

CARTERET COUNTY-BEAUFORT AIRPORT AUTHORITY MINUTES

Regular Meeting

May 27, 2021

Video Conference Call

Members Present:

Jon Brearey, Scott Evans, John Floyd, Tom Higgins, Chairman Pat Joyce and WF Parker were present. A quorum was established. Others present were Jesse Vinson, Airport Manager, Kristen Janes, Airport Business Manager, Jay Talbert and Randy Fender, Talbert and Bright, and members of the public.

Call to Order:

Chairman Pat Joyce called the meeting to order at 6:00 p.m. and led the meeting attendees in the Pledge of Allegiance.

Approval of Agenda:

The agenda was reviewed. *Resolved, Mr. Higgins made a motion to approve the agenda as presented, while Mr. Brearey seconded the motion.* The motion was unanimously carried.

Consent Agenda:

The following items were reviewed as a part of the consent agenda: Minutes of April 22, 2021, Committee Reports, Financial Reports, and the Manager's Report. *Resolved, Mr. Brearey made a motion to approve the consent agenda as provided, while Mr. Parker seconded the motion.* The motion was unanimously carried.

Public Comments:

There were no public comments.

Chairman's Report:

Chairman Joyce acknowledged that there was no written report from the New Construction Committee, but the committee had met on Tuesday morning to discuss the new hangar project and review some suggested changes for drainage for the new T-Hangars and potential box hangars. Mr. Joyce met with Mr. Talbert and Mr. Fender to discuss the requested changes. Talbert & Bright will make the changes and the project should be put to bid on Sunday, June 6, 2021. Everything on the airfield seems to be going well. Mr. Joyce noted that the FBO renovations are almost complete with a few minor items to be completed. Mr. Noble, of Crystal Coast Aviation, stated that the fuel farm removal is in process, and they are awaiting an updated quote on the removal of the tanks. The company originally quoted that wrong size tanks for removal. Mr. Noble stated that the company is ready to start the removal process once the new quote is received and approved by Crystal Coast Aviation. Mr. Joyce noted that the runway 03-21 delamination is stabilized at this time and the airport is in discussion about future repairs. County management would like for the airport to focus on getting bids on the T-Hangar project to get a better financial picture before proceeding with other projects.

Old Business:

Talbert & Bright Update

Mr. Fender received comments on the Airport Layout Plan (ALP) from the FAA and has provided responses back to the DOA. Mr. Fender completed another final visit for the fuel farm when onsite last week. It appears that Sunland has finished all punch list items and Mr. Fender will be working on a final balancing change order and any close out documentation. Mr. Noble asked about the timeline for calibration of the Avgas meter. Mr.

Fender will follow up with JF Petroleum as he believed that the adjustment had been completed. For the fuel system, Mr. Fender has received all closeout documentation from JF Petroleum, has released retainage, and is working on closeout documentation for the overall project. For the T-Hangar and Taxilanes update, the airfield electrical vault fabrication is done and waiting to be delivered. A pre-construction meeting for the electrical utilities project was held on May 18, 2021, to review the project with Rifenburg Construction. As a result of that meeting, it is anticipated that the construction NTP will be issued on June 7, 2021. The caveat being that there are unforeseen lead times to some of the simplest equipment. Conduit is one item that is going to delay the construction. The contractor is going to get the site prepared for the new vault, get the vault set and will have to pause their contract until they are able to get some of that equipment. It is exceedingly difficult to obtain certain materials right now. For the T-Hangar and Taxilanes project, the airport received the 90% drawings last week and Talbert & Bright reviewed a few changes to the drainage with Mr. Joyce yesterday. Advertising will take place on June 6, 2021, the pre-bid meeting will follow on June 15, 2021, and the bid opening will take place on July 1, 2021. Drawings and specifications will need to be sent to the EDA for their approval before the bid opening. Mr. Parker asked for the proposed completion date based upon receiving all bids on July 1, 2021. Mr. Talbert expressed his concern with the cost of steel and delayed delivery times. Mr. Fender projected a construction time of about six months, one month to work through contracts and anticipates a completion time of early 2022. That is the best guess they can provide until they have a low bidder and can lock down a schedule. Once bids are in, there will be a simultaneous review between the airport and the EDA.

Maintenance Hangar Upfit

Mr. Vinson noted that the Maintenance Hangar Upfit project is on hold until the airport has a better handle on where they are at financially with the T-Hangar project. County leadership has also asked that the airport hold off on further discussions regarding the maintenance hangar upfit until the hangar project bids are received and the airport has a grasp on pricing.

Mr. Fender noted that as a part of the American Rescue Plan Act, any federally funded project in fiscal year 2020 or 2021, intended for airport development, is entitled to 100% federal funding. It does not specify an FAA grant versus any other sort, so Mr. Fender has asked the EDA to confirm. Mr. Fender believes that the airport is entitled to \$820,000 but is waiting on clarification.

Ground Lease Update

Mr. Vinson acknowledged that the demand for ground lease space is strong at this time. The airport has received five deposits for ground lease space and anticipates receiving another deposit in the morning. Mr. Vinson is awaiting an updated ground lease from the attorney and will send that document to the board when available. The board discussed whether they should continue to take deposits for ground leases. There are five box hangars on the plan currently and the airport has received five deposits. The board agreed to take names and contact information moving forward and to not take any more deposits.

NCAA Conference Information

Mr. Joyce noted that the NCAA Conference information is included in the agenda packet. Mr. Joyce reminded participants to make reservations on their own. Registration has been paid for Dr. Coles, Mr. Joyce, Mr. Higgins, and Mr. Parker.

New Business:

Barrier Island Property Lease

Mr. Joyce stated that the Barrier Island property is under lease until 2023. The airport received an inquiry regarding the sale of the property. County leadership has asked that the airport not attempt to sell that property. Unless Mr. Barrow is interested in terminating his lease, the airport is in a contract with Mr. Barrow

through 2023. Mr. Brearey stated that he has spoken with Mr. Barrow who has every intention of keeping his lease with the airport.

Shellfish Lease Application

Ms. Janes informed the board that the Division of Marine Fisheries had contacted the airport regarding the potential for a shellfish aquaculture lease in public trust waters near the shoreline at the airport. No formal application for lease has been submitted at this time, as the shellfish lease coordinator wanted to proactively address potential user conflicts and safety concerns regarding the location and asked for the airport's comments before proceeding. The proposal states that the citizen intends to use floating cages arranged in rows to cultivate shellfish. Any comments from the airport will be relayed to the citizen who may choose to submit an application for lease. This location meets the minimum standards set for by NC Legislative Statutes and Marine Fisheries Commission Rules. Further lease information regarding the lease is provided in the agenda packet. Board members discussed the risk of having that operation at the end of the runway due to the bird threat and the increase potential for additional shells on the runway. The board noted that they are not opposed to agricultural farming operations but the proximity of this potential operation to the airport is not recommended by the board due to the bird threat. Ms. Janes will follow up with the Division of Marine Fisheries with the Board's response.

Hangar Lease Update

Mr. Vinson noted that the final executable version of the hangar lease is included in the agenda packet, provided by the airport's attorney. The updated lease document includes a statement that there be no transfers or assignments without written permission from the airport, notes a utilities clause, states the rules of use of the hangar and any alterations or equipment that may be added, and details the lessor's entry into the hangars. Lessor entry previously stated that the airport must provide prior notice to lessee and now states that the lessor shall not be required to give such notice if as part of the monthly inspection and fire extinguisher check. Also included in the lease, the late fee has increased from \$25 to \$100, which will be incurred after 10 days of non-payment. Mr. Higgins stated his concern about the assignment permission. He would like the lease to include that any transfer of interested of 51% or more in any entity would require written permission. The board reviewed Section 13a of the lease document. Mr. Vinson discussed this document with the attorney and believed that stating that the lessee shall not assign this lease in whole or in part without receiving prior written permission and consent from the authority was sufficient. Mr. Higgins asked what happens when a lessee is a corporation, and the corporation sells 51% of the stock to someone that the airport does not know? Mr. Higgins emphasized that now is the time to make this change to the lease document. The board agreed to defer any further discussion to Closed Session.

Mr. Joyce asked Ms. Janes for an updated on the hangar insurance. Ms. Janes noted that there are two tenants that have not provided updated insurance to the authority, and she has been in contact with both. Mr. Joyce acknowledged a recent meeting with Murray White who carries the airport's liability insurance. Mr. White emphasized that the airport should be sure to have documentation on all aircraft for liability reasons. The airport has a \$5 million liability policy which Mr. White believes to be sufficient. He stated that other local airports with carrier services have a \$50 million policy.

Review of Recommended Budget

Mr. Joyce asked for any comments on the budget. Approval of the budget will take place at the June meeting. Mr. Vinson noted that the budget has decreased from previous year as Ms. Janes will remain a county employee and that salary will be taken out of the county budget.

Mr. Joyce noted that the June meeting will take place via zoom with hopes that in-person meetings will resume in July. Mr. Joyce noted that Ms. Janes will be on vacation for the June meeting.

Closed Session:

Resolved, Mr. Higgins made a motion to enter into a Closed Session for purpose of discussing confidential information, legal matters, personnel, and contract negotiations as permitted by NCGS 143-318.11(a)(1), (3), (5) and (6), while Mr. Floyd seconded the motion. The motion was unanimously carried. Mr. Higgins made a motion to enter into a Closed Session for purpose of discussing confidential information, legal matters, personnel, and contract negotiations as permitted by NCGS 143-318.11(a)(1), (3), (5) and (6), while Mr. Floyd seconded the motion. The motion was unanimously carried.

Hearing no further discussion, Mr. Brearey made a motion to return to Regular Session, while Mr. Parker seconded the motion. The motion was unanimously carried.

Additional Business:

Hearing no further discussion, Mr. Parker made a motion to adjourn, while Mr. Brearey seconded the motion. The motion was unanimously carried.

Respectfully Submitted,

Jesse Vinson

Interim Airport Manager / Secretary to the Board

Minutes prepared by:
Kristen Janes

Carteret County-Beaufort Airport Authority
FY 2021-2022 Recommended Budget Ordinance

It is estimated that the following revenues will be available for the fiscal year beginning July 01, 2021 and ending June 30, 2022

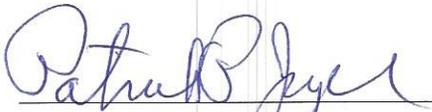
Hangar / Other Rent & License Fees	\$227,612
Interest	\$ 200
Carteret County	<u>\$ 75,000</u>
	\$302,812

The following amounts are hereby appropriated for the Carteret County-Beaufort Airport Authority operation and its activities for the fiscal year beginning July 1, 2021 and ending June 30, 2022

General Government	\$227,812
Transportation	\$ 56,500
Installment Purchase Payments	<u>\$ 18,500</u>
	\$302,812

Recommended

This the 27th day of May, 2021



Chairman, Patrick Joyce

Carteret Airport Authority

Fuel Farm

FY 2021-2022 Recommended Budget Ordinance

It is estimated that the following revenues will be available for the fiscal year beginning July 01, 2021 and ending June 30, 2022.

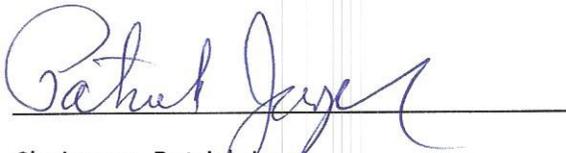
2021 NPE Funds	\$150,000.00
County Appropriation (NPE Match-2021)	\$ 16,667.00
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	\$166,667.00

The following amounts are hereby appropriated for the Carteret County-Beaufort Airport Authority operation and its activities for the fiscal year beginning July 01, 2020 and ending June 30, 2021.

Installment Payment on Loan from	\$166,667.00
Carteret County for New Fuel Farm	<hr/>
	\$166,667.00

Recommended

This the 27^h day of May, 2021


Chairman, Patrick Joyce