

Minutes

Coastal Carolina Regional Airport Authority

July 16, 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: Bender, Eckert, Harris, Liner, Morris, and Pope.

The following Board members attended via WebEx: Frazer and Brinson.

Burns and Murray were not in attendance.

Wood and Jones were excused.

Also present in person: Andy Shorter, Airport Director; Ray Dunn and Nate Shorter, Dunn, Pittman, Skinner, and Ashton; April Hill, Airport Security Coordinator/Board Recorder; Amy Ritchie, Terminal & Facilities Manager; Patrick Manzo, Operations Manager; Melissa Riggle, Executive Director of the TDA; John Massey, Talbert & Bright; Ashelynn Fisher, Airport Intern from Embry-Riddle.

Also present via conference call: Eddie Carroll, Tidewater Aviation.

Secretary's Report

On motion by Morris, seconded by Liner the minutes of June 18, 2024, were approved. In favor 6, opposed 0.

Treasurer's Report

Harris commented that Wood was excused from today's meeting as he is attending the Tech Bridge Expo at the convention center and asked Shorter to give the Treasurer's Report.

Shorter reported that the final end-of-year report for FY24 was included in the Board's packet. He mentioned that the landing fees are trending one month behind as they typically do. The other line items that fell behind were Fuel Flow Royalties and the TSA Security Reimbursement. Shorter commented that the reimbursement program was discontinued as of May 1st so the airport will not receive the remaining projected revenue of \$12,000 for the month of May. With that said, the total end of year operating revenue for FY24 was \$136,452 above budget and the total amount for expenditures was \$210,100 below budget.

On motion by Liner, second by Morris, the Treasurer's Report was approved. In favor 6, opposed 0.

Marketing Update

Riggle reported that the committee met on July 15th. She commented that the meeting was insightful and that they took a deep dive in the performance data for marketing. Specifically, the committee is observing the outbound and inbound campaigns week to week and shifting the market as needed. Riggle commented that she previously sent Shorter a report of marketing efforts of Placer AI, a geo fence program that collects data in and around EWN. She commented that between May 24th-June 13th, the airport saw 19,000 passengers visit the airport with an average dwell time of 57 minutes. Riggle said that Placer provides great data that allows the team to overlay both inbound and outbound marketing efforts. She said that it also provides visitor trends year over year and gives a great overview. The committee will continue to focus on building passenger demographic information. Riggle also shared that the committee is gaining most of their information from a trade area map that shows the highest number of interests by zip code. She said that they have been pleasantly surprised to see strong numbers out of the Beaufort and Swansboro area. The committee will now shift their focus to widening the scope

of the catchment area toward Goldsboro. Riggle also mentioned that the committee will start looking at local sponsors within the community to help with marketing efforts. The next committee meeting will be October 21st. A copy of the Yankee Magazine that New Bern was recently featured in was placed on the meeting table for the Boards review.

Harris asked for updated information on additional social media influencers. Riggle reported that the committee has identified a social media influencer who recently traveled into the market from New England. The influencer did not promote New Bern or the area and only posted about dropping her child off at camp. The social media influencer has over 400,000 followers living and working in the demographic region of a Breeze passenger in the northeast. Working with the Breeze marketing team, Riggle advised that Breeze has reached out to the influencer and has invited her to come back so they will collaborate with her on a future visit.

Harris noted that American flights have increased through the summer and the rates have decreased. He asked Shorter what this could be attributed to. Shorter shared a diagram with the Board of the daily number of passengers from 2019 to 2024. He noted that the number of passengers in 2019 was at the top of the chart. With the pandemic, the number of passengers dropped significantly between 2019 and 2023. Since February of this year, the number of passengers in 2019 and 2024 were almost the same. Shorter also noted that on May 30th, 2024, the airport saw 332 passengers. In 2019, the airport saw 334 passengers on that same day. Shorter commented that since February of this year, the number of passengers has been consistent. There have been no concerns of operation by American Airlines, and they are happy with their service at EWN.

Commercial Development and Planning Committee

Pope reported that the committee met on July 10th to discuss the following topics:

Corporate Aerospace Development: Pope advised that the pre-bid meeting for the access road project was held on July 2nd. A bid opening has been scheduled for July 24th. Pope also advised that there were a few addendums, but Massey has handled them and has expediated them appropriately. The committee also discussed the area's required force main and gravity feed sewer lines. The gravity feed sewer line associated with the area will be maintained by the Airport to the point where the line runs into a manhole. The sewer force main line will run from that manhole into the City of New Bern's sewer system and this portion of the line will be maintained by the City of New Bern.

Terminal Project: Pope reported that the committee discussed timelines and completion dates. He also announced that the airport has signed a notice of intent to award a contract with Monteith Construction for Part 2 of the terminal expansion. The letting of the construction contract is subject to the award of the federal FY 2024 grants.

Taxiways A, C, D, M, J Environmental Work Authorization: Pope, on behalf of the CDP Committee, recommended that the Board approve the work authorization submitted by Talbert and Bright, dated March 22, 2024, for the environmental documentation services associated with the pavement rehabilitation and safety area improvements for Taxiway A, C, D, M, and J. The fee submitted for the work authorization is \$22,275. Shorter explained that in the FY24 FAA application, the airport applied to do the environmental and the design work for the taxiway project that's coming up next year. He said that the ADO Office pushed back and said that they would rather the airport complete

the environmental services one year prior to the design work. Shorter said that he agreed to break out the environmental services from the design phase and that the airport would self-fund the services. Shorter advised that the fees will be reimbursed as a part of the AIG Grant next year. He also advised that the committee needs approval from the Board today for the Chairman to sign the work authorization once the County Finance Officer has reviewed it. He said that the work authorization has already gone through the independent fee estimate and has been validated under the FAA guidelines.

On motion by Morris, seconded by Liner, the Board approved the Chairman to sign the Work Authorization submitted by Talbert and Bright once the County Finance Officer has reviewed the documents. In favor 6, opposed 0. A roll call vote was taken: 6 yes, 0 no.

Non-aeronautical: Pope advised that updates have proven to be a little more involved than what they had hoped for but that discussions continue as outlined in the NC Public Event Statute requirements with FMR. Dunn added that discussions fall under the public private partnership statute that requires approval by the local government commission. He said that it is a difficult process but that it gives the public notice of every step taken since the lease with FMR would be a financing arrangement in the eyes of the local government commission.

634 Airport Road: Pope reported that the preparations of the building are almost complete. Ritchie advised that the furniture will be delivered and set up tomorrow and that the lawn care and parking lot maintenance has been arranged. Steve Bennett and his staff with Craven County IT have worked many hours installing information technology support. Ritchie commented that she anticipates that the certificate of occupancy will be issued this afternoon. Shorter added that Tech Bridge seems to be happy with building renovations

and the exterior appearance of the building. Shorter also mentioned that a soft opening has been scheduled for the 18th between 8am-9am with demonstrations scheduled between 9am-1pm. He said that the process leading up to today has been a lot of work, but that he thinks it will be a worth the effort in the long run and we have Amy Ritchie to thank for it!

GA Hangars: Pope advised that the committee discussed drafting a development of standards as the airport moves forward with new construction of hangars in the general aviation. He said that the committee is not ready to publish a recommendation yet as they are still in the discussion phase.

Tree Penetration Update: Shorter advised that once the work is completed with Tech Bridge this week, Ritchie will visit the homeowner of the tree that is penetrating the approach for runway 22. He said that the information received will help the airport decide if an avigation easement is necessary for the property.

Clermont Property: Pope asked Shorter to give a report on the request of purchasing land owned by the late Roy Jones located at the end of Clermont Road. Shorter reported that Mr. Jones approached the airport regarding purchasing his property that is adjacent to airport property, but that Mr. Jones has since passed away. Shorter shared a property diagram of Mr. Jones' property as it relates to the proximity of the airport. He commented that the property is a very desirable piece of property for the airport and has a few hundred feet of frontage along the airport's fence line. Shorter advised that Dunn has expressed to the heirs of the estate the airport's interest in purchasing the property and the environmental studies that must be completed before the purchase of the property. Dunn gave an update on the discussions between the airport and the heir of the property owner. He commented that the property is 9 tenths of an acre and was approved by the Board back in October of 2023 to

pursue purchase. An appraisal and a review appraisal was conducted of the property. In the interim, Mr. Jones passed away. The heirs of Mr. Jones expressed their desire to move forward with the selling of the property. Dunn commented that he advised the heirs that the selling and purchasing of the land needed to be conducted in the right manner since Mr. Jones has passed away. With that said, the heirs have opened the estate and have invited the airport to make an offer. Dunn commented that if it was the airport's desire to move forward then the next step would be to submit to the heirs a contract to redisclose the requirements for purchase. He said that the airport is legally obligated to offer the amount set forth in the appraisal and the review appraisal which was received in February 2024 in the amount of \$110,000 to \$120,000. The tax value came in at \$184,000 because the condition of the property was less desirable than what was reflected in the tax evaluation. Dunn advised that once the airport enters a contract with the estate and they agree to sell the property, then the airport will reserve the right to due diligence which would require a survey, title examination and will require an environmental audit. Dunn commented that the purchase was previously approved by the Board but that he thought it would be a good idea to have a motion again since the title owners have changed. Shorter commented that the purchase of the property is reimbursable under the AIP program at 90%.

On motion by Liner, seconded by Morris, the Board approved the Airport Attorney's and the Airport Director to proceed with negotiations for the purpose of purchasing 718 Clermont Road based on the appraisal received in February of 2024. In favor, 6, opposed 0.

Director's Update

Air Service Update: Shorter reviewed the enplanement and deplanement data that was sent out in the monthly Board packet noting that starting in the

January/February time frame, American has exceeded last year's numbers. During the months of May and June, Shorter commented that the load factors for Breeze were at 79% versus the 45% that was originally forecasted by the airline consultants. He said that the load factors have given the airport a big boost as the performance predictions were what the consultants used to build the Small Community Air Service Development (SCASD) grant payments. Under the SCASD grant, the airport has received its first invoice for May and June.

Shorter revealed that with May and June combined, the airport's revenue guarantee invoice was \$110,000. Shorter commented that the airline is making almost three times the amount that was forecasted and that the airport is ahead of schedule on the Breeze performance. He said that under New Business he will present a budget ordinance and a budget amendment under the SCASD grant for the Board's approval so that the airport can pay the invoice.

Employee Out on FMLA: Shorter announced that Kenny Ross, Airport Maintenance Supervisor, had a mild heart attack on Friday while at the airport. Two staff members who are medically trained paramedics with other employers were on duty and able to assist in helping monitor Ross while EMS was enroute to the airport. Shorter advised that Ross is scheduled for open heart surgery tomorrow. He said that Ross is a reliable employee of the airport and is always available at a moment's notice. Ritchie has started the required paperwork for the FMLA leave for Ross. Shorter commented that Ross will be missed while he is out on leave and wishes him the best in recovery. Shorter also mentioned that the part-time maintenance staff have stepped in to cover Ross's shift while he is out on medical leave.

New Business

Budget Amendments and Ordinances (Project Closeout and New):
Shorter presented the following Budget Amendments and Project Ordinances for the Board's approval:

Closing Ordinance – Airport AIP 43 (Fund 829)

Expenditures:

Aircraft Rescue and Fire Fighting (ARFF) Building (Design, Bidding and Permitting)

Preliminary Expense \$18,520

Basic A&E \$478,123 **Terminal**

Building Improvements/Expansion - Phase 1 (Design)

Preliminary Expense \$31,528

Basic A&E \$979,870

Terminal Building Improvements – Phase I (Design) Amendment 1

Basic A & E \$203,601

Total \$1,711,642

REVENUE:

FAA \$1,560,793

Operations Fund 810 \$150,849

Total \$1,711,642

On motion by Liner, seconded by Morris, the Board approved the budget ordinance to close out AIP 43 (Fund 829). In favor 6, oppose 0. A roll call vote was taken; 6 yes, 0 no.

Budget Amendment to Close Out Fund 829

Revenues	Amount	Expenditures	Amount
8290000-33301 FAA Federal Grant	(\$87,785.00)	8297050-47501 Arh/Eng – Architect	(\$78,702.00)
829-0000-39808	(\$36.00)	8297050-47512	(\$9,199.00)
Total	(\$87,821.00)	Total	(\$87,821.00)

Justification: Close out Fund 829-AIP 43

On motion by Liner, seconded by Morris, the Board approved the budget amendment to close out Fund 829. In favor 6, opposed 0. Roll call vote; 6 yes, 0 no.

Closing Ordinance – Small Community Air Service Development Ordinance

Expenditures:

Revenue Guarantee	\$1,200,000.00
Marketing Campaign	\$196,000.00
Total	\$1,396,000.00

Revenue Estimated for the Project:

Federal Grant	\$776,000.00
State Funds	\$24,000.00
Local Funds	\$500,000.00
Operation Fund 810	\$96,000.00

Total

\$1,396,000.00

On motion by Morris, seconded by Liner, the Board approved the budget ordinance to set up the Small Community Air Service Development Fund. In favor 6, oppose 0. A roll call vote was taken; 6 yes, 0 no.

Budget Amendment to Set Up the Small Community Air Service Development Fund

Revenues	Amount	Expenditures	Amount
8367050-33110 FAA Federal Grant	\$776,000.00	836-7050-44000 Contract Services	\$1,200.00
836-7050-33301 State Grant	\$24,000.00	8367050-42701 Advertising/Marketing	\$196,000.00
8367050-33510 Local Grant	\$500,000.00		
8367050-39808	\$96,000.00		
8100000-39901 Fund Balance Curr Year	\$96,000.00	8107050-49730 Transfer to Projects	\$96,000.00
Total	\$1,492,000.00	Total	\$1,492,000.00

Justification: To set up the Small Community Air Service Development (SCASD) fund.

On motion by Morris, seconded by Pope, the Board approved the budget amendment to set up the. Small Community Air Service Development (SCASD) fund. In favor 6, opposed 0. Roll call vote; 6 yes, 0 no.

Shorter publicly thanked Craig Warren and his staff at Craven County Finance for working out the figures and helping the airport develop a great solution.

Talbert and Bright Taxi Lane Environmental Documentation Work Authorization: The motion to accept and approve Talbert and Bright's Work Authorization was made and approved in the Commercial Development and Planning Committee Report.

Board Officer Appointments: Harris commented that the nominating committee that was appointed in last month's meeting has met to discuss their recommendations for Officers for the Authority Board. He announced the following nominations to the Board: Tyler Harris, Chairman; Bill Pope, Vice Chairman; Jeff Wood, Treasurer and Mark Eckert, Secretary. Harris asked if there were any other nominations from the floor. There were no other nominations brought before the Board.

On motion by Morris, seconded by Liner, the Board closed the nominations.

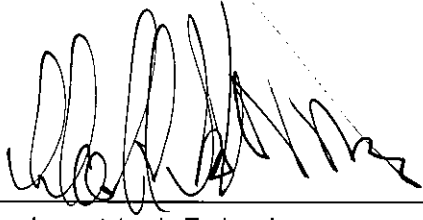
By acclamation, the aforementioned members of the Authority Board were elected as recommended by the nominating committee and concurrence of the Board. In favor 6, opposed 0.

Open Discussion

There was no discussion.

Executive Session

There was no need for an executive session. On motion by Morris, seconded by Pope, the Board adjourned at 3:05 pm.

A handwritten signature in black ink, appearing to read 'Mark Eckert', written over a horizontal line. The signature is stylized and cursive.

Secretary Mark Eckert