



ILM

WILMINGTON INTERNATIONAL AIRPORT

***New Hanover County
Airport Authority
Meeting***

***Wednesday
February 5, 2020***

5:00 PM

ILM Executive Conference Room



*New Hanover County Airport Authority
Meeting Agenda
February 5, 2020 - 5:00 PM*

- Pledge of Allegiance
- Call to Order/Code of Ethics Clause
- Approval of Minutes Tab 1
- Public Comments (Limited to 3 Minutes)
- Staff Reports
 - Facilities & Terminal Expansion Tab 2
 - Finance & Human Resources Tab 3
 - Business Development Tab 4
 - Government Tab 5
 - Operations and General Aviation Tab 6
 - Director's Report Tab 7
- Unfinished Business/New Business/Adjournment Tab 8



New Hanover County Airport Authority
Code of Ethics
Adopted 9/2/2015

In accordance with the New Hanover County Board of Commissioners Resolution Adopting a Code of Ethics, as adopted on January 5, 2015, it is the duty of all County boards and committees to respect and abide by the New Hanover County Code of Ethics in the performance of their duties.

More specifically all Airport Authority members should:

1. obey all applicable laws;
2. uphold the integrity and independence of the Authority;
3. avoid impropriety;
4. faithfully perform the duties of the office; and,
5. conduct the affairs of the Authority in an open and public manner.

It is further the duty of every Authority member to avoid both conflicts of interest and appearances of conflicts. Does any member have any known conflict of interest or appearance of conflict with respect to any matters coming before the Authority today? If so, please identify the conflict or appearance of conflict and refrain from any undue participation in the particular matter involved.



Tab 1
Approval of Minutes

The Authority has been provided copies of the minutes for the January 8, 2020 regular meeting.

Copies of the January 8, 2020 Closed Session minutes will be available for review at the Authority meeting.

Staff Reports

Committee	Airport Authority Member	Staff Member
Facilities & Terminal Expansion/Tab 2	Donna Girardot Tom Wolfe	Granseur Dick
Finance & Human Resources/Tab 3	Tom Wolfe Lee Williams	Bob Campbell
Business Development/Tab 4	Harry Stovall Spruill Thompson Tom Wolfe	Carol LeTellier
Government/Tab 5	Donna Girardot Julia Olson-Boseman	Julie Wilsey
Operations & General Aviation/Tab 6	Carter Lambeth Lee Williams	Gary Broughton
Director's Report/Tab 7		Julie Wilsey



Tab 2

Facilities & Terminal Expansion

- **Action Items**

- a. **Airfield Pavement Marking (General Operating)** – Recommendation of a PO in the amount of NTE \$150,000 for HASCO Inc. to repaint airfield runway and taxiway markings. This amount was included in the budget and is similar to previous years expenses for annual airfield maintenance striping work.

- **Information Items**

- a. **ILM Third TSA Checkpoint Lane (General)** – Design drawings are completed and have been delivered to the contractor for pricing. Construction cost estimates will either be available in advance of the February Authority meeting or will be shared with the Authority members if received afterward.
- b. **ILM Roof Replacement (General, PFC, FEMA & Insurance)** – Contract has been extended to February 1st due to weather delays. Contractor is working on punch list items, including installation of impact resistant glass that experienced a manufacturer delay.
- c. **ILM Hurricane Dorian Repairs (General)** – Work is officially complete. Final submissions for reimbursement to FEMA are underway.
- d. **Terminal Expansion – Contract 2 (NC Leg. Appropriations)** – Airlines occupied their new offices Jan. 27th through 28th. Contractors have started demolition work behind the existing ticket counters with night work.



Tab 2

Facilities & Terminal Expansion

- **Information Items (Continued)**

- e. **Terminal Expansion - Contract 3 (FAA, AIP, PFC, State, General)** – Contractors have established the new construction limits and begun demolition of lighting on the ramp and ramp concrete. Schedule 1 work will be complete at the end of 2021 and Schedule 2 will complete at the end of 2022.
- f. **Transportation Study** – AVCON is working on final revisions to the draft report, which will be shared with F&E Committee and available for board review.



Tab 3

Finance & Human Resources

- **Monthly Financials** - December Financial Summary, Financials and Cash Summary (Agenda pages 13-16)
- **Action Items - None**
- **Information Items - None**

Wilmington International Airport

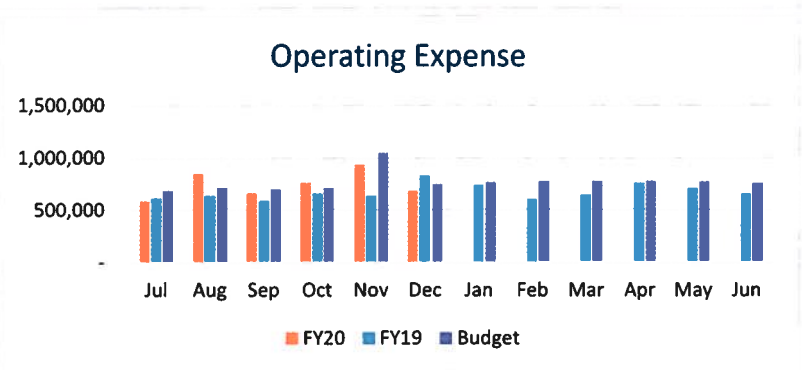
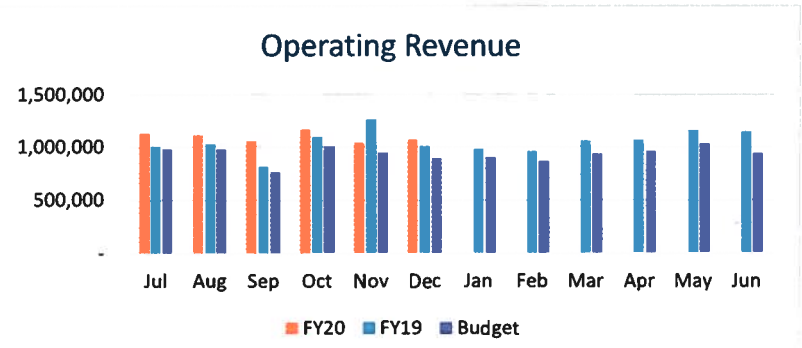
Monthly Financial Summary

December

Summary	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Monthly Revenue	1,068,674	882,755	999,750	21.1%	6.9%
Monthly Expense	689,639	748,924	825,874	-7.9%	-16.5%
YTD Revenue	6,556,438	5,529,720	6,182,695	18.6%	6.0%
YTD Expense	4,465,666	4,609,629	3,959,077	-3.1%	12.8%

Revenue	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Aviation	146,422	120,454	120,910	21.6%	21.1%
Parking Lot	434,573	327,228	356,804	32.8%	21.8%
Rent	210,204	199,643	237,508	5.3%	-11.5%
Commissions	160,545	151,203	155,705	6.2%	3.1%
Security	46,450	40,781	46,226	13.9%	0.5%
Other	31,400	24,446	27,070	28.4%	16.0%
Interest	39,080	19,000	55,527	105.7%	-29.6%

Expense	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Salaries/Benefits	312,075	298,623	363,052	4.5%	-14.0%
Contracted Services	102,387	99,102	66,600	3.3%	53.7%
Utilities	33,729	39,165	37,958	-13.9%	-11.1%
Repairs & Maint	43,331	80,016	267,100	-45.8%	-83.8%
Other	148,117	169,518	91,164	-12.6%	62.5%



Summary of Significant Monthly Activity	
Revenue	Expense
<p>Aviation - larger airplanes have increased landing fees over the previous year. Additionally, increased military traffic increased fuel flowage.</p> <p>Parking lot - increased passenger loads translated into additional parking revenue versus the prior year.</p> <p>Rent - FY19 contained a one-time adjustment that inflated revenue. FY20 figures are in line with current expectations.</p> <p>Commissions - rental car commissions are once again comparable to the prior year. The impact of Hurricane Florence is no longer present in FY19 figures.</p>	<p>Salaries & benefits - the variance compared to the prior year is due to the fact that the PSO salaries are no longer part of payroll; the negative variance vs the budget is the result of a one-time event; this variance should reverse in coming months.</p> <p>Repairs & maint - prior year contains Hurricane Florence-related repairs; current year is low due to large expenses, such as airfield painting, that are budgeted evenly throughout the year, but have not yet been expended. This large variance will begin to reverse in February.</p> <p>Other - contains advertising and marketing expense which is not spent evenly throughout the year. Positive variance should begin to reverse in the near future.</p>

Wilmington International Airport
December 2019

Cash Summary

Month End Account Balances		
Account Name	Interest Rate	Month End Balance
General Operating Checking	N/A	\$ 1,441,199.83
Business Park Checking	N/A	8,196.55
Business Park Money Rate Savings	0.90%	1,555,065.64
Federal Projects	N/A	500.00
Money Rate Savings	0.90%	414,745.71
Investment Account-Govt	1.96%	31,749.82
Investment Account-Term	2.03%	11,452,841.42
PFC BB&T Money Rate Savings ***	0.90%	2,528,758.51
PFC South State Money Rate Savings ***	1.76%	6,080,439.87
CFC Money Rate Savings ***	0.90%	2,736,621.26
CFC Checking ***	N/A	500.00
Safe Keeping ***	1.79%-2.58%	9,856,325.57
Petty Cash	N/A	1,000.00
Total Cash		36,107,944.18
Less Restricted Use ***		21,202,645.21
Less Reserves:		
Maintenance & Development Reserve		2,856,048.53
Operational Reserve		4,000,000.00
Net Cash Available for Daily Operations		\$ 8,049,250.44

Monthly Cash Activity		
Beginning Balance		\$ 9,844,621.99
Receipts		
General Operating	\$ 1,857,392.70	
GO Transfers In from NC Cap Mgmt	1,500,000.00	
Business Park Operations Checking	55,000.00	
Business Park Money Rate Savings	94,265.92	
Investment Account (Transfers In)	-	
Federal Projects	-	
Business Park Money Rate Savings Interest	1,164.09	
Money Rate Savings Interest	316.90	
Investment Account-Govt Interest	40.12	
Investment Account-Term Interest	18,472.53	
Total Receipts	3,526,652.26	
Disbursements		
General Operating Accounts Payable	3,579,781.52	
General Operating Payroll	134,311.26	
General Operating Transfers to Investment Account	-	
Money Rate Savings Trf	-	
NC Cap Mgmt Trust Trf	1,500,000.00	
Business Park Operations Checking Accounts Payable	52,931.03	
Business Park Money Rate Savings Accounts Payable	55,000.00	
Federal Projects Accounts Payable	-	
Total Disbursements	(5,322,023.81)	
Ending Balance		\$ 8,049,250.44



Tab 4 Business Development

- **Action Items**

Request approval for a Second Amendment to Sublease Agreement with fueling station to reimburse \$41,490.00 for professional services provided by Timmons Group to design, engineer and permit the water and sewer line up to the property premises.

- **Information Items**

- a. Thanks a Million campaign started with media event announcing that ILM served 1,075,963 passengers and included a weeklong celebration surprising passengers with tasty treats, parking “on us”, and our limited edition ILM socks, in-terminal signage, pull-up banners, outdoor billboards, social media, and a new 30 sec commercial.

The Wilmington Business Journal's article featuring ILM serving over 1 million passengers and the new BOS route was the most read article of the week.

- b. ILM will advise the New Hanover County Fair that the area they typically use may not be available going forward due to airport parking expansion.



Tab 5 Government

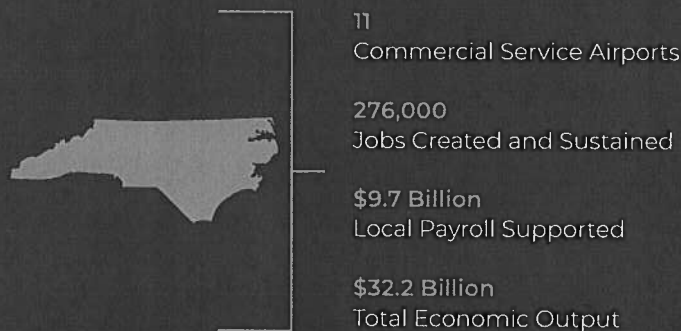
- **Action Items – None**

- **Information Items**
 - a. Federal Infrastructure Framework & PFC

 - b. Legislative Funding Status for last 2 years – 91% Expended
FY20 and FY21 State formula - \$ 5,062,832/year

North Carolina Airports are Terminally Challenged

Just like airports across the country, North Carolina airports face unprecedented infrastructure challenges that threaten their ability to remain competitive and globally connected.



Infrastructure Needs of North Carolina Airports 2019 - 2023

\$4.2 Billion

Job Creation Potential

91,000 Jobs

Maxed Out Airports

When the Passenger Facility Charge (PFC) user fee is maxed out, airports aren't able to fund needed infrastructure projects that help the airport keep pace with growth in passenger and cargo volume.

NORTH CAROLINA AIRPORTS PFC CONSTRAINED UNTIL

Wilmington International	2021
Fayetteville Regional/Grannis Field	2022
Piedmont Triad International	2022
Asheville Regional	2024
Coastal Carolina Regional	2025
Pitt-Greenville	2027
Albert J Ellis	2028
Charlotte/Douglas International	2031
Raleigh-Durham International	2032

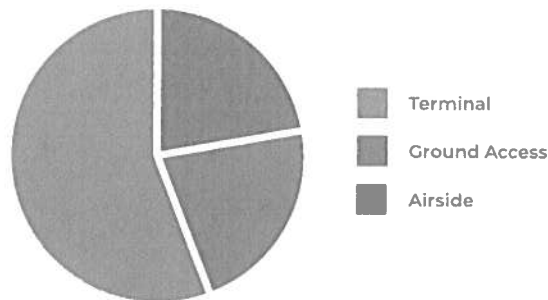
Learn more at airportscouncil.org >>

U.S. Airport Infrastructure Needs Near \$130 Billion

While passenger and cargo traffic through airport facilities continues to grow at a record pace, our outdated aviation infrastructure is not keeping up with demand. As a result, far too many airports around the country are overcrowded and cramped. America's airports require more than \$128 billion in infrastructure upgrades by 2023.

Airport Needs by Project

At nearly 56 percent, terminal projects account for the largest share of infrastructure needs of all airports for 2019 through 2023. Such projects are needed to accommodate more passengers and larger aircraft, implement new security requirements, facilitate increased competition among airlines, and enhance the passenger experience.



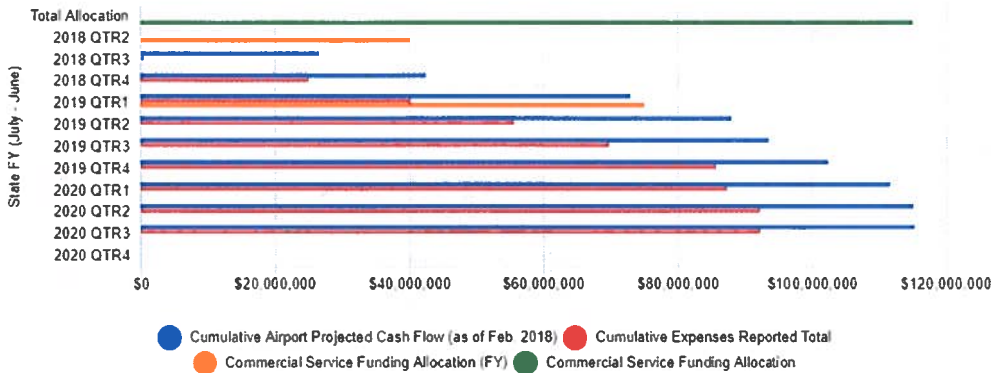
Addressing the Infrastructure Funding Shortfall for All U.S. Airports

With America's airports facing more than \$128 billion in new infrastructure needs across the system and a debt burden of \$91.6 billion from past projects, it is time to find the means to rebuild our nation's aviation infrastructure and improve the passenger experience for millions of travelers.

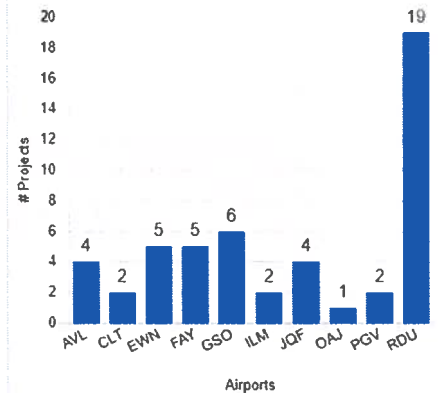
Modestly adjusting the outdated federal cap on local PFCs would allow airports to take control of their own investment decisions and become more financially self-sufficient. Airports could build the appropriate facilities like terminals, gates, baggage systems, security checkpoints, roadways, and runways – to meet the travel demands and customer expectations of their community.

2018 - 2019 Commercial Service Airport Appropriation Status

Expenditure Cashflow (Cumulative)



Number of Projects

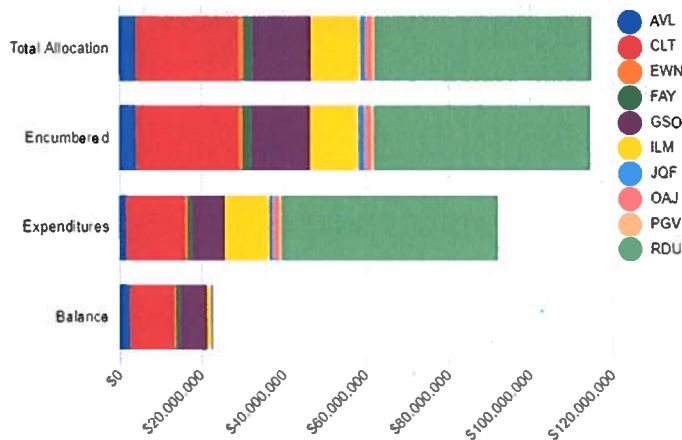


The chart above shows the funding allocations and cumulative airport cash-flow projections (February 2018) against current reviewed cumulative expenditures for all 10 commercial service airports that received funding through legislated appropriations beginning in State Fiscal Year 2018.

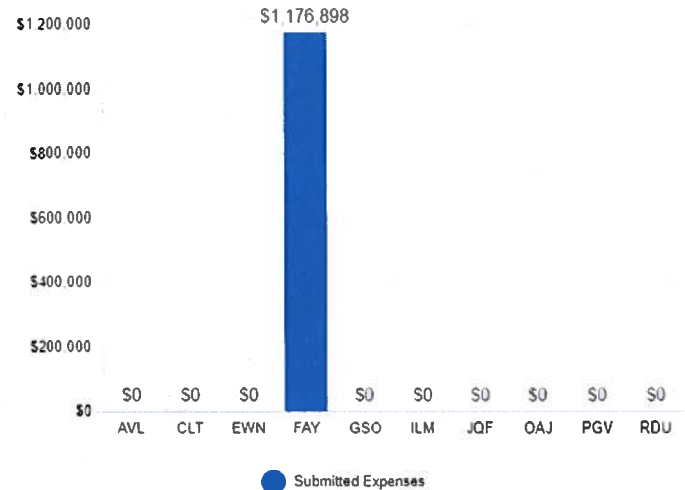
Project number based on latest project proposal submitted by the airport

APPROPRIATION, EXPENSE & SUBMITTAL SUMMARIES

Appropriation Status



Submitted Expenditures (Under Review)



The chart above shows the total funding allocation, expenses and balance by airport of the legislated appropriations for State Fiscal Years 2018-2019. Encumbered Amount was added on November, 19, 2018, and is based off the supplied contract amounts supplied with submitted expense reports.

The chart above shows current submitted expenses to report against the legislated appropriations for State Fiscal Years 2018-2019. These amounts are under review and have not been included as expenditures in the other charts shown on this dashboard. Once review is complete, these submittals will be included in the other charts.

Submittals Under Review

Row ID	Review Status	Returned Date	Airport Identifier	Calendar YR/QTR	Reporting Month	Submitter's Name	Expensed Amount
ER160	2-Returned	01/27/20	FAY - Fayetteville International Airport	2019 (Oct-Dec)		Ashley Gilmore	\$1,176,898.00

This table shows the details of the in process submitted expenses. Once reviewed these submitted expenses will be considered "expensed" and the expensed amounts will be represented in the charts on this dashboard.

1-Submitted: Airport has submitted an expense report. It is currently under review.

2-Returned: During review, some discrepancies were found and it was returned to the airport to be reconciled by either updating the expense report or including additional supporting documentation.

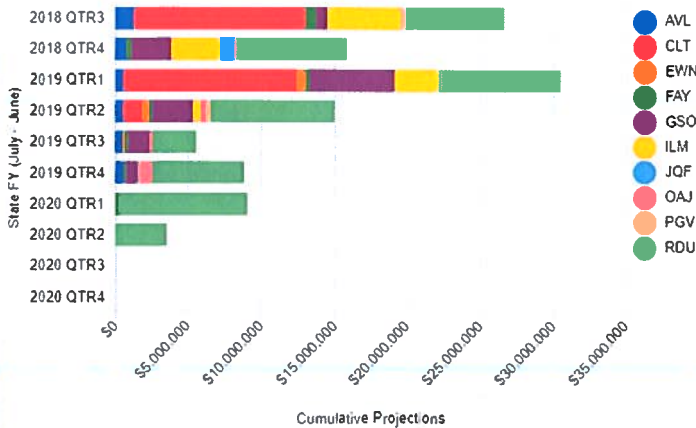
Encumbrance Report

Airport	SFY 2018 Allocation	SFY 2019 Allocation	Total Allocation	Encumbered	% Encumbered	Unencumbered	Expenditures	Balance	Submitted Expenses	% Expensed
AVL	\$2,026,331	\$2,026,331	\$4,052,662	\$4,052,662	100%	\$0	\$1,602,649	\$2,450,013	\$0	40%
CLT	\$0	\$25,000,000	\$25,000,000	\$25,000,000	100%	\$0	\$14,220,422	\$10,779,578	\$0	57%
EWN	\$653,162	\$653,162	\$1,306,324	\$971,163	74%	\$335,161	\$865,070	\$441,254	\$0	66%

FAY	\$1,139,670	\$1,139,670	\$2,279,340	\$2,279,340	100%	\$0	\$988,475	\$1,290,865	\$1,176,898	43%
GSO	\$7,123,082	\$7,123,082	\$14,246,164	\$14,246,164	100%	\$0	\$8,019,125	\$6,227,039	\$0	56%
ILM	\$5,946,945	\$5,946,945	\$11,893,890	\$11,893,890	100%	\$0	\$10,777,184	\$1,116,706	\$0	91%
JQF	\$586,901	\$586,901	\$1,173,802	\$1,123,536	96%	\$50,266	\$806,450	\$367,352	\$0	69%
OAJ	\$864,708	\$864,708	\$1,729,416	\$1,729,416	100%	\$0	\$1,583,886	\$145,530	\$0	92%
PGV	\$377,070	\$377,070	\$754,140	\$754,140	100%	\$0	\$754,140	\$0	\$0	100%
RDU	\$21,282,131	\$31,282,131	\$52,564,262	\$52,564,262	100%	\$0	\$52,564,262	\$0	\$0	100%
Total	\$40,000,000	\$75,000,000	\$115,000,000	\$114,614,573	100%	\$385,427	\$92,181,663	\$22,818,337	\$1,176,898	80%

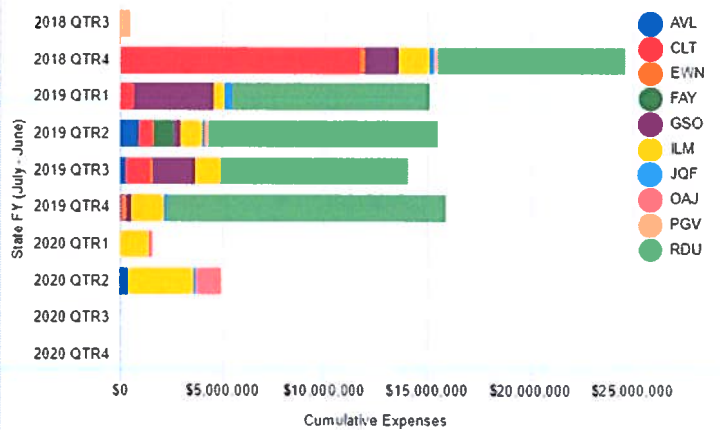
CASH FLOW SUMMARY

Cash Flow Projections (By Quarter, as of Feb 2018)



The chart above shows the quarterly cash-flow projections for the legislated appropriations for State Fiscal Years 2018-2019 by airport (submitted in February 2018).

Completed Expenditures (By Quarter)



The chart above shows the quarterly reviewed expenses for the legislated appropriations for State Fiscal Years 2018-2019 by airport. These expenses are submitted directly into this application. Please note that the first required submittal of expenses started in the 4th quarter of State Fiscal Year 2018.

EXPENSE REPORT SUBMITTAL FORM

FORM TO SUBMIT EXPENSE REPORTS

Commercial Service Airport Improvement & Debt Service Expense Report Submittals

Please complete this form to submit your quarterly expense report. If you have more than one project to submit, please compile your content prior to submitting this form.

PLEASE READ:

At the Division of Aviation Meeting on 10/19/2018, the 10 Commercial Service Airport directors in Raleigh unanimously decided that expense reports will be submitted monthly by the 15th of the following month of expense paid. This is in preparation of the 2019 Report to the Joint Legislative Transportation Oversight Committee of the uses, or planned uses of the 2018-2019 appropriation funds and the expenses that have occurred to date.

Airport Identifier *

Select your Airport

- AVL - Asheville Regional Airport
- CLT - Charlotte Douglas International Airport
- EWN - Coastal Carolina Regional Airport
- FAY - Fayetteville International Airport
- GSO - Piedmont Triad International Airport
- ILM - Wilmington International Airport
- JQF - Concord Regional Airport
- OAJ - Albert J Ellis Airport
- PGV - Pitt Greenville Airport
- RDU - Raleigh Durham Int Airport

Submitter's Name *

Reporting Year *

Select the year you are reporting expenses (Calendar Year)

- 2018
- 2019
- 2020

Reporting Quarter *

Select the Quarter which you are reporting expenses



Tab 6 Operations & General Aviation

- **Action Items – None**
- **Information Items**
 - a. **PASSENGERS:**
 - Total revenue passengers for December 2019 were 95,234 up 18.3% bringing YTD revenue passengers to 1,075,963 up 15.2%
 - January 2020 enplanements are tracking up approximately 8%
 - c. **FUEL:** Jet A: \$5.24 Avgas:.....\$5.59
 - d. **FUEL FLOWAGE:** December 2019: 275,654 gallons up 34.7% vs. December 2018
- **General Aviation**
 - FBO RFP



Tab 7 Director's Report

- **Action Items – None**

- **Information Items**
 - a. Air Service Update (BOS) and Routes America
 - b. ILM Goals for 2020
 - c. State of the County – February 10th at 6PM
 - d. March Authority Meeting – March 11th vs. 4th
 - e. February, March, and April Calendars (Agenda pages 25-27)

Julie Wilsey

From: Oliver Lamb <oliver.lamb@pacav.aero>
Sent: Tuesday, January 28, 2020 8:13 PM
To: Julie Wilsey; Erin McNally; Robert Campbell
Subject: The Battle for Boston

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Hi Julie, Erin & Bob,

I think the below would be interesting reading for you so you know what's going on in Boston (and hey, Wilmington gets a mention!):

AIRLINES

JetBlue Unfazed By Growing Competition In Boston

LORI RANSON, lori.ranson412@gmail.com

JetBlue Airways shows no signs of backing down from its build up in Boston even as Delta Air Lines, and now American Airlines, continue to increase pressure in one of JetBlue's most important markets.

Boston Logan International is a major focus city for JetBlue; it is the airport's largest airline, and the New York-based carrier is on a march to achieve 200 daily departures from the airport.

But in the last couple of years, Boston has also been a focus city for Delta and in 2019 the carrier declared Logan had become a coastal hub. Delta also aims to reach 200 daily departures from Boston, and its executives emphasized that level of service would create a "very profitable and sustainable franchise" for the airline in Boston.

More recently, American—Logan's largest airline in the past—outlined plans for an expansion in Boston. Over the last few months American has announced plans to launch flights from Boston to Austin, Indianapolis, London Heathrow, Raleigh-Durham and Wilmington, North Carolina.

Delta also operates flights from Boston to Indianapolis and both Delta and JetBlue offer service from Logan to Austin. Frontier competes with Delta and JetBlue on flights from Boston to Raleigh-Durham. The trans-Atlantic route to London Heathrow is served by American's JV partner British Airways

as well as Delta and Virgin Atlantic. There is no current service from Boston to Wilmington.

JetBlue is undeterred by the buildup of U.S. major airlines in one of its key bases. "We are mindful that this year we anticipate facing heightened competition in both Boston and our Florida markets," company CEO Robin Hayes recently told analysts and investors.

But even with that awareness, JetBlue is increasing flights throughout 2020 on more than a half dozen of its busiest routes during peak travel periods in Boston, Fort Lauderdale, New York, Orlando, Latin America and the Caribbean.

The airline is supporting that expansion by eliminating underperforming markets, an exercise it has been undertaking for roughly a year and a half. Its latest cuts include shuttering operations at Oakland International and further dwindling its presence at Long Beach. JetBlue has been cutting its service from Long Beach over the last couple of years; the latest eliminated routes include flights to Oakland, Sacramento and San Jose.

When JetBlue president Joanna Geraghty was recently asked if Long Beach was now rationalized, she said "every city and every route has to earn its way into our network. The reallocations that we have done of the last year and a half are on track ... our focus is on growing out our key cities including Boston and Fort Lauderdale."

For the first quarter of 2020, JetBlue is forecasting unit revenue growth of in range of flat to up 3% year-on-year after a 2.7% drop in the 2019 fourth quarter.

So, it looks like nobody is blinking in Boston yet!

Cheers
Oli

FEBRUARY 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3 8:30 am Reset & Rebalance	4 NC AirTap (GD & TK) Routes America (RC)	5 5 pm AA Meeting	6 10 am Ambassador's Quarterly Mtg.	7	8
9	10 8:30 am Reset & Rebalance 6 pm State of the County (DG, GB, ST)	11 10 am Signatory Training	12 10 am WMPO Mtg. (GD) 2:30 pm Air Carrier Mtg.	13	14 Valentine's Day	15
AAAE Finance & Admin Conf. (RC)		JW Vacation 10-21				
16	17 Presidents' Day 8:30 am Reset & Rebalance	18 1 pm C2/C3 Mtg	19 7:30 am Chamber Coffee w/Candidates (RC)	20 10 am Wildlife Hazard Management	21 Tom Wolfe's Birthday	22
JW Vacation						
23	24 8:30 am Reset & Rebalance	25	26 10:30 am WILMA Workshop (JW) 10 am Signatory Training 3 pm WMPO (GD)	27 10 OLLI Presentation (GD) 11 CREW Awards (JW)	28 10 am Region One Meeting (JW)	29

MARCH 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 Donna Girardot's Birthday	3	4 8 am UW Cabinet Mtg. (JW) 5 pm AA Meeting	AAAE/ACI-NA Legislative Conference-DC (DG, JW)		7
8	9 8:30 am Reset & Rebalance	10 1 pm C2/C3 Mtg	11 10 am WMPO Mtg. (GD) 2:30 pm Air Carrier Mtg.	12 Tenant's Quarterly Meeting 10 am	13	14
15	16 8:30 am Reset & Rebalance	17	18	19 8 am United Way Board Mtg. (JW)	20 10 am AAAE Panel @ MYB (JW)	21
22	23 8:30 am Reset & Rebalance	24	25 UNCW Business Week Speaker (JW) 3 pm WMPO Bd (GD)	26 8 am PACU Financial Wellness	27	28
29	30 8:30 am Reset & Rebalance	31 1 pm C2/C3 Mtg	1	2	3	4

APRIL 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1 5 pm AA Meeting	2	3	4
			Azalea Festival			
5	6	7	8	9	10 Good Friday Admin Offices Closed	11
12 Easter Sunday	13	14	15 10 am WMPO Tech. Coord. Committee (GD)	16 8 am UW Board Mtg. (JW)	17	18
	FAA Southern Region Conference (GD)					
19	20	21 1 pm C2/C3 Mtg.	22	23	24	25
	NCAA Conference -Wilmington			WRD Site Selectors Event		
26	27	28	29 3 pm WMPO Board (GD)	30	1	2



Tab 8

- **Unfinished Business**
- **New Business**
- **Adjournment**