

Minutes

Coastal Carolina Regional Airport Authority

January 17, 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, Liner, Morris, Murray, and Pope.

Jones and Wood were excused.

Burns, Frazer, and McCabe were not in attendance.

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

Dunn introduced Daniel Stanton who has joined the Dunn, Pittman, Skinner, and Cushman Law Firm. Stanton recently moved to the New Bern area and served with the King Miller law firm in New Orleans. Dunn commented that they were very fortunate to have Stanton join their team. Stanton has an undergraduate degree in business administration from Mississippi State University and a law degree from Loyola University New Orleans. He graduated from both institutions with honors. Dunn said that he feels very fortunate in having someone of his caliber come join their firm.

Secretary's Report

On motion by Liner, seconded by Morris the minutes of November 15, 2022, were approved. In favor 5, opposed 0.

Treasurer's Report

Pope reported financials through December 31, 2022. Concessions, Advertising and Ground Transportation has a positive variance to the goal of \$4,040. Fuel Flow Royalties has a negative variance to the goal of \$13,308. Landing Fees has a positive variance to the goal of \$12,681. Other revenue has a positive variance to the goal of \$4,271. Parking revenue is budgeted at \$330,975. The airport received \$279,949 for a negative variance to the goal of \$51,026. Rental car revenue is budgeted at \$169,436. The airport received \$210,770 for a positive variance to the goal of \$41,334. Rental income is budgeted at \$241,098. The airport received \$282,836 for a positive variance to the goal of \$41,738. TSA Security reimbursements has a negative variance to the goal of \$18,660. The CARES Act reimbursement is budgeted at \$2,939,023 and the airport has requested reimbursement for \$1,555,234. Total operating expenses are budgeted at \$3,316,325. Expenses to date are \$2,193,108.

On motion by Liner, seconded by Kiser the Treasurer's Report was approved. In favor 5, opposed 0.

Marketing Update

Shorter advised that the committee had a productive meeting in December. Donnette Hancock, New Bern Property Group, attended the meeting to discuss the housing market and the trends she is seeing within the market that could impact air service. The committee will continue to strengthen relationships between the Convention Center, the Tourism Development Authority, New Bern Chamber of Commerce and the Craven 100 Alliance and the airport. Shorter added that Durant will be meeting specifically

with the TDA's marketing team to work closer together, especially when discussing marketing the DC flight. Durant commented that there will be a cooperative meeting with all the entities that Shorter mentioned as well as with Visit New Bern tomorrow at 2pm. He said that they are also supporting a co-op with Visit New Bern for a DC Travel show coming up in February, supplying them collateral material to help them sell directly to consumers. Durant also mentioned that the airport has had a real rush for earned media or PR coverage the last two or three months that has been driven by the terminal expansion, the resumption of the DC flight, as well as the economic impact report published by the NCDOT. He said that the committee will resume the advertising to the DC market coming up in February and March, both inbound and outbound and devoting most of the budgeted dollars to that campaign. The airport's top three markets besides DC continue to be Boston, Providence, New York, NY, and Philadelphia. Durant also reported that he is working alongside Shorter and Ritchie with graphics in preparation for the terminal expansion. The committee will also be meeting with the hospitality partners, the new owners of the DoubleTree and Hilton Brands in New Bern tomorrow as well as a series of hotels and vacation rentals in Carteret County, namely in Beaufort. The committee will kick off a Visit North Carolina State tourism cooperative next month. Durant mentioned that he will be attending the Governor's Conference on Travel and Tourism in Asheville scheduled in March. The airport continues to receive engagement from people who continue to pay attention to the airport's advertisements and campaigns. There have been 2800 verified visits to the airport where people have visited the airport because of marketing. Durant continued stating that everything continues to work very well, and that the committee has conserved the expenditures a bit due to the lack of availability of seats during the winter months, but he hopes to be able to devote funds to promote the DC route and a more robust summer schedule.

Commercial Development and Planning Committee

Pope advised that the committee did not meet last month. He advised that the approved rates and fees change is now in effect. Pope also mentioned that he recently had dinner with Representative Tyson. Tyson mentioned in conversation that one of his peers from Brunswick County flew in to EWN and while deplaning the aircraft they were exposed to the weather elements. It was commented that it would be nice if passengers could enplane/deplane in a covered area. Pope advised that he explained to Representative Tyson that the airport is expanding the terminal to include jet bridges for passenger comfort. Pope commented that Representative Tyson fully supports the airport. Shorter added that Durant and his team have published the terminal expansion updates on social media and that he has already received calls from the media with interest in the project.

Shorter recommended that the committee meet next month to discuss the General Aviation area development updates. Shorter also advised that he and Wood met with the Golden Leaf Foundation on December the 7th. He said that it was a good meeting and that the foundation has reached out to Wood requesting additional information for the grant application.

Directors Update

Air Service: Shorter shared with the Board an updated enplanement chart. He said that the numbers were not the best as they are they are based on available seats. After talking with the airlines, Shorter commented that he anticipates that the numbers will get better by the Spring and even better into the summer. Shorter commented that he has gotten indications that next month the airport will get a CR7 (65-seater) back in the schedule. As of now, the projected schedule shows a little softness for March and April, but then American has committed to having a stronger schedule by May. Shorter will be

attending an air service conference next month in Phoenix to target the airlines. Because Wood will not be able to attend the conference, Melissa Riggle from the TDA will be traveling with Shorter. Shorter commented that Riggle is a very polished presenter so she would be a great addition to the team.

Williams Road: Shorter reported that the preliminary airfield survey has begun to include the LIDAR surveys. He said that he has received a letter from the NCDOT, as well as other neighboring homes and businesses in the area, explaining that as a neighbor stakeholder to the airport that they should expect to see people out working on a project to help ultimately extend the runway at the airport. Shorter commented that they will continue to work on nailing down the approval for the NEPA process.

Terminal Project Actions: Shorter reported that the TSA and American moved into the temporary hold room on the night of the 5th. Shorter commented that it was Ed Martin's last night and that he pretty much worked at the airport all night and then got on the first plane the next morning to visit his mom. Shorter said that Martin did a great job transitioning operations into the temporary hold room. A temporary wall has also been built inside the terminal to separate the public area and the construction site of the old checkpoint. The barricades and fence installation has also begun on the ramp side to create a non-secure area. Shorter commented that because of April's hard work coordinating with TSA, the construction zone will become a non-secure area, removing the requirement for SIDA badges for the construction workers.

Shorter reported that the next step is to install temporary walls in the front of the terminal closing off the old TSA office spaces and a small waiting area that has the concession machines in it. The space will become additional new restrooms which will match the ones that the airport constructed earlier in 2022. The new TSA offices will be constructed in the new terminal space adjacent to their new screening area.

Hangar reversions: Shorter reported that the airport will take possession of a set of hangars in the General Aviation on February 1st. He said that Amy did a lot of work leading up to the holidays surveying the hangars. The current rental rate has been averaging about \$350 a month. Shorter advised that the rent rate at \$350 a month will remain through July to give the CDP ample time to review the rates and charges and make any recommendations to the Board.

Economic Impact Data: Shorter provided each Board member with a copy of the 2023 EWN Airport Economic Impact data. The data reflects EWN having more than a \$500 million annual impact to the region and the state as a whole is at \$72 billion a year. Shorter commented that these are good numbers and it accounts for 11% of the State's annual GDP. He said that these are figures based on the direct, indirect, and induced impact methodology that the State uses and that the airport has received good media coverage out of the data already.

Operations Manager: Shorter advised that the position of Airport Operations Manager was posted internally last week. He said that there has been at least one qualified candidate that has applied. Interviews will begin later this week or next week. Shorter hopes to have the position filled soon.

Supplemental Grant Application: Shorter mentioned that the FAA has promoted this year's supplemental grant application process, outside of the BIL grant process, three times over the holidays. He said that this is something that Congress has done every year, in the last five years, by adding supplemental funding to the normal annual FAA AIP funding. He reminded the Board that the ARFF building was funded through a supplemental grant. He added that there has been heavy emphasis on energy efficiency projects for this year's supplemental grant. Shorter and Massey are working on an application to finish out the main runway with energy efficient LED lighting. Shorter commented that the last state project the airport did on the short runway, LED lights were installed

but the last time the main runway was done, LED lights were not qualified for aviation. Since they are now qualified, Massey is working diligently on a grant application for a project to install LED lighting on the main runway. The deadline to apply is January 31st.

New Business

Select New Terminal Expansion Groundbreaking Date/Time in March:

Shorter advised that the airport has the opportunity between March 8th and March 21st to have a groundbreaking ceremony for the new terminal expansion. He reminded the Authority the NCAA conference will be held between the 19th to the 21st leaving the dates between the 8th and the 17th available. Shorter recommended that the Board allow him to present the available dates to Representative Murphy's staff to see if he will be able to attend. Harris commented that Shorter's recommendation makes sense, and that Shorter should check with Murphy's staff first.

Sign up for the 2023 NC Airports Association Conference to be held March 19th-21st:

The 2023 NC Airports Association Conference will be held in Pinehurst March 19th-21st. The theme is "Leading the Way for Economic Development. Harris commented that he highly recommends that for those who can attend to please do so since there is a lot of information that each member can learn.

Open Discussion

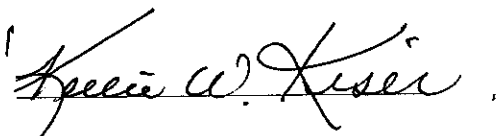
Cushman announced that he has decided to make a personal change and will be leaving the practice of law. Today's meeting will be his last meeting at the airport. He said that he couldn't thank the Board and the administration enough as he has learned a lot from each member. Cushman added that the Airport Authority has always been his favorite and most important client. He said

that the diversity of the work and the visibility of what the airport does for the community is an asset for New Bern, Craven County, and for the region and that it has always been very rewarding work. Cushman will not be leaving New Bern but rather will be focusing on a hospitality venture that he has started with a group of friends. Ray Dunn will take over for Cushman starting next month but Cushman will be available to Dunn if the need arises. Cushman thanked the Board Authority for their trust over the years. Harris commented that he and the Authority wish him well in his new endeavors and that it has been a pleasure to have had the opportunity to have Cushman work with the Board and that he has served the Authority extremely well. Dunn commented that the firm has always valued the airport and will continue to value the organization moving forward. Stanton will be providing Dunn support as they continue to serve the airport.

Executive Session

There was no need for an executive session.

On motion by Liner, seconded by Jones the Board adjourned at 2:50 PM.
In favor 5, oppose, 0.



Secretary Kellie Kiser