

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
May 6, 2020**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, May 6, 2020, through special measures due to COVID19, consisting of a Zoom meeting for Authority members and ILM staff and a telephone conference bridge for public participation. Chairman Girardot called the meeting to order at 5:05 p.m. 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.

Chairman Girardot welcomed the public who was listening by telephone conference and identified the Authority members and ILM staff present in the Zoom meeting. Chairman Girardot outlined guidance and direction to all for the special measures being taken for this meeting.

Airport Authority members attending through Zoom meeting were: Donna Girardot, Chairman; Thomas Wolfe, Vice Chairman; Harry Stovall, Secretary; Carter T. Lambeth, Spruill Thompson, Julia Olson-Boseman, and Lee Williams. Also present through Zoom meeting were Julie A. Wilsey, Airport Director; Gary Broughton, Deputy Director; Robert Campbell, Finance Director; Granseur Dick, Facilities Director; Carol LeTellier, Business Development Director; Gary Taylor, Operations Manager; Rose Davis, Executive Assistant; and Wanda Copley, County Attorney.

The public was able to call into the ILM Conference Bridge to hear the meeting live and approximately 18 people were present by telephone. Public comments were accepted via email through 5 pm, May 5, 2020, to be read at the meeting.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on March 11, 2020. *Chairman Girardot requested a correction on page 3, paragraph 3, replacing the word "projection" with protection.* Mr. Williams MOVED, SECONDED by Mr. Thompson to approve the minutes of the March 11, 2020 Airport Authority meeting as corrected. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.

PUBLIC COMMENTS

Ms. Davis read the public comments submitted by Marathon FBO Partners, LLC expressing their excitement and commitment to building a new world class FBO at ILM, soon to be known as Aero Center Wilmington.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the following items:

- a. **Landside Engineer of Record Contract** – approval for a master services on-call contract for landside engineering projects for up to 3 selected firms, contingent upon

favorable contract negotiations. Contract terms will be for 5 years. Work elements (projects) will be scoped and fee negotiated prior to executing work authorizations or supplements to the contract on an as-needed basis. The 3 firms that have been selected by the selections committee are AVCON, RS&H and WK Dickson. Mr. Stovall MOVED, SECONDED by Mr. Lambeth to approve the landside engineer of record contract as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.

- b. **Chairman Authority to Approve Grants** – approve Airport Authority Chairman to accept all Federal/State grants received for the next 90 days. Staff anticipates potential AIP entitlement and discretionary funding grants coming up. Mr. Williams MOVED, SECONDED by Mr. Lambeth to approve the Authority Chairman accept all Federal/State grants received in the next 90 days as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.
- c. **Design Repairs to Runway 6 Approach Ditch (FEMA, General)** – approve a work authorization for Talbert & Bright for \$87,747.00 to perform engineering design to mitigate ongoing erosion to a drainage ditch originally damaged during Hurricane Florence flooding. The construction phase of the project will receive FEMA assistance up to \$179,186.78 of the construction costs. Following a brief discussion, Mr. Lambeth MOVED, SECONDED by Mr. Wolfe to approve the work authorization with Talbert & Bright to perform engineering design to drainage ditch as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.

Mr. Dick provided a progress update on the Terminal Expansion project noting that the project is proceeding on an accelerated schedule taking advantage of reduced passenger volumes and noted that this may result in cost savings yet to be determined.

FINANCE & HUMAN RESOURCES

Mr. Campbell reviewed ILM's February and March financial summary, financials and cash summary. Mr. Campbell noted that March was the first month that ILM started experiencing the impacts of COVID19, but it was not a full month of impact.

Mr. Campbell reviewed slides from the FY2021 Proposed Budget Presentation detailing the effects of COVID19 and the CARES Act on said budget.

Mr. Campbell recommended the approval of the following item:

Approval of FY2021 Budget of \$38,451,568 (\$8,605,900 Operating; \$29,845,668 Capital) for 30-day public review. Mr. Wolfe MOVED, SECONDED by Mr. Stovall to approve the FY2021 Budget for 30-day public review as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.

The FY2021 Budget will be available for public review on the ILM website at <https://flyilm.com/category/news/> for 30 days.

BUSINESS DEVELOPMENT

Ms. LeTellier recommended the approval of the following items:

- a. Approval of a Lease Agreement for a second (2nd) FBO totaling 6.29 airside acres for a 5,200 square foot FBO, 2 aircraft hangars and a fuel farm outside of the AOA area. Initial annual rent is \$92,650.37. The term is effective June 1, 2020. Mr. Lambeth MOVED, SECONDED by Mr. Williams to approve the Lease Agreement with Marathon Partners for a second FBO as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.
- b. Ratification of the Circle K Sublease Agreement extending the due diligence period to August 6, 2020 due to COVID19 issues. Mr. Stovall MOVED, SECONDED by Mr. Wolfe to approve the ratification of the Circle K Sublease Agreement as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.
- c. Ratification of the VA Refinance Letter and Recognition and Attornment Agreement. Mr. Wolfe MOVED, SECONDED by Mr. Williams to approve the ratification of the VA Refinance Letter and Recognition and Attornment Agreement as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED.

Ms. LeTellier updated the Authority on the e-blast that went out to over 5,800 people highlighting the terminal expansion, including Monteith's fly-through video, and COVID19 impacts at ILM.

GOVERNMENT

Chairman Girardot updated the Authority on the \$19.8M Cares Act funding received by ILM noting it will go to continuing operations. These funds are available for airport operating expenses, including payroll and utilities, and debt payments.

Regarding State funding, ILM received the first installment of General Assembly recurring funding in the amount of \$983k for terminal expansion. Chairman Girardot noted that NCDOT is experiencing funding issues regarding their statutory mandated cash floor and the concern is that some of the monies not already encumbered may be requested to be returned to the State or next year's cycle of funding may not be received. In the meantime, the state is poised to give NCDOT \$300M from federal COVID19 funds and the State is waiting for guidance changes to allow them to do that to alleviate the funding shortfall.

Chairman Girardot reported that Congress is working on a second major COVID19 funding legislation and our federal lobbyists are hoping to insert the PFC increase in this pending legislation.

Mrs. Wilsey updated the Authority on a WebEx conference she participated in on April 27, 2020 with NC airports and NC legislators to emphasize the importance of continuing the funding for NC airports and clearing up the confusion about the Federal CARES Act funds received. The NC airports wanted to make sure the NC legislators understood how important airports are going to be to the state's economic recovery and that the state funding is for continued infrastructure and debt payments so airports can continue to grow and maintain infrastructure and the CARES Act funds are to augment the loss in operational revenue to make sure airports can continue to employ, keep buildings open, pay utilities and pay debt service. It was helpful for the legislators to understand that airports need both the state funding for infrastructure and debt and federal

funding for operation cost and debt.

Chairman Girardot noted that the terminal expansion project will continue because ILM will need that additional space when the economy recovers and, in the meantime, we are keeping Monteith, a local contractor with local workers employed on the project.

OPERATIONS & GENERAL AVIATION

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

Regarding General Aviation, Mr. Broughton welcomed Marathon Partners d/b/a Aero Center Wilmington as the 2nd FBO on ILM.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on air service development noting that ILM is tracking, along with the rest of the country, at 4-5% of normal traffic loads. Staff is hopeful that the actual worst time was the 2nd week of April 2020 and that we will begin to see a gradual but steady increase.

Mrs. Wilsey reviewed the current flight schedule for ILM's 3 carriers noting that our air service consultant, Oliver Lamb, is working on a project to present to the 3 carriers as passengers numbers increase to make a case for bringing back all previous non-stop service.

Mrs. Wilsey noted the 2020 holidays will let us know how quickly ILM can recover.

Mrs. Wilsey shared the slides that were prepared for the state legislator WebEx showing the impact of COVID19 on ILM parking, revenue and cash flow and continuing and suspended construction projects. Mrs. Wilsey also shared pictures of the terminal expansion work in progress.

Mrs. Wilsey expressed thanks for the ILM employees, NHC Sheriffs, and airport partners that are all considered essential personnel and have been working normal shifts and interacting with public. ILM employees are working hard and following CDC recommendations for proper cleaning protocols and practicing social distancing and wearing masks by choice. Mrs. Wilsey noted that ILM suspended the volunteer program during this time, however, the volunteer coordinator has called each volunteer and checked on them to let them know they are missed. We hope to have them back at ILM very soon.

Regarding the NCAA airport conference, which was rescheduled for June, the committee should decide soon as to whether to cancel this event entirely for 2020.

Mrs. Wilsey noted that ILM staff are participating in weekly conference calls with our trade groups, ACI-NA and AAEE, and other industry partners, receiving invaluable information on the latest in DC, technology, and best practices across the industry. ILM's membership in these groups is paying dividends now. Mrs. Wilsey noted that AAEE carried the CARES act to DC and helped lobby to get that passed.

Mrs. Wilsey reviewed the calendars for May – July.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

CLOSED SESSION

Chairman Girardot called for a motion for the Authority to enter a closed session to consult with an attorney regarding a matter of potential litigation pursuant to G.S. § 143-318.11(a)(3). Mr. Lambeth MOVED, SECONDED by Mr. Stovall to enter closed session to consult with an attorney regarding potential litigation. Vote was taken by roll call. The MOTION CARRIED.

The conference bridge telephone call being used by the public was disconnected at this time. Remaining during the closed session were all Authority members, ILM staff, and the County Attorney. The Authority went into closed session at 5:58pm.

OPEN SESSION

Mr. Stovall MOVED, SECONDED by Mr. Lambeth to return to Open Session. Vote was taken by roll call. The MOTION CARRIED.

The Authority returned to OPEN SESSION at 6:07 p.m. Chairman Girardot reported that the Authority has completed its consultation with the attorney regarding potential litigation and no action was taken.

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 6:08 pm.

Prepared by:
Rose M. Davis

Respectfully Submitted:

Harry W. Stovall, Secretary

Date of Approval: June 10, 2020