

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

June 25, 2024

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 June 25, 2024. The meeting was conducted in the Commission Boardroom in the Terminal Building. A quorum was present.

The following members were present: Commissioners Carroll, Cooper, Dibble, Fulton, Hazzard, Heston, Holland, Miller, Nelson, Schneider, Trammell, Ukrop, and Whitehead. Present by invitation were Perry J. Miller, President and CEO; John B. Rutledge, Chief Operating Officer; Basil O. Dosunmu, Chief Financial Officer; Uday Nethula, Chief Human Resource Officer; Troy M. Bell, Director – Marketing and Air Service Development; Erica Conley, Executive Assistant; Regina Crockett, Interim Director – Finance; Carol Gaddis, Director – IT and Innovations; Aaron Haynes, Marketing Specialist; Russ Peaden, Director – Properties and Concessions; Nagesh Tummala, Director – Capital Development; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

Commissioner Macfarlane was absent.

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

II. CLOSED SESSION

The Commission convened in a closed session at 8:03 a.m. Chairman Holland entertained a motion made by Commissioner Carroll and seconded by Commissioner Dibble, to go into closed meeting pursuant to Virginia Code § 2.2-3712 (A), the chair will now entertain a motion to go into closed meeting to consider the following matters:

1. Personnel issues involving employment, assignment, appointment and performance review of the Chief Executive Officer of the Commission as permitted by Virginia Code § 2.2-3711 (A)(1);
2. Discussion and consideration of the disposition of publicly held real property for the construction and/or operation of one or more general aviation fixed base operations where

discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the Commission as permitted by Virginia Code 2.2-3711 (A)(3);

3. Discussion and consideration of the investment of public funds for the provision by the Commission on a proprietary exclusive basis of some or all aeronautical services currently provided at the Airport by one or more general aviation fixed base operations, all that involve competition or bargaining, and where, if made public initially, the financial interests of the Commission would be adversely affected as permitted by Virginia Code 2.2-3711 (A)(6); and

4. Consultation with legal counsel retained by the Commission regarding specific legal matters relating or pertaining to (i) the disposition of publicly held real property for the construction or operation of one or more general aviation fixed base operations, (ii) the investment of public funds for the provision of aeronautical services currently provided at the Airport by one or more general aviation fixed base operations, and (iii) specific legal matters pertaining to general aviation fixed base operations and services and the provision of such operations and services by the Commission on a proprietary exclusive basis, each of which requires the provision of legal advice by such counsel, all as permitted by Virginia Code § 2.2-3711 (A)(8).

The motion passed unanimously.

III. OPEN SESSION

The Commission reconvened in an open session at 9:53 a.m. Chairman Holland entertained a motion made by Commissioner Carroll and seconded by Commissioner Schneider, pursuant to Virginia Code § 2.2-3712 (D) that (i) only public business matters lawfully exempted from open meeting requirements, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered by the Commission and that a statement to this effect will appear in the minutes of this meeting.

The motion passed unanimously.

A. CONSIDERATION OF AGENDA AMENDMENTS

At Chairman Holland's request and for the sake of time, Commissioner Schneider motioned to move up the **Consideration of Agenda Amendments** and the **CEO's Annual Performance Review** listed as Item III.E.3.a. to become III.B.2.a. Commissioner Carroll seconded the motion, and the motion passed unanimously.

B. COMMISSION CHAIRMAN’S COMMENTS

Chairman Holland congratulated Commissioner Fulton for being featured in Sunday’s *Richmond Times-Dispatch* in an article titled “Art Punches Above Its Weight” as well as the four Tony awards for the Broadway musical “The Outsiders.”

1. 2024-25 Officer Election

Chairman Holland asked if there were any further nominations from the floor other than the slate of officers presented last month by Commissioner Carroll:

- Chairman James M. Holland – Chesterfield County
- Vice Chairman Charles S. Macfarlane – City of Richmond
- Secretary Susan P. Dibble – Hanover County
- Treasurer Tyrone E. Nelson – Henrico County

Since there were none and at Chairman Holland’s request, Commissioner Schneider moved to approve the 2024-2025 slate of officers, and Commissioner Carroll seconded the motion. The motion passed unanimously.

New terms for Commission officers will commence on July 1, 2024.

2. Executive Committee

a. CEO’s Annual Performance Review

Chairman Holland stated that the Executive Committee did meet this month with the President and CEO. At Chairman Holland’s request, Commissioner Hazzard moved to approve the CEO’s compensation as discussed and agreed upon in closed session, with the amendment that the CEO will come back with goals and recommendations for FY2025. Commissioner Heston seconded the motion, and the motion passed unanimously.

Chairman Holland congratulated Dr. Perry Miller.

C. APPROVAL OF MAY 31, 2024, MINUTES

At Chairman Holland’s request, Commissioner Nelson moved to approve the May 31, 2024, minutes, and Commissioner Dibble seconded the motion.

The motion passed unanimously.

D. PRESIDENT’S REPORT

1. **Aviation Activity Report**

At Dr. Miller’s request, Mr. Bell gave the following report:

Passenger Traffic: The Capital Region Airport Commission reports a new all-time passenger record as Richmond International Airport (RIC) welcomed 455,114 travelers in May, surpassing the previous mark of 440,736 set in October 2023.

May 2024 represents a 5.5 percent increase over the same month a year ago. American Airlines was the month’s market leader with a 29.5 percent share of passengers, followed by Delta (27.2%), and United (13.6%). Spirit (+42.4%), Southwest (+17.7%), and American (+13.3%) reported the highest year-over-year growth amongst RIC incumbents.

For the fiscal year (FY24) thus far, passenger totals have increased 10.8 percent over the same period a year ago, a gain of more than 430,000 passengers.

Cargo: Total cargo reported an increase of 10.0 percent for the month and is 13.8 percent ahead of cargo totals for the same period last year.

Operations: May 2024 aircraft operations decreased 0.7 percent versus May 2023. Air carrier ops were up slightly while the air taxi and military segments of operations reported decreases. For the first eleven months of FY24, air carrier and air taxi segments have reported healthy increases but a falloff in general aviation operations has yielded a 0.9 percent decrease overall.

Additional Comments

- Dating back to March 2023, the Airport has reported **15 consecutive months** of record passenger traffic.
- Since the last Commission meeting, **Southwest** has launched twice-daily service to Baltimore/Washington (BWI) and daily flights to Nashville (BNA).
- Scheduled seat capacity via Airline Data, Inc., as of June 17, 2024:

Month	Monthly	Change from Previous Year
May 2024	555,784	+9.9%
June 2024	525,182	+1.1%
July 2024	531,844	-1.8%
August 2024	527,682	-2.1%
September 2024	509,288	+2.0%
October 2024	552,553	+3.0%

2. **Other**

There were none.

E. **COMMISSION STANDING COMMITTEE REPORTS**

1. **Finance and Audit Committee**

Finance Chairman Fulton stated that the committee did not meet and that Mr. Dosunmu would review the financial update with the Commission.

a. **Monthly Financial Update May 31, 2024**

Mr. Dosunmu reviewed the following:

Year-to-date operating revenue for the first eleven months of the Fiscal Year 2024 was \$62.0 million, approximately \$6.2 million or 11.1% greater than budgeted. Operating revenue is about \$6.3 million or 11.2% greater than last year, essentially due to increased enplanements with corresponding parking and concession revenue.

Year-to-date operating expenses were about \$31.6 million, \$5.6 million less than budgeted or 15.1%, primarily due to vacant positions. Almost half of the Airport's operating costs are personnel, with 194 approved positions and 26 vacancies since this report was published. As of today, seven positions have been filled, leaving 19 positions remaining unfilled.

The year-to-date gross margin is 49% or about \$30.4 million of revenue to the bottom line. This \$11.8 million is above budget or \$2.1 million above the same time as last year.

The year-to-date interest income is \$6.4 million, with an average annual interest rate of 4.7%, which is about \$3.8 million more than the same time last year.

Enplanements for FY 2024 were 2,215,449 passengers or 184,833 above budget and about 10.7% above the same time last year.

2. **Planning & Construction Committee**

Committee Chair Dibble stated that the Planning & Construction Committee did not meet; however, Mr. Rutledge will present the Master Plan.

a. **Master Plan Presentation Update**

Mr. Rutledge provided some history of the Master Plan dating back to 1999, showing multiple slides of the airport and the various changes that have taken place over the years.

The Federal Aviation Administration's (FAA) requirement is that an approved Airport Layout Plan (ALP) on file, which depicts existing and future development, be signed off by the FAA.

The 2026 Master Plan Update

- Proposals from consultants received, reviewed and proposers have been interviewed.
- Intent to Award to Kutchins & Groh has been posted.
- FAA required elements are specified in FAA Advisory Circular 150/5070-6 and include Facilities Inventory, Aviation Demand Forecasts, Facility Requirements, Alternatives, Recommended Development Concept, and Capital Improvement Program.
- Final scope of work to be developed, reviewed and finalized with FAA, Commission staff and Consultant prior to execution of contract.
- Once scope is finalized and approved by FAA, grants will be issued. Funding will be a combination of FAA, Virginia Department of Aviation (DOAV) and Commission funds.
- FAA has approval authority over 2 components of the Master Plan:
 1. Aviation Demand Forecast
 2. Airport Layout Plan
- Project duration will be 18 to 24 months.

IV. NEXT MEETINGS

The next **Capital Region Airport Commission** meeting will be held on Tuesday, July 30, 2024, at 8:00 a.m.

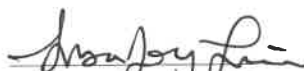
The **Finance & Audit Committee** meeting will be held on Tuesday, July 16, 2024, at 8:00 a.m.

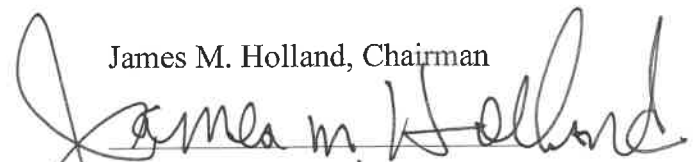
The **Planning & Construction Committee** meeting will be held on Thursday, July 18, 2024, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

V. ADJOURNMENT

Chairman Holland adjourned the meeting at 10.19 a.m.

Approved by the Commission:


Recording Secretary

James M. Holland, Chairman

Date 7/30/2024