

Minutes

Coastal Carolina Regional Airport Authority

October 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, Eckert, Harris, Jones, McCabe, Pope, and Wood.

The following Board members attended via WebEx: Frazer

Burns, Murray, and Morris 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; John Massey, Talbert and Bright; Melissa Riggle, Executive Director, Craven County Tourism Development Authority (TDA); George Durant, LHWH and Robert Brinson, City of New Bern Alderman.

Introduction of New Board Member, Alderman Bob Brinson

Alderman Robert Brinson stood before the Board to be sworn in as a new Board member. Brinson was appointed by the Craven County Commissioners to serve on the Airport Authority. Commissioner Jones introduced Alderman Brinson as a graduate of West Pointe and having served his career in the US Army. Jones added that Brinson has been active on many Boards in Craven County to include the Juvenile Crime and Prevention Council on behalf of Craven County. He said that Brinson often attends the Craven County Board of Commissioners meetings and appreciates his collaboration between the City and County. Introductions were made by those in attendance at today's meeting. Harris asked Brinson to serve on the Commercial Development and Planning Committee.

TSA Drone Detection Presentation

Shorter advised that TSA will come before the Board next month with a drone detection presentation once more data can be collected.

Secretary's Report

On motion by McCabe, seconded by Eckert the minutes of September 19, 2023, were approved. In favor 7, opposed 0.

Treasurer's Report

Wood reported financials through September 30, 2023. He commented that there are multiple variants with positive and negatives within the cash flow budget. He said that some of the revenues received may come in earlier than others and some come in later than others. In particular, the landing fees had a negative variance to the goal of \$5,288 due to lagging revenue received. Rental income has a negative variance to the goal of \$3,181. TSA reimbursements also have a negative variance to the goal of \$3,035. Wood commented that there was a major change in positive variances with interest income and asked Shorter to explain the reports to the Board. Shorter reported that the total operating revenue has a positive variance to the goal of \$15,951. He explained that the revenue total has a positive variance due to the interest income earned to date. The airport budgeted \$4,000 for interest earned for the whole year because the previous year's interest income averaged about \$3,000 to \$4,000 per year. The Craven County Finance Director was able to find other investment accounts with higher interest rates of return. Shorter commented that they expect to see that number grow over time. He advised that they are looking at other interest earning accounts for the fund balance, which could earn up to 5% on investments. Shorter also reported that last month, the rental income revenue had a negative variance of \$3,800. He said that the staff did a lot of work investigating and found out that there were some errors with journal entries causing that negative variance, but the errors have since been

corrected. This month, the rental income also had a negative variance to the goal of \$3,181. Shorter advised that at the time the report was pulled, the TSA rental payment (\$2,530.73) had not been logged. The negative variance also includes late hangar rent payments for the month as well. Wood added that some of the negative variance, for instance the parking revenue, is historically low this time of year. He said that the revenue should pick up through the holiday season. Wood also commented that the CARES reimbursement is scheduled to end in May. He said that expenses can be managed to request the reimbursements faster or slower depending on what the needs are for the airport.

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

Marketing Update

Harris introduced Melissa Riggle who is the Executive Director of the Craven County Tourism Development Authority. He said that Riggle has been a vital part of the marketing committee chaired by Jeff Wood. Harris commented that the committee has made a tremendous amount of progress with the anticipation of more to follow. He continued to say that Wood having many responsibilities, not only to the airport but with the County as well, has recommended Riggle to assume the role as Chairman of the Marketing Committee. Harris said that the airport is very fortunate that Riggle has agreed to take on that role. Wood commented that by having Riggle assume the role as the committee chairman, the airport has added value to the position. He said that while he has enjoyed his role as the chairman, he does not have the talent that Riggle has. He added that Riggle has been on the committee, so she is not coming in blind, but more importantly, that she has traveled with Shorter to talk to airlines and has attended some of the air service conferences with Mead and Hunt. Riggle also works with George Durant on a regular basis. Wood

commented that he feels confident that Riggle will be able to hit the ground running and will be able to go above and beyond what he is able to do. Riggle commented that she was excited to take on the role and responsibilities as the new Chairperson of the marketing committee. She said that Durant will continue to lead the marketing efforts as she will continue to support and amplify the efforts of the team. She added that there is a great group of community stakeholders who could work as champions for EWN so her goal will be to leverage those community advocates. Durant commented that from the beginning, Riggle has always wanted to make sure that the TDA was aligned with what the airport is doing. He said that it has been an absolute pleasure working with Riggle and is looking forward to the continued collaboration between the airport and the TDA. Durant also mentioned that the team has engaged flymyairport.com. He explained that the site is a tool that helps them assign attribution to the marketing efforts and serves as a tracking mechanism. The site is destination driven, providing information on all the places that an individual can fly to, by traveling from EWN and connecting through Charlotte. Shorter shared a demonstration of the website with the Board. Durant also commented that the airport was able to gain earned media with Shorter and other staff members during the recent emergency exercise last week. Shorter commented that as the PIO for the airport he was able to escort media onto the runway where a mock drill was being conducted. He explained that as required by the FAA, the airport must conduct a full-scale emergency exercise every three years. He said that it's an opportunity for the airport staff to exercise command, control and communication while working alongside the airport's mutual aid partners. Local media stations attending the drill were able to collect some great video footage of the drill. Shorter shared data that showed the number of TV audiences that saw the coverage. Durant added that he used an organic social media campaign to alert the community that this was an exercise and not a real incident. He said that a lot of people saw the posts and

were pleased with the airport's ability to communicate information on the exercise. The committee is also working on wrapping up the end of the calendar year with holiday travel messaging. He also mentioned that he is working with the media to ensure that the airport stays visual during the primary elections next year.

Shorter explained in more detail the planning for the emergency exercise. He said that Hill coordinated the role players and escorted them onto the field. Manzo coordinated with the school system and was able to borrow a school bus to position on the runway to simulate the crashed aircraft. The airport also positioned its dump truck on the runway to provide a target for the firefighters to spray water. Shorter explained that in previous exercises, Cherry Point would bring their apparatus that generates a fire through propane tanks. He said that the apparatus is currently down due to maintenance, so the airport was not able to train on it this year. Ira Whitford, Assistant Emergency Director, played a big role in the planning of the exercise as well. Shorter commented that Whitford did a great job orchestrating the exercise and did a great job coordinating with the mutual aid partners within the community. Multiple agencies attended to include the Craven County Sheriffs Office, the NC Highway Patrol, many local volunteers fire stations and EMS crews, CarolinaEast Medical Center, Cherry Point Fire Department, and various airport stakeholders.

Commercial Development and Planning Committee

Pope welcomed Brinson to the CDP Committee. He advised that the committee usually meets at 12pm the Wednesday prior to each Board meeting. Pope reported that the committee met on October 11th to discuss the following topics:

Airport Property Development Updates and Planning: Pope highlighted a few updates on the corporate aerospace development and the property behind the ARFF building on Clermont Road. The committee discussed work

authorizations that will be required for Talbert and Bright for the clearing and grubbing of the property and to add fencing and gates for wildlife deterrence. The cost of the work is estimated at \$42,400. Pope advised that the committee also discussed a second work authorization for the cost estimates for water and sewer sanitary infrastructure. The cost of the work is estimated at \$163,490. The proposed work authorizations were included in the Board packets sent out prior to the Authority meeting for review. Pope also advised that the committee continues to work on the non-aeronautical property on Old Airport Road across from Jill's Pet Spa. He said that Dunn is working with Lee Hoge, attorney with Ward and Smith, who represents FMR on the proper language for a lease. The committee also continues to work diligently on the 634 Airport Road property. Pope reported that Ritchie has been working hard in getting the necessary updates completed for the new tenant.

Wood advised that he has spoken with FMR and has asked them for additional data points to help the committee with their evaluation of their proposal. Wood explained that the airport is the landowner of 634 Airport Road and FMR is the developer looking at potentially constructing a building with the end user potentially being FRC. Wood commented that the process is complicated marriage between the three entities to try and figure out how to fit the pieces together. He said that there were three specific things that he had asked for. FRC has responded with the building size and more specifically the height that they need. Wood advised that this information may change the metric a little bit on the price per square foot, but they are reviewing that information. Wood said that they are also reviewing the construction schedule and the buy-out clause that would be available to the airport for the purchase of the building at any point in time if the airport chose to do so. Dunn added that the structure is also dependent on FRC, at least from FMR's vantage point. He said that they want some understanding from FRC East and that FRC East has not progressed that far down the line. Dunn said that all parties have the desire

to put the transaction together, but the details must be worked out first. Dunn advised that the airport must work off the lead of FRC East to really understand the structure of what we are looking for. Wood commented that he and the County Manager were able to meet with FRC leadership on a host of different projects and that the property development at the airport was one of the many things that they talked about. He said that the proposed facility is something that they need. It is a priority, not necessarily the location, but the facility itself and how it can support FRC would be a priority and having it close to the Tech Bridge facility at 634 Airport Rd. is also advantageous for them. Wood also announced that the Craven County Economic Development was recently awarded \$2.45 million to finish off the industrial park in Craven County on Clark's Road. Funds will be used to put in an access road and some infrastructure into about 41 acres of property. He said that they have also received \$5 million for the 90 acres for the corporate aerospace project at the airport. The funds will be used for tree clearing, fencing and preparation of a pad for hangar development.

FAA FY24 ACIP Programming: Pope reported that Shorter gave an incredible presentation on the planning and timelines for funding and budget resources on the ACIP program. He commented that Shorter has worked very hard with the airport's resources and the timing of budgeting projects. Shorter shared the programming document with the Board. He explained the projects and the projected funding sources for each project.

Terminal Project Part 2 Planning: Pope reported that the committee is reviewing the layout of the airline office spaces and the TSA baggage screening room. He said that the goal is to configure a space that will work harmoniously and efficiently between the tenants. Pope explained that the baggage belt is split in the middle between the two airline offices creating a bad working environment for the TSA employees. Shorter showed diagrams of

the current layout of the TSA baggage screening room and the current airline office spaces. He explained the daily operation and flow of bags as they travel on the belt. He commented that the layout is not the best plan as it creates a chaotic space for daily operations. Shorter advised that the desire of the committee to redesign the space and replace the old baggage belt with a new system. He shared two proposed designs with the Board. Shorter also explained that there will be a lot of FAA ineligible costs associated with the project that would not necessarily be funded under a grant. However, the project may be eligible under the passenger facility charge (PFC) rules, which also apply to the use of Airport Infrastructure Grant (AIG) funding. Shorter advised that he will negotiate with the FAA to determine what would be eligible for funding under each grant program.

Director's Update

Air Service Update: Shorter reported that the enplanements are behind from last year due to the pilot shortage. He said that he has been talking with American about the high-ticket prices and American has assured him they will make sure that the airport is price matched to the local competitor airports. Shorter commented that even though the numbers were low, there were more seats in September than there were in August. October has proven to be a better month already with a 70% load factor. The November flight schedule will reduce back to four flights a day. Shorter commented that the neighboring airports are seeing the same reduction in flights for the Fall months. He added that he saw the same thing happen last year in November, but the flights picked up in December, January, and February. Shorter said that there remains a gap in regional pilots creating an overall reduction of 30-40% in regional service nationwide.

Terminal Expansion Project: Shorter reported that the Baggage Service Offices in the baggage claim area will be opening soon. He said that the offices

are a good addition for the airport. The construction crew will soon start on the ceiling replacement in the baggage claim area.

Williams Road Updated: Shorter commented that there have been some good conversations recently with the NCDOT. He said that they had some of the other agencies review the plans and what the airport wanted to mitigate. There were some good questions raised by the Army Corps of Engineers. Shorter said that they will bring in more people from the State Division of Aviation to discuss the information gathered with the Highway Division and maybe even bring in some of the FAA folks to participate in the discussions going forward.

North Carolina Airports Association (NCAA) Annual Conference: Shorter announced that the next NCAA conference will be held April 3rd-5th in Asheville, NC. Hotel rooms have been reserved for those who would like to attend. Shorter asked all members to check their availability and to let the airport know by the next meeting who will plan to be attending.

Eastern Carolina Council: Shorter announced that the Eastern Carolina Council will be hosting a Regional Transportation Summit on Thursday, October 19th at the Craven County Riverfront Convention Center. He said that he, Pope, and Wood will be attending and that he will be speaking during the summit. A flyer with information on the event and a link to register for the event was made available for those who might be interested in attending.

Shadow Day: Shorter advised that the airport has a memorandum of agreement with the Marine Wing Support Squadron (MWSS) with MCAS Cherry Point. He said that they are sending a few Marines to the airport to shadow the FBO staff and the Airport Operations and Security staff October 19th-22nd. Shorter explained that the MWSS is the squadron that would run an expeditionary airfield, so they want to come see how the airport runs daily operations and how that compares or differs from their daily operations.

New Business

Talbert and Bright Work Authorizations: Shorter submitted two work authorizations for the Board's approval. The first work authorization submitted is for the design and bidding services for the clearing and grubbing of property for aeronautical development. The total cost for the work authorization is \$42,400. The second work authorization submitted is for design and bidding services for the water and sewer service to the property. The total cost for the work authorization is \$163,490.

On motion by Pope, seconded by McCabe the Board approved both work authorizations for Talbert and Bright. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

Terminal Project Ordinance and Budget Amendment: Shorter submitted the following terminal improvement and expansion project ordinance for the Boards approval:

EXPENDITURES:

Administration	\$10,000.00
Basic Architecture and Engineering	\$1,118,218.00
Inspection	\$101,990.00
Construction	\$25,703,773.00
Construction Contingency	\$500,000.00
Total	\$27,433,981.00

REVENUE:

FAA Federal Grants	\$22,691,460.00
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AIP State Grant Reserve	\$2,912,915.00
Transfer from Airport Operating	\$1,829,606.00
Total	\$27,433,981.00

On motion by McCabe, seconded by Wood the Board approved the project ordinance in the amount of \$27,433,981. In favor 6, opposed 0. A roll call vote was taken; 6 yes, 0 no.

Shorter submitted the following budget amendment for the Boards approval:

Revenues	Amount	Expenditures	Amount
8327050-33110 FAA Federal Grant	\$1,787,525.00	8327050-47600 Construction	\$791,715
8327050-33301 State Grant	\$174,204.00		
8327050-33119 CARES Act Grant	\$2,378,946.00		
8327050-39808 Transport-OPS Fund 810	\$1,557,340.00		
8160000-39901 Fund Balance Current Year	\$2,912,915.00	8160000-49793 Transfer to Projects	\$2,912,915.00
Total	\$3,704,630.00	Total	\$3,704,630.00

Justification: Adjust terminal improvement and expansion project to reflect an increase in construction costs and additional Federal and State grant funding.

On motion by Wood, 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

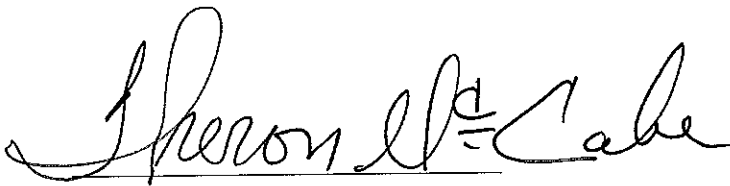
Harris asked if there were any updates with Federal Express CPA evaluation work. Shorter commented that he did not have any updates. Dunn commented that he has received an email advising that they are still working on the document. He added that they have sent a letter to the attorney for Express Properties identifying the other component parts of any agreements.

Harris also asked for an update on the proposed private hangar development submitted by an airport stakeholder as presented to the Board in last month's meeting. Shorter advised that there were no updates or further inquiries from the stakeholder at this time.

Executive Session

There was no need for an executive session.

On motion by McCabe, seconded by Eckert, the Board adjourned at 3:30 PM. In favor 6, opposed 0.

A handwritten signature in cursive script that reads "Theron McCabe". The signature is written in black ink and is positioned above the printed name of the signatory.

Secretary Theron McCabe