

The regular meeting of the Pitt-Greenville Airport Authority was held Wednesday, February 15, 2017 at 11:30am 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; Jim Morris, and Julie Carlson. Staff members in attendance were Betty Stansbury, Executive Director; April May, Business Manager; and David Silver, Airport Counsel. Visitors attending were Michael and Callie Herring of the Red Heron Café, and Dave Nelson, TSA.

Chairman Banks called the meeting to order and confirmed there was a quorum and 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.

Stansbury introduced Michael and Callie Herring to the board as the proposed tenants of the Red Heron Café. Michael stated that they want to bring a great cuisine to the airport. This will give more healthy choices for people to have in this area. They currently have a restaurant in Williamston since 2014, so this will be their second establishment. Their attendance at the meeting is also to address the board with the possibility of signing a lease for the terminal restaurant.

Next to speak was Dave Nelson. He is with the Civil Air Patrol and also works at the Transportation Security Administration (TSA). He wanted to note that he has been around this airport for 10 years and would like to have input and understanding of the airport operations.

The Board then addressed the MINUTES OF THE REGULAR MEETING HELD January 18, 2017. With there being no changes made and no questions, a motion to approve the minutes was offered by Buddy Zincone, seconded by Julie Carlson, and the vote to approve was unanimous.

Action Item Lease:

The board then took into discussion the signing of a 2 year term lease with Red Heron Café Inc. The lease rented rate will be 10% of gross revenues with a minimum of \$200 a month and a maximum of \$2000 a month the first year and \$3,000 a month the second year. It will contain a 60 day escape clause. This lease will be effective March 1, 2017 with renovations starting as soon as approved. The estimated opening date of the restaurant is April 1, 2017. Banks stated that this business has a lot of potential customers in the surrounding area. There is discussion for complimentary parking for public customers who do not have a flight going out. The board also suggested that the restaurant be used for internal catering options if available. An authorization to sign a food/beverage and general merchandise concession agreement with Red Heron Café, Inc. for a term of two years was voiced by Jimmy Garris, seconded by Jim Morris, and unanimously approved.

The board then went into closed session to discuss matters that are within the attorney-client privilege, and to consider the conditions of employment of a public employee. The Motion to go in to closed session was made by Jim Morris and seconded by Jimmy Garris.

Motion to come out of closed session was made by Buddy Zincone and seconded by Jim Morris.

Per Dave Silver during closed session the authority discussed a pending potential litigation regarding two airplane owners, who alleged fuel contamination. Internal review of fuel activity for the truck used on the day of alleged contamination indicated a total of 8 aircrafts fueled that day, and no other aircraft reported fuel contamination. All the filters and tanks have been inspected and there was no evidence of any contaminants. This potential claim has been turned over to the airport insurance company for further review.

Updates:

Community Service has had 3 people working totaling 11 hours this month. The board was advised this is for people who are involved with the community service work program. They are supervised by the airport employee that they are assigned too. There are also restrictions on who is allowed to work at the airport based on the nature of the conviction.

The load factors for the airline flights for January varied from 45%-92% with an average 73.52%.

During the last meeting it was questioned what subsidies other airports have. There are 6 commercial service airports including Jacksonville, New Bern, Concord, Fayetteville who will be compared to PGV. 6 General Aviation airports will be included in the survey, and partial data shows they are subsidized in various amounts including Washington \$118,656, Pinehurst \$141,668, Rocky Mount \$118,000. Stansbury stated she is still researching the budget and financial information for the remaining airports. Stansbury stated she should have the numbers before the city and county meeting.

Flood Update:

The current flood expenses to date are \$211,000. We have a few more invoices that still set to come in. We have received \$194,174 from insurance to repair/replace the damages that occurred. This is not including the repair of the taxilane.

Taxi-lane replacement project:

The corporate taxilanes have a previous existing cracking that occurred in the pavement. When the flood occurred it has made the damage worse and the pavement needs immediate replacement. This project is currently in design now with a bid opening in late May. The construction is scheduled to start early July, with 3 months to finish. The project will reduce the taxilane width from 150ft to 35 feet. A target completion date is set for no later than October 9th (one year anniversary of flood). Engineers have a preliminary opinion of the cost \$1.86 million. If NCDOT is unable to provide funding for the taxi lane project than it will be the airports responsibility. We have applied for state funding and have received no word yet if it has been accepted. Mayor Thomas is set to meet with some of the legislators on Friday to offer information regarding the necessity of the project and funding needed.

Stansbury stated that the airport is also still in the process of the \$366,000 funding reimbursement from NCDOT regarding the corporate hangar project. Phil Lanier has left the NCDOT to be the airport manager at Johnston County, so the information has had to be re-presented to different employees. A meeting is being set up between Betty and the new project manager at NCDOT for clarification on projects, grants and any necessary information needed to close out old grants.

Federally funded projects:

Lights/signs/vaults project has a start date of March 27th with a completion in late July. The taxiway lights will be done during the day, but the runway will be done during the night.

Stansbury stated that regarding Rwy 2/20 reconstruction project she removed the abandoned runway per the board's request and removed the paved shoulders from the project per FAA request because they will not have sufficient funding available. This reconstruction project has an estimated cost of \$8 million with a local match of either \$800,000 or if NCDOT pays 5% of the match then the local share will be \$400,000. Grant is expected in Sept. with a start time is late spring/summer 2018.

Stansbury stated the rotating beacon will be included in this project. The beacon has a rusted structure that needs to be replaced. Banks advised he requested the beacon be moved to a different side of the runway.

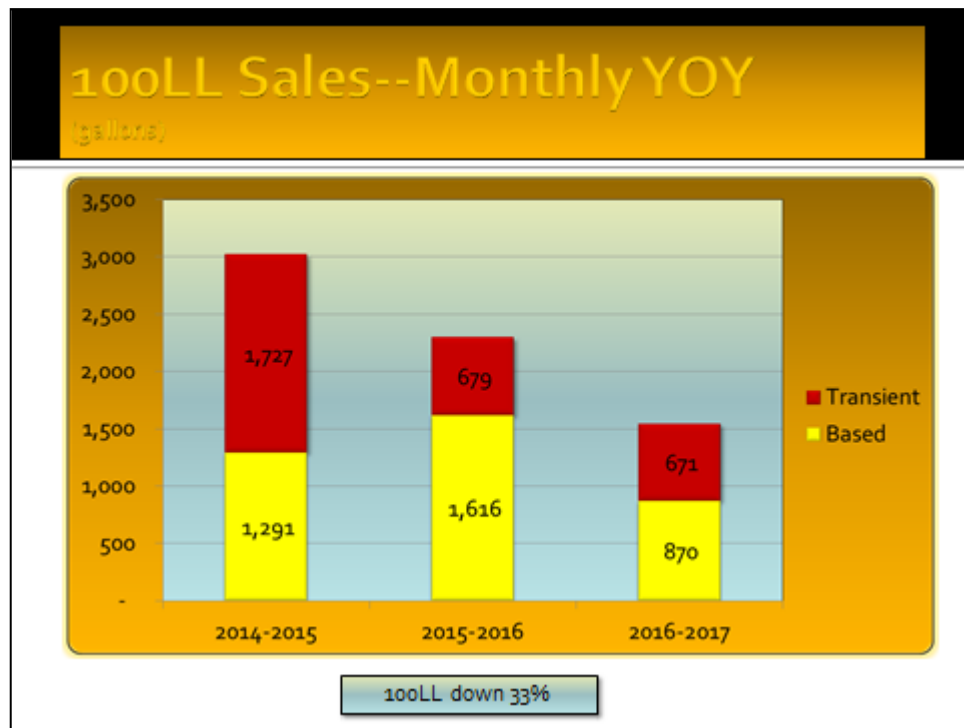
The board then discussed the Financial Report:

In January the Revenues are \$251,337, Expenses \$232,494, Net Income \$18,843, Cash Balance \$4,373,919 .YTD-FY Net Income \$16,041. Workers compensation annual audit resulted in a refund of \$9,595. There has also been a reduction to this year’s Airport Liability insurance premium in the amount of \$1,464. The FY 15-16 audit is also completed; we are still waiting on Local Government Committee approval and should be available for board approval at the March meeting. The authority stated they would like a consideration of new auditors for 16-17 FY.

Stansbury than informed the Authority that there will be a transition from Jenkins to the County for accounting. PGV and the County must approve a Memorandum of Agreement regarding responsibilities and liabilities. Stansbury said that she and the county still have to work out the details of the transition. The system will be set to load the FY 17-18 budget in May. Munis training will be done in early June, which will have a onetime cost of \$5300 for three days of on-site training. Munis is planned to go live July, 1 2017.

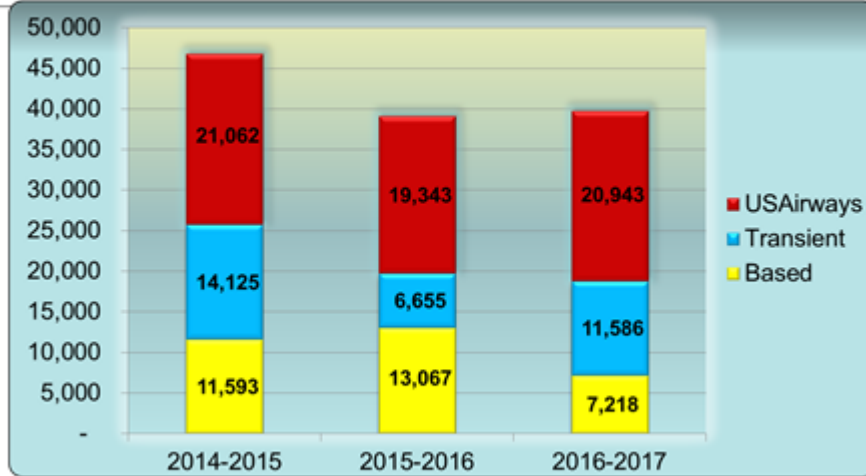
The Authority was then requested to take under discussion the Airport’s Operational & Maintenance Report, Parking Lot Operations and Regional Airline Carrier activity

Stansbury started out stating that the fuel sales for January were 1,541 gallons of 100LL (down 33%), 18,804 gallons of JetA and 20,943 gallons of Airline (up 8.2%). The parking lot revenue was \$39,052 (up 14%) even with a 2 day closure due to the ice event. Total passengers are at 7,129 (down 10.2%).



Jet A Sales—Monthly YOY

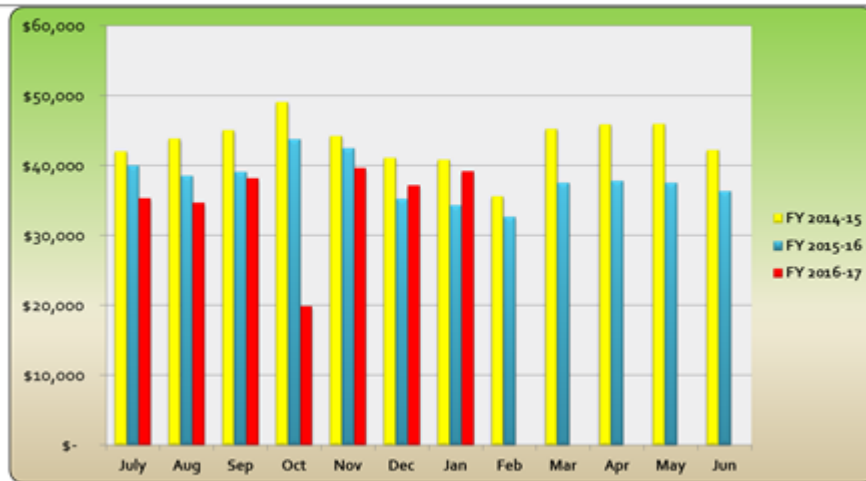
(gallons)



Based down 44.7%...Transient up 74.0%
American UP 8.2%

PGV Parking Lot Operations

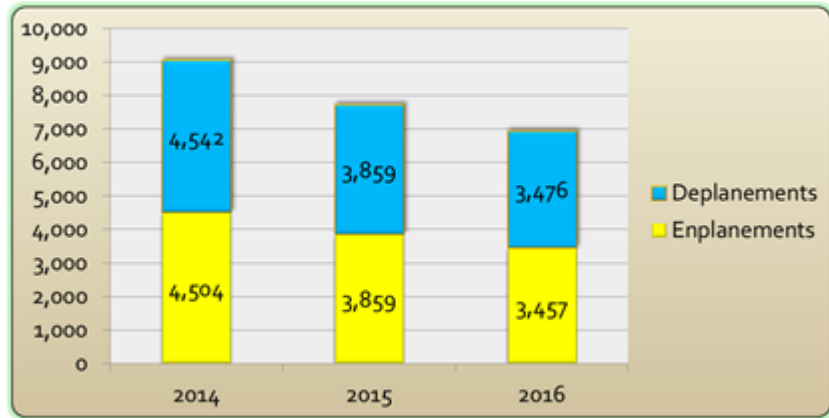
FY 2016-17



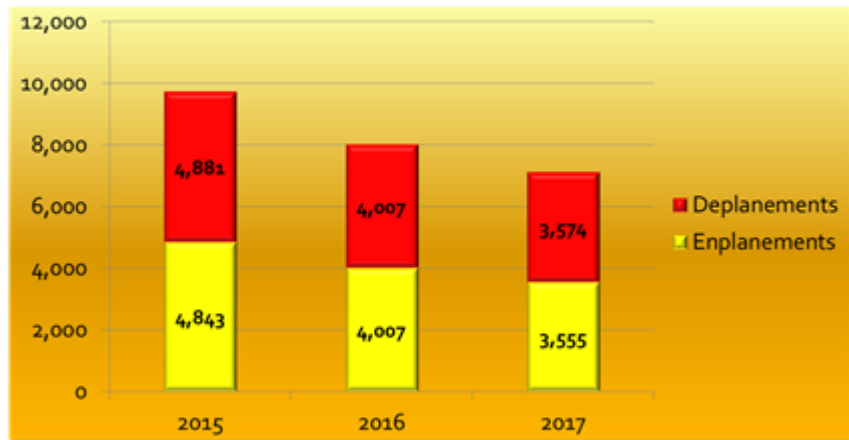
Parking Lot Revenue up 14.0% \$4,763 (01/17)

January

DOWN 10.2%



Pax Traffic YOY-To-Date



Stansbury stated that regarding the parking lot renovation she has negotiated the price lower as per board request below \$200,000. The new equipment is expected to be operating July 1 and should take 3 months to purchase and install. The company is currently waiting on Stansbury to get prices to add the second exit lane. Stansbury and attorney will consult regarding placing bids for construction.

The airport has set a designated location for protests and others protected by 1st amendment activities. This will be in the grassy area beside the terminal door. There will be no interference with passengers. Silver stated that he will email Stansbury a design of a designated area that has already been developed during a previous meeting.

Chairman Comments:

Banks and Stansbury are attempting to schedule workshops for meeting presentations to City and County. This will show the expenditures and projects over the next 5-10 years. Dates will be reviewed by all parties and decided.

Greenville Convention and Visitors Bureau has requested a joint meeting to discuss challenges, airport operations and air service development.

Banks also stated he would like the board to discuss development plans for the future. The airport needs to consider whether they will be building more hangars in the future. There is a waiting list currently for T-hangars, so there is a possible need for more development.

Action Items:

Parker Overton's offer and lease of \$150,000 purchase plus 17 year ground lease at \$0.875/sf/yr. (\$8352 total) with escalators at 5/10/15 years for CPI. It has been advised that CPI needs to be included in future leases. Maintenance will become his responsibility and must maintain good working condition. The request to authorize the Executive Director to accept an offer to purchase a building at 1109 Memorial Drive, and to enter into a land lease with V. Parker Overton for a term of 17 years was voiced by Jim Morris, seconded by Jimmy Garris, Eric Clark abstaining his vote due to potential conflict of interest ending in an approved vote by the board.

Contract with Eden and Associates for a lump sum of \$18,321 for due diligence, land-use limitations, preliminary cost analysis and developmental budget, graphics, RFP/RFI development, third party development, grant funding with completion time being 120 days. The request is to authorize the Executive Director to sign a contract with Eden and Associates for services related to development of the PGV Commerce/Technology Park, for a lump sum of \$18,322 voiced by Buddy Zincone, seconded by Jimmy Garris, and unanimously approved. Banks also requested that as information is obtained that Stansbury send details to the board.

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 11:30am on March 15, 2017.

Respectfully submitted,

Betty Stansbury