

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
October 2, 2019**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, October 2, 2019, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 5:00 p.m. and Mrs. Olson-Boseman 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; Harry W. Stovall, Secretary; Carter T. Lambeth, Julia Olson-Boseman, and Lee Williams. Also present were Julie A. 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 Wanda Copley, County Attorney.

F. Spruill Thompson was absent from this meeting.

Guests present included Steve Bright and Eric Stumph, Talbert & Bright, Inc.; Chris Birkmeyer, AVCON; Gary Taylor, Operations Manager; Erin McNally, Marketing Specialist; Zachary Piech, Thomas Pied, Steve Moore, Adrienne Cox, Tom Goodwin and Kevin Brady.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the CLOSED SESSION on September 11, 2019. Mr. Lambeth MOVED, SECONDED by Mr. Stovall to approve the minutes of the CLOSED SESSION on September 11, 2019 as submitted. Upon vote, the MOTION WAS APPROVED. Mr. Thompson and Mr. Williams were absent for this vote.

The Authority has reviewed the minutes of the meeting on September 11, 2019. Mr. Wolfe MOVED, SECONDED by Mr. Lambeth to approve the minutes of the September 11, 2019 Airport Authority meeting as submitted. Upon vote, the MOTION WAS APPROVED. Mr. Thompson and Mr. Williams were absent for this vote.

Mr. Williams arrived at 5:02 pm.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

Mr. Dick updated the Authority on the roof replacement project, Hurricane Dorian repairs, Contract 2 progress, and Contract 3 negotiations.

Mr. Dick advised that staff met with the transportation study consultants on September 12 for recommendations on current deficiencies, noting that parking capacity is a big concern. The next

meeting on the transportation study will be October 15th.

Mr. Dick reported that Jet Bridge 2 would go into service on the night of October 2.

Mr. Dick advised the Authority that ILM received an FAA Grant, AIP 57, for \$3.1M on September 27th which was executed and returned to the FAA. This is ILM's entitlement portion and all of this money will go towards our terminal expansion project. Staff will continue to work with the FAA to see what other funding may be available in the upcoming fiscal year to support the terminal expansion project.

FINANCE & HUMAN RESOURCES

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

Chairman Girardot asked if a budget adjustment would be necessary for the contract with the Sheriff's Department and Mr. Campbell responded that the expenditures for the Sheriff's Department will be offset by the decrease in the salaries of the PSOs no longer employed but noted that budgeted money would move from one line item to another.

Mrs. Wilsey noted that we are less than 30 days from the transition and Chief Taylor has been working with the Lt. and the Sheriff to make sure that all duties will be covered. Mrs. Wilsey advised that there may be some gaps in the duties that our officers performed that will need to be covered either by current or new employees and staff may come back to the Authority for approval of additional employees as the transition moves forward.

Mr. Campbell reported that the audit is going well and the new auditors are being very thorough and are still working towards the October 15th deadline.

Mr. Campbell updated the Authority on Hurricane Florence repairs noting that to date ILM has spent \$764,000 in repairs and received \$618,000 in proceeds between insurance and FEMA, so we are out-of-pocket \$145,000 as of now but there are still pending cases with FEMA. Mr. Campbell noted there are still 2 major projects that ILM has not expended any money on yet – the repair of the terminal, which is basically complete but not invoiced, and the ditch project, that has not been started yet.

BUSINESS DEVELOPMENT

Ms. LeTellier updated the Authority on the free advertising ILM received in the Wilmington Biz magazine which featured an article on Chairman Girardot, a story on the terminal expansion project, and ILM's impact in the "Destination Wilmington" article, as well as several paid advertisements, including one on our proposed hotel location.

Ms. LeTellier advised the Authority of two new advertisers in the terminal: The Wilson Center and Blue Shark Vodka.

Mrs. McNally, Marketing Specialist, presented the results of the Terminal Expansion Survey to the Authority, focusing on the feedback from travelers, regarding concessions and amenities. The survey also included information on transportation, parking and air service.

Chairman Girardot suggested that staff send out a press release with the results.

GOVERNMENT

Chairman Girardot reported that the Senate will shut down the session on October 31st leaving ILM and the airport legislation currently pending. Legislators are still anticipating that there will be some “mini budget” bills passed, with one of them being transportation, and we have been assured that the airports could still be looking at the money before the end of the year.

OPERATIONS & GENERAL AVIATION

Mr. Broughton reviewed the total revenue passengers, fuel costs and fuel flowage for August 2019.

Mr. Broughton praised ILM’s emergency response team – firefighters and operations, who responded to an Alert on September 23rd where a Cherokee landed hard and blew a tire near center field, closing both runways for a short time. The pilot requested and was towed to SeaHawk Aviation.

Mr. Broughton updated the Authority on a recent conversation with Turo regarding legislation that was signed by the Governor. State airports are going to work together to reach common ground for all airports. Per legislation, Airports can charge Turo a fee to operate, ask that they mark their vehicles and designate where they park. Beyond that, the terms are negotiable.

DIRECTOR’S REPORT

Mrs. Wilsey reported on her recent Roundtable Air Service meeting with our new air service consultant. This is a more informal, small gathering with 5 airlines in attendance. Mrs. McNally has submitted ILM as a location for a Roundtable event in October of 2021. This is a good opportunity to show off the city and the changes in the terminal to the 5 air carriers that attend.

Mrs. Wilsey advised that United continues to talk about pilot shortages and the impact of the 737 Max being out of service and how that trickles down throughout their schedule and fleet utilization. They had planned 5% growth but because of this shortage of crews and aircraft, they are having to hold back. Mrs. Wilsey shared that for January and February of 2020, United will discontinue ILM’s daily Chicago flight.

Mrs. Wilsey shared a slide of data for United’s load factors at ILM. United is due to bring back 1 flight a day to Chicago on March 5, 2020. Our goal with United is to get the flights back in January/February 2021.

Mrs. Wilsey shared that Dulles carries a lot of travel to Denver, LAX, San Francisco and other westward connecting markets so it might be worth asking for larger aircraft with more seats. Mrs. Wilsey pointed out that ILM was not the only market to lose a flight, particularly at the 50 seat level.

Mrs. Wilsey noted there were also schedule changes coming from United with the Chicago flight moving to a 7 am departure with an arrival at 9:24 and the two Dulles flights are a 6 am overnight and a 10:30 am flight. Good news from United is there will be additional flights over the Thanksgiving weekend and they are already selling those for the holiday.

Mrs. Wilsey noted that the air service consultant will be at ILM for the November 6 Authority meeting. On Thursday we will have meetings with the Business Traveler Group (BTG) and Tourism groups.

An article on ILM was released October 1st in the online version of Business View magazine and that article was shown during the meeting. This article covers ILM's whole business, including Customs, the Business Park, our FBO, this terminal and our growth. Mrs. McNally, responding to Chairman Girardot's question regarding Business View magazine's distribution, noted Business View is a national magazine with over 800,000 national distribution, including the Caribbean. Five local companies purchased advertising in the magazine. They include: Coldwell Banker Sea Coast Advantage, Talbert & Bright, NC Southeast Partnership, Air Wilmington and Johnson Controls.

Mrs. Wilsey reminded the Authority that this is the time of year that she is most called on to speak locally on industry panels and community briefs regarding ILM growth and holiday travel tips.

Mrs. Wilsey advised the Authority that staff was notified by the TSA at 4 pm on October 2nd that the x-ray machine in the standard checkpoint went down. Staff called the FSD in Raleigh and the part is in Charlotte and being driven to Wilmington tonight to arrive at 12:30 am and a TSA employee and the technician will install that part overnight so that the machine should be ready for fleet launch on the morning of October 3rd. Staff put this out on social media as soon as we heard to warn our travelers to get here early in the morning.

Mrs. Wilsey reviewed the calendars for October-December 2019.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

Mr. Lambeth MOVED, SECONDED by Mr. Stovall to adjourn the meeting. The MOTION CARRIED. Mr. Thompson was absent. There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 5:46 pm.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Harry W. Stovall, Secretary

Date of Approval: November 6, 2019