

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