

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

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, November 7, 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. Thompson 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; Thomas Wolfe, Vice 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; and Rose Davis, Executive Assistant.

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

Guests present included Steve Bright, Amy McLane, and Eric Stumph, Talbert & Bright, Inc.; Joseph Pickering, Mead & Hunt; Bill Smith; Tom Goodwin, Tony Wright and Jeff Farkas. Also present were Jean Lawler, LuAnn Campbell, Riley Campbell and Lily Campbell.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Special Meeting with General Assembly Legislative Delegation on September 6, 2018. Mr. Barber MOVED, SECONDED by Mr. Wolfe, to approve the minutes of the September 6, 2018 Airport Authority Special Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

The Authority has reviewed the minutes of the Meeting on October 3, 2018. Mr. Lambeth MOVED, SECONDED by Mr. Stovall, to approve the minutes of the October 3, 2018 Airport Authority Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

SPECIAL PRESENTATIONS

Chairman Girardot recognized ILM employee Jean Lawler and congratulated her for being named the 2018 Volunteer of the Year by the International Festivals & Events Association for her years of volunteering with the North Carolina Azalea Festival, as well as many other volunteer efforts, from Airlie Gardens to the UNCW Seahawk Club.

Chairman Girardot congratulated and recognized Robert Campbell, Finance Director, for his successful completion of the American Association of Airport Executives Certified Member program. Mr. Campbell's wife, LuAnn Campbell, pinned Mr. Campbell with his AAAE CM pin. Two of Mr. Campbell's children, Riley and Lily Campbell, were present to celebrate their father's accomplishment.

PUBLIC COMMENTS

None.

AIR SERVICE DEVELOPMENT PRESENTATION

Joseph Pickering, ILM's air service consultant with Mead & Hunt, addressed the Authority regarding ILM's air service development and industry trends.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the following items:

- a. **Hurricane Florence repairs or replacements** - authorization for the chairman to approve and sign individual contracts to the lowest responsive bidder for these items as recommended below:
 - Lighting Vault Roof – a contract NTE \$35,000 to install a new roof;
 - 2500 Blue Clay Road Building Roof – a contract NTE \$27,000 for a new roof;
 - Main Terminal Restroom Rehabilitation – a contract NTE \$70,000 to restore the restrooms to service;
 - Decorative Security Fence at Main Terminal – a contract NTE \$85,000 to furnish and install the new decorative security fence; and
 - Maintenance Hangar Door – NTE \$60,000 to replace the 76' x 19'-9" hangar door.

After some discussion, Mr. Williams MOVED, SECONDED by Mr. Lambeth to authorize the chairman to approve and sign individual hurricane repair/replacement contracts as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- b. **Terminal Expansion Contract 1 (NC Leg. Appropriated Funds)** – Approval of Work Authorization Amendment Two to provide construction phase services during the Terminal Expansion Contract 1 work phases for NTE \$72,800 to Talbert and Bright. Mr. Thompson MOVED, SECONDED by Mr. Lambeth to approve Terminal Expansion Contract 1 Work Authorization Amendment Two as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- c. **New Jet Bridge at Gates 2 and 8 (PFC)** – Approval of a Change Order in the amount of \$1,813,940 to the original ThyssenKrupp contract for a Jet Bridge at Gate 1 to add two additional jet bridges. Mr. Wolfe MOVED, SECONDED by Mr. Barber to approve the Change Order to the ThyssenKrupp contract for Jet Bridge at Gate 1 to add two additional jet bridges as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.
- d. **Jet Bridge Professional Services (PFC)** – Approval of an amendment to the existing Work Authorization for DK Consultants for the Jet Bridge at Gate 1 in an amount NTE \$50,000 to provide consulting services related to the procurement of two additional jet bridges, including ramp layout and bridge inspections. Mr. Lambeth MOVED, SECONDED by Mr. Stovall to approve the amendment to the existing Work Authorization with DK Consultants as recommended above. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

- e. **F-750 Dump Truck (General Fund)** – Approval of the purchase of a new 2019 F-750 Dump Truck from Capital Ford in Raleigh for NTE \$82,000. Mr. Williams MOVED, SECONDED by Mr. Wolfe to approve the purchase of a 2019 F-750 Dump Truck as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

Mr. Dick reported that a preconstruction meeting was held on November 6th for the RWY 6-24 Mitigation Project, Phase 2, which is now part of AIP 55, with a notice to proceed in early January 2019. Mr. Dick updated the Authority on the status of the Terminal Expansion Project, Contract 1, noting a new opening in the side of the terminal at the loading dock end of the building with contractors preparing to cut a new opening on the other side of that section of the building on November 8th.

Mr. Dick advised that staff has requested FAA supplemental discretionary funding in the amount of \$5.4M, as part of the Consolidated Appropriations Act signed in March of 2018, for use to help fund the construction of an Air Carrier Apron Expansion, which will provide for additional aircraft maneuvering space and gate space associated with the terminal expansion.

In response to Mr. Lambeth's question regarding the RWY lighting project, Mr. Dick noted that the lights are regular incandescent lights not LED lights since the FAA would not approve LED lighting for reimbursement at the time this project was bid. Mr. Dick reported this project is nearing completion and waiting on the contractor to provide an updated schedule for a closure of the RWY of approximately 4 days while they make a few new connections and complete work in the lighting vault.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's September financial summary, financials and cash summary. Mr. Campbell reminded the Authority that Hurricane Florence came through in September having a negative impact on the finances, noting that fuel flowage fees matched the budgeted amount but landing fees were well below budget since there were no commercial flights for 5 days during the storm. Parking revenue was below budget, as we didn't collect parking fees for 10 days as a result of the storm. Mr. Campbell pointed out one highlight noting that the rental car commissions, although well below what they had been the previous 2 months, were still well above September 2017 commissions.

Mr. Campbell recommended the approval of the following:

RESOLUTION

DESIGNATION OF APPLICANT'S AGENT

BE IT RESOLVED by the governing body of the Organization (a public entity duly organized under the laws of the State of North Carolina) that the above-named Primary (Robert Campbell) and Secondary (Granseur Dick) Agents are hereby authorized to execute and file applications for federal and/or state assistance on behalf of the Organization for the purpose of obtaining certain state and federal financial assistance under the Robert T. Stafford Disaster Relief & Emergency Assistance Act (Public Law 93-288 as amended) or as otherwise available.

BE IT FURTHER RESOLVED that the above-named agents are authorized to represent and act for the Organization in all dealings with the State of North Carolina and the Federal Emergency

Management Agency for all matters pertaining to such disaster assistance required by the grant agreements and **the assurances printed on the reverse side hereof.**

BE IT FINALLY RESOLVED THAT the above-named agents are authorized to act severally.

Mr. Thompson MOVED, SECONDED by Mr. Stovall to approve the Resolution, Designation of Applicant's Agent as recommended. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

In response to Chairman Girardot's question regarding the status of the audit, Mr. Campbell reported that it is in its final stages at the partner level. It was recommended that the Finance Committee review the results on behalf of the Authority prior to the Chairman signing off on the final report but that it would not require a formal action of the full Authority board.

Mr. Campbell reported that staff had their first meeting with FEMA and laying the groundwork and reporting ILM's losses to FEMA with a December 31st deadline to report all of our losses, noting it is still early in the process.

Mr. Campbell reported to the Authority the receipt of a check from the insurance company for Hurricane Florence damage and reviewed the process used to determine that amount, what that amount covered, and the process necessary to recover any additional money from the insurance company. Some discussion followed about the damages and estimated costs to repair, what storm related expenses that FEMA may reimburse, and if there are any potential unknown damages that may be uncovered due to the size of the property.

BUSINESS DEVELOPMENT

Ms. LeTellier invited everyone to attend the All American Aviation Services open house at Air Wilmington on Saturday, November 10th from 10 am to 2 pm and noted the raffle for 5 free discovery flights and the ability to purchase a discovery flight for \$99. ILM advertised the Open House on Twitter, Facebook and the ILM eBlast.

Ms. LeTellier reported that Avis has moved into their new service facility on Hall Drive so the 23rd Street Building is available for lease, noting there have been several calls and showings on that building already with the hope it will lease quickly to a credit worthy tenant.

Ms. LeTellier shared that the quarterly eBlast went out to 5000 people with lots of good information, including the offering of a 15% discount to first time advertisers for advertising in the terminal, the All American Aviation/Air Wilmington open house, and the availability of the 23rd Street Building for lease.

GOVERNMENT

Chairman Girardot updated the Authority on the progress of fee negotiations with the lobbyist for the General Assembly funding for the 72 NC airports in the upcoming 2 year cycle, noting that RDU, CLT, and AVL have their own contingency contract with lobbyists and will not be included in these negotiations, however, they will benefit from funds received, so we will be asking the lobbyist to consider the amounts paid by these larger airports towards this same result when negotiating their fee.

Chairman Girardot reminded the Authority that Senator Rabon spoke of the rental car commissions and his belief that money should be dedicated to airport infrastructure and that Senator Rabon recommended that the airports ask for those commissions to be dedicated on a recurring basis in this year's session.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel costs and fuel flowage for September 2018, noting the effects of Hurricane Florence on the monthly numbers, due to 153 canceled flights, but pointing out that we are still up 8.9% over last year for passenger traffic.

Mr. Broughton reminded the Authority of the All American Aviation open house event hosted by Air Wilmington on Saturday, November 10th from 10 am – 2 pm, as previously mentioned.

Mr. Broughton reported being informed that an x-ray machine in the standard lane at the checkpoint broke down between 4 and 4:30 pm today and the technician was due to arrive by 5:30 pm to repair that machine before the Thursday morning fleet launch. This information was posted on social media to let travelers know to allow themselves plenty of time noting that it could be slow going through the checkpoint if this machine is not fixed before Thursday morning.

In response to Chairman Girardot's inquiry about fuel sales during the storm, Mr. Wright noted that Air Wilmington made up what was lost during the storm in the two days following the storm. Mr. Broughton pointed out that one of the main problems was in getting the aviation fuel trucks into Wilmington after the storm.

DIRECTOR'S REPORT

Mrs. Wilsey reported that the NCDOT will not be releasing the economic impact results until January 2019 as they want to do a major roll out with talking points and information. ILM is able to share its economic impact of \$1.752B but Mrs. Wilsey is not able to discuss or relay any of the other airports' economic impact information. As commercial service airports grow, they are growing the overall economy for the state and it is a reinvestment of just a fraction of the funds that are being generated on airport.

Mrs. Wilsey noted that staff will close the SCASD grant by the end of the calendar year. All of the investor funds have been expended. DOT's funds of \$750,000 have been expended. What we are working on now will be the accounting for our \$100,000 marketing commitment. There are a few more marketing initiatives that should be wrapped up in the next month and some air service development work with Mead & Hunt.

Mrs. Wilsey provided an update to the key investors that committed almost \$203,000 and noted seeing the digital billboard which was an in kind contribution from Wilmington Health Associates that still talks about Chicago.

Mrs. Wilsey, reporting on staff training, noted the following:

- Bob Campbell's CM, was a really big step as he had to learn about the operations and security regulations of the airport business;
- Other ILM staff who are already CM's include Gary Taylor, Whitney Prease and Gary

Broughton;

- Tamie Keel, Operations Supervisor, was selected to represent ILM with New Hanover County for UNCW Project Management course;
- Erin McNally, Marketing Specialist, successfully completed her first class of 12 towards her MBA at UNCW and is currently taking her second course; and,
- Keaghon Stark, Operations Supervisor, and Granseur Dick attended a New Hanover County training course on Crucial Conversations.

Mrs. Wilsey noted that the NCAA has quarterly educational programs and AirTap also has classes throughout the year. We try to get as many employees to those programs/classes when they are close by to grow the expertise of the staff at the manager and supervisor levels.

Mrs. Wilsey thanked the Authority members for attending the announcement of the Parks L. Griffin Memorial Plaza noting that the event received great media coverage.

Mrs. Wilsey asked the Authority to reserve Tuesday, December 11th on their calendars for the final Power Breakfast of 2018 where ILM will be one of the featured TED talks with the topic being “Expanding Economic Opportunities” which will include the terminal expansion project, the success with United. Mrs. Wilsey noted that we will be inviting our legislators to join us at the ILM tables to help set us up for that additional \$15M requested.

Mrs. Wilsey noted that ILM has recovered operationally but there are ILM employees that are still hurting. Six of ILM’s employees, who are either out of their home or had their home damaged seriously, were given money from American Association Airport Executives and Airport Councils International-NA, who raised a total of \$57,000 for airport employee victims of Hurricane Florence. These funds helped 6 ILM employees, 4 from Jacksonville, 8 from New Bern, 1 each from Wallace and Elizabethtown. It meant a lot that complete strangers in the airport industry cared enough to give some money and send it to benefit another airport employee.

UNFINISHED BUSINESS

None.

NEW BUSINESS

The Authority reviewed the proposed 2019 Meeting Schedule and agreed to move the January and July meetings to the second Wednesday of the month. The 2019 schedule will be posted on the New Hanover County and ILM websites.

ADJOURNMENT

Mr. Williams MOVED, SECONDED by Mr. Wolfe, to adjourn the meeting. There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 6:28 p.m.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary
Date of Approval: December 5, 2018