



COASTAL CAROLINA
Regional Airport

AGENDA

July 20th, 2021, 2:00 p.m.

Remote Access:

Dial-In Voice Only
1.415.655.0001
Meeting # 126 946 8839
Passcode: 52279852

Webex Video and Voice
Meeting # 126 946 8839
Passcode: JaArxVkb893

- I. Call to Order
- II. Roll Call – Existing Members
- III. Pledge of Allegiance
- IV. Oath of Office – New Members
- V. Nomination and Election of the Chair
- VI. Introduction of Attendees
- VII. Adoption of the Agenda
- VIII. Officer Nominations and Election of Officers
- IX. Secretary's Report
 - a. Minutes of June, 2021
- X. Treasurer's Report
- XI. Director's Update
- XII. Old Business
 - a. Airports Council International - North America (ACI-NA) 2022 Nationwide Compensation and Benefits Study Proposal
- XIII. New Business
 - a. 2-Unit Corporate Hangar Development Construction Contract
 - b. Airport Business Solutions - Airport Rates and Charges Analysis Proposal
 - c. Parking Lot Power and IT System Enhancements
- XIV. Open Discussion
- XV. Executive Session
- XVI. Adjournment

Minutes

Coastal Carolina Regional Airport Authority

June 15, 2021

Chairman Leahy called the meeting to order at 2:00 p.m.

All stood and recited the Pledge of Allegiance.

The roll was taken, and the following Board members were present in person: Leahy, Bender, Harris, Hunter, Jones, Liner, Morris, and Pope

The following Board members attended via WebEx:

Burns, Frazer, Hawkins, and Murray were excused.

Also present in person: Andy Shorter, Airport Director; Charles Cushman and Ray Dunn, Dunn, Pittman, Skinner and Cushman; April Hill, Airport Security Coordinator/Board Recorder; Eric Litchfield, Business Manager; John Massey, Talbert & Bright and Jeff Wood, Director, Craven County Economic Development.

The public was notified of the meeting in the usual fashion along with details for joining via WebEx. The meeting was held at the normal time and place (for those attending in-person).

***There were no attendees via WebEx.

Secretary's Report

On motion by Morris, seconded by Liner the minutes of May 18, 2021, were approved. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Liner asked for an explanation on page 4 regarding the comments "the airport has been unable to claim wages when the County shifted from one system to another system" and "to pull the monetary value of all the wages." Litchfield explained that it was a temporary issue. He said that when the County transitioned from the AS400 software to track wages to the Tyler Munis software it took a while for the support personnel from Tyler and the County to help the airport figure out how to pull the wages where we needed them to file an FAA

claim. Litchfield said that the wages have been moved and that the reports are caught up. Shorter added that reports were needed so that the airport could be reimbursed through the CARES funding.

Treasurer's Report

Pope advised that Hertz reported earnings in the 11 month; all other agencies reported in the 10 month. The year-to-date budget goal for rental car revenue was budgeted at \$113,208. The airport received \$248,169 for a positive variance to the goal of \$134,961. Landing fees were budgeted at \$41,453 and the Airport has invoiced \$0.00 as per the approved abatement period. Parking revenue is budgeted at \$366,667. The Airport has collected \$329,795 for a negative variance to goal of \$36,871. The Cares Act Funding is budgeted year to date at \$2,209,846. The Airport has invoiced \$2,540,355 through June 11th for a positive variance to goal of \$330,510. Shorter added that when the airport programmed the \$2.4 million of CARES Act funding last year for the budget, a calculated annual CARES expenditure rate (burn line) had not been determined. He said now that they have the total CARES funding programmed out through 2024, we are currently tracking below the burn line. Therefore, the additional expenditure over and above the programmed 2021 amount is a good place to be right now in order to help get us to our programmed expenditure rate.

On motion by Pope, seconded by Harris the Treasurer's report was approved. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Marketing Committee

Morris advised that the committee did not meet this month but did ask Litchfield to give an update on George Durant's recent visit. Litchfield reported that Durant was able to get new video imaginary of the terminal, the General Aviation area, New Bern, and some top-notch aerial photography of the airfield.

He said that the airport should start seeing some of the images on social media posts. Litchfield also commented that he and Durant were able to visit the Tourism Development Authority (TDA) in Ocracoke to start building a relationship with them. The Ocracoke TDA will install a column ad in the airport within the next year giving the airport another destination to advertise in the airport. Litchfield commented that this helps build towards the overall relationship with all the TDAs. He said that he and Durant have been able to visit the Crystal Coast TDA, Ocracoke TDA and the Outer Banks TDA. He commented that the question now is how to build a better relationship moving forward and suggested a social media influencer trip. Litchfield advised that the committee wants to bring the discussion of an influencer trip back to the table next month with more information to follow. Litchfield also gave a cumulative digital market report. He said since the start of the campaign, there have been 6.4 million impressions and 27,000 clicks. He said that they are doing well on the engagement and that the target outbound campaign had almost two million impressions. The inbound campaign revealed 113 verified visits from local advertisements. Litchfield explained that these folks witnessed the advertisement then showed up at the airport. The social campaign showed a lot of interaction with the inbound campaign performing extremely well. He said that in May, approximately 54% of the airport's traffic originated outside the catchment area. Litchfield commented that more people are flying in than flying out. Pope commented that the staff is doing a wonderful job responding to posts on social media in a timely manner and appreciates everyone's hard work and transparency of the airport's goal. Leahy also commented that the wall wraps in the terminal look exciting and are different than most airports.

Commercial Development Committee

Pope advised that the committee did not meet this month. Shorter commented that he decided to bring the recommendation for continued airline abatement straight before the Board this month. He recommended that

the airport should follow the FAA's lead and continue abatement of airline rents and fees through September. All of the FAA's support to airlines is scheduled to expire in September. Pope commented that by the airport continuing to abate airline fees it demonstrates a good relationship between the airport and the airlines, where the airport understands the industry's current situation.

On motion by Bender, seconded by Pope the Board approved to continue airline abatement through the end of September. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Directors Update

Air Service: Shorter reported that nationwide American load factors were at 84% in May and 88% so far in June. He noted that there has definitely been a palpable change of the amount of people moving through the terminal in the last month. Regionally, American has had a 73% load factor. Shorter commented that regional air service usually has a lower load factor than the airline experiences overall. He said that American continues to stay strong through the month of June adding that numbers are above average of what they were in 2019.

Traffic Circle: Shorter commented that the circle is complete and working well for local traffic. He added that he is still waiting on the streetlights to be installed.

New ARFF Facility: Shorter reported that the brick veneer is complete. The windows and glazing should be completed this week. The contractors are currently working on the mechanical, electrical, and plumbing. Shorter said that the concrete driveway for the fire truck should be laid out soon. The path to power should also be completed by the end of the month.

CARES Addendum Development Grant Application: Shorter advised that the properties acquired on Clermont Road will be placed in the development grant which is the extra part of the CARES Act that was initially held back from the airport. He said that this brings a little different hurdle with the environmental due diligence assessments that have normally been executed for previously acquired properties. Shorter said that the airport has a very good working relationship with the ADO and that they are helping the airport work through the longer process. Shorter commented that he does not think there will be any specific issues with the property that the airport is acquiring, rather it is just a matter of having to do more environmental due diligence than what has been done in the past.

Corporate Hangars: Shorter commented that along with the State funding, the project will need additional funding from the CARES developmental funding. He said that the State has already approved the environmental categorical exclusion (CATEX) for the project and that the FAA is now reviewing it for comment. He added that because of the recently expanded flood plain in that area, the FAA would normally require a short form environmental assessment (EA) but because Talbert & Bright has done such a good job with the CATEX and has coordinated well with the State, Shorter said that the FAA feels confident in approving the grant the without the longer process. Pope asked what the expected time of response from the State is. Shorter advised that the airport needs to get this project on contract before the end of August or risk losing the State funding allocation.

FBO Lease Agreement Rent Terms: Shorter advised that the FBO currently has a land lease with the airport that relates back to a very old lease as far as setting the terms for rents and fees. The monthly rate for the property rent was co-mingled with the fuel flowage fees back then to ensure the airport received a type of adjusted monthly minimum guarantee. He commented that the FBO

has recently changed the way they are calculating what they have been remitting for those adjusted monthly payments which is giving the Airport some concern. Cushman advised that he will be meeting with the FBO soon for better clarity moving forward. Independently, Shorter said that the Airport Authority approved a comprehensive Airport rates and fees schedule in 2019 that prescribes an airport wide \$0.05 fuel flowage fee which is used to collect user fees from aircraft using the facility to help cover the Airport operating costs.

FAA Inspections: Shorter reported that the FAA conducted an annual Part 139 inspection on the airport on June 7th. He noted that training records and logs were sent to the inspector prior to the visit. There were no discrepancies with the paperwork however, there were two findings during the onsite visit on the 7th: runway markings and the ARFF response drill. Shorter commented that there are funds in the FY22 budget for re-painting the markings. He said that the inspector was very happy to hear that the airport was aware of the need to repaint the markings had already prepared to do so in the next budget. Shorter also explained the ARFF drill, stating that the firefighter has three minutes to be at center field from the start of the alarm. The drill was clocked in at 3 minutes and 2 seconds. The inspector re-ran the drill, and the firefighter was able to successfully complete the drill in the allotted time and the inspector signed the finding off as being corrected. Shorter commented that despite the findings the inspector was very impressed with the airport and is seeing progress over the last five years. The full out briefing for the inspection is scheduled for tomorrow.

TSA Audit: Shorter explained to the Board that along with the responsibilities of being the Board Clerk, April Hill is also the Airport's trained and certified Airport Security Coordinator. He asked Hill to give a report of the recent TSA audit. Hill reported that TSA recently conducted a full comprehensive audit on the airport. She explained the areas of covered topics in the audit. The audit was complete with no findings and the airport is in full

compliance and meets all regulatory standards and requirements. Shorter commented that there a lot of moving parts for the Airport Security Coordinator and he is very appreciative of all the hard work that Hill and the staff do to continuously complete the necessary security tasks of the airport.

Project RFI: Shorter commented that Jeff Wood sent an economic development project RFI to Litchfield to which Litchfield spent a great deal of time developing the data that Wood needed to be able to reply to the RFI. Wood explained that this was a specific RFI that was looking at locating on an airport. He commented that he was a little pessimistic of meeting all the requirements when talking with Piedmont Natural Gas last week. Shorter added that it was a good exercise to see where we may come up short (utilities, etc.) so that the airport can start strategically planning to improve the general conditions around the airport for potential future development opportunities.

NCAA: Shorter reminded the Board that the annual NCAA conference will be held in Pinehurst August 10th-12th. He said that the airport has twelve rooms reserved for the Authority and staff. Shorter asked for the Board to let him know by close of business on Friday of those interested in attending the conference.

End of Year Budget Amendments for Project Ordinance Close-outs

Litchfield advised that the airport needs to close out AIP-40; the Airport's Master Plan update from Fund 822. He said that the project is complete and has been submitted to the FAA. The project will close out at \$401,035 in expenses. Litchfield also advised that Project Ordinance Airfield Improvements – NC General Assembly Funding Appropriation (Fund 825) will need to be closed out. Shorter commented that this was one of the first State grants and was broken down in FY18 and FY19 of \$653,162. He said that the airport has expended the funds and has closed out the project.

On motion by Harris, seconded Morris the Board approved Project Ordinance from Fund 822. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

On motion by Liner, seconded by Morris the Board approved Project Ordinance 825. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

TBI Work Authorizations for Engineering and Design Review Work for Runway 4/22

Shorter presented a work authorization for Talbert & Bright for runway 4/22 design and engineering for marking. He said that this will give the airport an update set of plans for runway markings as suggested by the FAA Inspector. Cost will be \$9,060. Shorter commented that he will wait until after July 1st to start the work since the project is funded in FY22.

On motion by Harris, seconded by Pope, the Board approved the work authorizations. In favor 7, opposed 0.

FY22 Budget Ordinance

Shorter advised that there was only one minor change in the budget with an increase of \$646.00 due to longevity pay calculations. Shorter commented that County Finance has reviewed and accepted the stated Ordinance figures.

Revenue for the Airport Operating Fund is budgeted at \$7,748,509. Revenue for Security (LEO) is budgeted at \$115,500 for a total operating budget of \$7,594,009. Estimated airport expenditures are budgeted at \$7,428,606. Expenditures for Security (LEO) are estimated at \$165,403 for a total operating budget of \$7,594,009. Revenue for the Passenger Facility Charge (PFC) is budgeted at \$135,000. Expenditures for the PFC are also budgeted at \$135,000.

Revenue for the Customer Facility Charge (CFC) is budgeted at \$200,000. Expenditures for the CFC are also budgeted at \$200,000. The Airport Director is authorized to make transfers between lines items not to exceed \$10,000.

Liner commented that while reviewing the budget he has had conversations with Shorter and has asked him for information on contractual services since this year's budget is considerably higher than last year. Liner advised that he suggests pulling out the structural and pay study for \$65,000 as proposed in the budget. He said that he would like for the staff to come back to the Board to explain the need and what they are expecting to get out of the study and cautioned that the Authority would need to be prepared to respond to the study's findings. Liner commented that he needs more information on why the airport needs do a pay, classification, and structural study for six full-time employees and 59 part-time employees for \$65,000 adding that the airport just spent \$6,400 recently for one position. Shorter explained that the budget amount for the study is an education guess based on other consulting services rendered in the past. He said that he has not gotten estimates because it is not a fully vetted requirement but rather an idea driven by the concern of the current nationwide wage discussions including a potential increase of a mandated \$15.00 an hour for minimum wage. Shorter suggested that the study can be removed until additional information is acquired. He said that it can be added back in through a budget amendment. Harris commented that the airport should be paying employees the comparable rate for the area. He added that the ability to pay employees should be a priority for the operation of the airport. After much discussion, the Board concurred that the line item would remain in the budget with the understanding that the staff will have to come back before the Board for approval and a better understanding of what they are looking to get out of the study.

On motion by Bender, seconded by Morris the Board approved the FY22 Budget Ordinance. A copy of the budget will be available in the Administration Office. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

Open Discussion

Leahy commented that he failed to address the decision of a salary increase for the Airport Director at last month's meeting. He advised that the decision to make a salary increase for the Director will be tabled for FY22.

Executive Session

There was no need for an executive session.

On motion by Bender, seconded by Jones the Board adjourned at 3:10 p.m. In favor 7, opposed 0.

Secretary