

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
February 7, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, February 7, 2018, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Lambeth called the meeting to order at 5:00 p.m. Boy Scout guests 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, Harry W. Stovall, W. Lee Williams, and Thomas Wolfe. Also present were Julie Wilsey, Airport Director; Gary Broughton, Deputy Director; Robert Campbell, Finance Director; Carol LeTellier, Business Development Director; Granseur Dick, Planning and Development Director; Whitney Prease, Facilities Manager; Rose Davis, Executive Assistant; and Wanda Copley, New Hanover County Attorney.

Guests present included Amy McLane, Talbert & Bright, Inc.; James Moose, Zachary Piech, Tom Goodwin, Peter Jensen, Bill Cherry, Kevin Brady and two Boy Scouts.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Meeting on December 6, 2017. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the minutes of the December 6, 2017 Airport Authority Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

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

- a. **ILM Wet Detention Basin and Ditch Project (AIP 54)**
 - i. Approve Change Order Request #1 in the amount of \$30,427.62 for Wells Brothers Construction. CO is required for the relocation of an existing control cable to the RWY 6 Glide Slope that conflicts with the proposed grading in the Schedule 2 work area. Work will include installation of a new conduit and cable, junction box and splicing of the new cable into the old. Mr. Wolfe MOVED, SECONDED by Mr. Stovall to approve the Change Order Request #1 in the amount of \$30,427.62 for Wells Brothers Construction. The MOTION WAS APPROVED UNANIMOUSLY.
 - ii. Approve Change Order Request #2 NTE the amount of \$4,232.00 for Wells Brothers Construction. CO is required for the removal of an abandoned underground concrete box that was discovered during grading operations at Pond B. Mrs. Girardot MOVED, SECONDED by Mr. Wolfe to approve the Change

Order Request #2 NTE the amount of \$4,232.00 for Wells Brothers Construction. The MOTION WAS APPROVED UNANIMOUSLY.

- b. **Passenger Boarding Bridge** – Approve the Grant Agreement for a new Passenger Boarding Bridge on Gate 1 in the amount of \$899,587.00. The grant will cover 100% of the costs of the bridge design, procurement and installation. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve the Grant Agreement for a new Passenger Boarding Bridge on Gate 1 in the amount of \$899,587.00. Mrs. Girardot noted that this project is the first project being allocated funds from the \$12M received from the General Assembly. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Dick reviewed some of the facilities information items noting that on the ILM Wet Detention Basin and Ditch Project (AIP 54), the RWY 35 glideslope will be inoperable beginning February 6th for 30 days but the localizer approach for RWY 35 will still be available.

Regarding AIP 53, the Runway Lighting Project, Mr. Dick reported that staff will be seeking reimbursement from the grant at 90% or \$14,850. Also, Avis Consolidated Rental Car Facility project has started with the clearing of trees.

Mr. Dick noted a few additional information items that were added to the agenda including the North GA Ramp Redevelopment project which is in the process of finalizing the request for aid process, noting that the NCDOA has requested revisions to the original Work Authorization (WA) #1, including some text changes that affect the signature page on the previously approved WA and require re-signature at this time, but there are no changes to the fee or the scope.

Mr. Dick also reported that United Airlines requested a combination ground power unit (GPU) to include a 28V system on the Passenger Board Bridge that was not included in the piggyback contract with CLT, thus requiring a Change Order quote from TK in the amount of \$16,466.20 for this upgrade and this CO amount was included in the approved DOA Request for Aid. Mr. Dick noted that including this CO, the project still comes in under the approved NTE contract amount of \$930,611. Mr. Dick advised that TK has informed staff that since we moved quickly on this CO, it would not delay the scheduled delivery.

Using slides for illustration, Mr. Dick shared photos and information regarding the more complex parts of Phase 1 design and construction of the Terminal Expansion Project. Considering that the building is 25 years old and designed prior to 9-11, the most complex aspect of the project will be the TSA baggage handling system and the outbound baggage system. One of the challenges is that the systems have to remain operational during all phases of the construction and still meet TSA guidelines during the process.

Mrs. Girardot confirmed with Talbert & Bright that the design team would be working very closely with TSA during the process so that ILM will know in advance what type of new equipment and new regulations might be coming. Mrs. McLane explained to the Authority that the TSA requires 4-6 submittals and is very involved in the approval process, so in theory all of this new equipment should be eligible to be paid for by TSA, which is a huge benefit to the project design and TBI will be following the TSA's most current requirements and the design team is looking, not just at what ILM needs now, but in 10 years and 15 years. Discussion

followed about the safety issues that will be involved during the process, particularly once United arrives and is added to the existing traffic in the baggage area.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's December 2017 cash summary, monthly financial summary and December financials. Mr. Campbell noted that he would be revising his report next month to include a column for prior year amounts to include another data point to use for comparison.

Mr. Campbell recommended the approval of the purchase of a 2018 Ford Expedition 4 x 4 in an amount not to exceed \$43,000 from Capital Ford. This purchase will replace Airport 19 which is a 2002 Ford Expedition. After some discussion, Mr. Hickman MOVED, SECONDED by Mr. Barber to approve the purchase of a 2018 Ford Expedition 4 x 4 as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of a Buy-Out of the Lease Agreement with Segars Enterprises, Inc. (known as Ron's Fireside) for the building located at 2500 Blue Clay Road., conditioned upon Segars restoring the building to its' original condition (at its own expense), plus \$15,000 to off-set the cost of releasing the building. Building to be turned over to ILM on March 1, 2018.

Mr. Wolfe asked that the vote on this matter be deferred so that it could be discussed further with the attorney during closed session.

Ms. LeTellier reminded the Authority of the Meet-and-Greet with United's Grant Whitney on Thursday, February 8th at 4 pm at the new Embassy Suites Hotel downtown before the Chamber event that starts at 5:30 pm.

Ms. LeTellier noted that ILM has been featured recently in the Greater Wilmington Business Journal's January and February editions and also in the Star-News article that came out today, February 7, 2018, regarding a recent community presentation by Mrs. Wilsey.

Mr. Lambeth noted that Mrs. Wilsey received applause at the City meeting recently when she announced all the air service that ILM will have for summer 2018.

GOVERNMENT

Mrs. Girardot updated the Authority on the meeting at the Chamber with Congressman Rouzer where he spoke of transportation issues and what was happening in Washington but most of the issues were roads, bridges, etc. However Congressman Rouzer did mention that Representative Shuster will be retiring, and since he has been the biggest stumbling block on the PFC issue, the hope was that his replacement may be more helpful but Congressman Rouzer did not think that would be the case.

Mrs. Girardot reminded the Authority that the AAAE Legislative Conference is coming up in Washington. She and Mrs. Wilsey are attending and will be meeting with Burr, Tillis and Rouzer.

Mrs. Girardot also noted that the NCAA conference is March 26-28 in Asheville, NC and she and Mr. Wolfe will be attending for the Authority along with ILM staff.

Mrs. Girardot reported that with the current Continuing Resolution running out February 8th at midnight, it looks like we may have our first 2 year budget in a long time, which will be really good for everyone, including the FAA. Mrs. Wilsey noted that if the government does go into shutdown and furloughs, Air Traffic Control Tower continues to operate, as does the TSA, the commercial airports and most of Customs and Border Protection continues to operate. It is just the administrative functions of those groups that may go on furlough.

Mrs. Wilsey reported that ILM was mentioned in the State of the City Address given by the Mayor on January 29th. The City called for bullet points of ILM's successes to include in their story about Wilmington growing. That was a first for ILM to actually be included in the City Address.

Mrs. Wilsey shared that she attends the MPO/TAC monthly meeting with the elected officials, which includes County representatives, Mr. Barfield, Mr. Watkins; and City Council representatives, Mr. Anderson and Mr. Rivenbark. A few months ago a public citizen used his 3 minutes to talk about the need for a light rail line from the multimodal center downtown to the airport to help increase the traffic from ILM to the multimodal facility. The MPO has allocated several options to getting that feasibility study done to include: a \$50,000 consultant; DOT Rail Section feasibility study; staff feasibility study; or intern feasibility study. A decision will be made at the February 28 TAC meeting.

OPERATIONS & GENERAL AVIATION

Mr. Broughton noted that ILM set a new record in 2017 with our passenger boardings and he gave kudos to our partners at American who had a major role with their CLT and LGA ridership being up for the year and the added seasonal Dallas flights. American is adding flights again this year, along with the addition of United, so ILM is looking for another great year for 2018.

Using slides for illustration, Mr. Broughton updated the Authority on ILM's preparations and cleanup efforts before, during and after Winter Storm Grayson. Mr. Broughton recognized 7 of ILM's employees who worked overtime during this storm event: Bob Dieterle, worked 22 hours straight; Keaghon Stark, worked 21 hours; Jeff Allenczy, worked 18 ½; Carl Burns, worked 16; Eric Carter, worked 14 hours; Henry Guthrie, worked 14 hours; and Andy Fischer, worked 9 ½ hours. Mr. Broughton noted that Mr. Prease and Chief Taylor were also using snow removal equipment during the storm. ILM's total cost for this snow event was \$28,609.87. Of that \$2,344.28 was for employee overtime. Thanks go out to the ILM team for their dedication.

Mr. Broughton provided a 6 month review of the WAVE Transit route noting the memo received from Mr. Eby shows low ridership but that it is increasing. WAVE showed 66 boardings and 56 alightings during the 6 month review period. They average 9 on and 8 off per month. Mr. Broughton noted that if ILM has no concerns, WAVE Transit is supportive of continuation of the service. Mr. Broughton stated that based on Mr. Eby's report and the fact that it has not cost the airport, staff recommends no change and that we continue to support this service as long as WAVE wants to run their buses to the airport.

Regarding General Aviation, Mr. Broughton congratulated SeaHawk Aviation which has purchased Boggs Avionics and will be moving it from Southport to ILM. This is a great step forward for SeaHawk Aviation.

Mr. Broughton also noted the sale of Airpark Three, Hangar United #5. The owner provided the airport with the first right of refusal which the airport declined.

Mr. Broughton reported that there were no proposals received in response to the RFP for a 2nd FBO.

Finally, Mr. Broughton congratulated and thanked Mrs. Wilsey for accepting the nomination to serve on the Board of Directors of the NCAA effective July 1st.

DIRECTOR'S REPORT

Using slides for illustration, Mrs. Wilsey updated the Authority on ILM's recent air service announcements and schedules noting the need to compel people to buy their summer tickets now. With United and the new American flights coming on line, ILM has the best compliment for the summer possible with three network airlines; 8 destinations; 7 hubs and 6 international gateways. Mrs. Wilsey noted that this is an addition of at least 300 seats each way, per day so there will be more capacity in our day which means we need to sell more tickets for the airlines so that the capacity doesn't go unused.

Mrs. Wilsey reported that our SCASD grant extension was approved through January 13, 2019 and we should be able to draw that down completely before that time. If not, we will submit another requests for a 1 year extension until we exhaust the funds in the SCASD grant.

Mrs. Wilsey noted that the Business Travel Group and investors in the SCASD grant will be meeting with United's Grant Whitney on February 9th at 9 am before he departs Wilmington. Mrs. Wilsey noted that Thursday, February 8th, the date of the Chamber event, is 61 days prior to launch and in the grant agreement ILM is to have marketing begin prior to 60 days from launch so ILM met that requirement by starting to officially market the new flights on February 1st.

Mrs. Wilsey invited the Authority to review the draft 2018 Goals for ILM asking for feedback from the Authority noting that the goals are what she will use with staff to focus our time and resources but the Authority should be setting the priorities.

Mrs. Wilsey reviewed the calendars noting the many upcoming conferences in March.

UNFINISHED BUSINESS

None.

NEW BUSINESS – CLOSED SESSION

Chairman Lambeth called for a motion for the Authority to enter into a closed session to consult with attorney in order to preserve the attorney-client privilege pursuant to G.S. § 143-318.11 (a)(3) and to conduct the evaluation of the Airport Director pursuant to G.S. § 143-318.11(a)(6). Mr. Barber MOVED, SECONDED by Mr. Wolfe to go into closed session for the purposes described above. The MOTION WAS APPROVED UNANIMOUSLY.

All persons not Authority members or specifically designated staff were asked to leave the conference room at this time. The Authority went into closed session at 5:50 pm.

Mr. Hickman MOVED, SECONDED by Mr. Wolfe to return to open session. The MOTION WAS APPROVED UNANIMOUSLY. The Authority returned to open session at 7:55 pm

OPEN SESSION

Chairman Lambeth reported that the Authority had concluded consultation with attorney and the personnel evaluation of the Airport Director.

Mr. Wolfe MOVED, SECONDED by Mr. Barber to approve a Buy-Out of the Lease Agreement with Segars Enterprises, Inc. (known as Ron's Fireside) for the building located at 2500 Blue Clay Road, conditioned upon Segars restoring the building to its' original condition (at its own expense), plus \$15,000 to off-set the cost of releasing the building, with the building to be turned over to ILM on March 1, 2018. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Barber MOVED, SECONDED by Mr. STOVALL, to approve the Acknowledgement of Transfer of Ownership of the Air Wilmington leasehold. The MOTION WAS APPROVED UNANIMOUSLY.

Having completed the evaluation of the Airport Director, Mr. Williams MOVED, SECONDED by Mr. Wolfe, to approve a \$5,000 bonus and 5% raise. The MOTION WAS APPROVED UNANIMOUSLY.

ADJOURNMENT

There being no further business to come before the Board, Chairman Lambeth adjourned the meeting at 7:58 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Donna Girardot, Secretary

Date of Approval: March 7, 2018