

Wednesday, May 20, 2020



Pitt-Greenville Airport
400 Airport Road
Greenville, NC 27834
252.902.2025

Pitt-Greenville Airport Authority
Held on May 20, 2020 at 11:30 am
Conference Room of the Pitt-Greenville Airport

Board Members present in person: Eric Clark, Chairman; John Banks, Vice-Chairman; Dr. Jim Morris, and Terry Monday. Members in attendance via virtually were Dr. Dan Mayo and Will Litchfield, Chris Nunally

Board Member not in attendance: Buddy Zincone

Staff members in person: K.W. Bill Hopper A.A.E, Executive Director, Richard Nanney; Operations Manager, Steven Holloman, and Wanda Smith. Attendees on conference call were April Cannon; Finance & Administration Manager, and Attorney Dave Silver. Public virtually were Eric Stumph of Talbert & Bright, Inc., and Todd Meyer of NCDOT.

Chairman Clark confirming there was a quorum, opened the public comment period. He explained the procedures to be followed by anyone wishing to speak. Chairman Clark invited any members of the public to come forward. With no one coming forward, Chairman Clark called the Pitt-Greenville Airport monthly Board meeting to order.

Minutes from April 15, 2020 Board Authority Meeting

Minutes from the April 15, 2020 meeting were emailed to all members for approval. Motion to approve the minutes was made by Vice-Chairman Banks, seconded by Dr. Jim Morris. Motion carried, and minutes were unanimously approved.

Chairman Clark asked for a show of hands of anyone having technical difficulties, attending the meeting via Zoom. He also thanked everyone for their continued patience with the meeting accommodations due to COVID19

Executive Director's Report: Bill Hopper

Executive Director Hopper welcomed the group, and introduced Steven Holloman as his technical advisor. This was the board meeting's first attempt at using ZOOM as a meeting platform.

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COVID19 Update

Executive Director Hopper continues to keep the board updated via email on the COVID 19 virus. The main focus now is “Social Distancing”. Dr. Morris asked if the airlines were taking responsibility for the “social distancing?” Executive Director Hopper replied this issue varies between airlines. Vice-Chairman Banks said some airlines are selling the middle seats at a reduced price to people who want it empty, while others are choosing not to sell the middle seats.

Passenger numbers have risen from 7-8 per flight to 20-30. Our restaurant, Flight Cafe, remains closed at this time. We still have one employee temporarily laid-off. We have been heavily focusing on cleaning to ensure the safety of our staff and the public. Executive Director Hopper passes out face masks at every flight when he is available. This gives the public a sense of comfort. This not only applies to those arriving and departing flights, but to those who are using our car rental agencies as well. Customers seem to appreciate our efforts to maintain a clean and safe environment.

SCASDP Grant (Small Service Community Air Service Project)

According to James Seadler, Property Manager representing American Airlines, the airlines having service through Charlotte and Dallas are in a good position, since that is where the concentration is. Director Hopper informed the group that the airline that gave support for the SCASDP Grant was one of two airlines to turn a profit last quarter and they are looking at growth opportunities such as us being one of twenty across the country to receive the SCASDP Grant.

American Airlines is floating the idea of fewer destinations and flights by incorporating larger (70 passenger) aircrafts and parking all 50-seaters. This would require enhanced security, using alternative means of compliance (AMOC) in accordance with TSA. Several infrastructure improvements, including intense background checks through the FBI database, would become necessary. Digital finger printing and stricter badging requirements would also be necessary. Another need would be better security fencing. Access control would be the biggest issue. We would have to monitor access control to those meant to have access to certain areas requiring placement of electronics on doors.

We are looking at about \$1 million dollars, for FAA security enhancements that does

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qualify as AIP eligible. We would need to reprioritize and re-adjust capital improvement budget. Director Hopper stated all of these could be good problems to have and the end result would be larger planes and more quality service.

Director Hopper wants to consult with Talbert & Bright and our local TSA office for support and line us up with AMOC. He feels we are looking at a two-year period. He will give the board feedback at the June meeting. Director Hopper also let the group know that his predecessor already had an AMOC in place so we had a starting point to go by.

CARES Act Grant:

April Cannon told the Board our expenses were up so we will need to take more funds out of the reserve account. Dr. Morris asked if we could use CARES monies to help recover some of the deficit. Chairman Clark reminded the group of the necessity of being strategic in using the grant monies since we have no other resources. A list of the funding was sent to the Board members. \$18 million has been allocated, \$8.2 applied for and \$9.8 million to bring to total. A two-year concentration is on getting operating budget secure. Our biggest focus is on securing equipment and getting maintenance updated.

Director Hopper told the group prior to COVID 19, we had these items in place. Now with the grant we have to address funds to be used for things other than AIP like hangar construction and revenue producing items. The time-frame for the grant is four years. AIP 2020 is 100% funded and we plan to use all of the monies. We will be going after all big ticket items. Both Vice Chairman Banks and Dr. Morris suggested attempting to recover all items back to January 2020. It was noted the staff effort of going through all cost back to January could be more trouble than it's worth. All reimbursed monies will go into a separate, special reserve account. Dr. Morris inquired about the items on the equipment being inflated. Director Hopper explained any purchase of equipment must go through a procurement process per Federal criteria. All items must be Board approved.

Dr. Morris also wanted to know how this affected us tax wise. Chairman Clark said it shouldn't affect us. Chairman Clark said the tax reimbursement was a separate and distinct plan and regarding new hangars, we would have to renegotiate the current agreement each time. He also said our plan is to be self-sufficient and generating revenue by the end of the CARES grant. The AIP 2020 CARES ACT is 100% funded and not a local share. Projects FY19

CARES ACT does not apply. Our PFCs are significantly reduced right now so the CARES ACT is our lifeline to the other side. We are basing this on a 4-year operating plan. We will evaluate our recovery each year and make adjustments as needed. Dr. Morris asked if CARES money is reimbursable. Director Hopper stated over a four year period, we use all the CARES ACT money, put all revenue collected into a separate account.

Budget FY 20-21

The 20-21 budget was been sent to the Board members along with amendments via email. However due to the rule stating the budget must be published 10 days before approval, approval has been postponed until the June board meeting reflecting a 10% reduction going from 3.4 million to 3.0 million. Chairman Clark requested the 2020-2021 budget be posted online as soon as possible. Director Hopper agreed he would post it online in the next few days.

April Cannon sent the members the amendments explaining the 10% reduction due to a decrease in the amount of fuel purchased and in staffing hours. Ms. Cannon asked if anyone had any question regarding the amendments. With no response, a motion to approve the amendments was made by Dr. Jim Morris, and seconded by Vice-Chairman Banks and a vote to approve was unanimous. A vote to accept the 2020-21 budget will take place at the June 2020 Board meeting.

Close and transfer closed funds to cash reserve:

AIP-45 Runway

- Project completed
- \$136,000.00 transferred into unrestricted cash funds

AIP-PGV 13 Construction Hanger Taxiway

- Project completed
- \$101,966.00 transferred into unrestricted cash funds transferred into unrestricted cash funds

AIP-Fund 98

- After audit money
- \$1819.00 goes back in to unreserved cash account.

Federal/State/Local Projects:

AIP-44 FY17 DNL Land/Noise

- Director Hopper asked Brian Ensign if he had spoken with Ja'Manta. He said he had several months ago, but not recently. He told the group he would check with her again, to see how much money was left. He said he was unsure if anything further had been done due to the COVID 19 virus. Vice-Chairman Banks inquired if there was an opportunity for us to help anyone else. Mr. Hinson plans to check on these questions with Ja'Manta. The issues surrounding the purchase of the four properties in the beginning are still an issue now. Dave Silver explained the homeowners were either underwater, had judgements against them, or in the middle of domestic issues.

AIP-46 FY Clearing/Obstruction/Land

- April Cannon informed the board that we are still receiving invoices at this time.
- Talbert & Bright are in the process of assembling final close-out packages. Once we have received these, we will know the project has been closed.

AIP-47 FY 20 ARFF Vehicle-Addition

- Rescue Vehicle
- CARES Act will provide \$70,000.00 towards local share.
- In que to be built and should be completed by November 2020.

AIP-49 FY 20 GA Apron

- Started May 11, 2020
- Put down tie downs
- Meetings held with group to make sure everyone is aware of what's going on. Issued a list of Notams.
- Will wait on drainage structure.

Corporate Taxi-lane:

- Currently in planning stage
- Chairman Clark said we needed to decide how to deal with rental agencies.
- 100% funded by CARES Act including previous cost.

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- Not AIP funded
- Area we can build T Hangars
- Relocating quick turn-a-round to North end front drive so we already have a back-up when we start breaking ground.
- Provides quick turn-around for rental car agencies.

PFC Administration

- Environmental Access Project
- April Cannon has a meeting with McFarland and Johnson consultant under Talbert & Bright in June to train on disbursement, and updating implementation dates based on FAA requirements.
- Vice Chairman Banks inquired about the balance of PFC and April Cannon told the group the amount was \$934,176.84.

Chairman Clark requested that before allocating any monies, check with Zach because he is working on cleaning up undispersed projects.

Load Factors:

Director Hopper shared with the group all numbers were currently low based on April 2020 figures. Dr. Jim Morris informed the group in most cases for an airline to break even; it needed to be at least 70% full. During the COVID 19 pandemic, some airlines have been selling the middle seats at a reduced price. Other airlines are offering customers the opportunity to reschedule without penalty if the flight is over 70% capacity.

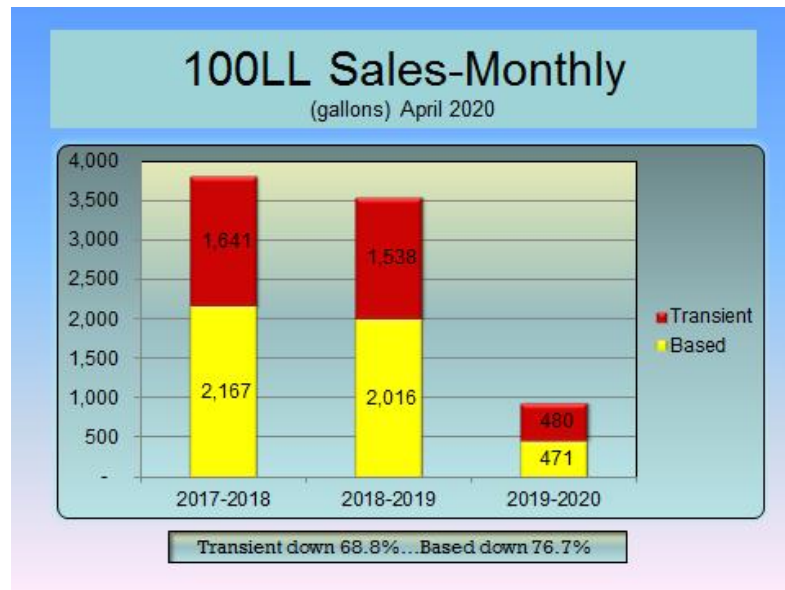
Parking has taken a big hit at this point. The largest number of cars in the lot over the last few months has been 20. We are currently down to one parking attendant on staff at this time and he is mostly doing maintenance work. The focus now is more on cleaning and sanitizing the terminal and only being in the booth during the flight times. On the upside, the gambling charter will begin again in June with flights going to Gulf Port, Mississippi instead of Atlantic City.

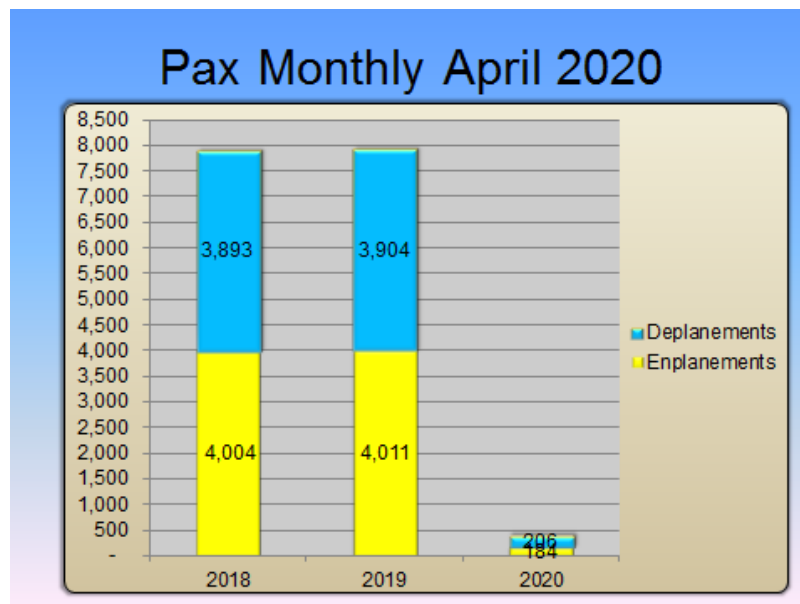
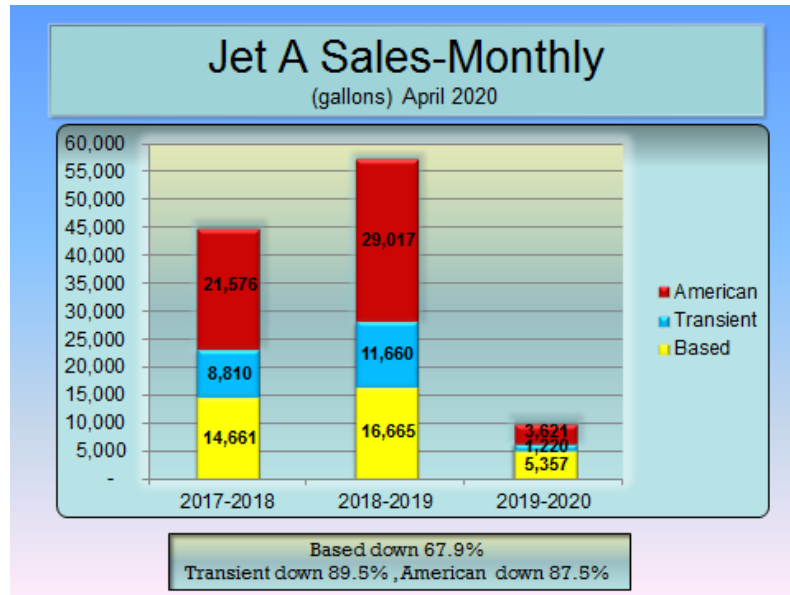
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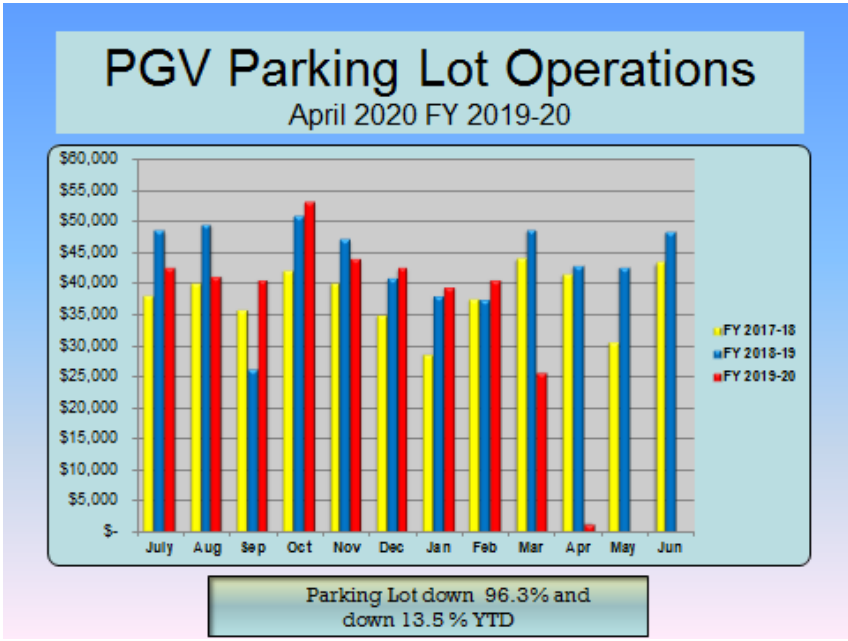
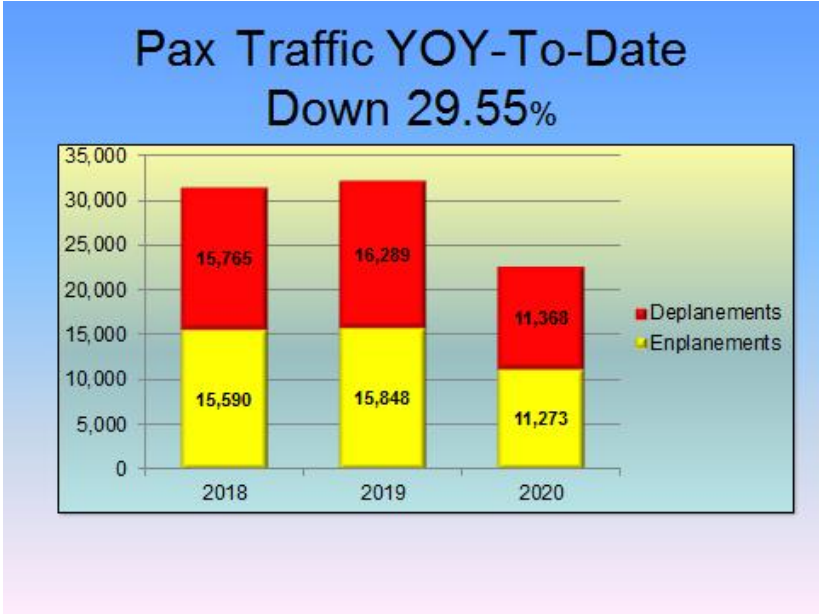
Airline load factors for April had a high of 34%, a low of 4% with an average of 12%. Fuel sales of 100LL, and Jet A for both transient and based aircraft were down. 100 LL was

down by 68% for transient and 76.7% for based. Fuel sales of Jet A for transient were down by 89.5%, and base was down by 67.9%. Airline fuel sales are at 87.5%. Parking revenues are down by 96.3% YTD, with a decrease of 13.5%. Passenger numbers are down 95%, showing a YOY decline of 29.55%. According to Executive Director Hopper, these numbers reflect the industry as a whole. The only numbers presently seeing an increase are in the leisure market affecting airlines like Allegiant and Frontier.

Vice-Chairman Banks reiterated the need for a national or even international real estate agency to promote the 90 acres of real estate to get us more recognition. Vice-Chairman Banks asked if Rocky with MIS could give us an evaluation on the life of AWOS or a break-down of a GPS capable approach. We currently do not have a weather service here to assist planes if they want to cancel approach due to safety issues. Dr. Morris noted this would become a necessity when and or if we get a second airline here. Director Hopper thanked Todd Meyer, NCDOT for attending and for working with us.







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Financial Report

- April 2020
 - Revenues \$154,402.26
 - Expenses \$ 244,203.91
 - Net income (89,801.65)
- YTD (\$283,062.16)
- Cash balance \$3,438,360.80
- Hangar Construction Fund \$1,253,807.71
 - Corporate Hangar April 2020 \$13,036, YTD \$803,062.66
 - T-Hangar April 2020 \$4,320.13, YTD \$ 450,745.05
- Unrestricted \$634,727.61
- Total Restricted \$1,549,825.57
 - Current Project Restricted \$ 613,829.73
 - PFC Restricted Checking Account \$ 934,176.84
 - \$1,819 to be transferred to cash reserve from FY19 audit

Chairman Comments:

Chairman Clark thanked Terry Monday for his work with Donna Davis and April Cannon in consolidating the excel workbooks into QuickBooks. Thanks to all their effort and hard work, QuickBooks is now on the Pitt County Server. We will be able to look at the detail behind the numbers and use this as a financial tool. With there being no more business to attend, Chairman Clark called for a motion to adjourn the meeting. Terry Monday made the motion with a second by Vice-Chairman John Banks, motion carried and the meeting was adjourned. The next meeting of the Airport Authority will be held at 11:30 a.m. on Wednesday June 17, 2020.

Respectfully submitted,

Wanda Smith
Administrative Assistant