

Charlottesville Albemarle Airport Authority Meeting
Tuesday, March 12, 2019, at 8:30 a.m.
At the City of Charlottesville's Basement Conference Room

AGENDA

Call to Order:

Consent Agenda:

1. Minutes – December 12, 2018 meeting
2. Financial Statements – January 31, 2019 (Unaudited)
3. Airport Statistics: November 2018, December 2018 and January 2019

Matters from the Public: All person desiring to make presentations as part of the MATTERS FROM THE PUBLIC section of the Agenda are requested to advise the administrative office prior to commencement of the meeting to assist the Chairman in conducting the meeting in an efficient and productive manner; allowing for maximum input. Speakers are encouraged to limit remarks to five minutes. Additional time may be granted solely at the discretion of the Chairman unless such presentation is extended by reason of the Authority's request for additional information:

Awards and Recognition: Dr. John Post was presented with an award for his service on the Airport Joint Commission (2012-2018)

Action Items:

1. Annual Election of Chairman, Vice-Chairman, and Secretary/Treasurer
2. FY-2018 Comprehensive Annual Financial Report
3. 2019 Audit Committee Membership
4. Revision of Authority's Purchasing Regulations
5. Design-Build Construction Method for Parking Deck Project
6. Resolution Making Certain Declarations and Providing Certain Approvals in Connection with a Proposed Bond Issue
7. Ratification of Transportation Network Company Agreement Fees

Informational Items:

1. Executive Director's Update
 - a. Personnel Update
 - b. FY2020 – 6 Year Airport Capital Improvement Plan
 - c. Construction Update
 - i. Parking Improvements Design
 - ii. Runway/Taxiway Rehab Construction
 - iii. Air Carrier Ramp Expansion Design
 - iv. Entry Pavilion Design
 - v. Terminal Energy Modification
 - vi. Terminal Area Master Plan
 - vii. MALSR Update
 - viii. Charging Stations Installation
 - d. Marketing & Air Service Update

Next Scheduled Meeting: Closed Session for Executive Director Annual Review – *Date/Time/Location:* TBD.

Adjourn:



Charlottesville Albemarle Airport Board Meeting Minutes
Wednesday, December 12, 2018 at 9:00 a.m. in the Airport Terminal-Lower Level Conference Room

MINUTES

Members Present: Donald Long, Jeff Richardson

Members Absent: Mike Murphy

Staff Present: Melinda Crawford: Executive Director; Penny Shifflett: Director of Finance and Administration; Jason Burch: Deputy Executive Director; Jason Devillier: Director of Maintenance & Construction; Jessica Conley: Administrative Assistant; Ronnie Shifflett: Airfield & Facilities Manager

Others Present: Lisa Robertson, City of Charlottesville Attorney, Alan McDonald, Jorge Gonzalez

Call to Order at 9:10 a.m. by Donald Long

Consent Agenda:

1. Minutes – September 27, 2018: Mr. Long motioned to approve the Minutes, Mr. Richardson seconded the motion, and it was unanimously approved.
2. Financial Statements –October 31, 2018 (Unaudited) discussed.
3. Airport Statistics: August 2018, September 2018, and October 2018 discussed.

Mr. Richardson made a motion to accept the Consent Agenda, the motion was seconded by Mr. Long, and it was unanimously approved.

Matters from the Public: None

Employee Recognition: Ronnie Shifflett-35 years of service, Stirling Williams-15 years of service, and Kevin Whitmer-5 years of service.

Public Hearing: Ms. Crawford briefly explained the proposed revisions to the Authority's *Rules and Regulations Regarding Conduct and Activities on the Property of the Charlottesville Albemarle Airport Authority* and the public hearing requirement. Mr. Long opened the public hearing. No one spoke concerning the proposed revisions, and Mr. Long closed the public hearing.

Action Items:

1. Revision of Rules and Regulations Regarding Conduct and Activities on the Property of the Charlottesville Albemarle Airport Authority. The background and purpose of this revision was discussed. Mrs. Robertson, the Authority's Legal Counsel, recommended that the Board adopt Ordinance 2018-1 that sets forth changes to the Airports Rules and Regulations as advertised in a public hearing notice. Mr. Long moved to adopt Ordinance 2018-1 as noted by Mrs. Robertson and to approve the Revision of Rules and Regulations Regarding Conduct and Activities on the Property of the Charlottesville Albemarle Airport Authority. Mr. Richardson seconded and it was unanimously approved.
2. Amendment#1 to the FY19 Operating Budget. The background for this item was discussed. Mr. Richardson moved to approve Amendment#1 to the FY19 Operating Budget as presented. Mr. Long seconded and it was unanimously approved.
3. Take-Home Vehicle Policy. The background and proposed policy for this item discussed. Mr. Long moved to approve the Take-Home Vehicle Policy. Mr. Richardson seconded and it was unanimously approved.
4. Increasing the Dollar Limit for a Single Item Quote for Professional Services. The need for this change to the Authority's procurement manual was discussed. Mr. Long moved to approve Increasing the Dollar Limit for a Single Item Quote for Professional Services. Mr. Richardson seconded and it was unanimously approved.

Informational Items:

1. Executive Director's Update: Ms. Crawford presented the following items:
 - a. Personnel Update: Introduction of new police chief, Jonathan Shenk. Several other personnel-related items were noted.
 - b. MALSR Update: The authority has executed the reimbursable agreement with FAA. Delta Airport Consultants has surveyed the MALSR, and has provided a report containing repair recommendations to the FAA. We are waiting on the FAA's response to this report.
 - c. Request for the Authority to consider support of the expansion of City Water/Sewer to property near the west side of the airfield along Earlysville Road: Item discussed.
 - d. Construction Update:
 - i. Masterplan Update: The Request for Proposals for professional services to perform the update was discussed.
 - ii. Parking Improvements: The design phase of the parking expansion project is continuing.
 - iii. Runway/Taxiway Rehab: The project has not closed out yet, waiting on contractor to finish a few items.
 - iv. Air Carrier Ramp Expansion Design: This design project is currently underway.
 - v. Entry Pavilion Design: Drawings have been provided and this project will be presented before the Albemarle County Architectural Review Board in January.
 - vi. Terminal Energy Modification: Ms. Crawford discussed the upcoming energy modification project that will place film on all windows throughout the concourse that will help with energy conservation as well as safety.
 - vii. Charging Stations Installation: Installation of charging stations at the Gate 5 area is complete, and we have ordered the charging stations for Gates 1-4 with completion scheduled before yearend.
 - e. Marketing & Air Service Update:
 - i. Mr. Burch discussed the recent success of the Thanksgiving holiday travel period, and noted it was the busiest passenger travel activity in CHO's history with 381 flights taking place during the week of Thanksgiving. He also mentioned that Delta Airlines had upgraded their fleet during the Thanksgiving period to add an Airbus 319, but they will be returning to the regular scheduled Boeing 717 aircraft soon.
 - f. Proposed 2019 Meeting Schedule: A proposed meeting schedule for CY2019 was presented and discussed. Ms. Conley will be sending the schedule out to all board members for input.

Closed Session:

In accordance with VA Code 2.2-3712 the Airport Authority convened in closed session for discussion and consideration of the performance and salary of the Executive Director, pursuant to VA Code 2.2-3711 (A) (1). Mr. Long made the motion, Mr. Richardson seconded the motion, and it was unanimously approved. The Board entered closed session at 10:28 a.m.

Certification of Closed Meeting:

At 11:09 a.m. Mr. Long made the following motion:

I move that this Board certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the Motion convening the closed session were heard, discussed or considered in the closed session. Mr. Richardson seconded the motion, and the motion was unanimously approved

Mr. Long motioned to accept the Executive Director's contract as presented. Mr. Richardson seconded the motion, and it was unanimously approved.

Next Scheduled Meeting: To be Determined.

Adjournment: 11:12 a.m.

Charlottesville-Albemarle Airport Authority
Financial Statements (unaudited)
As of January 31, 2019

Charlottesville-Albemarle Airport Authority
Profit & Loss Notes
As of January 31, 2019

\$15K and 10% change

Revenues:

- A. Advertising:--This is the airport's first full year with advertising revenue. The actual revenues have come in higher than projected. Staff is doing a great job with the program.

Expenses:

- B. Various Expense Line Items:--There are a few line items under budget. These expenses vary and it is not unusual for them to happen later in the year or at the end of the budget cycle.
- C. Various Payroll and Benefit Expense Line Items:--There were vacant positions for our public safety department, but with the hiring of Chief Shenk in October, the positions have been getting filled. Since November, the Authority has hired 5 full-time officers and 1 part-time officer. The department is one away from being fully staffed and the last individual is expected to be on board in April. The practice when calculating the budget for benefits for open positions is to plan for the employee to select the most expensive health care option. This is why it often looks like we have underspent in the Health Insurance line item.
- D. Airfield Grounds Maintenance: -- year-to-date expense: \$34,535 Budgeted: \$10,353
This account is over budget due to an unexpected fence repair project.
- E. Parking Pavement/Booths/Steps:-- year-to-date expense: \$26,351 Budgeted: \$11,263
This account is over budget due to the demolition of an old structure on airport property.
- F. Terminal OT:-- year-to-date expense: \$76,239 Budgeted: \$38,000
This line item is mainly due to our public safety officers having to work overtime due to being so short staffed at the beginning of the year as well as our new shop & fleet supervisor and new custodians working overtime to get up to speed.
- G. Terminal-Util-Water:-- year-to-date expense: \$33,361 Budgeted: \$17,500

There was a rate increase that took effect July 1, 2018. There will be a budget amendment made when we true up the numbers at year-end.

- H. Terminal Maintenance:-- year-to-date expense: \$113,824 Budgeted: \$62,713
There were some terminal modifications to improve airline efficiency. Delta was moved from gate 2 to gate 4 due to aircraft relocation. A water line had to be installed for TSA.
- I. Terminal Janitorial Supplies and Janitorial Contract: These two line items are related. Originally, we did not plan on using contracted services for janitorial services, but we did not hire our own staff until August and therefore paid a third party for the month of July. As for the Janitorial supplies being over budget, there were some larger pieces of equipment that needed to be purchased at the onset of having our own employees perform some of the janitorial duties.
- J. Terminal Elevator Escalator and HVAC Maintenance: These two line items account for the maintenance that is needed for our aging systems. The expenses for these are exceeding our budgets at this time.
- K. Terminal Business Center/Lounge: This line item is under spent due to limited traffic at this time. There is also the corresponding revenue for this area which is also under budget at this time.

Net Income

January year-to-date net income before other income = 415,587.

Charlotteville Albemarle Airport
Profit & Loss Budget Performance
January 2019

Ordinary Income/Expense Income	Jan 19	Budget	Jul '18 - Jan 19	YTD Budget	Annual Budget	YTD Diff	YTD Diff %
ADMINISTRATIVE REVENUES							
Miscellaneous Income	157.00	300.00	4,575.20	2,100.00	3,600.00	2,475.20	117.9%
QTA Staff Reimbursement	2,555.00	2,766.67	18,521.00	19,366.65	33,200.00	-845.65	-4.4%
VDOA Aviation & Promotion Program	0.00	5,000.00	0.00	5,000.00	35,000.00	-5,000.00	-100.0%
Total ADMINISTRATIVE REVENUES	2,712.00	8,066.67	23,096.20	26,466.65	71,800.00		
AIRFIELD REVENUES							
Airline Landing Revenue	77,108.33	72,693.00	541,203.59	508,851.00	872,320.00	32,352.59	6.4%
Charters	0.00	1,667.00	10,086.26	11,669.00	29,760.00	-1,632.74	-14.0%
Ground Rent/Airfield Fees	6,132.89	6,120.00	60,389.02	59,927.00	90,536.00	462.02	0.8%
FBO Revenue	36,620.86	37,161.00	278,936.01	260,127.00	445,992.00	18,809.01	7.2%
A/W Flowage	0.00	0.00	3,472.59	2,500.00	5,000.00	972.59	38.9%
State Ent. Maintenance-Airfield	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Miscellaneous Revenue Airfield	0.00	100.00	0.00	700.00	1,200.00	-700.00	-100.0%
Security Access Control Reimb.	2,351.00	1,100.00	9,552.00	7,700.00	13,200.00	1,852.00	24.1%
Total AIRFIELD REVENUES	122,213.08	118,841.00	903,589.47	851,474.00	1,457,948.00		
PARKING REVENUES							
Passenger Parking Revenue	353,681.00	340,976.00	2,562,958.53	2,547,454.00	4,551,994.00	15,504.53	0.6%
Crew Base Parking	500.00	450.00	3,966.76	3,150.00	5,400.00	816.76	25.9%
Miscellaneous Fees	200.00	100.00	475.00	700.00	1,200.00	-225.00	-32.1%
Total PARKING REVENUES	354,381.00	341,526.00	2,567,400.29	2,551,304.00	4,558,594.00		
TERMINAL REVENUES							
Airline Rent	43,162.53	43,163.00	302,131.47	302,141.00	517,956.00	-9.53	0.0%
FAA Service FEE/Rent	3,792.92	3,793.00	26,550.44	22,758.00	41,722.00	3,792.44	16.7%
TSA Reimbursement	4,006.75	3,016.00	23,684.70	21,112.00	36,195.00	2,572.70	12.2%
Rental Car Revenue	74,431.98	74,050.00	519,009.76	518,350.00	1,038,600.00	659.76	0.1%
Ground Transportation Fees	2,000.00	2,000.00	14,000.00	14,000.00	24,000.00	0.00	0.0%
Rental Car QTA Land Lease	4,678.00	4,818.00	33,166.00	33,726.00	57,817.00	-560.00	-1.7%
Advertising	19,758.00	12,500.00	116,336.50	87,500.00	150,000.00	28,836.50	33.0% A
Food/Gift Concessions	9,063.40	9,075.00	74,515.51	63,525.00	108,900.00	10,990.51	17.3%
Miscellaneous Terminal	0.00	0.00	377.60	0.00	2,000.00	377.60	100.0%
ATM Concession	623.00	623.00	4,361.00	4,361.00	7,476.00	0.00	0.0%
State Ent for Terminal Maintenance	0.00	0.00	0.00	0.00	300,000.00	0.00	0.0%
State Ent Reimb for Debt Service	0.00	0.00	0.00	0.00	285,000.00	0.00	0.0%
Maint. Work Order Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
Business Center/Lounge	1,455.00	12,167.00	10,735.00	85,169.00	146,000.00	-74,434.00	-87.4% K
Total TERMINAL REVENUES	162,971.58	165,205.00	1,124,867.98	1,152,642.00	2,715,666.00		
Total Income	642,277.66	633,638.67	4,618,953.94	4,581,886.65	8,803,948.00		

Charlotteville Albemarle Airport
Profit & Loss Budget Performance
January 2019

Expense	Jan 19	Budget	Jul '18 - Jan 19	YTD Budget	Annual Budget	YTD Diff	YTD Diff %
Administrative Expenses							
Wages	53,952.11	54,731.00	434,262.33	442,533.00	753,497.00	-8,270.67	-1.9%
Admin-Overtime	5,417.99	5,200.00	21,423.58	13,400.00	20,000.00	8,023.58	59.9%
Payroll Taxes	4,450.29	4,615.00	30,302.40	32,206.00	57,580.00	-1,903.60	-5.9%
Health Ins./Supp	8,095.40	6,830.00	56,937.20	47,810.00	81,958.00	9,127.20	19.1%
Life Insurance	835.52	724.00	5,721.48	5,068.00	8,846.00	653.48	12.9%
Short-Term Disab/ Long-Term Disab	101.73	52.00	542.37	364.00	623.00	178.37	49.0%
Retirement	5,338.36	4,853.00	36,789.36	33,971.00	59,255.00	2,818.36	8.3%
Unil-Telephone	1,559.68	2,237.00	8,704.19	15,659.00	26,848.00	-6,954.81	-44.4%
Insurance Expense	2,283.19	2,192.00	13,193.33	15,344.00	26,302.00	-2,150.67	-14.0%
Office Supplies	2,025.03	1,200.00	9,605.26	8,400.00	14,400.00	1,205.26	14.3%
Office Expenses	176.26	1,864.00	9,915.72	13,048.00	22,368.00	-3,132.28	-24.0%
Payroll Processing Fees	375.82	217.00	1,858.74	1,519.00	2,600.00	339.74	22.4%
Education	0.00	765.00	2,565.00	5,355.00	9,180.00	-2,790.00	-52.1%
Computer Expense	8,342.18	12,461.00	55,798.99	87,227.00	149,537.00	-31,428.01	-36.0%
Equipment Lease	0.00	436.00	2,543.55	3,052.00	5,232.00	-508.45	-16.7%
Travel - Administrative	0.00	1,083.00	8,724.72	7,581.00	13,000.00	1,143.72	15.1%
Travel - Marketing	0.00	1,000.00	4,163.18	16,000.00	23,000.00	-11,836.82	-74.0%
Dues & Subs - Administrative	160.00	718.00	7,044.00	5,026.00	8,619.00	2,018.00	40.2%
Dues & Subs Marketing	1,025.00	640.00	3,480.00	3,319.00	6,080.00	161.00	4.9%
Shipping	40.22	200.00	1,153.47	1,400.00	2,400.00	-246.53	-17.6%
Meeting Expense	571.28	258.00	3,929.28	1,806.00	3,100.00	2,123.28	117.6%
Postage	24.06	0.00	288.35	1,125.00	1,700.00	-836.65	-74.4%
Banking Fees	276.00	0.00	1,864.60	300.00	600.00	1,564.60	521.5%
Service Fees	218.84	0.00	1,123.74	0.00	0.00	1,123.74	100.0%
Human Resource Expenses	7,357.86	3,957.00	17,162.98	27,699.00	47,480.00	-10,536.02	-38.0%
Miscellaneous Expenses	0.00	0.00	260.14	0.00	0.00	260.14	100.0%
Bad Debt Expense - Admin	0.00	0.00	0.00	0.00	250.00	0.00	0.0%
Professional Fees	6,029.00	15,958.00	39,797.01	111,706.00	191,500.00	-71,908.99	-64.4%
Advertising & Promotion Expense	20,510.78	35,005.00	169,859.12	289,385.00	485,250.00	-119,525.88	-41.3%
Special Events	0.00	2,050.00	2,200.00	14,350.00	24,600.00	-12,150.00	-84.7%
Air Service Development Expense	875.00	11,390.00	5,250.00	79,730.00	171,680.00	-74,480.00	-93.4%
Total Administrative Expenses	130,041.60	170,636.00	956,464.09	1,284,383.00	2,217,485.00		

Charlotteville Albemarle Airport
Profit & Loss Budget Performance
January 2019

	Jan 19	Budget	Jul '18 - Jan 19	YTD Budget	Annual Budget	YTD Diff	YTD Diff %
Airfield Expenses							
Wages	43,089.59	40,901.00	272,022.40	323,264.00	560,636.00	-51,241.60	-15.9%
Overtime	10,374.28	10,000.00	49,933.95	43,000.00	60,000.00	6,933.95	16.1%
Payroll Taxes	3,977.69	3,922.00	23,752.72	27,835.00	47,820.00	-4,082.28	-14.7%
Health Ins./Supp.	5,377.00	9,860.00	40,762.50	69,020.00	118,321.00	-28,257.50	-40.9%
Life Insurance	529.18	624.00	3,066.60	4,368.00	7,539.00	-1,301.40	-29.8%
Short-Term Disab/Long-Term Disab	54.97	73.00	413.24	512.00	872.00	-98.76	-19.3%
Retirement	3,066.05	3,691.00	18,477.35	25,837.00	44,639.00	-7,359.65	-28.5%
Util-Electric	1,728.18	2,400.00	15,610.95	16,800.00	28,800.00	-1,189.05	-7.1%
Util-Propane	1,515.50	1,100.00	4,967.98	3,500.00	6,000.00	1,467.98	41.9%
Util-Telephone	1,085.27	700.00	3,203.62	4,900.00	8,400.00	-1,696.38	-34.6%
Util-Water	41.09	35.00	354.89	245.00	420.00	109.80	44.8%
Insurance Expense	3,383.06	3,150.00	23,681.42	22,050.00	37,800.00	1,631.42	7.4%
Snow Removal	37,904.07	20,655.00	37,904.07	27,311.00	48,810.00	10,593.07	38.8%
Lighting Maintenance	0.00	1,065.00	10,429.91	7,455.00	12,778.00	2,974.91	39.9%
Maintenance	3,420.06	1,648.00	6,954.95	11,536.00	19,780.00	-4,581.05	-39.7%
Airfield Grounds Maintenance	1,190.00	1,479.00	94,534.82	10,353.00	17,750.00	24,181.82	233.6%
Maint. Airfield Equipment	18,539.81	8,592.00	52,757.58	60,144.00	103,100.00	-7,386.42	-12.3%
Maint. Equip. Purch.	113.87	430.00	8,095.13	3,010.00	5,160.00	5,085.13	168.9%
Vehicle Expense Gas and Oil	6,223.77	4,070.00	32,362.01	28,490.00	48,844.00	3,872.01	13.6%
State Maintenance-Airfield	0.00	4,167.00	14,512.80	29,169.00	50,000.00	-14,656.20	-50.2%
Payroll Processing Fees	375.82	195.00	1,858.76	1,365.00	2,340.00	493.76	36.2%
Education	0.00	959.00	884.72	6,713.00	11,508.00	-5,828.28	-86.8%
Travel maintenance	0.00	855.00	311.36	5,985.00	10,760.00	-5,673.64	-94.8%
Dues & Sub. Airfield	0.00	0.00	5,840.00	1,750.00	1,785.00	4,090.00	233.7%
Uniforms	520.68	819.00	4,411.63	5,733.00	9,828.00	-1,321.37	-23.0%
Emergency Exercises	0.00		97.93	1,500.00	1,500.00	-1,402.07	-93.5%
Environmental Compliance	933.83	2,084.00	9,376.81	14,588.00	25,010.00	-5,211.19	-35.7%
800 Mhz Maintenance Fees	0.00	5,556.00	11,112.50	16,668.00	22,225.00	-5,555.50	-33.3%
ARFF Equipment	12,708.96	2,125.00	20,829.19	14,875.00	25,500.00	5,954.19	40.0%
ARFF Training Supplies	0.00	1,162.00	3,941.32	8,134.00	13,950.00	-4,192.68	-51.5%
Firearms	1,139.85	1,358.00	4,769.25	9,506.00	16,300.00	-4,736.75	-49.8%
Hazmat Materials	0.00	250.00	0.00	1,750.00	3,000.00	-1,750.00	-100.0%
Security Access Control	8,800.00	6,706.00	38,559.44	46,942.00	80,472.00	-8,382.56	-17.9%
Security Background Expense	0.00	566.00	0.00	3,962.00	6,800.00	-3,962.00	-100.0%
Total Airfield Expenses	166,092.58	141,197.00	755,791.71	858,270.00	1,457,947.00		

Charlottesville Albemarle Airport
Profit & Loss Budget Performance
January 2019

	Jan 19	Budget	Jul '18 - Jan 19	YTD Budget	Annual Budget	YTD Diff	YTD Diff %
Parking Expenses							
Wages-Parking	31,084.96	29,325.00	229,498.39	227,622.00	392,752.00	1,876.39	0.8%
Overtime-Parking	7,049.13	8,000.00	30,017.57	30,200.00	50,000.00	-182.43	-0.6%
Payroll Taxes-Parking	2,888.46	2,882.00	19,458.14	19,911.00	34,195.00	-452.86	-2.3%
Parking-Contracted Services	0.00		1,260.00			1,260.00	100.0%
Health Ins./Supp.	6,531.00	11,415.00	55,062.00	79,905.00	136,974.00	-24,843.00	-31.1% C
Life Insurance	481.36	516.00	3,144.47	3,612.00	6,194.00	-467.53	-12.9%
Short-Term Disab/Long-Term Disab	81.60	130.00	623.13	921.00	1,578.00	-297.87	-32.3%
Retirement	2,631.12	3,282.00	18,074.57	22,974.00	39,388.00	-4,899.43	-21.3%
Util-Parking Lights	300.00	370.00	2,498.42	2,590.00	4,440.00	-91.58	-3.5%
Util-Telephone	1,522.08	1,000.00	6,260.39	7,000.00	12,000.00	-739.61	-10.6%
Util-Water	23.62	25.00	177.95	175.00	300.00	2.95	1.7%
Insurance Expense	864.81	744.00	6,053.67	5,208.00	8,931.00	845.67	16.2%
Snow Removal	735.00	1,975.00	735.00	3,950.00	7,900.00	-3,215.00	-81.4%
Parking Lot Lighting	0.00	1,000.00	0.00	7,000.00	12,000.00	-7,000.00	-100.0%
Parking Grounds Maintenance	3,607.72	8,646.00	31,972.66	60,522.00	103,750.00	-28,549.34	-47.2% B
Parking Pavement/Booths/Steps	144.98	1,609.00	26,350.51	11,263.00	19,310.00	15,087.51	134.0% E
Parking Equip. Maintenance	0.00	2,108.00	21,922.10	14,756.00	25,290.00	7,166.10	48.6%
Supplies	0.00	690.00	2,983.11	4,830.00	8,240.00	-1,846.89	-38.2%
Parking - Signage & Traffic Control	0.00	1,100.00	10,523.08	7,700.00	13,200.00	2,823.08	36.7%
Payroll Processing Fees	375.79	210.00	1,858.69	1,470.00	2,500.00	388.69	26.4%
Education	0.00	266.00	0.00	1,862.00	3,195.00	-1,862.00	-100.0%
Travel	0.00	292.00	3.00	2,044.00	3,500.00	-2,041.00	-99.9%
Dues & Subs.	310.00	37.00	310.00	263.00	448.00	47.00	17.9%
Vehicles Expense-Parking	0.00	430.00	1,273.30	3,010.00	5,160.00	-1,736.70	-57.7%
Uniforms-Parking	0.00		2,560.03	10,000.00	10,000.00	-7,439.97	-74.4%
Credit Card Discount	14,644.65	16,500.00	116,231.64	115,500.00	200,000.00	731.64	0.6%
Over & Short	-2.00	10.00	7.00	70.00	120.00	-63.00	-90.0%
Bad Debt Expense-Parking	0.00	17.00	0.00	119.00	204.00	-119.00	-100.0%
2014 Debt Service Parking	15,276.40	15,276.00	106,934.80	106,932.00	183,312.00	2.80	0.0%
2004 Debt Service Parking	10,544.30	10,544.00	105,839.42	105,837.00	169,514.00	2.42	0.0%
Surface Parking Expansion 2017	31,694.45	62,500.00	79,685.57	437,500.00	750,000.00	-357,814.43	-81.8%
Total Parking Expenses	130,789.43	180,899.00	881,318.61	1,294,746.00	2,204,395.00		

Charlotteville Albemarle Airport
Profit & Loss Budget Performance
January 2019

	Jan 19	Budget	Jul '18 - Jan 19	YTD Budget	Annual Budget	YTD Diff	YTD Diff %
Terminal Expenses							
Wages	62,198.23	72,327.00	454,014.79	556,640.00	957,670.00	-102,625.21	-18.4% C
Overtime	16,911.67	10,000.00	76,239.08	38,000.00	66,480.00	38,239.08	100.6% F
Payroll Taxes	5,958.90	5,103.00	39,527.75	37,121.00	78,641.00	2,406.75	6.5%
Health Ins./Supp	9,568.60	14,602.00	69,129.70	102,214.00	244,556.00	-33,084.30	-32.4% C
Life Insurance	573.41	674.00	3,668.01	4,718.00	10,592.00	-1,049.99	-22.3%
Short-Term Disab/Long-Term Disab	106.32	120.00	633.45	841.00	1,629.00	-207.55	-24.7%
Retirement	4,331.89	4,560.00	26,121.81	31,920.00	70,652.00	-5,798.19	-18.2%
Util-Electric	13,847.42	13,750.00	101,789.31	96,250.00	165,000.00	5,599.31	5.8%
Util-Oil	1,005.38	10,000.00	10,952.88	30,000.00	40,000.00	-19,047.12	-63.5% B
Util-Propane	10,437.87	500.00	12,117.27	1,500.00	2,500.00	10,617.27	707.8%
Util-Telephone	1,488.43	876.00	5,400.18	6,132.00	10,512.00	-731.82	-11.9%
Util-Water	3,457.57	2,500.00	33,360.69	17,500.00	30,000.00	15,860.69	90.6% G
Util-Disposal	3,154.22	3,410.00	26,405.68	23,870.00	40,920.00	2,535.68	10.6%
Insurance Expense	3,293.14	2,993.00	23,051.98	20,951.00	35,910.00	2,100.98	10.0%
Snow Removal - Terminal	0.00	580.00	399.31	4,060.00	6,960.00	-3,660.69	-90.2%
Maintenance	23,790.89	8,959.00	113,823.57	62,713.00	107,508.00	51,110.57	81.5% H
Maint. Equip. Purch.	0.00	600.00	4,738.53	4,200.00	7,200.00	538.53	12.8%
Relamp	474.11	1,292.00	1,358.71	9,044.00	15,504.00	-7,685.29	-85.0%
Welding Fabrication	0.00	200.00	1,024.16	1,400.00	2,400.00	-375.84	-26.8%
Terminal Signage	0.00	4,167.00	758.15	29,169.00	50,000.00	-28,410.85	-97.4% B
Terminal Landscaping	1,180.00	2,262.00	2,943.00	8,418.00	9,500.00	-5,475.00	-65.0%
OSHA Compliance	2,758.75	1,712.00	7,112.55	11,984.00	20,552.00	-4,871.45	-40.6%
Baggage Claim Maintenance	0.00	1,125.00	5,569.70	7,875.00	13,500.00	-2,305.30	-29.3%
Janitorial Supplies	2,537.15	2,836.00	43,332.72	19,852.00	34,032.00	23,480.72	118.3% I
Payroll Processing Fees	375.82	195.00	1,858.76	1,365.00	2,340.00	493.76	36.2%
Education	0.00	1,512.00	650.00	10,584.00	18,152.00	-9,934.00	-93.9%
Elevator Escalator Maintenance	3,420.92	4,025.00	49,073.55	28,175.00	48,295.00	20,898.55	74.2% J
HVAC Maintenance	32,196.92	7,459.00	87,259.30	52,213.00	89,504.00	35,046.30	67.1% J
Flds Maintenance	440.00	4,000.00	3,080.00	28,000.00	50,000.00	-24,920.00	-89.0% B
KABA Maintenance	0.00	2,083.00	14,210.00	14,581.00	25,000.00	-371.00	-2.5%
Janitorial Contract	0.00	0.00	46,144.64	0.00	0.00	46,144.64	100.0% I
Emergency Communications	1,669.28	2,259.00	14,579.49	15,813.00	27,108.00	-1,233.51	-7.8%
Dues & Subs	0.00	255.00	2,539.00	1,785.00	3,055.00	754.00	42.2%
Terminal Paging System	0.00	1,667.00	0.00	11,669.00	20,000.00	-11,669.00	-100.0%
Uniforms - Public Safety	5,823.10	733.00	9,731.51	5,131.00	8,800.00	4,600.51	89.7%
Customer Service/Ambassadors	574.58	834.00	6,783.94	5,838.00	10,000.00	945.94	16.2%
Business Center/Lounge	2,378.85	12,466.00	15,771.68	87,262.00	149,600.00	-71,490.32	-81.9% K
Lounge Credit Card Fees	40.95	0.00	269.70	0.00	0.00	269.70	100.0%
2004 Debt Service Terminal	39,666.63	39,667.00	277,666.41	277,669.00	396,666.00	-2.59	0.0%
Safety	0.00	959.00	754.18	6,713.00	11,508.00	-5,958.82	-88.8%
EMS Supplies	0.00	458.00	805.90	3,206.00	5,500.00	-2,400.10	-74.9%
Travel - Public Safety	8,526.33	3,050.00	9,476.33	21,350.00	36,600.00	-11,873.67	-55.6%
Towing Expense	0.00	62.00	0.00	434.00	750.00	-434.00	-100.0%
Education - Operations	0.00	279.00	805.00	1,953.00	3,350.00	-1,148.00	-58.8%
Travel - Operations	3,442.99	265.00	4,860.40	1,855.00	3,175.00	3,005.40	162.0%
Total Terminal Expenses	285,630.32	247,376.00	1,609,792.77	1,701,968.00	2,931,621.00		
Total Expense	692,553.93	740,108.00	4,203,367.18	5,139,367.00	8,811,448.00		
Net Ordinary Income	-50,276.27	-106,469.33	415,586.76	-557,480.35	-7,500.00		

Charlotteville Albemarle Airport
Profit & Loss Budget Performance
January 2019

	Jan 19	Budget	Jul '18 - Jan 19	YTD Budget	Annual Budget	YTD Diff	YTD Diff %
Other Income/Expense							
Airline Contributed Capital	15,614.27	15,614.27	109,299.89	109,299.89	187,371.24	0.00	0.0%
Insurance Claim Proceeds	2,100.85		2,100.85			2,100.85	100.0%
Interest Income	2,333.44	625.00	14,359.25	4,375.00	7,500.00	9,984.25	228.2%
Total Other Income	20,048.56	16,239.27	125,759.99	113,674.89	194,871.24		
Depreciation & Amortization							
Depreciation	41,907.89		284,585.19				
Depreciation Airfield	199,313.73		1,391,554.44				
Depreciation Terminal	85,579.46		599,320.29				
Amortization	4,246.39		29,724.61				
Depreciation & Amortization - Other	0.00	328,000.00	0.00	2,296,000.00	3,936,000.00		
Total Depreciation & Amortization	331,047.47	328,000.00	2,305,164.53	2,296,000.00	3,936,000.00	9,164.53	0.4%
Total Other Expense	331,047.47	328,000.00	2,305,164.53	2,296,000.00	3,936,000.00		
Net Other Income	-310,998.91	-311,760.73	-2,179,404.54	-2,182,325.11	-3,741,128.76		
Net Income	-361,275.18	-418,230.06	-1,763,817.78	-2,739,805.46	-3,748,628.76		

Charlottesville-Albemarle Airport Authority
Statement of Net Position
Fiscal Year 2019

Assets				
Current Assets:				
Unrestricted Assets:				
Cash and cash equivalents	2,282,696	2,289,600	6,904	0.30%
Prepaid Insurance	48,567	38,743	(9,824)	-20.23%
Prepaid Insurance - Rental Car Facility	2,691	2,242	(449)	-16.69%
Prepaid Expenses	45,947	163,625	117,678	256.12%
Accounts receivable-net	234,410	276,211	41,801	17.83%
Due From Restricted Funds	913,188	913,188	0	0.00%
Total Unrestricted Assets	3,527,499	3,683,609	156,110	4.43%
Non Current Assets				
Restricted Assets:				
Capital Funds:				
Cash and cash equivalents	239,295	861,660	622,365	260.08%
Receivables	566,964	566,964	0	0.00%
Passenger Facility Charge Funds:				
Cash and cash equivalents	854,953	970,912	115,959	13.56%
Rental Car Facility Charge Funds:				
Cash CFC Fund	271,298	314,378	43,080	15.88%
Cash CFC General Fund	182,579	174,550	(8,029)	-4.40%
Cash QTA Maintenance Fund	886,953	888,233	1,280	0.14%
Receivables	108,684	71,953	(36,731)	-33.80%
State Entitlement Funds:				
Cash and cash equivalents	9,112,247	9,125,403	13,156	0.14%
Revenue Bond Funds:				
Investments	154,270	154,493	223	0.14%
Cash VRA Escrow:				
Total restricted assets	12,377,243	13,128,546	751,303	6.07%
Non-Current Assets				
Restricted Assets				
Revenue Bond Funds				
Cash and Cash Equivalents	148,337	153,675	5,338	3.60%
Capital Assets				

Payroll pulled from Bank day before check date
Coverage Funds to Cap for Kenbridge Bills
To resolve when closing State Grant

Waiting for closeouts

Charlottesville-Albemarle Airport Authority
Statement of Net Position
Fiscal Year 2019

	December	January	Change	%
Land	19,230,590	19,230,590	0	0.00%
Buildings, improvements and equipment, net of depreciation	71,097,721	70,770,920	(326,801)	-0.46%
Master plan and amortization	57,726	60,480	2,754	4.77%
Construction in progress	14,424,120	14,497,272	73,152	0.51%
Total Capital Assets (net of accu. deprec.)	104,810,157	104,559,262	(250,895)	-0.24%
Total Non-Current Assets	104,958,494	104,712,937	(245,557)	-0.23%
Total ASSETS	120,863,236	121,525,092	661,856	0.55%
Deferred Outflows of Resources				
Loss on refunding of debt	56,429	56,429	0	0.00%
Group Term Life OPEB Contributions	9,600	9,600		
Pension Contributions	322,042	322,042	0	0.00%
Total deferred outflows of resources	388,071	388,071	0	0.00%
Total Assets and Deferred Outflows	121,251,307	121,913,163		

Charlotteville-Albemarle Airport Authority
Statement of Net Position
Fiscal Year 2019

	December	January	Change	%
Liabilities, Deferred Inflows and Net Position				
Current Liabilities				
Payable From Unrestricted Assets:				
Accounts payable	281,451	422,441	140,990	50.09%
Accrued Payroll	94,076	94,076	0	0.00% This gets adjusted at year-end
Accrued leave	119,249	119,249	0	0.00% This gets adjusted at year-end
A/P Security dep/perf. bonds	32,667	32,667	0	0.00% Old 27K colgan and another airline, 5,667 Tailwind
Total Current Liabilities from Unrestricted Assets	527,443	668,433	140,990	26.73%
Payable from Restricted Assets:				
Accrued Interest	12,227	12,227	0	0.00% This gets adjusted at year-end
Due to Unrestricted Funds	913,188	913,188	0	0.00%
Retainage payable	491,057	491,057	0	0.00% Chemung Retainage
Capital Accounts Payable	58,202	92,387	34,185	58.74%
Total Current Liabilities from Restricted Assets	1,474,674	1,508,859	34,185	2.32%
Non-Current Liabilities:				
Revenue bonds payable, net of unamortized bond discount	2,204,221	2,204,221	0	0.00% These get adjusted at year-end
N/P 2006 VRA Debt Service	150,641	150,641	0	0.00% "
Due to VDOA Bridge Loans	734,882	734,882	0	0.00% "
Net Group Term Insurance OPEB Liability	140,000	140,000	0	0.00% "
Net Pension Liability	871,533	871,533	0	0.00% "
Total Non-Current Liabilities	4,101,277	4,101,277		
Total liabilities	6,103,394	6,278,569	175,175	2.87%
Deferred Inflows of Resources				
Group Term Life - OPEB Expenses	16,000	16,000	0	0.00%
Pension Expenses	216,095	216,095	0	0.00%
Net Position				
Invested in Capital Assets	101,776,842	101,525,947	(250,895)	-0.25%
Restricted:				
	11,063,133	11,785,589	722,456	6.53%
Unrestricted:				
	2,075,843	2,090,963	15,120	0.73%
Total Net Position	114,915,818	115,402,499	486,681	0.42%
Total Liabilities, Deferred Inflows and Net Position	121,251,307	121,913,163	661,856	0.55%



November		Calendar Year																	
		2018	2017	FY	FYTD	FYTD	2018	2017	FY	FY	2016	2015	2014	2013	2012	2011	2010	2009	2008
Altoflight Operations		2,649	2,312	15%	13,247	10,556	25%	21,975	23,143	19,782	20,049	20,214	17,382	17,493	18,615	19,412	20,075	23,640	23,640
General Aviation		2902	2,547	14%	15,173	12,348	23%	30,443	25,248	22,937	28,782	30,785	31,024	33,561	33,594	41,394	39,288	39,886	39,886
Military		186	156	19%	927	874	6%	2,569	2,133	2,007	1,883	1,881	2,034	2,297	1,754	1,984	1,831	1,773	1,773
Local:																			
General Aviation		1,505	1,362	10%	10,754	7,096	52%	18,867	14,123	14,094	19,525	20,040	18,809	20,324	20,486	17,294	18,075	20,013	20,013
Military		346	524	-34%	2,122	2,556	-17%	6,226	4,211	3,511	3,754	4,147	3,457	4,063	3,118	3,087	3,354	2,916	2,916
Total Operations		7,588	6,901	10%	42,223	33,430	26%	85,780	68,858	62,331	73,993	77,067	72,706	77,738	82,367	83,171	83,233	88,228	88,228
Enplaned Passengers		32,901	31,423	5%	157,034	151,537	4%	348,922	315,099	286,030	261,631	238,398	227,874	232,571	215,869	196,060	177,659	168,966	168,966
Destined Passengers		32,154	31,064	4%	157,541	152,278	3%	347,590	313,512	284,218	261,168	232,164	228,294	231,466	213,692	195,867	177,160	168,971	168,971
Enplaned Load Factor		82%	86%	-5%	80%	83%	-4%	81%	80%	84%	86%	81%	76%	75%	72%	69%	65%	59%	59%
Available Seats		40,366	36,743	10%	196,739	181,289	9%	424,540	392,267	340,237	322,455	307,522	295,226	310,789	299,182	286,136	294,076	299,343	299,343
Parking Revenue		371,217	365,461	2%	1,873,178	1,792,475	5%	4,135,457	3,575,790	3,088,197	2,906,401	2,604,747	2,134,028	2,193,375	2,003,507	1,700,145	1,478,901	1,507,761	1,507,761
FBO Fuel Gallons Pumped		3,997	4,032	-1%	21,076	22,397	-6%	48,261	45,924	54,530	51,551	56,862	55,882	60,275	62,518	69,178	71,860	79,189	79,189
GA -100/LL		106,546	96,678	10%	524,031	450,866	16%	1,111,263	1,073,277	1,010,722	998,910	1,008,261	989,930	969,423	942,165	911,363	833,494	1,047,298	1,047,298
Military Jet-A		15	0	0%	15	0	0%	0	51,974	60,812	66,988	63,084	72,238	88,510	33,911	73,901	67,114	71,542	71,542
Airline		321,809	227,393	42%	1,481,750	1,217,746	22%	2,567,944	2,493,636	2,224,092	2,107,002	1,982,735	1,843,362	1,746,200	1,639,073	1,491,980	1,466,843	1,608,952	1,608,952
Total Fuel		432,367	328,103	32%	2,027,872	1,691,009	20%	4,128,004	3,087,606	3,350,156	3,224,451	3,111,542	2,941,392	2,861,408	2,697,369	2,546,422	2,429,311	2,806,981	2,806,981
Total/Revenue/Retail		176,185	149,633	18%	836,604	756,151	11%	1,740,799	1,478,844	1,080,096	0	0	0	0	0	0	0	0	0
Tailwinds, LLC.																			
Rental Car Revenue*		847,738	822,471	3%	4,669,531	4,583,021	2%	9,991,227	9,549,495	8,783,484	8,161,735	7,288,497	6,689,431	7,019,796	6,048,867	5,281,662	4,613,200	4,827,224	4,827,224
*Consists of rental revenue on our gross																			

[illegible]



Operating Statistics-Fiscal Year 2019

		Calendar Year											
		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
January	January												
Aircraft Operations													
Inherent:													
Air Carrier/Total													
General Aviation													
Military													
Local:		2,325	2,280	21%	23,143	20,049	20,214	17,382	17,493	18,615	19,412	20,675	23,640
		2199	2325	18%	25,248	28,782	30,783	31,004	33,561	38,394	41,394	39,288	39,886
		231	142	10%	2,133	1,883	1,881	2,034	2,297	1,754	1,984	1,831	1,773
General Aviation													
Military													
		1,299	1,528	33%	14,123	19,525	20,040	18,809	20,324	20,486	17,294	18,075	20,013
		690	560	-11%	4,211	3,754	4,147	3,457	4,063	3,118	3,087	3,354	2,916
		6,744	6,835	20%	68,358	73,993	77,067	72,706	77,738	82,367	83,171	83,223	88,228
Enplaned Passengers													
Deplaned Passengers													
		26,256	23,475	6%	315,099	261,631	238,398	227,874	232,571	215,869	196,060	177,659	168,966
		26,642	25,266	4%	313,512	261,168	232,164	226,294	231,466	213,692	195,867	177,160	168,971
Enplaned Load Factor													
		70%	74%	-5%	80%	86%	81%	76%	73%	72%	69%	65%	56%
Available Seats													
Parking Revenue													
		37,415	31,728	11%	392,267	322,555	307,522	299,226	310,789	299,182	286,136	294,076	299,343
		353,754	334,643	5%	3,375,790	2,906,401	2,604,747	2,134,028	2,193,373	2,003,507	1,700,145	1,478,901	1,307,761
FBO Fuel Gallons Pumped													
GA -100LL													
GA/Corporate Jet-A													
Military Jet-A													
Airline													
		1,583	2,024	-6%	45,924	51,591	56,862	55,862	60,275	62,518	69,178	71,860	79,189
		83,601	65,136	17%	1,073,227	998,910	1,008,861	949,930	969,423	942,165	911,363	833,494	1,047,298
		0	0	0%	0	0	0	60,812	66,988	63,084	72,238	86,510	73,901
		323,505	224,106	26%	2,493,636	2,107,002	1,982,735	2,224,092	2,107,002	1,982,735	1,843,362	1,745,200	1,639,075
		410,689	291,266	23%	3,087,606	3,224,451	3,111,542	2,941,392	2,861,408	2,697,369	2,546,422	2,429,311	2,806,981
Total Fuel													
Food/Beverage/Retail													
Tollways, LLC.													
		131,702	115,681	13%	1,478,344	0	0	0	0	0	0	0	0
		588,112	577,442	3%	9,540,495	712,785	767,875	669,869	670,989	638,226	561,104	502,703	375,378
Rental Car Revenue*													
*Corporate/airline revenue-net gross													

*Concessions revenue not gross



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: **Action Item #1** – Annual Appointment of a Chairman, a Vice-Chairman, and the Secretary/Treasurer

RECOMMENDATION: To select a Chairman, a Vice-Chairman, and the Secretary/Treasurer in accordance with the Authority's enabling legislation.

BACKGROUND: Chapter 864 of the Acts of Assembly of 2003 § 6 states "The Authority shall annually elect one of its members to serve as chairman, and another member to serve as vice chairman." Historically the Commission also performs this same appointment for consistency.

The same section also states, "The Authority shall also elect annually a secretary/treasurer, who may or may not be a member of the Authority."



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: **Action Item #2:** FY-2018 Comprehensive Annual Financial Report

RECOMMENDATION: For the Board to Accept the FY-2018 Comprehensive Annual Financial Report as presented.

BACKGROUND: As noted within the transmittal letter on page one of the FY-2018 Comprehensive Annual Financial Report; this report has been published in accordance with the requirements of the enabling legislation as well as the master bond indenture of trust which governs the issuance of indebtedness by the Authority. Moreover, it was prepared in accordance with generally accepted accounting principles (GAAP) by a firm of licensed certified public accountants.

The goal of the independent audit is to provide reasonable assurance that the Authority's financial statements for the year ended June 30, 2018 are free of material misstatement. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion and that the Authority's financial statements for the year ended June 30, 2018 are in conformity with GAAP. Within the accompanying FY-2018 CAFR Management Letter, the auditors have identified four items of concern along with recommendations to address these items. The following are the four items that were identified and staff's response to each item:

Item #1- Capital Asset Activity: The surface parking expansion project is recorded in an expense account during the year for budget purposes, since it is not funded by state or federal grants. At year-end, an audit adjustment was required to reclassify this activity to construction in process. We recommend management review expense accounts for possible capital assets and record adjustments as appropriate prior to finalizing the trial balance.

Item #1 Response: *This was an oversight this year. Management will be sure to review every expense account for possible capital assets. A checklist will be instituted for year-end procedures.*

Item #2 - Late Fees: One check selected for testing on our random test of disbursements included \$57.49 in late fees and service charges. The Code of Virginia §2.2-4352 requires that every agency of local government that acquires goods or services, or conducts any other type of contractual business with a nongovernmental, privately owned enterprise, shall promptly pay for the completed delivered goods or services by the required payment date. We recommend that all bills be paid on or before due dates to avoid unnecessary fees and service charges.

Item #2 Response: *Staff will make effort to pay bills timely. While not the case with this particular bill, it should be noted for next year that our postal carrier retired and since then, there have been numerous substitutes that have not handled the mail for us or our tenants timely and there have been some late*

charges incurred. As an example, on January 28, 2019, one of our tenants brought us a stack of mail that was delivered to them in error that day and most of the mail was for the November time frame. Staff does attempt to contact vendors and ask for a reprieve for late fees in these cases, but not all the vendors will accommodate the request.

Item #3- Unclaimed Property: In accordance with the Unclaimed Property Act, items outstanding for more than one year, regardless of dollar amount, must be submitted to the Virginia Department of Treasury. In addition, there is a due diligence requirement for items exceeding \$100, for which a letter must be sent to the payee prior to filing with the State. Staff misinterpreted this requirement and only submitted items exceeding \$100 as Unclaimed Property. We recommend staff responsible for submitting unclaimed property review the State's requirements to ensure the appropriate information is being reported. All checks outstanding for more than one year should be filed as Unclaimed Property, after due diligence requirements have been met.

Item #3 Response: *In our internal procedures for Unclaimed Property, we have added that staff should review the State's requirements every year to ensure the proper information is being reported.*

Item #4- VNav Input: Annual entity-wide increases are approved by the board and reviewed for accuracy before submission into the payroll system. Employee change forms are completed and reviewed by HR and supervisors. However, there is no procedure for verifying the accurate information has been uploaded to VNav other than monthly reconciliations of EE contributions. We recommend a formal review process be implemented for entering changes into VNav.

Item #4 Response: *This will be addressed when we update procedure manuals in FY19*

The minutes of the Audit Committee meeting held on January 30, 2019 will be provided for review at the Board's meeting. Within the minutes, the Audit Committee recommended that the Authority proceeds with the second of the four year options within its contract with Robinson Farmer & Cox Associates. This option will allow the firm to provide professional audit and associated financial services to the Authority to include the audit of the financial reports for the fiscal year ending June 30, 2019. As per the Audit Committee Charter, the committee will be responsible for the oversight of this audit.

PRIOR ACTION: N/A

FUNDING: N/A

FINANCIAL IMPACT: N/A

ATTACHMENTS: Attachment #1 – FY2018 CAFR Governance Letter
Attachment #2 – FY2018 CAFR Management Letter
Attachment #3 to be provided - The FY2018 Comprehensive Annual Financial Report (CAFR) to be sent separately
Item #4 to be provided – January, 30 2019 Audit Committee Minutes

PRESENTATION: N/A

ROBINSON, FARMER, COX ASSOCIATES

A PROFESSIONAL LIMITED LIABILITY COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

Communication with Those Charged with Governance

To the Honorable Members of the Charlottesville-Albemarle Airport Authority

We have audited the financial statements of Charlottesville-Albemarle Airport Authority for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 23, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Charlottesville-Albemarle Airport Authority are described in Note 2 to the financial statements. As described in Note 15 to the financial statements, Charlottesville-Albemarle Airport Authority changed accounting policies related to other postemployment benefits by adopting Statement of Governmental Accounting Standards (GASB Statement) Nos. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and 85, *Omnibus 2017*. Accordingly, the cumulative effect of the accounting changes as of the beginning of the year is reported in the Statement of Revenues, Expenses and Changes in Net Position. We noted no transactions entered into by Charlottesville-Albemarle Airport Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were useful lives of capital assets used to calculate depreciation and pension and OPEB related items.

Management's estimate of useful lives and related depreciation is based on established guidelines and experience. Pension and OPEB related items were calculated by an actuary contracted by the State retirement system. We evaluated the key factors and assumptions used to develop depreciation expense and pension and OPEB related items in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, there was one misstatement detected as a result of audit procedures and corrected by management that was material, either individually or in the aggregate, to the financial statements. This was a reclassification of parking project activity of \$251,665 from expenses to construction in progress.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Charlottesville-Albemarle Airport Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Charlottesville-Albemarle Airport Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters: (Continued)

We were engaged to report on the schedule of administrative expenses, the schedule of expenditures of federal awards, and the schedule of Passenger Facility Charges collected and expended and interest credited, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Authority Board, audit committee, and management of Charlottesville-Albemarle Airport Authority and is not intended to be and should not be used by anyone other than these specified parties.

Robinson, Fawcett, Cox Associates

Charlottesville, Virginia

January 29, 2019

ROBINSON, FARMER, COX ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL LIMITED LIABILITY COMPANY

Date: January 29, 2019

MEMORANDUM TO: Charlottesville-Albemarle Airport Authority
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 17-18 Audit

In planning and performing our audit of the financial statements of Charlottesville-Albemarle Airport Authority for the year ended June 30, 2018, we considered the Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated January 29, 2019, on the financial statements of Charlottesville-Albemarle Airport Authority. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Capital Asset Activity

The surface parking expansion project is recorded in an expense account during the year for budget purposes, since it is not funded by state or federal grants. At year-end, an audit adjustment was required to reclassify this activity to construction in process. We recommend management review expense accounts for possible capital assets and record adjustments as appropriate prior to finalizing the trial balance.

Late Fees

One check selected for testing on our random test of disbursements included \$57.49 in late fees and service charges. The Code of Virginia §2.2-4352 requires that every agency of local government that acquires goods or services, or conducts any other type of contractual business with a nongovernmental, privately owned enterprise, shall promptly pay for the completed delivered goods or services by the required payment date. We recommend that all bills be paid on or before due dates to avoid unnecessary fees and service charges.

Unclaimed Property

In accordance with the Unclaimed Property Act, items outstanding for more than one year, regardless of dollar amount, must be submitted to the Virginia Department of Treasury. In addition, there is a due diligence requirement for items exceeding \$100, for which a letter must be sent to the payee prior to filing with the State. Staff misinterpreted this requirement and only submitted items exceeding \$100 as Unclaimed Property. We recommend staff responsible for submitting unclaimed property review the State's requirements to ensure the appropriate information is being reported. All checks outstanding for more than one year should be filed as Unclaimed Property, after due diligence requirements have been met.

VNav Input

Annual entity-wide increases are approved by the board and reviewed for accuracy before submission into the payroll system. Employee change forms are completed and reviewed by HR and supervisors. However, there is no procedure for verifying the accurate information has been uploaded to VNav other than monthly reconciliations of EE contributions. We recommend a formal review process be implemented for entering changes into VNav.



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: **Action Item #3-** 2019 Audit Committee Membership

RECOMMENDATION: For the Board to appoint the 2018 Audit Committee by approving Resolution No: 2019-1 "Appointment of the 2019 Membership of the Audit Committee"

BACKGROUND:

On March 21, 2012 (last updated on May 21, 2015 by Resolution 2015-2), the Authority passed a resolution creating the Audit Committee Charter. Within this charter the Audit Committee was charged with advising the Authority of financial and accounting matters relating to the Authority's audited financial reports. Each year by resolution, the Authority appoints the membership of the Audit Committee for that year. Resolution No: 2019-1 is attached which outlines the membership of the 2019 Audit Committee.

PRIOR ACTION: N/A

FUNDING: N/A

FINANCIAL IMPACT: N/A

ATTACHMENTS: Attachment #1 –Resolution No. 2019-1 "Appointment of the 2019 Membership of the Audit Committee"

PRESENTATION: N/A

RESOLUTION NO. 2019-1

ESTABLISHING 2019 MEMBERSHIP OF THE AUDIT COMMITTEE

WHEREAS, by resolution dated March 15, 2017 ("Committee Charter") the Charlottesville-Albemarle Airport Authority reauthorized an audit committee previously created by resolution approved on March 21, 2012, charging the audit committee to advise the governing body of the Authority on financial and accounting matters of or relating to the Authority's audited financial reports, consistent with the responsibilities referenced within said resolution; and

WHEREAS, the membership of the committee is to be constituted on an annual basis by the Authority's governing board, consistent with the membership established by the Committee Charter (last updated on May 21, 2015 by Resolution 2015-2), and the governing board desires to establish the membership of the committee for calendar year 2019; now, therefore,

BE IT RESOLVED THAT the 2019 membership of the Charlottesville-Albemarle Airport Authority Audit Committee shall be as follows:

1. The City of Charlottesville's Director of Finance, or his or her designee;
2. The Albemarle County Director of Finance, or his or her designee;
3. Addison Barnhardt, a member of the Charlottesville-Albemarle Airport Commission, and who is hereby appointed to serve on the committee for a term concurrent with his or her term of service on the Commission; and
4. Craig Lefanowicz, an individual who the board hereby finds to be deeply-skilled in accounting, and who was appointed to serve on the committee to complete the unexpired term of an individual who resigned. That term expired on December 31, 2017. Mr. Lefanowicz expressed an interest to continue serving on the committee, therefore the 1st of his two (2) three (3) year possible terms began on 1/1/18 and Mr. Lefanowicz may serve on the Audit Committee through December 31, 2023.
5. Don Long, who shall serve both as a representative of this board and as an individual who the board hereby finds to be deeply-skilled in business and/or business law. Mr. Long may serve on the Audit Committee through December 31, 2020, or until he is no longer a member of this Board, whichever first occurs.

ADOPTED this 12th day of March, 2019.

Vote

Ayes: _____ Noes: _____

Certified

By: _____

Melinda Crawford, Secretary



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: **Action Item #4-** Approval of Revisions to the Authority's Purchasing Regulations

RECOMMENDATION: For the Board to approve Revisions to the Authority's Purchasing Regulations by approving Resolution No: 2019-2 "**A Resolution to Approve the Revision of the Authority's Purchasing Regulations**"

BACKGROUND: The Charlottesville-Albemarle Airport Authority is a Political Subdivision of the Commonwealth of Virginia and must adhere to the procurement regulations as outlined in the **Virginia Public Procurement Act, VA Code § 2.2-4300 et seq. ("Procurement Act" or "VPPA")**. **Each year, the Virginia Public Procurement Act is subject to revisions.**

On March 21, 2012 the Board approved a revision to the Authority's Purchasing Regulations (formerly referred to as the "Charlottesville Albemarle Airport Authority Procurement Policy & Purchasing Procedures"), and on September 22, 2015 the Board approved Resolution No. 2014-5 "A Resolution to Approve Procedures Allowing the Authority to Utilize the Design-Build Method of Procurement for Construction Projects" which outlined procedures that were consistent with those adopted by the Virginia Secretary of Administration for utilizing design-build or construction management contracts.

On December 12, 2018 the Board approved an amendment to the "Charlottesville Albemarle Airport Authority Procurement Policy & Purchasing Procedures" which raised the single quote limit required for professional services from \$25,000 to \$80,000 due to revisions to the Virginia Public Procurement Act which allowed for the increased limit.

Since the Virginia Public Procurement Act, VA Code § 2.2-4300 is subject to updates, the Authority's Purchasing Regulations and related "Procurement Regulations Design Build (DB) and Construction Management (C/M) Procedures" (which is Attachment No. 2 of the Authority's Purchasing Regulations) needed to be revised to reflect these updates. Reducing the regulations from a 31 page document to approximately 22 pages (with Attachment No. 1 "Federal Procurement Guidelines" which is required prior to the Authority's 2019 Audit) has resulted in several changes to the regulations, but one major proposed change is the dollar limits required for the various types of solicitation of the purchase of "goods" and "non-professional services" which is outlined as follows:

	Prior \$ limits	Proposed \$ limits
Purchase of Goods:		
Single Quotation	\$1 - \$5,000	\$1 - \$10,000
Three Solicitations	\$5,001 - \$30,000	\$10,001 - \$60,000
Four Written Solicitations	\$30,001 - \$100,000	\$60,001 - \$100,000
Purchase of Non-Professional Services:		
Single Quotation	\$1 - \$15,000	\$1 - \$30,000
Three Solicitations	\$15,001 - \$30,000	\$30,001 - \$60,000
Four Written Solicitations	\$30,001 - \$100,000	\$60,001 - \$100,000

Attached is a copy of the revised Authority's Purchasing Regulations.

PRIOR ACTION: Noted above

FUNDING: N/A

FINANCIAL IMPACT: N/A

ATTACHMENTS: Attachment #1 –Resolution No. 2019-2 “A Resolution to Approve the Revision of the Authority’s Purchasing Regulations”
Attachment #2 - Revised “Authority’s Purchasing Regulations”

PRESENTATION: N/A

RESOLUTION NO. 2019-2
A Resolution to Approve the Revision of the Authority's Purchasing Regulations

WHEREAS; the Charlottesville-Albemarle Airport Authority is the governing body of the Charlottesville-Albemarle Airport as set forth in the Act of Assembly, 2003, Chapter 864; and,

WHEREAS; the Charlottesville-Albemarle Airport Authority is a Political Subdivision of the Commonwealth of Virginia and must adhere to the procurement regulations as outline in the **Virginia Public Procurement Act, VA Code § 2.2-4300 et seq. ("Procurement Act" or "VPPA")**; and,

WHEREAS; on March 21, 2012, the Charlottesville Albemarle Airport Authority's governing board (Board) last approved a revision to the Authority's Purchasing Regulations (formerly referred to as the "Charlottesville Albemarle Airport Authority Procurement Policy & Purchasing Procedures", and

WHEREAS, on September 22, 2015 the Board approved Resolution No. 2014-5 "A Resolution to Approve Procedures Allowing the Authority to Utilize the Design-Build Method of Procurement for Construction Projects" which outlined procedures that are consistent with those adopted by the Virginia Secretary of Administration for utilizing design-build or construction management contracts; and,

WHEREAS, on December 12, 2018 the Board approved that an amendment to the "Charlottesville Albemarle Airport Authority Procurement Policy & Purchasing Procedures" which raised the single quote limit required for professional services from \$25,000 to \$80,000; and,

WHEREAS, the **Virginia Public Procurement Act, VA Code § 2.2-4300 et seq.** has been updated and the Authority's Purchasing Regulations and related "Procurement Regulations Design Build (DB) and Construction Management (C/M) Procedures" (which is Attachment No. 2 of the Authority's Purchasing Regulations) need to be revised to reflect those updates. Attachment No. 1 "Federal Procurement Guidelines" which is required prior to the Authority's 2019 Audit is not included in the revised Authority's Purchasing Regulations but will be submitted to the Board at a later date for approval; now, therefore

BE IT RESOLVED THAT the governing board of the Charlottesville-Albemarle Airport Authority hereby approves and adopts the Authority's Purchasing Regulations as updated on March 12, 2019.

ADOPTED this 12th day of March, 2019.

Vote

Ayes: _____ Noes: _____

Certified

By: _____
Melinda Crawford, Secretary



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: **Action Item #5 - Design-Build Construction Method for Parking Deck Project**

RECOMMENDATION: For the Board to make the determination that the use of the Progressive Design-Build Construction Method for the Parking Deck Project is in the best interest of the Authority

BACKGROUND: In accordance with the Commonwealth’s Procurement Guidelines, the Board approved Resolution No. 2014-5 “A Resolution to Approve Procedures Allowing the Authority to Utilize the Design-Build Method of Procurement for Construction Projects” on September 22, 2015, and these procedures have been updated in the “Authority’s Purchasing Regulations Revisions”.

Prior to moving forward with any Design-Build Method of Procurement, specific criteria and steps must be followed. The first step requires the Authority to provide written determination that competitive sealed bidding is not practicable or fiscally advantageous. In order to make this determination, staff secured the professional engineering services of RS&H Inc. to assist with an investigation of the Parking Deck Project, and the advantages/disadvantages of using each of the four-project delivery methods available to the Authority (1. Design-Bid-Build (DBB), 2. Construction Manager at Risk (CMAR), 3. Conventional Design-Build (cDB), and 4. Progressive Design-Build (pDB)).

A report titled “Finding of Public Interest for the Use of Progressive Design-Build Construction Method for the New Parking Deck Construction At Charlottesville Albemarle Airport” was compiled during this investigation and is attached for consideration. Based on this investigation, I have made a determination that the use of Progressive Design-Build contracting for the New Parking Deck Project is in the best interest of the Authority. The Board’s approval of this determination is needed prior to moving forward with this contracting method.

PRIOR ACTION: Staff contracted with RS&H Inc. to prepare the “Finding of Public Interest Report”

FUNDING: N/A

FINANCIAL IMPACT: A work order in the amount of \$23,230 was executed with RS&H Inc.

ATTACHMENTS: Attachment #1 –Finding of Public Interest for Progressive Design-Build Contracting Method for New Parking Deck at Charlottesville Albemarle Airport.

PRESENTATION: N/A

Finding of Public Interest for the Use of Progressive Design-Build Contracting Method New Parking Deck Construction at Charlottesville-Albemarle Airport: Charlottesville, Virginia

The Charlottesville-Albemarle Airport (CHO) has experienced a 97% growth in passenger traffic since 2008. As a result of this significant growth, the Charlottesville-Albemarle Airport Authority (CAAA) has an urgent need to increase the number of public parking spaces at CHO. To address this need, a project is being proposed to construct a four-level parking structure, with each level containing approximately 250 parking spaces. CAAA has requested a review to determine if a project delivery via “progressive design-build contracting” will allow for expedited construction at a reduced cost, and will afford an opportunity for competition in the project’s procurement.

Project Background

CAAA is investigating a project which will design and construct a four-level parking structure containing approximately 1000 parking spaces (hereafter referred to as “the Project” or “parking deck”). This proposed parking deck would be sited at a vacant area to the north of the existing long-term parking lot at the north end of Bowen Loop (see Figure 1).

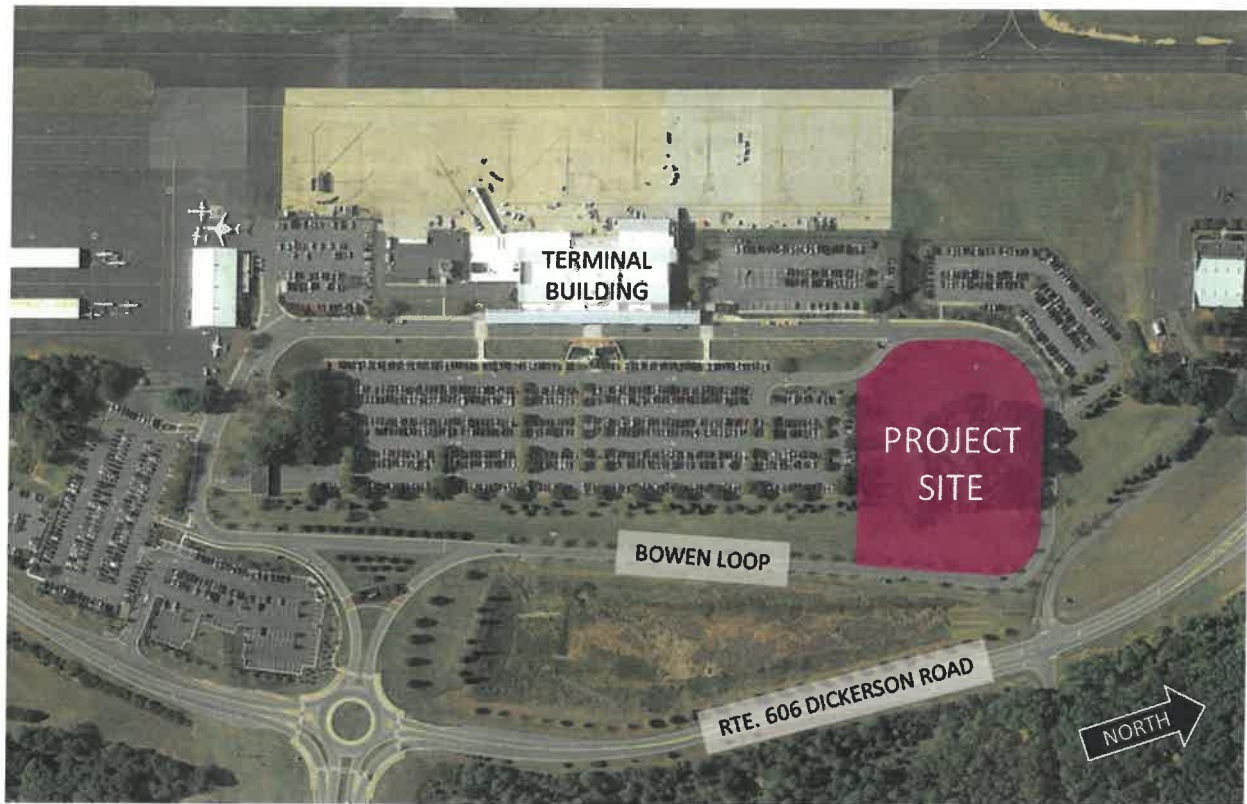


Figure 1 - Proposed Parking Deck Site at CHO

The Project was included in CHO’s last Masterplan Update (2005) and has been shown as a proposed project on CHO’s Airport Layout Plan since December of 2004 as a multi-level parking deck.

Parking availability is a major constraint on the growth of CHO. As economic activity in the region has increased in recent years, the utilization of parking facilities at CHO has experienced a dramatic increase. Due to this increase in usage, passengers have routinely been required to park in CHO’s new employee parking lot since it was built in 2015.

The design of an expansion to CHO's northern "Economy Parking Lot" is underway. This surface parking lot expansion project will be constructed on the north end of the airport loop road in order to provide approximately 100 additional public parking spaces for airport users and is expected to be open for use in late-2019. However, this parking lot expansion is anticipated only to satisfy existing demand, which is expected to increase over time.

Project Delivery Methods Analysis

CAAA retained the services of RS&H, Inc. a consultant with extensive experience and expertise in project delivery methods to assist it with an analysis of four project delivery methods: 1. Design-Bid-Build (DBB), 2. Construction Manager at Risk (CMAR), 3. Conventional Design-Build (cDB), and 4. Progressive Design-Build (pDB).

RS&H, Inc. is national architectural and engineering firm established in 1941, with over 1,200 employee and 61 offices nationwide, with extensive real life experience in project delivery methods. The firm is an industry partner member of the Design Build Institute of America (DBIA) with several staff members DBIA certified one of which led this advisory services provided to CAAA.

As a reference value for all project delivery methods a \$20 million anticipated construction cost for the Project was used for the analysis. This costs is associated with a Design-Bid-Build delivery method, which is the conventional procurement method for CAAA projects. Anticipated Project costs and schedules were developed assuming precast construction techniques would be utilized. Schedules used for the analysis were developed with information available and knowledge of industry norms for projects of similar scale and complexity and are not proposed as the project schedule.

Design-Bid-Build (DBB)

Overview

The DBB model of project delivery results in the Owner procuring two independent contracts, one with the designer (A/E) and one with the Contractor (GC). The procurement process in DBB also requires a linear process whereby the A/E is selected to produce Construction Documents suitable for bidding. The bidding phase is then initiated as the second procurement cycle leading to an executed contract with a GC for construction. The contract is typically awarded to the lowest responsive and responsible bidder.

Advantages

- The Owner maintains control of the design and design schedule throughout the design process.
- Uses a competitive selection process for both the A/E and the GC.

Disadvantages

- The Owner is responsible for procuring and managing two contracts. The linear process of contract procurement results in additional time for the project delivery schedule.
- The Owner is also required to manage two contracts resulting in additional resource allocation throughout the duration of the project. The two contract model of DBB has proven less successful with respect to schedule and cost management due to the nature of divergent objectives between the designers and contractors. As a result Owners are typically placed in a difficult position between the A/E and GC.
- GCs often times have alternative methods of construction worthy of consideration.

- Unfortunately the DBB model does not provide a means for Owners to benefit from a GC's experience and recommendations until after contract award.
- Should the Owner elect to exercise a GC's recommendation it typically results in an Owner initiated revision deemed additional services to the A/E with associated fees and time requirements.
- Significantly, the Owner will not know the construction cost until the bidding phase is complete. In many instances the bid phase results in additional time to perform Value Engineering (VE) to reduce or optimize project scope to successfully negotiate a contract with the GC that falls within the Owner budget.

Anticipated Project Schedule:

- A/E RFQ issued – May 2019
- A/E Contract Executed – August 2019
- Invitation for Bid – April 2020
- GC Contract Executed and Notice to Proceed – July 2020
- Certificate of Occupancy Issued – February 2022

Total anticipated project duration: 33 months

Construction Manager at Risk (CMAR)

With the Construction Manager at Risk (CMAR) delivery method, the Owner first selects and contracts with a design firm, similar to a DBB project. The design firm selection process can be based on price, qualifications and any other criteria deemed necessary by the owner. Once the designer is selected, the project proceeds with the early stages of the design process with the owner's intent to procure and manage a second contract with a construction manager (CM) when the design is typically 30 to 60 percent complete. The Owner may include qualifications and project approach in the selection process; however, price is typically the primary selection criteria for CMAR contract award. CMAR results in a delivery method which commits the CM to deliver the project within a Guaranteed Maximum Price (GMP) based on the completion of construction documents and specifications at the time of the GMP, plus any reasonably incidental items or tasks.

Advantages

- CMAR provides the Owner with a degree of early contractor involvement depending upon the stage of design completion when added to the project delivery team.
 - This allows the CMAR to serve the Owner as a pre-construction consultant with value engineering, cost estimating and constructability reviews for the remainder of the design process.
- As the CMAR begins working as part of a collaborative team with the Owner and designer, the possibility to "fast track" delivery of specific scope packages can be completed in advance of the full design similar to cDB and pDB.
- Similar to pDB, the establishment of a GMP ensures the Owner receives the project scope, quality and budget on schedule as agreed to prior to design completion.
- Similar to pDB, the transparency of GMP pricing for construction, risk and contingencies affords the Owner confidence in fair and equitable pricing.

Disadvantages

- CMAR requires the Owner to procure and manage two separate contracts, one for design and the other for construction.
- Although CMAR provides the Owner with early contractor involvement, the typical timing of 30 to 60 percent design completion may still result in design change orders and schedule delay should the Owner elect to incorporate CMAR recommendations that require re-design effort.
- All parties seek to establish a collaborative team approach under the CMAR method. However, there is no contractual requirement in place to protect the Owner from the typical disputes that arise between designer and contractor that often lead to change orders for additional cost and/or time.
- There is a smaller chance of contracting a pair of designers and contractors who have demonstrated a successful past working relationship as compared to cDB or pDB.

Anticipated Project Schedule:

- A/E RFQ issued – May 2019
- A/E Contract Executed – August 2019
- CMAR RFQ – December 2019
- CMAR RFP – February 2020
- CMAR Contract Executed and Notice to Proceed – April 2020
- Certificate of Occupancy Issued – July 2021

Total anticipated project duration: 26 months

Conventional Design-Build (cDB)

Overview

Conventional Design-Build (cDB) has been a recognized delivery method for more than 25 years and gaining momentum as a preferred contracting model in the building industry by owners, contractors and designers. cDB differs from DBB distinctly by the structure of contracts: in cDB the Owner holds a single contract with the GC (typically) who is responsible for both design and construction services, versus DBB whereby the owner procures and manages two separate contracts for both design and construction.

The cDB project delivery model typically includes the owner procuring design services to develop either a design criteria package or a more developed set of “bridging documents” as part of the Request for Proposal (RFP) to procure the cDB team contract. The cDB team completes the design and construction phases in accordance with the RFP requirements. The Owner may retain the services of the RFP designer to serve as an owner’s representative to assist in cDB team selection, and to conduct reviews of the cDB team’s design and monitor construction progress.

The cDB team selection is accomplished with a two-step process. The first step is a prequalification process (issuance of an RFQ) to determine offerors qualified to submit proposals. The second step is to issue an RFP for technical and price proposals, from which a cDB team will be selected.

Advantages

- Single-source contracting results in increased accountability as a single entity (the cDB team) is responsible for design and construction.
- cDB fosters a culture of collaboration. Owners benefit from the innovation and collaboration that occurs when designers and contractors work together in developing the design, cost and schedule

throughout the project delivery process. The integrated delivery team approach of cDB has consistently proven to deliver projects on an accelerated schedule and with greater cost certainty and schedule performance.

- The project delivery schedule of cDB can be expedited with “fast track” delivery of specific scope packages that can be completed in advance of the full design such as civil and infrastructure work or procure long lead materials and/or equipment enabling timely delivery and cost efficiencies ahead of inflationary or supply-and-demand resource limitations.
- There is a reduction in Change Orders and disputes for the Owner to manage and negotiate.

Disadvantages

- Owners rely on preliminary designs and performance specifications to procure the cDB team, which may result in less control of the design through the later phases of development.
 - Note: owners may elect to exercise more control of design by developing the bridging documents further and including more prescriptive specifications. However, this approach limits the cDB team’s ability to offer innovation and transfers more risk to the owner.
- Owners may incur the expense of providing stipends to unsuccessful bidders.

Anticipated Project Schedule:

- Owner’s A/E RFQ issued – May 2019
- Owner’s A/E Contract Executed – August 2019
- cDB RFQ – January 2020
- cDB RFP – March 2020
- cDB Team Contract Executed and Notice to Proceed – June 2020
- Certificate of Occupancy Issued – June 2021

Total anticipated project duration: 25 months

Progressive Design-Build (pDB)

Overview

Progressive Design-Build (pDB) is an application of cDB using a stepped or “progressive” method of project delivery. The PDB project delivery method is based on the use of a “qualifications based” or “best value” two-step selection process, negating the time and resources an owner expends selecting and working with a bridging documents designer required in cDB.

The Owner manages one procurement effort to select and contract with a Design-Builder – a team that includes both designer and contractor that will work closely with the Owner from project inception through construction completion. Owners may elect to include designer fees or hourly rates, the contractor’s general overhead rates, a conceptual approach (sketch and/or narrative) and rough order of magnitude cost estimate as part of two-step interview selection process. However, these require more information be provided by the Owner and therefore increases the owner’s exposure to risk.

The pDB sequence typically includes two phases with independent contracts:

- The “Phase 1” *Preliminary or Preconstruction Services* scope may include project programming or validation, site investigation services such as survey or geotechnical investigation. Phase 1 services include and may also begin with budget level concept design through design

development and contractor preconstruction services to develop a schedule and project cost, either a lump sum or (more typically) a guaranteed maximum price (GMP).

During Phase 1, design typically progresses to between 40 and 60 percent completion. However, the Owner can specify any level of completion dependent upon what amount of control and level of risk exposure is acceptable to the owner.

- The “Phase 2” *Final Design and Construction Services* scope includes final design, construction and commissioning. If for any reason the parties cannot reach an agreement at the conclusion of Phase 1, pDB provides an “off ramp” option within the contract allowing the Owner to move forward with the project through another contract method.

Advantages

- Time and internal management cost savings through the single procurement cycle.
- Opportunity to work with an integrated team of designers and constructors with proven past performance working together (typically required in the RFQ).
- Selection based on qualifications instead of an open “low bid” price competition significantly reduces the risk of contracting with a less qualified contractor.
- Compared with DBB, owners are also provided the greatest flexibility relative to maintaining control of design and risk.
- pDB brings all three parties - owner, designer and contractor together at the very beginning of the project enabling owners to more actively participate in the design, scheduling and budgeting process.
- The Owner may elect to establish a “design-build to budget” project cost with confidence in the transparency of GMP pricing for construction, risk and contingencies. The establishment of a GMP as part of Phase 1 services ensures the Owner is going to receive the project scope, quality and budget on schedule as agreed to prior to design completion.
- The off ramp option serves as an incentive to the pDB team to provide exceptional service and provides owners with the flexibility to alter the project delivery method if desired.
- Stipends for unsuccessful bidders are rarely provided.

Disadvantages

- The pDB team primarily is not selected based on price.
- Construction cost is not guaranteed at the time of initial Phase 1 contract signing.
- pDB procurement could limit the level of innovation presented during the procurement phase forcing owners to select primarily on past performance, relevant experience, etc.

Anticipated Project Schedule:

- Owner Implementation Plan Development – May 2019
- PDB RFQ – July 2019
- PDB RFP – September 2019
- PDB Team Contract Executed Phase 1 and Notice to Proceed – November 2019
- PDB Team Contract Executed Phase 2 and Notice to Proceed – February 2020
- Certificate of Occupancy Issued – April 2021

Total anticipated project duration: 23 months

Financial Comparison of Project Delivery Methods

The financial benefits of one project delivery method over the others are associated with the probable construction cost savings related to each delivery method and the lower interest amounts associated with the repayment of debt used for project implementation.

Construction Costs

The cost savings associated with various project delivery methods has been a major topic within the industry and has been widely researched. The most recent benchmark study was conducted by the Construction Industry Institute (CII) and the Charles Pankow Foundation¹ in 2018. The study analyzed over 212 projects of which 53 were implemented using the traditional DBBuild, 79 using cDB and 80 using CMAR. There was no record of projects implemented using pDB, although unit costs are anticipated to be 1% less than cDB. The study also compares the results of the 2018 analysis with similar results from a study conducted in 1998. Table 1 summarizes the results of this study.

Table 1 - Performance Comparison for Design Build, Progressive Design Build, CMAR and Design-Bid-Build

Performance Measure	CMAR vs. DBB	cDB vs. DBB	pDB vs. DBB
Unit Cost	1.6% more ¹	0.3% less ¹	1.3% less ²
Cost increase	1.4% less ¹	3.8% less ¹	3.8% less ²

Source: *Revisiting Project Delivery Performance 2018 Study*, CII & Charles Pankow Foundation¹
Reynolds, Smith and Hills, Inc.²

The pDB project delivery method is anticipated to be the least costly among the methods considered for the project, with a potential savings of \$260,000 (1.3% decrease) in construction costs versus DBB project delivery due to anticipated lower unit prices.

Financing Costs

A reduction in financing costs associated with the debt that would be issued for project implementation can be an additional benefit among delivery methods. Projects that enter into service faster than others are able to generate revenues sooner that can be used to draw down capital costs and thus reduce financing costs.

Table 2 compares the probable financing costs savings associated with each of the four proposed delivery methods considering the following assumptions related to the issuance of debt:

- Loan Amount: \$20 million
- Interest Rate: 2.25%
- Loan Term: 30 years
- Payment Grace Period: 1 year
- 25% of debt to be paid from Customer Facility Charges (CFC)'s collected from rental car transactions

¹ Revisiting Project Delivery Performance, Keith Molenaar, Phd and Bryan Franz Phd, Construction Industry Institute and the Charles Pankow Foundation, 2018

Table 2 - Financing Computations

Item	pDB vs DBB	cDB vs DBB	CMAR vs DBB	pDB vs cDB	pDB vs CMAR	cDB vs CMAR
Financing Costs	0.55% less	0.44% less	0.38%	0.12% less	0.17% less	0.06% less
Financing Cost Savings	\$115,000 less	\$90,000 less	\$78,000 less	\$15,000 less	\$37,000 less	\$12,000 less

Source: Reynolds, Smith & Hills, Inc. Computation

pDB is anticipated to result in a potential \$115,000 cost savings versus DBB in financing cost, and is anticipated to have the lowest financing costs of the project delivery methods included in the comparison.

Conclusion

Upon agreement with the information provided in this report, I have determined that the benefits of Progressive Design-Build project delivery satisfies the following needs:

- CHO requires a new parking deck to be available for use as soon as possible to meet increased parking demand. In order to expedite design and construction of the project with appropriate opportunity for competition, this review has determined the Progressive Design-Build project delivery methodology is in the public interest.
- Due to the benefits of reduced cost and accelerated timeline of precast parking deck construction, precast construction is anticipated to be incorporated into the project. This review has determined that Progressive Design-Build will enable the project to generate nationwide interest amongst the contracting community, thereby increasing competition and reducing overall cost.
- Progressive Design-Build is anticipate to deliver the parking deck project at reduced cost while providing the Owner with enhanced control of the project design and budget throughout the process.

Recommendation

The staff and governing body of the Charlottesville Albemarle Airport Authority have a clear understanding of the Project's scope of work.

Based on review of this public interest finding, I have determined that the use competitive sealed bidding is not practicable or fiscally advantageous, and I find the use of progressive design-build contracting for the proposed Parking Deck Construction project is in the best interest of the Authority.

Recommended for Approval:

Melinda Crawford

date

Executive Director,
Charlottesville Albemarle Airport Authority

TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: **Action Item #6** – Resolution No. 2019-3 “Resolution Making Certain Declarations and Providing Certain Approvals In Connection With A Proposed Bond Issue”

RECOMMENDATION: The Board approve Resolution No. 2019-3 “Resolution Making Certain Declarations and Providing Certain Approvals In Connection With A Proposed Bond Issue”

BACKGROUND: The Board approved the Airport Capital Improvement Plan which included approximately \$25 million for the expansion and improvement of the Authority’s public parking facilities. Since parking projects are not eligible for FAA or Virginia Department of Aviation funding, the Authority will be required to issue bonds to finance these projects. This resolution will allow for the reimbursement of the costs of any project expenditures that are incurred prior to the Authority’s issuance or incurrence of bond or other debt.

PRIOR ACTION: Prior Airport Capital Improvement Plans have included parking improvement projects and the one being presented to the Board in May will contain these projects.

FUNDING: Annual Debt Service on all parking improvements will be 100% Authority funded.

FINANCIAL

IMPACT: The annual debt service associated with the issuance of \$25 million will be funded by the Authority’s annual operating budget and Rental Car Customer Facility Charges

ATTACHMENTS: 1) Resolution No. 2019-3 “Resolution Making Certain Declarations and Providing Certain Approvals In Connection With A Proposed Bond Issue”

PRESENTATION: None

RESOLUTION NO. 2019-3

**RESOLUTION MAKING CERTAIN DECLARATIONS AND PROVIDING
CERTAIN APPROVALS IN CONNECTION WITH A PROPOSED BOND ISSUE**

WHEREAS, the Charlottesville-Albemarle Airport Authority (the "Authority") intends to (i) undertake certain projects at or in connection with the Charlottesville-Albemarle Airport, including but not limited to improvements to the parking facilities (collectively, the "Project"), (ii) make expenditures to pay costs of the Project prior to the Authority's issuance or incurrence of bonds or other debt (the "Bonds"), and (iii) reimburse itself for such original expenditures (the "Expenditures") from the proceeds of the Bonds; and

WHEREAS, the Authority has been advised that Treas. Regs. § 1.150-2 requires the Authority to make certain declarations in the forms set forth below to preserve the Authority's ability to make the above-described reimbursement.

NOW, THEREFORE BE IT RESOLVED by the Charlottesville-Albemarle Airport Authority that:

1. The Authority intends to finance the Project through the issuance of the Bonds in the estimated maximum principal amount of 25,000,000 and reasonably expects to reimburse the Expenditures from the proceeds of the Bonds to the extent permitted under Treas. Regs. § 1.150-2.
2. Paragraph 1 above represents a declaration of "official intent" under Treas. Regs. § 1.150-2.
3. The Authority acknowledges that the Expenditures most likely to be reimbursable under Treas. Regs. § 1.150-2 are Expenditures which are (i) capital expenditures (or expenditures that would be capital expenditures with a proper election) under general federal income tax principles or (ii) costs of issuance of the Bonds.
4. This Resolution shall be in effect from and after its adoption.

ADOPTED this 12th day of March, 2019.

Vote:

Aye: _____

No: _____

Certified:

By: _____

Melinda Crawford, Secretary



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: March 12, 2019

SUBJECT: Action Item #7 – Ratification of Transportation Network Company (TNC) Agreement Fees

RECOMMENDATION: Ratification of Board’s Approval for a \$2.00 TNC Pick-Up and Drop-Off Fee

BACKGROUND: Legislation has been passed in the Commonwealth which authorizes Airports to enter into agreements with TNCs (Transportation Network Companies such as Uber and Lyft), and this legislation allows Airports to establish fees for the privilege of the TNCs to operate at each airport. At the last Board meeting, a revision of the *Authority’s Rules and Regulations* was approved which established guidelines in which TNCs can operate at CHO. The approved revision to the *Rules and Regulations* allows the Executive Director to negotiate agreements with the TNCs. Prior to proceeding with any negotiations, I informally requested the Board’s approval of including a \$2.00 “pick-up” fee and a \$2.00 “drop-off” fee that will be charged to each TNC driver operating at CHO.

This proposed fee system was derived after conversations with numerous other airport managers and staff meetings/discussions. A survey of fees charged at several other airports was used to determine this proposed fee system.

During the informal Board approval process noted above, I committed to bringing this matter back to the Board for ratification.

The negotiation process is proceeding with the TNC agreements, and all final agreements will be brought to the Board for approval at a future date.

PRIOR ACTION: Informal Board approval sought in a 2/7/19 email.

FUNDING: N/A

FINANCIAL IMPACT: N/A

ATTACHMENTS: None

PRESENTATION: None



March 2019

1. Executive Director's Update
 - a. Personnel Update– To be provided.
 - b. FY2020 – 6 Year Airport Capital Improvement Plan
 - c. Construction Update- To be provided
 - i. Parking Improvements Design
 - ii. Runway/Taxiway Rehab Construction
 - iii. Air Carrier Ramp Expansion Design
 - iv. Entry Pavilion Design
 - v. Terminal Energy Modification
 - vi. Terminal Area Master Plan
 - vii. MALSR Update
 - viii. Charging Stations Installation
 - d. Marketing & Air Service Update – to be provided