

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
October 7, 2020**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, October 7, 2020, through special measures due to COVID19, consisting of a limited number attending in person, and a Zoom meeting for Authority members, ILM staff and public participation remotely. Chairman Girardot called the meeting to order at 5:02 p.m. Chairman Girardot welcomed the public 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 and ILM staff attending in the conference room and social distancing were Donna Girardot, Chairman; Spruill Thompson, Secretary; Gary Broughton, Deputy Director, Granseur Dick, Facilities Director; Gary Taylor, Operations Manager; and Rose Davis, Executive Assistant.

Guests present and social distancing in the conference room were Oliver Lamb, Air Service Consultant, APAC; and Cynthia Mitchell, ILM employee of 30 years.

Airport Authority members and ILM staff attending remotely through Zoom meeting were Lee Williams, Julia Olson-Boseman, Nick Rhodes, Tom Wolfe, Julie A. Wilsey, Airport Director; Robert Campbell, Finance Director; Carol LeTellier, Business Development Director; Tamie Keel, Facilities Manager, and Wanda Copley, County Attorney.

Guests attending remotely through Zoom meeting representing ILM's auditors, Cherry Bekaert, LLP, were April Adams, Linda Suggs, and Albert Ong.

Harry Stovall, Vice Chairman was absent from this meeting.

The public was able to join the meeting remotely and approximately 13 people were present via Zoom meeting. Public comments were accepted via email through 5 pm, October 6, 2020, to be read at the meeting.

PUBLIC COMMENTS

None.

SPECIAL COMMENTS

Patricia Kusek, Vice Chairman, New Hanover County Commissioners planned to attend the meeting and address the Authority but due to illness sent comments for Chairman Girardot to share with the Authority, thanking everyone for all the work they have accomplished on the Board and noting that it has been a pleasure getting to know the Authority members.

Chairman Girardot recognized ILM employee, Cynthia Mitchell, who celebrated 30 years of service at ILM on October 5th. Chairman Girardot pointed out that Mrs. Mitchell can do nearly every task in the terminal, landscaping and on the airfield and was at one time trained to respond

to airfield emergencies. Mrs. Mitchell is an expert on terminal maintenance and trains new maintenance hires. Mrs. Mitchell keeps ILM sparkling clean making a great impression on travelers and ILM is very lucky to have Mrs. Mitchell on our team and we hope she will continue to serve ILM for many more years. Chairman Girardot thanked Mrs. Mitchell for her service to ILM. Mrs. Mitchell received a standing ovation from those present in the ILM conference room.

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.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on September 2, 2020. Mr. Thompson MOVED, SECONDED by Mr. Rhodes to approve the minutes of the September 2, 2020 Airport Authority meeting as submitted. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED. Mr. Stovall was absent.

Chairman Girardot noted there were also minutes from the Closed Session on May 6, 2020 that need approval but asked for a motion to table this vote to future meeting when a majority could be present in person. Mr. Williams MOVED, SECONDED Mr. Wolfe to table the vote on the minutes of the Closed Session on May 6, 2020 until a majority could be present in person. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED. Mr. Stovall was absent.

SPECIAL PRESENTATIONS

Chairman Girardot introduced April Adams, with Cherry Bekaert, auditors. Ms. Adams introduced others from her team, including Linda Suggs and Albert Ong, and shared a presentation summarizing the annual audit process and ILM's audit results. Ms. Adams noted that ILM has received the highest level of assurance from the auditors. In summary, Ms. Adams noted that the Authority received all clean opinions and no significant deficiencies were identified. Ms. Adams also noted that this year's audit was conducted 100% remote as a result of COVID19 and required a lot of cooperation between the auditors and ILM's finance staff.

Ms. Adams confirmed that the audit results would be provided to New Hanover County immediately following this meeting and the Authority's approval.

Mr. Wolfe asked Mr. Campbell to share the Authority's appreciation of the finance department staff for all their hard work and cooperation on this audit under these unusual circumstances.

Mr. Thompson, MOVED, SECONDED Mr. Wolfe, to accept the FY20 Financial Audit as presented. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED. Mr. Stovall was absent.

Julie Wilsey introduced Oliver Lamb, with APAC Consulting, ILM's air service consultant. Mr. Lamb shared a presentation regarding ILM's air service development goals and strategy and post COVID-19 anticipated travel rebounds and how ILM's recovery compares to the rest of the Country historically.

FACILITIES & TERMINAL EXPANSION

Mr. Dick recommended the approval of the following items:

- a) **Wildlife Mitigation Phase 2 – WA Amendment (AIP 55)** – approve Amendment #1 to Talbert and Bright Work Authorization in the amount of \$16,911.50. Amendment includes additional construction administration and inspection scope required for monitoring additional work performed by the contractor. Mr. Dick noted that the value of the final project change order deduction exceeds the value of this amendment, so there is no increase in the total project budget. Mr. Thompson MOVED, SECONDED by Mr. Wolfe to approve Amendment #1 to Talbert and Bright Work Authorization as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED. Mr. Stovall was absent.

- b) **ILM Artists Submissions** – approve artwork selected by the Arts Committee for installation in the terminal expansion project. Mr. Rhodes MOVED, SECONDED by Mr. Thompson to approve the artists submissions as recommended. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED. Mr. Stovall was absent.

Mr. Dick updated the Authority on the status of Terminal Expansion Project and the Federal and State Capital Grants.

FINANCE & HUMAN RESOURCES

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

In response to Mr. Wolfe's comment that rent revenues remain consistent, Mr. Campbell noted that the rents reported include deferred rent as required by GAAP. Deferred rent in the amount of \$60,000 in both July and August will be collected later this calendar year.

BUSINESS DEVELOPMENT

Ms. LeTellier updated the Authority on the selection of the Graphic Design and Marketing intern, Kim Nguyen, who is scheduled to begin work on October 13, 2020. This internship is in partnership with UNCW.

Ms. LeTellier reported that ILM is a sponsor of the Greater Wilmington Business Journal's BizExpo and UNCW's Economic Outlook Conference with marketing at these events focused on ILM's Safe Travels initiative.

Ms. LeTellier advised that Circle K is still on track and moving forward with a Technical Review Committee meeting scheduled for October 21st. ILM will have a representative attend this meeting via zoom. Also, Aero Wilmington aka Marathon, plans will be reviewed at this Technical Review Committee meeting as well.

GOVERNMENT

Chairman Girardot asked Mrs. Wilsey to update the Authority on the recent NC Chamber 2030 virtual meeting. Mrs. Wilsey noted the first meeting was an introductory meeting with several NC airports represented on the Coalition. The goal of the committee is to review the NC State ITRE report "Modernizing NC Infrastructure Thru Diversified Revenue Streams", hear from

experts, and then the NC Chamber will give support as this moves forward to the legislature. The actual committee making the recommendation to the legislature is NC First. Mrs. Wilsey noted the committee is looking to support the revenue mechanism that is the best long-term solution for NCDOT funding.

Chairman Girardot advised that ILM has received the first quarterly payment for FY21 from the NCDOT Aviation for the Terminal Expansion project.

Chairman Girardot reported that Congress has a second COVID Bill pending but it does not look like this will get passed before the election. The airlines and airports have additional monies in that Bill.

OPERATIONS & GENERAL AVIATION

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

Mr. Broughton updated the Authority on a call from a GA pilot reporting that the GPS approaches were not working properly. Mr. Broughton pointed out that this equipment is owned and maintained by the FAA. ILM staff contacted the Tower Manager who responded that they had received occasional complaints that they refer to as an anomaly. At ILM's request, the tower put out a NOTAM indicating that the GPS approaches are not reliable. Mr. Broughton shared that Michael Craig, with the FAA, provided a GPS anomaly reporting form to share with any pilots who experience issues with approaches, noting that if not enough issues are reported, the NOTAM will be cancelled.

Mr. Broughton spoke with Jeff Farkas at All American Aviation, to see if they were having issues since they conduct flight training daily and Mr. Farkas indicated that they did have issues and they took a supervisor from the control tower up to show him what the GPS approaches were doing.

Mr. Broughton shared an update provided by Jeff Farkas, All American Aviation, noting that since All American opened in 2018 they have graduated 48 Part 61 pilots and since 2019, 17 Part 141 pilots. Included in those totals were 5 commercial certifications; 7 instrument certifications; and 3 certified flight instructors. Of the 3 CFIs, 2 started their flight training with All American and are currently instructors for All American. Mr. Farkas also reported that All American will begin float plane instruction here in Wilmington so they will have single engine, multi engine and float plane instruction as well.

DIRECTOR'S REPORT

Mrs. Wilsey thanked Oliver for his air service presentation.

Mrs. Wilsey noted that despite COVID19 and challenges at ILM and in the industry and community, it is refreshing to see all of the success. Starting with Cynthia Mitchell, ILM's first 30-year employee that we celebrated earlier in the meeting; to the audit report that was clean and the first ever completed without being on site. The auditors used to spend 2 months in the basement with finance department digging thru documents, so we have come a long way

technologically over time, even if it has been forced by COVID. Thanks to the Finance team for a great audit.

Other successes to celebrate include the relationship with the Air Traffic Control Tower to fix the anomalies in the GPS; the Alert 3 last month, that was cleared quickly with the RWY only being down ½ day, receiving accolades from the FAA inspector that the RWY Safety Area was so well maintained and smooth that it minimized damage; to the transition back to as close to normal as possible with all parking lots reopened with regular rates as of October 1st. All little signs of getting back to normal.

Mrs. Wilsey shared information from an ACI-NA call today with 90 airport directors across the country, noting that things are getting slowly better but not meeting their original recovery plans. Many of these airports reported falling way behind on their estimated recovery budgets and having to extend the recovery period to 4 years. Many have already expended the CARES funding and having to trim expenses to stay solvent and some are using the CARES funding for debt payments only. Mrs. Wilsey pointed out that ILM is in a stronger position than most because we had so little debt going into COVID19 and we were able to get \$19M to retain employees and pay benefits to our workforce. ILM is stable and following its plan of recovery.

Sharing additional accolades, Mrs. Wilsey noted that Chairman Girardot and Mr. Rhodes were highlighted in the Greater Wilmington Business Journal recently. Mr. Rhodes for joining the Authority in July 2020 and Mrs. Girardot for her 3rd year as Chairman of the Authority.

Tamie Keel, Facility Manager, is a nominee in the Public Service Sector for WILMA Women to Watch and has been featured in the WILMA magazine and on the WILMA Facebook page. The final awards will be announced on October 17th.

Granseur Dick, Facilities Director, has been named in the Star New 40 Under 40 and that virtual event is coming up October 22nd.

Upcoming articles about ILM – in addition to sponsorship items Ms. LeTellier mentioned earlier – include Business View Magazine's update from their article a year ago on the terminal expansion and WilmingtonBiz magazine's article on transportation for the next 20 years featuring Chairman Girardot and Mrs. Wilsey at the newly renovated ticket counters.

Mr. Lamb will be meeting with the Business Travel Group (BTG) and Tourism groups via zoom to share his presentation and Mrs. Wilsey noted she has 2 presentation via zoom coming up to help remind everyone of travel options for the holidays and the cold winter months.

Mrs. Wilsey reviewed the calendars for October – December.

Chairman Girardot complimented Mrs. Wilsey and the ILM staff on the strong financial position that ILM is in and noted how fortunate we are to have been able to continue the terminal expansion project and not to have to lay off any employees during this time.

UNFINISHED BUSINESS

None.

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NEW BUSINESS

None.

ADJOURNMENT

Mr. Williams MOVED, SECONDED by Mr. Thompson to adjourn the meeting. Vote was taken by roll call. Upon vote, the MOTION WAS APPROVED. Mr. Stovall was absent.

There being no further business to come before the Board, Chairman Girardot adjourned the meeting at 6:27 pm.

Prepared by:
Rose M. Davis

Respectfully Submitted:

F. Spruill Thompson, Secretary

Date of Approval: November 4, 2020