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Date: 6/10/2019 10:48:44 PM  
Subject: Commission Meeting Packet 7-24-14  
Attachments: Commission Mtg. Pkt. 7-24-14.pdf

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Good Afternoon!

Attached you will find the Commission Meeting Packet for our meeting this **Thursday, July 24, 2014 at 8:00 a.m.** in the Commission Room.

Have a great day!

Rhonda Wissinger  
Executive Assistant  
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## AGENDA

### COMMISSION MEETING

July 24, 2014  
8:00 a.m.

- |   |                             |
|---|-----------------------------|
| 1) Call to Order  | Chair                       |
| 2) Comments from the Public                                     | Chair                       |
| 3) Approval of Minutes of Commission Meeting held June 12, 2014 | <b>(Exhibit I)</b><br>Chair |
| 4) Assistant Airport Director – Ops/Maintenance Report          | M. Cheaney                  |
| 5) Approve Purchase of Snow Broom                               | M. Cheaney                  |
| 6) Assistant Airport Director – Planning/Development Report     | T. Kitchens                 |
| 7) Director of Marketing and Public Affairs                     | J. Wharton                  |
| 8) Director of Finance & Administration Report                  | R. Ford                     |
| 9) Closed Session   |                             |
| 10) Executive Director's Report                                 | K. Spirito                  |

## **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**

June 12, 2014

PRESIDED: LaDonna Finch

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, June 12, 2014 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 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**

Otis M. Hooper- Peninsula Boxing Academy

Major Truman Whiting- Civic Air Patrol

Jeff Erickson- PEOPLExpress

Jared Alexander- PAC Operations Supervisor

Katharine Westfall- Jones, Blechman, Woltz & Kelly

Miles Jolley- Jones, Blechman, Woltz & Kelly

## **COMMENTS FROM THE PUBLIC**

Mr. Spirito introduced Otis Hooper, a tenant running the facility above Rick Aviation. Mr. Hooper is reporting on his operation and has a proposal for the board. Mr. Spirito also introduced Major Truman Whiting, a Squadron Commander that also occupies the space above Rick Aviation with Mr. Hooper.

## **MINUTES OF COMMISSION MEETING HELD MAY 22 AND JUNE 9, 2014**

**RESOLVED**, that the Peninsula Airport Commission approve the minutes of the Commission meetings held May 22, and June 9, 2014.

Commissioner Aubrey Fitzgerald made the motion to adopt the May 22 and June 9, 2014 minutes. Commissioner Jim Bourey 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:

- Taxiway Alpha Project- we are making great progress with this project and we will begin pouring concrete at the end of June which will take us into Phase II of the project. The project should be completed by the end of October.
- PEOPLExpress- we are making preparations in the terminal for PEOPLExpress to begin their service.
- Escalator- Mr. Kitchens reported that the roof had been leaking on the escalator and it had to be removed to fix the moisture seal. This work should be completed by the end of next week.

### **ASSISTANT AIRPORT DIRECTOR, PLANNING/DEVELOPMENT REPORT**

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

- Security Design Checkpoint- RS&H has issued 60% of their design and 90% of their drawings for the security design checkpoint which we will review with our state partners for their input.
- Master Plan Update- we have received approval of the Master Plan from the FAA. We are in the process of finalizing the document and reproducing it for distribution.
- Professional Services Agreement- as previously reported, the RS&H contract for Professional Services will end in December. We are preparing the RFQ to be issued in early to mid-July.
- RFQ for School- we are preparing an RFQ for school design efforts and also preparing the draft budget estimates for this project.

## **DIRECTOR OF MARKETING AND PUBLIC RELATIONS**

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

- The passenger numbers for May 2014 are not in yet. We will send those out once they are available.
- Ms. Wharton has been working on Air Service Initiatives and Marketing and P.R.

## **DIRECTOR OF FINANCE & ADMINISTRATION**

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

The Financials are not ready yet since this meeting was earlier in the month. We will send them out to the board as soon as they are available.

## **APPROVE FY 15 RATES AND CHARGES POLICY**

Renee Ford presented the FY 15 Rates and Charges Policy for the next fiscal year. This policy is the same as the current year. There will be new rate increases in January 2015 that will be presented to the board for approval. Ms. Ford recommends approval of the FY 15 Rates and Charges Policy.

**RESOLVED**, that the Peninsula Airport Commission approve the FY 15 Rates and Charges Policy as presented.

Commissioner Jim Bourey made the motion to adopt the FY 15 Rates and Charges Policy and Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

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

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.

Commissioner George Wallace made the motion, seconded by Commissioner Aubrey Fitzgerald 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 8:19 a.m. and reconvened in Open meeting at 8:34 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:

### **APPROVE TERMINAL AND AIRPORT OPERATING PERMITS WITH PEOPLExpress**

#### **Aircraft Operating Permit with Vision Air**

Mr. Spirito presented the operating permit with Vision Air. This permit requires minimum standards to be met and to provide the proper insurance to operate at PHF. This permit was developed by Mr. Kelly, legal counsel, a few years ago. This is a year to year permit. Mr. Spirito recommends approval of the Aircraft Operator Permit with Vision Air.

**RESOLVED**, that the Peninsula Airport Commission approve the Aircraft Operating Permit with Vision Air.

Commissioner Steve Mallon made the motion to approve the Aircraft Operating Permit with Vision Air and Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

Commissioner Herbert H. Bateman, Jr. abstained from voting

#### **Terminal Space Permit w/PEOPLExpress**

Mr. Spirito presented the terminal space permit for PEOPLExpress. This permit outlines the responsibilities for operating in the terminal building. The permit also outlines exclusive and non-exclusive leased space. This permit also requires PEOPLExpress to follow minimum standards and proper insurance. They will occupy 3,500 square feet of the terminal building. Mr. Spirito recommends approval of the Terminal Space Permit with PEOPLExpress.

**RESOLVED**, that the Peninsula Airport Commission approve the Aircraft Operating Permit with Vision Air.

Commissioner Steve Mallon made the motion to approve the Terminal Space Permit with PEOPLExpress and Commissioner Jim Bourey seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

Commissioner Herbert H. Bateman, Jr. abstained from voting

**Waiver of Rates and Charges for First Operating Year**

Mr. Spirito asked the PAC to waive airport use fees (except Passenger Facility Charges) for 11 months (July 14-June 15). We will consider an additional year as we progress. However, on January 1, 2015, PEOPLExpress will be responsible for paying the non-exclusive fee (\$1.75/enpl passenger and security fee of \$.15/enpl passenger). Other fees such as terminal rent, landing fees and other misc. use fees will be waived. Mr. Spirito recommends approval of waiving rates and charges for first operating year.

**RESOLVED**, that the Peninsula Airport Commission approve the Waiver of Rates and Charges for PEOPLExpress for their first operating year.

Commissioner Steve Mallon made the motion to approve the Waiver of Rates and Charges for PEOPLExpress and Commissioner Jim Bourey seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

Commissioner Herbert H. Bateman, Jr. abstained from voting

**Waiver of Monthly Rent Charges for PEOPLExpress**

Mr. Spirito asked the PAC to waive the monthly rent PEOPLExpress pays to occupy the 16,000+ square feet of old terminal space they are leasing. This waiver of monthly rent would be retroactive from March 1, 2014 through June 30, 2015. They currently pay \$7,013.50 per month. They will begin to pay rent starting with the Fiscal Year 2016. Mr. Spirito recommends approval of the waiver of monthly rent charges for PEOPLExpress.

**RESOLVED**, that the Peninsula Airport Commission approve the Waiver of Monthly Rent Charges for PEOPLExpress retroactive from March 1, 2014 through June 30, 2015.

Commissioner Steve Mallon made the motion to approve the Waiver of Monthly Rent Charges for PEOPLExpress and Commissioner Aubrey Fitzgerald seconded the motion.

Voting yes were:

Jim Bourey, LaDonna Finch, Aubrey Fitzgerald, Steve Mallon and George Wallace.

Commissioner Herbert H. Bateman, Jr. abstained from voting

### **PRESENTATION BY OTIS HOOPER**

Mr. Spirito introduced Mr. Otis Hooper. Mr. Hooper has been working to rehabilitate the space above Rick Aviation. He will be utilizing this space for an aviation program he has developed for students. In exchange for the work he is doing to the space, we have been giving him rent credit and his rent credits expired this past May. We have begun to invoice Mr. Hooper for payment of the space being utilized. Mr. Hooper stated he is having difficulty paying the rent and made a presentation to the board describing the work he has completed, the program he has developed for students and different options he is proposing to make payments to the PAC. Mr. Spirito stated he would take this matter under advisement with Mr. Kelly, legal counsel, and the Peninsula Airport Commissioners. They will discuss his plans to pay PAC and Mr. Spirito will be back in touch with Mr. Hooper.

### **PRESENTATION TO LADONNA FINCH**

Mr. Spirito presented an Air Force One Model Plane to Ms. Finch and thanked her for all of her contributions as Peninsula Airport Commission Chair from July 1, 2012 through June 30, 2014. Ms. Finch was the first female to be appointed as Chair of the Peninsula Airport Commission. She has been on the board of the Peninsula Airport Commission for 10 years.

### **VACATION/BUSINESS TRAVEL**

Mr. Spirito reported he would be on vacation in Orlando through July 22<sup>nd</sup>, and then he will be attending our annual Airline Jumpstart meeting. He will be back in the office on July 28, 2014.

### **ADJOURNED**

There being no further business, the meeting was adjourned at 9:23 a.m.

### **NEXT MEETING**

The next meeting of the Peninsula Airport Commission will be held on Thursday, July 24, 2014 at 8:00 a.m. in the Commission Room.

## EXECUTIVE SUMMARY

**Subject:** Purchase of a High-Speed Snow Broom and Plow

**Background:** The airport currently has one high-speed snow broom. This is the most essential piece of equipment in the airport's snow removal fleet. Plows are not able to remove thin layers of slush and ice from the runway and taxiway surfaces without damaging the pavement. The snow broom is able to remove these thin layers of surface contaminant without damage to the pavement. Additionally, when liquid deicer is applied to the surface, the broom is able to improve its effectiveness rapidly.

**Discussion:** The airport's priority 1 snow removal area is significant and includes the main runway and several taxiways. The purchase of a second broom would enable more rapid removal of the thin layer of ice and snow that limits braking ability. Additionally if one broom should fail or need maintenance during an extended snow event, the second broom will be able to continue performing essential removal.

The airport also included a 32 degree left and right angle, 20' plow attachment. The airport currently does not have a plow of this size with the flared angle. Adding this plow to the fleet will allow snow to be thrown far enough from runway and taxiway edges to reduce problematic snow banks.

### **Bid Summary:**

#### **M-B Company**

Broom: \$472,192 Plow: \$37,233  
**TOTAL: \$509,425**

#### **Wausau-Everest**

Broom: \$490,000 Plow: \$34,000  
**TOTAL: \$524,000**

#### **Oshkosh**

Broom: \$485,792 Plow: \$40,342  
**TOTAL: \$526,135**

**Budget Impact:** The bids for this project came in significantly lower than the last broom purchased in 2011. The cost of the equipment will be paid for with 50% state discretionary funds and 50% PFC funds.

**Action:** Recommend approval of M-B Company's proposal for the purchase of the high-speed snow broom and plow contingent upon the award of state discretionary funding.

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

**May-14**

**TOTAL PAX**

(enpl. + depl.)      **May-14**      **May-13**      **% CHG**      **MKT SHR 2013**      **MKT SHR 2012**

<b>Delta</b>	15,278	18,324	-16.6%	36.5%	36.3%
<b>US Air</b>	20,076	25,126	-20.1%	48.0%	49.8%
<b>Frontier</b>	3,512	4,154	-15.5%	8.4%	8.2%
<b>Allegiant</b>	2,898	2,652	9.3%	6.9%	5.3%
<b>Charter</b>	94	197	0.00%	0.2%	0.4%
<b>TOTAL</b>	<b>41,858</b>	<b>50,453</b>	<b>-17.0%</b>		

**YOY PAX**      **6/13-5/14**      **6/12-5/13**      **% CHG**      **MKT SHR 2013**      **MKT SHR 2012**

<b>Delta</b>	171,064	201,424	-15.1%	33.9%	34.4%
<b>US Air</b>	268,402	268,867	-0.2%	53.1%	45.9%
<b>Frontier</b>	39,934	73,159	-45.4%	7.9%	12.5%
<b>Allegiant</b>	23,299	40,524	-42.5%	4.6%	0.3%
<b>Charter</b>	2,551	1,526	67.2%		
<b>TOTAL</b>	<b>505,250</b>	<b>585,500</b>	<b>-13.7%</b>	<b>100.0%</b>	

**YTD PAX**      **2014 YTD**      **2013 YTD**      **% CHG**      **MKT SHR 2013**      **MKT SHR 2012**

<b>Delta</b>	66,303	81,710	-18.9%	35.1%	35.9%
<b>US Air</b>	98,542	105,384	-6.5%	52.1%	46.3%
<b>Frontier</b>	12,701	24,531	-48.2%	6.7%	10.8%
<b>Allegiant</b>	10,072	15,482	-34.9%	5.3%	6.8%
<b>Charter</b>	1389	681	0.0%	0.7%	0.3%
<b>TOTAL</b>	<b>189,007</b>	<b>227,788</b>	<b>-17.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>FLIGHT OPS</b>	<b>12 Months</b>		<b>12 Months</b>		<b>YOY</b>
	<b>May-14</b>	<b>May-13</b>	<b>To-Date 2014</b>	<b>To-Date 2013</b>	<b>% CHANGE</b>
<b>GA</b>	5,196	4,806	47,721	62,030	-23.1%
<b>Air Carrier</b>	1,071	1,369	13,264	15,721	-15.6%
<b>Itinerant Mil</b>	4,486	1,948	12,430	16,115	-22.9%
<b>Local Mil</b>	677	2,282	12,961	21,204	-38.9%
<b>TOTAL</b>	<b>11,430</b>	<b>10,405</b>	<b>86,376</b>	<b>115,070</b>	<b>-24.9%</b>

**MONTHLY SCHEDULED**

**SEAT CAPACITY**      **May-14**      **May-13**      **% CHG**

<b>TOTAL</b>	<b>47,065</b>	<b>68,878</b>	<b>-32.0%</b>
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**YTD SCHEDULED**

**SEAT CAPACITY**      **2014 YTD**      **2013 YTD**      **%CHG**

<b>TOTAL</b>	<b>238,848</b>	<b>326,689</b>	<b>-27.0%</b>
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**PENINSULA AIRPORT COMMISSION**  
**NEWPORT NEWS / WILLIAMSBURG INTERNATIONAL AIRPORT**  
**MONTHLY ACTIVITY REPORT**

**Jun-14**

**TOTAL PAX**

(enpl. + depl.)      **Jun-14**      **Jun-13**      **% CHG**      **MKT SHR 2013**      **MKT SHR 2012**

Delta	14,069	14,996	-6.2%	31.1%	31.2%
US Air	23,157	25,785	-10.2%	51.1%	53.6%
Frontier	5,117	4,564	12.1%	11.3%	9.5%
Allegiant	2,937	2,468	19.0%	6.5%	5.1%
Charter	0	301	0.00%	0.0%	0.6%
<b>TOTAL</b>	<b>45,280</b>	<b>48,114</b>	<b>-5.9%</b>		

**YOY PAX**      **7/13-6/14**      **7/12-6/13**      **% CHG**      **MKT SHR 2013**      **MKT SHR 2012**

Delta	170,137	199,576	-14.8%	33.9%	34.5%
US Air	265,774	269,762	-1.5%	52.9%	46.6%
Frontier	40,487	69,875	-42.1%	8.1%	12.1%
Allegiant	23,768	38,268	-37.9%	4.7%	0.3%
Charter	2,250	1,827	23.2%		
<b>TOTAL</b>	<b>502,416</b>	<b>579,308</b>	<b>-13.3%</b>	<b>100.0%</b>	

**YTD PAX**      **2014 YTD**      **2013 YTD**      **% CHG**      **MKT SHR 2013**      **MKT SHR 2012**

Delta	80,372	96,706	-16.9%	34.3%	35.1%
US Air	121,699	131,169	-7.2%	51.9%	47.6%
Frontier	17,818	29,095	-38.8%	7.6%	10.6%
Allegiant	13,009	17,950	-27.5%	5.6%	6.5%
Charter	1389	844	0.0%	0.6%	0.3%
<b>TOTAL</b>	<b>234,287</b>	<b>275,764</b>	<b>-15.0%</b>	<b>100.0%</b>	<b>100.0%</b>

FLIGHT OPS			12 Months	12 Months	YOY % CHANGE
	Jun-14	Jun-13	To-Date 2014	To-Date 2013	
GA	5,208	4,387	48,542	61,896	-21.6%
Air Carrier	1,161	1,321	13,104	15,678	-16.4%
Itinerant Mil	1,144	1,500	11,896	16,587	-28.3%
Local Mil	966	1,572	12,533	21,988	-43.0%
<b>TOTAL</b>	<b>8,479</b>	<b>8,780</b>	<b>86,075</b>	<b>116,149</b>	<b>-25.9%</b>

**MONTHLY SCHEDULED**

**SEAT CAPACITY**      **Jun-14**      **Jun-13**      **% CHG**

**TOTAL**      **49,647**      **63,641**      **-22.0%**

**YTD SCHEDULED**

**SEAT CAPACITY**      **2014 YTD**      **2013 YTD**      **%CHG**

**TOTAL**      **288,495**      **390,330**      **-26.0%**



**TO: Peninsula Airport Commission**

**FROM: E. Renee Ford**

**DATE: July 24, 2014**

**RE: June 2014 Financial Highlights**

The Airport reported a net loss of \$148K for the month against a budgeted gain of \$20K and last June's net loss of \$154K. Revenues totaled \$706K, \$51K or 6.7% below budget and \$38K or 5.7% above last June. Our expenditures this month totaled \$854K, \$117K or 15.9% above budget and \$32K, or 3.9% above last June. The highlights for this month's results are as follows:

❖ **Actual vs. Budgeted Revenues**

- Airfield revenues ended at \$124K. This was \$66K or 34.7% below budget. This was caused by the state maintenance grant coming in \$63K below budget. Revenues were recognized throughout the year rather than just in June as budgeted.
- Administrative revenues ended at \$17K. This was \$15K greater than budgeted expectations. The airport submitted additional air service expenses to the state and was reimbursed an additional \$15K for the year.

❖ **Actual vs. Prior Year Revenue**

- Other rents revenues were \$23K or 91.2% better than last June. This occurred because of the rent credits given to PeopleExpress last June totaling \$28K.

❖ **Actual vs. Budgeted Expenditures**

- Total expenditures were unfavorable \$117K or 15.9%. The unfavorable expense variance is attributed to all the marketing & advertising expenses related to PeopleExpress launch. Total expense was \$262K against a budget of \$46K,

unfavorable variance of \$216K. Labor & benefits, utilities and janitorial supplies were all favorable \$49K, \$8K, and \$9K, respectively.

❖ Actual vs. Prior Year Expenditures

- Overall expenditures were \$32K or 3.9% higher compared to last June. The most significant variance was marketing and advertising expenses. Last June we spent \$218K less. Again this is as a result of advertising the launch of PeopleExpress. Labor & benefits, utilities and janitorial supplies were all favorable \$169K, \$7K, and \$9K, respectively. The large favorable variance for Labor & benefits is due to the employee bonuses received last June.

❖ YTD Actual vs. Budget

- Overall revenues were \$181K or 2.3% below budget. The shortfall comes from the landside cost center. Parking revenue was \$269K down for the year and CFCs were short \$32K. Rental car commissions were favorable \$117K.
- Expenditures were \$75K or 1% above budget. This is as a result of dollars spent on advertising and marketing. The total spent for the year was \$985K against a budget of \$550K, ending the year \$435K unfavorable. Labor & benefits ended \$234K favorable, as well as utilities, maintenance, and janitorial supplies. They were favorable \$32K, \$31K, and \$30K respectively.

❖ YTD Actual vs. Prior Year

- Overall revenues were \$419K or 5.1% below last June. Parking revenue was \$264K down year over year and CFCs were short \$54K. Rental car commissions ended slightly favorable at \$8K above last year and Taxi revenue declined \$9K. Revenue from the state marketing/air service grant was reduced by \$29K compared to last year.
- Expenditures compared to last fiscal year were unfavorable \$505K or 6.9%. This variance is primarily due to all the efforts to increase air service at the airport. Advertising and marketing make up \$558K of this variance and professional services were unfavorable \$28K. Expense categories that were favorable include labor & benefits \$94K, maintenance \$25K, and utilities \$12K.

There is \$3.6M in unrestricted cash and \$346K in FAA reimbursements outstanding. The decrease in unrestricted cash was due to the arrangement between PAC and PEX in regards to their launch. The pending reimbursements include expenditures for the master plan totaling \$79K, Airfield lighting design totaling \$2K, Taxiway A rehabilitation totaling \$207K, and the Consolidated Security Checkpoint Design totaling \$58K. These project expenditures will be reimbursed at a later date.



**PENINSULA AIRPORT COMMISSION  
INCOME STATEMENT SUMMARY  
JUNE 2014**

	ACTUAL	BUDGET	VARIANCE	% VAR	PRIOR YR	VARIANCE	% VAR	ACTUAL YTD	BUDGET YTD	VARIANCE	% VAR	PRIOR YR YTD	VARIANCE	% VAR
<b>REVENUE</b>														
AIRFIELD	\$123,636	\$189,451	(\$65,815)	-34.7%	\$112,326	\$11,310	10.1%	\$1,366,347	\$1,374,550	(\$8,203)	-0.6%	\$1,378,728	(\$12,381)	-0.9%
TERMINAL	\$68,997	\$65,726	\$3,272	5.0%	\$72,425	(\$3,427)	-4.7%	\$783,548	\$785,433	(\$1,884)	-0.2%	\$820,626	(\$37,078)	-4.5%
LANDSIDE	\$410,598	\$415,575	(\$4,977)	-1.2%	\$409,315	\$1,283	0.3%	\$4,516,541	\$4,700,500	(\$183,959)	-3.9%	\$4,866,987	(\$350,446)	-7.2%
OTHER RENTS	\$47,533	\$45,846	\$1,687	3.7%	\$24,856	\$22,677	91.2%	\$559,870	\$543,428	\$16,443	3.0%	\$540,048	\$19,823	3.7%
TRAILER PARK	\$37,970	\$37,917	\$53	0.1%	\$36,520	\$1,450	4.0%	\$456,675	\$455,000	\$1,675	0.4%	\$453,675	\$3,000	0.7%
ADMINISTRATIVE	\$17,148	\$2,225	\$14,923	670.7%	\$12,908	\$4,240	-32.8%	\$60,413	\$66,500	(\$6,087)	-9.2%	\$104,197	(\$43,784)	-42.0%
MAINTENANCE	\$300	\$0	\$300	0.0%	\$0	\$300	0.0%	\$1,511	\$0	\$1,511	0.0%	\$0	\$1,511	0.0%
<b>TOTAL REVENUE</b>	<b>\$706,183</b>	<b>\$756,740</b>	<b>(\$50,557)</b>	<b>-6.7%</b>	<b>\$668,350</b>	<b>\$37,833</b>	<b>5.7%</b>	<b>\$7,744,906</b>	<b>\$7,925,410</b>	<b>(\$180,505)</b>	<b>-2.3%</b>	<b>\$8,164,260</b>	<b>(\$419,355)</b>	<b>-5.1%</b>
<b>EXPENDITURES</b>														
AIRFIELD	\$74,625	\$147,932	(\$73,307)	-49.6%	\$103,636	(\$29,011)	-28.0%	\$951,810	\$1,003,700	(\$51,890)	-5.2%	\$874,642	\$77,168	8.8%
TERMINAL	\$142,129	\$167,362	(\$25,233)	-15.1%	\$174,880	(\$32,751)	-18.7%	\$1,708,568	\$1,883,090	(\$174,522)	-9.3%	\$1,794,789	(\$86,221)	-4.8%
LANDSIDE	\$53,168	\$62,666	(\$9,498)	-15.2%	\$88,357	(\$35,188)	-39.8%	\$606,501	\$703,186	(\$96,685)	-13.7%	\$669,112	(\$62,611)	-9.4%
OTHER RENTS	\$27,358	\$30,512	(\$3,154)	-10.3%	\$37,876	(\$10,519)	-27.8%	\$322,510	\$348,625	(\$26,115)	-7.5%	\$328,905	(\$6,395)	-1.9%
TRAILER PARK	\$39,203	\$42,234	(\$3,031)	-7.2%	\$45,510	(\$6,308)	-13.9%	\$400,657	\$411,125	(\$10,468)	-2.5%	\$398,859	\$1,798	0.5%
ADMINISTRATIVE	\$446,020	\$214,238	\$231,782	108.2%	\$301,152	\$144,868	48.1%	\$3,004,898	\$2,553,902	\$450,996	17.7%	\$2,422,804	\$582,094	24.0%
MAINTENANCE	\$38,641	\$38,119	\$522	1.4%	\$37,415	\$1,226	3.3%	\$414,719	\$424,650	(\$9,931)	-2.3%	\$406,566	\$8,153	2.0%
BOND DEBT	\$33,032	\$33,750	(\$718)	-2.1%	\$33,180	(\$149)	-0.4%	\$398,254	\$405,000	(\$6,746)	-1.7%	\$406,852	(\$8,597)	-2.1%
<b>TOTAL EXPENDITURES</b>	<b>\$854,176</b>	<b>\$736,813</b>	<b>\$117,363</b>	<b>15.9%</b>	<b>\$822,007</b>	<b>\$32,168</b>	<b>3.9%</b>	<b>\$7,807,918</b>	<b>\$7,733,278</b>	<b>\$74,640</b>	<b>1.0%</b>	<b>\$7,302,529</b>	<b>\$505,389</b>	<b>6.9%</b>
<b>TOTAL NET REVENUE</b>	<b>(\$147,993)</b>	<b>\$19,927</b>	<b>(\$167,920)</b>	<b>-842.7%</b>	<b>(\$153,658)</b>	<b>\$5,665</b>	<b>3.7%</b>	<b>(\$63,012)</b>	<b>\$192,132</b>	<b>(\$255,145)</b>	<b>-132.8%</b>	<b>\$861,732</b>	<b>(\$924,744)</b>	<b>-107.3%</b>
CFC's (LANDSIDE)	\$113,862	\$115,200	(\$1,338)	-1.2%	\$110,309	\$3,553	3.2%	\$1,167,798	\$1,200,000	(\$32,202)	-2.7%	\$1,254,490	(\$86,692)	-6.9%
RAC COMMISSIONS	\$122,767	\$91,700	\$31,067	33.9%	\$120,190	\$2,577	2.1%	\$1,217,071	\$1,100,000	\$117,071	10.6%	\$1,209,531	\$7,540	0.6%

**PENINSULA AIRPORT COMMISSION  
OPERATING BALANCE SHEET  
AS OF JUNE 30, 2014**

**Current Assets:**

Cash	\$4,817,244	
Investments	\$1,578,975	
PFC Funds	\$470,220	
Net Accounts Receivable	\$786,443	
Advance/Prepays/Inventory	\$133,610	
Security Deposits	\$28,555	
Note INT FND	\$409	
<b>Total Current Assets</b>		<b>\$7,815,456</b>

Net Fixed Assets		\$109,717,674
Due From City of Newport News-Long Term		\$0
Other Assets - Net Unamortized Bond Costs		\$0
<b>Total Assets</b>		<b>\$117,533,130</b>

**Current Liabilities:**

Accounts Payable	\$556,182	
Accrued Payroll & Benefits	\$409,742	
Employee FSA Reimbursement	\$406	
Payroll Taxes	\$10,212	
Rent & Other Deposits	\$28,555	
Police Funds (Federal Shared)	\$4,015	
<b>Total Current Liabilities:</b>		<b>\$1,009,111</b>

**Long-Term Liabilities:**

AIP Bond Payable-City of NN (\$6.5MM)	\$0	
VRA Bond Payable (\$2.5MM)	\$1,632,524	
AIP Bond Payable-Towne Bank (\$7MM)	\$5,619,395	
AIP Bond Payable-Towne Bank (\$3MM)	\$2,499,207	
OPEB Liability	\$3,461,341	
<b>Total Long-Term Liabilities</b>		<b>\$13,212,467</b>

Other Liabilities - Deferred Income		\$26,797
<b>Total Liabilities</b>		<b>\$14,248,376</b>

**Capital:**

Capital Contributions	\$102,877,546	
Passenger Facility Charges	\$470,220	
YTD Earnings	-\$63,012	
<b>Total Capital</b>		<b>\$103,284,754</b>
<b>Total Liabilities &amp; Capital</b>		<b>\$117,533,130</b>

**PENINSULA AIRPORT COMMISSION  
STATUS OF CASH AND INVESTMENTS  
AS OF JUNE 30, 2014**

<b>PFC Funds</b>	\$	470,220	
<b>Capital (State Entitlements)</b>	\$	211,446	
<b>Money Market (Restricted)</b>	\$	79	
<b>State Entitlements</b>	\$	2,000,312	
<b>US DOT SCAS Grant</b>	\$	565,026	
<b>RAISE Funds</b>	\$	50,038	
<b>Total Restricted Cash</b>			\$ 3,297,121
<b>Operating Cash</b>	\$	677,623	
<b>Capital (Unrestricted)</b>	\$	1,291,824	
<b>Money Market (Unrestricted)</b>	\$	1,578,896	
<b>Payroll &amp; Other</b>	\$	20,974	
<b>Total Unrestricted Cash</b>			\$ 3,569,317
<b>Total Cash</b>			\$ 6,866,438
<b>Investments</b>			\$ -
<b>Total Cash &amp; Investments</b>			\$ 6,866,438
<b>Total Unrestricted Cash &amp; Investments</b>	\$	3,569,317	

\*PFC's Collected as of 07/18/14 - \$6,618,705

\*PFC Reimbursements to date - \$6,122,795

Total Available - \$495,910

**Pending FAA Reimbursements:**

<b>Master Plan</b>	\$	78,621
<b>Airfield Lighting Construction</b>	\$	2,371
<b>Taxiway A, B, C Rehab Construction</b>	\$	206,971
<b>SSCP Design</b>	\$	58,458
	\$	346,421

STATUS OF PFC COLLECTIONS

ACCOUNT #31010.000.00

AS OF: JUNE 2014

APPLICATION 1 CARRY OVER  
APPLICATION 2 COLLECTIONS  
TOTAL COLLECTIONS:

\$ 549,878  
\$ 6,043,138  
\$ 6,593,015

CAPITAL PROJECT	WBS#	PFC #	PFC AMOUNT	REIMBURSED	REMAINING REIMBURSEMENT	
RUNWAY 7/25 REHABILITATION (Design & Construction)		PWE 2.1	\$ 5,900,110	\$ 2,130,450.00	\$ 3,769,660	
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	\$ 62,010.80	\$ 16,755	
TERMINAL BLDING REHAB & PUBLIC CIRC IMPROVEMENTS	C02-001	PWE 2.9	\$ 6,000,000	\$ 1,251,176.37	\$ 4,748,824	
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	\$ 47,745.48	\$ 32,255	
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	\$ -		\$ -	
SRE MAINTENANCE FACILITY (DESIGN & CONSTRUCTION)		PWE 2.17	\$ -		\$ -	Impose Only
REHABILITATE TAXIWAYS A, B, & C (CONSTRUCTION)	SEE PWE 3.5	PWE 2.18	\$ -		\$ -	
FIS FINISH		PWE 2.19	\$ 5,297,530	\$ 1,255,678.84	\$ 4,041,851	
ARFF VEHICLE		PWE 2.20	\$ 35,000	\$ 38,945.00	\$ -	closed
TAXIWAY "A" & RUNWAY 7/25 LIGHTING (DESIGN)		PWE 3.15	\$ 10,625	\$ 10,739.70	\$ -	closed
WETLANDS MITIGATION		PWE 3.2	\$ 80,100		\$ 80,100	
TAXIWAY "A" REHAB (DESIGN)		PWE 3.3	\$ 26,316	\$ 24,152.52	\$ 2,163	
TAXIWAY "A" REHAB (CONSTRUCTION)		PWE 3.4	\$ 1,452,511	\$ 327,228.08	\$ 1,125,283	
OUTBOUND BAGGAGE HANDLING SYSTEM REPLACEMENT		PWE 3.5	\$ 1,000,000		\$ 1,000,000	
SRE EQUIPMENT		PWE 3.6	\$ 1,001,278	\$ 132,913.00	\$ 868,365	
BAGGAGE CLAIM EXPANSION (DESIGN)		PWE 3.7	\$ 500,000	\$ 39,881.44	\$ 460,119	
BAGGAGE CLAIM EXPANSION (CONSTRUCTION)		PWE 3.8	\$ 11,000,000		\$ 11,000,000	Impose Only
CONSOLIDATED SECURITY CHECKPOINT (PLAN/DESIGN)		PWE 3.9	\$ 650,000	\$ 57,226.16	\$ 592,774	
CONSOLIDATED SECURITY CHECKPOINT (CONSTRUCT)		PWE 3.11	\$ -		\$ -	Impose Only
PFC APPLICATION DEVELOPMENT	S403004	PWE 3.13	\$ 36,500	\$ 19,732.72	\$ 16,767	
PFC APPLICATION ADMINISTRATION	S403002	PWE 3.14	\$ 45,000		\$ 45,000	
					\$ -	
					\$ -	
<b>TOTALS</b>			<b>\$ 35,896,569</b>	<b>\$ 6,122,795.07</b>	<b>\$ 29,773,774</b>	

PFC BALANCE

\$ 470,220