

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
May 2, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, May 2, 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.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Michael Blackmore and Matthew Festger, RS&H; Monte Coughlin; Tony Wright; Zachary Piech; Rich Williams; Dave Rock; and Ed Samuels.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on April 11, 2018. Mr. Wolfe MOVED, SECONDED by Mr. Barber, to approve the minutes of the April 11, 2018 Airport Authority meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

PUBLIC COMMENTS

Mr. Piech, Cape Fear Flight School, thanked the Authority for hearing their presentation last month and updated the Authority on their efforts, noting they toured the facility and submitted a lease term sheet proposal to the GA Committee. Chairman Lambeth noted this matter would be discussed during the General Aviation Committee's report later in the meeting.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the addition of \$16,500 to the Perimeter Fence (PFC Funds) budget to include replacement of existing 6' gates with new 8' gates. Total budget will be \$516,500, which was approved by the FAA May 1st. The Authority will be responsible for 10% match, or \$1,650. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Stovall to approve the addition of \$16,500 to the Perimeter Fence budget to replace existing 6' gates with new 8' gates. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Mr. Dick updated the Authority on the following projects:

- a. the Airport Blvd. and parking lot lighting project contract has been awarded to Lumina Lighting;
- b. the Runway lighting rehabilitation project contractor has requested a notice to proceed date of May 7th, and there will be runway closures during this project;

- c. the Wet Detention Basin project is nearing completion. The FAA glideslope flight test failed and the FAA is evaluating the test data which indicates it may be an equipment issue and not related to the project.
- d. the Avis project is proceeding nicely and the slab and foundations have been poured; and
- e. regarding the RFQ for Aviation Consultant, an addendum was sent out on April 26th which was published on the ILM website.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's March financial summary, financials and cash summary. Mr. Campbell reported that parking exits as well as commissions were up slightly for the month. Mr. Campbell noted that these financials did not reflect any United activity since this report was for March.

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

- a. The purchase of new parking equipment from Southern Time at a cost not to exceed \$450,000. After some discussion, Mr. Hickman MOVED, SECONDED by Mrs. Girardot to approve the purchase of new parking equipment from Southern Time at a cost not to exceed \$450,000. It was noted that this expense will be spread over 2 budget years. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- b. The FY 2019 Budget of \$28,556,286 (\$7,902,150 Operating; \$20,654,136 Capital) for public review. The capital budget includes an additional \$125,000 due to the fact that the installation of the new parking equipment will carry over into FY19. Mr. Barber MOVED, SECONDED by Mr. Hickman to approve the draft FY 2019 Budget for public review for 30 days. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- c. The discontinuance of the OPEB plan for new employees hired on or after July 1, 2018. All current employees will be grandfathered in under the existing plan. Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the discontinuance of the OPEB plan for new employees hired on or after July 1, 2018. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Mr. Campbell noted that the Finance department is in the process of selecting a new accounting system that is more efficient and user friendly.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of a Lease Agreement with Southern Glass Repair, Inc. dba Glass Doctor-Wilmington for the 2500 Blue Clay Road building for a 5 year term with one 5 year option to renew. Mr. Stovall MOVED, SECONDED by Mr. Hickman to approve the lease with Southern Glass Repair, Inc. dba Glass Doctor-Wilmington. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Ms. LeTellier updated the Authority on proposed improvements by Tailwind Concessions in the terminal gate area. She also mentioned the refurbishment completed in the 1739 Hewlett Drive property.

GOVERNMENT

Mrs. Girardot updated the Authority on the NCDOT Aviation report to the legislature, which is currently available for review; the 2018 Economic Impact Survey which is underway and very important to show the economic benefit of the individual airports to the state and local region economies; and the Annual Report to the County Commissioners which is scheduled for 7:30 am on June 14th.

Mrs. Girardot noted there is an FAA Reauthorization Bill currently before Congress but unfortunately, this Bill does nothing to eliminate the \$4.50 cap on the PFCs.

Mrs. Girardot reported on the first UDO workshop that was held on May 1, 2018, noting that she is the Chair of the UDO review committee. Ms. LeTellier and Ms. McLane were present and will help keep an eye on how this is going to affect the airport. This is just the first phase and there is a lot of work ahead.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reported that on Saturday, April 21st, ILM hosted its 5th Annual Autism Takes Flight at ILM with a record crowd of 36 families and a total of 183 people for the day. Mr. Barber suggested that it would be nice to facilitate getting the Snipes School students involved in future events like this.

Mr. Broughton reviewed the total revenue passengers, fuel cost and fuel flowage.

Mr. Broughton updated the Authority on the status of charters at ILM noting that with the airlines renting the remaining counter space and the gates ILM lost the space that was used for the ground service company to handle charters. The charter company was able to work with Air Wilmington and United Airlines who partnered to complete the recent Xtra Airways charter. In response to Chairman Lambeth's question, Mr. Broughton noted that the terminal expansion should relieve this space issue for scheduled charter operators.

Mr. Broughton updated the Authority on the TSA Enhanced Accessible Property Screening (EAPS) which began April 14th noting that quite a few passengers missed their flights because this new program slowed down the screening process. Staff and TSA created a Pre Check only waiting line to speed up the Pre Check process at ILM and both have put out press releases encouraging passengers to arrive 2 hours before flight departure. Mr. Broughton noted that the passengers who missed their flights did not allow the sufficient amount of time.

Mr. Barber recognized that Cape Fear Flight Training gave a presentation in April of what they want to accomplish and noted that the Authority agreed that the group should be taken on a tour of the hangar and that the GA Committee would meet and make a recommendation.

Mr. Barber noted that in staff's initial meeting with Cape Fear Flight Training, staff was clear that it is in ILM's Capital Plan to demolish the building and repurpose the South Ramp and it is in ILM's ALP update to the Master Plan that all GA should move to the North Ramp.

Mr. Barber outlined the GA Committee's recommended terms as follows:

1. Comply with ILM's Minimum Standards under New Hanover County Code, section 8-272 and 8-273 regarding any general aviation service provider wishing to engage in business of providing general aviation services at ILM (to include a business plan and financial projections for year one).
2. The temporary use of the South Hangar will be 24 months, with no extensions, at which time Cape Fear Flight Training will relocate to the North Ramp.
3. Cape Fear Flight Training must refurbish the South Hangar as per ILM staff requirements estimated at \$307,000 and provide a letter of credit from a bank to verify the ability to financially cover this cost.
4. Cape Fear Flight Training must pay Fair Market rent for this temporary facility in the amount of \$5,400/month.
5. No external hangars will be constructed on the South Ramp location.

Mr. Barber noted it was the GA Committee's recommendation to issue this letter of terms to Cape Fear Flight Training with the deadline to respond being noon on May 28th. In the absence of a plan and all these conditions being met by May 28th, then the GA Committee recommendation will be to allow staff to move forward with the demolition of the building.

Mr. Barber noted that if the flight school could work something out with the FBO on the North Ramp, the GA Committee would consider that alternative as well, provided that the minimum standards are met and a business plan is provided.

Mr. Barber MOVED, on behalf of the GA Committee, to adopt the proposal of the terms as outlined above and issue a letter to Cape Fear Flight Training for consideration and response by May 28th. No second was required as the motion came from the GA Committee. Discussion followed about the refurbishment estimate and the potential for the flight school to work with the FBO on the North side. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on the new American flights starting May 3, 2018, with daily flights to DCA; seasonal daily flights to ORD through September 4; and Saturday only flights to DFW through October 3. Mrs. Wilsey noted that air service at ILM is going well.

Mrs. Wilsey reminded the Authority that she has Jump Start meetings with the airlines in June where she will talk to incumbent carriers and other prospective candidates for service to our top ten destinations.

Mrs. Wilsey reported on a teleconference staff had May 2nd with United who reported that Dulles had a 69% load factor for April and is performing well versus peer markets like Savannah, Piedmont Triad and Fayetteville. The Dulles fares are trending upwards versus those same peers and looking into June and July the yields are better than our peers. Regarding the Chicago market, United reported that it is not as strong as Dulles but they are still very pleased. The Chicago fares are a little weaker and the yield is slightly down compared to Dulles but United is not worried. United noted that 57% of the passengers on the Chicago flights are going to Chicago as a destination.

Mrs. Wilsey reminded the Authority that the Chamber's Elected Officials BBQ is May 18th; the Global Entry event at ILM is May 21-23; and the NCAA Legislative Day is May 23rd in Raleigh. Mrs. Wilsey shared that Mr. Campbell will go before the Chamber Executive Committee on May 10th to give ILM's summer line up presentation and Mr. Dick will be filmed for Spectrum News panel discussing airports and expansion projects across the state with RDU, CLT, and PTI airport representatives.

Mrs. Wilsey noted that there will be an event in June at the airport to honor the memory of Arthur Bluethenthal and the 100th anniversary of his death, which was June 5th, 1918.

NEW BUSINESS

None.

UNFINISHED BUSINESS - CLOSED SESSION

Chairman Lambeth asked the Authority to consider going into closed session to consider a personnel matter pursuant to G.S. § 143-318.11(a)(6). Mr. Hickman MOVED, SECONDED by Mr. Barber to go into closed session to consider a personnel matter pursuant to G.S. § 143-318.11(a)(6). Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

The Authority went into closed session at 5:41 pm with all Authority members, Airport Director Julie Wilsey and Deputy County Attorney Kemp Burbeau in attendance. All other parties left the conference room at this time.

Mrs. Girardot MOVED, SECONDED by Mr. Hickman for the Authority to return to open session. The MOTION WAS APPROVED UNANIMOUSLY. The Authority returned to Open Session at 6 pm.

OPEN SESSION

Mrs. Girardot MOVED, SECONDED by Mr. Hickman to approve the Employment Agreement Amendment for Airport Director Julie Wilsey. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

ADJOURNMENT

There being no further business to come before the Board, Chairman Lambeth adjourned the meeting at 6:02 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Donna Girardot, Secretary

Date of Approval: June 6, 2018