

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
November 1, 2017**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, November 1, 2017, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Lambeth called the meeting to order at 5:00 p.m. Vice-Chairman Hickman led the Pledge of Allegiance and Chairman Lambeth read the Authority's Code of Ethics statement. No conflicts of interest or potential conflicts of interest were identified at that time.

Airport Authority members present were; Carter Lambeth, Chairman; Dan Hickman, Vice-Chairman; Donna Girardot, Secretary; Tom Barber, W. Lee Williams, and Thomas Wolfe. Also present were Julie Wilsey, Airport Director; Gary Broughton, Deputy Director; Robert Campbell, Finance Director; Whitney Prease, Facilities Director; Carol LeTellier, Business Development Director; Rose Davis, Executive Assistant; and Wanda Copley, New Hanover County Attorney.

Mr. Stovall arrived late.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Erin McNally, Marketing Specialist; Bill Cherry and Jeff Morvil.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Meeting on October 4, 2017. Mr. Barber MOVED, SECONDED by Mr. Wolfe, to approve the minutes of the October 4, 2017 Airport Authority Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Stovall was not present for this vote.

The Authority has reviewed the minutes of the Special Meeting on October 18, 2017. *The following revision was made to the October 18, 2017 minutes: "Each of the legislators made comments about the last session; issues that might effect ILM; and their interest and involvement in transportation and the airport funding. Discussions followed, including one on ways to streamline the NCDOT Aviation grant process to facilitate the use of the new funds. It was suggested that staff work with NCDOT Aviation and Secretary Trogdon to find efficiencies in the process. Also, an effort will be made to gather recommendations from several airports on how to streamline grant paperwork for commercial service airports. The suggestions will be sent to the local General Assembly members before the next legislative session and may be presented to the Joint Legislative Oversight Committee."* Mr. Barber MOVED, SECONDED by Mrs. Girardot, to approve the minutes of the October 18, 2017 Special Meeting as revised. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Stovall was not present for this vote.

Mr. Stovall arrived at approximately 5:05 pm.

PUBLIC COMMENTS

None.

MARKETING PRESENTATION

Ms. LeTellier introduced Mrs. McNally, ILM's Marketing Specialist, who oversaw the commercial project and Mr. Morvil, the owner of Morvil Advertising, and the art director for ILM's new commercial.

Mrs. McNally set the stage and background for the commercial noting that staff reviewed the community survey and feedback regarding why individuals select or choose not to select ILM and considering that feedback they picked out key messages to use for developing ILM's marketing campaign and strategy making sure to reach ILM's target audiences.

Mrs. McNally noted that for this fiscal year, ILM's new campaign is "Coast on In. Coast on Out." Mrs. McNally reminded the Authority of the new pull up banners that were on display at the October Authority meeting representing the new campaign and noted that print ads and digital ads have started rolling out. Mrs. McNally shared the print ad in the current Greater Wilmington Business Journal and noted that they wanted to have the same feel in the commercial as in the print advertisements. Mrs. McNally pointed out the great job that Morvil Advertising did pulling together the talent, working on the script, and art directing noting there were several days of shooting and hours of editing for this 30 second commercial.

The preview of the new ILM commercial was shown.

Mrs. Wilsey noted that the commercial would debut late November and Ms. LeTellier added that it should be showing by Thanksgiving.

FACILITIES & TERMINAL EXPANSION

Mr. Prease recommended the approval of the following action items:

- a. **NC State Grants** – Approve Airport Authority Chairman to accept all NC State Grants for the next 30 days. Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve this Facilities item. The MOTION WAS APPROVED UNANIMOUSLY.
- b. **RWY Lighting Vault Infrastructure** - Approve a State Grant in the amount of \$500,000 for the upgrades to the RWY Lighting Vault Infrastructure with ILM's local match NTE \$55,556. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve this Facilities item. The MOTION WAS APPROVED UNANIMOUSLY.
- c. **Pipe Ditches in FBO #2 Area** – Approve a State Grant in the amount of \$500,000 for upgrades to the FBO #2 area ditches and infrastructure with ILM's local match NTE \$55,556. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve this Facilities item. The MOTION WAS APPROVED UNANIMOUSLY.
- d. **Pipe Ditches in FBO #2 Area** – Approve a work authorization with Talbert & Bright for Project Formulation; Grant Assistance through Bidding; and Design, Bidding & Permitting Services, including Sub-consultant Services in the amount of \$61,874. Approval will be contingent upon review by North Carolina Division of Aviation. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the Facilities item as discussed above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Wolfe asked about the recent wildlife hazard incident with the coyote on the runway and Mr. Broughton responded that staff met with the USDA, who will be hired to remedy the problem. USDA noted that coyote can actually crawl over the fence and the barbed wire.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's September 2017 cash summary, monthly financial summary and September financials. Mr. Campbell reminded the Authority that ILM's net cash for use has decreased because as of September ILM has \$5M invested in commercial paper and as of November 1, ILM has \$7M invested in commercial paper, and those amounts were taken out of cash available for use and put in restricted status.

Mr. Campbell noted the investments were in short term commercial paper and starting the beginning of December, and each month going forward, for the next 7 months, \$1M will mature each month. If there is no immediate use for that money, it will be rolled over and reinvested.

In response to Mr. Wolfe's question regarding rate of return, Mr. Campbell noted it was anywhere from 1.15% to 1.60%.

Mr. Campbell reported that revenue was below budget for September primarily due to parking and the storm at the beginning of September that impacted flights and parking revenue. Mr. Campbell noted that Uber is now paying commissions on a per trip basis with a minimum monthly guarantee but it was budgeted as a one-time payment.

Mr. Campbell noted in regards to expenses that ILM's open positions in September caused ILM to run under budget in salaries and benefits and that there were a few issues under contracted services, causing it to be over budget, due to repairs and maintenance projects that have been budgeted evenly throughout the year, but have not posted yet, like the airfield paving project and the lighting project due to lightning strikes.

Mr. Lambeth asked about the open positions and Mrs. Wilsey responded that staff is continuously trying to fill the positions of ARFF and Public Safety Officer. Both positions have been offered but were either turned down or they didn't pass the pre-employment screening process.

BUSINESS DEVELOPMENT

Ms. LeTellier reported that in concert with ILM's new marketing plan and new commercial, ILM's website has also been refreshed.

Ms. LeTellier noted that Keller Williams, KBT Realty, suites 120 and 130 in the Flex Building, are now open for business and their industrial chic offices are very handsome and KBT hopes to have an opening party in the next few months.

GOVERNMENT

Mrs. Girardot reported on the Authority's meeting with the state legislators noting that every single one of them attended which speaks volumes for the airport and how they feel about it and respect the work that is done at the airport. Mrs. Girardot noted that the legislators are all very

committed to supporting the airport.

Mr. Barber noted the meeting went very well and that the legislators seemed to be very interested in what the Authority and staff had to say. Mr. Barber stated that the Authority and staff should always be thinking of ways to update the legislators.

Mrs. Girardot reminded the Authority of the meeting Monday, November 6th with NCDOT noting that there would be a tour of the airport terminal and a briefing on the economic impact of ILM on this region, and all of the commercial airports statewide, and a brief discussion about the new state funding.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reported that the FBO RFP was posted on October 27th and will close on February 1, 2018 and staff believes there are 2-3 interested parties based on feedback.

Mr. Broughton, reporting on the TSA civil penalty received, noted that he, Mrs. Wilsey, Mrs. Copley, and Chief Taylor, had a telephone conference with the TSA attorney on October 24, 2017, and based on what the tenant has voluntarily undertaken staff tried to get the TSA to reduce the civil penalty to zero but we were unsuccessful in that, however, they did agree to reduce it from \$7,500 to \$1,000, and that amount will be passed on to the tenant.

DIRECTOR'S REPORT

Mrs. Wilsey reported that after doing her quarterly report on the SCASD grant, noting that ILM had holiday service to DFW with American, which is an eligible destination in our grant, our point of contact recommended we put in paperwork for a second extension. Mrs. Wilsey noted that currently we have until January 17, 2018 on the SCASD grant and this extension would give us another year.

Mrs. Wilsey reminded the Authority that the Wilmington Business Development Annual Meeting is on November 16th which will be held in the Live Oak Bank Hangar starting at 4:30 pm.

Mrs. Wilsey advised that the new Director of Planning and Development, Granseur Dick, would be starting on Monday, November 13th. Mrs. Wilsey noted that Mr. Dick would also be attending the meeting with the NCDOT on November 6th to meet the DOT Aviation staff because he will be handling the grants and planning the terminal expansion and capital projects in the future.

Mr. Williams asked if it was up to ILM to advertise the Dallas flight or did American advertise that and Mrs. Wilsey responded that American doesn't advertise in our local market. ILM has already been advertising it on the screens in the terminals, on the FIDS boards, and also on a radio commercial the week it was announced.

Mrs. Wilsey noted that the administration offices would be closed on November 10th for Veterans Day and November 23-24 for Thanksgiving.

Mrs. Wilsey noted that Global Entry event would be held at ILM December 4-7th.

Mrs. Wilsey shared the 2018 Meeting Calendar noting that all meetings are on the first

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Wednesday of the month with the exception of the July meeting because July 4th was a Wednesday so it was moved to July 11th. If there are no conflicts noted, we will send this to the County for posting to the website and post on the ILM website for next year.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chairman Lambeth adjourned the meeting at 5:31 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Donna Girardot, Secretary

Date of Approval: December 6, 2017