



The regular meeting of the Charlottesville-Albemarle Joint Airport Commission was held Monday, May 17, 2010 at 4:00 p.m. in the 2<sup>nd</sup> floor conference room of the terminal building.

Members Present: Bill Schrader, Rit Venerus, Will Dirickson, Bill Kehoe, Greg Edwards, Jeff Uphoff

Members Absent: James Van Liew

Others Present: Barbara Hutchinson, Executive Director; Bill Pahuta, Deputy Executive Director; Jason Burch, Director of Air Service and Marketing; Stirling Williams, Director of Landside Operations; Jeff Brill, Director of Finance & Administration; John Whitmer, Landmark Aviation; Steve Walters, Meridian Air Group

Mr. Edwards called the meeting to order at 4:00 p.m.

**1. Matters From Public** – Mr. Whitmer reported that Landmark Aviation added a 3,000 gallon Jet-A fuel truck to its existing fleet.

**2. Minutes** – Mr. Dirickson moved to accept the March 2010 Commission minutes. Mr. Schrader seconded the motion and it passed unanimously.

### **3. Information Update**

- a. Statistics – Mrs. Hutchinson reported total aircraft operations were up 21% in March 2010 as compared to March 2009. She stated that March passenger traffic was up 2% while year-to-date passenger traffic was down 1% due to snow related flight cancellations in February. She noted March parking revenue was up 3% while year-to-date was down 1% due to weather.

Mrs. Hutchinson reported April aircraft operations increased 4% in April 2010 as compared to April 2009 while April passenger traffic increased 12%. She noted April parking revenue increased 5% with year-to-date revenue still down 1% due to snow related flight cancellations. She stated April FBO fuel sales also increased 13% as did the parking occupancy rate and The Market gross sales.

- b. Financial Statements – Mrs. Hutchinson reviewed the March 2010 financial statement. She stated parking revenue was over budget \$14,388 for the month but remained short of budget (\$3,990) for the year-to-date. She stated airfield landing fee revenues were under budget (\$2,245) for the month and under budget (\$42,833) for the year-to-date due to the decrease in airline landed weight. She reported miscellaneous income was up \$58,391 due to the recognition of the FY 2009 airline settlement being returned by the airlines to offset snow removal expenses. She also reviewed the preliminary April financial statement, noting that year-to-date net income exceeded budget by \$145,176 as the result of a “soft” spending freeze.

### **4. Action Items**

- a. FY 2011 Operating Budget & Capital Plan - Mrs. Hutchinson reported the proposed FY 2011 operating budget was slightly more ambitious than the current year’s budget. She remarked that the overall budget increased 2.5% compared to fiscal year 2010. She reviewed the individual revenue

cost centers discussing the various components for each. She stated that parking increased 2.7% primarily due to the parking rate change. She also remarked that miscellaneous fees were down 64.8% due to the relocation of the Colgan-Air crew base from Charlottesville to Tennessee. She stated rental car concession revenue is proposed to increase 10.4% due to contract rates; however, she mentioned that FY 2011 was the last year for the rental car contract and that it was anticipated that future bids would result in a revenue decrease due to decreased performance during the recession. She stated that landing fees went up due to a reduction in airline landed weight, but that airline rents decreased resulting in no change in the airline rates and charges in total.

Mrs. Hutchinson reported total expenses were up 2.6%. She explained that payroll was budgeted to decrease due to vacant positions for maintenance and a CSO position not being filled. She stated that health premiums increased 10% but that the dual and family premium increases were passed on to the employee share because the Authority already contributes more to the employee insurance than most local entities. She remarked the Virginia Retirement System premium decreased 18.9% for both FY 2011 and FY 2012. She reviewed maintenance expenses noting that overall maintenance increases were due to repairs and preventive maintenance that had been deferred during the current year due to the uncertain economy. She noted the 47% increase in professional fees is due to budgeting for a Community Service Officer customer service training program, new plan documents required by the Internal Revenue Service, and the cost of joining all of the Chambers of Commerce in the Airport's primary service area. She remarked airport insurance premiums were budgeted to increase 5% noting that it had been two years since the last increase. In conclusion, Mrs. Hutchinson stated that terminal fees included a credit to the airfield cost center to offset the spike in airline landing fees. She stated terminal fees also included a small pay for performance pool, but noted that all year-end maintenance items would be completed prior to considering pay for performance. She stated certain positions were substantially below market rates, resulting in turnover rates greater than usual. She provided an example of firefighters and police officers whose starting pay rates are at least 19% less than surrounding departments. She concluded the goal for future airline agreements will be to include an increase in coverage fund reserves from \$178,000 to \$250,000 to establish a separate reserve fund for operating expenses.

Mrs. Hutchinson reviewed the FY 2011 Capital Improvement Program including the Runway 21 Extension – Phase 1B project. She stated that the remaining components of the runway extension are estimated to cost approximately \$36M over the next 5 years. She stated that funding will come from the FAA, State Department of Aviation and Passenger Facility Charge funds. She reviewed the remainder of the six year capital program noting that timing concluding that the timing of funding for the runway project will impact what projects are actually completed.

- b. Approval of Consultant Contract – Request for Proposal Process – Mrs. Hutchinson reported she is seeking concurrence to contract with Aviation Management Group to manage the request for proposal process for the Amvest/Worrell hangar. She remarked the company specializes in general aviation operations and has provided services for the Authority in the past, including the last full service FBO request for proposal process. She reviewed the company proposal and scope of work, concluding that the cost range totals \$25,000-\$35,000 depending on the extent of services throughout the process. Mr. Uphoff moved to concur with a \$25,000 contract with Aviation Management Group with approval of additional funds at a later date if proven necessary. Mr. Dirickson seconded the motion and it passed unanimously.

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5. **Executive Director Update** – Mrs. Hutchinson reported she and the engineer had meetings with Albemarle County regarding concerns with Chris Greene Lake. She stated that the Airport erosion and sediment control devices were working well but did not keep water from discoloring from the red clay. She stated the only protection from red water would installation of turbidity curtains which could be installed in lieu of the off-airport downstream restoration requested by the Board of Supervisors as part of the runway project

approval process. The Commission members asked that Mrs. Hutchinson investigate the situation further and engage in a discussion with the Board of Supervisor members responsible for the airport's districts.

## **6. Adjourn**

It was decided the next meeting will be June 21, 2010 with the July meeting cancelled. There being no further business, the meeting was adjourned at 6:35 p.m.