

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
May 1, 2019**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, May 1, 2019, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 5:00 p.m. and Mr. Barber 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 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; Rose Davis, Executive Assistant; and Kemp Burpeau, Deputy County Attorney.

Guests present included Steve Bright and Eric Stumph, Talbert & Bright, Inc.; Chris Birkmeyer, AVCON, Inc.; Zachary Piech, Tony Wright, John Perino, and Tom Goodwin.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on April 3, 2019. Mr. Lambeth **MOVED, SECONDED** by Mr. Stovall, to approve the minutes of the April 3, 2019 Airport Authority meeting as submitted. Upon vote, the **MOTION WAS APPROVED UNANIMOUSLY.**

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the following items:

- a) **Ground Transportation Master Plan – (CFC & General)** – a contract to AVCON Inc. to perform a Ground Transportation Master Plan, pending positive IFE review, for a NTE amount of \$367,521.00. Following a brief discussion regarding the selection process, scope of the project, and a request for more Authority involvement in the selection process, Mr. Thompson **MOVED, SECONDED** by Mr. Barber, to approve a contract with AVCON Inc. as recommended, positive IFE review. Upon vote, the **MOTION WAS APPROVED UNANIMOUSLY.**

Chairman Girardot asked that staff include Authority members in facilities and terminal expansion processes moving forward. Mr. Barber suggested that discussion follow under New Business regarding criteria to provide to staff for including Authority members going forward.

- b) **ILM Hurricane Florence Repairs (General/FEMA/Insurance)** – a contract to Gregory Construction Company for construction work related to Hurricane Florence Terminal repairs for \$639,184.00 subject to verification of bids and all required bonding. Following a brief discussion, Mr. Stovall **MOVED, SECONDED** by Mr. Williams to approve a contract with Gregory Construction Company for construction work related to Hurricane Florence Terminal repairs as recommended. Upon vote, the **MOTION WAS APPROVED UNANIMOUSLY.**

- c) **ILM Forklift**– a Purchase Order NTE \$55,000 to Atlantic Coast Toyota for the procurement of a new 10,000 lb forklift. Mr. Williams **MOVED, SECONDED** by Mr. Barber to approve the purchase of forklift from Atlantic Coast Toyota as recommended. Upon vote, the **MOTION WAS APPROVED UNANIMOUSLY.**

Mr. Dick reported to the Authority that staff was notified the morning of May 1, 2019 that the contractor involved in the North GA Ramp Development project hit the water service to the ILM Maintenance Base. CFPUA is coming out to repair that but Maintenance Base is without water until that is repaired.

Regarding Terminal Expansion, Contract 2, Mr. Dick noted that there is a large hole in the ramp as part of the demolition process and that a groundbreaking is scheduled for Monday, May 6th at 10:30 am. Attendees will be escorted down through the baggage area and out onto the ramp for the event.

As a follow-up report from last month, Mr. Dick reviewed with the Authority the Professional Fees for Development of Projects at the Airports as recommended by the Facilities Committee. Mr. Dick noted that this is primarily for engineers, architects and planners who are required to go through a qualifications based selection (QBS) process, by which you select your consultant and then negotiate scope and fee after that point.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's March financial summary, financials and cash summary. Mr. Campbell noted that revenue, even without the \$19,000 FEMA reimbursement, was over \$1M again for the month of March. The strong revenue figures are directly related to strong enplanement figures. Parking lot exits were up 12% over March 2018 and rental car commissions were up 20% over March 2018. Mr. Campbell noted expenses were just under budget for the month and included \$50,000 worth of hurricane related expenses.

Mr. Campbell recommended the approval of FY2020 Budget of \$45,114,166 (\$8,513,750 Operating; \$36,600,416 Capital) for public review. Mr. Lambeth **MOVED, SECONDED** by Mr. Stovall to approve the FY2020 Budget as proposed for public review. Upon vote, the **MOTION WAS APPROVED UNANIMOUSLY.**

Mr. Campbell reported receipt of a \$19,000 check from FEMA for Hurricane Florence repairs related to debris removal. There is hope the reimbursement process will speed up now that the terminal repairs will be starting soon.

BUSINESS DEVELOPMENT

Ms. LeTellier updated the Authority on the terminal expansion customer communications and marketing efforts throughout the terminal building, using a slide of photos for illustration, noting the tag line is “more room to coast.”

Using a link to the ILM custom landing page on the Expedia website, Ms. LeTellier updated the Authority on the Expedia digital campaign that was recently launched and runs through July.

Ms. LeTellier shared that a current advertiser, Mark Johnson Homes, has purchased another advertisement in the concourse to augment his ad in bag claim.

Ms. LeTellier updated the Authority on the recent Realtors’ Commercial Alliance Southeast North Carolina (RCASENC) broker breakfast at ILM which was attended by about 25 RCASENC members, including some Authority members. Guests were informed about the terminal expansion progress and provided an overview of the ILM Business Park.

GOVERNMENT

Chairman Girardot reported that the airport legislation, with recurring \$75M funding, was introduced in the House and should be voted on the week ending May 3rd. We should know more in the last week of June as legislators wrap up the budget process.

Regarding Turo, Chairman Girardot reported there was a conference call with the airport lobbyist during which Turo has asked to negotiate with NC airports versus going the legislative route.

Chairman Girardot updated the Authority on the recent meeting at ILM with Congressman Rouzer, noting that Rouzer confided that he believes Congress may increase the PFCs from \$4.50 to \$8.00.

Chairman Girardot advised the Authority that our annual report and breakfast with the County Commissioners is June 6th with breakfast starting at 7:45 am. Notice will be posted that the meeting will start at 8:15 am and should end by 9:15 am.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel costs and fuel flowage for March 2019. Mr. Broughton noted that ILM is still seeing a double digit increase going into April, in spite of 21 cancellations in April. Mr. Broughton reported that fuel flowage was down from March of 2018 due mainly to two military squadrons on deployment overseas for the next couple of months.

Mr. Broughton reported that as of April 30, 2019, All American Aviation is now a Part 141 Flight School. The CEO, Jason Davis, reported this allows for reduced flying hours to obtain your private instrument commercial license and saves students thousands of dollars.

DIRECTOR’S REPORT

Mrs. Wilsey reminded the Authority that the RFP for an Air Service Consultant is due May 17, 2019, noting that this contract is based on a proposal with a fee. The plan is to review the

proposals and have a consultant selected for approval at the June Authority meeting to begin July 1, 2019. The current contract with Mead & Hunt goes through June 30, 2019.

Reporting on Jumpstart, Mrs. Wilsey noted that ILM has 5 airline appointments. ILM is scheduled to meet with Delta and is on the waiting list for American and United.

Mrs. Wilsey advised the Authority that ILM has its most robust summer schedule ever coming up, and the largest overnight schedule fleet launch, with 9 aircraft for the next month. ILM has anywhere from 647-756 passengers leaving the terminal between the hours of 5:32 am and 7:26 am for the next several months. At the peak of the schedule there are 3 airbus 319s, with the first two to Charlotte and one to Atlanta. Mrs. Wilsey noted it was key to get the word out to the public to arrive early because the checkpoint is busy for fleet launch. From 6:50 am – 7:26 am, the TSA checkpoint averages anywhere from 480-497 passengers, with throughput for an hour for our 2 lanes, at peak efficiency, at a maximum of 370 people.

Mrs. Wilsey noted that Hurricane season starts June 1st reporting that internally, all generators have been repaired and there is a new program of checks to be sure they are tested. Vendor lists have been updated to facilitate emergency contacts before, during and after the storm. ILM staff will continue to review the staffing policy and life support policy.

Regarding external coordination, staff has met several times with Beth Schrader, New Hanover County Chief Strategy Officer, and there are 5-7 year plans on major issues that this community faced during the storm. There are at least 4 long term opportunities where the County is seeking funding for: warehouse space for a distribution center; a possible airside hangar; an EOC and warehouse for the County; and a fuel farm storage area for jet fuel.

Mrs. Wilsey reported on meetings with two consultants that the County has brought into the area to consult on how to help area businesses get back on their feet. The CEDC is looking at “Gazelle” companies, with 50-100 employees, asking how this community and the Chamber can help those businesses get funding and resources. Today, staff met with Dr. Ron Swagger, with the International Economic Development Council, who has been tasked through the County to update the Garner Report.

Mrs. Wilsey informed the Authority that ILM now has its first ACE Trusted Agent, Dispatcher Janice Davis.

Mrs. Wilsey reported on attending the Cape Fear Crossing Public Meeting in Leland as a citizen and for airport interest, noting that she did not speak but will submit written comments on behalf of the Airport to encourage them to make a decision on the crossing.

Mrs. Wilsey reminded the Authority of the Ribbon Cutting scheduled for Monday, May 6th, noting it would be a one of a kind ribbon cutting. Comments from the speakers will be scheduled between departures and arrivals. A reception will follow in the conference room upstairs.

Mrs. Wilsey reviewed the calendars for May - July 2019.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Chairman Girardot initiated a discussion regarding committees and Authority assignment and guidance for staff on Authority involvement. Mrs. Wilsey noted that the Authority leadership, Chair and Vice Chair, are normally brought into things well in advance of the full Authority. Mr. Stovall suggested that he and Mr. Thompson should be brought in on Business Development matters before they get too far along. Mr. Thompson agreed that the committee should be involved before an LOI is dispatched. Mr. Lambeth asked that the Authority be kept informed when last minute items come up before an Authority meeting. Mrs. Wilsey noted that some items are included in the agenda, but depending on bid dates, they are not always available when the agenda is prepared for mailing.

Mr. Thompson asked if there was a procedural requirement regarding the timing of the agenda preparation and whether or not the agenda could be sent out electronically versus mailing it out a week before the meeting. Mr. Thompson suggested the agenda be dispatched electronically closer to the meeting time in the hopes that fewer things would come up at the last minute.

With respect to committee meetings and actions, Mr. Barber asked what causes staff to call a committee meeting. Mrs. Wilsey responded, usually, if it is an action item, staff should be talking to the Authority members on their committee about the action item. Ms. LeTellier worked with several small clients to fill the flex space and there were small RFPs and LOIs and she worked with them until she had the lease ready for action. When the lease was ready for approval, it was put on the agenda and Ms. LeTellier let her committee know that it was coming. Staff intent was to turn the LOIs around as quickly as possible allowing the companies to start their due diligence. They wanted some comfort that they would be exclusive while they did their due diligence. Staff didn't want to wait until today to officially approve an LOI because everyone would have lost nearly 2 weeks.

Mr. Stovall noted that the size of the deal has a lot to do with it and agreed a 1200 SF lease in the flex building is one thing, while these others require more intense scrutiny.

Mr. Barber suggested that if staff is getting ready to deal with a project that would exceed say, \$100,000, they should inform the appropriate committee and the leadership in a timely way such that when the Authority members walk into the meeting, they are aware. Background information should be provided to the committee ahead of time and if the committee feels like it needs to go to the rest of the Authority, it would be up to them.

Chairman Girardot restated her observation of the various comments during the discussion noting that Authority members were not asking for any additional set meetings but on a subject to subject basis, more participation from the Authority during the process. It was noted this could happen with conference calls.

CLOSED SESSION

Chairman Girardot called for a motion for the Authority to enter into a closed session to consider expansion of industry/economic development opportunity pursuant to G.S. § 143-318.11(a) (4).

Mr. Barber MOVED, SECONDED by Mr. Stovall to enter into closed session. The MOTION CARRIED. All guests were asked to leave the conference room at this time. Remaining during closed session were all Authority members, the Deputy County Attorney and ILM administrative staff. The Authority went into closed session at 6:20 pm.

OPEN SESSION

Chairman Girardot reported that the Authority has concluded discussion and consideration of expansion of industry and economic development. No action is necessary from the closed session.

ADJOURNMENT

Mr. Barber MOVED, SECONDED by Mr. Wolfe to adjourn. The MOTION CARRIED. There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 6:57 p.m.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Thomas C. Barber, II, Secretary

Date of Approval: June 5, 2019