



MEMO

TO: PAC

FROM: Ken R. Spirito, A.A.E.

DATE: 8/24/14

RE: **8/28/14 PAC Board Meeting**

Enclosed are the items for discussion at our meeting next Thursday. The meeting will begin at 8 am. We have a busy agenda with several reports in closed session. I anticipate this meeting to end at 10:30am. I will be sure to keep everyone on agenda. Below are some topics of interest that will be discussed at the meeting:

Monthly Financial Report

Enclosed is the monthly report for July 2014. Although we had some unexpected marketing and advertising expenses, we still were cash positive for the month. I anticipate one more month with higher than expected marketing and advertising expenses. However, based on increased passenger activity, our budget should be able to absorb the additional expenses.

We are still on track for January 1, 2015 to commence the higher airline rates and charges. We have passed the deadline for input from our airlines. We had some basic questions, but no disagreement among our airlines. We will see increased airline related revenues above budget moving forward.

Passenger Statistics

We posted our first gain since before the departure of AirTran in March 2012. We experienced an increase of 25.5% for the month of July 2014. Norfolk finished almost 10% down, while Richmond saw almost a 10% increase for July 2014. We will discuss this in more detail.

Minimum Standards/General Provisions

Staff, Legal Counsel and professional services have been working extremely hard to rewrite/create new minimum standards for PHF. I think we have a real good document and a lot of thought and coordination went into this. A copy is enclosed for your review. We will meet with the GA community and post these on our website and invite comments before we officially present them to be approved at the September meeting.

Closed Session

Air service development update (Intl Routes Meeting September 2014)

UK Tourism Progress

PeoplExpress Update

Property Development Update (Chris Henderson)

Frontier Airlines Update

Strategic Planning Workshop (1/2 day) Discussion

Liberty University Opportunity



AGENDA

COMMISSION MEETING

August 28, 2014
8:00 a.m.

- | | |
|---|--------------------------------|
| 1) Call to Order | Chairman |
| 2) Comments from the Public | Chairman |
| 3) Approval of Minutes of Commission Meeting held July 24, 2014 | (Exhibit I) Chairman |
| 4) Assistant Airport Director – Ops/Maintenance Report | M. Cheaney |
| 5) Assistant Airport Director – Planning/Development Report | T. Kitchens |
| 6) Director of Marketing and Public Affairs | J. Wharton |
| 7) Director of Finance & Administration Report | R. Ford |
| 8) 2014-2015 Insurance Renewal Report (USI) | Van Crosby |
| 9) Freedom Aviation Update | Scott Hinton |
| 10) Closed Session | |
| 11) Executive Director's Report | K. Spirito |
| 12) Noland Hangar Assignment Discussion | 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

July 24, 2014

PRESIDED: James Bourey

The regularly scheduled meeting of the Peninsula Airport Commission was held on Thursday, July 24, 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

Ms. Robyn Hansen

Executive Assistant

Ms. Rhonda Wissinger

Public in Attendance

Brian Eichenlaub-Pond and Company
Nicholas Patterson-RS&H
Jay Talbert-Talbert & Bright
Cathy Grimes-Daily Press
Jared Alexander- PAC Operations Supervisor

COMMENTS FROM THE PUBLIC

Mr. Ted Kitchens introduced Brian Eichenlaub from Pond and Company, Jay Talbert from Talbert & Bright and Nick Patterson from RS&H. Mr. Spirito also introduced Jared Alexander, Operations Supervisor, Peninsula Airport Commission.

MINUTES OF COMMISSION MEETING HELD JUNE 12, 2014

RESOLVED, that the Peninsula Airport Commission approve the minutes of the Commission meeting held June 12, 2014.

Commissioner Aubrey Fitzgerald made the motion to adopt the June 12, 2014 minutes. Commissioner Steve Mallon 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 in Phase II of this project which is the pouring of concrete. The final phase of this project will begin on August 8th with completion of the project estimated for the beginning of October.

APPROVE PURCHASE OF SNOW BROOM

Ms. Cheaney reported 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.

The airport's priority 1 snow removal area is significant and includes the main runway and several taxiways. The purchase of the 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.

Ms. Cheaney recommends 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.

RESOLVED, that the Peninsula Airport Commission approve the purchase of a high-speed snow broom.

Commissioner Herbert H. Bateman, Jr. made the motion to approve the purchase of a high-speed snow broom. Commissioner George Wallace seconded the motion.

Voting yes were:

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

(Commissioner Fitzgerald was absent during the vote)

ASSISTANT AIRPORT DIRECTOR, PLANNING/DEVELOPMENT REPORT

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

- Security Design Checkpoint- RS&H is approaching 90% of their drawings for the security design checkpoint which we will present to the CMR on July 30th to obtain 90% pricing.
- Grant Season- we are working with State and Federal Partners to have a smooth transition into the grant application and request process. We will be applying for discretionary funding for the Security Checkpoint Project.
- Master Plan Update- has been sent to the Department of Aviation for the final approval signature. It has been signed by the airport and the FAA. Once this signature is in place, RS&H will reproduce the final reports and send them to us.
- Professional Services Agreement- the RFQ will be going out at the end of

July and the RFP's will be due on August 29th. This will give us 2 weeks to review and interview the selected firms. We plan to make a selection by September 22, 2014 with an award date to be set for October 1, 2014.

- Proposed development off of Hornsby Lane-we have received 2 re-zoning applications and a planned residential development opportunity to develop 600 multi-family units. This area resides in our 65 decibel noise contour. Technically it is non-compatible land use. Our opinion is that the development interior noise level be at 45 decibels and this falls within FAA guidelines and Virginia Construction Codes guidelines. The developer said they are willing to accept these guidelines and this will now move forward to the Planning Commission in early August and then on to City Council.

DIRECTOR OF MARKETING AND PUBLIC RELATIONS

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

- The passenger numbers for the month of June were down 5.9% for the Newport News/Williamsburg Int'l Airport, Norfolk Int'l Airport was down 7.36% and Richmond Int'l Airport was up by 5.5%. Our numbers should start climbing with the recent addition of PEOPLExpress service.
- US Airways Magazine- the City of Newport News and the Newport News/Williamsburg Int'l Airport were showcased in the August edition of U.S. Airways Magazine. This magazine will be featured on all U.S. Airways flights.
- Airline Seat Capacity- Mr. Spirito, Executive Director, reported that Delta and US Airways had fewer seats in the market this year compared to last year. Frontier had the same seat capacity and their passenger number was up by 12.1%. Allegiant's seat capacity is up 19% and they have larger planes. They will be leaving because they feel there is no market here. U.S. Airways will be making some schedule changes in September. They will have their largest regional jet, a CRJ-9 regularly on the schedule, as well as a larger airplane, the CR7. They are upgrading turbo prop flights, from here to Philadelphia, to a regional jet. They have also loaded lower fares to be competitive in the market.
- PEOPLExpress Marketing and Advertising is going well.
- Marketing Intern-we have a marketing ntern for summer, Christopher Dollesin. Christopher is doing a fabulous job and is taking care of "Facebook" updates and has also shadowed Jared Alexander, Operations Supervisor, and made a video of "A Day in the Life of Operations". He will be working on more videos to come and will also be sharing these with the Aviation Academy.

DIRECTOR OF FINANCE & ADMINISTRATION

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

Ms. Ford reported the Airport's revenues were 6.7% below budget and 5.7% above June 2013. Our expenditures for June 2014 totaled 15.9% above budget and 3.9% above last June.

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 Aubrey Fitzgerald made the motion, seconded by Commissioner LaDonna Finch 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 8:29 a.m. and reconvened in Open meeting at 9:46 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:

Mr. Spirito had nothing more to report at this time.

ADJOURNED

There being no further business, the meeting was adjourned at 9:47 a.m.

NEXT MEETING

The next meeting of the Peninsula Airport Commission will be held on Thursday, August 28, 2014 at 8:00 a.m. in the Commission Room.

EXECUTIVE SUMMARY

Subject: Draft General Provisions, Minimum Standards, and Rules and Regulations

Background: The airport contracted Aviation Management Consultant Group (AMCG) to develop in-depth General Provisions and General Aviation Minimum Standards. In addition to these documents, airport staff worked with legal counsel to revise the existing Rules and Regulations of the airport.

Discussion: The General Provisions and General Aviation Minimum Standards are new documents developed by AMCG. Jeff Kohlman of AMCG will give a presentation at September's Commission meeting about the process used in developing these documents and answer any questions you may have regarding the documents.

The Rules and Regulations underwent significant updating, formatting, and grammatical changes to include significant content change to the following sections:

- 4.7 Solicitation, Picketing, Demonstrations
- 5.4 Animals
- 5.5 Firearms and Weapons

A redlined version of the Rules and Regulations is available from Rhonda if you would like to compare the changes between the old and revised document.

Action: The Airport will post these documents to the website and also send them to our General Aviation tenants for comments. Comments or concerns will be brought back to the Commission at September's meeting. If all comments and concerns can be addressed, the Commission will be asked at September's meeting to approve the new documents.

Attachments: Draft General Provisions, General Aviation Minimum Standards, and Rules and Regulations. These attachments will be provided for you in a separate email.

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

Jul-14

TOTAL PAX

| (enpl. + depl.) | Jul-14 | Jul-13 | % CHG | MKT SHR 2013 | MKT SHR 2012 |
|-----------------|---------------|---------------|--------------|--------------|--------------|
| Delta | 14,230 | 15,768 | -9.8% | 22.8% | 31.7% |
| US Air | 23,051 | 26,466 | -12.9% | 36.9% | 53.1% |
| Frontier | 5,833 | 4,833 | 20.7% | 9.3% | 9.7% |
| Allegiant | 2,592 | 2,750 | -5.7% | 4.1% | 5.5% |
| PEOPLExpress | 16,793 | 0 | 100.00% | 26.9% | 0.0% |
| Charter | 0 | 0 | 0.00% | 0.0% | 0.0% |
| TOTAL | 62,499 | 49,817 | 25.5% | | |

| YOY PAX | 8/13-7/14 | 8/12-7/13 | % CHG | MKT SHR 2013 | MKT SHR 2012 |
|--------------|----------------|----------------|---------------|---------------|--------------|
| Delta | 168,599 | 199,602 | -15.5% | 32.7% | 34.6% |
| US Air | 262,359 | 272,339 | -3.7% | 50.9% | 47.2% |
| Frontier | 41,487 | 66,379 | -37.5% | 8.1% | 11.5% |
| Allegiant | 23,610 | 36,361 | -35.1% | 4.6% | 0.3% |
| PEOPLExpress | 16,793 | 0 | 100.0% | 3.3% | |
| Charter | 2,250 | 1,827 | 23.2% | | |
| TOTAL | 515,098 | 576,508 | -10.7% | 100.0% | |

| YTD PAX | 2014 YTD | 2013 YTD | % CHG | MKT SHR 2013 | MKT SHR 2012 |
|--------------|----------------|----------------|--------------|---------------|---------------|
| Delta | 94,602 | 112,474 | -15.9% | 31.9% | 34.5% |
| US Air | 144,750 | 157,635 | -8.2% | 48.8% | 48.4% |
| Frontier | 23,651 | 33,928 | -30.3% | 8.0% | 10.4% |
| Allegiant | 15,601 | 20,700 | -24.6% | 5.3% | 6.4% |
| PEOPLExpress | 16,793 | 0 | 100.0% | 5.7% | 0.0% |
| Charter | 1,389 | 844 | 0.0% | 0.5% | 0.3% |
| TOTAL | 296,786 | 325,581 | -8.8% | 100.0% | 100.0% |

| FLIGHT OPS | | | 12 Months | 12 Months | YOY |
|---------------|--------------|--------------|---------------|----------------|---------------|
| | Jul-14 | Jul-13 | To-Date 2014 | To-Date 2013 | % CHANGE |
| GA | 4,894 | 5,467 | 53,436 | 61,453 | -13.0% |
| Air Carrier | 1,382 | 1,243 | 14,486 | 15,661 | -7.5% |
| Itinerant Mil | 882 | 1,470 | 12,778 | 17,070 | -25.1% |
| Local Mil | 992 | 1,324 | 13,525 | 22,027 | -38.6% |
| TOTAL | 8,150 | 9,504 | 94,225 | 116,211 | -18.9% |

MONTHLY SCHEDULED

| SEAT CAPACITY | Jul-14 | Jul-13 | % CHG |
|---------------|---------------|---------------|---------------|
| TOTAL | 52,177 | 63,673 | -18.0% |

YTD SCHEDULED

| SEAT CAPACITY | 2014 YTD | 2013 YTD | %CHG |
|---------------|----------------|----------------|---------------|
| TOTAL | 340,672 | 454,003 | -25.0% |



TO: Peninsula Airport Commission

FROM: E. Renee Ford

DATE: August 28, 2014

RE: July 2014 Financial Highlights

The Airport reported a net gain of \$35K for the month against a budgeted gain of \$61K and last July's net gain of \$126K. Revenues totaled \$768K, \$74K or 10.7% above budget and \$86K or 12.6% above last July. Our expenditures this month totaled \$733K, \$101K or 15.9% above budget and \$178K, or 32% above last July. The highlights for this month's results are as follows:

❖ **Actual vs. Budgeted Revenues**

- Landside revenues ended at \$489K. This was \$67K or 15.8% above budget. Parking revenue had increased \$47K above the budget. Actual revenue was \$232K, which is the first time since May 2012 that revenue has surpassed \$200K in a month! Both Customer Facility Charges and rental car commissions were \$10K above budget, up 9.5% and 8.7% respectively.

❖ **Actual vs. Prior Year Revenue**

- Landside revenues were \$78K or 18.9% better than last July. Parking revenue ended \$62K better or 36.6% above last July. Tickets issued increased 24.6% compared to last July. Customer Facility Charges increased \$9K or 8.4% and rental car commissions increased \$9K or 7% over last July.

❖ **Actual vs. Budgeted Expenditures**

- Total expenditures were unfavorable \$101K or 15.9%. The unfavorable expense variance is attributed to the marketing & advertising expenses related to airport

advertising to new destinations. Total expense was \$162K against a budget of \$70K, unfavorable variance of \$92K.

❖ Actual vs. Prior Year Expenditures

- Overall expenditures were \$178K or 32% higher compared to last July. Again the most significant variance was marketing and advertising expenses. Last July we went dark and only spent \$17K. This month spending was \$145K more. Also in the terminal area janitorial supplies were \$11K higher, and utilities in the terminal were up \$8K.

There is \$3M in unrestricted cash and \$292K in FAA reimbursements outstanding. The pending reimbursements include expenditures for the master plan totaling \$27K, 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
JULY 2014**

| | ACTUAL | BUDGET | VARIANCE | % VAR | PRIOR YR | VARIANCE | % VAR | ACTUAL YTD | BUDGET YTD | VARIANCE | % VAR | PRIOR YR YTD | VARIANCE | % VAR |
|---------------------------|------------------|------------------|-------------------|---------------|------------------|-------------------|---------------|------------------|------------------|-------------------|---------------|------------------|-------------------|---------------|
| REVENUE | | | | | | | | | | | | | | |
| AIRFIELD | \$111,573 | \$110,962 | \$611 | 0.6% | \$117,692 | (\$6,119) | -5.2% | \$111,573 | \$110,962 | \$611 | 0.6% | \$117,692 | (\$6,119) | -5.2% |
| TERMINAL | \$74,911 | \$69,210 | \$5,701 | 8.2% | \$69,221 | \$5,690 | 8.2% | \$74,911 | \$69,210 | \$5,701 | 8.2% | \$69,221 | \$5,690 | 8.2% |
| LANDSIDE | \$489,496 | \$422,625 | \$66,871 | 15.8% | \$411,750 | \$77,746 | 18.9% | \$489,496 | \$422,625 | \$66,871 | 15.8% | \$411,750 | \$77,746 | 18.9% |
| OTHER RENTS | \$50,991 | \$51,342 | (\$351) | -0.7% | \$44,783 | \$6,208 | 13.9% | \$50,991 | \$51,342 | (\$351) | -0.7% | \$44,783 | \$6,208 | 13.9% |
| TRAILER PARK | \$38,654 | \$37,917 | \$737 | 1.9% | \$36,908 | \$1,746 | 4.7% | \$38,654 | \$37,917 | \$737 | 1.9% | \$36,908 | \$1,746 | 4.7% |
| ADMINISTRATIVE | \$2,330 | \$1,583 | \$746 | 47.1% | \$1,496 | \$833 | -55.7% | \$2,330 | \$1,583 | \$746 | 47.1% | \$1,496 | \$833 | 55.7% |
| MAINTENANCE | \$0 | \$0 | \$0 | 0.0% | \$0 | \$0 | 0.0% | \$0 | \$0 | \$0 | 0.0% | \$0 | \$0 | 0.0% |
| TOTAL REVENUE | \$767,954 | \$693,639 | \$74,315 | 10.7% | \$681,850 | \$86,104 | 12.6% | \$767,954 | \$693,639 | \$74,315 | 10.7% | \$681,850 | \$86,104 | 12.6% |
| EXPENDITURES | | | | | | | | | | | | | | |
| AIRFIELD | \$68,819 | \$68,785 | \$34 | 0.0% | \$74,061 | (\$5,242) | -7.1% | \$68,819 | \$68,785 | \$34 | 0.0% | \$74,061 | (\$5,242) | -7.1% |
| TERMINAL | \$173,226 | \$166,823 | \$6,403 | 3.8% | \$151,733 | \$21,493 | 14.2% | \$173,226 | \$166,823 | \$6,403 | 3.8% | \$151,733 | \$21,493 | 14.2% |
| LANDSIDE | \$41,906 | \$39,642 | \$2,265 | 5.7% | \$50,648 | (\$8,742) | -17.3% | \$41,906 | \$39,642 | \$2,265 | 5.7% | \$50,648 | (\$8,742) | -17.3% |
| OTHER RENTS | \$22,005 | \$21,445 | \$560 | 2.6% | \$23,655 | (\$1,649) | -7.0% | \$22,005 | \$21,445 | \$560 | 2.6% | \$23,655 | (\$1,649) | -7.0% |
| TRAILER PARK | \$25,333 | \$25,245 | \$88 | 0.3% | \$25,062 | \$271 | 1.1% | \$25,333 | \$25,245 | \$88 | 0.3% | \$25,062 | \$271 | 1.1% |
| ADMINISTRATIVE | \$335,458 | \$242,813 | \$92,645 | 38.2% | \$168,258 | \$167,200 | 99.4% | \$335,458 | \$242,813 | \$92,645 | 38.2% | \$168,258 | \$167,200 | 99.4% |
| MAINTENANCE | \$34,636 | \$34,645 | (\$9) | 0.0% | \$29,269 | \$5,367 | 18.3% | \$34,636 | \$34,645 | (\$9) | 0.0% | \$29,269 | \$5,367 | 18.3% |
| BOND DEBT | \$31,860 | \$33,000 | (\$1,140) | -3.5% | \$32,976 | (\$1,116) | -3.4% | \$31,860 | \$33,000 | (\$1,140) | -3.5% | \$32,976 | (\$1,116) | -3.4% |
| TOTAL EXPENDITURES | \$733,243 | \$632,398 | \$100,845 | 15.9% | \$555,661 | \$177,582 | 32.0% | \$733,243 | \$632,398 | \$100,845 | 15.9% | \$555,661 | \$177,582 | 32.0% |
| TOTAL NET REVENUE | \$34,712 | \$61,241 | (\$26,530) | -43.3% | \$126,189 | (\$91,477) | -72.5% | \$34,712 | \$61,241 | (\$26,530) | -43.3% | \$126,189 | (\$91,477) | -72.5% |
| CFC's (LANDSIDE) | \$120,432 | \$110,000 | \$10,432 | 9.5% | \$111,129 | \$9,303 | 8.4% | \$120,432 | \$110,000 | \$10,432 | 9.5% | \$111,129 | \$9,303 | 8.4% |
| RAC COMMISSIONS | \$130,448 | \$120,000 | \$10,448 | 8.7% | \$121,930 | \$8,518 | 7.0% | \$130,448 | \$120,000 | \$10,448 | 8.7% | \$121,930 | \$8,518 | 7.0% |

**PENINSULA AIRPORT COMMISSION
OPERATING BALANCE SHEET
AS OF JULY 31, 2014**

Current Assets:

| | | |
|-----------------------------|-------------|--------------------|
| Cash | \$4,579,389 | |
| Investments | \$1,579,348 | |
| PFC Funds | \$399,267 | |
| Net Accounts Receivable | \$768,519 | |
| Advance/Prepays/Inventory | \$157,543 | |
| Security Deposits | \$27,792 | |
| Note INT FND | \$409 | |
| Total Current Assets | | \$7,512,268 |

| | | |
|---|---------------|----------------------|
| Net Fixed Assets | \$109,722,774 | |
| Due From City of Newport News-Long Term | \$0 | |
| Other Assets - Net Unamortized Bond Costs | \$0 | |
| Total Assets | | \$117,235,042 |

Current Liabilities:

| | | |
|-----------------------------------|-----------|------------------|
| Accounts Payable | \$246,072 | |
| Accrued Payroll & Benefits | \$464,019 | |
| Employee FSA Reimbursement | \$359 | |
| Payroll Taxes | \$33,186 | |
| Rent & Other Deposits | \$27,860 | |
| Police Funds (Federal Shared) | \$4,015 | |
| Total Current Liabilities: | | \$775,510 |

Long-Term Liabilities:

| | | |
|-------------------------------------|-------------|---------------------|
| VRA Bond Payable (\$2.5MM) | \$1,624,992 | |
| AIP Bond Payable-Towne Bank (\$7MM) | \$5,598,498 | |
| AIP Bond Payable-Towne Bank (\$3MM) | \$2,490,632 | |
| OPEB Liability | \$3,752,331 | |
| Total Long-Term Liabilities | | \$13,466,453 |

| | | |
|--|----------|---------------------|
| Other Liabilities - Deferred Income/Outflows | \$16,078 | |
| Total Liabilities | | \$14,258,041 |

Capital:

| | | |
|--|---------------|----------------------|
| Capital Contributions | \$102,543,023 | |
| Passenger Facility Charges | \$399,267 | |
| YTD Earnings | \$34,712 | |
| Total Capital | | \$102,977,001 |
| Total Liabilities & Capital | | \$117,235,042 |

**PENINSULA AIRPORT COMMISSION
STATUS OF CASH AND INVESTMENTS
AS OF JULY 31, 2014**

| | | | |
|--|----|-----------|--------------|
| PFC Funds | \$ | 399,267 | |
| Capital (State Entitlements) | \$ | 186,745 | |
| Money Market (Restricted) | \$ | - | |
| State Entitlements | \$ | 2,000,885 | |
| US DOT SCAS Grant | \$ | 299,392 | |
| RAISE Funds | \$ | 700,717 | |
| Equitable Share | \$ | 4,015 | |
| Total Restricted Cash | | | \$ 3,591,022 |
| Operating Cash | \$ | 516,406 | |
| Capital (Unrestricted) | \$ | 856,655 | |
| Money Market (Unrestricted) | \$ | 1,579,348 | |
| Payroll & Other | \$ | 14,574 | |
| Total Unrestricted Cash | | | \$ 2,966,983 |
| Total Cash | | | \$ 6,558,004 |
| Investments | | | \$ - |
| Total Cash & Investments | | | \$ 6,558,004 |
| Total Unrestricted Cash & Investments | \$ | 2,966,983 | |

***PFC's Collected as of 08/21/14 - \$6,720,783**

***PFC Reimbursements to date - \$6,254,662**

Total Available - \$466,121

Pending FAA Reimbursements:

| | | |
|---|----|---------|
| Master Plan | \$ | 26,945 |
| Taxiway A, B, C Rehab Construction | \$ | 206,971 |
| SSCP Design | \$ | 58,458 |
| | \$ | 292,374 |

STATUS OF PFC COLLECTIONS

ACCOUNT #31010.000.00

AS OF: JULY 2014

| | | |
|---------------------------|----|-----------|
| APPLICATION 1 CARRY OVER | \$ | 549,878 |
| APPLICATION 2 COLLECTIONS | \$ | 6,104,052 |
| TOTAL COLLECTIONS: | \$ | 6,653,929 |

| 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 | \$ 78,224.27 | \$ 542 | |
| TERMINAL BLDING REHAB & PUBLIC CIRC IMPROVEMENTS | C02-001 | PWE 2.9 | \$ 6,000,000 | \$ 1,329,339.57 | \$ 4,670,660 | |
| 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 | \$ 1,263,140.30 | \$ 4,034,390 | |
| 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 | \$ 16,098.00 | \$ 64,002 | |
| TAXIWAY "A" REHAB (DESIGN) | | PWE 3.3 | \$ 26,316 | \$ 24,152.52 | \$ 2,163 | |
| TAXIWAY "A" REHAB (CONSTRUCTION) | | PWE 3.4 | \$ 1,452,511 | \$ 341,159.22 | \$ 1,111,352 | |
| 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 | |
| | | | | | \$ - | |
| | | | | | \$ - | |
| | | | | | | |
| TOTALS | | | \$ 35,896,569 | \$ 6,254,662.34 | \$ 29,641,907 | |

PFC BALANCE

\$ 399,267

EXECUTIVE SUMMARY

Subject: FY 2015 Insurance Renewal

Discussion: In FY 2015 PAC administration wanted to make sure we were getting the best coverage at the best premium. We received quotes from VML Insurance Programs and USI Insurance Services. Although both companies were competitive on price, USI offered better coverage and deductibles. Van Crosby from USI Insurance Services will be at the August board meeting to discuss the changes year over year.

Budget Impact: Last fiscal year our insurance expense was \$227,801. This fiscal year our insurance expense will be \$195,052 an annual savings of \$32,749. These costs include the VA Risk 2 coverage which we receive from the state.

Action: Approve USI Insurance Services as our insurance broker for fiscal year 2015.