

## Minutes

Coastal Carolina Regional Airport Authority

June 20, 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, Jones, Liner, McCabe, Morris, Pope, and Wood.

The following Board members attended via WebEx: Frazer

Kiser was excused.

Burns and Murray were not in attendance.

Also present in person: Andy Shorter, Airport Director; Ray Dunn and Daniel Stanton, Dunn, Pittman, and Skinner; April Hill, Airport Security Coordinator/Board Recorder; Amy Ritchie, Terminal & Facilities Manager; Patrick Manzo, Operations Manager; George Durant, LHWH; Edward Carroll, Tidewater Aviation and Mark Eckert.

Also present via conference call: John Massey, Talbert & Bright.

### Swearing in New Board Member

Mark Eckert was sworn in before the Authority as a new Board member. Eckert was appointed by the Craven County Commissioners to replace Kellie Kiser on the Airport Board.

### Secretary's Report

On motion by Liner, seconded by McCabe the minutes of May 16, 2023, were approved. In favor 8, opposed 0.

## Treasurer's Report

Pope reported financials through May 31, 2023:

Concessions, Advertising and Ground Transportation has a positive variance to the goal of \$4,562. Fuel Flow Royalties had a negative variance to the goal of \$29,448. Landing Fees have a positive variance to the goal of \$38,634. Other revenue has a positive variance to the goal of \$53,621. Parking revenue had a negative variance to the goal of \$52,132. Rental car revenue has a positive variance to the goal of \$55,649. Rental income has a positive variance to the goal of \$96,568. TSA Security reimbursements have a negative variance to the goal of \$31,225. The total operating revenue has a positive variance to the goal of \$136,229. The airport has collected \$3,303,643 through the CARES Act reimbursement. Total operating expenses were budgeted at \$6,079,929. Expenses to date are \$4,392,425.

On motion by McCabe, seconded by Liner, the Treasurer's Report was approved. In favor 8, opposed 0.

## Marketing Update

Wood advised that the committee met on Friday to evaluate a software called Placer.ai. He explained that the software tracks over 25,000,000 cell phones around the United States. The software does not look at the person but simply the number on the phone to track where it's going. From the information collected you will be able to see the folks that are coming in and out of the airport on a regular basis, where they're coming from and where they're visiting when they are here. Wood commented that the software is very sophisticated, and that the accuracy is a very impressive. Wood advised that the TDA, Economic Development or the New Bern Chamber do not use software of this nature but are looking into possibly going into a partnership as a group to purchase the software. Wood explained that the software would be beneficial

for all parties. Placer.ai has 500 clients with 15 to 20 of those clients being in North Carolina and have an overall accuracy rate of 93%. Wood advised that Melissa Riggle with the TDA will be meeting with representatives from Placer.ai on Thursday to go over a draft contract. A one-year service contract for the County's population is roughly estimated at \$32,000.00.

Durant reported that travel trends nationally are flat but that they are working hard against the numbers. The committee is also working hard to straddle the fiscal year expenditures and feel that they are in a good place within the budget. The big emphasis for the team is the fly local campaign and the non-stop flights to DC. Durant also mentioned that the team is still tracking data on the markets of origin and where passengers are traveling from. He said that they are still seeing cities like Boston and New York but are now seeing cities like Pittsburg and western Pennsylvania popping up in the data.

#### Commercial Development and Planning Committee

Pope reported that the committee met last Thursday to discuss the following topics:

Corporate Aerospace Development Area Progress Update: Pope reported that Shorter has a work order for Talbert and Bright in the amount of \$42,690 that he will discuss in new business.

Non-Aeronautical Development Area Project Proposal: Pope reported that the committee has continued good discussions in reference to non-aeronautical development on Old Airport Road across from Jill's Pet Resort. Discussions included terms on ground leases. Shorter commented that in 2016, the airport worked alongside the FAA to convert the parcel of property to non-aeronautical use. He said that recently there has been some interest by ASI, and their property component, FMR Properties, to develop a 20,000 square foot warehouse/light manufacturing facility. Dunn commented that he and Stanton met last week with the County's attorney, Arey Grady and also Lee Hodge from

Ward and Smith representing FMR. He said that they discussed the structure of the lease agreement between the Airport, the County, and Economic Development. Dunn explained that their traditional method has always been a ground lease but with multiple parties involved, a ground lease could become unwieldy. He said that Arey Grady suggested that to give more flexibility, the airport may want to consider this as a part of economic development on behalf of the County. Dunn advised that they are exploring options and need to identify the structure first before they can begin to start preparing documents. Wood commented that it is important to remember that this is the first of hopefully many opportunities, and that they want to make sure that they do it right so that they can replicate agreements like this over and over. He added that this is a great opportunity for the airport and that it has helped to achieve a \$750,000.00 Golden Leaf Grant. Wood added that last week he received an award letter from the Craven County Economic Development Office for a grant from the Infrastructure Development Fund. The award letter will go before the County Commissioners to be added into the Economic Development budget in July. Wood commented that the grant gives the airport an opportunity to work with private firms like this beyond economic development.

Defense Community Infrastructure Pilot Program Grant Application: Pope announced that the airport has received a letter of support from the Commanding Officer of Cherry Point. Shorter commented that the airport has also received a letter of support from the Commanding Officer of FRC East. The deadline to submit a grant application is June 23<sup>rd</sup>. Wood advised that the application will be submitted tomorrow, June 21<sup>st</sup>.

#### Director's Update

Air Service/Enplanements: Shorter reported that the load factors continue to struggle in the 60-70% range which is not normal for EWN if you look at the year prior. He said that he was able to have a good discussion with AA and

their head of network planning while at the air service conference last week. Shorter commented that this individual knows the New Bern Market very well and has vacationed here. Shorter said that they are OK with the airport taking a year to come back to the numbers we were before. He commented that if you look at the revenue side, the airport is hitting it out of the park. He said that EWN is one of the market leaders on the revenue side for American so they're very happy with the numbers. Shorter added that American has the benefit of being able to look ahead at the bookings and that they are pleased. Shorter also reported that he was able to speak with Breeze while at the conference. He said that they now have 36 new destinations this year and will need to consolidate those before expanding further. Shorter said that he will re-evaluate the airline services before the next air service conference in August. This will be a conference aimed at smaller airports, so he expects the opportunity to meet with more airlines. Shorter also commented that the flight schedule will increase to six flights a day next month for July and August and then will possibly transition to larger aircraft for September and October.

Terminal Project: Shorter reported that most of the vertical steel framework is complete and the roof decking has been initiated. The overhead bulkheads in the terminal have been opened to make way for the mechanical and electrical plumbing that will be run back and forth through the building. The bulkheads will be closed back as part of the terminal renovations. Shorter commented that work inside the terminal will not interfere with daily operations and that most of the work will be conducted at night between midnight and 4am. The newly constructed bathroom floors and tiles are also complete. Shorter advised that the new bathrooms should be opened to the public sometime in July. Once the new bathrooms are open for use the old bathrooms by American operations will be closed. Shorter advised that the project is on time and on budget. Shorter also mentioned that he received a call from the FAA late last week to advise that they have approved the discretionary funds for the final phase of Part One

of the terminal expansion project. He said that the grant will fully fund the terminal project. From the \$5.7 million budgeted previously from operating funds, the airport will now only need to commit approximately \$400,000 from airport funds.

FAA Security Inspection: Shorter advised that the FAA recently conducted a security inspection of the tower and identified some fence-line adjustments that need to be made. It is required that there be 20ft of distance between the fence and the door to the tower. Shorter commented that the airport will adjust the fence-line and install a personnel gate with cypher lock for employees working in the tower to gain access.

Annual FAA Inspection: Shorter announced that the annual FAA inspection will be held on the 28<sup>th</sup>-30<sup>th</sup> of this month. He said that Manzo has been working hard for the inspection and feels that the airport is in a good position for the inspection.

CDP Discussion: Shorter updated the Board on Senator Budd's proposed amendments to the FAA reauthorization legislation. The amendment proposed by Senator Budd would require all public use airports to provide transient general aviation aircraft parking for pilots who do not want to utilize the services of an airport's FBO. The commercial airports in North Carolina are joining the American Association of Airport Executives (AAAE) in opposing the Budd Amendment via signed letter.

DC Perimeter Rule: Shorter explained the proposed "Slot and Perimeter Rules" for the Reagan Washington National Airport (DCA). The addition of slots to the DCA Perimeter Rules could cause delays and service disruptions for smaller community airports (like EWN) served by DCA. There are different airlines lined up on different sides of this issue and since EWN is a benefactor of direct American service to/from DCA, Shorter commented that the airport will line up on the side to maintain the status quo upholding the perimeter rule.

Harris also commented that another discussion during the CDP meeting was the zoning of properties by the City of New Bern on Marion Drive off Brices Creek Road. 29 properties that had been annexed by New Bern many years ago had remained un-zoned, so the City wanted to correct that oversight. The Airport's property, which was acquired from Authur Farms in 2007, was one of the parcels. Shorter commented that he appreciated the County Planning Director, and the County Manager helping to sort out this issue and ensure the proper zoning was selected for the Airport and surrounding parcels.

### New Business

TBI Work Authorization Update: Shorter presented a work authorization for Talbert Bright in the amount of \$42,690 including a contingency amount of \$4,440 to conduct an environmental assessment for the corporate aerospace development site. He explained that the Board previously approved \$9,020 to perform a categorical exclusion on the property but the airport has since been advised by the FAA that they will need a, short form, environmental assessment (EA) performed.

On motion by Liner, seconded by Wood, the Board approved the Talbert & Bright work authorization as presented. In favor 7, opposed 0.

End of Year Budget Amendments: Shorter commented that there have been discussions in the past regarding the hourly pay for law enforcement officers contracted through the Craven County Sheriff's Office. He said that it was brought to his attention earlier in the year that it had become difficult to fill the monthly schedules and that they needed a boost in their pay. Shorter pointed out that with the 4.5% COLA increase the hourly rate will increase to \$29.13 for the LEO's. He said that the airport will add an additional \$0.87 to bring the LEO's hourly rate up to \$30.00 an hour. Shorter commented that the rate will still be below the average rate that a LEO would make at other non-airport

locations but with the stable schedule and responsibilities required at the airport, \$30.00 an hour would be sufficient. Shorter advised that he has also discussed this with the County Manager who also agreed on the process to get to \$30/hour. He said that a motion would not be required from the Board since this would fall under a line-item transfer that he is allowed to sign. The Board concurred with Shorter's decision to increase the hourly rate for LEO's to \$30.00 an hour.

FY 2024 Budget Ordinance: Shorter advised that there were no comments received from the public hearing last month. He commented that the airport appreciates the County Commissioners approving a 4.5% COLA increase for all employees. The COLA increase was reflected in the proposed operating revenue that was presented to the Airport Authority last month. Shorter presented the following budget ordinance for the Board's approval:

Revenue

Airport Operating Revenue	\$5,063,472
8100000	
Security (LEO) Revenue	\$95,000
8107051	
Total Operating Revenue	\$5,158,472

Expenditures

Airport Operating Expenditures	\$4,960,048
8107050	
Security (LEO) Expenditures	\$198,424



8107051

Total Operating Expenditures

\$5,158,472

The Airport Director is authorized to make transfers between line items not to exceed \$10,000.00.

On motion by Liner, seconded by McCabe, the Board approved the Budget Ordinance as presented. In favor 7, opposed 0, 1 abstain. A roll call vote was taken; 7 yes, 0 no, Eckert abstained.

#### Open Discussion

Bender commended George Durant with LHWH and the marketing committee for their hard work. He said that 10-12 years ago the airport, with little experience, attempted to take on marketing in house. He said not to take away from those who were trying their best, but the airport just didn't have the experience or know how. He said that with Shorter and his team and some of the things that they have gone along with the partnerships with Kirk and George he isn't sure that the airport would be in the position that it is in today. Bender added that it took a leap of faith for the Board and staff to commit the amount of money that the airport has spent for marketing especially compared to what the airport was spending. He said that the team deserves a lot of credit for their efforts. Harris commented that Wood was a great asset to the team as well by bringing his outside teams to the table. Shorter thanked Bender and Harris for their comments and added that along with the airport staff, the County Commissioners have been a shoulder of support that made it easier to make decisions with community partnerships like the CIA and the TDA. He said that it is all about alignment and once those things snap into alignment you can make moves confidently with good affect.

Harris appointed Mark Eckert as the newest Board member to the Marketing Committee. He advised that Shorter and Wood would be in contact

with Eckert to discuss the role as a member of the committee. Harris also appointed a nominating committee for the officer positions as outlined in the by-laws of the Authority for the position of Chairman, Vice Chairman, Treasurer, and Secretary. Jones, McCabe, and Morris were appointed to serve on the nominating committee. Morris will serve as the Chairman for the committee. Harris asked that the committee bring their recommendations before the Board at the next scheduled meeting in July. He advised that any Board member is welcomed to contact any member of the nominating committee to discuss any recommendations that they may have.

#### Executive Session

On motion by Liner, seconded by McCabe, the Board went into executive session at 3:16 pm in accordance with NCGS 143-318.11 (a) (6) to consider the qualifications and performance of a public employee. In favor 8, opposed 0.

On a motion by Morris, seconded by Wood, the Board came out of executive session at 3:42 pm. In favor 8, opposed 0.

On motion by Liner, seconded by Morris, the Board agreed to increase Director Shorter's travel allowance by \$200 per month. In favor 7, opposed 0.

On a motion by Jones, seconded by Eckert, the Board adjourned at 3:47 pm. In favor 8, opposed 0.

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

Chairman Tyler Harris