

**MINUTES OF THE MEETING OF THE MEMBERS
OF THE CAPITAL REGION AIRPORT COMMISSION**

October 25, 2022

I. CALL TO ORDER

Chairman Wayne T. Hazzard called the regular monthly meeting of the members of the Capital Region Airport Commission to order at 8:00 a.m. on October 25, 2022. The meeting was conducted in the Commission Boardroom in the Terminal Building. A quorum was present.

The following members were present: Commissioners Carroll, Dibble, Fulton, Hazzard, Heston, Holland, Hinson, Macfarlane, Thornton, Trammell, Ukrop, Williams, and Winslow. Present by invitation were Perry J. Miller, President and Chief Executive Officer; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Troy Bell, Director – Marketing and Air Service Development; Tanika Brown, Police Chief; Regina Crocket, Manager – Accounting; Uday Nethula, Director – Human Capital and Diversity Officer; Steve Owen, Director – Finance; Russ Peaden, Director – Properties and Concessions; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

Commissioner Nelson was absent.

At Chairman Hazzard’s request, Commissioner Hinson provided the invocation, and Chairman Hazzard led the Pledge of Allegiance to the flag of the United States.

II. CLOSED MEETING

There was none.

III. OPEN MEETING

A. COMMISSION CHAIRMAN’S COMMENTS

Chairman Hazzard expressed appreciation for every Commissioner’s valuable participation, whether a long or short meeting. It is a great honor to serve as Chairman, especially when everyone participates. Lastly, Chairman Hazzard stated looking forward to today’s tour, hoping everyone can join and see the airport from outside the boardroom.

B. CONSIDERATION OF AGENDA AMENDMENTS

There were none.

C. **APPROVAL OF SEPTEMBER 27, 2022, MINUTES**

At Chairman Hazzard’s request, Commissioner Heston moved to approve September 27, 2022, minutes, and Commissioner Williams seconded the motion.

The motion passed unanimously.

D. **PRESIDENT’S REPORT**

1. **Aviation Activity Report**

At Mr. Miller’s request, Mr. Bell presented the following:

Passenger Traffic: Richmond International Airport (RIC) reports total passenger traffic of 346,327 for September 2022, an increase of 18.0 percent over the total (293,459) reported for the same month a year earlier. American Airlines was the market leader for the month with a 31.8 percent share, followed by Delta Air Lines (28.7%).

RIC’s total passenger traffic for the first nine months of calendar year 2022 shows a 36 percent increase over the same period a year ago, a gain of nearly 800,000 passengers. For the fiscal year to date (FYTD), total passenger traffic has increased 10.0 percent year over year.

Cargo: In September, freight carriers reported an increase in both mail and cargo, resulting in an increase of total cargo of 3.7 percent to 14.2 million pounds and a FYTD increase of 1.2 percent.

Operations: Aircraft operations increased 7.6 percent over September 2021, an increase of about 600 operations for the month and a gain of 15.0 percent for the fiscal year thus far.

Additional Comments

- September 2022’s passenger total is an approximate 99.7 percent recovery versus pre-pandemic September 2019.
- The COVID-19 pandemic has affected aviation activity for 31 consecutive months.
- Through the first half of October 2022, RIC passenger traffic appears to be tracking approximately seven percent ahead of the same period a year ago.
- Scheduled seat capacity via Airline Data, Inc., reviewed on October 14, 2022:

Month	Monthly	Change from Previous Year
September 2022	440,682	+9.2%
October 2022	468,488	+4.1%
November 2022	457,407	+3.9%
December 2022	454,291	+7.8%
January 2023	453,822	+12.2%

2. **Other**

Mr. Miller introduced the new Police Chief Tanika Brown. He asked Chief Brown to provide a little background on herself and report on the confiscated weapons at the Transportation Security Administration (TSA) checkpoints and the policy for all airlines for checked guns at the ticket counters.

Chief Brown provided the following:

Guns Confiscated at TSA Security Checkpoints Nationwide/RIC

- In 2021, TSA caught 5,972 firearms at airport checkpoints.
- This is an increase of more than one-third compared to the 4,432 guns found in 2019 (the second highest year-to-date).
- In 2021, TSA officers stopped 98 handguns at airport checkpoints in Virginia.
- 20 of the handguns were caught at RIC airport checkpoints.

Guns Confiscated Nationwide

NATIONWIDE TOP 10 - 2021		
RANK	Airport (Code)	TOTAL
1	Hartsfield-Jackson Atlanta International Airport (ATL)	507
2	Dallas/Fort Worth International Airport (DFW)	317
3	Houston's George Bush Intercontinental Airport (IAH)	245
4	Phoenix Sky Harbor International Airport (PHX)	196
5	Nashville International Airport (BNA)	163
6	Denver International Airport (DEN)	141
7	Fort-Lauderdale-Hollywood International Airport (FLL)	128
8	Orlando International Airport (MCO)	124
9	Louis Armstrong New Orleans International (MSY)	119
10	Salt Lake City International Airport (SLC)	115

Comparison with Similar Airport

Virginia Airports- 2021

Rank	Airport (Code)	Total
1	Ronald Reagan Washington National Airport (DCA)	30
2	Norfolk International Airport (ORF)	23
3	Richmond International Airport (RIC)	20
4	Washington Dulles International Airport (IAD)	19
5	Roanoke-Blacksburg Regional Airport (ROA)	5
6	Lynchburg Regional Airport (LYH)	1
7	Charlottesville-Albemarle Regional Airport (CHO)	0
8	Newport News-Williamsburg Regional Airport (PHF)	0

Small Airports- Comparable Size

Rank	Airport (Code)	Total
1	Raleigh-Durham (RDU)	100
2	Savannah-Hilton Head International Airport	26
3	Norfolk International Airport (ORF)	23
4	Richmond International Airport (RIC)	20

Chief Brown noted the airline/TSA policy of guns being checked at the ticket counters. Guns should never be exposed or taken out of their locked cases in public. Guns should always be separate from the ammunition and placed in a separate locked case. The passenger is supposed to declare when a weapon is with their checked belongings to the airline. Proper documentation is then made.

If the gun is not packaged correctly, it is typically discovered in the baggage makeup area, and airport police are then called to coordinate with TSA and the passenger. The passenger is escorted outside the airport and provided with the corrective action/packaging needed for stowing weapons on a plane.

At Mr. Miller's request, Mr. Peaden provided an update on the P.O.W.E.R. Together Program scheduled in a couple of weeks at the Richmond Convention Center.

Mr. Peaden reported that this is our second annual event aimed at allowing the community to understand better what is happening at the airport regarding upcoming projects and purchasing opportunities. But it also includes tenants at large. This year's event will have a couple of airlines and concessions, such as food and beverage, gift and news, and car rental companies. The event is to help promote small businesses to assist on large capital projects and to be suppliers at the airport. The program runs from 9am – 1pm on Wednesday, November 9, 2022. All are welcome to attend.

E. COMMISSION STANDING COMMITTEE REPORTS

1. Finance and Audit Committee

Committee Chair Winslow stated that the Finance & Audit Committee did not meet.

a. Monthly Financial Update September 30, 2022

Mr. Dosunmu reviewed the following:

Year-to-date operating revenues for the first quarter were \$14.7 million, or about \$922 thousand greater than budget or 6.7%. Compared to the same time last year, about \$1.6 million or 11% more, mainly due to parking and concessions revenues attributed to increased enplanements.

Year-to-date operating expenses were \$7.1 million, compared to budget of \$8 million, \$918 thousand less than budget or 11.5%. Compared

to \$1.7 million above last year's operating expenses, primarily due to additional personnel added to the 2023 budget.

Overall, comparing pure operating revenue, the year-to-date gross margin is 52%, or about \$7.6 million for the first three months of the fiscal year (FY). It is about \$1.8 million above budget or 31.8%. Overall, the Commission has experienced an outstanding first quarter compared to budget.

To answer the question about what is happening with the Commission's interest income. Interest for the first three months is \$174 thousand compared to a budgeted amount of \$20 thousand or the same time last year of \$23 thousand for comparison. The main reason for the increase is rising interest rates. For example, in July, interest rates rose 39 basis points; in August, 55 basis points; and in September, 64 basis points. Between June and September, interest rates in the Commission's earnings have more than doubled from 0.85% to 2.43%.

The Commission invests in government-backed securities. A very clear investment policy speaks to how the funds are invested, whether restricted or unrestricted. Funds are first secured (preserve the capital first), earn some interest if possible, and ensure the funds are available for operational needs. Where we stand in terms of numbers is that \$86 million of the funds are invested.

2. Planning & Construction Committee

Committee Chair Hinson stated that the Planning & Construction Committee did not meet.

3. Executive Committee

Chairman Hazzard stated the Executive Committee did not meet.

IV. NEXT MEETINGS

The next meeting of the Capital Region Airport Commission will be held on Tuesday, November 29, 2022, at 8:00 a.m.

The Special Committee of the Executive Committee will be held on Wednesday, November 9, 2022, at 3:00 p.m.

The **Finance & Audit Committee** meeting will be held on Tuesday, November 15, 2022, at 8:00 a.m.


The **Executive Committee meeting** will be held on Tuesday, November 15, 2022, at 8:45 a.m.


The **Planning & Construction Committee** meeting will be held on Thursday, November 17, 2022, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

V. **ADJOURNMENT**

Chairman Hazzard adjourned the meeting at 8:30 a.m.

Approved by the Commission:


Recording Secretary


Wayne T. Hazzard, Chairman
Date 11-29-22