

CARTERET COUNTY-BEAUFORT AIRPORT AUTHORITY MINUTES

Regular Meeting

March 25, 2021

Video Conference Call

Members Present:

Jon Brearey, Bob Coles, 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 Ms. Janes 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. Floyd seconded the motion.* The motion was unanimously carried.

Consent Agenda:

The following items were reviewed as a part of the consent agenda: Minutes of February 25, 2021, Committee Reports, Financial Reports and the Manager's Report. *Resolved, Dr. Coles made a motion to approve the consent agenda as provided, while Mr. Brearey seconded the motion.* The motion was unanimously carried.

Public Comments:

There were no public comments.

Chairman's Report:

Chairman Joyce informed the board that things are moving along very well at the airport and the grass is beginning to grow. Chairman Joyce noted that runway 03/21 at the intersection of taxiway B has material chipping from the runway. Mr. Fender has contacted Ameriseal, the company that completed the last paving work to the runway, and they have indicated their support in repairing the runway at no cost to the airport. Ameriseal will be sending a crew to chip away the loose material in the next week. It will take a few months for them to resurface the area. Due to the age of the surface, they are going to manually chip away the surface versus mechanically. A NOTAM will be issued notifying the pilots of the uneven pavement in this area. The runway will still be operational though some of the threshold bars will be missing. Runway identifiers will still be sufficient for safety purposes. The runway will only be closed for a short period of time while the crew hand chips the loose material. This work is currently planned to take place next Tuesday and Wednesday.

Mr. Noble acknowledged that the new fuel farm is now operational and is working exceptionally well. Crystal Coast Aviation is working with a company out of New Bern to remove the old fuel tanks from the site and will have an update on that work at the next meeting. Construction to the FBO is still ongoing and as of today the staff were able to start the process of moving back into the newly remodeled building and have removed the temporary trailer from the ramp. The pilot lounge, lobby seating and bathrooms are now functional. Mr. Noble confirmed that they will need another two weeks for finishing touches and then they will host a grand opening

of the remodeled building. Mr. Vinson agreed that the remodeled FBO is impressive. Mr. Noble noted that the internet and television will be setup next week.

Chairman Joyce has worked with the power company to discuss how to get power to the new vault and how to repower Hangar 19. Mr. Joyce used his excavator to tear up the asphalt in that area. Other than that, Chairman Joyce acknowledged that Ms. Janes is doing a good job and learning everything about the airport.

Old Business:

Hangar 19 Electrical Service Update

Chairman Joyce gave an update regarding the Hangar 19 electrical service. The airport has worked with Williams Electric to complete the overhead work in Hangar 19 and Mr. Vinson has communicated and written a check to have Duke Energy run power to the hangar. The existing power going to Hangar 19 will be out of the way of the work required for the new electrical vault. All is progressing as it is supposed to. The lights in Hangar 19 were upgraded to LEDs while the lift was in the hangar.

Discussion & Possible Selection of Engineer of Record

Chairman Joyce identified two organizations which applied to be the airport's Engineer of Record, Talbert & Bright and AVCON. The FAA requires that all general aviation airports have an engineer of record. The contact is based on a five-year term. The Engineer of Record would still bid on each project individually; they would not be given any projects automatically. The Engineer of Record handles the administration of grants, for example the NPE fund administration, assists with applications and cost opinions, works closely with the airport, and attends meetings as able. Mr. Vinson noted that the Engineer of Record contract expired on March 6, 2021 and that the airport was slightly behind on this advertising. The advertising is now complete, and two bids were received. Board members were sent a copy of both proposals.

Resolved, Mr. Higgins made a motion to select Talbert & Bright as the Engineer of Record, while Dr. Coles seconded the motion. The motion was unanimously carried. Dr. Coles noted that the board has read through both proposals in detail and believes that both candidates would do an adequate job as Engineer of Record, but the board has had a particularly good experience with Talbert & Bright which is why they were ultimately chosen as the Engineer of Record.

Talbert & Bright Update on Various Projects

Randy Fender reported on the status of all projects. The ALP is still under review with the FAA. From a civil standpoint, a final walkthrough of the fuel farm was completed on March 2, 2021 to verify completion of the punch list. An electrical punch list walkthrough was performed yesterday and a few items that need attention have been noted and that list has been sent to Sunland. From a fuel system standpoint, the project was substantially completed on February 26, 2021. All testing requirements passed inspection. A prefinal walkthrough was done on March 2, 2021. One item was found on that day, which was resolved immediately. All training for FBO staff has been completed by the contractor. On the T-hangar and taxilanes project, the site certificate form is still under review with the EDA. Once that is approved, we may move forward on the project. The EDA had some questions for Mr. Harris, the airport's attorney. If the EDA does not approve that form within the next week, that does have potential to push back the bid opening for the airfield vault electrical utilities portion of the project and subsequently could push back the T-hangar and taxilanes job. As far as the airfield vault procurement goes, Talbert & Bright received the shop drawings today and they are still on track. If the approved shop drawings are received within the next couple of weeks, the vault should arrive in mid to late May as needed. The airfield vault electrical utilities project was advertised on March 14, 2021 in the Carteret County News Times. The Pre-Bid Meeting took place this morning and was well attended from a bidder

standpoint. Bids are scheduled to be opened at 11:00 a.m. on April 9, 2021. The 60% design plans for the T-Hangar and Taxilanes project were submitted to the airport on March 11, 2021, including a preliminary cost opinion, and Talbert & Bright is awaiting any feedback that the airport board may have on those drawings. Talbert & Bright also submitted the stormwater permit modifications to the DEQ on March 18, 2021. Lastly on the runway 21 pavement issues, Randy has visited the site on the runway and met with a representative from Ameriseal, the manufacturer and applier of the grip-flex material, and a couple of representatives from the DOA's maintenance department. Everyone agreed that the grip-flex material in that area was compromised. Because it is a FOD safety issue right now, Ameriseal will be sending a team next week to focus on the immediate area of the taxiway Bravo crossing and chip away any loose material. The surface will be used in that fashion for the next few months and then a crew will be out in May-June when a crew is available to install the material. Mr. Talbert and Mr. Fender gave credit to Ameriseal who was willing to back their material and is willing to repair the runway even though their first application was 20 years ago; the last application being about 9 years ago. They say their product is supposed to last 15 years and they want to stand behind that promise.

Chairman Joyce has reviewed the 60% plan and preliminary budget and expressed concerns about the whole project cost if we go beyond the 28 hangars. The biggest fear being the price of steel and the price of concrete on the rise, therefore the sooner we can get the project bid the better. Chairman Joyce expressed that the airport is limited on funds and needs to be cautious on spending moving forward. He went over numbers briefly today and if we look at the \$4.1M project cost and the separate engineering cost of \$275,000, the airport would have roughly between \$150,000 to \$200,000 left in reserves. Mr. Joyce plans to speak with County staff regarding cashflow at crunch times between reimbursement periods when we have submitted claims and are waiting on reimbursement. Mr. Talbert has worked with the senior leadership team at Erect-A-Tube, a hangar manufacturer, to gathering the latest data and pricing estimates. Mr. Talbert agreed that they are seeing a rise in lumber, concrete, steel, asphalt, gas, etc. and they are ready to get moving to get the most competitive pricing possible. Mr. Vinson noted stated that at a recent DOT meeting, paving bids were coming in under their estimates.

Maintenance Hangar Update

Chairman Joyce emphasized that any contract discussions would take place in closed session. Richard Hall, an associate of Mr. Joyce, has drafted up plans for the maintenance hangar. Therefore, when bids are requested, the bids are an apples-to-apples comparison. The county stated that the airport must receive three quotes to move forward with the project. Dr. Coles noted that Mr. Dillon is still extremely interested in the hangar and the opportunity to operate at the airport. Plans are similar to what was discussed when members of the board met with Mr. Dillon.

New Business:

Approval of Budget Amendments

Chairman Joyce asked if all members had reviewed the budget amendments provided in the board packet. *Resolved, Dr. Coles made a motion to accept both the budget amendments as presented, while Mr. Higgins seconded the motion.* The motion was unanimously carried.

Hangar Space License Rate Update

Dr. Coles reported on the hangar rate discussions and the recommendation for increase as of July 1, 2021. The Finance Committee consisting of Dr. Coles, Mr. Floyd and Mr. Higgins met via teleconference on March 18, 2021. It is the recommendation of the committee that all hangars be moved to a flat rate of \$0.30 per square foot, effective July 1, 2021. This is excluding Hangars 29, 30 and 31, which should be moved to \$0.25

per square foot effective July 1, 2021. The committee also recommends that all leases have an annual adjustment of the CPI% increase as of December 31 to take effect the following fiscal year on July 1. All lease holders shall be notified of the upcoming change to the rates per square foot, allowing the board to round to the nearest full dollar. It was also the recommendation of the committee that all leases be redone to allow all leases to be more uniform in nature. Mr. Vinson asked if the board would consider doing a 2% annual increase and if the CPI index is over 2% then we would adjust accordingly, taking the larger of the two. Dr. Coles said he would be agreeable to that and would ask for language that includes discretion being available to the board. Mr. Floyd specified that the committee agrees that lease documents need to be updated and reflect the terms and language around the increases. *Resolved, Dr. Coles made a motion to adopt the hangar lease (space license) rate of \$0.30 per square foot, apart from hangars 29, 30 and 31 at the hangar lease (space license) rate of \$0.25 per square foot, beginning July 1, 2021 and that the lease rates will be adjusted each fiscal year by 2%, or the CPI, whichever is greater, at the discretion of the board. Mr. Brearey seconded the motion.* The motion was unanimously carried. Mr. Vinson emphasized that an email will be going to all tenants notifying them of the lease rate change within the next week and will notify them of the updated lease documents to come.

Authorization to Update Space License Agreement

Mr. Vinson identified the opportunity to find and update our current hangar and ground lease documents either via our own resources or through the attorney drafting an agreement. The board agreed that Mr. Vinson could draft a lease and then the board would review prior to the attorney reviewing. Mr. Higgins suggested that the airport reach out to the National Business Aviation Association to request any agreement templates they may have. Mr. Charles Oliver was on the zoom call, is a member of the NBAA, and would be happy to allow the airport to access such documents if they are available. Mr. Vinson will provide the board with an update when he has had time to review the lease documents further.

Consideration of Transfer of Ground Lease from Oliver to Tolson

Chairman Joyce referred the board to the ground lease transfer consideration included in the board packet. Mr. Charles Oliver II's MRH Executive Hangars, LLC would like to transfer the ground lease of hangars 33, 34, and 35 to Mr. Hubert Tolson III's Kinston IOTC, LLC, following the same structure and obligation under the Lease for the remainder of the term of the Lease, as previously established with the airport. *Resolved, Dr. Coles made a motion to approve the ground lease transfer from MRH Executive Hangars LLC to Kinston IOTC, LLC, while Mr. Higgins seconded the motion.* The motion was unanimously carried.

NCAA Conference rescheduled to August 9, 2021

Mr. Vinson reminded board members to make their hotel reservations if they are still planning to go to the conference. Mr. Floyd, Mr. Higgins, Mr. Joyce, and Mr. Parker were registered for the conference. Mr. Higgins clarified that he will be staying with family in the area and will not need a hotel.

Closed Session:

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

Mr. Brearey made a motion to return to Regular Session, while Mr. Floyd seconded the motion. The motion was unanimously carried.

Hearing no further discussion, Dr. Coles made a motion to adjourn, while Mr. Floyd seconded the motion. The motion was unanimously carried.

Mr. Vinson asked that the board consider meeting in person for the April meeting.

Respectfully Submitted,

Jesse Vinson

Interim Airport Manager / Secretary to the Board

Minutes prepared by:
Kristen Janes

BUDGET AMENDMENT

Date: March 25, 2021

The following Amendments are requested to handle expenses for Roof FBO Bid, and Maintenance Hangar with a motorized door.

<i>General Fund</i>		Acct #	Increase	Decrease
Expense	M/R Vehicles	453.491		\$ 1,000.00
	M/R Buildings	453.493		\$3,000.00
	M/R Grounds	453.495		\$ 2,000.00
	M/R Runways, Taxiways, Ramp	453.496		\$ 3,000.00
	Training and Meetings	453.315		\$ 5,000.00
	Contingency	453.970		\$ 19,000.00
	M/R Hangar	453.498	\$ 33,000.00	
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			\$ 33,000.00	\$ 33,000.00

Approved by: Patrick Paul Jeyaraj
Date: March 26, 2021

BUDGET AMENDMENT

Date: March 25, 2021

The following Amendment is requested to update the Budget with Cares Grant Funds that the Authority received on August 31, 2020.

<i>General Fund</i>		Acct #	Increase	Decrease
Revenue	Cares Grant	383.863	\$ 69,000.00	
Expense	M/R Hangar	453.498	\$ 69,000.00	
			\$ 69,000.00	\$ -

The following journal entry will be posted.

Mis Revenue	383.990		\$ 69,000.00
Cares Grant	383.863	\$69,000.00	

Approved by: Patrick Paul Joyce

Date: March 26, 2021