

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
September 5, 2018**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, September 5, 2018, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 5:00 p.m. and Mr. Lambeth led the Pledge of Allegiance. Chairman Girardot 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: Donna Girardot, Chairman; Tom Barber, Secretary; Carter T. Lambeth, Harry W. Stovall, F. Spruill Thompson and W. Lee Williams. 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.

Thomas Wolfe, Vice Chairman, was absent from this meeting.

Guests present included Steve Bright, Amy McLane, Talbert & Bright, Inc.; Jeff Farkas, Tony Wright, Monte Coughlin, and Kevin Brady.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Meeting on August 1, 2018. Mr. Lambeth MOVED, SECONDED by Mr. Barber, to approve the minutes of the August 1, 2018 Airport Authority Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

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

- a. **FAA Grant Agreement (AIP 55)** - Recommend approval of AIP 55 Grant Agreement, in the amount of \$3,528,562.00. Work authorized by FAA for reimbursement by this grant includes Terminal Expansion design work, Construction Improvements to Airport Drainage (RWY 6-24 Culvert) and Air Carrier Apron Expansion design work. This also includes approval for the Chairman to accept any discretionary grants offered in the next 30 days. Mr. Barber MOVED, SECONDED by Mr. Stovall to approve the AIP 55 Grant Agreement and for the Chairman to be able to accept any discretionary grants as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.

- b. **Landscaping Contract (Parking Lot Fund)** - Recommend approval of a one year

contract with Hambones Lawn Maintenance NTE \$60,000. Scope would include mowing and maintenance of landscaping and grassed areas for all terminal area and business park parking lots. After a brief discussion, Mr. Lambeth MOVED, SECONDED by Mr. Thompson to approve a landscaping contract with Hambones Lawn Maintenance as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.

Mr. Dick reported that the RWY 17-35 lighting rehabilitation project should be complete by the end of September, due to weather delays, and RWY 6-24 should reopen by the end of September, as well. The contractor on the Wet Detention Basin and Ditch project is currently completing additional work items using a portion of the remaining grant funds. The Avis Rental Car Facility work is wrapping up and the project should be handed over to the tenant within the first two weeks of September.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's July financial summary, financials and cash summary.

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

- a. Recommend approval of a new tuition reimbursement program to replace the current program. The program would provide tuition reimbursement of up to \$1,000 per year for continuing education classes or up to \$10,000 per year for a commitment to a BS, MBA or PhD program. After some discussion, Mr. Thompson MOVED, SECONDED by Mr. Barber to approve the new tuition reimbursement program as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.
- b. Recommend approval of an FY18 budget amendment to increase Intergovernmental Revenue in the amount of \$905,000.00 and to increase Operating Grant Expense in the amount of \$950,000.00. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Lambeth to approve the FY18 budget amendment as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.

Mr. Campbell provided an audit update noting that the auditors are reviewing his final report now.

BUSINESS DEVELOPMENT

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

- a. Recommend approval of the All American Aviation Services, LLC lease for Suite 110 at the Flex Building located at 1724 Gardner Drive. The annual rent is \$23,400 with 3% annual escalations, term is 5 years. Mr. Stovall MOVED, SECONDED by Mr. Thompson to approve the All American Aviation Services, LLC Lease as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.
- b. Recommend approval of the lease assignment and assumption of VA Ground Lease (with Consent and Recognition Agreement) between Wilmington NC VA 2011, Wisconsin limited liability company (the "Assignor") and NGP VI Fund, LLC, a Delaware limited

liability company. Following a brief discussion, Mr. Stovall MOVED, SECONDED by Mr. Thompson to approve the lease assignment and assumption of VA Ground Lease as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.

- c. Recommend approval of a lease amendment for Air Park, III, Inc., to extend their lease (in accordance with their lease agreement), from May 10, 2019 through May 10, 2035 for a total of 30 years. Mr. Lambeth MOVED, SECONDED by Mr. Thompson to approve the lease amendment for Air Park III, Inc., as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Wolfe was absent.

Ms. LeTellier reported that the Strategic Performance Group (SPG) has been hired to update the Hotel Feasibility study they completed in 2013.

GOVERNMENT

Chairman Girardot reported that the Senate is in session and is working on a combined spending package but it is still uncertain what will happen to the FAA bill. If it doesn't make it through this session, then they will probably do an extension through the end of the year.

Chairman Girardot noted that the congressional negotiators are meeting to finalize the transportation spending bill and we are asking the Senate to fully fund the AIP at the authorized level of \$3.35B and retain the provisions in the senate bill that would improve the infrastructure across the country by allowing \$750M from the general fund for additional AIP discretionary spending.

Chairman Girardot reminded the Authority of the controversial amendment "Open Skies" from a few years back, noting that there is an amendment to the FAA bill called "Flags of Convenience" and this amendment language intimates a nexus to safety, despite any airline operating under these air service agreements already being required to meet the stringent evaluation of the FAA and USDOT. This appears to be a blatant attempt to keep out competition and force US labor laws and practices on the non-US airlines that operate legitimately and with full FAA oversight and approval under the open skies agreement. It has passed the House and is waiting for vote by the Senate.

Chairman Girardot reminded the Authority of the breakfast meeting at ILM with the General Assembly delegation at 8 am on September 6th.

OPERATIONS & GENERAL AVIATION

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

Mr. Broughton reported that the TSA notified staff that Labor Day Monday was the second highest passengers screened since 2010 with 2008 passengers going through the checkpoint that day. The next day TSA notified staff that Tuesday, September 4th was now the highest number with 2024 passengers screened. TSA noted that they surpassed that record with no reportable wait times.

There was some discussion about fuel prices and Mr. Broughton noted that he would talk with

Air Wilmington and share fuel cost information staff has gathered from like-sized airports from Virginia to South Carolina.

Mr. Broughton reminded the Authority that the Open House is scheduled for November 10th from 10 am – 2 pm with plans for local pilots to have their planes on static display and for Civil Air Patrol to participate. Chief Taylor has submitted the security program amendment which has been approved by the TSA. ILM will be providing the security for this event as well as the Food Truck and port-a-lets.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on the status of the Economic Impact Study noting that DOT and ITRE changed the model from the last iteration so there will be some changes with the results due in October. This study is only through calendar year 2017 so all of the great things happening at ILM that started in April of 2018 and the strong summer that ILM had are not included in this study.

Mrs. Wilsey discussed the 2018 State of Aviation report published by ITRE regarding all types of aviation services across the state, noting that ILM is represented as a commercial service airport, with general aviation operations, and also with cargo. ILM also has the International Clearance Facility, although it is not highlighted in this report. ILM provides just about everything and now with a flight school, ILM has a vast compliment of aviation services. Mrs. Wilsey noted that this report is meant to be an overall report of the state for use by the DOT and legislators.

Mrs. Wilsey noted that GA airports track operations - landings and take-offs, while ILM, as a commercial service airport, tracks enplanements, which are the passengers that leave. Mrs. Wilsey shared a bar chart that was prepared in 2016 noting the number of aircraft based at the NC airports ILM gets compared to frequently and their ad valorem tax values. Staff will update this chart when we get the updated numbers from this study.

Mrs. Wilsey reported on the flight schedules for fall noting that the American seasonal flight to Chicago ended in August, so there are now 2 United flights daily to Chicago. ILM still has the DCA daily flight with American but the DFW seasonal flight has ended for the summer but will pick up every day in December. Of the 9 turns per day that American flies to CLT, 7 of those are with airbus 319, so American has added a lot of capacity to the hub in CLT. ILM went from about 743 seats a day to 1047 a day. This will also contribute to the surge we see at the checkpoint, depending on the time of the day and how many aircraft we have going out at one time.

Mrs. Wilsey reviewed the calendars noting that Joseph Pickering will be at ILM for our October Authority meeting to give the annual update and to meet with the Business Traveler Group and a Tourism group on Thursday morning to work on air service development recruitment and our business cases to continue to grow and strengthen the service that we have.

Mrs. Wilsey advised the Authority that one of ILM's supervisors, Tamie Keel, passed her AAAE Airport Certified Employee (ACE) exam, noting that Ms. Keel and Chief Taylor are the only 2 ACEs that ILM has on staff at this time.

Chairman Girardot noted that in the meeting with the legislators on Thursday morning, staff would be giving a presentation on where the \$12M has been spent or is committed to be spent over the last 2 year cycle and that ILM will be requesting \$15M in the upcoming 2 year cycle and will be showing the legislators that these funds will enable ILM to shift the whole terminal expansion forward if we have the funding. The faster we can speed up the terminal expansion, the better. Let's hope they give us an appropriation this 2 year cycle as well.

Mrs. Wilsey noted, the legislators were extremely wise to put very few constraints and streamlined the paperwork and the grant process so it is easier to put the money to use and to get the projects rolling. The money is actually in our account when we are able to spend it. We would like them to keep it exactly the same way.

Chairman Girardot encouraged the Authority members to talk to the legislators while they are here asking them to fund the next 2 year cycle and keep the DOA process as it is.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

Mr. Williams MOVED, SECONDED by Mr. Barber, to adjourn the meeting. There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 5:42 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary

Date of Approval: October 3, 2018