



COASTAL CAROLINA
Regional Airport

AGENDA

April 20, 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
- III. Pledge of Allegiance
- IV. Introduction of Attendees
- V. Secretary's Report
 - a. Minutes of March, 2021
- VI. Treasurer's Report
- VII. Marketing Committee
 - a. Marketing Campaign Update
- VIII. Commercial Development Committee
 - a. CARES Act Development Grant Update
- IX. Director's Update
- X. Old Business
 - a. Property Acquisition and Non-Aeronautical Commercial Development
 - b. 2022 Draft Budget Review
- XI. New Business
 - a. TBI Work Authorization for TOPO Survey for Proposed New Airport Maintenance Facility Area
 - b. ECU 2021 Sculpture Contest and Disposition
 - c. County "LeaseQuery" System FY21 Budget Amendment
- XII. Open Discussion
- XIII. Executive Session
- XIV. Adjournment

Minutes

Coastal Carolina Regional Airport Authority

March 16, 2021

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

All stood and recited the Pledge of Allegiance.

Due to the novel coronavirus and Governor Cooper's Executive Order limiting group gatherings to 10 individuals, this Authority Meeting was conducted in a hybrid fashion. Several Authority members were present in the Airport conference room, while others attended via WebEx conference call.

The roll was taken, and the following Board members were present in person: Leahy, Harris, Liner, and Pope.

The following Board members attended via WebEx: Bender, Frazer, Jones, and Morris.

Burns, Hawkins, and Hunter were excused.

Also present in person: Andy Shorter, Airport Director; Charles Cushman, Dunn, Pittman, Skinner and Cushman; April Hill, Airport Security Coordinator/Board Recorder and Eric Litchfield, Business Manager.

***Also present via conference call: Ed Martin, Operations and Facilities Manager and John Massey, Talbert & Bright.

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

Secretary's Report

On motion by Morris, seconded by Liner the minutes of February 16, 2021 were approved. In favor 6, opposed 0. A roll call vote was taken, 6 yes, 0 no.

Treasurer's Report

Pope advised that Hertz reported earnings in the eighth month; all other agencies reported in the seventh month. The year-to-date budget goal for

rental car revenue was budgeted at \$82,333. The airport received \$178,171 for a positive variance to the goal of \$95,838. Landing fees were budgeted at \$30,147 and the Airport has invoiced \$0.00 as per the approved abatement period. Parking revenue is budgeted at \$266,667. The Airport has collected \$206,174 for a negative variance to goal of \$60,493. The Cares Act Funding is budgeted year to date at \$1,607,161. The Airport has invoiced \$1,568,980 through March 8th for a negative variance to goal of \$38,181. Pope added that the amount invoiced is slightly lower due to a timing issue with paperwork. He said that the funds are available but its just a timing issue to get paperwork submitted.

Shorter commented that budgets for the car rental revenue and parking lot revenue were estimated figures after having to guess the amount of traffic we would have for this year. The fact that the car rental revenues are just above the projected budget and the parking lot revenue is slightly below the projected budget, those numbers are pretty close considering that the airport had no idea what was going to be happening this year. He said that the obvious revenue safety net is the CARES funding used to cover O&M costs and that moving forward in FY22, the airport needs to understand that revenue collected should be collected with an eye to it becoming a reserve for possible future O&M expenditures after the CARES funding expires. Shorter added that if the airport is still only at 80% of flights and revenue, after CARES expires, then these allocated reserve funds could be used to cover the decrease in future revenue budgets. Litchfield commented that there is currently about \$6.2 million in the airport's balance fund. Within those funds is a reserve line identified as the reserve fund at \$629,000. He said that as the Board thinks through the proposed budget the airport could identify additional funds to put into the reserve to earmark them as future O&M. Shorter commented that stratifying the airport fund balance will help the airport when it is time to get back into rates and charges discussions with the airlines. It will show that funds are already obligated

for something other than just being accounted for in the balance fund. He said that the better defined the balance fund can be, the better it will serve the airport going forward. He added that next month the American seats available will be about 12% higher than in April of 2019. Shorter commented that the current load factor numbers for March are so far very good due to a great marketing team effort and people willing to travel.

Pope also gave a report on enplanements through February. American's load factor was at 66% compared to 70% from last year. He said that Delta has been flat lined with no communication from Delta corporate about restarting their operations.

On motion by Pope, seconded by Harris the Treasurer's report was approved. In favor 6, opposed 0. A roll call vote was taken, 6 yes, 0 no.

Marketing Committee

Morris advised that the committee met on March 3rd. He said that the meeting was fantastic, and that the committee was able to get an overview of the airport's new website. Morris asked Litchfield to give the Authority an update on the following.

Marketing Campaign Update: Litchfield reported that for the last two years EWN has had hundreds of impressions, while OAJ has had over a hundred thousand impressions. Litchfield expressed that the airport needs to be aggressive and stay ahead of the traveling public making decisions about booking flights. He said that the committee has put together an aggressive digital campaign that is inbound from Pittsburgh, Cleveland, and Philadelphia and New York and outbound for the entire catchment area. He added that the airport is getting several hundred thousand impressions a week with great results. Litchfield also reported that American has given the airport two landing sites

that lead folks straight to their booking site which will help provide input on how many bookings the airport is getting. American has also agreed to publish videos from Visit New Bern, Crystal Coast, Outer Banks, Currituck, and Ocracoke. He said that marketing is in a very exciting place right now. The inbound marketing campaign will focus on "book now" and will start by the end of the week and will broadcast on all three local television stations. Litchfield also shared with the Authority the new airport website which is almost complete. He added that the website will be a full-service website that will include the ferry schedule for folks traveling to the Outer Banks, a lot counter that will show how many lots are available in the parking lot, hangar availability information and contact information to Cherry Point for noise complaints. Litchfield advised that he would send a link of the new website to the Authority members for review.

Commercial Development Committee

Pope advised that the committee met on March 11th to discuss the following:

Air Carrier Quarterly Abatement Decision: Pope advised that the committee met to discuss air carrier abatement and recommends to the Authority that the airport continue to abate air carrier rents and fees until the end of June. At that time, the committee will review data and make another recommendation to the Authority. Shorter added that the airlines are still losing millions of dollars a day.

On motion by Harris, seconded by Liner the Board approved airline abatements through June 30th. In favor 6, opposed 0. A roll call vote was taken, 6 yes, 0 no.

Restroom Renovation Grant Request: Pope reported that there were five bids received for the bathroom renovation project located across from the airport restaurant. He said that the committee came together last week to

review the bids submitted. The lowest bidder came in at \$342,142 with the highest bidder came in at \$455,000. Muter Construction out of Zebulon is the low bidder for the project. Pope said that John Massey of Talbert and Bright has qualified the bid and have reached out to the company. Muter Construction has provided their bid bonding as required and have the proper licensing for the project. Pope commented that in the early stages of this project, estimated costs were somewhere around \$200,000 to \$250,00. Since the pandemic, the cost of material has risen almost on a day-to-day basis making it very difficult to tackle. The restroom renovation was originally part of other terminal modifications but Shorter added that this project will now go under the CARES Addendum Development Grant process that the FAA recently approved. He said that if the Board approves to move forward, the project will be submitted in a stand-alone grant application and forwarded to the FAA like other AIP grants. Once approved by the FAA it will then look like any other AIP project and will be presented to the Board of Commissioners for grant acceptance. A project ordinance and a budget amendment will be required to move forward with the project. Shorter said that the grant request will be in the amount \$371,425.00 for Addendum Development Grant CARES Act funding. Pope recommended that the Board accept the grant request of \$371,425 to move forward with the project and to apply for the CARES Act Addendum Development Grant.

On motion by Pope, seconded by Liner the Board approved to submit a grant request in the amount of \$371,425 to the FAA for the CARES Act Addendum Development Grant. In favor 6, opposed 0. A roll call vote was taken, 6 yes, 0 no.

Small Community Air Service Development Grant Application: Pope advised that the Small Community Air Service Development grant was submitted and that he hopes for a May 1st award notification. He said there was \$105,000 in pledges toward support and 87 letters of support adding that the

support from Beth Buckshot, Tyler Harris, Mayor Jay Bender along with the community and surrounding counties has been incredible. There has also been support from State Senators and Representatives. Litchfield added that the airport received another letter after the grant was submitted for \$20,000 in kind support pledge from Visit NC. Total pledges received in support was \$125,200; \$95,200 in cash and \$30,000 in-kind pledges. Shorter added that the airport should be very competitive to receive a grant with this level of community support.

Hangar Development: Shorter reported that after some due diligence work, because of the new area flood maps, he now has an environmental categorical exclusion application that is ready for submission. He said that they are moving forward and hope to get bids out within the next 60 days.

Directors Update

Traffic Circle: Shorter reported that the first layers of pavement have been put down. The NCDOT will lay the final layer of 1 ½ of asphalt soon. Shorter added that the next phase of the project will be the T-intersection on the other side of the loop.

ARFF Facility: Shorter commented that the construction on the ARFF facility is going well and that TA Loving is doing a great job. The project remains on schedule.

A to Z: Shorter reported that A to Z has left the premises but that they have been observed trying to still do business at the airport. Shorter said that he is working through the details with a letter to the business to remind them that they have not applied for, nor have been awarded, a permit to operate at the airport under the current Airport Ground Transportation Policy.

20-21 AIP Grant Request: Shorter advised that the only item listed on the entitlement grant is the previously approved addendum design work for the terminal expansion. He said that the grant will be submitted to the FAA by the deadline of May 15th.

D2-GS Building Hangar Door: Shorter reported that the hangar door has been installed to the backside of the D2-GS building. He said that Martin did a great job overseeing the project and that the door is a fantastic addition to the building and increases the building's value as an aeronautical asset exponentially.

Legislative Day: Shorter announced that Legislative Day for the North Carolina Airports Association is scheduled for March 23rd & 24th. He said that the association owes legislative awards from last year to a couple of the members. He added that this is a great opportunity to meet with and talk about the value of the airports to the members of the NCGA.

AAAE Digicast Award: Digicast is an online training system offered by the American Association of Airport Executives (AAAE). Shorter shared that the ARFF/Security and Operations staff were awarded a Digicast award through AA AE based on the number of hours taken and test scores from their online training. The staff has been taking advantage of the training videos each month during this time of social distancing due to COVID. Aircraft Firefighters are required to undertake at least 40 hours of recurrent training a year.

Federal Blue Lightning Initiative: Shorter asked Martin to give an update on the Federal Blue Lightning Initiative. Martin advised that Shorter received an email from the FAA recommending that airports participate in the Blue Lightning Initiative campaign that helps prevent human trafficking and is specifically geared towards the commercial aviation industry. He said that the airport has entered a MOU with the DOT and DHS and will use training offered by the

agencies during the airports monthly training with Airport personnel. Martin also commented that the program will more than likely be added to the grant assurances through the FAA AIP funding program. The airport is 1 out of 11 airports in the country who have entered this MOU with the DOT and DHS so far. Martin commented that it is a good program, and that the airport will do its part in helping prevent human trafficking.

Harriers: Shorter advised that Martin attended a short notice meeting at the FBO yesterday. He said that there were three mayors, two alderman and Senator Sanderson. It was believed that the discussion would be on the value and economic impact of the FBO to the area. Shorter said that there was some information flow that moved into a lot of questions being asked about the Small Community Air Service Development Grant; how it was going and what were the airport's thoughts on the success of the grant. The conversation then moved into the AV8 Harriers and what they were doing here. Shorter asked Martin to brief the Board on the discussion in the meeting. Martin commented that the question everyone had was, what steps the airport had taken to mitigate some of the noise the Harriers were making. He said that he discussed the limits of using only the main runway for take-offs and landings with straight-in approaches, no more crosswind landings on runway 14/32 and stopping the use of low-level Carrier Breaks. Martin said that overall, it was a good meeting and that he feels that most everyone in the room was in favor of using EWN for continued Harrier operations, as necessary. Martin commented that he was the neutral party of the discussion explaining to all who attend the meeting that the airport provides the facility for public use and that the Harriers are included in that concept. He said that overall, it was a good meeting with good discussion. The consensus among the attendees was that the airport is a jewel in the area.

Airport Vending: Shorter commented that within the past, the airport has received many requests for other products in the departure lounge vending

machines other than Pepsi products. He said that the airport's snack concessionaire was able to provide an additional vending machine that happens to have Coke products in it. Shorter advised that he has a meeting with Minges Bottling Company later this week. He said that they only have a preferred contract with the airport, not an exclusive contract, and it has been reviewed by our attorneys. Shorter reminded the Board that when passengers move through the checkpoint, anything over 3oz that is purchased or brought from home prior to their arrival to the airport is taken from them. Having only one choice of product does not give the passengers the choices they desire. He said that the airport is different than a restaurant, where diners can choose to use the facility or not. Shorter said that since the airport restricts what a passenger can bring with them through security, and then have them in a captured environment, then they should be offered the widest array of choices while waiting on their flight as a good customer service goal. Shorter added that the airport does have a fantastic presence of Pepsi within the airport, adding that there is a room in the front of the terminal containing only Pepsi products and memorabilia. The airport also incorporates New Bern as the birthplace of Pepsi in its marketing campaigns. Shorter commented that it is not the intention of the airport to diminish the relationship between the airport and PepsiCo but rather to give passengers an opportunity to choose a product of their choice, more like they have in any convenience store.

Property Acquisition and Non-Aeronautical Commercial Development

Cushman reported that the two residential properties on Clermont Road and the undeveloped rear parcel of the church property are under contract with the closing scheduled. The residential properties will close on March 30th and the undeveloped portion of the church property will close on April 7th. Cushman said that all procedures have been followed including the environmental due diligence, surveys, and appraisals. He said the only tasks

remaining are the title search and title insurance to which his office has already begun. He also commented that he has personally met with all the sellers and that they are on board and seem to be pleased with the process. Cushman advised that the airport would need to allocate the proper funds to acquire the three lots. Litchfield advised that the airport is requesting authorization of \$290,000 to acquire the three lots. The undeveloped portion of the church property will sale for \$177,000, 722 Clermont Road will sell for \$75,000 and 724 Clermont Road will sell for \$32,500. Litchfield commented that the amount requested is a rounded-out figure as to cover the property and any costs with the remaining tasks of purchasing the parcels. Shorter requested that the Board approve the Chairman to sign a budget amendment not to exceed \$290,000 to cover the costs of purchase.

On motion by Pope, seconded by Harris the Board approved the Chairman to sign a budget amendment not to exceed \$290,000 to complete the three closing prior to the next Authority meeting. In favor 5, opposed 0. A roll call vote was taken, 5 yes, 0 no.

Runway 04 Tree Clearing Project Changer Order Request

Shorter advised that the Board previously approved a budget amendment for the bid amount which was the lowest it could have been if the tree numbers were exact. As stated in the contract, it was \$126.00 per tree for every additional tree that was surveyed that needed to be cleared. Shorter commented that the project has already reached an additional cost of \$40,000. He said that the FAA has also just identified more trees that are penetrating the approach surface so he had to get the surveyors back out to survey the trees. Shorter advised that the airport could be looking at an additional \$40,000 to cover that unexpected cost. He requested that the Board to authorize the Chairman to sign a budget amendment that goes up to the total amount of funds remaining in the grant to clear the additional trees identified by the FAA.

Litchfield commented that there is \$235,129 left in the grant. Shorter commented that the cost may be up to \$150,000 but that with the uncertainty he is requesting that the Board approve the Chairman to sign a project ordinance up to \$235,129 for which the current grant can cover.

On motion by Harris, seconded by Pope the Board authorized the Chairman to sign a Budget Ordinance not to exceed \$235,129.00. In favor 5, opposed 0. A roll call vote was taken, 5 yes, 0 no.

2022 Draft Budget Review

Litchfield gave an extensive review of the FY22 proposed budget. He said that the figures included in the revenue line are pretty conservative not knowing what is ahead of us with the airlines and how and what air travel is going to look like once it comes back. Shorter agreed that the proposed budget is conservatively accurate, and that Litchfield aired on the low side for revenue generation. Any programmed revenue that is not received after the budget is approved will be moot since all expenses will continue to be reimbursed through the CARES funding. Shorter commented that the proposed budget is a strategic use of CARES funds to start buying down future capital expenses on capital items identified as needing to be replaced between now and 2030. This serves two purposes, one to be able to maintain low revenue requirements needed to balance expenditures for as long as possible after CARES, and two, to increase the rate of CARES expenditures now to ensure that we can execute our full allocated amount. A copy of the proposed budget has been given to all Board members for review over the next few months and each successive Authority meeting will cover budget details. He said that a final budget will need to be submitted to the County by May. Litchfield commented that his office door is always open and invited anyone with questions to stop by at any time.

TBI Work Authorizations for Developing Airport Access Roads and Parking Lot Pavement Rehabilitation Plan, Design, Bid Package

Shorter said that he asked Massey to take a look at all the access roads on the airport that are not state roads and come up with a couple of planning alternatives to repair and repave the roads. He restated that any big costs that the airport has can be done through CARES budget authority and this is one of the capital items that need to be considered. Shorter reviewed the different options with the Board as identified from Talbert & Bright. Shorter estimated an expense of \$2.5 million to cover the scope of items. He said that to refine the costs there will be a need for two work authorizations for Talbert & Bright. The work authorizations are broken up in two parts; one would be for those items for a CARES development grant and the other would be for items that will go under the CARES O & M. He added that if it was just a simple surface repaving then the airport can do that under operations and maintenance. Shorter submitted two work authorizations in the amount of \$89,585 and \$88,998 for Talbert & Bright to begin the planning design and bidding work on airport access roads and parking lot pavement rehabilitation. Shorter added that the projects will not go right to bid but rather will be shelf ready to then be able to pick and choose and prioritize projects as the airport desires. Pope commented that the CDP committee has discussed the project details and has unanimous support for the funding requests as presented by Shorter. Pope pointed out that Commissioner Liner, who departed the meeting, was in full support of this project. Shorter commented that during the CDP meeting Commissioner Liner proposed that maybe the Authority authorize a defined amount that the airport director could access to develop a series of these capital needs plans in order to have shovel ready projects for the strategic use of the CARES funding. Shorter said he was in

favor of this idea but needed to determine how that would work within a specific budget line item.

On motion by Pope, seconded by Harris the Board approved both work authorizations and authorized the Chairman to sign a Budget Amendment to cover both work authorizations. In favor 5, opposed 0. A roll call vote was taken, 5 yes, 0 no.

Open Discussion

Harris asked if the latest approved aid funding will be providing the airport with any new revenue. Shorter advised no and explained that if an airport received more than four years of funding out of the first CARES Act, which EWN did, then they were to not expect additional funding.

Harris also commented that while at the annual New Bern Chamber of Commerce meeting, he saw the airport listed as a sponsor. Shorter confirmed that the airport is a table sponsor again this year to support the chamber. He said that it is an allowable expense of airport revenue. Shorter also mentioned that in the past the airport has underfunded some of the large national organizations that the airport belongs to due to revenue limitations but said that this year the airport has started paying their full share. Among those organizations, AAEE & ACI have been two of the biggest industry organizations to support airports, they were the ones that ensured airports were added to the CARES formula when the original draft just contained the air carriers. Shorter commented that unfortunately these organizations have had to cut their staffing by as much as 50% within the last year.

Executive Session

There was no need for an executive session.

On motion by Leahy, seconded by Harris the Board adjourned at 3:50 p.m. In favor 5, opposed 0.



Secretary Kenneth Morris