

## Minutes

Coastal Carolina Regional Airport Authority

March 14, 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, McCabe, Morris, and Pope.

The following Board members attended via WebEx: Frazer, Jones, Kiser, Murray and Wood.

Liner was excused.

Burns was 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; and John Massey, Talbert & Bright.

Also present via conference call: Edward Carroll, Tidewater Air Services.

### Secretary's Report

On motion by McCabe, seconded by Morris the minutes of February 21, 2023, were approved. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

### Treasurer's Report

Pope reported financials through February 28, 2023:

Concessions, Advertising and Ground Transportation have a positive variance to the goal of \$2,052. Fuel Flow Royalties have a negative variance to the goal of \$21,050. Landing Fees have a positive variance to the goal of \$19,230. Other

revenue has a positive variance to the goal of \$8,539. Parking revenue is budgeted at \$441,300. The airport received \$378,842 for a negative variance to the goal of \$62,458. Rental car revenue is budgeted at \$225,915. The airport received \$259,432 for a positive variance to the goal of \$33,518. Rental income is budgeted at \$321,464. The airport received \$373,526 for a positive variance to the goal of \$52,062. TSA Security reimbursements are budgeted at \$60,000. The airport has received \$34,900 for a negative variance to the goal of \$25,100. The total operating revenue has a positive variance to the goal of \$6,792. The CARES Act reimbursement is below budget by \$1,503,965. Total operating expenses are \$1,566,170 below budget.

On motion by McCabe, seconded by Morris the Treasurer's Report was approved. In favor 7, opposed 0. A roll call vote was taken; 7 yes, 0 no.

#### Marketing Update

Wood commented that there was nothing new to report at this time adding that the committee will anticipate having a meeting in April. Looking ahead, the team's effort will be to try and narrow down relocation data with the New Bern Chamber of Commerce. Wood said that Kevin Roberts did provide some information that he needs to get out to the committee for review. Shorter added that the committee has firmly kicked off in-market with the "Fly Local" campaign and out-of-market with the DCA campaign and has been going well. Shorter also reported that American has increased the flight schedule to five flights a day starting next month through the spring/summer so we will look to publicize that as well.

#### Commercial Development and Planning Committee

Pope reported that the committee met on March 8<sup>th</sup> to discuss the following topics:

Commercial Aerospace and GA Area Development Updates: Pope advised that Wood has been in contact with a potential developer for vertical construction on the former Hall property off Old Airport Road. He said that the committee will continue to seek funding through sources for infrastructure, utilities, and roads. Wood commented that the potential developer is one of the strongest possibilities and is looking at industrial investments in the New Bern/Craven County Area. He added that he has received a letter of interest from the developer stating that he would like to construct on the former Hall property. Wood advised that the airport has received a grant for just over \$750,000 from the Golden LEAF Foundation to extend utilities to the property. He said that Craven County Economic Development has submitted a pre-application to determine if this would be eligible for NC Commerce Funds to assist in building a road. He said that he hopes to hear something back by April whether or not that's the case. Wood advised that the potential funds would have to be deposited into the County's financial account but that the airport will work with the County to redirect the funds. He said that there are still more details to work out but that he feels optimistic. Shorter added that there will be a couple of work authorizations required to get started and that he will talk about those under new business.

Pope advised that the committee continues to focus on GA development and the need for more hangar space. He said that there are currently 18 people on the wait list for hangars so the committee is cognizant of the need for more hangars. Pope shared a proposed site for a possible location in the GA area for a 10-unit t-hangar. The estimated cost to construct the hangar unit and build taxi lanes leading up to the hangars is \$3,900,000. Pope also proposed future large box hangar sites near the FBO. With a high demand for hangar space, Pope advised that the committee continue to focus on GA development by simultaneously planning future development in the general aviation along with the aerospace development. He clarified that while future

development in the general aviation is important, the priority will be corporate aerospace on the former Hall property. The committee will continue to have discussions on the development and funding possibilities.

D2 Government Solutions Hangar Upfit and Trailer Relocation Update: Shorter advised that AR Chesson has been onsite to evaluate moving the office trailers 50ft from the hangar and to hook the trailers up to the same septic system that it's already hooked up to. The County Planning Department has advised that the trailers may be hooked up to the same septic system. Shorter commented that AR Chesson is having difficulties finding a company to move the trailers but hope to have a quote soon. Once the trailers are moved then D2 can hire ten more staff members. Shorter reminded the Board that once the trailers are moved then the airport can go back and finish the paving project in that area.

#### Director's Update

Air Service: Shorter reported that the enplanements were at 63% in February still mainly curtailed by the booking seat restrictions. However, American is dialing back the 40-seat restriction as they try and maximize seat availability. March load factors are looking higher than 80% with weight restrictions still an issue. Shorter commented that getting back to the larger CRJ's would be more beneficial for everybody. Shorter shared a seat comparison chart with the Board, highlighting that EWN was better off for planned seats, percentage wise, compared to PGV and OAJ. Shorter contributed the results with American being very happy with the service at EWN. Shorter also reported the LPGA lower-level tournament will be held in Taberna starting the end of May through the first week of June. After Kirk from Mead & Hunt, and George Durant, LHWH, had the opportunity to speak with the LPGA they reached out to American Airlines to advise them of the tournament and the expected number of players and caddie staff members that may be flying

in from Florida for the tournament. American has since agreed to bring in larger aircraft for the day of arrival and the day of departure. Shorter commented that this effort made by American is a result of a good partnership between the airport and the airline.

**Williams Road:** Shorter reported that there have been good meetings in the last couple of weeks between the NCDOT and Parrish & Partners. The FAA Memphis ADO has approved the NEPA process as submitted by Parish & Partners and it is expected to be completed within one year.

**Terminal Project:** Shorter reminded the Authority of the groundbreaking ceremony scheduled for Thursday, March 9<sup>th</sup> at 10 AM. Adam Caldwell from Senator Tillis's office, Chairman Jones and Congressman Murphy will speak at the construction site followed by a reception back inside the terminal. During the reception, there will be opportunity for media interviews. Invitees include the board of the C1A, the TDA board, and the Craven County Board of Commissioners plus various others. Shorter commented that the County, the C1A and the TDA have been the airport's closest partners to air service development. He added that when it's time for the ribbon cutting ceremony at the end of the project, there will be a much more inclusive event where the airport can bring a lot more people in to showcase the renovations.

**Bipartisan Infrastructure Law (BIL) Airport Terminal Program:** Shorter advised that the airport submitted a grant application through the BIL process in the amount of \$6.8 million and that the airport was awarded \$5 million. EWN was one of three airports in NC that was awarded a grant. Charlotte and Asheville were the other two. Shorter commented that Massey did a great job pulling together the data for the grant application. Shorter advised that the next step is for the airport to submit the grant application for \$5 million which will require the airport to have a match. He advised that the airport plans to use State grant money to meet the match required of \$556,000.

FAA FY23 Grant: Shorter advised that he and Massey are reworking the grant application. He added that the ADO has said that they would investigate additional discretionary funds for the project which would allow the airport to back off some of the BIL AIG entitlement funds that had been programmed for the project.

Change Order: As discussed in last month's meeting, Shorter expressed a desire to replace the storefront doors near the temporary checkpoint entry with newer energy efficient doors along with replacing the door in the Director's office. He advised that this would be the first elective change order in the amount of \$43,000. Harris commented that he has asked Morris to evaluate the change order and to provide any comments that he may have. Morris commented that replacing the doors would be a great idea but that his only concern would be the funds that would be used to replace the doors still allow the airport to meet the burn rate. Shorter said that this change order falls within the already authorized project ordinance that the Board has allocated for project contingencies. The Board concurred with Shorter to move forward with the change order for \$43,000.

FAA Airport District Office (ADO) Manager's Office: Shorter announced that the Memphis ADO Manager will visit the airport the morning of April 18<sup>th</sup>. He said that this will be the first visit within the last three years since COVID. Shorter added that the visit comes as good timing to allow him to discuss with the manager projects such as the terminal expansion, the runway extension and Williams Road re-alignment.

FY24 Budget: Shorter advised that the proposed FY24 budget planning is well underway. He said that once the proposed budget is complete it will be sent to the executive committee for review. It will then be presented to the Authority for review before being submitted to the County for final approval.

Passenger Facility Charges (PFC) Audits: Shorter advised that the airport received a clean PFC audit for FY20 & FY21. Due to a change of auditors, the annual audits fell behind schedule so this year the auditors had to go back and retroactively audit FY20 & 21. The FY22 PFC audit was included in the full annual audit and received a clean report as well. The audit reports will be sent to the FAA as required.

City Alderman Meeting: Shorter announced that he has been asked by the New Bern City Manager to give an update on the airport during the April City of Alderman meeting. He said that he has discussed this opportunity with Harris and feels this is a good opportunity, so he plans to attend the meeting.

North Carolina Airports Association Legislative Day: Shorter advised that the NCAA Legislative Day will be held on April 25th in Raleigh. He explained that this day gives airports the opportunity to speak with the legislators about airports and economic impact of airports. Shorter commented that he will drive up that morning to try and take the opportunity to meet with the offices of Senator Perry, Representative Tyson and Representative Kidwell if available.

New Business

FY23 Budget Line-Item Transfers:

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

<b>Revenues</b>	<b>Amount</b>	<b>Expenditures</b>	<b>Amount</b>
8107050-47302 Capital Outlay Other Imp.	\$171,703.00	8107050-47006 A&E	\$171,703.00
Total	\$171,703.00	Total	\$171,703.00

**Justification:** To transfer funds for the following items that are not currently formed projects:

Air Traffic Control Tower Virtual Immersive Sitting Tower Assessment (\$59,940.00)

Corporate Aerospace Development Area/Site Development & Design (\$30,583.00)

Corporate Aerospace Development Area/Preliminary Utility Engineering Design (\$81,180.00)

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

#### Open Discussion

Morris commented that he has recently spoken with Senator Jim Perry who apologizes for not being able to meet with the Authority due to his schedule. Morris said that there is a process to work through for funding and that Wood is working through that process.

Harris mentioned an article about pilot shortages that was included in the monthly Board packet. He commented that he hopes each member has had the chance to read the article as it is important each member continue to understand the environment.

#### Executive Session

On motion by McCabe, seconded by Morris, the Board went into executive session at 3:05 pm in accordance with N.C. General Statute 143-318.11 (a)(3)(5) to consult the attorneys to address the handling of a potential claim, to consult with the attorneys regarding the handling of an administrative procedure, and to discuss the material terms of a contract. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

On motion by Morris, seconded by McCabe the Board came out of Executive Session at 3:32 pm. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

No action was taken in Executive Session.



On motion by Morris, seconded by McCabe, the Board approved to extend the Master Contract for engineering and related work with Talbert & Bright Inc. for an additional one year extension, through May 19, 2024, as prescribed in the contract. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

On a motion by Morris, seconded by McCabe, the Board adjourned at 3:45 pm. In favor 6, opposed 0.

A handwritten signature in cursive script, reading "Tyler Harris", is written above a horizontal line.

~~Secretary Kellie Kiser~~  
Chairman, Tyler Harris