

LYNCHBURG REGIONAL AIRPORT COMMISSION

Monday, April 12, 2021

4:00 p.m.

AGENDA FOR THE COMMISSION

1. Call to Order

CONSENT AGENDA

2. February 1, 2021 Commission Meeting Minutes
3. Lynchburg Regional Airport April 2021 Air Service Update
4. February 2021 Passenger Traffic Report

Consent Agenda Recommended Action: Receive and File

REGULAR AGENDA

5. Report of the Airport Director
 - A. Commission discussion and questions regarding the airport's proposed FY 2022 Operating Budget as presented to the Commission at its February 1, 2021 Commission meeting

Commission Action: Make recommendation to City Council to approve the airport's FY 2022 Operating Budget as proposed
 - B. A presentation regarding the airport's FY 2021-2027 Airport Capital Improvement Plan (ACIP) as submitted to the FAA
 - C. An update on the status of the airport's North GA Development Project
6. Miscellaneous business
 - A. Inquiries and/or comments by Commission Members
7. Reports of airport businesses
8. Hearings of citizens upon Commission matters
9. Next Commission meeting: June 21, 2021
10. Adjournment

LYNCHBURG REGIONAL AIRPORT

COMMISSION MEMBER UPDATE

Thursday, April 8, 2021

REPORT

LYH TO RECEIVE ADDITIONAL PANDEMIC FUNDS FROM “CARES III”

Airport staff were recently notified by the FAA that LYH is eligible for funding under the recently passed Coronavirus Response and Relief Supplemental Appropriations Act (Public Law 116-260). These funds will assist airport sponsors to address the COVID-19 public health emergency. Essentially, there are three types of funding included in CRRSAA with LYH eligible for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments. While this funding is similar to the CARES funding, it is more limited in scope. For example, unlike prior programs any airport development proposed must be directly related to combating the spread of pathogens at the airport. While the exact amount of funding for LYH is as yet undetermined, we anticipate something in the \$1.1 million range.

AMERICAN AIRLINES’ SPRING SCHEDULE CONTINUES TO STABILIZE

With the local economy continuing to improve amid the pandemic and vaccines well underway, American Airlines has continued to fine tune its LYH flight schedule in both April and May by offering six daily departures most days. Flights will continue to be offered on the 50-seat Embraer Regional Jet (ERJ) with convenient departure and arrival times to American’s Charlotte hub. While we look forward to the return of the larger, dual-class Canadair Regional Jets (CRJs) that the airline operated prior to the pandemic, the ERJs offer a good balance of flight frequency and seat capacity to meet local air travel demand. And with overall business travel remaining depressed, the single-class service offers higher profitability per flight for American as well. To provide some perspective on how much LYH’s service has improved since the start of the pandemic, American’s 8,850 monthly departure seats in May represent more than a 100% increase compared to last May’s schedule.

AMERICAN OFFERS GREAT SPRING SAVINGS ON AIRFARES AT LYH

With air travel demand down throughout the industry, American continues to offer some very attractive airfares throughout its domestic system. For example, roundtrip fares from LYH to many west coast cities are just \$286, with Los Angeles fares as low as \$206 roundtrip! Similar savings are available to many other major markets throughout the country, including roundtrip fares like \$104 to Boston, \$124 to New York, \$188 to New Orleans, or \$232 to Dallas.

UNITED WAY 5K “AIRPORT RUNWAY RUN” THIS SATURDAY

This Saturday marks the kick-off of the United Way’s inaugural “Airport Runway Run” with some 250 runners signed up for the sold-out event. As you will recall, the 5K run was originally planned to be held last April, but was postponed due to the arrival of the Coronavirus pandemic last spring. Starting time is 8:00 a.m. and will incorporate all CDC protocol guidelines with five waves of 50 runners every 30 seconds.

PASSENGER TERMINAL RESTROOM RENOVATION PROJECT GETS UNDERWAY

This long-awaited terminal project has officially started with Phase 1 (design) work underway by project engineer RS&H. This phase is scheduled for completion in 45 days with final project renderings and bidding documents, followed by construction which should take approximately seven months. The upgrades will include new touchless high efficiency fixtures, sinks and hand dryers. The overall motif will incorporate design features with a distinctive local flare. During construction, air conditioned and heated portable restroom facilities will be available to the public. Expected cost of the project is approximately \$275,000.

TERMINAL SECURITY CHECKPOINT AND EXIT LANE EXPANSION PROJECT

This much-needed upgrade and expansion of the passenger security checkpoint to eliminate a major choke-point for both departing and arriving passengers is finally about to begin. A significant portion of the project will involve the expansion of the existing connecting bridge between the main terminal and gate areas with an additional bridge to incorporate a state-of-the-art exit lane security gate system. This will eliminate the need for TSA or airport personnel to monitor arriving passengers as they exit from the sterile (gate) side of the airport terminal. With three types of systems currently available, I have already visited one that's in use at the Charleston, West Virginia airport and plan to visit two additional airports to evaluate the other two systems. Funding is expected to be provided through the use of state entitlement funds at 100%.

AGENDA FOR THE COMMISSION MEETING

Monday's regular agenda will include a detailed briefing on the airport's FY 2021-2027 Airport Capital Improvement Plan (ACIP) as recently submitted to the FAA for approval. In addition, I will provide an update on the multi-phased North GA Development project that's about to go out for bids. Finally, I have also included Commission discussion on the airport's FY 2022 operating budget with a request for Commission action on a recommendation to City Council for approval. In the meantime, if you have any questions, or would like to discuss anything prior to the meeting, please feel free to call me at 455-6089.

Respectfully yours,
Andrew LaGala, A.A.E.
Airport Director

**MINUTES OF THE
LYNCHBURG REGIONAL AIRPORT COMMISSION MEETING
Monday February 1, 2021
4:00 p.m.**

PRESENT:

Massie Ware
Janice Crawford
John Marciniak
Debra Allen
Reid Wodicka
Tyler Carraway
Robert Day
Jones Stanley

ABSENT:

Andy Mueller

STAFF PRESENT:

Andrew La Gala, Airport Director
Cedric Simon, Assistant Airport Director Ops and Maint
Cathy Vance, Assistant Airport Director Finance and Admin
Wes Campbell, Finance Manager

(1) CALL TO ORDER:

The meeting was called to order at 4:00 p.m. by Mr. Massie Ware. It was noted that Jones Stanley and Andy Mueller were not in attendance.

(2) APPROVAL OF November 23, 2020 CONSENT AGENDA

Mr. Massie Ware confirmed that everyone had received the items from the Consent Agenda; the Nov.23, 2020 Commission Meeting Minutes and asked if there were any questions, comments or changes regarding the consent agenda items. There were no comments.

(3) REPORT OF THE AIRPORT DIRECTOR

A. Proposed FY2022 Airport Operating Budget

a. Revenues

1. budgeted to increase \$1,398,750 (46.9%) to \$4,384,083
2. (\$1,800,000 from CARES grant less \$401,250 revenue "loss")

b. Expenses

1. budgeted to increase \$1,398,293 (49.5%) to \$4,221,277
2. (\$1,395,000 from CARES grant to capital projects)

c. Projected Surplus

1. net surplus estimated at \$162,806 (7th straight year of surplus)
2. Commission meeting - make a recommendation to Council to approve.

B. LYH Air Service Update

a. Status of Pandemic Impacts on Air Service

1. U.S. airline industry continues to be challenged with domestic seat capacity and flights down 43% in January 2020 v. the same month last year.
2. Number of American Airlines flights at CLT continues to recover and is now down just 28% v. last February.
3. Local air travel demand continues to stabilize despite the ongoing pandemic. LYH passenger traffic in 2020 finished down 44.5% to 91,795 versus last year's 10-year record high of 165,273.
4. American Airlines continues to expand with greater frequencies. Since April's low, December seat capacity up 335%. Monthly scheduled flights up 150% v. April low.
5. LYH December passenger load factor remained favorable at 59.9% v. October U.S. system load factor at 56.5%.
6. Looking ahead, American has scheduled the return of seven daily departures (four days a week) in the Spring.

C. U.S DOT Grant

a. Small Community Air Service Development Program

1. SCASD program is a nearly 20-year-old U.S. DOT program authorized by Congress to provide grants to attract new/additional airline service to smaller communities
2. LYH was selected in the program's first year. Resulted in DL RJ service to ATL
3. That award was followed by two additional grant awards in 2006 and 2011 that were unsuccessful
4. This year's program has \$13 million in available SCASDP funds supplemented with \$5 million in CARES funding from the second CARES bill in December
5. Priority will be given to communities most impacted by the coronavirus pandemic
6. Applications due March 1, 2021
7. LYH proposal will target AA regional jet service to ORD with about a \$400,000 revenue supplement for six months

D. GA Legislation

a. 2021 General Assembly Legislation Impacting Virginia Airports- SB 1144 – Aircraft registration and licensing

1. Would amend existing state code resulting in the transfer of certain state aviation user tax revenues from the Commonwealth Aviation Special Fund to the General Fund.
2. These funds are currently derived from a range of aviation activity and are generated through aviation fuel and sales taxes and licensing fees.
3. These funds support a wide array of Virginia Department of Aviation (DOAV) programs and services to support and promote aviation activity and safety throughout the state, and represent about 70% of the non-capital budget of the DOAV.
4. Would result in the elimination of much needed state grant resources, including funding for airport facility and airfield maintenance programs to support aviation safety, airport marketing and promotional activities to enhance and support airline service
5. LYH actively opposed this bill to the Senate Transportation Committee, along with VAOC and DOAV.
6. These efforts resulted in an "Amendment in the Nature of a Substitute" that removed all of the disputed language.
7. Senator Steve Newman and Senator Mark Peake were very helpful through their support of our concerns.

b. 2021 General Assembly Legislation Impacting Virginia Airports- HB 2015 – Essential Workers, Hazard Pay and PPE

1. Would create a new unfunded mandate for certain classes of essential workers and includes virtually all airline and airport employees.
2. Would require workers to be paid time-and-a-half for all work done anytime the Governor declares a state of emergency that includes a stay-at-home or shelter-in-place order (including partial?).
3. Was referred to the House Commerce and Labor Committee (Del. Byron);
4. Was reported out of Labor and Commerce which referred it to the House Appropriations Committee to evaluate fiscal impact; was assigned to Appropriations Subcommittee.
5. If passed in present form, new estimates are that it would cost LYH upwards of \$30,000 per month during a qualifying event.

6. Airlines/airports and VAOC have asked that the bill be amended to remove the airline/airport section.

E. Andrew LaGala concludes report with Commission Meeting Marketing Updates

a. Several Marketing projects:

1. An email newsletter called "The Preston-Glenn Gazette"
2. Our new website www.flylyh.com is live
3. Digital Marketing Campaigns using the latest technology to insure optimum
4. ROI on ads served
5. New 15-30 second video promoting the airport
6. Continued increase in Social Media engagement

(4) REPORTS OF AIRPORT BUSINESSES

Mr. Ware asked if there were any questions or comments from the citizens present. There were a few comments:

- It was noted that the airport experienced two moderately significant snow events, but still all aircraft departed as scheduled.
- Great teamwork between airline and GA personnel working together!

(5) HEARINGS OF CITIZENS UPON COMMISSION MATTERS

There were none.

(6) Next Commission Meeting: April 12, 2021

(7) ADJOURNMENT

There being no further business, the meeting was adjourned.

Lynchburg Regional Airport Commission

Effective May 2021

AIR SERVICE UPDATE

Summary For most of May we have six flights per day and five flights on some days. We have all ER4 aircraft.

Carrier Profile	<u>Airline</u>	<u>Destination</u>	<u>Departures</u>	<u>Seats</u>	<u>Equipment</u>
	American Airlines	Charlotte	6	300	ER4

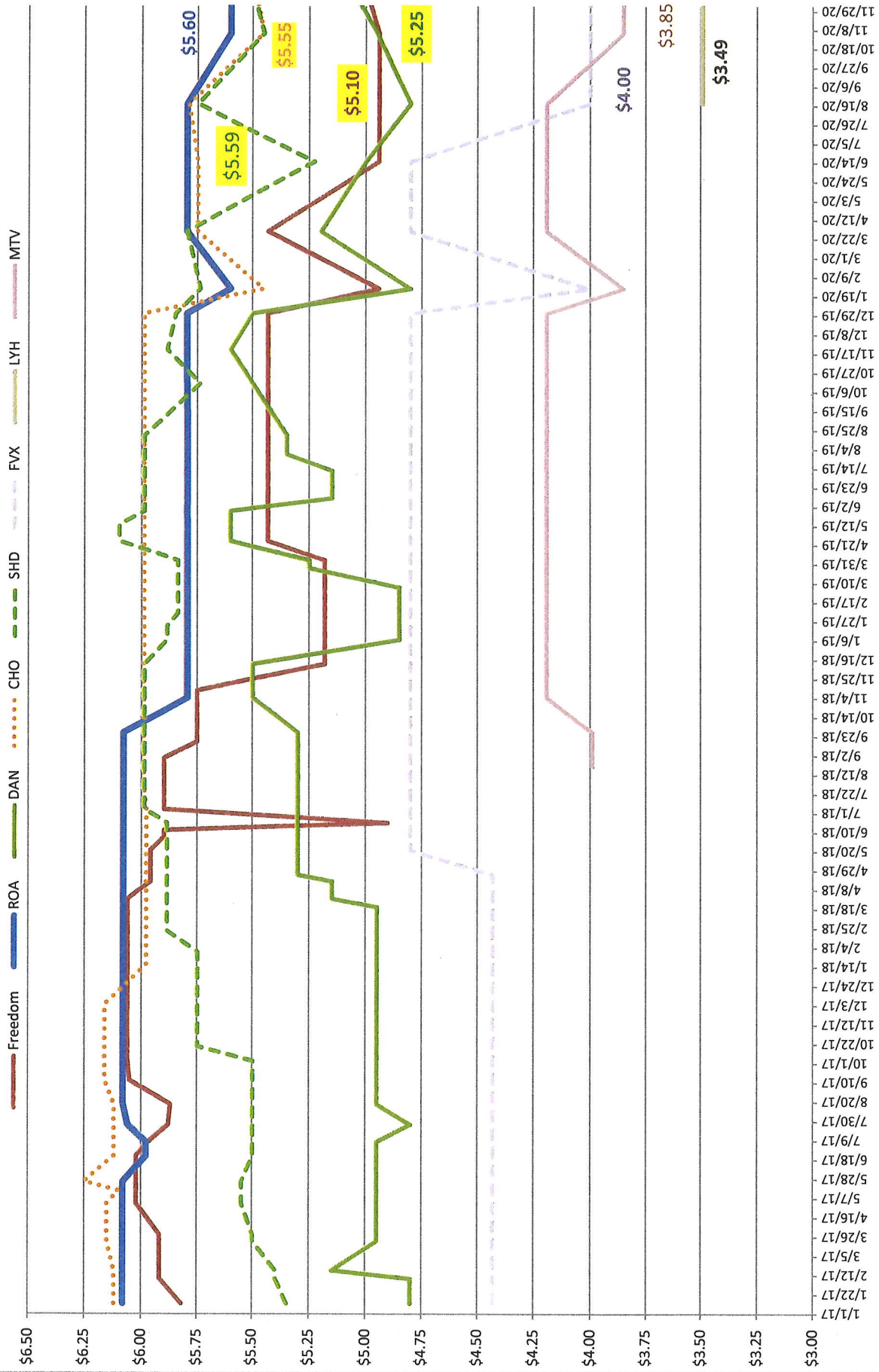
AIRPORT TOTAL: Monthly Seats: 8,850 Scheduled Flights: 177

American Airlines In May we have mostly 6 flights per day with 5 flights on some days. Our scheduled seats at 8,850 is higher than our scheduled seats from May 2018, which shows we are maintaining good load factors even in lieu of COVID-19.

Destinations Served	<u>Non-Stop</u>	<u>Departures</u>	<u>Total</u>
	Charlotte	5 or 6 per day	177

Aircraft Types	<u>Aircraft</u>	<u>No. of Departures/Day</u>
	CR9 CRJ-900	0
	ER4 Embraer 145	6
	CR7 CRJ-700	0

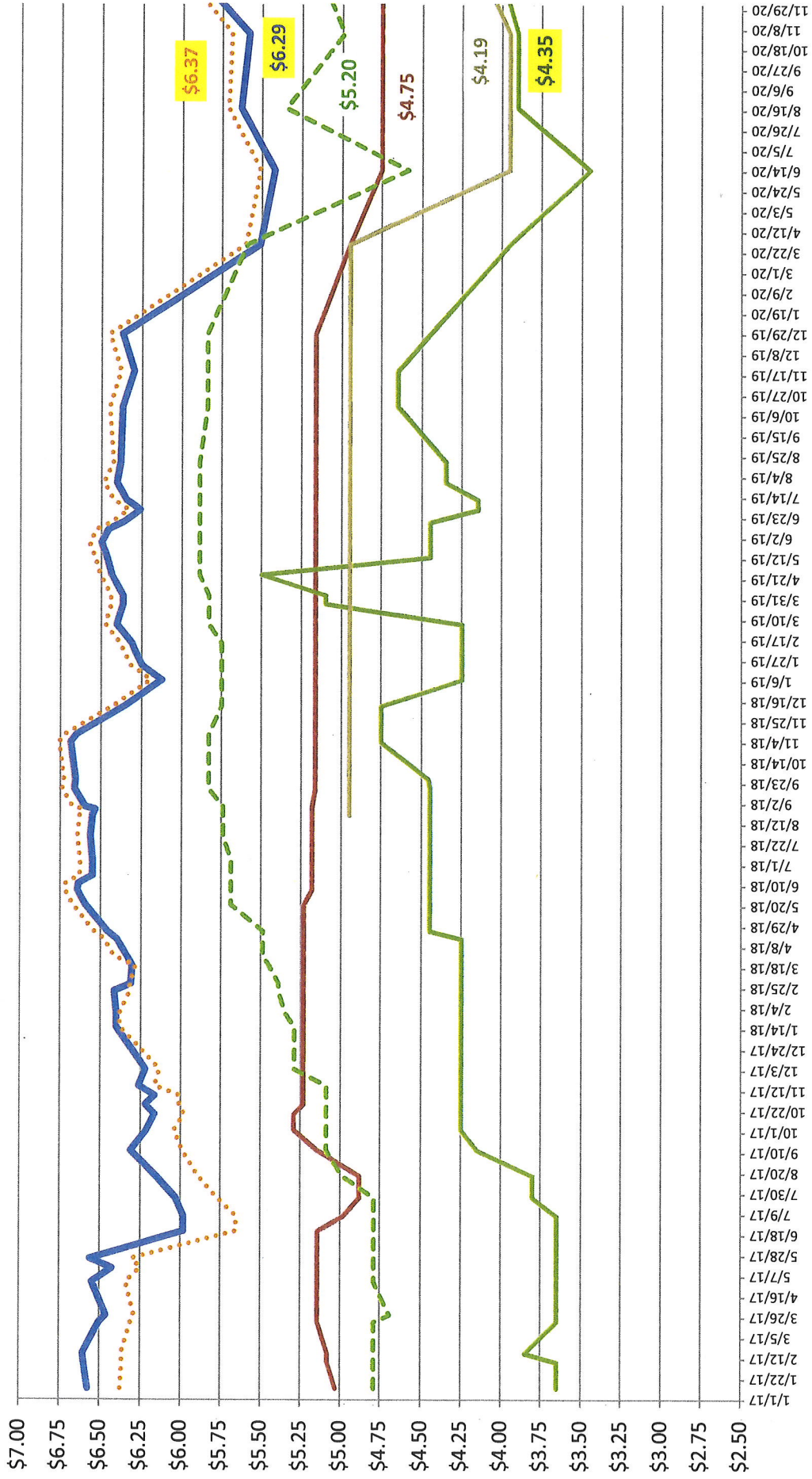
100LL Fuel (Jan 1, 2017 – Mar. 15, 2021)



4/7/2021 Shared, Fuel Farm, Fuel Price Charts + spreadsheet, Fuel Price Charts – Two slides Only ← Indicates change from last report

Jet A Fuel (Jan 1, 2017 – Mar. 15, 2021)

— Freedom
 — ROA
 — DAN
 ⋯ CHO
 - - - SHD
 — MTV



4/7/2021 Shared, Fuel Farm, Fuel Price Charts + spreadsheet, Fuel Price Charts – Two slides Only ← Indicates change from last report

LYNCHBURG REGIONAL AIRPORT AIR TRAFFIC REPORT FOR FEBRUARY 2021

	YTD TOTALS		PERCENTAGE CHANGES				PERCENT OF AIRPORT TOTAL	
	2021	2020	Feb-21 Jan-21	Feb-21 Feb-20	21 YTD 20 YTD	Feb-21	Jan-21	Feb-20
AIRLINE PASSENGERS (REVENUE ONLY)								
ENPLANED								
US Airways - Piedmont	3,190	7,839	3,005	3,800	6.2%	-16.1%	100.0%	53.1%
US Airways - PSA	-	5,591	-	2,884	#DIV/0!	-100.0%	0.0%	40.3%
Envoy	-	739	-	469	NA	NA	0.0%	6.6%
Charter	-	-	-	-	NA	#DIV/0!	0.0%	0.0%
TOTAL ENPLANED	3,190	14,169	3,005	7,153	6.2%	-55.4%	100.0%	100.0%
DEPLANED								
US Airways - Piedmont	3,018	4,568	3,769	3,614	-19.9%	-16.5%	100.0%	52.6%
US Airways - PSA	-	4,954	-	2,363	#DIV/0!	-100.0%	0.0%	34.4%
Envoy	-	1,599	-	889	NA	NA	0.0%	12.9%
Charter	-	169	-	169	NA	#DIV/0!	0.0%	0.0%
TOTAL DEPLANED	3,018	11,290	3,769	6,866	-19.9%	-56.0%	100.0%	100.0%
TOTAL AIRLINE PASSENGERS								
	6,208	25,459	6,774	14,019	-8.4%	-55.7%		
AIRLINE FLIGHTS								
NUMBER OF DAILY SCHEDULED DEPARTURES								
US Airways - Piedmont	5	4	5	4				
US Airways - PSA	-	2	-	2				
Envoy	-	1	-	1				
Total Daily Scheduled Departures	5	7	5	7				
NUMBER OF CANCELLED DEPARTURES								
US Airways - Piedmont	6	9	2	6				
US Airways - PSA	0	0	0	0				
Envoy	0	5	0	3				
Total Cancelled Departures	6	14	2	9				
NUMBER OF ACTUAL DEPARTURES								
US Airways - Piedmont	111	220	125	100	-11.2%	11.0%		7.3%
US Airways - PSA	0	120	0	59	#DIV/0!	-100.0%		-100.0%
Envoy	0	48	0	26	NA	NA		NA
TOTAL ACTUAL DEPARTURES	111	388	125	185	-11.2%	-40.0%		-39.2%
AIRCRAFT OPERATIONS								
(Landings and Takeoffs)								
Commercial Airline	291	927	313	422	-7.0%	-31.0%	4.8%	5.1%
General Aviation	5,648	13,225	5,445	7,756	3.7%	-27.2%	94.0%	93.7%
Military	70	237	140	96	-50.0%	-27.1%	1.2%	1.2%
TOTAL AIRCRAFT OPERATIONS	6,009	14,389	5,898	8,274	1.9%	-27.4%	100.0%	100.0%



LYNCHBURG REGIONAL AIRPORT TRAFFIC STATISTICS FOR February 2021

February	PIEDMONT				ENVOY				PSA				TOTALS			
	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
ERJ 140				0.0%				0.0%				0.0%				0.0%
ER4 - 50	111	5,550	3,190	57.5%				0.0%				0.0%	111	5,550	3,190	57.5%
CR7 - 65				0.0%				0.0%				0.0%	0	-	-	0.0%
CR9 - 76				0.0%				0.0%				0.0%	-	-	-	0.0%
Total	111	5,550	3,190	57.5%	-	-	-	0.0%	-	-	-	0.0%	111	5,550	3,190	57.5%

Year-to-Date	PIEDMONT				ENVOY				PSA				TOTALS			
	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor	Departures	Available Seats	Passengers Enplaned	Load Factor
ERJ 140				0.0%				0.0%				0.0%				0.0%
ER4 - 50	236	11,800	6,195	52.5%				0.0%				0.0%	236	11,800	6,195	52.5%
CR7 - 65				0.0%				0.0%				0.0%	0	-	0	0.0%
CR9 - 76				0.0%				0.0%				0.0%	-	-	-	0.0%
Total	236	11,800	6,195	52.5%	-	-	-	0.0%	-	-	-	0.0%	236	11,800	6,195	52.5%