

The regular meeting of the Pitt-Greenville Airport Authority was held Wednesday, December 21, 2016 at 11:00 am in the Conference Room of the Airport's Terminal Building. Board Members in attendance were: John Banks, Chairman; Eric Clark, Vice-Chairman; Buddy Zincone, Secretary/Treasurer; Jimmy Garris, Commissioner; Allen Thomas, Mayor, and Julie Carlson. Staff members in attendance were Betty Stansbury, Executive Director; Matthew Johnson, Operations Manager; April May, Business Manager; David Silver; Airport Counsel. Visitors in attendance included Amy McLane, Talbert&Bright; Shannon Keith, The Daily Reflector, and Reverend Edna Atkinson.

Chairman Banks called the meeting to order and confirmed there was a quorum. The board then went straight into closed session to consult with an attorney employed or retained by the public body in order to discuss matters that are within the attorney-client privilege, to develop its negotiating position in the purchase of real property, and to consider the condition of employment of a public employee or public officer. The Motion to go in to closed session was made by Jimmy Garris and seconded by Buddy Zincone.

Motion to come out of closed session was made by Allen Thomas and seconded by Julie Carlson.

Banks then opened the Public Comment Period and explained the procedures to be followed by those wishing to speak. Chairman Banks then invited any members of the public registered with the Authority to come forward. Reverend Atkinson voiced her desire to serve on the airport board. She stated that she could bring improvements and a brighter future.

Action Items:

Stansbury started the discussion informing the board that an emergency repair is needed for the reconstruction of two GA/Corporate hangar taxilanes. The taxilanes were submerged under water for 5-7 days, which significantly widened the preexisting cracks. The design will take approximately 16 weeks. Bid advertisement will be in April and bid opening in May. Construction will begin in late June, taking minimum 3 months to finish. The target opening date will be in October. This could cause some tenant displacement even with staggering the taxilanes. Banks asked if this includes samples. It was advised that it includes surveying by Rivers & Associates, and service utility work. Banks advised that the State has been asked for help regarding emergency funding this project. FEMA has declined supporting because of the preexisting condition. Bobby Walston has advised what information will be needed for consideration. Stansbury advised that FEMA has notified the airport that this project is unlikely to be an eligible expense, and insurance does not cover pavement. Amy advised the design could be reimbursed by FAA. A motion to authorize the Executive Director to sign a Work Authorization with Talbert and Bright for design and bid only for reconstruction of two GA/Corporate hangar taxilanes, for a not to exceed amount of \$198,110; to apply for and accept state and/or federal grants for the cost of design, bid and construction of said taxilanes; and to commit to fund the local matching share (up to 25%) if needed was voiced by Julie Carlson, seconded by Jimmy Garris, and the vote to approve was unanimous.

The Parking Booth revenue control system needs to be replaced. The existing equipment is no longer manufactured. The company has been out of business for the past 4 years and the maintenance support vendor stopped supporting the system 2 years ago. The equipment and software have had problems since the lightning strike in July 2016. It took 10 days to get the system back in operation. Two bids were submitted for this project. Southern Time submitted the lowest bid and is also currently being used in City of Greenville, and other NC airports such as New Bern, Jacksonville, Concord, Wilmington, and Greensboro. It will take three months for the revenue and control system to be installed. Stansbury advised that once approved the construction of the second exit lane can be started. Julie requested further negotiation of the cost of the complete project. A motion to authorize the Executive Director to replace the existing Parking and Revenue Control System; to accept the apparent low bid of \$237,767 and enter into a contract with Southern Time for the installation of the PARCS;

and to solicit quotes and enter into a contract for the installation of an additional exit lane at the parking lot exit, for a not to exceed amount of \$70,000 was voiced by Jimmy Garris, seconded by Eric Clark, and the vote to approve was unanimous.

Stansbury advised the Parking lot fees are currently at \$8 per 24hrs. An increase of \$1/ 24hrs (12.5%) on the daily rate should generate an additional revenue of \$52,250. It was discussed that the pro-rated amounts should be increased by a set amount not a percentage. It was established that a .25 cent increase on the prorated amounts will be sufficient. The comparisons to other airports in North Carolina ranged from \$9-\$25.00 per day. Parking rates have not been raised in over three years. A motion to authorize the executive director to amend the vehicle parking lot rates effective January 1, 2017, to a maximum rate of \$9/day and .25 cent increase to prorated amounts and review the rates in June 2017 to view cash flow was voiced by Julie Carlson, seconded by Jimmy Garris, and the vote to approve was unanimous.

The Board then took under discussion the MINUTES OF THE REGULAR MEETING HELD November 16, 2016. With there being no changes made and no other questions, a motion to approve the minutes was offered by Buddy Zincone, seconded by Mayor Allen Thomas, and the vote to approve was unanimous.

Flood Repair Update:

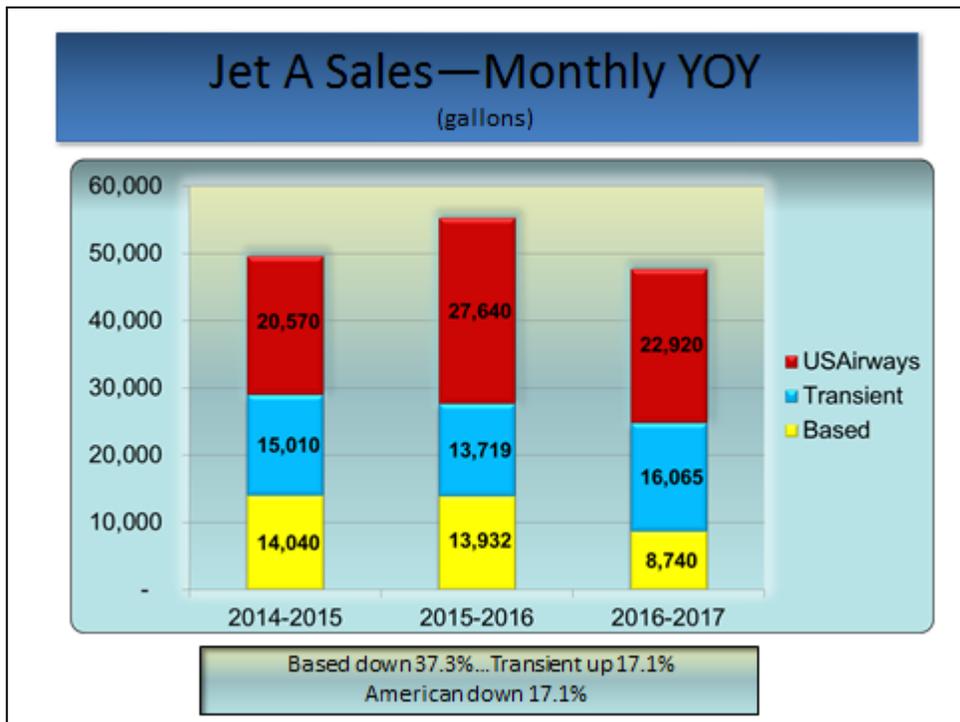
The building repairs are substantially completed (except for Dillon's and some on Carroll Vanns). Navigational aids –REIL replacement was done 12/20, the LOC antenna replacement is planned for January. The parking lot sinkhole repair has been scheduled for early January. Fence line debris removal is planned for spring. The Fire station lockers are repaired, however the suits will be ordered in January. We still have the old suits that are able to be donated to fire departments in the area. The suits have no value left to them. Stansbury advised she will be meeting with FEMA tomorrow with which costs will be covered. Insurance has sent \$120k currently. Banks requested a listing of what will be covered under insurance, FEMA, and airport costs. The terminal roof is still to be determined. There have been some minor leaks in terminal and exterior exposed tresses have some damage.

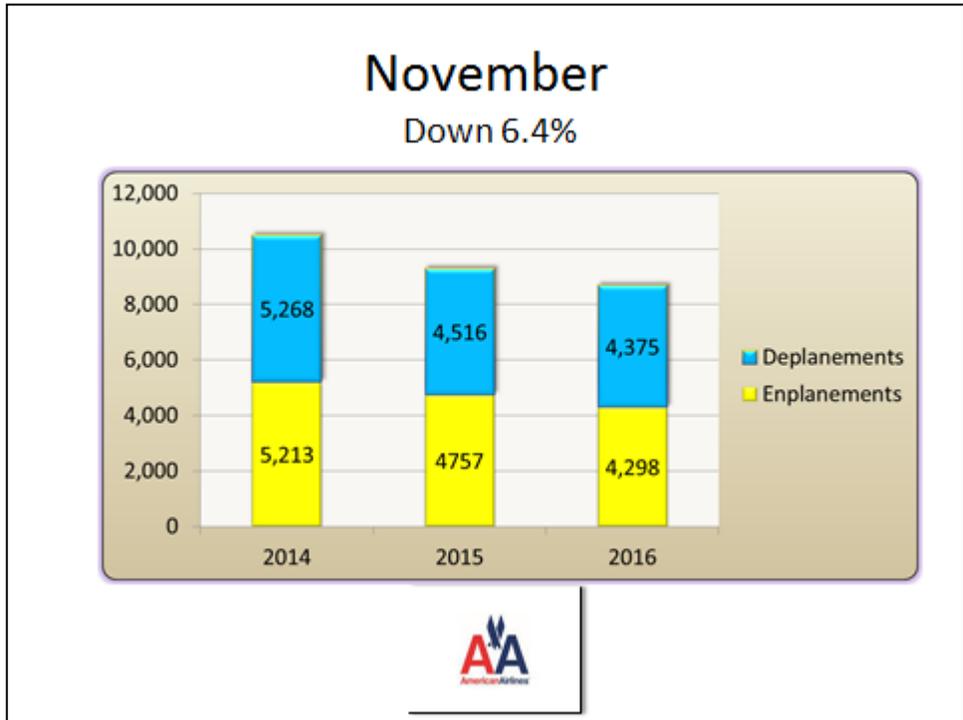
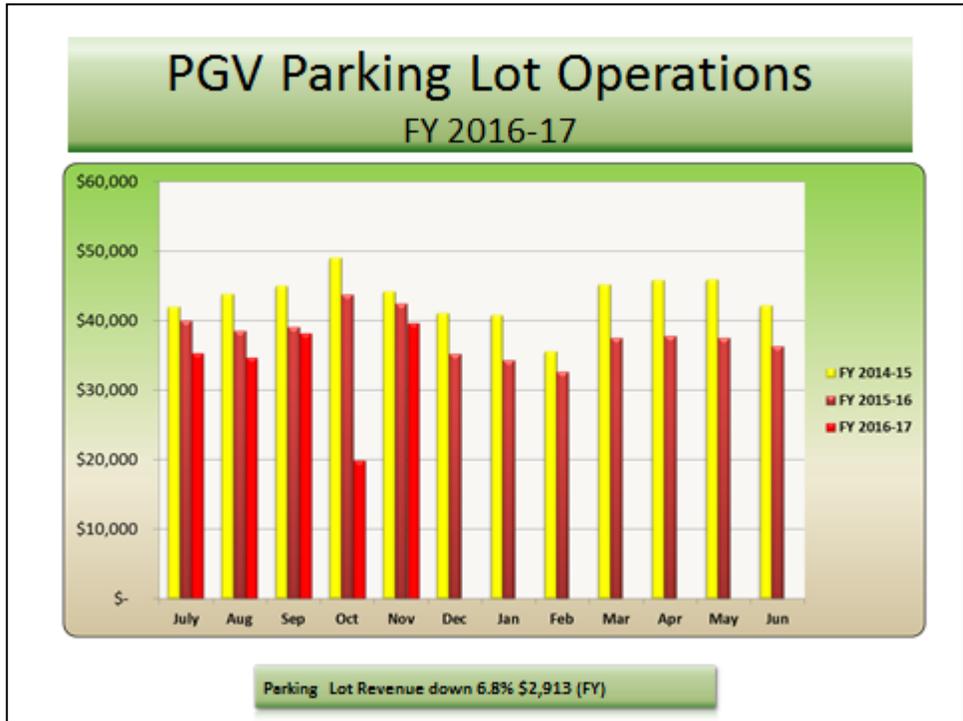
Flood Insurance:

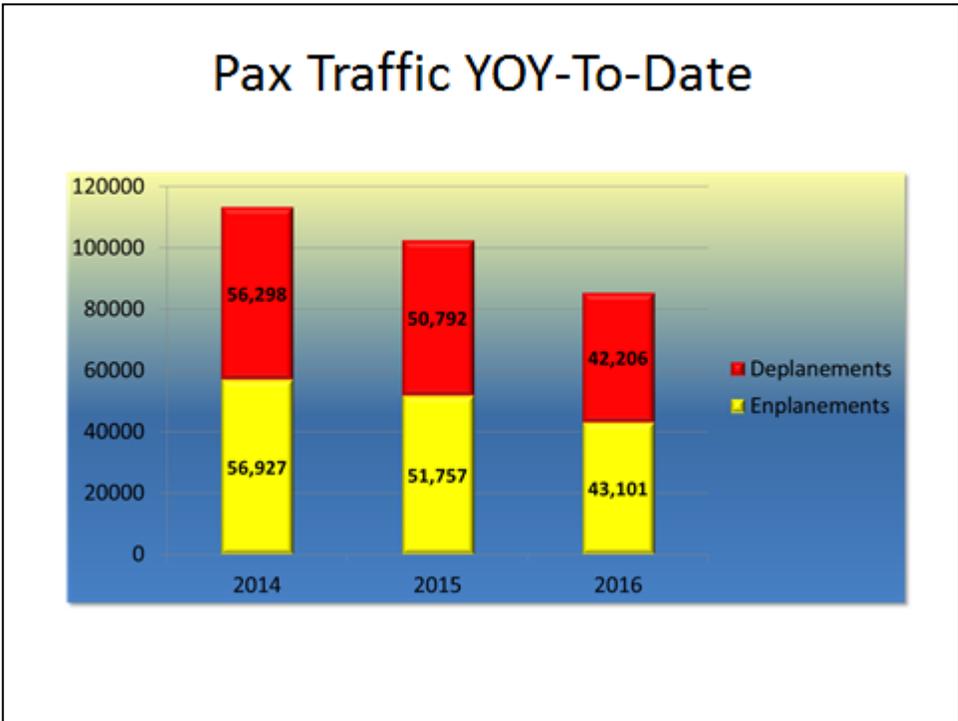
Previously we received a quote for insurance on the new corporate hangars for \$500K coverage at \$18,761 each. The board requested we get a quote for \$100K coverage and we are awaiting a reply from the insurance broker. Existing flood coverages will be converting to higher \$10,000 deductibles during renewals. (Per FEMA the deductible is eligible for FEMA reimbursement). For flood insurance on hangars without current coverage we are required to have certified elevation certificates, and Rivers & Associates will be doing field survey work this week.

The Authority was then requested to take under discussion the Airport's Operational & Maintenance Report, Parking Lot Operations and Regional Airline Carrier activity

Stansbury started out stating that fuel sales in November totaled 51,002 gallons, with 100LL 3,277 gallons, and Jet 24,805 gallons, and Airline 22,920 gallons. The Parking Lot revenues were \$39,539 (vs \$42,452 Nov 2015) with YTD revenues of \$383,273. Airline passengers total was 9587 pax, down 5%. The following graphs depict the fuel sales in gallons for a three year period for October. Banks requested that future reports start showing a load factor.







The Board next reviewed the Capital and Local Projects:

Amy started out discussing the pavement rehab project. The draft study has been completed; next step is sending it to the FAA. Video and GPR inspections have been done with the pipelines.

Rwy 8-26 environmental assessment field will be starting in January.

After designing and bidding the Rwy 2-20 lighting/Sign/Vault rehab projects, the FAA requested that all the taxiway connector names have an alpha numeric name. A revision with the contractor was done and can take approximately 8 weeks. The project rehab is expected to start in March.

Rwy 2 and Rwy 20 have obstruction removal/land Acquisition projects. Currently there are parcel owners who have become non-responsive. Rwy 2 has three not returned that are waiting on replies including the City parcels. One is in process of closing. Rwy 20 does have 5 returned with Right of Entry. There are two parcels that have underground home heating oil tanks. Talbert & Bright and FAA are coordinating how to handle the parcels.

The taxiway rehabilitation is needed because after Hurricane Matthew the pavement has shown a decrease in the subgrade strength. This will be a complete reconstruction of the taxiways. Banks advised that the fence line needs to be moved about 30ft out from the taxi way and out by Dillon's. Amy and Stansbury stated they will work out an appropriate design.

Amy stated that there are up to 5 projects that are coordinated with the FAA as part of the runway rehab project. They will be bid as the base bids or alternates. The FAA will be looking for discretionary funds. The preliminary engineering has been complete for the runway itself. Talbert & Bright is going to recommend that we mill 2 inches off the surface and come back with 4 inches of new pavement. The additional 2 inches will give the ability to support bigger charters. Currently with the pavement as is it is limited to about 16 heavy weight

aircrafts a year without deteriorating the lifetime of the pavement. With the new inches of pavement it will take away the limitation, and the weight will increase per axle. Amy advised polymer asphalt will delay time for maintenance; it wears slower and delays cracking.

During the airport wide pavement study there was video surveillance that showed two major pipelines under the runway. The 36 inch pipe is full of sand, debris, and in the twin 60 inch pipes, the pipe joints are $\frac{3}{4}$ under water all the time, but there are no anomalies. Amy suggested that now is the time for the pipes to be replaced before paving. Schedules will be based on design, and Amy will have a work authorization for the next board meeting. The piping will be done at night as much as possible; however pavement will be done more during the day. There is no way to rehabilitate the runway without some closure.

Rivers & Associates were doing survey and an existing condition was found that needs to be addressed. There is a grade change that needs to be corrected in the 1st quarter of the runway for FAA. An extra foot of pavement is needed to bring the slope to the right level.

Add Alternates:

The FAA is looking for money and agrees to allow for a bid as an alternate to pave the shoulders on 2-20, which reduces the maintenance time. It will also need to expand from 2-3 ft. wide. Also there is a Design and bid for removal of the abandoned Rwy pavement. The combined cost of the alternates is 2-3 million.

Stansbury stated that the milling from this project could be used for a perimeter road. Banks stated also a possible 6ft berm to set equipment on in cases of emergency for elevation. Banks inquired that if removing the taxiway/Rwy will be logical for future development. Amy advised that it would still need to be redone in the future due to its condition and about the possibility of using the 70 acres for hangars.

Financial Reports:

Stansbury then addressed the board with the financial reports for Nov 2016 revenues 277,692 (vs Nov 2015 \$235,065), expenses \$255,869 (vs Nov 2015 \$239,254), net income \$21,823 (vs Nov 2015(-\$4,190)), and Cash balance total \$4,278,238. Banks advised to please put restricted and unrestricted funds labeled in the financial report.

Burn Rate:

For 6 of the past 9 years the airport has not has sufficient revenue to cover expenses. The results of the 2016 audit have not been finished and are expected in February. The operating loss in the past nine years is \$727,303. In looking at 5 year CIP projections the worst case scenario for 2017-2021 is \$6,740,511 for the airports share of capital projects. In the best case scenario for CIP if state and FAA funding is available the local cost would be \$2,171,506.

Eric Clark questioned when a new accounting system will be placed into process. Stansbury advised that it has been delayed until July 2017 for the new fiscal year to start the financial changeover processing. This will incorporate the Munis system for accounting. This will include transitioning of new systems and codes.

Executive Director Comments:

Stansbury advised the board that the Rwy 8-26 traffic counting equipment has come in and is set to start on January 1st. The study will last 6 months. This will give the airport the data needed to determine runway usage, and help the FAA determine eligibility for repair.

Chairman Comments:

Banks advised the board that Mark McGuire from Eden & Associates called regarding grants that can be applied for development of the 90 acres. Mayor Thomas suggested considering using the property for possible events, tournaments, something with low impact, but high return.

As there was no more business to attend to a MOTION TO ADJOURN was made by Buddy Zincone, seconded by Eric Clark and the meeting was adjourned following a unanimous vote. The next meeting of the Airport Authority will be held at 12:00 Noon on January 18, 2017.

Respectfully submitted,

Betty Stansbury
Executive Director