

Wednesday, August 19, 2020



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

Pitt-Greenville Airport Authority  
Held on August 19 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, Terry Monday, Secretary and Treasurer, Dr. Dan Mayo, and Cheryl Brown. Board member via Zoom: Chris Nunally Board Member not in attendance: Will Litchfield.

Staff members in person: K.W. Bill Hopper A.A.E, Executive Director, Richard Nanney, Operations Manager, April Cannon, Finance and Administration Officer, Steven Holloman, Line Officer and Wanda Smith, Administrative Assistant. Attendees via Zoom included Attorney Dave Silver and Eric Stumph of Talbert & Bright, Inc. Guest speaker via Zoom was Mr. Christian Perreault, Consultant, Explorer Solutions.

Public Comment Period: Chairman Clark confirming there was a quorum, opened the public comment period. Chairman Clark invited any members of the public to come forward. With no one coming forward, and no one on the phone, Chairman Clark called the Pitt-Greenville Airport monthly Board meeting to order.

Chairman Clark then opened the meeting with the minutes from the previous meeting

Minutes from March 18, 2020 and July 15, 2020 Board Authority Meeting

Minutes from the March 18, 2020 and the July 15<sup>th</sup> meeting were emailed to all members for review. Motion to approve the minutes was made by Dr. Jim Morris, seconded by Vice-Chairman Banks. Motion was unanimous, motion carried, and both the March 18<sup>th</sup> and the July 15<sup>th</sup> minutes were approved. He then turned the floor over to Director Hopper.

As an accommodation to our guest speaker Christian Perreault, the Hangar Rates Survey was moved up on the agenda. Director Hopper introduced the guest speaker and turned the floor over to Mr. Perreault.

Benchmarking Analysis of Hangar and Land Lease Rates Survey (a copy has been emailed to board members)

Mr. Perreault conducted a benchmarking analysis of federal aviation airports with focus on 5 airports including Rocky Mount, Fayetteville, Raleigh Executive, Coastal Carolina

and Wilmington to define a series of data of annual rates on hangar and land leasing rates. He also wanted to show the average rate to see if there were any built in increases or additional fees. The report was broken down by older and newer hangar with an average of \$2.25 most having a built in increase of 3% annually and some every 5 years. Newer hangars were charging \$2.66 per sq. ft. annually as the regional average. Pitt Greenville was on average with the T-hangar.

Corporate Hangars were broken down into 2 types, Older were about \$1.18 annually and the new was right in the middle. Annual leases were adjusted to CPI or at 3% across the board, including rent space, and car parking. Newer ones were estimated between \$5.20 and \$7.35. Rocky Mount and Goldsboro were at \$3.00 range and Raleigh was at \$8.00. We were at \$6-8.00. With room to build if the need arose. Our pricing was pretty much in line with the region.

Reverting was mentioned which is when you take ownership of the building when the land lease expires. Airports react to market conditions and values are going up and banks are extending leases to 30 years as opposed to the 20 years in the past. Now they are making money on leasing the land in addition to making money on leasing the building. This creates an income of around \$6,000 per month. Mr. Perreault concluded his review and opened the floor for questions. Chairman Clark asked if Rocky Mount was charging \$4-6 per sq. ft., borrowing money from the bank and getting a 20-30 year lease for Corporate Hangars yielding revenue of around \$6,000.00 per month. *(this information can be found on page 11 in the survey)* Mr. Perreault confirmed. Chairman Clark also asked what he saw as strength and weakness in the demand for Corporate Hangars and Mr. Perreault replied that it was strongly based on the economic growth of each region. Overall they do see a demand and market it as a real estate project. Secretary Monday stated that most aviation entities are waiting until the demand from the client is there before they build. Mr. Perreault thanked the group and ended the summary of the survey.

### Executive Directors Report

Dr. Morris asked about our rates and why they lacked a cost of living increase. Asking if we were too high? Director Hopper stated we were in line with New Bern and Rocky Mount. Dr. Miller inquired if we were where we wanted to be and lack of cost of living raises in general. Vice-Chairman Banks stated our rates were fair and reasonable and had been discussed earlier in the Finance Committee and would address these questions later in closed session.

Director Hopper informed the group of the \$ 1.2 million in equipment (*also shown in handout*) included in the Operating budget under “Capital Outlay”. One of the findings in the Audit was that we did not have budget ordinance approvals for these items. We are taking this particular thing which will include equipment we will be purchasing. We will be adding that in to the operating budget. It comes out as capital outlay. We will have the equipment as we have the purchases. We will be reimbursing them under the Cares Act funds. Items will be on the list and taken off once they have been purchased and reimbursed by the Cares Act. Next year we will have the \$300,000, over a 3 year period. After Cares Act funds expire it will vary year to year based on the equipment we will need to purchase. This will be part of the operating budget under capital outlay.

April Cannon, Finance and Administrative Officer told the group the auditor wants this claimed upfront instead of at the end as done in the past. This will insure easier tracking of the Cares Act money. Secretary Monday says we will meet the October deadline. Secretary Monday would like to wait until the auditor’s report comes back to discuss this further. Chairman Clark said we would come back to this at the next board meeting.

Transfer \$592,558.80 from fund 21 to fund 65 (2015-2018 Audit)

April informed the board these funds from 2015-2018 operations fund of \$592,558.80 were transferred from an internal side were never “o” out according to the auditor they went through a cash account that was no longer in use. The board had already approved this back in April, the Board needs to re- approve the transfer and it will balance out the account. Motion was made to approve, Secretary Monday made the motion, Dr. Morris seconded the motion, motion was unanimous, motion carried.

\* Vice-Chairman Banks requested the next meeting we use external speakers and microphone.

\*Cash Reserve Budget-PFC Budget-Tabled til next meeting per conference with McFarland

Board Vote

- Pecheles Automotive purchase Courtesy Van (2020 Ford Transit)
- Courtesy Van will serve double duty
- Actual cost \$26,647.00 budgeted \$36,000.00

- 7 passenger
- Funded by Cares Act
- Quotes from 2 Ford Dealers and 1 Chrysler

Dr. Morris questioned the size and Mr. Nanney responded the 7 passenger would accommodate our needs and the cost of insurance would be more to go with a larger passenger van. A motion was made to approve the purchase. Dr. Morris moved to approve, Dr. Mayo seconded the motion, motion no further discussion was requested, motion was unanimous, motion passed. Chairman Clark asked how often we utilized the current courtesy vehicle, Director Hopper replied it was a consistent need with a small gap in times it was unavailable.

#### Leadership Institute Reception

- Chamber of Commerce
- Hosted by Parker Overton
- Chairman Clark and Director Hopper are both graduates of the Leadership Institute.
- Helps make the airport more visible in the community.
- Engage the community to recognize Pitt Greenville as their local airport.

#### Federal/Local Projects

##### AIP-44FY 17 DNL Land/Noise

- Remains open hoping to acquire more land.

##### AIP-46 FY 18 Clearing/Obstruction/Land

- Closed received letter from FAA stating officially closed.

##### AIP-47FY 20ARFF Vehicle-Addition

- Continues to project a November delivery date.

##### AIP-49 FY 20 GA Apron

- Work going on right now.
- Please with Barnhill as the contractor
- Chairman Clark questioned if we would have to straighten the road behind Dillon's for TSA compliance and mentioned that we would definitely have to go to a category 3 for security if we wished to get larger planes in here. We can bring in

the delivery trucks now but they have to be escorted.

- Director Hopper had 3 different contractors come out and look at the parking lot in reference to sealing the parking lot. Vice-Chairman Banks complimented him for this effort.
- Progressing well. One of the contractors informed him that simply sealing the parking lot would not suffice. He feels strongly that staying with Barnhill may be in our best financial interest since they are already on site.

#### Corporate Taxi-lane

- Working on the paperwork with hopes to start within the next 60-90 days.

#### Load Factors

<b>July 2020</b>	<b>June 2020</b>
High 81%	High 57%
Low 33%	Low 23%
Average 51%	Average 44%

Director Hopper continues to monitor the passenger loads on a daily basis, low surges around the country and travel continues to be leisure travel. Business travel has still not picked up. Companies are not sending their people out right now. In September planes will be coming in and not going out till the following morning. Obligations for Cares Act funding ends October 1<sup>st</sup>. At that point they can lay people off and take routes out of their system.

Director Hopper has been talking with Margaret Muir who does our Network Planning at American Airlines, and Will Berchelman, our consultant. Margaret indicated they would be going to 65 passenger plane come October. (CRJ 700) Director Hopper was told there is a high demand for transient nurses and medical staff based on a discussion with Todd Hickey at Vidant. Even with that, Director Hopper projects September to be a hard month for the industry as a whole. No one will be taking vacation and business travelers will still not be traveling. He will continue to monitor this very closely. Director Hopper will keep everyone informed as well as keeping our consultant informed.

Vice-Chairman Banks asked about repairs to the Jet Bridge and was informed that those started last week and is an ongoing process. Chairman Clark asked about Will and Jack's position on the reduction to 1 flight a day? Does this position us to get an additional carrier? Asking how this affects us in getting an additional carrier? Director Hopper feels we have the demand and if American continues to lower their offerings it leaves an

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opening for another airline. They are looking at their fleet and the balance of their demand. The demand was there before this hit, so it maybe a case that another airline will say they want to get in piece of that because American is leaving that open and that's what Director Hopper has been discussing with Will. Dr. Morris suggested we would see a difference when the vaccines are more available as well, when people can be vaccinated against this. We are probably not going to get a settlement until after Labor Day.

### Operations Report

#### *Fuel Sales 100 LL*

Transient down 18.6 %  
Based down 27.7 %

#### *Fuel Sales Jet A*

Transient down 71.3%  
Based 1.5%  
American down 83.9%

Passengers down 59.51%  
Passengers YOY down 50.31%  
G.A.R.D. down 16%  
Parking Lot down 75.3% and 1.7% YTD

\*Chairman Clark feels seeing the down comparison from current month to prior year is irrelevant, he would like to see how we are trending month to month in the future.

Questions about the PAX numbers and G.A.R.D. 100 more in July than in June. Vice-Chairman Banks evaluates traffic on the 826? Are we keeping up with the information? The board asked that Director Hopper contact Betty for the missing data. Chairman Clark requested we have this by next month's meeting.

The Cares sheet will count down the amount of money spent, and see real operations month by month and clearly articulate what we are losing.

\*Per April, the break-down of the Operations Revenue amount is the amount of the operations that we actually collected through the operations account without the Cares Act money. After speaking with Dennis Walsh from FAA, she has to review a lot of it because the fuel reimbursement, we thought we could get, we cannot be reimbursement because we collect revenue on it. She will be submitting paperwork for reimbursement for salaries



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and send all invoices to F.A.A. She feels all salaries will be refunded 100% and the funds will go back into the Operations fund. Anything we are reimbursed for has to be split out and subtracted. It's 100% that's not reimbursed by someone else.

Per Secretary Monday, we lost \$60,000.00 in July, but we got \$259,000.00 in Care's grant money. Money goes back into the operations fund. Where do we want to put the Care's money (Income or Revenue) Vice-Chairman Banks would like to see real operations month by month clearly articulating what is lost. Director Hopper would like to see what the shortfall are and what is reimbursed by Cares.

### Financial Report

July 2020

- Operations Revenues \$129,690.89
- Plus the Cares Act Reimbursement \$259,922.08
- Minus the Expenses \$ 238,678.67

Net income \$150,934.30

YTD Net \$150,934.30

- Cash balance \$2,458,207.88
- Hangar Construction Fund \$1,306,096.02
  - Corporate Hangar \$ 13,036.00 YTD \$ 842,170.66
  - T-Hangar \$ 5,245.00 , YTD \$ 463,925.36
- Unrestricted \$762,241.35
- Total Restricted \$1,083,979.43
  - Current Project Restricted \$ 389,870.51
  - PFC Restricted Checking Account \$ 694,108.92

Motion to go into closed session was made by Vice-Chairman Banks, seconded by Dr. Mayo, motion was unanimous, motion carried. Attorney Dave Silver recused himself due to a conflict of interest.

After returning from closed session, motion to adjourn Terry Monday, seconded by Dr. Mayo, motion was unanimous, motion carried.

Respectfully submitted,

Wanda Smith

Administrative Assistant