

The regular meeting of the Pitt-Greenville Airport Authority was held Wednesday, January 18, 2017 at 12:00 noon 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; Aileen Wilson, and Julie Carlson. Staff members in attendance were Betty Stansbury, Executive Director; Matthew Johnson, Operations Manager; April May, Business Manager; Erin Henry, Executive Assistant; and David Silver, Airport Counsel.

Chairman Banks called the meeting to order and confirmed there was a quorum. The board then went straight into closed session to establish, or to instruct the public body's staff or negotiating agents concerning the position to be taken by or on behalf of the public body in negotiating the price and other material terms of a contract or proposed contract for the acquisition of real property by purchase, option, exchange, or lease. The Motion to go in to closed session was made by Jimmy Garris and seconded by Julie Carlson. Motion to come out of closed session was made by Jim Morris and seconded by Julie Carlson.

Banks then placed an amendment on the floor to advance negotiations with tenants on leases between the Executive Director and the tenant to have the appropriate documentation made. The motion was voiced by Jimmy Garris, seconded by Eric Clark, and unanimously approved.

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.

With there being no public comments the board then took under discussion the MINUTES OF THE REGULAR MEETING HELD December 21, 2016. With there being no changes made and no other questions, a motion to approve the minutes was offered by Julie Carlson, seconded by Jim Morris, and the vote to approve was unanimous

#### Updates:

Stansbury started the discussion presenting information about airline load factors (percent of seats filled with revenue passengers). In December the average load factor was 78%. The airline looks at 75% of higher being a good number.

Quotes for flood insurance premiums are still pending review for more accurate numbers. Stansbury stated that she wants more information regarding the deductible and premium amounts given by the insurance broker. She will provide the board with actual numbers in February's board meeting.

In reference to the 15-16 Fiscal year Audit, the auditors are 95% complete. It still requires approval by Local Government Committee, then to the PGV Board at February meeting for acceptance. The audit results came back with a net loss of 225,764 for 2016. Banks advised that majority of that is due to LEO costs and Storm water fees.

Stansbury continued by informing the board that the Sixel conference and SCASD grant Application deadline has not been announced yet however in 2016 it was announced in March, with a May due date. In 2016 there were 36 applications, with 9 airports selected. The airport paid \$7,500 to Sixel to prepare the 2016 application, so in 2017 the price would be discounted to \$5,000. The application takes about 4-6 weeks to prepare. The contract with Sixel expires 12/31/17 however Sixel has split into different companies including Volaire (former Sixel) who will price match the contract. Volaire consists of four of the top members of Sixel who left and started a new firm. Even though Sixel's contract does not end until December it is per task, per project contract. Stansbury recommendation is that the board goes with Volaire for the SCASD grant. Stansbury

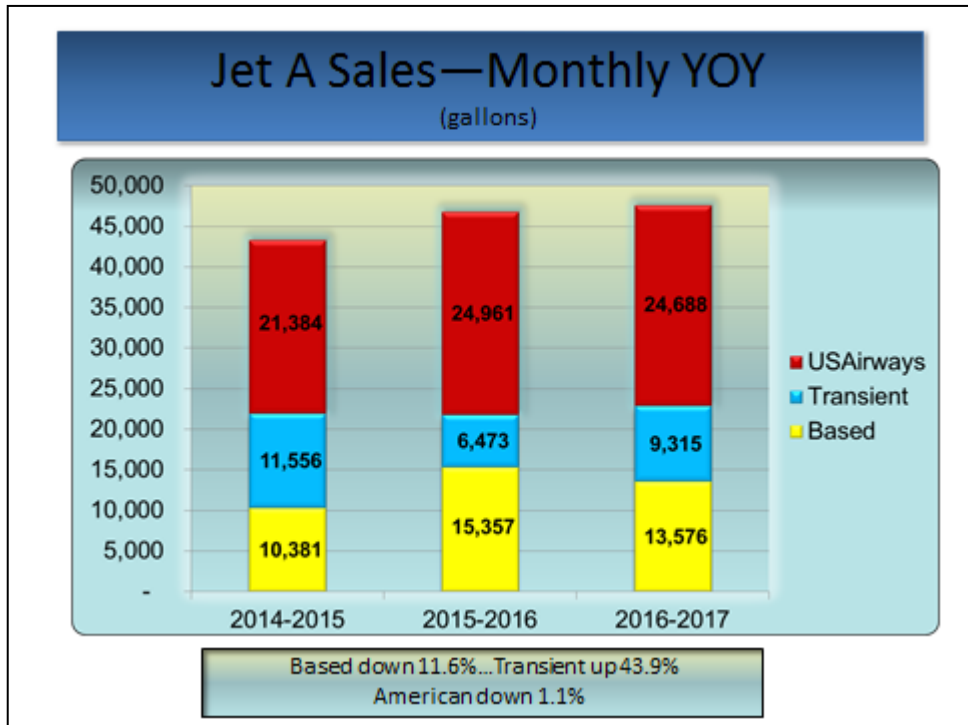
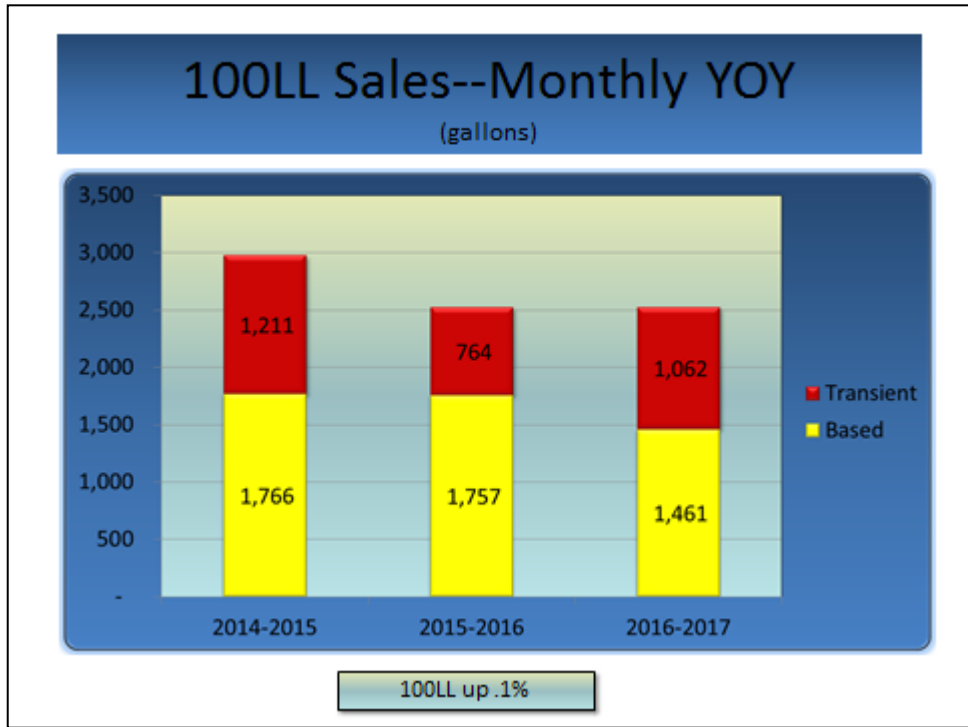
stated that Volaire has the negotiation skills they need to communicate with the airlines to get a letter for the grant. The board agreed unanimously to proceed with Volaire for the grant process.

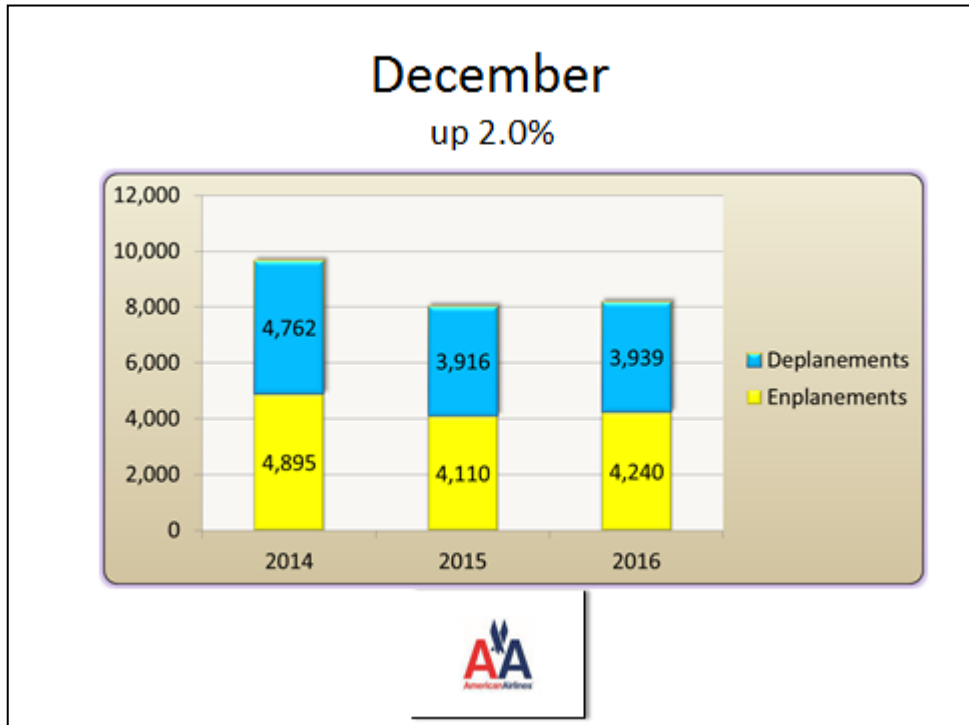
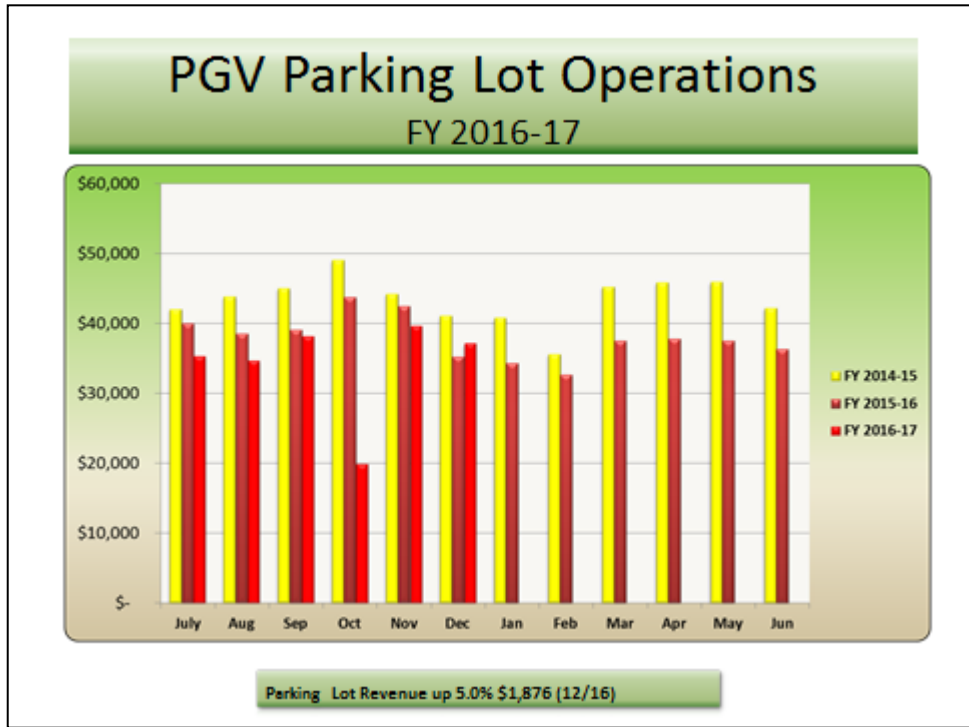
The Board was then informed of the Snow/ Ice storm that occurred on Saturday January 7<sup>th</sup>. The airport received 1.5" snow/sleet on top of 1/4" ice. American Airlines ceased operations Friday afternoon, resuming on Monday evening. The Airport closed Saturday 1/7 (Runways at 12:30pm, terminal at 2:00pm). On Monday afternoon the airport reopened at 1:00pm (rwy8/26) and 2:40pm (Rwy 2/20). The airport attempted snow/ice removal using mechanical (plows and brooms) and chemical methods (4000# of prilled urea, cost \$1300) for ice removal. Unfortunately Urea is ineffective below 22 degrees, and was unable to penetrate the ice before diluting. This resulted in slush which refroze and we ended up with 3/4" ice on runway. This caused twelve airline departures to be cancelled, one casino charter return delayed (scheduled Sunday afternoon, actual Tuesday afternoon return). Two based corporate jets were diverted to other airports; one based corporate jet also had a delayed departure.

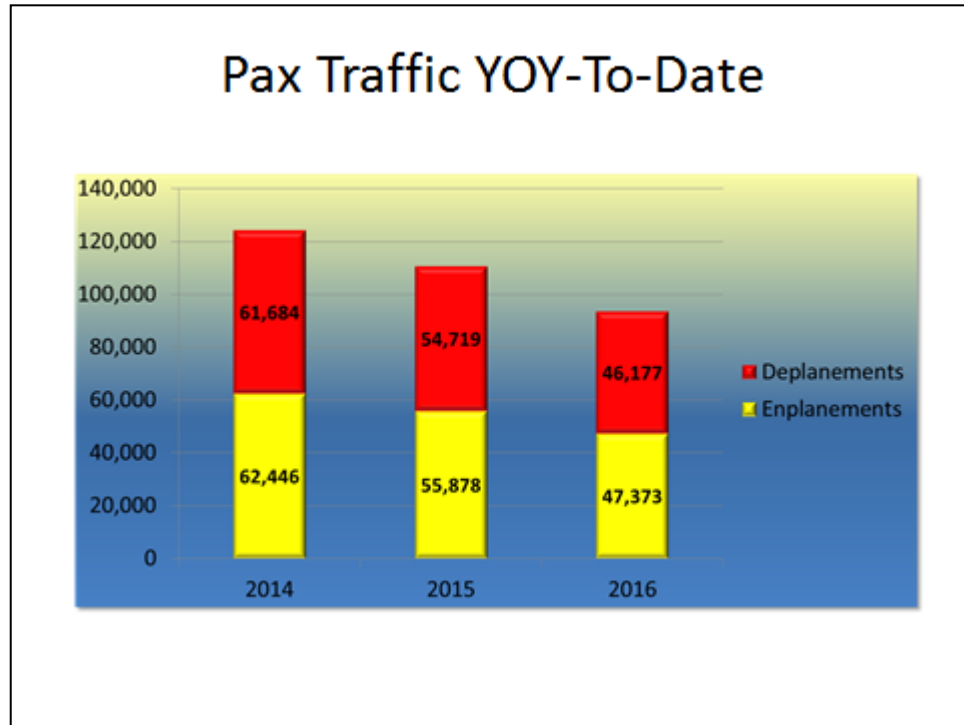
Stansbury informed the board that on December 23, 2016 there was a report from a based tenant who was having performance issues with their aircraft due to possible fuel contamination. The fuel truck was immediately taken out of service and was inspected on the 28<sup>th</sup>. The technician from the fuel company inspected the fuel truck for 6 hours and found no contamination. The filters, fuel, and housing system were clean. During this process only one strand of material was found on the outside of the container holding the filter. The fuel company has also offered to do testing, and the manufacturer of the filters is also offering to test the fibers to identify the material. The two aircrafts involved were questioning who will be responsible for the cost of their inspections. It was advised that until the nature and the source of the contaminants could be determined, it was premature to assign responsibility for damages. Banks also noted that the two aircrafts affected are housed in the same hangar, received fuel at PGV and other airports, and are maintained by the same maintenance corporation.

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 December were 2,523 for 100LL, 93,550 for JetA. The parking lot revenue was \$37,000 up 5%. Total passengers are up slightly at 2% at 8,179. The year over year to date passenger level is down 15% from last year with a total of 93,550 passengers. Banks advised the planes are full, but we are down one flight compared to previous year. The following graphs depict the fuel sales in gallons for a three year period for October.







The Board next reviewed the Financials:

In December the Revenues are \$213,462, Expenses \$234,738, Net loss \$21,276, Cash Balance \$4,364,240. Unrestricted funds are at \$1,931,060, and Restricted \$2,433,180. Stansbury advised that restricted does include PFC funds and federally funded Projects. At the midpoint of the fiscal year Revenues \$1,338,064 (47%), Expenses \$1,340,866 (47%), Net loss \$2,801. The Audit results for FY 2016 show an operating loss of \$225,746.

Action Items:

The board then took into discussion to Authorize travel for the Board Chairman and Executive Director to attend the North Carolina Airports Association annual conference March 26-28 in Pinehurst, NC (costing \$1500 for two people) and the Sixel Air Service Development Conference in Melbourne, FL on April 2-4 (costing \$3200.00 for two people) which was approved by board unanimously.

Stansbury continued the discussion by requesting authorization for the Executive Director to sign a work authorization with Talbert and Bright to perform a short form Environmental Assessment for a raise of the profile grade of runway 2/20; for design and bid services for runway 2/20 drainage pipe replacement, runway profile grade correction, paved shoulders, and abandoned runway pavement removal, for a not to exceed amount of \$263,063; to apply for an accept federal and/or state grants for the same amount; and to commit to fund the local matching share (up to 10%) from airport reserves. Banks stated that removing abandoned runway that has been there many years is not a necessity for the airport at the current time. It was also discussed the reasoning of paved shoulders. Stansbury advised the paved shoulders will reduce amount of time it takes to mow around the lights. From an operations perspective Matthew Johnson advised it will offer less maintenance issues with lights. Banks also stated this will help improve visibility for pilots. The motion was voiced to leave the abandoned runway as is, but to move forward with the rest of the work authorization voiced by Jim Morris, seconded by Buddy Zincone, and unanimously approved.

The board then discussed a request to authorize the Executive Director to amend an existing FAA grant agreement (AIP 40) to add the acquisition of a trailer-mounted spray system for a not to exceed price of \$55,000; to allow the use of already appropriated funds for the local match; to solicit quotes and award a contract for acquisition. Banks stated that there are cheaper options that will be sufficiently useful to de-ice the airport. It was mentioned that potassium acetate could be an option for chemical use. It has a timeline of 12 effective hours. Stansbury stated that the current chemical is not efficient enough for accumulated ice. Banks stated that this equipment was not a reasonable cost, when there is other types of FAA approved equipment out there. The board chose to not approve this request and directed the Executive Director to look for other less expensive solutions.

Chairman Comments:

Banks stated out stating that Betty Stansbury needs to contact Eden & Associates regarding grants and which ones are available. He also mentioned that he would like to set up a meeting with the other entities, commissioners, officials to advise them of the burn rate and financials. This will give them the information to understand than at some point the airport will need their assistance. Banks also mentioned that he asked Betty Stansbury to research on other airports similar appropriations to receive help from the city and county is being conducted.

Banks also noted that there is a Federal Law regarding the protection of airport staff. If someone is verbally/physically assaulted by anyone it is now considered a violation of the federal law and the person can be prosecuted.

Banks informed the board he would like to see two things happen with in the airport, one being able to offer more court appointed community service, and two the possibility of a volunteer staff.

In regards to the taxilane that is need of repair there has been no response from NCDOT. Banks and Stansbury will continue to contact NCDOT to escalate the emergency repair that is needed.

Wildlife Migation on airport property is a concern. Stansbury stated the wildlife hazard management plan is exercised once a year. The airport staff has to be annually trained on evaluation, habitat and food source reduction, harassment, and then as a last resort, lethal reduction. USDA Wildlife Services has offered their assistance and has an office 5 minutes from airport. She also mentioned she would like to install a 12ft fence one day with FAA grant to keep deer, coyotes and other wildlife off the airfield. Banks stated that waiting on professional wildlife personnel can be costly to planes and that mitigation needs to be more advanced and aggressive than what it is.

Banks questioned how insurance money from flood claims is being processed. It was stated that it has to be separate funding for expenses and revenue to show how the claims are being covered. The board wants to see the costs of the flood insurance expenses that have occurred. Stansbury also stated that FEMA has not responded with anything new as of yet.

As there was no more business to attend to a MOTION TO ADJOURN was made by Jimmy Garris, seconded by Jim Morris and the meeting was adjourned following a unanimous vote. The next meeting of the Airport Authority will be held at 11:30am on February 15, 2017.

Respectfully submitted,

Betty Stansbury

Executive Director