

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
April 11, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, April 11, 2018, 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, 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 Kemp Burpeau, New Hanover County Deputy Attorney.

Wanda Copley, New Hanover County Attorney, was absent from this meeting.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Michael Blackmore, RS&H; Peter Van Pelt, Mead & Hunt; Zachary Piech, Richard Williams and Kelli Canup, Cape Fear Flight Training; Tony Wright, Mark Carmen, Emmanuel Yapo, and Melissa Calder, Air Wilmington; Monte Coughlin, AOPA; Andrew James, WWAY; and Bill Smith.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Meeting on March 7, 2018. Mrs. Girardot MOVED, SECONDED by Mr. Wolfe, to approve the minutes of the March 7, 2018 Airport Authority Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

PUBLIC COMMENTS

None.

SPECIAL AGENDA ITEM

Mr. Rich Williams, Mrs. Kelli Canup and Mr. Zach Piech, of The Cape Fear Flight School, addressed the Authority regarding a flight school, requesting consideration to use the South Ramp as their flight training operations. Mr. Piech requested Authority approval for The Cape Fear Flight School to be granted access to the South Ramp facility; to be able to conduct their assessment of the facility; and, to proceed with a lease proposal, if they determine the facility is economically viable.

Chairman Lambeth thanked them for their presentation and referred the matter to the General Aviation committee for review, indicating the committee would be in touch with the group shortly.

FACILITIES & TERMINAL EXPANSION

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

- a. **AVIS Consolidated Rental Car Facility (CFC Fund)** – Recommend Approval for a Change Order in the amount of \$15,512.92 to RS&H for engineering design related to the rebidding efforts of the Avis project. The rebidding efforts resulted in a bid cost savings of \$543,369.05. This Change Order would raise the total Work Authorization amount to \$244,888.92. The Authority approved a NTE in October 2016 for \$235,000.00 for Engineering Services. Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the Change Order from RS&H in the amount of \$15,512.92. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- b. **Airport Blvd. and Parking Lot Lighting Replacement with LED** – Authorize Airport Authority Chairman to award the lowest responsive proposal to provide material and labor to retrofit existing Airport Blvd. and parking lot lighting upgrades to LED. The project cost NTE \$76,000. Mr. Stovall MOVED, SECONDED by Mr. Barber to authority the Authority Chairman to award the this project to the lowest responsive contractor NTE \$76,000. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- c. **Rosenbauer ARFF Truck -Repair**– Approve a contract with C.W. Williams & Company, LLC to repair the ARFF truck in an amount NTE \$50,000. It is anticipated that repairs and \$2,000 in transfer charges to ship the truck will be covered under insurance with a \$1,000 deductible. Not covered by insurance is the rental of a replacement ARFF truck. Mr. Wolfe MOVED, SECONDED by Mr. Williams to approve the contract with C.W. Williams & Company, LLC for repairs to the ARFF truck in an amount NTE \$50,000. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- d. **Rosenbauer ARFF Truck – Replacement Rental** - Approve an amendment of the rental contract for the replacement ARFF truck with Company Two Fire to \$24,000 to cover two (2) additional months of rental. Initially staff signed a contract with Company Two Fire to rent an ARFF truck for a cost of \$11,500 that included transportation of the vehicle to ILM and one (1) month of rental, which is \$6,000 per month. The estimate for repair ranges between 2 and 3 months total. Discussion followed about whether or not the insurance company would provide a rental vehicle and whether ILM’s insurance rates would increase next year. Mrs. Girardot MOVED, SECONDED by Mr. Barber to approve the amendment to the rental contract with Company Two Fire for 2 additional months or up to \$24,000. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- e. **NC Legislative Appropriated Funds** – The Division of Aviation (DOA) is revising the agreements for all airports. ILM staff has reviewed the revised agreement with Legal and is requesting the Authority approve this agreement. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the Division of Aviation agreement as revised. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Mr. Dick reported to the Authority that a committee has been formed for the Request for Qualifications (RFQ) for on-call engineering services, which is a 5 year contract that expires June 30, 2018. The committee has met and had discussions about the RFQ and have been provided a draft for review and revisions before it will be advertised to the community.

Mrs. Girardot noted that the Passenger Boarding Bridge delivery would be delayed until mid-June and discussion followed regarding the original contract and potential penalties to the manufacturer for not meeting the contract deadline.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's February 2018 Financial summary, cash summary, and February financials. Mr. Campbell noted that all of the aviation categories in revenue were up for the month, as were parking exits, for the first time in 4 months.

Mr. Campbell briefly reviewed the FY19 Budget Presentation and asked that the Authority review the proposed budget and respond with any questions or concerns.

Mrs. Wilsey noted that in May Mr. Campbell will advertise the budget for public comment and viewing for 30 days and then in June the Authority will approve the FY19 budget. In response to Mrs. Girardot's question regarding whether ILM's budget gets incorporated into the County's budget, Mrs. Wilsey responded that it does not, noting that ILM is an enterprise fund but not a part of their operating budget.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of the following action items:

- a. Request approval for the United Airlines Lease Agreement for a one year term with 2 one (1) year options to renew. Rents and fees are all waived for 24 months, but ILM needs this document for operating requirements and liability insurance. Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the United Airlines Lease Agreement. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- b. Request approval of W & K Investments, LLC dba Five Oaks Nursery and Tree Farm for a land lease of 20.5 acres (on Old Winter Park Road) for a plant nursery and ornamental tree farm. The term is 10 years with 2 five (5) year options to renew. After some discussion, Mr. Hickman MOVED, SECONDED by Mr. Barber to approve the land lease with W & K Investments, LLC dba Five Oaks Nursery and Tree Farm. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Ms. LeTellier shared a few marketing initiatives noting that Senator Rabon's April 11th Senate Update included news of ILM's United Airlines launch; the Greater Wilmington Business Journal's quarterly Real Estate publication with a Live Oak Bank building on the commercial side of the publication and ILM's ad for the Business Park on page 32; the new electronic billboards around town announcing the new service to Chicago on United; and the new 30 second commercial, which was shown during the meeting.

GOVERNMENT

Mrs. Girardot updated the Authority on the recent AAAE Legislative Conference in DC where she and Mrs. Wilsey visited with Senators Burr and Tillis and Congressman Rouzer. Mrs. Girardot noted that she and Mr. Wolfe attended the NCAA Conference in Asheville in March.

Mrs. Girardot announced that the date for the annual breakfast with the County Commissioners is scheduled for June 14th at 7:30 am with the official Annual Report to the County

Commissioners the following Monday, June 18th, at their Commission meeting.

Mrs. Girardot reported that it is time to redo the Capital Needs Report for the airports and how to allocate the funding that was completed in 2016, noting what an economic development driver an airport is and that ILM puts about \$1.6B back into the economy. Staff and the Authority have worked with the state identifying our needs at ILM and the needs across the state of the different airports and how the funding will be allocated. It will be based on both economic impact and also on a jobs based methodology. The draft report is complete and is under review by NCDOT senior management and the Governor's office. The report is due to the chairs of the House of Representatives and Senate Appropriations Committees on Transportation and the fiscal research division of the General Assembly on April 15th. The General Assembly goes into session in May and the NCAA Legislative Reception was scheduled for May 15th but we understand that the GA will probably be in recess then so that may be rescheduled.

OPERATIONS & GENERAL AVIATION

Mr. Broughton updated the Authority on recent and upcoming changes to the TSA security checkpoint, noting that ILM now has a separate lane for TSA Pre Check in preparation for the implementation of Enhanced Accessible Property Screening (EAPS) which is scheduled to start on April 14th.

Mr. Broughton updated the Authority on the following General Aviation matters: the approval of a second 12,000 gallon fuel tank for LOB on their leasehold; and that Air Wilmington is researching plans to relocate their self-service fuel tank that has been out of service over to the North Ramp for General Aviation.

DIRECTOR'S REPORT

Mrs. Wilsey reported to the Authority that she attended Mead & Hunt's Air Service Conference in Phoenix last month, having met with United and American, noting that at that time United was very happy with the forward bookings and they noted ILM was "above par" and at that time Dulles was booked more heavily than Chicago.

Mrs. Wilsey reported that American airlines is still very pleased with the ILM station and that ILM has a very strong yield. Mrs. Wilsey noted that American is looking forward to their new flights with daily service to DCA starting May 3rd and seasonal Saturday service to DFW and the one flight a day service to Chicago.

Mrs. Wilsey reported that she also met with other carriers to include Southwest, Allegiant and Frontier and of the three, Frontier seems to be the most advantageous to ILM going forward. Frontier has 77 aircraft in their fleet and by the year 2022, they will have 122 aircraft. Frontier is a leisure travel company and they believe in a broad market but a shallow depth so they are well known for one flight a day, or a couple of flights a week, depending on the destination. Frontier's headquarters is Denver, CO, which is in ILM's Top 10 destinations. Mrs. Wilsey noted that nothing is happening in the immediate future. We will work with Frontier as they look for homes for those aircraft in 2022.

Mrs. Wilsey reported on Monday's United launch and thanked everyone that came out for the celebration. There was a lot of media and Mrs. Wilsey shared United's comments with the Authority noting they said "it was one of the easiest launches"; one of the "easiest station set-

ups”; and it was “a fun launch day” which Mrs. Wilsey attributes to ILM staff. All of ILM’s employees went out of their way to help get the station ready for April 9th.

Mrs. Wilsey noted that we have the 100th Anniversary of Arthur Bluethenthal’s death coming up and staff would like to do a commemoration ceremony with installation of a plaque. The airfield was named after Arthur Bluethenthal in 1928.

Mrs. Wilsey reported that Global Entry interviews will be held in Wilmington May 21-23 at the Customs Facility. Mrs. Wilsey noted that staff is encouraging people, if they are not interested in Global Entry, to at least get Pre Check due to the EAPS changes to the screening process that are being implemented on April 14, 2010, which may cause slowdowns during summer travel.

Mrs. Wilsey noted Mr. Hickman’s April birthday; reported that PSO Tony D’Erasmus, who passed away in August, will be honored for his service with the NYPD at Ground Zero, with his name being added to the Hall of Heroes Wall at One Police Plaza at NYPD Headquarters because his death was considered World Trade Center Line of Duty; Cape Fear Hospice is having a Leaf Ceremony May 12th in Tony’s honor since; and, with the Azalea Festival this weekend, there are two people in the festival magazine special to ILM that were noted in memoriam: Mr. Paul Burton, past Chairman of the Airport Authority and of the Azalea Festival; and Mr. Eddie Baker, a former employee of ILM and Chairman of the Azalea Festival Shag Contest for several years.

Mrs. Wilsey noted the next few months would be busy. On the calendar are April 28’s Southport Wings and Wheels event, and the June 10th Cape Fear Jetport B-17 Aluminum Overcast fundraiser for the EAA.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chairman Lambeth adjourned the meeting at 5:50 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Donna Girardot, Secretary

Date of Approval: May 2, 2018