

Minutes

Coastal Carolina Regional Airport Authority

February 21, 2023

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, Kiser, McCabe, and Morris.

The following Board members attended via WebEx: Frazer, Jones, and Wood. Wood left the meeting at 2:30 pm.

Liner and Pope were excused.

Burns, and Murray were not in attendance.

Also present in person: Andy Shorter, Airport Director; Ray Dunn and Daniel Stanton, Dunn, Pittman, Skinner, and Cushman; April Hill, Airport Security Coordinator/Board Recorder; Amy Ritchie, Terminal & Facilities Manager; Patrick Manzo, Operations Manager; George Durant, LHHW and John Massey, Talbert & Bright.

Secretary's Report

On motion by McCabe, seconded by Morris the minutes of January 17, 2023, were approved. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

Treasurer's Report

Shorter reported financials through January 31, 2023. Concessions, Advertising and Ground Transportation has a positive variance to the goal of \$4,464. Fuel Flow Royalties have a negative variance to the goal of \$17,179. Landing Fees have a positive variance to the goal of \$18,941. Other revenue have a positive variance to the goal of \$5,482. Parking revenue is budgeted at

\$386,138. The airport received \$330,083 for a negative variance to the goal of \$56,055. Rental car revenue is budgeted at \$197,675. The airport received \$236,036 for a positive variance to the goal of \$38,361. Rental income is budgeted at \$281,281. The airport received \$319,393 for a positive variance to the goal of \$38,112. TSA Security reimbursements has a negative variance to the goal of \$17,600. Total operating revenue is budgeted at \$976,977. The airport has collected \$991,503 for a positive variance to the goal of \$14,526. The CARES Act reimbursement is budgeted at \$3,428,860. The airport has only claimed \$1,998,595 to date, leaving \$1,430,264 to be claimed for the year. Total operating expenses are budgeted at \$3,869,046. Expenses to date are \$2,618,790.

On motion by McCabe, seconded by Morris the Treasurer's Report was approved. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

Marketing Update

Wood thanked Durant for his hard work and what he was able to bring to the table at the committee meeting yesterday. He said that it was a very productive meeting where Durant has done a really good job with collaborating with partners in the community including the TDA, New Bern Chamber of Commerce, the real estate community, and the Craven County Planning Department. Wood mentioned that the team is trying to figure out some demographic research from folks moving to the area. He said that though it has been a little bit of an obstacle the collaboration has been fantastic and thanked Durant for his leadership. Durant reported that the committee has launched the "Fly Local" campaign and will be launching the direct non-stop flight to DC campaign next week. The committee is also working on a multimedia campaign to include social media and paid media as they are heavy with outbound advertisements right now. Durant also reported that new graphics are going up in the terminal as well as other initiatives in the

community. He said that everything is coming together nicely under the leadership of Wood. Shorter shared a short video of the Fly Local ads with the Board. He said that the focus is to hammer down on the message to fly local with EWN in order to fill the increase in seats starting in April.

Commercial Development and Planning Committee

Golden LEAF Grant Agreement Recommendation: Shorter announced that with Wood's hard work, the airport is in receipt of a Golden Leaf Grant. Wood commented that he is excited to be part of the team and be able to pull this together. He said that they will be moving forward within the next week for a kickoff to talk about timelines of when the airport would be able to draw down funds to provide the former Hall property water and sewer from Old Airport Road. Wood added that they will continue to look for funding sources to build a road on the property. He said that he has a letter of interest from a private developer who is interested in vertical construction. Wood said that he is very excited about the news from an economic development standpoint. As mentioned in previous meetings, Wood advised that he is running out of available property in the Craven County Industrial Park so with this opportunity of development, it is adding a much-needed asset to the community while creating jobs. Shorter advised that he has a copy of the grant agreement in the amount of \$753,700. He indicated that the grant amount matched up with the engineering estimate for utilities for the Hall property. Shorter advised that he and Wood will be meeting with the Golden Leaf project manager next week to discuss the grant. Due to the NCAA Conference being held the same week of next month's Authority meeting, Shorter mentioned that the Board may want to move the next month's meeting up a week to allow the Board the opportunity to meet one more time before the deadline to accept the grant by March 20th, then the airport could move forward in executing the agreement.

On motion by Morris, seconded by McCabe the Board approved to execute the grant to the terms written within the grant offered by the Golden Leaf Foundation. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

Talbert and Bright Corporate Aerospace Development Project Work Authorization Proposal: Shorter advised that the CDP committee has asked Talbert & Bright to create work authorizations for the preliminary steps for the aerospace development area under the Golden Leaf grant. The following Work Authorizations (WA) were submitted by Talbert & Bright for the Boards approval: WA 2301 in the amount of \$30,583.00, to complete the categorical exclusion for the environmental documentation and to work with the airport to establish the first area site development for preliminary road lines into the site. WA 2302 in the amount of \$81,180.00, subconsultant services for preliminary utility engineering design services to be completed by Withers & Ravenel for the purpose of extending water and sewer lines to the proposed site intended for future aerospace development.

On motion by McCabe, seconded by Kiser the Board approved Work Authorization 2301 in the amount of \$30,583.00 and Work Authorization 2302 in the amount of \$81,180.00. In favor 5, opposed 0. A roll call vote was taken; 5 yes, 0 no.

D2 Government Solutions Hangar Upfit and Trailer Relocation
Recommendation: Shorter informed the Board that a hangar door was installed in the D2-Government Solutions building as previously approved by the Board. It has since been determined that by installing the hangar door, the airport changed the functionality of the building from a warehouse to a hangar creating the need for a firewall to separate the hangar space from the office spaces. Also, D2 had an office trailer set up near the hangar which now needs to be moved. Shorter advised that there must be 50 feet of clearance from the nearest structure from the hangar. Shorter advised that the CDP Committee is

recommending that the Board allow the airport up to \$20,000 to move the office trailer to a preferred in the parking lot between D2 and Tradewind Aviation. Shorter also commented that with funds still available through the paving project, the airport can now pave and stripe the area where the trailer currently sits once it is moved whereas it was not feasible to do so before.

On motion by McCabe, seconded by Morris the Board authorized the airport up to \$20,000 for relocation of the D2 Office Trailer. In favor 5, opposed 0. A roll call vote was taken; 5 yes, 0 no.

Director's Update

Air Service: Shorter shared enplanement and deplanement data with the Board. Last month showed a 64% load factor. Shorter clarified that American is only selling 40 out of the 50 seats on the aircraft which is a 20% off the top reduction that the airport will never get back. He said that without the reduction, the numbers would reflect an approximate 84% load factor which would be well above the normal January average. Shorter explained that the 20% reduction is empty seats due to weight restrictions and performance of the current aircraft. He said that even with the restrictions, American is very happy with the performance. Shorter commented that he had a very good meeting with American last month while attending the air service conference. He said that American was happy with their performance at EWN. Shorter said that he asked American if they take off the top the fact that they are not selling all the seats per aircraft. He said that American advised that they don't necessarily look at the load factors as much as the earnings and that they are happy with the earnings out of the EWN station. American also advised Shorter that they will have an extra plane available in April so they will be sending that plane to EWN. Shorter advised that with the extra plane, available seats will bump up to 7,500 for the month of April. Shorter also shared with the Board capacity data from neighboring airports that show they are experiencing reduction in seats as well.

Shorter advised that he met with seven other airlines at the same conference and that the conversations remain positive. He shared with the Board a sample of data prepared for the meetings with airlines at the conference. Data included local industrial businesses, military changes with Cherry Point including the F-35's, FRC employment, history of New Bern and the Crystal Coast, load factor charts, visitor origination data, the terminal expansion and airport grants.

Williams Road Airfield Survey: Shorter advised that the survey has been completed and that the thumbs up has been given from the FAA Memphis ADO for the scope of the NEPA process. Parrish and Partner will press forward with NCDOT for the work required for the NEPA process. Shorter advised that there is a small wrinkle that he has noticed on site. The City of New Bern is installing a new sewer force main through the area. He advised that the work should not affect the re-alignment project. Shorter also advised that the County Finance Director has placed the \$8,000,000.00 of grant funds from the state for the project into a government authorized high earning interest account that should gain \$425,000.00 in interest within the next year.

Terminal Project Actions: Shorter advised that there have been some change orders for the corridor going into the temporary hold room to provide additional comfort for passengers as requested by the airline. He said that \$250,000 has been executed out of the contingency funding. He said that \$500,000 was initially put in which was low and really needed to be \$1.2 million but that he is waiting for additional grant money to come in to make that adjustment. Additionally, he commented that the move into the hold room was a big muscle movement to get everything moved in and that there were some unknown costs to get everything up and running properly. Shorter advised that there are additional improvements that he would like to discuss with the Chairman further before bringing them before the Board for approval. He explained that the change order for the temporary hold room included a new

store front doors leading into the corridor of the hold room. Shorter expressed that he would like to replace the door next to the new store front doors with similar doors once the project is complete for uniformity and energy efficiency. Additionally, he would like to replace the doors in his office with the same thermal rated glass doors for the same reasons. The upgrade is estimated to cost \$43,000.00. Shorter advised that he revisit this request at a later date.

Groundbreaking: Shorter confirmed that Representative Murphy will be available to attend a groundbreaking ceremony for the terminal expansion on March 16th at 10 a.m. He requested that the airport officially set the groundbreaking date for this date and time. The Board concurred to set the date for March 16th at 10am.

New Operations Manager: Shorter announced that Patrick Manzo has officially assumed the position of Airport Operations Manager. Manzo moved to New Bern from Long Island, New York with his family. He has a B.S. degree in Aviation Management and previously worked at the East Hampton Airport in New York.

Receipt of DOT Letter: Shorter advised that he is in receipt from the DOT Board awarding the airport \$24,000 for a SCASD grant match. He commented that while he was at the air service conference, one of the points made was that what made a strong application was a State's participation. He said that he has let the Aviation Director in Raleigh know how appreciative the airport is of their sponsorship.

Air Traffic Control Tower Upgrades: Ritchie gave an update on the upgrades recently at the tower. The lighting has been increased in the stairwell leading up to the cab, ceiling tiles have been replaced and painted and flooring in the manager's office. The toilet, sink and vanity and lighting have been replaced in the bathroom as well as new paint. All the ceiling tiles have

been replaced and painted black, as requested by the manager, in the cab. There has been some new electrical work completed in the cab along with new paint. Ritchie finished the report by advising that the carpet in the cab will be replaced with non-static carpet. Shorter advised that the upgrades are reimbursable under the CARES funding as maintenance costs. The upgrades will also address the OSHA complaints filed last year.

Hangar Roofs: Shorter reported that the roofs of two box hangars have been replace under the operations and maintenance CARES funding. He commented that the hangars are 25 plus years old and that the repairs are good investments for the future.

Toll Booth Tear Down: Shorter advised that the airport has not used the toll booth for the last year and a half to two years. He commented that it has now become an eye sore so it will be torn down and the weather canopy expanded to match the existing canopy.

Artwork: Shorter reported that the airport contracted a company to clean and touch up the paint on the sculptures outside the terminal. He added that some of the artwork will be consolidated and moved to one location in preparation of future construction. The cost for the work will be covered under the operations and maintenance funds.

Defense Capital Infrastructure Program: Shorter advised that Murray is assisting the airport with possible grant funding through the DOD. He said that he and Murray are looking into the details and though they may not have something worked out for this year, it may be something to use for future projects.

Harris asked Shorter if there were any additional discussions regarding the DC flight with American. Shorter advised that he had a very good meeting with the Network Planner at American. He said that she mentioned that if the DC flight does well again this year that they will look into increasing the amount of service for that route next year. Shorter reminded the Board that Durant will start launching the DC inbound flight campaign in March.

New Business

FAA Reimbursable Agreement for Air Traffic Control Tower Siting Project: Shorter advised that though there is a plan for a construction of a new tower in the Airport Master Plan, he will move forward with applying for a grant using BIL funding. He said that when building a new tower, there is a requirement to complete a Virtual Immersive Siting Tower Assessment (VISTA) to determine the best location of the tower. Massey described the assessment as preparing a couple different 3D models of the view from inside the cab of the new tower to determine the best view. With the current tower being 50 years old, the FAA is in strong support of the assessment and has advised that the airport needs to go ahead and get in line with the VISTA process because there is a wait time. Shorter advised that in order to move forward with the process, the airport will need to enter into a reimbursable agreement with the FAA. The cost for the project is \$59,940 and will get reimbursed through an AIP grant.

On motion by Kiser, seconded by McCabe the Board authorized the allocation of \$59,940 to enter into a reimbursable agreement with the FAA for a Virtual Immersive Siting Tower Assessment. In favor 5, opposed 0. A roll call vote was taken; 5 yes, 0 no.

Reschedule March Authority Meeting Date Due to Airport Association State Conference: Due to a scheduling conflict between the NCAA conference and next month's meeting, the Board approved to move the Airport Authority

monthly meeting to Tuesday, March 14th at 2 pm. In favor 5, opposed 0. A roll call vote was taken; 5 yes, 0 no.

Open Discussion

Morris requested a spreadsheet of projects and the cost associated with the projects so that he may be more prepared when in conversation with Local representatives.

Harris asked Kiser to share with the Board a conversation that she recently had with another realtor in reference to being late for his flight. Kiser commented that the realtor visiting out of town posted a comment on Facebook that he was 2 minutes late for his flight, so he missed the flight because the same staff that checks you in are the same employees that load the bags on the plane. Kiser said that she forwarded the comment to Harris so that the Board would be made aware of the comment. Shorter added that the airline computers automatically closeout 30 minutes prior to the departure time of a flight. He added that he sees these types of situations occasionally with families showing up too late for their flight. He said that the airport often tries to help passengers when arriving at the airport when they can. Staff will point passengers arriving late, who do not have bags to check in and have already checked in online, over to the screening checkpoint so that they do not miss their flight. Shorter said that the airport's hands are tied along with the local airline staff as the 30-minute requirement is a corporate timing issue. Harris commented that sometimes the public sees the airlines and the airport as one in the same so that's how discussions like this come up. Shorter also mentioned that he received an email the other day in reference to an aircraft coming in around midnight and had to circle around the airport before landing the aircraft. He explained that as a pilot, that is a safety issue. Because there was a passenger onboard that did not like the decision of circling before landing the plane, he took his frustration through an email wanting to know what the airport

was going to do about. The passenger claims that this has happened five times within the last five months and that he will report this issue to the media and the FAA. Shorter said that he explained to the gentleman that it was a safe act that the pilot decided to make to avoid a bad landing. Shorter commented that the staff tries to help answer complaints and questions from the traveling public and that Durant also monitors social media comments and tries to address comments appropriately as well.

Jones announced that the Craven County Board of Commissioners has received the annual audit report for the County which includes the airport and that he is pleased to inform the Board that the report came back positive as there were no findings for the airport. Jones commended Shorter and the staff for their hard work as it helps the County with their auditing report.

Executive Session

There was no need for an executive session.

On motion by McCabe, seconded by Morris the Board adjourned at 3:20 PM. In favor 5, oppose, 0.

 FOR

Secretary Kellie Kiser