the meeting was adjourned at 9:38 a.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, May 28, 2015 at 8:00 a.m. in the Commission Room.

EXECUTIVE SUMMARY

Subject: Timber Harvest

Background: Airport staff has identified undeveloped, wooded areas on airport property that have mature trees that could create airspace obstructions. One section of these trees also abuts the airport security fence. The ability to clearly see the fence line and potential threats in this area is currently obstructed. Clearcutting approximately 3 acres near the fence line and selectively harvesting the other areas outlined in the attached diagram will address both obstruction and security issues. Also by selectively harvesting certain trees in the area, the remaining trees will have more space to grow and develop.

The airport has contacted the city to address any potential environmental concerns. The trees cut will not be grubbed so land disturbance permits will not be needed. The only requirement will be to protect any drainage inlets that exist.

Discussion: Proposals were solicited from three forestry companies: Clearwater Environmental and Forestry, American Forest Management, Inc., and Turner Forestry, LLC. Clearwater Environmental and Forestry from West Point, Virginia, was selected for this project. Clearwater had the most comprehensive proposal, outstanding references, and also the lowest commission percentage with 6%. American Forest Management's commission percentage was 7.5%, and Turner Forestry LLC's commission percentage was 10%.

Clearwater Environmental and Forestry will oversee all aspects of the project. Their environmental specialist will ensure there are no endangered or rare species of plants or animals in the area. They will conduct a timber cruise and identify the areas to be harvested. Additionally, they will prepare a sealed bid for loggers and timber buyers, and they will aid the airport in selecting the best bid. Clearwater will also oversee the timbering process and ensure proper logging is conducted in accordance with Society of American Forestry practices.

Budget Impact: The estimated funds from the small clear cut will be \$3,000-\$5,000. The estimated funds from the selective harvesting will be \$150,000-\$250,000 depending on the type and volume of trees removed. Clearwater Environmental and Forestry will receive a 6% commission.

Newport News/W'burg Airport

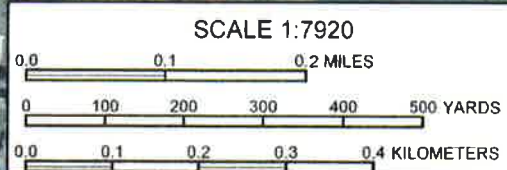
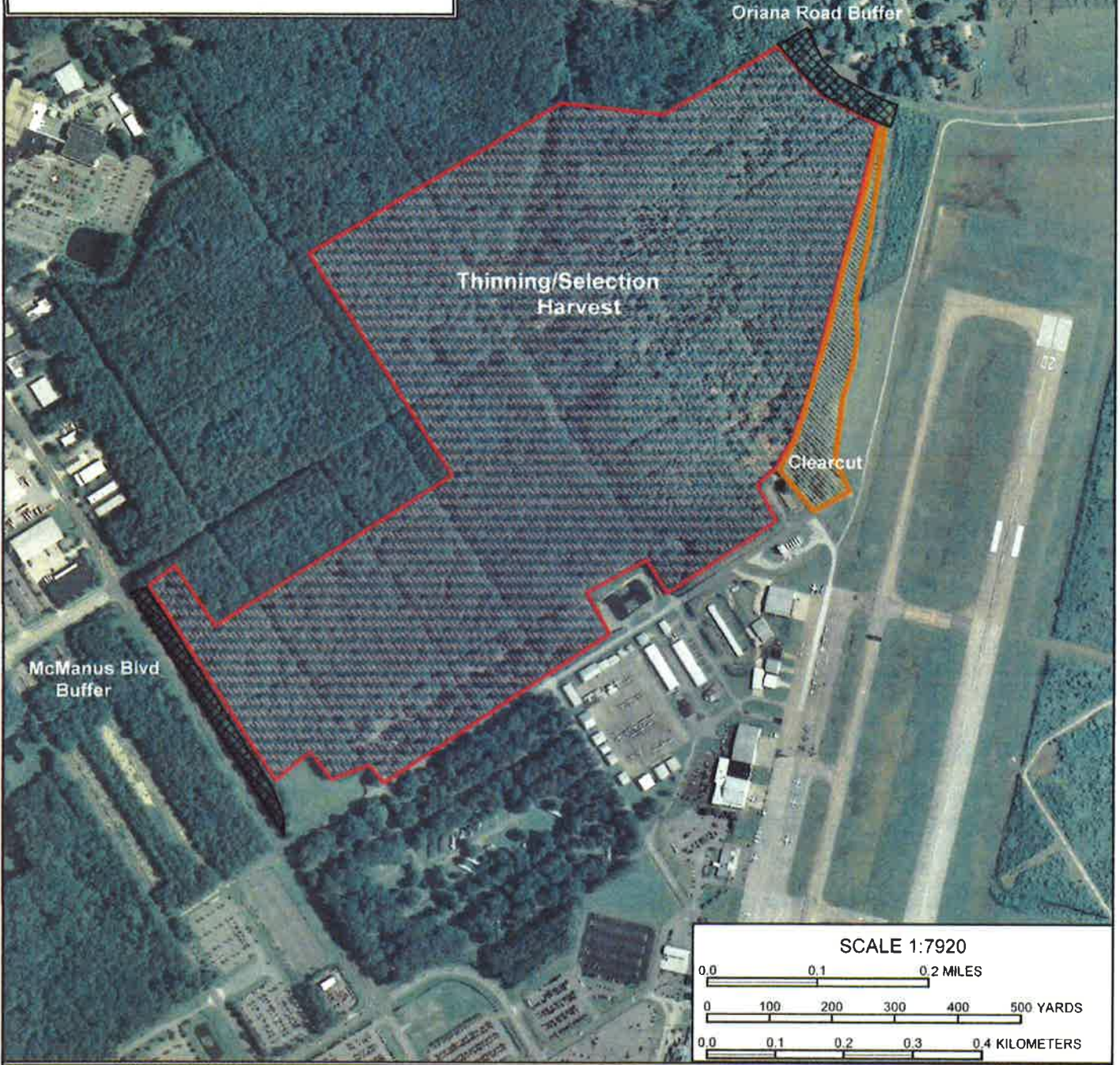
Thinning/Selection Harvest 136 Acres +/-
Clearcut Harvest Area 5 Acres +/-

1: 7,920
Scale: 1" = 660'
1 square inch = 10 Acres

by Clearwater Environmental & Forestry
February 2015

LEGEND

-  Thinning/Selection Harvest
-  Clearcut
-  Buffer Zone



Map Name: YORKTOWN SE, VA
Print Date: 04/27/15
Scale: 1 inch = 660 ft.
Map Center: 18 0366546 E, 4111495 N

Horizontal Datum: NAD83

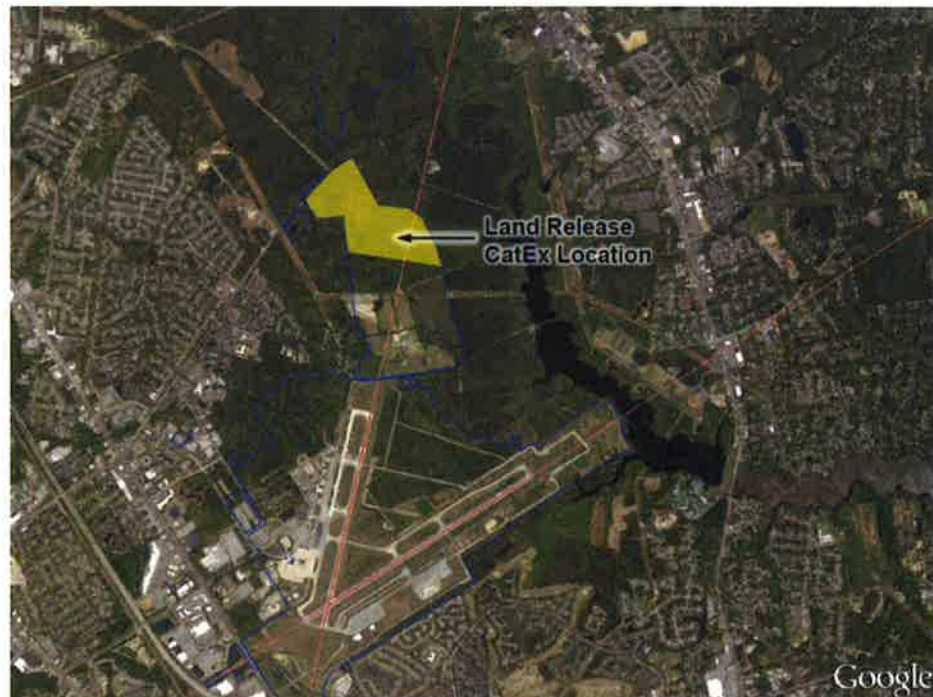
EXECUTIVE SUMMARY

Subject: Categorical Exclusion for Release of +/- 140 Acres of Land in Kentucky Farms

Background: Staff asked Reynolds, Smith and Hills to prepare a scope of work to prepare a Categorical Exclusion for the release of approximately 140 acres of land along Denbigh Boulevard. This land was identified as part of the Master Plan Update as a potential area for non-aeronautical revenue generation.

Discussion: Through the acceptance of federal grant funds, the PAC is required to follow National Environmental Policy Act of 1969 ("NEPA") implementing procedures promulgated by the FAA as part of our request to the FAA to release the land from federal obligations. The FAA has deemed a release of land a Categorical Exclusion which is a simplified environmental determination. The Categorical Exclusion effort will examine NEPA impact categories and result in an updated noise modeling effort to reflect a) a lower level of aircraft operations since the Master Plan base year, b) the change in aircraft mix flying into the airport and c) a more realistic runway usage pattern. This will allow us to better determine compatible versus incompatible land-uses within the area.

Budget Impact: The cost to perform this work is **\$54,906**. This cost will be added to a future negotiated price for fee simple purchase of the land.



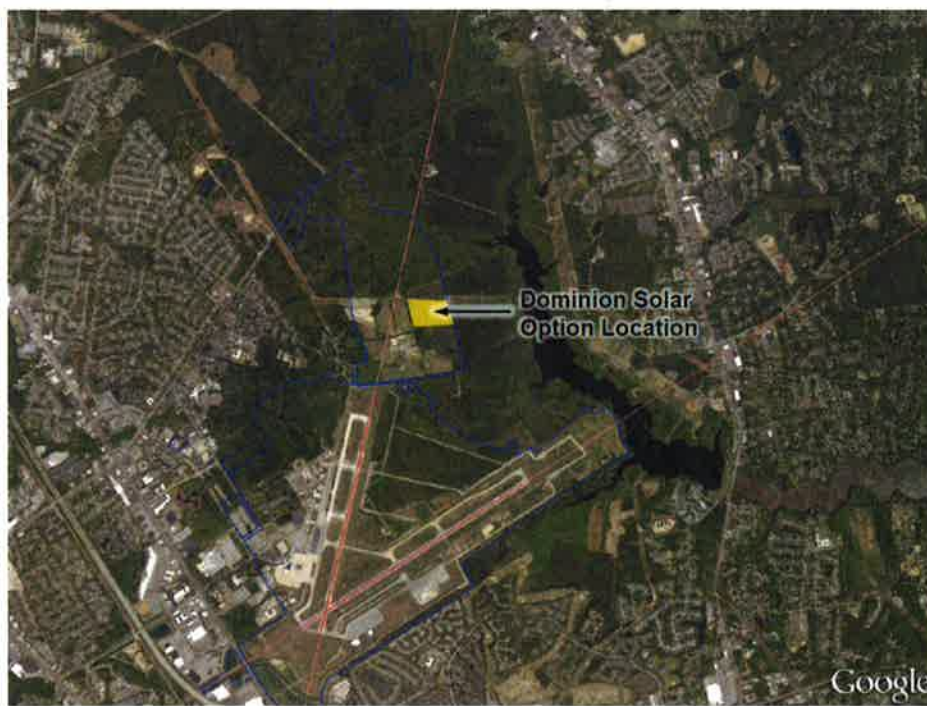
EXECUTIVE SUMMARY

Subject: Option Agreement Between PAC and Dominion Power to Lease 12-acres of PAC Land

Background: Staff was approached by Dominion regarding the leasing of 12 acres of land for a solar energy facility (SEF). This is part of Dominion's Solar Partnership Program which is a multi-year pilot program designed to expand Dominion's portfolio of community-based solar energy by studying its impact and assessing its benefits while supporting and encouraging solar energy growth in Virginia.

Discussion: Under existing enabling legislation, Dominion is authorized to construct and operate up to 30 megawatts of solar facilities on leased rooftops or on the grounds of commercial businesses and public properties throughout Virginia. Dominion's interest at the airport was in regards to two targeted circuits: one along Jefferson Avenue and another along Oriana Road. This option agreement is for the Oriana Road circuit only. The agreement is for two-years and will allow Dominion to complete necessary due diligence on the site, including any engineering studies, re-zoning/site plan approvals and FAA concurrence on solar glare hazard to aircraft operations.

Dominion will own and operate the facility and will receive any and all environmental credits associated with the solar generation.



**PENINSULA AIRPORT COMMISSION
NEWPORT NEWS / WILLIAMSBURG INTERNATIONAL AIRPORT
MONTHLY ACTIVITY REPORT**

Apr-15

TOTAL PAX

(enpl. + depl.)	Apr-15	Apr-14	% CHG	MKT SHR 2015	MKT SHR 2014
Delta	11,994	14,437	-16.9%	34.9%	35.5%
US Air	22,322	21,463	4.0%	65.0%	52.8%
Frontier	0	2,420	-100.0%	0.0%	6.0%
Allegiant	0	1,807	-100.0%	0.0%	4.4%
Charter	46	504	-100.0%	0.1%	1.2%
TOTAL	34,362	40,631	-15.4%		

YOY PAX	5/14-4/15	5/13-4/14	% CHG	MKT SHR 2015	MKT SHR 2014
Delta	153,520	174,110	-11.8%	30.2%	33.9%
US Air	255,494	273,452	-6.6%	50.3%	53.2%
Frontier	36,659	40,576	-9.7%	7.2%	7.9%
Allegiant	9,755	23,053	-57.7%	1.9%	0.5%
PEOPLExpress	51,754	0	100.0%	10.2%	
Charter	983	2,654	-63.0%		
TOTAL	508,165	513,845	-1.1%	100.0%	

YTD PAX	2015 YTD	2014 YTD	% CHG	MKT SHR 2015	MKT SHR 2014
Delta	44,307	51,025	-13.2%	36.1%	34.7%
US Air	77,307	78,466	-1.5%	63.0%	53.3%
Frontier	813	9,189	-91.2%	0.7%	6.2%
Allegiant	0	7,174	-100.0%	0.0%	4.9%
PEOPLExpress	0	0	0.0%	0.0%	0.0%
Charter	232	1,295	0.0%	0.2%	0.9%
TOTAL	122,659	147,149	-16.6%	100.0%	100.0%

FLIGHT OPS	12 Months		YOY % CHANGE
	Apr-15	Apr-14	
GA	4,316	4,717	19.0%
Air Carrier	967	1,130	3.1%
Itinerant Mil	906	1,187	-26.0%
Local Mil	1,990	1,445	-4.2%
TOTAL	8,179	8,479	5.9%

MONTHLY SCHEDULED

SEAT CAPACITY	Apr-15	Apr-14	% CHG
TOTAL	41,906	46,614	-10.1%

YTD SCHEDULED

SEAT CAPACITY	2015 YTD	2014 YTD	%CHG
TOTAL	159,088	191,783	-17.0%



TO: Peninsula Airport Commission

FROM: E. Renee Ford

DATE: May 28, 2015

RE: April 2015 Financial Highlights

The Airport reported a net gain of \$99K for the month against a budgeted gain of \$30K and last April's gain of \$81K. Revenues totaled \$659K, \$19K or 3% above budget and \$1K or .2% above last April. Our expenditures this month totaled \$560K, \$50K or 8.2% lower than budget and \$17K, or 3% below last April. The highlights for this month's results are as follows:

❖ **Actual vs. Budgeted Revenues**

- Landside revenues exceeded the budget by \$13K, or 3.4% as a result of higher than anticipated CFC and rental car commissions. They were \$13K and \$10K greater than budget, respectively. Parking revenue was down \$10K or 5.7% compared to budget.

❖ **Actual vs. Prior Year Revenue**

- Airfield revenue landed \$16K, or 15.4% better than last April as a result of landing fees and the state maintenance reimbursement. Landing fees were \$6K higher and funds for the ARFF HVAC replacement totaling \$7K were received from the state.
- Other Rents revenue decreased \$20K or 36% compared to last April. This shortage continues due to the reduction of \$11K in revenue from the Firehouse. The Commission has now recognized all revenue for the first five years of the lease term. The remaining \$9K reduction relates to revenue recognized from PEX last April.

❖ **Actual vs. Budgeted Expenditures**

- Total expenditures were favorable \$50K or 8.2%. Advertising & marketing was favorable \$16K. Labor & benefits as well as maintenance were favorable \$15K and \$18K, respectively.

❖ **Actual vs. Prior Year Expenditures**

- Overall expenditures were \$17K or 3% lower than last April. The following categories were favorable year over year: advertising & marketing \$14K, utilities \$4K, and supplies \$10K. Maintenance was unfavorable \$12K year over year due to timing of quarterly maintenance and chiller repairs. Year to date maintenance costs remain favorable to last year.

There is \$4.1M in unrestricted cash and \$6K in outstanding FAA reimbursements for the Consolidated Security Checkpoint Design.

**PENINSULA AIRPORT COMMISSION
INCOME STATEMENT SUMMARY
APRIL 2015**

	ACTUAL	BUDGET	VARIANCE	% VAR	PRIOR YR	VARIANCE	% VAR	ACTUAL YTD	BUDGET YTD	VARIANCE	% VAR	PRIOR YR YTD	VARIANCE	% VAR
REVENUE														
AIRFIELD	\$122,238	\$120,467	\$1,772	1.5%	\$105,896	\$16,343	15.4%	\$1,129,981	\$1,115,136	\$14,845	1.3%	\$1,135,710	(\$5,729)	-0.5%
TERMINAL	\$71,688	\$68,434	\$3,254	4.8%	\$66,583	\$5,104	7.7%	\$680,334	\$664,346	\$15,988	2.4%	\$630,913	\$49,421	7.8%
LANDSIDE	\$387,007	\$374,175	\$12,832	3.4%	\$388,850	(\$1,843)	-0.5%	\$4,045,212	\$3,568,050	\$477,162	13.4%	\$3,676,436	\$368,776	10.0%
OTHER RENTS	\$34,785	\$37,242	(\$2,457)	-6.6%	\$54,371	(\$19,587)	-36.0%	\$368,999	\$413,592	(\$44,592)	-10.8%	\$479,045	(\$110,046)	-23.0%
TRAILER PARK	\$41,873	\$37,917	\$3,956	10.4%	\$40,142	\$1,731	4.3%	\$378,696	\$379,167	(\$471)	-0.1%	\$382,530	(\$3,834)	-1.0%
ADMINISTRATIVE	\$1,283	\$1,583	(\$300)	-18.9%	\$1,923	(\$640)	-33.3%	\$74,561	\$40,833	\$33,728	82.6%	\$40,968	\$33,593	82.0%
MAINTENANCE	\$0	\$0	\$0	0.0%	\$0	\$0	0.0%	\$904	\$0	\$904	0.0%	\$200	\$704	352.0%
TOTAL REVENUE	\$658,874	\$639,818	\$19,056	3.0%	\$657,765	\$1,108	0.2%	\$6,678,688	\$6,181,123	\$497,564	8.0%	\$6,345,802	\$332,886	5.2%
EXPENDITURES														
AIRFIELD	\$77,620	\$91,177	(\$13,558)	-14.9%	\$78,987	(\$1,367)	-1.7%	\$748,587	\$821,462	(\$72,875)	-8.9%	\$804,167	(\$55,580)	-6.9%
TERMINAL	\$154,458	\$141,469	\$12,989	9.2%	\$133,653	\$20,805	15.6%	\$1,413,740	\$1,501,120	(\$87,379)	-5.8%	\$1,422,441	(\$8,701)	-0.6%
LANDSIDE	\$41,530	\$47,565	(\$6,035)	-12.7%	\$46,623	(\$5,093)	-10.9%	\$457,591	\$468,198	(\$10,607)	-2.3%	\$511,706	(\$54,115)	-10.6%
OTHER RENTS	\$25,083	\$26,198	(\$1,116)	-4.3%	\$26,565	(\$1,482)	-5.6%	\$269,909	\$274,516	(\$4,607)	-1.7%	\$270,542	(\$633)	-0.2%
TRAILER PARK	\$30,623	\$34,243	(\$3,620)	-10.6%	\$34,882	(\$4,258)	-12.2%	\$322,578	\$325,546	(\$2,968)	-0.9%	\$331,652	(\$9,074)	-2.7%
ADMINISTRATIVE	\$170,065	\$200,918	(\$30,854)	-15.4%	\$189,310	(\$19,245)	-10.2%	\$2,405,121	\$2,102,400	\$302,721	14.4%	\$2,376,029	\$29,092	1.2%
MAINTENANCE	\$28,252	\$34,985	(\$6,733)	-19.2%	\$33,807	(\$5,555)	-16.4%	\$313,492	\$368,814	(\$55,321)	-15.0%	\$345,012	(\$31,520)	-9.1%
BOND DEBT	\$32,030	\$33,370	(\$1,340)	-4.0%	\$33,217	(\$1,186)	-3.6%	\$318,497	\$333,260	(\$14,763)	-4.4%	\$333,178	(\$14,681)	-4.4%
TOTAL EXPENDITURES	\$559,661	\$609,927	(\$50,266)	-8.2%	\$577,044	(\$17,383)	-3.0%	\$6,249,516	\$6,195,315	\$54,202	0.9%	\$6,394,728	(\$145,211)	-2.3%
TOTAL NET REVENUE	\$99,213	\$29,891	\$69,322	231.9%	\$80,722	\$18,491	22.9%	\$429,171	(\$14,191)	\$443,362	3124.2%	(\$48,926)	\$478,097	977.2%
CFC's (LANDSIDE)	\$109,527	\$96,800	\$12,727	13.1%	\$101,286	\$8,241	8.1%	\$1,031,726	\$900,300	\$131,426	14.6%	\$938,005	\$93,721	10.0%
RAC COMMISSIONS	\$110,867	\$100,700	\$10,167	10.1%	\$108,133	\$2,734	2.5%	\$1,084,805	\$904,900	\$179,905	19.9%	\$964,696	\$120,108	12.5%

PENINSULA AIRPORT COMMISSION
OPERATING BALANCE SHEET
AS OF APRIL 30, 2015

Current Assets:

Cash	\$2,354,069	
Investments	\$1,157,133	
PFC Funds	\$323,989	
Net Accounts Receivable	\$469,144	
Advance/Prepays/Inventory	\$132,220	
Security Deposits	\$27,792	
Note INT FND	\$409	
Total Current Assets		\$4,464,757

Net Fixed Assets		\$108,125,336
Due From City of Newport News-Long Term		\$0
Other Assets - Net Unamortized Bond Costs		\$0
Total Assets		\$112,590,092

Current Liabilities:

Accounts Payable	\$67,521	
Accrued Payroll & Benefits	\$461,963	
Employee FSA Reimbursement	-\$2	
Payroll Taxes	\$6,552	
Rent & Other Deposits	\$27,792	
Police Funds (Federal Shared)	\$4,015	
Nonexchange Guarantee	-\$1,489	
Total Current Liabilities:		\$566,351

Long-Term Liabilities:

VRA Bond Payable (\$2.5MM)	\$1,552,751	
AIP Bond Payable-Towne Bank (\$7MM)	\$5,434,366	
AIP Bond Payable-Towne Bank (\$3MM)	\$2,427,501	
OPEB Liability	\$3,752,331	
Total Long-Term Liabilities		\$13,166,949

Other Liabilities - Deferred Income/Outflows		\$0
Total Liabilities		\$13,733,300

Capital:

Capital Contributions	\$98,103,632	
Passenger Facility Charges	\$323,989	
YTD Earnings	\$429,171	
Total Capital		\$98,856,793
Total Liabilities & Capital		\$112,590,092

**PENINSULA AIRPORT COMMISSION
STATUS OF CASH AND INVESTMENTS
AS OF APRIL 30, 2015**

PFC Funds	\$	323,989	
Capital (State Entitlements) ^^	\$	(618,214)	
Money Market (Restricted)	\$	-	
State Entitlements	\$	-	
US DOT SCAS Grant	\$	-	
RAISE Funds	\$	-	
Equitable Share	\$	4,015	
Total Restricted Cash			\$ (290,210)
Operating Cash	\$	1,248,021	
Capital (Unrestricted)	\$	1,705,142	
Money Market (Unrestricted)	\$	1,157,447	
Payroll & Other	\$	14,792	
Total Unrestricted Cash			\$ 4,125,401.56
Total Cash			\$ 3,835,191
Investments			\$ -
Total Cash & Investments			\$ 3,835,191
Total Unrestricted Cash & Investments	\$	4,125,402	

*PFC's Collected as of 05/21/15 - \$7,356,659

*PFC Reimbursements to date - \$7,047,974

Total Available - \$308,685

Pending FAA Reimbursements:

SSCP Design	\$	6,146
	\$	6,146

^^ Projects funded with unrestricted funds

STATUS OF PFC COLLECTIONS
ACCOUNT #31010.000.00
AS OF: APRIL 2015

APPLICATION 1 CARRY OVER		\$	549,878	
APPLICATION 2 COLLECTIONS	\$	20,114,239	\$	6,822,085
APPLICATION 3 COLLECTIONS	\$	18,017,555	\$	-
TOTAL COLLECTIONS:	\$	38,131,794	\$	7,371,963

CAPITAL PROJECT	WBS#	PFC #	PFC AMOUNT	REIMBURSED	REMAINING REIMBURSEMENT	
RUNWAY 7/25 REHABILITATION (Design & Construction)		PWE 2.1	\$ 5,900,110	\$ 2,501,450.00	\$ 3,398,660	
RUNWAY 25 RSA (Design)		PWE 2.2	\$ 63,698		\$ 63,698	
AIRPORT SIGNAGE		PWE 2.3	\$ 83,089	\$ 83,089.00	\$ -	closed
TERMINAL A CONCOURSE DESIGN/CONSTRUCTION		PWE 2.4	\$ 1,921,010	\$ 161,050.17	\$ 1,759,960	
OBSTRUCTION REMOVAL		PWE 2.5	\$ 112,800	\$ 112,800.00	\$ -	closed
PFC APPLICATION DEVELOPMENT		PWE 2.6	\$ 58,000	\$ 57,868.81	\$ -	closed
TERMINAL CONCOURSE JET BRIDGES (4)		PWE 2.7	\$ 87,620	\$ 78,000.00	\$ -	closed
AIRPORT MASTER PLAN UPDATE		PWE 2.8	\$ 78,766	\$ 81,375.68	\$ -	closed
TERMINAL BLDING REHAB & PUBLIC CIRC IMPROVEMENTS	C02-001	PWE 2.9	\$ 6,000,000	\$ 1,362,143.04	\$ 4,637,857	
FIDS/BIDS/GIDS		PWE 2.10	\$ 128,141	\$ 118,927.00	\$ -	closed
AIRSIDE SWEEPER		PWE 2.11	\$ 5,025	\$ 5,000.00	\$ -	closed
WILDLIFE MITIGATION		PWE 2.12	\$ 3,450	\$ 2,000.00	\$ -	closed
PFC PROGRAM ADMINISTRATION	029-01	PWE 2.13	\$ 80,000	\$ 50,620.04	\$ 29,380	
AIRFIELD LIGHTING UPGRADE (CONSTRUCTION)		PWE 2.14	\$ 240,000	\$ 106,179.98	\$ 133,820	
REHABILITATE TAXIWAYS A, B, & C (DESIGN)	SEE PWE 3.4	PWE 2.15	\$ -		\$ -	
OPS/SECURITY VEHICLE		PWE 2.16	\$ 20,000		\$ 20,000	
SRE MAINTENANCE FACILITY (DESIGN & CONSTRUCTION)		PWE 2.17	\$ -		\$ -	
REHABILITATE TAXIWAYS A, B, & C (CONSTRUCTION)	SEE PWE 3.5	PWE 2.18	\$ -		\$ -	
FIS FINISH		PWE 2.19	\$ 5,297,530	\$ 1,311,665.33	\$ 3,985,865	
ARFF VEHICLE		PWE 2.20	\$ 35,000	\$ 38,945.00	\$ -	closed
TAXIWAY "A" & RUNWAY 7/25 LIGHTING (DESIGN)		PWE 3.15	\$ 21,250	\$ 10,739.70	\$ -	closed
WETLANDS MITIGATION		PWE 3.2	\$ 80,100	\$ 16,098.00	\$ 64,002	
TAXIWAY "A" REHAB (DESIGN)		PWE 3.3	\$ 26,316	\$ 24,152.52	\$ 2,163	closed
TAXIWAY "A" REHAB (CONSTRUCTION)		PWE 3.4	\$ 1,452,511	\$ 541,279.97	\$ 911,231	
OUTBOUND BAGGAGE HANDLING SYSTEM REPLACEMENT		PWE 3.5	\$ 1,000,000		\$ 1,000,000	
SRE EQUIPMENT		PWE 3.6	\$ 1,001,278	\$ 234,798.00	\$ 766,480	
BAGGAGE CLAIM EXPANSION (DESIGN)		PWE 3.7	\$ 821,600	\$ 39,881.44	\$ 781,719	
BAGGAGE CLAIM EXPANSION (CONSTRUCTION)		PWE 3.8			\$ -	Impose Only
CONSOLIDATED SECURITY CHECKPOINT (PLAN/DESIGN)		PWE 3.9	\$ 283,000	\$ 86,682.95	\$ 196,317	
CONSOLIDATED SECURITY CHECKPOINT (CONSTRUCT)		PWE 3.11	\$ -		\$ -	Impose Only
PFC APPLICATION DEVELOPMENT	S403004	PWE 3.13	\$ 36,500	\$ 23,227.41	\$ 13,273	
PFC APPLICATION ADMINISTRATION	S403002	PWE 3.14	\$ 45,000		\$ 45,000	
					\$ -	
					\$ -	
					\$ -	
TOTALS			\$ 24,881,794	\$ 7,047,974	\$ 17,833,820	

PFC BALANCE

\$ 323,989

EXECUTIVE SUMMARY

Subject: FY 2016 Operating Budget

Discussion: Attached is our proposed operating budget for FY 2016. Included for your review is a budget summary comparison and line item detail comparing FY 2015 budget, FY 2015 forecast and FY 2016 budget.

Our FY 2015 projection of \$329K in net revenue is well ahead of budgeted expectations primarily due to higher landside revenues from the parking lot, rental car commissions, and CFC revenue. Administrative revenue exceeded targets as well because of our success in requesting reimbursement of air service development expenditures above the normal one-time request. Expenditures are anticipated to end slightly below the budget.

The budgeted revenue for FY 2016 of \$7.5M has been adjusted to reflect the current passenger traffic at the airport. No changes in air service were included in the budget. Budgeted revenues decreased 1% over last year's budget and 4% compared to the forecast. Rates in the airfield were increased slightly for Airline landing and RON fees.

Likewise the budgeted expenditures totaling \$7.4M are very lean reflecting a 2% decrease compared to the FY 2015 budget and forecast. The following items impacted expenditures:

- 54% decrease in advertising & marketing
- 7.6% increase in repairs & maintenance
- 2% decrease in utilities
- 10% increase in healthcare costs for the second half of the fiscal year for both active employees and retirees
- 1% raise for employees (VRS resolution)
- 3% raise for employees for 2nd half of the fiscal year.

Overall net revenue in the budget increased by \$40K year over year.

We will be discussing the budget at the next scheduled board meeting. Please contact me if you have any questions prior to the meeting.

PENINSULA AIRPORT COMMISSION BUDGET COMPARISON

	FY 2015 PROJECTED	FY 2015 BUDGET	FY 2016 PROPOSED BUDGET
REVENUE			
AIRFIELD	\$1,404,324	\$1,430,132	\$1,487,526
TERMINAL	\$800,788	\$805,387	\$817,272
LANDSIDE	\$4,631,004	\$4,374,500	\$4,289,500
OTHER RENTS	\$441,933	\$485,775	\$422,311
TRAILER PARK	\$449,977	\$455,000	\$450,000
ADMINISTRATIVE	\$91,669	\$64,000	\$60,700
MAINTENANCE	\$1,098	\$0	\$0
TOTAL REVENUE	\$7,820,794	\$7,614,795	\$7,527,309
EXPENDITURES			
AIRFIELD	\$982,515	\$1,022,515	\$1,041,100
TERMINAL	\$1,685,591	\$1,803,965	\$1,758,995
LANDSIDE	\$548,914	\$566,080	\$575,034
OTHER RENTS	\$327,202	\$332,331	\$319,200
TRAILER PARK	\$398,812	\$397,831	\$417,700
ADMINISTRATIVE	\$2,779,826	\$2,528,955	\$2,461,600
MAINTENANCE	\$385,606	\$442,932	\$414,125
BOND DEBT	\$383,067	\$400,000	\$380,000
TOTAL EXPENDITURES	\$7,491,533	\$7,494,608	\$7,367,754
TOTAL NET REVENUE	\$329,261	\$120,187	\$159,555

FY 2016 Capital Improvement Program Report

Project Name	FAA	State	PFCs	Local	Total
Environmental Assessment	\$ 400,000			\$ 100,000	\$ 500,000
SSCP Consolidation - Phase 1	\$ 4,016,497	\$ 150,000	\$ 560,000	\$ 40,858	\$ 4,767,355
Vehicle Replacements				\$ 65,000	\$ 65,000
Parking Lot Validator & Software Upgrade				\$ 15,000	\$ 15,000
Crack Sealing - Parking Garage				\$ 13,000	\$ 13,000
Security Camera Replacements				\$ 10,000	\$ 10,000
Digital Fingerprinting system*				\$ 10,000	\$ 10,000
Total	\$ 4,416,497	\$ 150,000	\$ 560,000	\$ 253,858	\$ 5,380,355

* Asset Forfeiture funds will be used

PENINSULA AIRPORT COMMISSION RATES, FEES & CHARGES

FY 2016 (July 1st - June 30th)

This document sets forth the policy under which the Peninsula Airport Commission ("PAC") will establish annual rates, fees and charges at the Newport News/Williamsburg International Airport ("Airport"). The rates, fees and charges provided by this policy shall be charged in addition to any other rates, charges and fees the PAC authorizes or assesses or in any other individual permits, agreements, permits or leases entered into by the PAC and its tenants.

The PAC retains the right to adjust the rates, charges and fees described herein.

Definitions

"Airlines" are each Airline providing regularly scheduled passenger service to and from the Airport and using the Airport Terminal Building to enplane and deplane passengers.

"Signatory" An airline that has entered into a signed agreement to operate commercial air service (passenger/cargo) and or lease space inside the terminal building.

"Non-Signatory" An airline that chooses not to sign an agreement to operate commercial air service (passenger/cargo) and or lease space inside the terminal building. Non-signatory rates will be 150% of the rates, fees and charges.

"Scheduled Airline Type A" An airline offering regular scheduled service operating multiple daily flights to with a minimum of 6 flights per week.

"Scheduled Airline Type B" An airline offering scheduled service operating less than daily flights to a single destination with a minimum of 2 flights per week and no more than 5 flights per week throughout a calendar year.

"Airline Operating and Space Use Agreement" or "Agreement" is the agreement that all airlines must execute to operate at the Newport News-Williamsburg International Airport.

"Certified Maximum Gross Landed Weight" or "CMGLW" is, for any aircraft operated by any of the Airlines, the certified maximum gross landing weight in one thousand pound units of such aircraft as certified by the FAA and as listed in the airline's FAA approved Flight Operations Manual.

"Customer Facility Charge (CFC)" is a charge imposed by the PAC on each rental day of a rental car.

"Enplaned Passengers" are the originating and on-line or off-line transfer passengers of each of the Airlines serving the Airport enplaning at the Terminal Building.

"Exclusive Space" is space assigned to an airline for specific and exclusive use.

"Fiscal Year" is July 1st of any calendar year through June 30th of the next succeeding calendar year.

"Landing Fees" are the Landing Fees calculated by multiplying the Landing Fee Rate determined by the applicable Certified Maximum Gross Landed Weight of Revenue Aircraft Arrivals.

"Non-Exclusive Space" common circulation and operating space that is used by airline personnel and airline passengers.

"Passenger Facility Charge (PFC)" is the charge imposed by the PAC pursuant to 14 CFR Part 158, as amended or supplemented from time to time, or any other substantially similar charge lawfully levied by or on behalf of the PAC pursuant to or permitted by federal law.

"Rates, Fees and Charges" are the rates, fees and charges for any Fiscal Year calculated under this Policy.

"Federal Inspection Service (FIS)" is a facility at PHF used by Customs Border Protection (CBP) to clear international passengers into the United States.

<u>Description</u>	<u>Rate</u>
Exclusive Finished Space Upper and Lower Levels	\$27.00 /sf
Non-Exclusive (Shared) Space (Signatory)	\$1.75/enplaned passenger
Non-Exclusive (Shared) Space (Non-signatory)	\$2.65/enplaned passenger
FIS	\$3.00/deplaned passenger
Jetbridge Use (Signatory)	\$20/use (\$1,850/mo max)
Jetbridge Use (Non-signatory)	\$30/use
Landing Fee (Signatory)	\$1.10/1,000 lbs
Landing Fee (Non-signatory)	\$2.40/1,000 lbs
Overnight Aircraft Parking Fee (RON)	50% of the landing fee
Law Enforcement (TSA Required) (Signatory)	\$.15/enplaned passenger
Law Enforcement (TSA Required) (Non-signatory)	\$1.00/enplaned passenger
Communications	\$15.00/phone
Trash Disposal	\$50.00/\$25mo
Utilities	\$50.00/\$25mo
Employee Parking Permit	\$35/employee/yr
SIDA Access Control ID	\$50/ID (other fees vary – see DPS)
Passenger Facility Charge (PFC)	\$4.50/enplaned passenger
Customer Facility Charge (CFC)	\$4.25/rental day
Janitorial Services	Negotiated based on service needs
Scheduled Airline Type "A" & "B" Per Flight Charge	Varies based on aircraft use, passengers handled and space occupied
Food and Beverage	Rate varies based on gross sales
Rental Car	10% of Gross Revenue
Off Airport RAC	10% of Gross Revenue
Rental Car Overflow Parking Space	\$375/mo
Rental Car Exclusive Space Upper Level	\$35.00/sf
Retail	Rate varies based on gross sales
Vending	35% of gross sales
Off Airport Parking	10% of gross revenue

FBO Concession	2% of gross sales or flat fee (negotiated)
Fuel Flowage Fee (GA)	\$.05/gallon
Fuel Flowage Fee (Charter Airline)	\$.05/gallon
Fuel Flowage Fee (Commercial)	\$.015/gallon
Ground Lease Rate	Varies based on location and size
Aeronautical Facility Use Fee	\$5,000/mo
Aeronautical Commercial Operator (not an FBO)	5% of Gross Revenue
GA Hangar Lease Rates	Varies based on location and size
Traffic Violations	City of Newport News Code
Security Violations	Transportation Security Administration
Baggage Delivery Service Fee	\$550/yr
Commercial Ground Transportation Pick Up Fee	\$3/pick up
Copy Charges (For Information Requests)	\$.25/copy – B&W \$.50/copy – Color
Freedom of Information Request Charge	Cost of Administration/Reproduction
Financing Charge	1.5%
Conference Room Rental	\$50 (flat fee)
Banquet Room Rental	\$75 (less than 4 hours) \$150 (more than 4 hours)
Aircraft Recovery	Cost Plus 20%
Fire Suppressant	Cost Plus 20%
Airfield/Lighting/Signage Damage	Cost Plus 20%
Terminal Building Damage	Cost Plus 20%
Landside/Parking Facilities Damage	Cost Plus 20%
PAC Maintenance Labor	\$50/hr

EXECUTIVE SUMMARY

Subject: VRS Member Contribution by Salary Reduction Resolution

Discussion: Three years ago the PAC elected to phase in the 5 percent member contribution for employees hired before July 1, 2012 under Chapter 822 of the 2012 Act of Assembly (SB 497) over a five year period. For fiscal years 2013 - 2015 we elected a 1% contribution with an offsetting salary increase. This resolution is requiring us to make our election for fiscal year 2016.

PAC must approve the amount of the member contribution that these employees will pay beginning July 1st. PAC must also certify that employees will receive a comparable offsetting salary increase effective July 1st of each year of the phase-in period. We have included in the fiscal year 2016 budget a 1% increase in salary to offset the increased member contribution required.

Budget Impact: Currently PAC is paying 2 percent of the 5 percent member contribution. The financial impact on PAC will be the increase in social security taxes due to the increase in compensation. The financial impact on the employee will be an increase in social security taxes on their paycheck due to the increase in compensation. The financial impact for the increase in compensation is \$20,382 and \$1,559 in SSI taxes.

Action: Approve the resolution to decrease the employer paid member contribution to 1% and increase the employee paid member contribution to 4%.

Executive Director's Report

PAC Meeting 5/28

Chris Henderson Report	Closed
Michael Borcharding Report /DOJ	Closed
Atlantic Aviation Lease Extension Request	Open
Security Check Point Project	Open
Military Numbers	Closed
Scott Terry	Closed
Jumpstart/Aviation HS Visit	Closed
LEKTRO	Closed
School	Closed
Lear Jet Incident	Closed
Vandalism in parking Lot (CCTV Need)	Closed
Mid-Atlantic Development	Closed
Liberty/Freedom Aviation (Falwell Visit/Part 145 Repair Station)	Closed
Secretary Layne Civic Leadership Presentation	Open
Aircraft Tax	Open

EXECUTIVE SUMMARY

Subject: Atlantic Aviation

Background: Lease Term Extension Request

Discussion:

Management has met with representatives of Atlantic Aviation and they are prepared to make an investment of over \$612,000 to existing facilities under their leasehold.

Some of the improvements include:

Roofing Repairs and replacement to 3 hangars and to the offices and FBO terminal
Renovations to two hangars
LED Upgrades to 65 lights in their parking areas and one hangar
Hangar Door replacement to hangar three

Atlantic Aviation is requesting an additional two years on the base term. The current base term is set to expire on 3/31/2024. Approving this extension will change the base term to 3/31/2026.

Recommendation: Approve



April 30, 2015

Ken R. Spirito, A.A.E.
Executive Director
Newport News/Williamsburg Int'l Airport

Hello Ken,

Please accept this letter as our formal request to extend our lease years per capital invested, as previously discussed. Atlantic Aviation is requesting a 2 year extension to our master lease in return for the amount of \$612,556.00 we are investing back into the property. The proposed scope of investment will not only extend the life of our facilities, but it will present a better marketable tool that help generate business to the field. The scope of work is listed below into 4 sections for your review and approval.

1. **Roofing** - Simon Roofing will fix all existing leaks on all structures and recoat the attaching office space roofs to extend their service life.
 - Hangar One, \$72,946.00
 - Hangar Two, \$13,938.00
 - Hangar Three, \$24,195.00
 - Offices, \$115,345.00
 - Terminal, \$2,282.00
2. **Renovations** - Burden Building Company will rejuvenate multiple areas of office spaces that are attached to hangars 1 & 2 to include new flooring, light fixtures, and ceiling tiles. There is also the demolition of 10 sq. ft. off unused (dated) office space.
 - First Floor, \$77,200.00
 - Second Floor, \$75,900.00
 - Bathrooms, \$46,900.00
 - Demolition, \$64,200.00
 - Ceiling Tiles (FBO), \$17,900.00
 - HazMat, \$10,500.00
3. **LED Upgrade** – DLG Electrical Contractors will replace 65 existing lights with new LED fixtures.
 - Hangar One, \$27,400.00
 - Parking Lot, \$34,500.00
4. **Hangar Door** – Overhead door will replace the existing door system on hangar three with new 424 Series stamped steel doors
 - Hangar Threes Doors, \$29,350.00

Vincent J. Beyers
General Manager
Atlantic Aviation Newport News

ATLANTIC