

Minutes

Coastal Carolina Regional Airport Authority

July 19, 2022

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: Bender, Harris, Jones, Kiser, McCabe, Morris, and Wood.

Frazer attended via WebEx.

Liner, Murray, and Pope were excused.

Burns was not in attendance.

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; Amy Ritchie, Terminal Manager; Ed Martin, Operations and Facilities Manager; John Massey, Talbert & Bright, and George Durant, LHWH.

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 Kiser, seconded by McCabe the minutes of June 21, 2022, were approved. In favor 6, opposed 0.

Treasurer's Report

Shorter reported financials through June 30, 2022. Concessions, Advertising and Ground Transportation has a positive variance to the goal of \$11,275. Fuel Flow Royalties have a negative variance to the goal of \$10,356. Landing Fees were below the projected goal by \$15,713. Other revenue has a positive variance to the goal of \$56,358. Parking revenue has a positive variance to the goal of \$300,135. Rental income has a positive variance to the goal of

\$28,348. Rental car revenue has a positive variance to the goal of \$157,994. TSA Security reimbursements has a negative variance to the goal of \$41,620. CARES Act reimbursement was budgeted at \$6,368,269. To date, the airport has received \$2,700,346 for a remaining balance of \$3,667,923. Total expenses are budgeted at \$7,677,248. To date total expenses are \$4,444,494.

On motion by McCabe, seconded by Wood the Treasurer's Report was approved. In favor 6, opposed 0.

Marketing Update

Wood reported that the committee did not meet this past month, but they did have an Industry council meeting for the Craven 100 Alliance (C1A) and Economic Development at the airport to have a joint discussion between EWN and all the great work that Durant is doing along with Shannon McGuire, Craven 100 Alliance Marketing. He said that there was good discussion and that there are a lot of resources for marketing in the area. He said that he is looking forward to more opportunities in working with them. One idea that Durant and McGuire have thought of is using QR codes around the airport for passengers to get information about the area including job opportunities. Wood said that the next step is to put together a survey for industry to voice what they would like to see in the QR codes. Durant commented that the committee has turned their attention more to raising awareness of a lot of the growth issues that the airport is going through. He said that there have been a series of growth initiatives that the airport has been able to do through funding grants. Durant commented that the airport saw a lot of PR from the press release that Shorter released yesterday on the \$8 million runway extension road project. He said that the community is very interested in what's going on at the airport which also translates to pretty big jumps in social media with engagement. Durant also reported that the marketing efforts for the DCA to EWN and vice versa have been very effective. Search engines have been very

impressive with folks looking for EWN now more than ever. Durant said that Google analytics show a 75,000 increase in new users on the website this year. He also reported that at the end of last year Shorter encouraged him to put together a TV spot, and a few other items, to encourage loyalty to EWN to fly into EWN as the first-choice airport. He said that the ads should finish up this month and that the airport has seen a good response from the ads.

Commercial Development

Shorter gave an update on the following topics:

Roadway and Parking Lot Project CARES Addendum Grant Review: The FAA has approved the grant of \$2,562,397 for the roadway and parking lot project. Shorter commented that this is the final result of the \$3.9 million that was unobligated from the initial cares allotment of \$18.7 million. He said that in new business he will ask for an approval on a budget amendment to pay for the first invoice from that project, and then next month, County Finance will help the airport prepare a project ordinance and budget amendment to get the project setup the way they want it.

Terminal Expansion Project Funding Plan Review: Shorter reviewed the project funding plan with the Board detailing the projected revenue to fund the \$26 million project. He said that the airport is already in receipt of State grant funding, pending FAA entitlement funding and the local match that was programmed in the budget for a total of \$15.7 million. The outstanding project costs would be funded through additional State grants, FAA discretionary funds and through an Airport Infrastructure Grant (AIG). Even though the airport has not received these outstanding funds in the bank yet, Shorter reassured the Board that the funds have been allocated. He said that when he last spoke with the ADO Manager, he was told that the airport had priority from his office for this discretionary funding allocation. He added that the airport will take

priority over other airports needing discretionary this next year since EWN has a project in process. Unfortunately, the FAA cannot legally sign any documents to that effect until the fiscal year starts. Shorter commented that the question is, how much risk would the airport incur by entering a contract for \$26 million. He said with that question set aside, Monteith is willing to enter a contract for \$15.7 million initially and then have three consecutive contracts to follow as the project progresses. Shorter added that the bid specifications included a notice to the contractors that there would be a Part A and a Part B in the contract and that there would be consecutive notices to proceed based on funding availability. Shorter commented that this is where he, Charles Cushman and John Massy will need to get together to decide how to detail the contract and then very quickly, they would need to get Craig Warren, Craven County Director of Finance, to then see where they are comfortable with the government accounting principles. Massey advised that he would step out of the meeting to call Monteith to see if they would agree to extend their 120-day bid window an additional 30 days to facilitate the Authority making their decision next month. Harris advised that the Board would move forward with the agenda pending notification from Monteith.

Williams Road Re-Alignment Project:

Shorter reported that a press release has been issued announcing that the State has agreed to fund the realignment of Williams Road. He thanked the elected officials for their hard work and assistance through the process. He also commented that Bobby Walston, NCDOT, was also a big help with the environmental assessment. Jones thanked Morris for his assistance with Senator Perry. Harris thanked all the County Commissioners and Senators who assisted in the process as well as Hugh Overholt. The road realignment is not expected to affect local traffic flow in the area.

Directors Update

Air service: Shorter shared enplanement data through June. He said that the number of seats were down this year over last year but that the load factors were high and continue to be high. Pilot shortages continue to be an issue. He said that the airline pilots union and others in the airline industry are pushing back against it saying there is no problem, but the airport's industry group is saying that we need to make sure our federal legislators know that there is a problem as small communities will be particularly affected before large communities. Shorter said that there are several legislative things that could be done to help alleviate some of the short-term issues like increasing the maximum age and approving other training programs that would lower the bar for the requirements of receiving an airline transport pilot license.

FAA Part 139 Inspection: Shorter advised that the FAA conducted the annual inspection last week. He said that the inspection went well and that the team did a great job. The new fire truck performed well and completed all tests under the required time. Shorter reported that there were a couple of issues, one being well outside what he would have expected. He said that the inspector went out with the measuring wheel and a laser range finder and found that the runway safety area, which is supposed to be 250 feet from the centerline of the runway has a drainage ditch that is nine feet inside of the safety area. Shorter said that Massey will develop a work plan to conduct a formal survey of the area. With the airport's current operations and size of aircraft coming onto the field, the airport only needs 200 feet of safety area from the centerline. There were also a few minor discrepancies with the fuel farm. Overall, the inspector commented that, out of all the airport's that she has visited, EWN has the best markings and signs.

AIP-45 Cares Amendment: Shorter advised that in order for the FAA to close out the final unobligated amount, they have signed a letter increasing the grant by

\$86,138. He said that that's where they placed the remaining money out of the \$3.9 million that needed to be obligated before the airport received the \$10 million in discretionary funds for their FY22 grant.

D2 Ribbon Cutting: D2-Government Solutions will be hosting a ribbon cutting in the new corporate hangars this Friday at 11am. Shorter advised that D2 will be issuing a press release today for the event.

Full-time Personnel Paying Classification Strategy: Shorter shared a proposal submitted by On Course Human Resource Consulting for full-time pay classifications. The scope of the proposal includes a review update of job descriptions, to facilitate meetings to discuss pay philosophy and strategies between the airport and Craven County, and to customize compensation administration guidelines. The cost of this proposal is just under \$10,000. Shorter commented that there is \$10,000 budgeted in the contract line item for emerging contracts so the proposal will be fully covered in this budget. Harris commented that during a recent executive session, there was some discussion of staff performance and the need to ensure that all staff members were in the correct classification. He said that this proposal will help to do that, so the airport really needs to move forward with the proposal.

Annual Audit Information: Cushman advised that, as occurs every year, in association with Craven County, the airport piggybacks on the big audit that Craven County undergoes. The audit firm is Thompson Price, Scott, Adams, and Company. Cushman said that Shorter has received a letter sent by Craig Warren, Craven County Finance, regarding the conflicts of interest and related parties, specifically, addressing the questions of are there any dealings with the members of this board and their businesses and this entity. The letter requests that Shorter answer questions on behalf of himself and all the Board members. Cushman specified that for the purpose of record keeping, and to justify and document Andy's answers on behalf of all the board members, he has made a

photocopy of Warren's letter for each of the Board members to review and answer the questions for themselves. Cushman advised that he would make himself available after the meeting for any questions that the Board may have. He asked that each member review and answer the questions then sign and return the letter to him. This will ensure that Shorter can answer the questions affirmatively on behalf of the board members.

Budget Amendment-Roadway and Parking Lot Project, Annual State Funding to Projects

Shorter submitted the following budget amendments for the Board's approval:

Revenues	Amount	Expenditures	Amount
8100000-39901 FB Current Year	\$1,432,773	8107050-49730 Transfer to Projects	\$1,432,773
Total	\$1,432,773	Total	\$1,432,773

Justification: To transfer NCDOT grant proceeds received to respective project fund (8307065) related to construction of two aircraft hangars.

On motion by Jones, seconded by McCabe the Board approved the Budget Amendment. In favor 6, opposed 0. A roll call was taken; 6 yes, 0 no.

Revenues	Amount	Expenditures	Amount
8100000-39901 FB Current Year	\$279,787	8107050-47302 Capital Outlay-Other Improvements	\$279,787
Total	\$279,787	Total	\$279,787

Justification: To allocate funds to pay expenses for AIP 50 Roadway and parking lot improvements until the project fund is established.

On motion by Morris, seconded by Wood the Board approved the Budget Amendment for AIP-50. In favor 6, opposed 0. A roll call was taken; 6 yes, 0 no.

Terminal Project Contract Award Approval

Massey advised that Monteith Construction has agreed to extend their contract bid period for another 30 days. On motion by Morris, seconded by McCabe the Board also agreed to extend the contract bid period for an additional 30 days. In Favor 6, opposed 0.

Nominating Committee Report and Officer Nominations/Appointments

Morris announced that the nominating committee has met and recommends the following new officers: Tyler Harris, Chairman; Jeff Wood, Vice Chairman; Bill Pope, Treasurer and Kellie Kiser as Secretary. Harris opened the floor for other nominations. After hearing no other nominations, Jones moved to close the nominations, seconded by McCabe.

On motion by McCabe, seconded by Jones the Board approved the new officers. In favor 6, opposed 0.

Open Discussion

There was discussion.

Executive Session

On motion by Morris seconded by McCabe, the Board went into executive session at 3:09 PM in accordance with 143-318.11 (a) (5) to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken regarding the proposed acquisition of real property. In favor 6, opposed 0.

On motion by Kiser, seconded by McCabe the Board came out of executive session at 3:19 PM. In favor 6, opposed 0.

On motion by Morris, seconded by Wood the Board approved to authorize the Airport Director and Airport Attorneys to work with Craven County's Administrators and Attorney in order to pursue adjacent real estate for eventual acquisition.

On motion by Jones, seconded by Morris the Board adjourned at 3:21 PM. In favor 7, oppose, 0.



~~Secretary Kellie Kiser~~

Chairman Tyler Harris