

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

**August 29, 2023**

**I. CALL TO ORDER**

Chairman James M. Holland called the regular monthly meeting of the Capital Region Airport Commission members to order at 8:00 a.m. on August 29, 2023. The meeting was conducted in the Commission Boardroom in the Terminal Building. A quorum was present.

The following members were present: Commissioners Carroll, Dibble, Hazzard, Hinson, Holland, Macfarlane, Thornton, Trammell, Ukrop, and Williams. Present by invitation were Perry J. Miller, President and Chief Executive Officer; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Paul Barksdale, Manager – Building Services; Troy Bell, Director – Marketing and Air Service Development; Regina Crockett, Interim Director – Finance; Carol Gaddis, Director – IT and Innovations; Uday Nethula, Human Capital & Diversity Officer; Russ Peaden; Director – Properties and Concessions; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

The special invited guest was Elias Neujahr, President of Children’s Hospital of Richmond at VCU.

Commissioners Fulton, Heston, Nelson, and Winslow were absent.

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

**II. CLOSED MEETING**

There was none.

**III. OPEN MEETING**

**A. COMMISSION CHAIRMAN’S COMMENTS**

Chairman Holland thanked everyone for being present and pointed out the new 2024 Commission schedule that includes a change for the Finance & Audit Committee. It will move to a bi-monthly schedule, similar to the Planning & Construction Committee.

**B. CONSIDERATION OF AGENDA AMENDMENTS**

At Chairman Holland’s request, Commissioner Ukrop moved to amend the agenda with Item III.E.1.c. – Authorization of Acceptance of Bipartisan Infrastructure Law Grant for partial Funding of Passenger Boarding Bridge Replacements, and Item III.E.1.d. – Authorization of Acceptance of Airport Improvement Program Funding Grant for Partial Funding of the Relocation of Taxiway E. Commissioner Hinson seconded the motion.

The motion passed unanimously.

**C. APPROVAL OF July 25, 2023, MINUTES**

At Chairman Holland’s request, Commissioner Hazzard moved to approve the July 25, 2023, minutes, and Commissioner Macfarlane seconded the motion.

The motion passed unanimously.

**D. PRESIDENT’S REPORT**

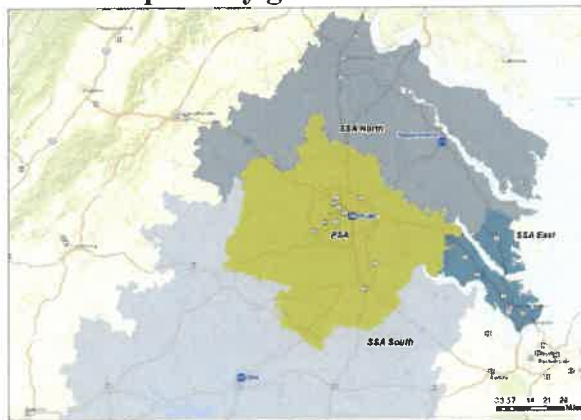
**1. Elias Neujahr, President of Children’s Hospital of Richmond at VCU**

Chairman Holland welcomed Mr. Neujahr, and Mr. Miller noted some of Mr. Neujahr’s accomplishments in his introduction.

**Children’s Hospital of Richmond (ChoR) Stats**

- 230+ doctors
- 53 specialties
- 191 beds, including the new tower
- \$12.6 million research funding
- 389,995 outpatient visits
- 21,321 emergency visits
- 8,536 admissions
- 4,735 surgeries
- Supported by a generous community through Children’s Hospital Foundation

**Service Area – primary greater Richmond**



- Servicing 40 states & 1 US province/district

### **Locally Loved & Nationally Ranked**

- 8 times as Best Children’s Hospital by U.S. News
- 1<sup>st</sup> in the state to be a Level 1 pediatric trauma center
- ChoR is a Level 1 Children’s Surgery Center

### **ChoR Offerings**

- A full continuum of care
- Dedicated mental health services and facilities
- Critical connection to the academic health system
- Tri-part mission
- Multiple campuses and outpatient centers across Central and Northern Virginia
- Partnerships with community providers, hospitals, and schools
- Virginia Children’s Care Network
- NEW Children’s Tower
- ALL for the kids!

### **The New Children’s Tower**

- April – June 2023 Volumes have increased for the following:
  - 39% surgeries
  - 24% imaging studies
  - 23% acute care pediatrics
  - 5% emergency room visits

Chairman Holland thanked Mr. Neujahr for his presentation.

## **2. Aviation Activity Report**

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

**Passenger Traffic:** For July 2023, Richmond International Airport (RIC) reports 439,971 passengers, the busiest month ever reported by the Airport. Passenger traffic increased 18.6 percent versus the same period a year ago. Notably, the previous record of 431,416 was set just two months ago in May.

Three airlines saw year-over-year traffic increases exceeding 25 percent, including Breeze (+143.9%), Spirit (+48.6%), and Delta (+27.6%). Delta claimed a 29.5 percent share of passenger traffic, followed by American (27.6%).

For calendar year 2023 to date, passenger traffic has increased 19.2 percent compared to the same period last year.

**Cargo:** Total cargo increased 19.4 percent to 16.3 million pounds. Thus far for 2023, total cargo has jumped 35.1 percent.

**Operations:** In July, aircraft operations increased 6.8% versus the same month a year ago. FAA operations counts for 2023 outpace the same period in 2022 by 13.1 percent.

### Additional Comments

- Breeze announced new winter seasonal flights from Richmond (RIC) to Ft. Myers, FL (RSW). The flights will start on November 15<sup>th</sup>, operate twice weekly, and reconnect RIC and RSW for the first time since the spring of 2005.
- For the sake of comparison, the previous July record was set in pre-pandemic 2019 with 386,931 passengers reported; the 2023 total is an increase of 53,040 passengers.
- Scheduled seat capacity via Airline Data, Inc., as of August 21, 2023:

| Month          | Monthly | Change from Previous Year |
|----------------|---------|---------------------------|
| July 2023      | 541,589 | +19.1%                    |
| August 2023    | 538,829 | +18.4%                    |
| September 2023 | 499,712 | +13.4%                    |
| October 2023   | 532,772 | +13.8%                    |
| November 2023  | 509,895 | +12.5%                    |
| December 2023  | 510,278 | +14.6%                    |

Lastly, Mr. Bell stated that the Commission was provided an updated two-page guide with route map for their use.

### 3. Other

#### a. Great Place to Work Update

At Mr. Miller's request, Mr. Nethula provided the following:

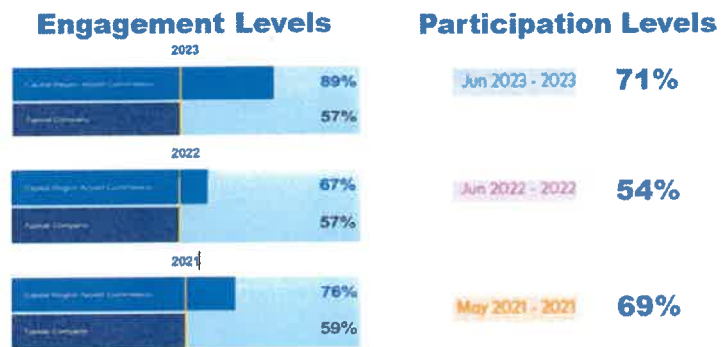
#### **Great Place to Work**

- **Certification** – Recognition of employers who provide an exceptional employee experience.
- **Great Place to Work Institute, Inc.** – Global authority on workplace culture, employee experience, and leadership behaviors proven to deliver market-leading revenue and increased innovation.
- **Definition** – A place where employees trust those they work for, have pride in what they do, and enjoy the people they work with.
- **Survey** – Measures & Design:
  - Measures the quality of the following interconnecting relationships:
    - Employees and management
    - Employees and their jobs/company
    - Employees and other employees
  - Design (2 steps):
    - Step 1:
      - Employees answered 14 demographic questions, 60 statements across a 5-point consistency scale, and two open-ended questions.

Step 2:

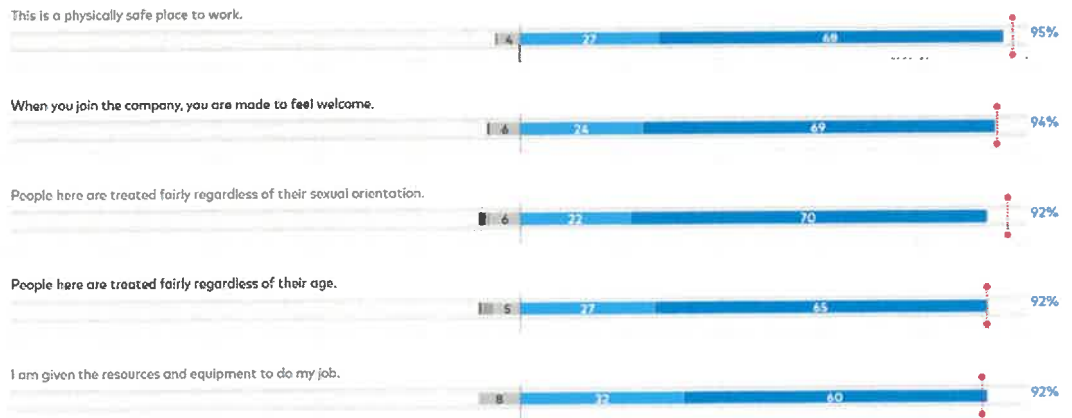
- Culture audit: a series of questions related to the company’s trust, leadership effectiveness, innovation, development, and diversity
- **Benefits:**
  - Recruit Top Talent
  - Higher Retention Rate
  - Increased Productivity
  - Greater Employer Brand Awareness
  - Greater Employee Ambassadors
  - Faster Innovation
  - Creates Goodwill & Builds Employee Trust
- **Results**
  - The Commission is Certified June 2023 – June 2024, 3 years in a row.
    - 89% of the employees say it is a great place to work compared to 57% of employees at a typical U.S. based company.

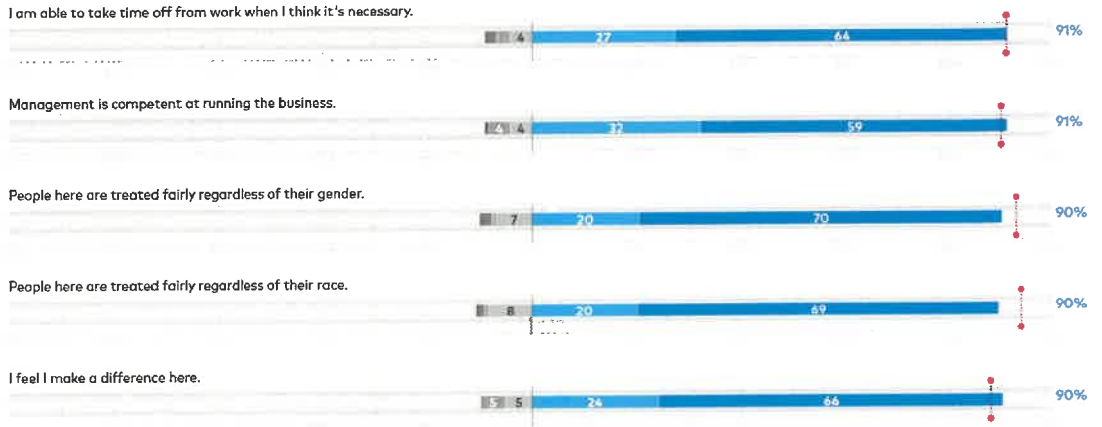
### Comparisons



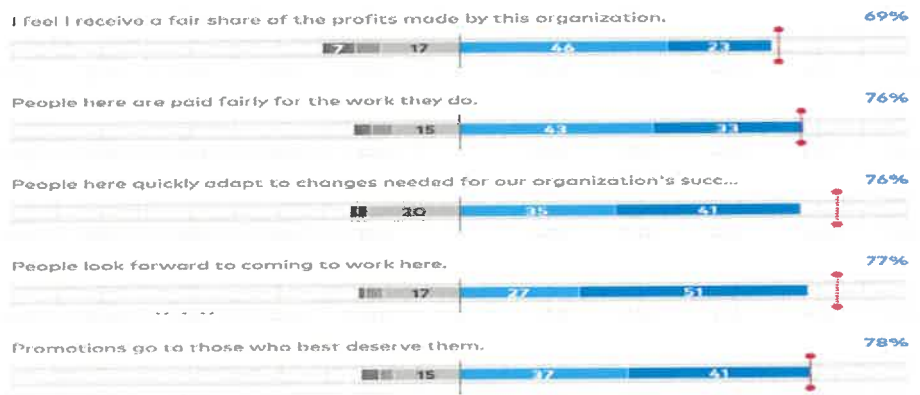
Great Place To Work.

### Areas of Strength





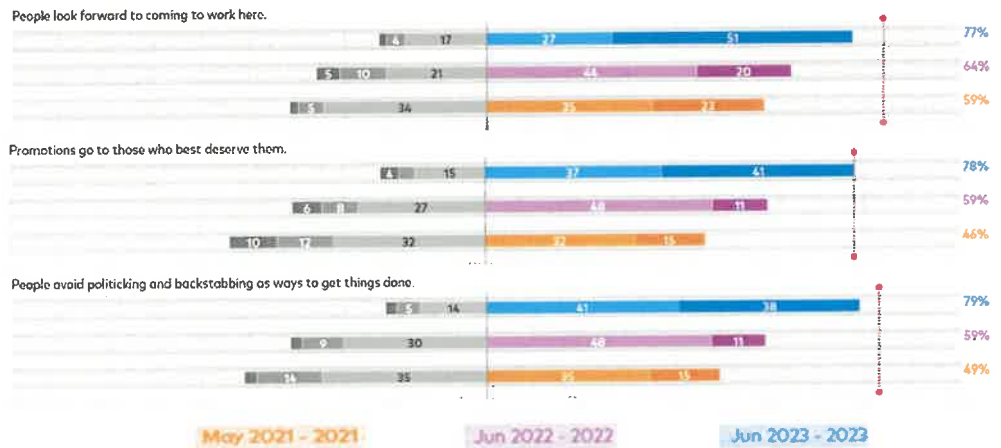
## Areas of Opportunity



## Areas of Opportunity (Comparisons)



## Areas of Opportunity (Comparisons)



## Average of all Statements

|                                      |   |                                |
|--------------------------------------|---|--------------------------------|
| 2023 Great Place to Work® Trust ...  | ★ | Average of All Statements: 85% |
| 2022 Great Place to Work® Trust ...  | ★ | Average of All Statements: 72% |
| 2021 Great Place to Work® Trust I... | ★ | Average of All Statements: 68% |

## Employee Comments

Is there anything unique or unusual about this company that makes it a great place to work? Please give specific examples.



## Employee Comments

If you could change one thing about this company to make it a better place to work, what would it be?



**b. Operational Efficiency Update**

At Mr. Miller’s request, Mr. Barksdale presented the most recent innovation and efficiency process in the Building Services Department.

Mr. Barksdale stated that due to staffing issues for the night shift that began in 2020, the building services needed to come up with a solution. The floor tech group responsible for the heavy cleaning of the Airport's floors at night acquired a new floor tech assistant, an autonomous robotic floor scrubber, the Liberty SC50, which the department calls “Rosie”.

- **Facts on the Liberty SC50:**
  - It comes with a 4-year bumper-to-bumper warranty, including parts and labor, at approximately \$75 thousand.
  - The machine runs for 6 hours (55,000 sq. ft. of coverage)
  - 15-gallon solution tank
  - Tank lasts 2 to 2.5 hours
  - It has three cleaning modes (cleans and sanitizes at the same time)
  - 14-gallon recovery tank
  - 20” pad driver
  - Programmable via QR codes and copycat methods.
  - Multiple lasers guide the machine and even stops when there is an obstruction in its way.
  - The system communicates its conditions via email.
  - A dedicated service technician is available within 24 hours.

**E. COMMISSION STANDING COMMITTEE REPORTS**

Vice Chairman Macfarlane stated that he needed to carry out the responsibilities of the Chair for the remainder of the meeting.

**1. Finance and Audit Committee**

**a. Monthly Financial Update July 31, 2023**

Mr. Dosunmu reviewed the following:

For the first month of the Fiscal Year (FY) 2024, the operating revenues for July were \$6.3 million, \$1.1 million greater than the budget or 20.2%. Compared to the same time last year, this year’s revenue is about \$1.5 million or 31.5% greater than last year’s, mainly due to increased enplanements with corresponding parking and concession revenue.



Operating expenses for July were about \$2.9 million, \$437 thousand less than budget or 12.9%, primarily due to personnel, parking, and other operating costs.

Comparing pure operating revenue for July, the gross margin is 53% or \$1.4 million, better than budget and better than the same time last year.

The interest income for July is a little over \$518 thousand.

Lastly, enplanements for the first month of FY2024 were 14.3% above budget or 17.8% compared to the same time as last year.

**b. Delta GSE Facility Lease – Second Amendment**

Mr. Peaden reviewed the following:

Staff recommends that the Capital Region Airport Commission (the “Commission”) adopt the following resolution:

**WHEREAS**, Delta Air Lines, Inc. (“Delta”) entered into a GSE Facility Lease with the Commission dated April 1, 2017, as amended (the “Delta GSE Lease”) for approximately 4,500 square feet of improved GSE shop space inside Air Cargo Building #1, together with approximately 1,000 square feet of ramp space and approximately 1,000 square feet of vehicle parking, for the purpose of storage and maintenance of ground support equipment and related office functions for the servicing of its commercial aviation operations at Richmond International Airport; and

**WHEREAS**, Delta desires to amend the Delta GSE Lease to extend the term thereof to coincide with the current term of the Airline Operating Agreement and Terminal Building Lease between Delta and the Commission, as amended (the “Operating Agreement”).

**WHEREAS**, the term of the Operating Agreement currently extends through June 30, 2025, subject to a two-year extension through June 30, 2027, unless either party provides notice of its election not to so extend the term.

**WHEREAS**, the Commission wishes to extend the term of the Delta GSE Lease to coincide with the current term of the Operating Agreement, on the same business terms as provided for in the existing Delta GSE Lease.

**NOW, THEREFORE, BE IT RESOLVED BY THE CAPITAL REGION AIRPORT COMMISSION**, in accordance with Chapter 380, Virginia Acts of Assembly of 1980, as amended, that the President and CEO is hereby authorized to execute a lease amendment between Delta Air Lines, Inc. and the Commission as described above, and to take all actions and execute all other documents necessary and appropriate to give effect to the

Commission's actions as described herein and to otherwise carry out the effect of this Resolution, all subject to review by legal counsel.

At Vice Chairman Macfarlane's request, Commissioner Hazzard moved to approve the Delta GSE Facility Lease Extension, and Commissioner Hinson seconded the motion.

The motion passed unanimously.

**c. Authorization of Acceptance of Bipartisan Infrastructure Law Grant for Partial Funding of Passenger Boarding Bridge Replacements.**

Mr. Rutledge reviewed the following:

The staff recommends that the Commission adopt the following resolution:

**WHEREAS**, Section 8 of the Enabling Act for the Capital Region Airport Commission (the "Commission" or "Sponsor"), 1980 Acts of Assembly, Chapter 380, as amended (hereinafter "Enabling Act"), authorizes the Commission to apply for and accept grants of money or other financial assistance from the United States of America and agencies and instrumentalities thereof; and

**WHEREAS**, pursuant to Public Law 117-58, the Infrastructure Investment and Jobs Act referred to as the Bipartisan Infrastructure Law (the "Act"), the Federal Aviation Administration ("FAA") will administer approximately \$20 billion in grant funds for airport infrastructure and terminal development under its Airport Terminal Program ("ATP"); and

**WHEREAS**, the FAA has informed the Commission that it presently is holding \$4.0 million in ATP funding, specifically designated to underwrite, in part, the cost for the Commission's replacement of passenger boarding bridges ("ATP Passenger Bridge Funding"), but that such funds will not be distributed to the Commission and will be lost if the grant for such funding is not executed on or before September 18, 2023 ("Grant Execution Deadline"); and

**WHEREAS**, the Commission is currently scheduled to advertise and issue its Invitation to Bid for such replacement passenger boarding bridges on or about August 15, 2023, and to receive such bids on or about September 12, 2023; and

**WHEREAS**, between the deadline for the receipt of the bids on or about September 12, 2023, and the Grant Execution Deadline on September 18, 2023, there will be no meetings of the Commission for consideration and approval of (i) the award of the ATP Passenger Bridge Replacements

project, (ii) acceptance of the ATP Passenger Bridge Funding, or (iii) authorization of the President and CEO and the Commission's legal counsel to execute the associated grant documents.

**WHEREAS**, under the terms of the anticipated ATP Passenger Bridge Funding grant agreement (the "Grant Agreement"), the Commission must provide an individual the authority to execute the Grant Agreement, i.e., the Sponsor's authorized representative, and the Grant Agreement must be executed by the Sponsor's authorized representative no later than the Grant Execution Deadline for the grant to be valid; and

**WHEREAS**, the Commission wishes to be bound by the terms and conditions of the anticipated Grant Agreement, and to accept the grant funds subject to the terms of the Act and anticipated Grant Agreement; and

**WHEREAS**, the Commission wishes to authorize its legal counsel to execute the Grant Agreement certifying the adoption of this Resolution by the Commission.

**WHEREFORE, BE IT RESOLVED**, in accordance with and under the authority granted by Section 8 of Chapter 380 of the Virginia Acts of Assembly of 1980, as amended, that the Commission wishes to accept the ATP Passenger Bridge Funding subject to the terms of the Bipartisan Infrastructure Law and the terms and conditions of the anticipated Grant Agreement; and

**BE IT FURTHER RESOLVED** that the Commission's President and CEO is hereby authorized to execute and bind the Commission to the Grant Agreement, to accept on behalf of the Commission funding to the Airport in an amount up to \$4,000,000.00 in accordance with and subject to the terms and provisions thereof, and to undertake such additional actions as are necessary to fulfill the terms, obligations, and conditions of the Grant Agreement and to receive the ATP Passenger Bridge Funding, all subject to review by legal counsel; and

**BE IT FURTHER RESOLVED** that the Commission hereby authorizes its legal counsel to certify this action to the U.S. Department of Transportation Federal Aviation Administration as part of the acceptance of the Grant Agreement by the Commission.

At Vice Chairman Macfarlane's request, Commissioner Hinson moved to approve the Partial Funding of Passenger Boarding Bridge Replacements, and Commissioner Trammell seconded the motion.

The motion passed unanimously.

**d. Authorization of Acceptance of Airport Improvement Program Funding Grant for Partial Funding of the Relocation of Taxiway E.**

Mr. Rutledge reviewed the following:

The staff recommends that the Commission adopt the following resolution:

**WHEREAS**, Section 8 of the Enabling Act for the Capital Region Airport Commission (the "Commission" or "Sponsor"), 1980 Acts of Assembly, Chapter 380, as amended (hereinafter "Enabling Act"), authorizes the Commission to apply for and accept grants of money or other financial assistance from the United States of America and agencies and instrumentalities thereof; and

**WHEREAS**, pursuant to the 2023 Airport Improvement Program ("AIP") airport infrastructure grant program, the Federal Aviation Administration ("FAA") has informed the Commission that it presently is holding \$5,543,842.00 in AIP funding specifically designated to underwrite, in part, the cost for the Commission's relocation of the Taxiway E intersection ("Taxiway E Relocation Funding"), but that such funds will not be distributed to the Commission and will be lost if the grant for such funding is not executed on or before September 18, 2023 ("Grant Execution Deadline"); and

**WHEREAS**, the Commission has not awarded a contract for the Taxiway E Relocation project; and

**WHEREAS**, under the terms of the anticipated AIP Taxiway E Relocation Funding (the "Grant Agreement"), the Commission must provide an individual the authority to execute the Grant Agreement, i.e., the Sponsor's authorized representative, and the Grant Agreement must be executed by the Sponsor's authorized representative no later than the Grant Execution Deadline for the grant to be valid; and

**WHEREAS**, the Commission wishes to be bound by the terms and conditions of the anticipated Grant Agreement, and to accept the grant funds subject to the terms of the Act and anticipated Grant Agreement; and

**WHEREAS**, the Commission wishes to authorize its legal counsel to execute the Grant Agreement certifying the adoption of this Resolution by the Commission.

**WHEREFORE, BE IT RESOLVED**, in accordance with and under the authority granted by Section 8 of Chapter 380 of the Virginia Acts of Assembly of 1980, as amended, that the Commission wishes to accept the AIP Taxiway E Relocation Funding subject to the terms and conditions of the anticipated Grant Agreement; and

**BE IT FURTHER RESOLVED** that the Commission's President and CEO is hereby authorized to execute and bind the Commission to the Grant Agreement, to accept on behalf of the Commission funding to the Airport in an amount up to \$5,543,842.00 in accordance with and subject to the terms and provisions thereof, and to undertake such additional actions as are necessary to fulfill the terms, obligations, and conditions of the Grant Agreement and to receive the AIP Taxiway E Relocation Funding, all subject to review by legal counsel; and

**BE IT FURTHER RESOLVED** that the Commission hereby authorizes its legal counsel to certify this action to the U.S. Department of Transportation Federal Aviation Administration as part of the acceptance of the Grant Agreement by the Commission.

At Vice Chairman Macfarlane's request, Commissioner Hazzard moved to approve the Partial Funding of the Relocation of Taxiway E, and Commissioner Hinson seconded the motion.

The motion passed unanimously.

**2. Planning & Construction Committee**

Committee Chairman Hinson stated that the Planning & Construction Committee did not meet this month.

**IV. NEXT MEETINGS**

The next meeting of the Capital Region Airport Commission will be held on Tuesday, September 26, 2023, at 8:00 a.m.

The Finance & Audit Committee meeting will be held on Tuesday, September 12, 2023, at 8:00 a.m.

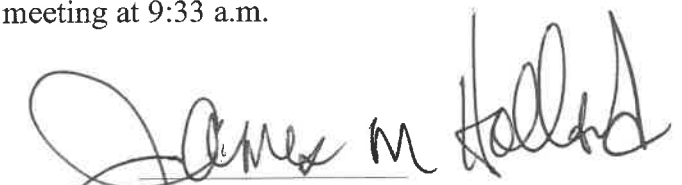
The Planning & Construction Committee meeting will be held on Thursday, September 14, 2023, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

**V. ADJOURNMENT**

Vice Chairman Macfarlane adjourned the meeting at 9:33 a.m.

Approved by the Commission:

  
Recording Secretary

  
James M. Holland, Chairman  
Date 9/26/2023