



AGENDA

September 21st, 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 August, 2021**
- VI. Treasurer's Report**
- VII. Marketing Committee**
 - a. Data/Program Update**
 - b. Social Media Influencer Update**
- VIII. Commercial Development and Planning Committee**
 - a. Property Acquisition – Environmental Assessment Work Authorization Approval**
 - b. Airport Roadway and Parking Lot Improvements Project Schedule**
 - c. Propose Two New CARES Addendum Grant Projects – Exit Lane Plaza, Airport Maint. Facility**
- IX. Director's Update**
- X. Old Business**
 - a. Additional FY21 Budget Line Item Transfer Requirement**
 - b. Airport Authority Conflict of Interest Policy**
- XI. New Business**
 - a. Second Quarter Airline Abatement Proposal**
 - b. Airport Improvement Program (AIP) Grants- Budget Amendments and Project Ordinances for AIP43 (Terminal Design), AIP48 (Restroom Upgrade) and AIP49 (Corporate Hangar)**
- XII. Open Discussion**
- XIII. Executive Session**
- XIV. Airport Industry Familiarization Brief (Air Service Development Program)**
- XV. Adjournment**

Minutes

Coastal Carolina Regional Airport Authority

September 21, 2021

Chairman Harris 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: Harris, Jones, Liner, McCabe, Morris, Pope, and Wood.

The following Board members attended via WebEx: Murray

Bender, Burns, Frazer, and Kiser were excused.

Also present in person: Andy Shorter, Airport Director; Charles Cushman and Ray Dunn, Dunn, Pittman, Skinner and Cushman; Amy Ritchie, Terminal and Ramp Manager; Ed Martin, Operations and Facilities Manager and John Massey, Talbert & Bright.

The following also attended via WebEx: April Hill, Airport Security Coordinator/Board Recorder and George Durant, LHHW.

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 McCabe, seconded by Wood the minutes of August 17, 2021, were approved. In favor 7, opposed 0.

Treasurer's Report

Pope reported financials through August. The CARES Act funding has an annual budget of \$6,368,269. The airport budgeted \$1,061,378 with an actual to date expense of \$58,379. Concessions, Advertising and Ground Transportation is budgeted at \$4,850. The airport has received \$3,968 for a negative variance to the goal of \$882. Parking revenue is budgeted at \$59,367. The Airport has

collected \$110,834. Rental car revenue was budgeted at \$41,558. The airport received \$59,604 for a positive variance to the goal of \$18,045. Pope noted that the numbers looked good for June, July, and August. TSA Security Reimbursements were budgeted at \$19,250. The airport has collected \$9,230 for a negative variance to the goal of \$10,020. The total operating fund is budgeted at \$1,265,668.

Marketing Committee

Wood reported that the committee held it's second meeting since he became Chairman. He announced that the Craven 100 Alliance, C1A, is excited to become a partner to assist and support with airline incentives to bring in new service. Wood said that the C1A is in the midst of a private sector campaign push; invest local grow global. He said that this is one of the initiatives that they will be looking to promote. Wood indicated that if the C1A receives funds specifically earmarked towards the new airline initiative then the funds will be set aside and would be used only for that part of their campaign. However, the executive committee of the C1A feels that this is just like negotiating with any other business. When the opportunity arises, and the committee is fortunate to partner with a company, they inquire what it takes for them to do business in Craven County and do their best to meet those needs. Wood said that the airline campaign will be treated no differently. Wood also mentioned that he is working with the C1A committee to broaden the number of folks who will be working alongside the Airport Marketing committee. He said that in their last meeting they had a representative from the C1A and the New Bern Riverfront Convention Center. Wood said that with the website traffic and the marketing capability of the airport being so strong right now, he feels like other entities like the C1A, and the convention center can nest underneath that and coordinate efforts a little better and partner resources. Wood said that the goal is to start opening those lines of communication so that as the CARES money is no longer available that it could be used as a branding effort to pick

up other marketing efforts. Harris commented that the airport is in good hands and could not have picked a better partnership than that with the Craven 100 Alliance. He said that the airport is very fortunate to have Wood and the CIA Board, along with the support of the Craven County Commissioners, and feels that the community will benefit from this partnership.

Wood also reported that influencer Ashley Dzurilla will be visiting New Bern, Carteret and Pamlico Counties October 7th-October 10th. Wood shared Dzurilla's itinerary with the Board. Durant added that the airport has done an admirable job working with the community. He said that there has been a lot of teamwork to organize this trip. With 300,000 followers, Durant commented that Dzurilla will be entertained and will be bringing back a part of North Carolina home with her. Durant also added that just after launching the new website in early May, the airport has 56,000 new users, gaining 14,000 last month. He said that the increase can be attributed to marketing but a lot of it is organic with people seeking flight information. The second most visited page is the "Fly with Us" page. There have been 442 tickets booked on the American Airlines landing page. Social media is also doing well with 2300 followers on Facebook.

Commercial Development Committee

Pope reported that the committee met on September 9th and discussed the following topics:

Property Acquisition – Environmental Assessment Work Authorization Approval: The committee discussed a lease term agreement and amount for the Generation Baptist Church. Pope advised that the committee proposes to the Board a lease agreement of \$2,583 a month for up to two years. He said that they want the church to feel excited about finding a piece of property for their new church but also have an understanding of when the time comes for the airport to be able to fully occupy the property and commit to the future needs of the property. Pope advised that they are working on the

Environmental Assessment (EA) requirements for the property. Shorter added that the FAA required a short form EA for this effort. He advised that Talbert and Bright, along with their sub-consultants have produced two work authorizations; one EA is for both parcels of the church property and the other work authorization will be for the properties on Clermont Road. The environmental assessment for 720, 722 and 724 Clermont Road is for \$45,910

On motion by McCabe, seconded by Liner the Board approved the Work Authorization, environmental assessment for the three parcels on Clermont Road in the amount of \$45,910. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

Cushman also advised that he has been in contact with Pastor Hayman of the Generational Baptist Church. He said that the church is a little disappointed because they thought they had a new property that they were going to move to but the seller at the last minute backed out. The church feels that they may need a good amount of time, as discussed before, to find a new location. The priority of the church is to only have to move once. Cushman advised that the church is comfortable with the sale price that the airport has offered. The appraisal and review appraisal came back, and the airport has made an offer of just compensation. Cushman said that the Pastor has received the offer and has agreed, in principle, to that offer. The airport has made an offer of \$385,000 for the remaining property. Because the church does not have an exact timeline, the airport can enter into a contract to actually acquire property and then will offer lease terms back to the church to give them time to find a new place. Cushman commented that Pastor Hayman is comfortable with a two-year lease term. He said that they have discussed moving forward with a contract and then to push closing six to nine months away so that the terms and agreement are locked in while having plenty of time to complete the required EA. Cushman advised that in order for the airport

to enter into a contract, there has to be a firm rental amount and an agreed rental term. He said that the CDP committee discussed a rental amount of \$2583.00 per month. Shorter recommended that the airport move forward with the environmental assessment of the property and then have Cushman make a contract offer with the church. He said that if the church doesn't agree with the offer, then the Board can reconsider adjusting the terms while still working on the environmental assessment.

A work authorization for an environmental assessment for the property of Generation Baptist Church was presented in the amount of \$48,310.

On motion by McCabe, seconded by Morris the Board approved the work authorization for the environmental assessment for the Generation Baptist Church property in the amount of \$48,310. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

On motion by McCabe, seconded by Liner the Board also agreed for Cushman to make an offer to Generation Baptist Church to lease the parcel and building from the airport for \$2,583 a month with a delayed closing date.

Shorter also advised that a realtor representing Paul Proctor has approached the airport regarding two properties on Clermont Rd. adjacent to the airport that he will be listing for sale. The realtor wanted to let the airport know of his intent before listing it in case the airport would be interest in purchasing the property. Cushman advised that he has spoken to the realtor and advised him that the property would be brought before the Board in today's meeting for consideration. He advised that he needs the Board's approval to move forward with the appraisals and offer of compensation. Shorter added that the property is listed to be acquired on the current Airport Layout Plan and under the CARES Addendum Act, the properties are 100% fully

reimbursable. The Board agreed for Cushman to move forward with the appraisals and offer of compensation.

Airport Roadway and Parking Lot Improvements Project Schedule: Pope advised that the engineer's estimate for the project is \$874,000. The advertisement for bid quotes was published September 19, 2021. A pre-bid meeting is scheduled for September 28th with a bid opening scheduled for October 14th. Pope said that he hopes to have a decision on the bids by October 19th for the next Board meeting.

Propose Two New CARES Addendum Grant Projects – Exit Lane Plaza and Airport Maintenance Facility: Pope advised that the parking lot booth is non-functional. He said that the committee has discussed demolishing the current booth and building a new plaza type roof over the ticket scanners. The committee has also discussed moving the maintenance facility to the other side of the ARFF facility just off Clermont Road. Shorter commented that the current exit lane is a hodge podge of different canopy covers for the ticket machines. He added that since the parking lot system is self-sufficient, the toll booth is no longer in operation. Shorter said that the desire of the committee is to have a new canopy cover that would match the roof style of the terminal and the new ARFF facility. Shorter advised that a work authorization will be presented to the Board next month for the design of the exit lane plaza. The estimated cost of the work authorization is \$68,175. Shorter also commented that as the airport progresses with part two of the terminal upgrades, the maintenance facility will have to be moved. The proposed site for the new facility will be at the end of Clermont Road. He said that he does not have the work authorization yet for the project but wanted to make the Board aware the strategic use of the CARES funding and another addendum grant to get the facility built and buy-down an additional future cost the airport faces.

Directors Update

Air Service: Shorter commented that the CTA initiative that Wood reported on is a great addition to the campaign to add more air service for the airport.

Small Community Air Service Development (SCASD) Grant: Shorter commented that the airport is back in the planning stages for the next round however, the FAA has not yet published the schedule. Shorter said that in his effort to continue to pass on knowledge to whomever needs to know, the airport holds monthly in person or virtual informational briefings on "The Future of Your Local Airport." He explained that the briefings give general information about the airport; to spread the knowledge of the airport, what it does for the community, and its economic impact but specifically speaks to the current air service development efforts. The next briefing will be held October 6th. Invitations were sent to elected officials and their management staff throughout the catchment area. The following two briefings will be held November 9th and December 8th. Shorter also advised that there are some upcoming airline meetings, a virtual meeting on October 8th with United Airlines and an Air Service Conference in Baton Rouge for small and non-hub airports. He said that they will try to get as many meetings with carriers as they can.

ARFF Facility: Shorter advised that a ribbon cutting ceremony is scheduled for the new facility on the afternoon of November 19th. The airport will also celebrate it's 90th birthday the same day. Shorter added that he is waiting on confirmation from Congressman Murphy before publicizing the date and time.

Airport Runway/Taxiway Marking Sealing Project: Shorter announced that the airport received three quotes for the project. The lowest quote came in at \$287,400 from Hasco, Inc. Shorter commented that the company is local and

has done work at the airport before. The airport will move forward with Hasco for the project with funding allocated in the current budget.

Terminal Generator: Shorter reported that the current generators are not always picking up the load share with the City of New Bern. He said that the original plan was to replace the generators during the terminal improvement project but it has been determined that they need replacing sooner. He advised that the generators will be replaced before the terminal projects begin. The estimated cost to replace the generators is \$200,000 and he will need to see if the FAA will require a CARES addendum development grant request or if we can use CARES O&M funding.

Taxi Service Issues: Shorter advised that since COVID the airport has experienced trouble with service availability from the local taxi companies. He said that there are currently nine companies permitted with the airport. Shorter commented that with the Board's support he will research the benefits of the airport providing ground transportation for a partially subsidized service that would provide more dedicated service for late night passenger traffic.

State Certification Compliance Letter: Shorter explained that the airport receives a State Certification Compliance Letter every year for the use of State funding on projects. He advised that Cushman has reviewed the letter and has determined that the airport's project contracts are in compliance according to the certification letter requirements. As in the past, Shorter will sign the letter for verification.

Additional FY21 Budget Line-Item Transfer Requirement

Shorter reported that a line-item transfer in the amount of \$11,365 was required to close out the AIP 42 tree clearing project at the end of RWY 4. As permitted under Article VIII of the Airport By-Laws, Chairman Harris has signed the line-item transfer for County Finance.

Airport Authority Conflict of Interest Policy

Cushman commented that at last month's meeting he briefly discussed the conflict of interest for serving on local government public bodies in North Carolina. He advised that the Board should have received in their packet a copy of the policy statement that the Board adopted in 2018. He said that it is a brief statement that is based directly on Craven County's policy statement for conflicts of interest. Cushman added that the policy covers the areas that he briefly enumerated last month. He said that the primary things to be concerned about are as a member of a local governing body you don't want to vote on anything that could lead to a financial interest for you or your family, accept any contracts without notifying the Board that it could lead to a financial benefit to you or your family, and accepting gifts and/or favors from anyone who is doing business with the airport or is submitting an application or proposal to do business with the airport. Cushman opened the floor for discussion. Harris asked if the policy should be added to the agenda at the beginning of each meeting to ask if there are any conflicts. Cushman advised that some Boards do add the policy to their agenda but wouldn't have to be a situation where you read it at every meeting. He added that what often happens is that along with the approval of the minutes that there is a reminder added that the Board has a conflict of interest policy and if there were any concerns since the last meeting. He said that one of the important aspects of the policy is that if there were any questions or concerns about whether something may or may not be a conflict should be addressed to the Chairman publicly or in private. Liner commented that some Boards require each Board member to sign a conflict of interest policy and asked if the airport Board should do the same. Cushman advised that in the past, the Board has just adopted the policy as the Board as a whole. He said that it was a good suggestion and if it was the will of the Authority, he would be happy to generate a statement for each member to sign.

On motion Liner, seconded by Morris the Board approved the Conflict of Interest Policy statement as written. In favor 7, opposed 0.

Second Quarter Airline Abatement Proposal

Shorter commented that the CDP committee discussed airline abatements in their last meeting. He said that they thought the airport was on an upward recovery trajectory with the airlines the last time they considered abatement and thought that they would not recommend another abatement full abatement proposal. He said that is no longer the case with the Delta variant of COVID. The airlines are currently cutting back capacity due to the downturn in passenger bookings. He said that he was recently on a conference call with American who has pulled back on flights by 17% from what they were scheduling just a month ago. Shorter commented that the airport has experienced some capacity cuts this month and also for next month's schedule. By abating rents and fees, Shorter said it's the airports way of helping the airline cut costs for the next quarter. He said that the CDP recommends that the Board offer an additional quarter of rent and landing fee abatement. He said that the dollar value amount programmed in the budget for the year is less than \$150,000 and that all lost revenue is being covered by the CARES Act funding.

On motion by Morris, seconded by Liner the Board approved to abate airline rent and landing fees for an additional quarter.

Airport Improvement Program (AIP) Grants - Budget Amendments and Project Ordinances for AIP43 (Terminal Design, AIP48 (Restroom Upgrade) and AIP49 (Corporate Hangar)

The following budget amendments were presented for the Board's approval:

Revenues	Amount	Expenditures	Amount
8290000-33110	\$290,613.00	8297050-47501	\$290,613.00
FAA Grant		A & E	

Justification: FAA AIP addendum grant for AIP-43 increased available Federal funds by \$290,613 to continue terminal design work.

On motion by Liner, seconded by Pope the budget amendments were approved. In favor 7, opposed 0. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Revenues	Amount	Expenditures	Amount
8307066-33110	\$416,595.00	8307066-47600	\$9,000.00
FAA Grant		Construction	
		8307066-49755	\$407,595.00
		Transfer to Operating	

Justification: The FAA provided an addendum grant AIP-48 of \$416,595 to cover the expenses for the restroom upgrade. This project was initially funded with FY21 CY Fund Balance transfer of \$407,595. The original funds are returned to the airport's 810 account.

On motion by Pope, seconded by Morris the budget amendment was approved. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Revenues	Amount	Expenditures	Amount
8307065-33110	\$808,475.00	8307065-4700	\$3,690.00
FAA Grant		Admin	
		8307065-47512	\$11,350.00
		Preliminary	
		8307065-47006	(\$43,966.00)
		A&E	
		8307065-47600	\$587,666.00
		Construction	
		8307065-47007	\$23,500.00
		Inspection	
		8307065-49755	\$226,235.00
		Transfer to Operating	

Justification: The FAA provided an addendum grant AIP-49 of \$808,475 to cover the expenses for the construction of two hangars. This project was initially funded between a DOT grant and FY21 CY Fund Balance transfer of \$226,235. The original fund balance transfer will be returned to the airport's 810 account.

On motion by Pope, seconded by McCabe the budget amendment was approved. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Open Discussion

There was no discussion.

Airport Industry Familiarization Brief (Air Service Development Program)

Shorter gave a presentation on air service development. He shared with the Board enplanement data over the last three years. He said that he and the marketing team will be looking into incentives for new airlines. Wood

commented that the C1A was one of the biggest supporters with SCASD grant and that they will move forward with supporting the airport.

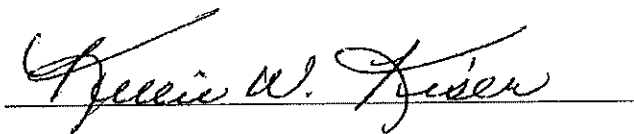
Executive Session

On motion by McCabe seconded by Morris, the Board went into executive session at 3:56 PM in accordance with 143-318.11(a) (4) (5) to consult with the attorney to discuss matters relating to the location or expansion of business or industry in the area served by the authority and to discuss the price or other material terms of a lease. In favor 7, opposed 0.

On motion by McCabe, seconded by Liner the Board came out of executive session at 4:10 pm. In favor 7, opposed 0.

No action was taken.

On motion by Liner, seconded by McCabe the Board adjourned at 4:11pm. In favor 7, opposed 0.

A handwritten signature in cursive script, reading "Kellie W. Kiser", is written over a horizontal line.

Secretary Kellie Kiser