

Wednesday, November 18, 2020



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

Pitt-Greenville Airport Authority
November 18, 2020 at 1:00 p.m.
ARFF Firehouse of the Pitt-Greenville Airport

Board Members present: Eric Clark, Chairman John Banks, Vice-Chairman, Terry Monday, Secretary/Treasurer, Board member via Zoom: Dr. Jim Morris, Dr. Dan Mayo, and Cheryl Brown. Board Member not present: Will Litchfield, Chris Nunally.

Staff members present: Bill Hopper, Executive Director, Richard Nanney, Operations Manager, April Cannon, Finance and Administration Officer, Alan Leggett, Technical advisor and Wanda Smith, Administrative Assistant. Other attendees included Attorney Dave Silver, Eric Stumph and Jay Talbert of Talbert & Bright, Inc., and Zach Staff of McFarland Johnson.

Chairman Clark confirmed a quorum and called the monthly Board meeting to order.

Public Comment Period: Chairman Eric Clark opened the public comment period. With no one coming forward, and no one on the phone or on Zoom, Chairman Clark closed the public comment period.

Minutes from the October 21, 2020 Pitt Greenville Airport Authority Meeting

Minutes from the October 21, 2020 Pitt Greenville Airport Authority Board meeting had been emailed to all members for review. Motion to approve the minutes was made by Vice-Chairman Banks, seconded by Secretary Monday. Motion was unanimous, motion carried, minutes were approved. Chairman Clark turned the floor over to Executive Director Hopper.

Executive Directors Report

- CARES Net-Spent-to-date
 - Requested \$1,370,120,000.00 of the \$8.2 million we have under agreement.
 - \$6,898,000,000.79 just shy of the \$8.2 million under agreement at this time.
 - The airport is waiting on the FAA at this time.
 - \$8.2 million the airport had to bring under agreement initially, we had to make a correction that April did immediately. This is an amendment made under the direction of the FAA the airport needed to go after the remainder of the allocation. The total allocation is \$18 million.

- Projects-Completed and Underway
 - The airport has completed the paving of the Terminal and General Aviation parking lots, and the runway as well as re-painting them. The roof repairs have been completed.
 - HVAC repairs by Piedmont Service Group are still in progress. More information on the progress will be available at the next board meeting.
 - The Airport did have the evaluation prior to the Board meeting today and will need additional work on the HVAC.
 - The Airport hasn't made any equipment purchases this month.
 - We have priced out the quick-turn area. The corporate taxi-lane will go over the quick turn area of the car rentals necessitating a new location. Looking to move it to the aircraft wash bay. Materials with the prices have been sent out to the board. The airport has one quote already and has one company coming on Thursday. Director Hopper is requesting the board move forward with the paving.
 - The total for the quick turn area is a little over \$43,000.00 and fully funded by Pitt Greenville Airport. Plumbing and electrical included in this quote. Currently we have two shelter prices. One of vendors is able to do the work next month. This will be 5 different projects all included in 1 project. Director Hopper is asking the board proceed with the stipulation that the cost not to exceed the \$44,000.00. This project would get the quick-turn up and fully functional. Motion to proceed with the cost not to exceed the agreed amount of \$44,000.00 was made by Secretary Monday, seconded by Vice-Chairman Banks, motion was unanimous, motion passed.

- Hangar Brief – Work Authorization 35% of design
 - The Airport is waiting on FAA guidance regarding the use of CARES Act money regarding development. Pursue working with Talbert & Bright and with Fennick McCredie to look at a design build package. Jay Talbert of Talbert & Bright says they are ready to get moving as soon as necessary.
 - CARES Act money has not been used for development in the past, so we are at a standstill at this point. Director Hopper continues to talk with the FAA. Vice-Chairman Banks stated he would like to see us put this on hold until we get better direction from the FAA.

- Director Hopper recommended the Airport take the money spent so far out of the state grant allocated for the hangar project and get reimbursed for that
- The Board decided to completely pause until next board meeting when the airport receives more guidance from the FAA
- NCDOT Grant \$1,030,747.00 motion
 - Director Hopper provided the Board with information showing we had a \$1million for this fiscal year from last fiscal year. Director Hopper would like approval from board to accept the grant for use towards the hangar project.
 - Vice-Chairman Banks made the motion to accept the NCDOT Grant, Secretary Monday seconded. Motion was unanimous, motion passed.
- PFC McFarland & Johnson, Zach Staff-Transfer funds
 - \$400,000 had to be transferred from cash reserves into the PFC account due to confusion from past years on how the money was allocated. Pitt Greenville Airport and Talbert & Bright reached out to McFarland Johnson for help with the PFC account to bring them under control. Zach has been able to locate \$350,344.35 that can now transfer back into cash reserves.
 - At this point, Director Hopper turned the floor over to Zach Staff

PGV Passenger Facility Charge (PFC) Program Update by Zach Staff, McFarland Johnson

- PFC collections started 10/1/97, since then PGV has collected \$4,534,413.00 in PFC revenue. As of August 31, 2020. \$388,427.00 PGV has \$388,427.00 in authorized remaining in PFC collections with a legal expiration date of 4/1/22. Expiration date can be extended if required with advance notice.
- As of August 31, 2020, PGV has \$700,894.00 in unexpended (unreimbursed) PFC's.
- PFC Applications (and projects within) can be submitted as "Impose Only", "Use Only, and "Impose and Use" PGV has a combination of "Use Only", and "Impose & Use".

Review of Past Applications

- A review of each project was completed using project closeout documentation provided by the Airport and Talbert & Bright.

- A list of assumptions and data sources was developed and provided to the Airport for each PFC project to identify a final project cost for the PFC program.

Recap of next steps

- Submission of Amendment Request Documents to the FAA.
- Upon approval of amendments, complete disbursement of \$350,344.35. These funds are reimbursed for past eligible expenditures and can be allocated for future utilization by the Airport.
- Submit closeout documents for 11-04, 14-06, & 14-07.
- Commence review of remaining PFC applications (16-08, 18-09, 19-10).

Current Status of the Program

- The review identified a number of Amendments necessary to the PFC program.
- Amendment documents were prepared for submission to FAA.
- Upon approval of Amendments (typically 30-60 days for submission). The Airport will complete disbursement of \$350,344.35 from the PFC account.

Mr. Staff completed the presentation and opened the floor for questions. Mr. Staff feels the program is in a good place now. Chairman Clark thanked Mr. Staff for his diligence in fixing the PFC funds, getting the PFC account in order and finding \$ \$350,344.35 to be placed back into cash reserve account. This money will be taken out of the restricted account and transferring it to an account to be determined.

Director Hopper requested a motion to approve the amendments as stated by Mr. Staff, and the funds be moved into account 21-1100, Capital Reserve for future unrestricted use by the Airport. Secretary Monday made the motion to approve the amendment, Vice-Chairman Banks seconded the motion, motion was unanimous, motion carried.

AIP 51 Corporate Taxi-lane Grant Budget approval

Director Hopper informed the Board there was no record of the grant of \$1,791,896 being approved. Director Hopper asked for a motion to formalize, get Board approval and accept the

grant from the FAA. Motion was made by Dr. Morris, seconded by Vice-Chairman Banks, motion was unanimous, motion carried.

American Airlines Suspension

Director Hopper briefed the Board of American Airlines decision to extend the suspension until January 4, 2021, based on the extension of the CARES Act funding. Director Hopper has reached out to our representation in Washington and will continue to do so. Director Hopper informed the Board of American Airlines announcement to discontinue service for 3 of the 11 Airports. All of these airports are hubbed out of Philadelphia. Charlotte and Dallas are hubs American has indicated they would like to continue servicing. Director Hopper will continue reaching out to the representatives and keep the Board updated. The Airport continues to make repairs and improvements.

Operations Report

Director Hopper informed the Board the Airport received income from fuel sales for Charter and Medical flights, along with 4 Black Hawks. The military stayed at Pitt Greenville for the week and purchased around \$60,000 in fuel. Overall operations are down by 31%. Richard Nanney stated the jet tank has to be emptied and cleaned in January at a cost of \$7500. Quotes for this project will be available at the next Board meeting. Mr. Nanney advised CBC has completed roofing but there are still minimal leaks. Chairman Clark advised he would also like quotes at the December Board meeting for interior sheetrock, and painting where there are leaks.

Federal/Local Projects

- AIP-44 FY 17 DNL Land/Noise
- AIP-46 FY 18 Clearing/Obstruction/Land
 - Pending FAA Close out
- AIP-47 FY 19 ARFF Vehicle-in process, firetruck has not been delivered yet.
- AIP-49 FY 19 GA Apron
- AIP 51 Corporate Taxi-lane
 - No new information

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Load Factors

October 2020

High 75 %

Low 25%

Average 47%

October Operations Report

Fuel Sales 100 LL

Transient down 58 %

Based up 21.1 %

Fuel Sales Jet A

Transient up 19.5%

Based down 22%

Airline down 99%

G.A.R.D down 31%

Financial Report (Secretary/Treasurer Terry Monday)

The last 18 months have been spent revamping the accounting system. One of the first changes was entering all transactions receipts and deposits into QuickBooks on a 'real time' basis. At any point, we can see where we are financially. Accounts receivable is now on one set of books. With the server being on the county, this information is available at any time. Secretary Monday has developed 6 reports to present at each Board meeting.

Report 1

Three of the reports are Profit/Loss reports, a balance sheet and the AIP report. The first report compares the current month to prior month. One of the new changes is how we calculate fuel sold. Previously, we expensed the fuel when purchased making the revenue and expense accounts unbalanced. Now we record the fuel when it is put in the plane. A "cost of goods" was added to the PNL report. We are recording the fuel into inventory when we purchase it and take it out of inventory when we sell it. QuickBooks uses the "average cost method of accounting. We set up each fund as a class which is just a different mechanism to track activity in the same set of books. Accrual basis reports shows \$180,000 in fuel sales in October, cost of goods shows we spent \$60,000 on fuel. With this new accounting system, November will be the first "clean" month due to transition from the old to the new. Parking revenue in September was \$10,127.00, October was only \$2442.00. November revenue as of the 17th was only \$969.00. The airport is losing from \$400,000 to a half million in parking alone.



Report 2

This report shows the month-to-month operations with current YTD to prior YTD on an accrual basis. Until now, business has been consistent. July 2020 thru October 2020 parking revenues was \$34,000.00 versus July 2019 to October 2019 revenue \$176,000. ESP credit funds have been moved into the “Other Income” from the “operation’s” fund as this money is not part of the day-to-day operations of the airport. The county and city give us ESP funds every quarter based on the value of the tenant aircraft and takes paid to the county. We refund this money back to tenants as an ESP credit. Chairman Clark said it was nice to actually “see” this information in real time and stated the value of it when trying to plan the operation budget.

Report 3

This report shows the last 3 months to see what it actually cost for day-to-day operations. In November the operating cost was \$64,836. The CARES Act Grant will reimburse the airport a majority of its operational expenses.

Parking revenue

August \$10,827
September \$10,127
October \$2042

Fuel Sales

August \$66,000
September \$84,000
October \$180,000

Operating cost

August \$104,000 (loss)
September \$72,000 (loss)
October \$64,000 (profit)

The CARES Act grant is in class 65-3896. To date we have received \$979,000 from the grant. This comes from the “big ticket” items April sent for reimbursement including utility bills, and salaries. The grant has also helped in offsetting the operations cost deficit. Capital Outlay consists of all projects funded by the grant. The grant will not reimburse the airport for revenue producing items such as fuel purchases. April did inform the Board the total amount was not accurate because it only showed July to October. Some items were reimbursed in June.

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Report 4

This report is the balance sheet. Secretary Monday stated we had two separate checking accounts. One account is for PFC only and the other consists operational gains. Both accounts are with Southern Bank.

Report 5

AIP Projects (Airport Improvement Projects) showing we currently have 5 active projects.

Report 6

AIP Projects from January 2014 to October 30, 2020.

Each of these reports are in “real” time enabling us to see how much money has been spent, and where the airport is financially. They also show how AIP ties back to the balance sheet. The next step is to get the accounts payable and receivable cleaned up. Secretary Monday said these changes were part of a group effort.

Chairman’s Comments

After thanking everyone for rescheduling and attending the meeting. Chairman Clark asked if there were any further discussion or questions. April asked if the December 16, 2020 was going to be rescheduled due to the holiday. Chairman Clark asked the group if there were any conflicts and hearing none, the meeting will stay as scheduled. Chairman Clark adjourned the meeting.

Respectfully submitted,

Wanda Smith

Administrative Assistant