

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

February 25, 2025

I. CALL TO ORDER

Chair James M. Holland called the Capital Region Airport Commission's regular monthly meeting to order at 8:00 a.m. on February 25, 2025. 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, Lynch, Miller, Nelson, Roundtree, and Schneider. 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; Martin Rubinstein, Chief Growth Officer; Troy M. Bell, Director – Marketing and Air Service Development; Carol Gaddis, Director – IT and Innovation; Richard Greatti, Director – Finance; Aaron Haynes, Marketing Specialist; Aaron Keller, Director – Operations & Security; Anthony Tangorra, Director – Customer Experience; Nagesh Tummala, Director – Capital Development; Susan Joy Linn, Recording Secretary; and W. David Harless, legal counsel from Christian & Barton, LLP.

At Chair Holland's request, Commissioner Lynch provided the invocation, and Chair Holland led the Pledge of Allegiance to the flag of the United States.

Commissioners Macfarlane and Ukrop were absent.

II. CLOSED

The Commission convened into a closed session at 8:02 a.m. Chair Holland entertained a motion made by Commissioner Hazzard and seconded by Commissioner Fulton, 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. Discussion and consideration of the disposition or lease of publicly held real property for general aviation fixed base operations where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, as permitted by Virginia Code § 2.2-3711 (A)(3); and
2. Consultation with legal counsel retained by the Commission regarding specific legal matters pertaining to the disposition or lease of publicly held real property for general aviation fixed base

operations, and that require 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 into an open session at 8:15 a.m. The Chair Holland entertained a motion made by Commissioner Hazzard and seconded by Commissioner Carroll, 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 Chair Holland's request, Commissioner Cooper moved to add Item III.E.3.a – Capital Region Airport Commission Policy Resolution for Remote Participation During Commission Meetings. Commissioner Schneider seconded the motion, which passed unanimously.

B. COMMISSION CHAIRMAN'S COMMENTS

Chair Holland welcomed our newest Commissioner, Stephanie A. Lynch, from the City of Richmond.

C. APPROVAL OF JANUARY 28, 2025, MINUTES

The January 28, 2025, minutes were approved by majority vote with one abstention from Chair Holland, who was not in attendance.

D. PRESIDENT'S REPORT

1. Aviation Activity Report

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

RIC aviation activity recap for Calendar Year and December 2024:

Passenger Traffic: For January 2025, Richmond International Airport (RIC) reports 329,098 total passengers, a new January record. The passenger count represents a 1.8 percent increase over January 2024.

American Airlines was the market leader in January with a 28.2 percent share of passengers, followed by Delta (27.1%) and United (13.7%). JetBlue and United

were RIC’s growth leaders, reporting increases of 29.6 percent and 11.2 percent, respectively.

For fiscal year-to-date 2025 (FYTD25), passenger traffic has increased 0.3 percent compared to the same period a year ago.

Cargo: January’s total cargo volume of 15.8 million pounds was a 2.6 percent decrease from January 2024. For FYTD25, total cargo has increased 8.0 percent.

Operations: Aircraft operations increased 10.1 percent year over year, with all segments reporting gains. For FYTD25, RIC reports a 0.2 percent increase.

Additional Comments

- Airlines reported **108 cancelled flights in January 2025**, exactly double the total from a year earlier. Winter weather events were the primary cause of increased cancellations.
- **New route: BermudAir** announced twice-weekly **Richmond-Hamilton, Bermuda (BDA)**, starting June 7th. The two-hour flight will operate on Wednesdays and Saturdays.
- **Inaugural: Breeze Airways launched** Richmond-New Haven flights on February 6th.
- During the second half of FY25, air carriers will offer **38 nonstop destinations** from RIC.
- Scheduled seat capacity and departures as of February 17, 2025, via Airline Data, Inc.:

Month	Seats	YOY Change	Departures	YOY Change
January 2025	449,406	+1.8%	3,858	+6.5%
February 2025	412,435	-3.7%	3,615	+2.5%
March 2025	504,046	+1.9%	4,407	+10.2%
April 2025	504,756	-1.6%	4,326	+2.8%
May 2025	572,781	+3.1%	4,860	+5.5%
June 2025	574,130	+9.3%	4,824	+8.3%

Mr. Bell also provided a RIC comparison to Norfolk International Airport as requested by a member of the Commission.

2. Other

Dr. Perry Miller expressed his gratitude to Commissioners Carroll and Nelson for supporting the Richmond International Airport (RIC) during their time at the Central Virginia Transportation Authority (CVTA). He also thanked Commissioner Ukrop for prioritizing RIC within the strategic planning agenda of the Greater Richmond Partnership.

Dr. Perry Miller provided a couple photos of the completed Commission display wall that has been placed outside of the Executive Offices in the terminal building for the public to see.

Lastly, Dr. Perry Miller also thanked Commissioners Dibble and Fulton for being willing to serve on the airport's foundation strategic planning committee.

The Commission will begin its Strategic Planning with the selected consultants currently under contract negotiations, and a future request will be made for participants on that committee.

E. COMMISSION STANDING COMMITTEE REPORTS

1. Finance and Audit Committee

Finance Chairman Fulton stated that the committee met and requested Mr. Dosunmu to review the monthly financials. The Commission needs to approve a couple of action items.

a. Monthly Financial Update January 31, 2025

Mr. Dosunmu reviewed the following:

Year-to-date operating revenue for the first seven months of Fiscal Year 2025 was \$39.7 million, approximately \$1 million, or 2.7% greater than budgeted due to increased enplanements with corresponding parking and concession revenue. It was less than \$200 thousand or 0.5% above the prior year.

Year-to-date operating expenses totaled approximately \$23.4 million, \$3.9 million less than budgeted or 14%. The primary reason the expenses are below budget is that the Commission allocated funding for 198 approved full-time positions, with 171 currently filled, leaving 27 vacancies remaining.

Overall, the year-to-date gross margin is 41% or about \$16.3 million of revenue to the bottom line. This is approximately \$4.9 million above budget or \$2.3 million below the same time as last year.

The year-to-date interest income is \$4.5 million, almost \$3.7 million above budget and about \$382 thousand above the prior year.

Enplanements for FY 2025 are 1,417,650 passengers, a slight decrease in budget but a slight increase of 4,888 enplaned passengers above the same time last year.

b. Richmond Jet Center/Aero Industries Lease Amendments

Mr. Rutledge reviewed the following:

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

WHEREAS, the Commission and Richmond Jet Center, Inc. (“Richmond Jet”) are parties to that Deed and Agreement of Lease dated September 30, 1994, as amended by Amendment No. 1 to Deed and Agreement of Lease dated March 21, 2016 (the “Richmond Jet Lease”), pursuant to which Richmond Jet leases certain premises (the “Richmond Jet Premises”) at which it provides fixed base operator services at Richmond International Airport (the “Airport”); and

WHEREAS, the Commission and Aero Industries, Incorporated (“Aero Industries”) are parties to that Amended and Restated Lease Agreement dated May 1, 2010, as amended by Amendment No. 1 to Amended and Restated Lease Agreement dated March 21, 2016 (the “Aero Industries Lease,” and collectively with the Richmond Jet Lease, the “Leases”), pursuant to which Aero Industries operates a fuel storage facility at the Airport; and

WHEREAS, Richmond Jet and Aero Industries are affiliated entities, and Aero Industries’ fuel storage facility operations support Richmond Jet’s fixed base operator services; and

WHEREAS, the Richmond Jet Lease and the Aero Industries Lease will expire on January 31, 2026; and

WHEREAS, Richmond Jet and Aero Industries have requested a five-year extension of the term of their respective leases commencing February 1, 2026, and expiring January 31, 2031 (the “Extension Period”); and

WHEREAS, the Commission is agreeable to extending the Leases upon the following terms and conditions:

Initial Annual Rent (combined):	<u>\$582,383.72</u> , payable in equal monthly installments
Annual Rent Escalation:	Lesser of 3% or CPI-U

On or before February 1, 2026, Richmond Jet will pay to the Commission a lump-sum payment in the amount of \$77,472.67, amounting to Richmond Jet's portion of the costs of certain roof improvements at the Richmond Jet Premises (the "Roof Improvements") to be undertaken by Richmond Jet and reimbursed by the Commission upon receipt of documentation (including without limitation payment receipts, appropriate certifications and lien waivers) acceptable to the Commission, acting through its President and CEO.

Richmond Jet shall undertake certain additional improvements to the Richmond Jet Premises (the "Additional Improvements"), which Additional Improvements shall be (a) approved in advance in writing by the Commission, acting through its President and CEO, and (b) completed by or on behalf of Richmond Jet at its expense within six (6) months following completion of the Roof Improvements. Following completion of the Additional Improvements, the Commission shall provide Richmond Jet credits against the Annual Rent otherwise due and payable during the Extension Term, or the remainder thereof, allocated uniformly on a monthly basis, in an aggregate amount equal to the total actual demonstrated cost of the Additional Improvements, provided, however, that the aggregate amount of the rent credits shall not exceed \$555,000.00.

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 an amendment or amendments to the Leases in accordance with the terms described above, which amendment or amendments may include such additional terms and conditions not inconsistent with the terms hereby approved, and to take all actions and execute all other documents necessary and appropriate to give effect to the actions contemplated by this Resolution, subject to review by legal counsel.

At Chair Holland's request, Commissioner Cooper seconded the motion made by the Finance and Audit Committee to approve the Richmond Jet Center/Aero Industries Lease Amendments.

The motion passed unanimously.

c. BermudAir Non-Signatory Airline Operating Agreement

Mr. Peaden reviewed the following:

Staff recommends that the Commission adopt the following resolution:

WHEREAS, BermudAir Limited, doing business as BermudAir (“BermudAir”), has expressed a desire to initiate direct nonstop service between Richmond International Airport and Hamilton, Bermuda, on a non-signatory basis;

WHEREAS, BermudAir intends to operate these routes initially on a twice-weekly basis using Embraer E175 and/or 190 aircraft; and

WHEREAS, the Commission desires to enter into a Non-Signatory Airline Operating Agreement with BermudAir, which agreement will allow for termination by the Commission upon not less than thirty (30) days’ notice.

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 authorized to execute a Non-Signatory Airline Operating Agreement with BermudAir Limited, doing business as BermudAir, subject to review by legal counsel.

At Chair Holland’s request, Commissioner Hazzard seconded the motion made by the Finance & Audit Committee to approve the BermudAir Non-Signatory Airline Operating agreement.

The motion passed unanimously.

2. Planning & Construction Committee

Committee Chair Dibble stated the Planning & Construction Committee did not meet, but an updated capital projects list has been provided in the Commission binders.

3. Executive Committee

a. Resolution of Policy – Remote Participation During Commission Meetings.

Mr. Harless reviewed the following resolution:

WHEREAS, in Article III, Section 1, of its Bylaws, the Commission has provided that regular Commission meetings shall be held on the last Tuesday of each month other than December;

WHEREAS, in Article III, Section 4, of its Bylaws, the Commission has provided that a majority of the Commissioners in office shall constitute a quorum for the transaction of business of the Commission;

WHEREAS, the Commission’s Enabling Act, 1980 Acts of Assembly, Chapter 380, as amended (hereinafter “Enabling Act), in Section

8 authorizes the Commissioners of the Commission to appoint such committees as they may deem advisable and fix the duties and responsibilities of such committees;

WHEREAS, in Article VI of its Bylaws, as amended through July 26, 2022 (“Bylaws”), the Commission has created as standing committees of the Commission the Executive Committee, Finance and Audit Committee, and Planning and Construction Committee to conduct the affairs of such standing committee and whose actions shall be subject to the final authority of the Commission;

WHEREAS, historically the Commission has not permitted remote participation by Commissioners during the meetings of the Commission or its standing or special committees;

WHEREAS, pursuant to Virginia Code § 2.2-3708.3, as amended, the Virginia General Assembly has adopted rules governing the use of remote participation during meetings of the Commission held in the absence of a declared state of emergency;

WHEREAS, before the Commission may allow members to use remote participation, the Commission must first adopt a policy, by recorded vote at a public meeting, that (1) shall be applied strictly and uniformly, without exception, to the entire membership and without regard to the identity of the Commissioner requesting remote participation or the matters that will be considered or voted on at the meeting; (2) describes the circumstances under which remote participation will be allowed and the process the public body will use for making requests to use remote participation, approving or denying such requests, and creating a record of such requests; and (3) fixes the number of times remote participation for personal matters can be used per calendar year, not to exceed the limitations set forth in Virginia Code § 2.2-3708.3, as amended.

WHEREAS, the Commission deems the necessity and importance of empowering the members of the Commission and of the standing and special committees of the Commission to participate remotely in the meetings of the Commission and its committees, all in compliance with Virginia Code § 2.2-3708.3, as amended.

NOW, THEREFORE, BE IT RESOLVED, pursuant to Virginia Code § 2.2-3708.3, as amended, that the Commission hereby adopts the accompanying *Capital Region Airport Commission Policy for Remote Participation During Commission Meetings* (“Policy”) to govern the use of remote participation by Commissioners during meetings of the Commission held in the absence of a declared state of emergency; and

BE IT RESOLVED FURTHER that the Policy shall also apply, making necessary alterations while not affecting the main point, to meetings

of any committee, subcommittee, or other entity however designated of the Commission to perform delegated functions of the Commission or to advise the Commission.

At Chair Holland's request, Commissioner Nelson motioned to approve the Commission's Remote Participation Policy. Commissioner Schneider seconded the motion, which passed unanimously.

IV. NEXT MEETINGS

The next **Capital Region Airport Commission** meeting will be held on Tuesday, March 25, 2025, at 8:00 a.m.

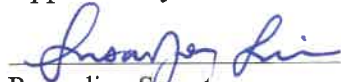
The **Finance & Audit Committee** meeting will be held on Tuesday, March 11, 2025, at 8:00 a.m.

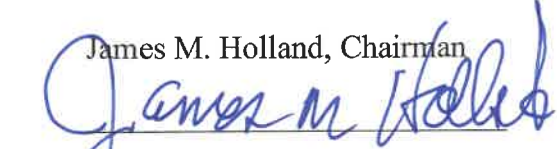
The **Planning & Construction Committee** meeting will be held on Thursday, May 15, 2025, at 8:00 a.m., all in the Commission Boardroom in the Terminal Building.

V. ADJOURNMENT

Chair Holland adjourned the meeting at 8:34 a.m.

Approved by the Commission:


Recording Secretary

James M. Holland, Chairman

Date 3/25/2025