

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
August 1, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, August 1, 2018, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Vice Chairman Wolfe called the meeting to order at 5:04 p.m., led the Pledge of Allegiance and asked Authority members if they had any conflict of interest pursuant to the Authority's Code of Ethics statement. No conflicts of interest or potential conflicts of interest were identified.

Airport Authority members present were: Thomas Wolfe, Vice Chairman; Tom Barber, Secretary; Carter T. Lambeth, Harry W. Stovall, and F. Spruill Thompson. 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.

Donna Girardot, Chairman, and W. Lee Williams were absent from this meeting.

Guests present included Steve Bright, Amy McLane, and Eric Stumph, Talbert & Bright, Inc.; Brian Wilson and Travis Pence, The Wilson Group; Monte Coughlin, Tom Goodwin and Jason Thompson.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Meeting on July 11, 2018. Mr. Lambeth MOVED, SECONDED by Mr. Stovall, to approve the minutes of the July 11, 2018 Airport Authority Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mrs. Girardot and Mr. Williams were absent.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

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

- a. **Terminal Expansion Design, Contract 3 (Future AIP)** - Recommendation for approval of a work authorization to Talbert & Bright for design phase services for Contract 3 of the terminal expansion, NTE \$1,921,372.00, pending positive IFE review and negotiations. FAA scope review has been approved. Mr. Lambeth MOVED, SECONDED by Mr. Barber to approve the work authorization to Talbert & Bright for design phase services for Contract 3 as recommended. Following a brief discussion, the MOTION WAS APPROVED UNANIMOUSLY. Mrs. Girardot and Mr. Williams were absent.
- b. **Air Carrier Apron Expansion, Design (Future AIP)** – Recommendation for approval of a work authorization to Talbert & Bright for design phase services for the air carrier apron expansion, NTE \$280,057.50. FAA scope review has been approved. Mr. Barber

MOVED, SECONDED by Mr. Thompson to approve the work authorization with Talbert & Bright, Inc. for design phase services for the air carrier apron expansion as recommended. Following a brief discussion, the MOTION WAS APPROVED UNANIMOUSLY. Mrs. Girardot and Mr. Williams were absent.

- c. **Terminal Expansion – Construction Contract 1** – Recommendation for approval of a construction contract with Monteith Construction for construction of Contract 1 “Enabling Phase” for the Base Bid amount of \$1,791,000.00 plus Bid Alternate #2 of \$4,500.00. Mr. Lambeth MOVED, SECONDED by Mr. Stovall to approve a construction contract with Monteith Construction for construction of Contract 1 “Enabling Phase” as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mrs. Girardot and Mr. Williams were absent.

Mr. Dick updated the Authority on the status of the Gate 1 Jet Bridge noting that the in-service date has been revised to Friday, August 3rd due to last minute issues that needed to be addressed.

Mr. Dick introduced Brian Wilson and Travis Pence of The Wilson Group, the architects for the terminal expansion project, who presented a brief overview of the project showing the current plans and renderings of the three contract phases for Authority review.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM’s June financial summary, financials and cash summary.

Mr. Campbell, using slides for illustration, reviewed ILM’s unaudited year end summary. Mr. Campbell noted that the audit starts on August 2nd, so these figures are subject to change once the audit is complete.

Mr. Wolfe commented on the change in the budget this year noting that there was less deviation than in the past and congratulated Mr. Campbell on doing a good job putting the budget together.

Mr. Campbell noted that ILM is in a good cash position going into the terminal expansion project with \$10M invested in commercial paper, in addition to money with the North Carolina Capital Management Trust, all of which is earning interest. Mr. Campbell confirmed there is a maintenance reserve and some funds from that reserve were used this year with the ice storm.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of the Avis Service Facility Lease Agreement for a term of 5 years. Avis currently operates out of ILM’s 23rd Street building, and is scheduled to move to its new Service Facility on Hall Drive in August. Annual land rent for the Service Facility starts at \$26,129.13 with a 3% increase every year thereafter. Mr. Stovall MOVED, SECONDED by Mr. Thompson to approve the Avis Service Facility Lease Agreement as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mrs. Girardot and Mr. Williams were absent.

Ms. LeTellier updated the Authority on the “Device ID” campaign and shared a slide of the advertisements that are being featured to raise awareness and promote United’s Chicago flights.

Ms. LeTellier reported on the increase in sales of alcohol, food and gifts since Tailwind opened their newest bar in the gate area Memorial Day weekend. Mrs. Wilsey noted that ILM makes 12% commission on Tailwind's sales.

GOVERNMENT

Mrs. Wilsey informed the Authority that a breakfast meeting with the State legislators is scheduled for September 6th at 8 am for the purpose of showing the legislators ILM's economic impact and the new \$1M Jet Bridge. We will also share ILM's schedule for spending the balance of the \$12M legislative funding.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel cost and fuel flowage. Mr. Broughton noted that fuel flowage was down, primarily due to the airlines purchasing more fuel, because their fuel is not added into ILM's fuel flowage.

Regarding General Aviation, Mr. Broughton reported that he and Mrs. Wilsey met with Mr. Wright, Air Wilmington and Mr. Davis, All American Aviation Services, to discuss thoughts on a GA event at ILM in the Fall. Discussion resulted in plans for a free GA Open House on Saturday, November 10, from 10 am – 2 pm. The flight school will provide "discovery flights", handled on the Air Wilmington ramp, and there will be static displays. Plans include having a food truck on site, inside the fence, with the airport participating in the cost of the event. Mr. Broughton confirmed that the flight school would be in contact with the Young Eagles and Civil Air Patrol to participate, as well.

DIRECTOR'S REPORT

Mrs. Wilsey, using slides to illustrate, updated the Authority on the TSA checkpoint's historical numbers for April – July 2018 and the TSA checkpoint model for September 2018. Mrs. Wilsey noted the reportable time for the TSA checkpoint standard lane is 20 minutes and an exceedance is 30 minutes. For TSA pre-check lane, the reportable time is 10 minutes and an exceedance is 15 minutes. Mrs. Wilsey noted that looking forward to September's schedule and the TSA checkpoint model, projected numbers do peak to 2 lanes but at no time does ILM's numbers reach the point that TSA would justify equipment and staffing for a third lane.

Mrs. Wilsey reported one measure that TSA is taking toward improving the checkpoint is by "flexing" the pre-check lane. TSA has the ability now, when the pre-check lane is empty and the standard lane is full, to shut down the pre-check lane, change a setting, and then flex that pre-check lane so that they can put the standard people in the pre-check lane. When passengers enter the pre-check lane, they will be integrated into the pre-check lane, go through the magnetometer and then divest their bags similar to the standard lane but their wait time will not be impacted near as much as the standard lane.

Mrs. Wilsey advised that ILM staff has taken proactive measures with TSA to make sure TSA is looking at the equipment, alternative screening practices when the equipment is down, and replacement schedules for any equipment operating at less than 98%.

Mrs. Wilsey noted that it has been verified that Mrs. Girardot is the first female Airport Authority Chairman in the state.

Mrs. Wilsey provided an update from United Airlines with May results for the revenue guarantee and ILM will pay out the balance of the revenue guarantee, \$346,287, from the USDOT and the local partners. This will wrap up the SCASD grant and staff can complete the final grant closeout process. Our grant was two years plus two, one year extensions. This is a success story for the Small community Air Service Development Grant program. The grants are easy to get and usually very hard to use. United's load factor grew to 69% for May and their average fare went up \$10 to \$143 per segment. Currently, United has competition with American's seasonal flight of 70 seats each way, each day, causing some downward pressure on prices but as of September 20th, United will have the only non-stop daily flights to Chicago.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Vice Chairman Wolfe adjourned the meeting at 6:10 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary

Date of Approval: September 5, 2018