

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
March 11, 2020**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, March 11, 2020, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 5:00 p.m. and Cub Scout Anderson Dick from Pack 226 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 Stovall, Secretary; Carter T. Lambeth, Spruill Thompson and Lee Williams. Also present were Julie A. Wilsey, Airport Director; Gary Broughton, Deputy Director; Robert Campbell, Finance Director; Granseur Dick, Facilities Director; Rose Davis, Executive Assistant; and Wanda Copley, County Attorney.

Guests present included Steve Bright and Eric Stumph, Talbert & Bright, Inc.; Tony Wright, Jeffrey Farkas, Nick Loder, Jason Thompson, Peter Hughes, Tom Goodwin, Chris Birkmeyer, Anderson Dick and Conrad Manuel.

Authority member Julia Olson-Boseman and Business Development Director, Carol LeTellier were absent from this meeting.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Closed Session on February 5, 2020. Mr. Stovall MOVED, SECONDED by Mr. Lambeth to approve the minutes of the Closed Session on February 5, 2020 as submitted. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

The Authority has reviewed the minutes of the meeting on February 5, 2020. Mr. Lambeth MOVED, SECONDED by Mr. Wolfe to approve the minutes of the February 5, 2020 Airport Authority meeting as submitted. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

PUBLIC COMMENTS

None.

FACILITIES & TERMINAL EXPANSION

Mr. Dick updated the Authority on the status of the third TSA checkpoint lane. Using slides for illustration, Mr. Dick gave the Authority a virtual tour of the Terminal Expansion Project in the ticket area, outbound baggage area and TSA checkpoint, noting that the completion date for Contract 2 is now August 10th. Mr. Dick reported that the TSA Checkpoint Lane Project is on schedule and should be tested and operational by March 31st. Mr. Dick also showed the current status of Contract 3 work that has just begun.

Mr. Dick, using the final draft of the Transportation Study and slides for reference, identified priority projects to start in 2020 and an additional lot to construct in 2022 that would keep ILM on track with projected growth up to 2023.

Mr. Dick updated the Authority on the status of the RFQ for Land-Side Engineering & Architectural Services noting that staff received 10 submittals and will be reviewing those for selection of firms that have capacity to design, permit and bid for parking lot construction by this holiday season.

Chairman Girardot confirmed that staff has given the fair authorities notice of the need to look for an alternate location for the 2021 Cape Fear Fair and Expo.

FINANCE & HUMAN RESOURCES

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

Mr. Campbell used a slide to show the Authority the property adjacent to the airport that is in the PFC approved zone and not currently owned by ILM.

Mr. Campbell recommended the approval of the following item:

The purchase of property located at 2015 Old Wrightsboro Road, Wilmington, NC 28405 for an amount not to exceed \$125,000 subject to survey and environmental assessment results. This property is located in our PFC approved zone and the purchase, therefore, will be completed using PFC funds. Mr. Wolfe MOVED, SECONDED by Mr. Thompson to approve the purchase of 2015 Old Wrightsboro Road as recommended. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

Mr. Campbell advised that staff is working on the FY2021 Budget.

BUSINESS DEVELOPMENT

Mrs. Wilsey updated the Authority on behalf of Ms. LeTellier who was attending an airport conference.

Mrs. Wilsey recommended the approval of the following item:

An additional 30 day extension on the inspection period for the fueling station due to ILM adding water and sewer extension design to their scope of work. By extending this for another 30 days, it means the inspection period goes until March 10th and the first deposit is due 80 days after the inspection period ends, which will be May 30th, with the second payment due on June 29th. Mr. Thompson MOVED, SECONDED by Mr. Stovall to grant the additional 30 day extension as recommended. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

Mrs. Wilsey noted there are 3 new advertisers in the terminal: Brew Boat, Vahue Building Corp. and Holiday Inn Express & Suites.

Mrs. Wilsey advised that staff has given the Cape Fear Fair and Expo informal notice to start planning for a new location for November of 2021 due to construction activities for the terminal growth.

GOVERNMENT

Chairman Girardot updated the Authority on the AAAE Legislative Conference in DC attended by herself and Mrs. Wilsey, noting that everyone in DC wanted to talk about coronavirus and how the virus makes passage of PFCs more difficult because the airlines are taking such a beating with loss of traffic that very few want to talk about increasing the price of a ticket. However, the Chairman of the Transportation Committee, DeFazio, is solidly behind the PFC increase.

The AIP, increased funding and supplemental discretionary funding for all airports were also topics at the conference and Chairman Girardot and Mrs. Wilsey pointed out to our legislative delegation that ILM has a funding gap. ILM didn't receive any FAA discretionary funding in 2019 while at the top of the list for such funding.

Regarding the firefighting foam, the debate about whether Congress should require the EPA to designate the PFAS as hazardous material is far from over. Considering that the FAA has yet to approve an alternative to PFAS free foam, Congress is being asked to provide liability ~~projection~~ *protection* to the airports, as well as federal monies for remediation actions because some airports have already been forced to move ahead to start remediation. (*corrected May 6, 2020*) PFAS contaminated airport remediation efforts and monies for remediation would cover the airport equipment, airport contaminated materials as well as replace all the airport foam and firefighting equipment once approved.

Drones were also a subject at the conference and the need to develop policies for airports to utilize unmanned UAFs for cargo delivery, security emergency response, construction management, site surveys and facility inspections.

Regarding the Real ID, only 30% of the Country so far is prepared for October 1, 2020 when the Real ID is required to fly so millions of passengers may be unable to board their flights on October 1 and it was noted that this will have severe negative impacts on passengers, airline operations, cruise lines and airport security. There were rumors at the conference of eliminating the program or extending the compliance deadline.

Also discussed at the conference was closing the airline bag fee loophole. Airlines have been increasingly relying on revenue generated from checked baggage fees and other amenities and less on base airline ticket fees. Unlike tickets, these other charges are not subject to the 7.5% excise tax to support airports and the airway trust fund, which helps fund FAA investments for airports and airport infrastructure projects and the air traffic control system.

On the matter of State funding, ILM has not received its FY20 funding yet. ILM staff is working with NCDOT Aviation to get those funds delivered before the General Assembly decides they need it back. Chairman Girardot pointed out the funding gap ILM has in light of the contracts that we have already out there for the expansion projects. ILM needs these federal and state funds for this project.

OPERATIONS & GENERAL AVIATION

Mr. Broughton advised the Authority that ILM's FAA Part 139 Airport Certification Inspection

was March 4-6th and ILM received no written discrepancies.

Mr. Broughton reviewed the total revenue passengers, fuel costs and fuel flowage for January 2020.

On the General Aviation side, ILM staff is working with Marathon Partners to negotiate a lease for the 2nd FBO. Staff hopes to have negotiations complete by the next Authority meeting.

DIRECTOR'S REPORT

Mrs. Wilsey reported that Friday, March 6 was employee appreciation day and meals were provided for each of the shifts in celebration of both employee appreciation and an outstanding Part 139 inspection.

Regarding Air Service update, Mrs. Wilsey reported there is a lot of uncertainty with the coronavirus. Late last week United reported they were going to cut domestic seat capacity by 10% and international by 20%. Staff was able to confirm that the impact on ILM will be the daily Chicago flight. United will cut that daily Chicago flight for April and May and return it in early June. Mrs. Wilsey pointed out during that same period United will have three non-stop flights to Dulles daily. Mrs. Wilsey noted that is a loss of 50 seats a day, each way to Chicago but hoping they will make that up carrying those passengers through Dulles. Yesterday Delta announced they were going to cut 10-15% of their domestic capacity and 20-25% of their international capacity. It appears that ILM will not have any impacts due to Delta's cuts at this time. For American, they announced 7.5% reduction in domestic and 10% in international. ILM may be losing one of the PHL flights early in the morning launch but we have not been able to confirm this with American.

Mrs. Wilsey noted that ILM has added to the website a page dedicated to the coronavirus and the impacts on ILM that will be updated twice a week on Tuesdays and Fridays between 1 and 3 pm unless there is an immediate need to post information. Staff is not going to answer airline questions or CDC questions. There are links to those providers so customers can do their own research.

Mrs. Wilsey reported that ILM staff has changed cleaning products and maintenance staff is sanitizing all hard services and touch points at least twice, if not three times a day. ILM staff is being consistent with what the CDC is recommending and what commercial service airports in the state are doing. The 10 NC commercial service airports are having telephone conferences every Monday at 4:30 pm so all are working out best practices to pass along to each other. The commercial airports are concerned about a drop off in revenue with our partners, services, and concessions and will try to be consistent in how we deal with our partners going forward. Mrs. Wilsey noted that staff is watching the parking lot numbers, the seats and capacity and hopefully we will weather through this and return to normal.

Regarding AIP discretionary funding, Mrs. Wilsey reviewed the Terminal Expansion Project information sheet estimating that the cost for the project would be \$88M and how the project was outlined to keep it rolling based on the project eligibility requirements, which included the AIP eligible amount of \$33M, noting that ILM was eligible as a non-hub for \$20M in discretionary funding. The project was started with entitlement while a non-hub assuming we would get the

first \$10M last federal fiscal year (FY19). About 3 weeks before the end of the fiscal year, staff found out they didn't have the money for us so ILM is \$10M short. Staff is continuing the project and phasing that project hoping that we get at least \$10M discretionary this year, if not the whole \$20M this year, but again there is a lot of uncertainty with AIP discretionary. Chairman Girardot and Mrs. Wilsey took the message to our legislators in DC, that ILM needs that discretionary funding from the FAA. Discretionary funding has to be granted before staff can spend it.

Mrs. Wilsey reviewed the calendars for March - May 2020. Mrs. Wilsey reminded the Authority of the NCAA Airports Conference April 21-22 in Wilmington.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Mr. Thompson asked the Authority to revisit the request made a few months ago by a local rabbi to place a menorah in the airport. Mr. Thompson asked the Authority to consider allowing a menorah to be displayed in the airport during the Hanukah season leaving it up to the staff to find a location that would be suitable.

Discussion followed regarding fairness to other religions and holidays as well as potential policy development considerations and the County's current practice of non-religious holiday decorations. The Authority agreed to take this into consideration for future discussion.

CLOSED SESSION

Chairman Girardot called for a motion for the Authority to enter into a closed session to conduct the Airport Director's evaluation pursuant to G.S. § 143-318.11(a)(6). Mr. Wolfe MOVED, SECONDED by Mr. Stovall to enter into closed session for personnel matters. The MOTION CARRIED.

All guests were asked to leave the conference room at this time. Remaining during the closed session were all Authority members, with the exception of Julia Olson-Boseman, and the County Attorney. The Authority went into closed session at 6:01 pm.

Mrs. Wilsey returned to the conference room.

OPEN SESSION

Mr. Lambeth MOVED, SECONDED by Mr. Stovall to return to Open Session. The MOTION CARRIED. The Authority returned to OPEN SESSION at 6:35 p.m. Chairman Girardot reported that the Authority has completed its evaluation of the Airport Director.

Chairman Girardot noted for the record that following the performance evaluation of the Airport Director, Mrs. Wilsey will receive a 6% salary increase effective January 1, 2020.

ADJOURNMENT

Mr. Lambeth MOVED, SECONDED by Mr. Stovall to adjourn the meeting. The MOTION

New Hanover County Airport Authority

March 11, 2020

Page 6

CARRIED. There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 6:37 pm.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Harry W. Stovall, Secretary

Date of Approval: May 6, 2020