

Minutes

Coastal Carolina Regional Airport Authority

August 16, 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, Liner, McCabe, Morris, Pope, and Wood.

Kiser and Murray were excused.

Burns and Frazer were not in attendance.

Also present in person: Andy Shorter, Airport Director; Charles Cushman, Dunn, Pittman, Skinner, and Cushman; April Hill, Airport Security Coordinator/Board Recorder; Amy Ritchie, Terminal Manager; 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).

Harris advised that there will be a need to amend the agenda under New Business to add two work authorization requests for Talbert and Bright.

On motion by McCabe, seconded by Pope the Board approved to amend the agenda and add the items to the new business section as requested.

Secretary's Report

On motion by McCabe, seconded by Jones the minutes of July 19, 2022, were approved. In favor 7, opposed 0.

Treasurer's Report

Pope reported financials through July 31, 2022. Concessions, Advertising and Ground Transportation has a negative variance to the goal of \$481. Fuel Flow Royalties have a negative variance to the goal of \$1,303. Landing Fees were slightly above the projected goal by \$361. Other revenue has a negative

variance to the goal of \$9. Parking revenue has a negative variance to the goal of \$13,021. Rental income has a positive variance to the goal of \$1,238. Rental car revenue has a has a negative variance to the goal of \$4,622. TSA Security reimbursements has a negative variance to the goal of \$7,500. CARES Act reimbursement was budgeted at \$5,878,045 for the year and the airport has not received any reimbursement funds to date due to a timing issue with paperwork so far. Total expenses are budgeted at \$552,721 and to date, the total expenses are only \$308,784.

On motion by Liner, seconded by McCabe the Treasurer's Report was approved. In favor 7, opposed 0.

Marketing Update

Wood announced that the airport was awarded a \$776,000.00 grant through the Small Community Air Service Development Program (SCASDP). Combined with the contributing funds from the NCDOT, C1A and Craven County, the total funding available to expand service is \$1.47 million. He said that he, Shorter and Durant worked together to plan the best way to advertise the announcement with the local tv stations and a few online aviation news outlets. The grant will be used to establish new commercial air service to a hub airport in the Northeast. The airport will have five years to use the funding.

Commercial Development and Planning Committee

Pope advised that the committee did not meet in July, however, he did acknowledge the incredible work that the staff did organizing the ribbon cutting ceremony for the two corporate hangars leased by D2-Government Solutions. Guest speakers were Congressman Greg Murphy, Commissioner Denny Bucher Dave Ricker, CEO of D2-Government Solutions, and Andy Shorter. Pope also advised that Shorter would give an update on the Williams Road re-alignment in the Director's Report.

Directors Update

Air Service: Shorter reported that the airlines are getting hit hard by negative comments about service cancelations, so they have trimmed back for the months of November and possibly December to maintain an adequate reserve for the holiday travel. He said that regional airports have been affected with Charlotte seeing a 30% reduction of available seats for the regional market. Shorter commented that American so far has had fewer regional seats available this year compared to last year. For example, the seat comparison chart shows fewer seats this November at 4,500 seats compared to 8,800 last year. Shorter also noted that Delta continues to struggle as they have cut 20 destinations from their Detroit hub. He commented that this unfortunate trend is a continued result of pilot shortages. He said that regional pilots are moving up to mainline aircraft and he estimates that it could take another 18-24 months before regional carriers may see a recovery from the shortage. Shorter and Wood will be attending an air service conference in October. He said that the airport needs to continue to push forward until we can get ahead of the problem. Pope commented that the committee's focus on marketing is in a good place and that now is not the time to back down. Wood commented that the airport has a wonderful story to tell to persuade the airlines to make an investment. He said that it's appealing for companies to make an investment and though it will be a tough fight, the airport can accomplish this goal.

Williams Road Re-Alignment: Shorter advised that during a recent meeting between the engineers and the FAA, it has been recommended that a "pen and ink" change be made to the current Airport Layout Plan (ALP). Shorter explained that to keep the road out of the runway safety area, the current runway extension plan needs to be amended. This slight change would still extend the runway by 347 feet to a total final runway length of 6,800 feet. After some discussion with the FAA, it was recommended that this small change focus on a runway safety area improvement project instead of a runway

extension project would rank higher in the FAA funding priorities for discretionary funding. Talbert and Bright will do the work for the change to the ALP when the work authorization is approved.

Bipartisan Infrastructure Law (BIL): Shorter reported that the airport's application submitted for Federal funding for a new control tower was not awarded. He said that he didn't expect a grant approval because the airport has not even completed the siting studies for a new tower at this point. However, he said that the airport will continue to apply each year that the program continues.

D2 Flight Academy: Shorter commented that the ribbon cutting ceremony went well for the two corporate hangars. He said that D2 is already using the facilities as a recruiting tool to gain more government contracts. D2 held an Air Force Junior ROTC graduation on the 7th. Shorter said that most of the graduates were able to receive their pilot's license in eight weeks along with six college credit hours from Craven community College. Also, on September 10th, D2 will host a Fly-in/Aviation Career Day for local high school students. Piedmont Airlines will have a regional jet on display.

AV-8A Harrier: Shorter reported that the painting on the AV-8A Harrier is complete. He said that the company did a good job and that it was estimated to be a third of the cost of what FRC would have charged. The project was self-contained and did not interrupt the operations in the parking lot.

New Employee: Shorter announced that the full-time position for Accounting Technician has been filled with Christine Garrett. He said that Garrett completed her accounting degree online with Southern New Hampshire University. He said that Garrett is happy to be at the airport and that he thinks she will work out well in the Business Office. Shorter added that there have been three offers made for three Aircraft Fire and Rescue positions and two

maintenance positions and he believes the new pay structure is helping quite a bit.

Terminal Project-Contract Approval, Project Ordinance, Budget Amendment

Shorter advised that he and Ray Dunn met with the County Manager and the County Finance Director to discuss and review the budget requirements for signing the contract for the terminal expansion project. He said that the County Manager and Finance Director are comfortable with the budget laid out in the project ordinance and requested the Board's approval of the full construction contract in the amount of \$26,642,266.

On motion by McCabe, seconded by Liner the Board approval the terminal expansion contract with Monteith Construction in the amount of \$26,642,266. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Shorter submitted the following Budget Ordinance (AIP-51) for the Board's approval:

Expenditures:

Administration	\$10,000
Basic Architecture and Engineering	\$1,118,218
Inspection	\$101,990
Construction of Terminal Improvements and Expansion	\$24,912,058
Contingency	\$500,000
Total	\$26,642,266

Revenue:

FAA Federal Grant	\$15,903,935
State Grant	\$3,087,119
CARES Grant	\$2,378,946

Transfer from Airport Operating \$5,272,266

Total \$26,642,266

On motion by Wood, seconded by Liner, the Board approved the Budget Ordinance (AIP 51). In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

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

Revenues	Amount	Expenditures	Amount
8327050-33110 FAA Federal Grant	\$15,903,935	8327050-47000 Administration	\$10,000
8327050-33301 State Grant	\$3,087,119	8327050-47006 Arch. & Engineering	\$1,118,218
8327050-33119 CARES Act Grant	\$2,378,946	8327050-47007 Inspection	\$101,990
8327050-39808 Transfer-Ops Fund 810	\$5,272,266	8327050-47600 Construction	\$24,912,058
		8327050-47659 Construction-Contingency	\$500,000
8100000-39901 FB Current Year	\$5,272,266	8107050-49730 Transfer to Projects	\$5,272,266
Total	\$31,914,532	Total	\$31,914,532

Justification: To set up AIP 51 in Fund 832 for the construction of terminal improvements and expansion.

On motion by Liner, seconded by McCabe the Board approved the Budget Amendment. In favor 7, opposed 0. A roll call was taken; 7 yes, 0 no.

Roadway and Parking Lot Improvement-Project Ordinance, Budget
Amendment

Shorter submitted the following Budget Ordinance (AIP-50) for the Board's approval:

Expenditures:

Administration	\$4,500
Preliminary	\$58,731
Basic Architecture and Engineering	\$235,795
Inspection	\$92,527
Construction	\$2,170,844
Total	\$2,562,397

Revenue:

FAA Addendum Grant	\$2,562,397
Total	\$2,562,397

On motion by Liner, seconded by McCabe, the Board approved the Budget Ordinance (AIP 51). In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

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

Revenues	Amount	Expenditures	Amount
8317050-33110 FAA Federal Grant	\$2,562,397	8317050-47000 Administration	\$4,500
		8317050-47512 Arch./ Eng. Preliminary Exp.	\$58,731
		8317050-47006	\$235,795

Architectural 8317050-47007	\$92,527
Inspection 8317050-47600 Construction	\$2,170,844

Total	\$2,562,397	Total	\$2,562,397
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Justification: To set up AIP 50 for the construction of road and parking lot improvements, commercial service parking lot expansion, and commercial service parking lot exit plaza replacement.

On motion by Liner, seconded by Wood the Board approved the Budget Amendment. In favor 7, opposed 0. A roll call was taken; 7 yes, 0 no.

FY23 Personnel Pay Policy Adjustments and Budget Amendment

Shorter commented that the Craven County Board of Commissioners recently adopted a personnel resolution to improve pay and incentive opportunities for full-time and permanent part-time employees. Two of the policy items that directly affect airport employees are the comp time pay out and a one-time premium payment. The premium payment would cover five full-time employees and twenty-nine part-time employees at a cost of \$39,558. The comp time payout will cover one maintenance position at a cost of \$2,500. Shorter said that the cost for both items will be part of the airport's standard operating expenses and therefore be reimbursable with CARES Act funding. He added, to be consistent with the County, the Board would need to approve the pay policy adjustments and allow the Chairman to sign a Line-Item Transfer in the amount of \$39,558 in the FY23 airport operating budget.

On motion by Pope, seconded by Jones the Board approved a pay policy adjustment for five full-time employees and twenty-nine permanent part-

time employees and to allow the Chairman to sign a Line-Item Transfer in the amount of \$39,558. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Work Authorizations for the Williams Road Re-alignment and Runway Safety Area (RSA) Improvement-Talbert & Bright

Shorter advised that there are two work authorizations for Talbert & Bright and a line-item transfer for the work authorizations that require an approval from the Board. The first work authorization is for the "pen and ink" change in the contract for the Williams Road re-alignment as discussed during the Director's Report. The cost associated with the work authorization is \$28,810. Shorter commented that the expenses will ultimately be reimbursable through the Williams Road project. He explained that as with previous projects, the airport will start the project with a standalone work authorization as a key first step with tying the FAA together with the NCDOT on the Williams Rd alignment in relation to the runway.

On motion by Morris, seconded by Pope the Board approved work authorization for the Williams Road re-alignment. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Shorter commented that during the annual FAA inspection in June, the inspector determined that the runway 4/22 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 prescribed safety area. Shorter said that the first initial step is to confirm the measurements by getting a survey done and then having the engineering work completed. The total cost for the survey is estimated at \$18,000. Shorter commented that he consulted with Massey, and they have determined that the survey work is within an area that they would have to coordinate with the tower. The surveyors would need to pull back operations so they can get out there and get set up but as soon as an airplane radios the tower to land, then the surveyors will have to pull back. He added that it is a little bit more involved than working out next to a highway and

therefore added expense. Shorter explained that once he gets the data and can determine that the ditch is indeed inside the airport's required RSA, then it will become a high priority funding issue for the FAA to have us relocate the ditch. The full cost associated with the work authorization is \$34,810.

On motion by Morris, seconded by Pope the Board approved the work authorization for Talbert & Bright to complete the survey work for the runway safety area. In favor 7, opposed 0. A roll call vote was taken, 7 yes, 0 no.

Open Discussion

No open discussion.

Executive Session

There was no need for an executive session.

On motion by Wood, seconded by McCabe the Board approved the Budget Amendment. In favor 7, opposed 0.


Secretary Kellie Kiser