

## Minutes

Coastal Carolina Regional Airport Authority

May 21, 2024

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: Eckert, Harris, Morris, Pope, and Wood.

Frazer was present via conference call.

Brinson, Bender, Jones, and Murray were excused.

Burns and McCabe were not in attendance.

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

Also present via conference call: Melissa Riggle, Executive Director, Tourism and Development Authority.

### Public Hearing – FY 2025 Airport Budget

On motion by Morris, seconded by Wood, the Board entered a public hearing. In favor 5, opposed 0.

Shorter opened the session by reciting the airport's vision and mission statements to set the stage for the budget strategy narrative:

*The FY25 budget strategy departs drastically from the last four years, while new air service and passenger recovery continue to be the top priority for the airport. The CARES Act funding that supported the last four budget years has now been fully expended and this budget represents the first stand-alone*

budget since FY20. We were able to use additional CARES authority in the FY24 budget to contract several multi-year service contracts for service throughout FY25. That said, we strategically utilized the funding to buy-down upcoming capital expenses such as, repaving roads and parking lots, repainting the airfield markings, replacing airfield signage and the airport beacon, we recapitalized old: HVAC units, maintenance equipment, the parking lot control system, work trucks, tractors, and mowers. We also added a new commercial hangar, acquired a snow removal truck and plow, retrofit, and repainted the ATCT, airport offices and conference room, the terminal exterior, and several of the other airport out buildings, including 634 Airport Rd. The CARES funding overall was critical in ensuring the airport's success while our number one revenue generator, commercial air service, was on life support due to the slow recovery from the pandemic.

FY23 started showing better air service strength beginning last November by the increase in the number of available seats offered by AA. Enplanements increased as a function of AA being able to schedule more seats into the market compared to FY23. However, the load factors remained weaker than normal for several months as fare pressures increased competition with other regional airports in the area. On the bright side, AA was pleased with the revenue performance from the passenger traffic at EWN during that period and now they also remain pleased with the passenger bookings into the summer after the fares rebalanced throughout the region.

We have planned a conservative revenue budget this year, but we have increased our revenue projections based on the addition of more airport leasable space, along with the addition of Breeze Airways. We project that the increased business along with a small \$1.00/day rate adjustment to the parking lot will provide a 32% increase in the revenue line for FY25. The expense programming has been equally conservative with the help of many of the pre-

*paid multi-year contracts enacted in FY24 and therefore, we were able to reduce the expense budget by 49% from FY24.*

*We will continue our execution of the Terminal Part 1 project and begin the Terminal Part 2 project in FY25. These large capital projects continue to be fully funded by both Federal and State grant funds and will not affect the budget line items. The Corporate Aerospace Development project will also be funded by Federal and State grant funding but may intermittently require approved allocations from the fund balance for specific engineering or project activity that is not yet specified in a project line item.*

*This year's budget cycle has created a balanced \$2,642,842 budget. This budget represents a \$2.5M reduction from last year's budget.*

Shorter reviewed the FY25 airport budget development documents detailing all planned revenue and expenditures which make-up the proposed budget.

On motion by Morris, seconded by Pope, the public session was closed with no public comment. In favor 5, opposed 0.

#### Secretary's Report

On motion by Morris, seconded by Pope the minutes of April 16, 2024, were approved. In favor 5, opposed 0.

#### Treasurer's Report

Wood reported that the parking revenue is beginning to pick up as expected. TSA reimbursements are lagging a few months behind. Wood advised that this is not unusual and that reimbursements will catch back up. Shorter commented that, as discussed previously, April would be the last payment for

this year because the federal government was no longer going to fund the LEO reimbursement program.

On motion by Pope, seconded by Eckert, the Treasurer's report was approved. In favor 5, opposed 0.

#### Marketing Update

Riggle reported that the committee has not met since last month. However, the committee has proceeded in facilitating with a video for a local commercial campaign for "I Fly EWN". The video will consist of local celebrity testimonies of why they fly using EWN. Riggle advised that the next step is the production of the video. Riggle also reported that Durant and his team have produced commercials for Breeze to be streamed on various streaming services. She said that the commercials look great and are doing well. The committee will remain focused on Breeze service for now. Riggle stated that they are using an aggressive inbound campaign in the Bradley Hartford Airport with the "Visit New Bern" campaign. Riggle also commented that the digital publication with the Yankee Magazine was released. She said that the publication was well received as they observed an uptick in web traffic. The committee's biggest focus to date will be the welcoming reception for the first Breeze flight on Friday. Riggle commented that she and her staff will be onsite to welcome the Breeze and American passengers. The committee will meet again in July.

#### Commercial Development and Planning Committee

Pope reported that the CDP committee met on May 15th to discuss the following topics:

Corporate Aerospace Development: Pope reported that the clearing and grubbing is 95% complete. He reminded the Board of the change order

required for the filling in a large hole that was obscured by forestry. Pope also commented that it is the recommendation of the committee that the Board approve a work authorization for Talbert & Bright that will be presented in New Business. Shorter added that the service road is currently being designed and that they are working on the utilities plan to be prepared to bid soon.

Non-Aeronautical Development: Pope advised that plans are proceeding along nicely and asked Dunn for an update. Dunn advised that he would need to discuss updates in the executive session since the update involves material terms and contracts.

634 Airport Road: Pope advised that Ritchie has done a great job managing the remodel of the building on property. New doors are scheduled to arrive next week, and the ceiling has been skimmed removing the popcorn ceiling.

GA Hangars: Pope commented that the airport has received a proposal from individuals interested in building a hangar beside the FBO. Additional discussions were moved to executive session.

James City Historical Society Request: Pope reported that the airport has received a request from the James City Historical Society to conduct a subsurface radar penetration investigation in area near the slave quarters to determine if there are any other grave sites. He advised that the Director has been communicating with the Historical Society with nothing further to report at this time. Shorter explained that the request was for the airport to endorse the request for a grant for the ground penetrating radar study for the Historical Society. He said that the study is not to exceed a defined area on the airport with approval by the Authority if they receive the grant. Shorter advised that the airport will allow the study to be completed with certain restrictions if they receive the grant.

## Director's Update

Air Service Notes: Shorter stated that last May's enplanements were at 5500 and projects that the numbers will be at 7500 for this May, a 36% increase. He added that the airline consultants have had several discussions with American recently and that they are very happy with the bookings and performance at EWN. Shorter also reported that the first Breeze flight will commence this Friday. A press conference is scheduled for 3pm. The ARFF firetrucks will be in position on the ramp for the arriving flight for a water cannon salute. Shorter commented that the flight will arrive at 3:44pm but will not depart until 5:30 to allow extra time for local media and VIP's attending to tour the aircraft before it departs.

Terminal Part 1: Shorter reported that the construction wall outside of the administration offices will be moved on Thursday to allow the construction crews to work on the terrazzo floors in the main area. Shorter mentioned that due to supply chain issues, the generator is not expected to arrive until September. He said that they are working on a plan to get an auxiliary generator onsite until the new generator arrives. A ribbon cutting has been scheduled for June 24<sup>th</sup> at 11am. Shorter announced that Representative Murphy will speak. A regional spokesperson for Senator Tillis will also be speaking on behalf of the Senator. Shorter mentioned that the NCDOT Division of Aviation may also speak at the ribbon cutting as well.

Terminal Part 2: Shorter commented that the airport submitted a grant application to complete the terminal Part 2 expansion project for a total cost of \$6.715 million. He said that the airport was aware that federal FY24 discretionary funding may be difficult to receive but announced that he has received notification as of yesterday that the airport has been awarded \$939,000 in discretionary funding. Shorter commented that he also expects to see the

associated federal AIP and AIG grants come through soon to net the total requested amount.

C1A Meeting and Chamber Mid-day Mingle: Shorter reported that the airport was able to host the C1A Meeting and the Chamber Mid-day Mingle this month. Tours of the terminal expansion were provided for those interested in seeing the new updates.

RWY 22 Approach: Shorter advised that during the tower siting project, the FAA identified a penetration of a tree at the approach end of RWY22. The tree is in the James City area and is about 89ft tall. Shorter advised that the tree would need to be topped or cut down. He also advised that the airport does not have an avigation easement associated with the piece of property so the airport will need assistance from the attorneys to determine the best way to approach the issue. He suggested that the airport may have to offer to pay for an avigation easement on this property. Shorter advised that the airport has until December to have the tree cut or topped before the FAA makes a permanent amendment to the airport's approach minimums.

### New Business

Airport Rates and Charges Adjustment: Shorter commented that the last adjustments made to the airport's current rates and charges was in January 2023. Effective July 2024, Shorter requested that the Board approve to adjust the language for landing fees from maximum take-off weight to maximum landing weight, to be more representative of the industry standard. Shorter also requested that the long-term parking fee be adjusted from \$8.00 per day to \$9.00 per day, and for short term from \$12.00 per day to \$13.00 per day. He commented that EWN rates are the lowest in the state for terminal parking. Shorter advised that the intraday rates are fine the way they are so they will remain the same.

On motion by Morris, seconded by Eckert, the Board approved to increase the long-term parking rate from \$8.00 per day to \$9.00 per day, and the short term from \$12.00 per day to \$13.00 per day effective July 1, 2024. In favor 5, opposed 0. A roll call vote was taken: 5 yes, 0 no.

Talbert and Bright Work Authorization: Shorter requested the Board approve Work Authorization 2404 with Talbert & Bright to provide design phase services associated with a new taxi lane and apron providing a shovel ready site for future development within the commercial aerospace development area. The total cost for the project is \$255,530. Shorter advised that he will need to have an independent fee estimate completed since the work authorization is over \$100,000. Once the independent fee estimate is completed then the work authorization will need to be sent over to the County Finance Officer to certify and sign.

On motion by Wood, seconded by Morris, the Board approved the chairman to sign Work Authorization 2404 once the independent fee estimate has been completed and the contract signed by the County Finance Officer. In favor 5, opposed 0.

#### Open Discussion

Harris commented that in being consistent with the airport by-laws, he would like to appoint the following members to serve as the nominating committee for Officer recommendations for the FY25 year: Pope, Wood, Eckert, and Jones. Jones was also appointed to serve as the Chairman of the nominating committee. Harris asked that the nominating committee bring their recommendations before the Board at the next Authority meeting scheduled for June 18<sup>th</sup>.



### Executive Session

On motion by Morris, seconded by Eckert, the Board went into executive session at 3:06 pm in accordance with 143-318.11 (a) (5) (6) to consult with the attorney regarding the price and material terms, ground leases or real estate and to discuss the performance of a public official of the airport. In favor 5, opposed 0.

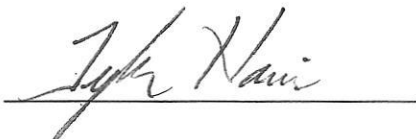
On motion by Morris, seconded by Wood, the Board came out of executive session at 3:56 pm. In favor 5, opposed 0.

No Action was taken in executive session.

On motion by Morris, seconded by Pope, the Board approved to give the Airport Director the authority to negotiate the final terms of the ground lease with Owen Andrews and Buddy Stallings and to give the Chairman the authority to sign the ground lease once the final terms were negotiated by the parties. In favor 5, opposed 0.

On motion by Morris, seconded by Pope, the Board approved a 4.8% merit raise for the Airport Director. In favor 5, opposed 0.

On motion by Wood, seconded by Eckert, the Board adjourned.

  
Chairman Tyler Harris