



ILM

WILMINGTON INTERNATIONAL AIRPORT

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

***Wednesday
December 2, 2020***

5:00 PM

***Limited Staff In Person
Authority, Staff and Public Remotely on Zoom***



*New Hanover County Airport Authority
Meeting Agenda
December 2, 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 a copy of the minutes for the November 4, 2020 meeting.

Staff Reports

Committee	Airport Authority Member	Staff Member
Facilities & Terminal Expansion/Tab 2	Donna Girardot Spruill Thompson	Granseur Dick
Finance & Human Resources/Tab 3	Lee Williams Tom Wolfe	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	Nick Rhodes Harry Stovall	Gary Broughton
Director's Report/Tab 7		Julie Wilsey



Tab 2

Facilities & Terminal Expansion

- **Action Items - None**
- **Information Items**
 - a. **Terminal Expansion - Contract 3 (FAA, AIP, PFC, State, General)** – Schedule 1 Work: Steel erection for the hold room space is nearing completion, with high-steel framing anticipated to be complete by the end of the month. All electrical service change over to the new system is complete. Schedule 2 Work: Renovation work in the main terminal atrium and rental car counter areas will began after Thanksgiving. Work in these areas is anticipated to be complete by July 2021, with remaining Schedule 2 work completed in 2022. Schedule 1 and 2 work is on track to complete December of 2021 and December of 2022, respectively.
 - b. **Wildlife Mitigation Phase 2 (AIP 55)**– Contractor completed change order related work week of November 16th. This project will result in the long-term stabilization of drainage channels on airport property.
 - c. **Duke Power Improvements**– Duke Energy is installing at their cost a new underground primary loop that will provide additional redundancy to the electrical service at the terminal. Work will begin the month of December and should last around a month. Special care has been given to ensuring the route of the loop avoids impacts by our future transportation and parking improvement plans. This work by our partner should result in more dependable electrical service at our terminal.



Tab 3

Finance & Human Resources

- **Monthly Financials**

October Financial Summary, Financials and Cash Summary (Agenda pages 8-9)

- **Action Items**

- Recommend approval of the contract with Designa Southern Time to provide support and service for all parking lot equipment at Wilmington International Airport for a twenty-eight-month period beginning January 1, 2021 for an amount not to exceed \$89,513.** The warranty period on the equipment is expiring. The agreement covers preventative maintenance, as well as parts and labor for any repairs for all covered equipment for the term of the agreement.
- Recommend approval of the contract with Prodigiq to provide a license to the Computerized Maintenance Management System (ANDROS) for a five-year period at a cost not to exceed \$52,250.** The five-year agreement may be extended for two additional 24-month terms upon mutual agreement by both parties and may be terminated upon mutual agreement of both parties. The maintenance system will provide ILM with a process to better manage, track, and analyze maintenance issues reported by staff and tenants, provide historical maintenance records, and provide the ability to automatically generate scheduled maintenance work orders for items such as bag belts, jet bridges, vehicles and generators.

- **Information Items - None**

Wilmington International Airport

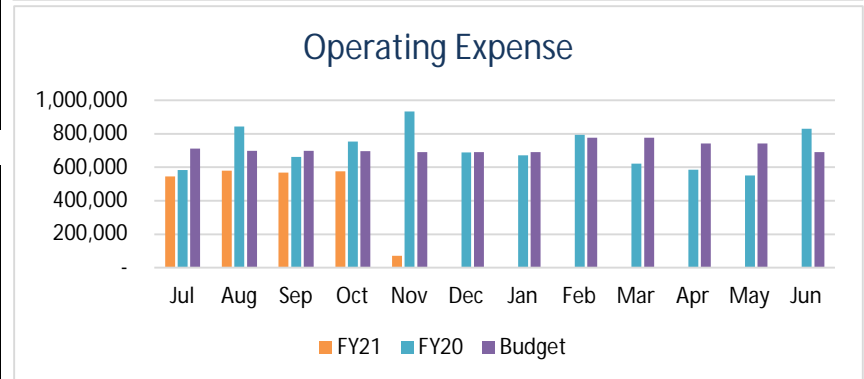
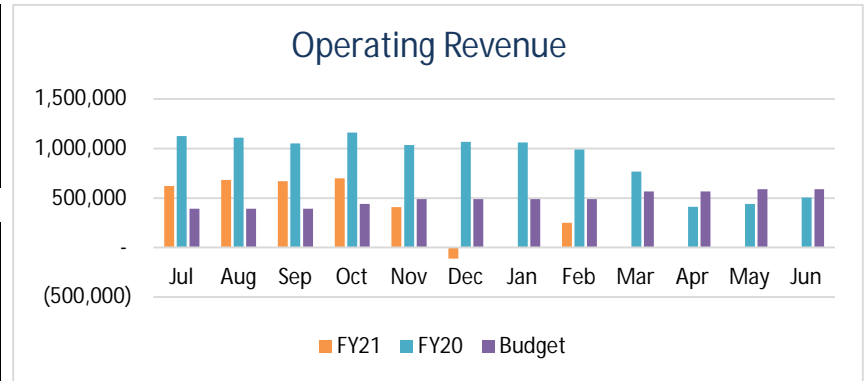
Monthly Financial Summary

October

Summary	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Monthly Revenue	698,914	440,898	1,162,844	58.5%	-39.9%
Monthly Expense	576,149	695,839	754,574	-17.2%	-23.6%
YTD Revenue	2,676,544	1,613,592	4,450,920	65.9%	-39.9%
YTD Expense	2,268,344	2,804,356	2,843,139	-19.1%	-20.2%

Revenue	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Aviation	102,897	60,351	154,948	70.5%	-33.6%
Parking Lot	148,328	153,456	467,012	-3.3%	-68.2%
Rent	228,796	91,701	210,770	149.5%	8.6%
Commissions	124,881	80,536	188,082	55.1%	-33.6%
Security	58,243	31,756	53,898	83.4%	8.1%
Other	23,197	13,056	29,817	77.7%	-22.2%
Interest	12,571	10,042	58,316	25.2%	-78.4%

Expense	Actual	Budget	Prior Year	Act vs. Bud	Act vs. PY
Salaries/Benefits	307,568	352,332	345,274	-12.7%	-10.9%
Contracted Services	102,390	146,047	107,907	-29.9%	-5.1%
Utilities	31,303	34,584	34,150	-9.5%	-8.3%
Repairs & Maint	36,757	45,435	70,901	-19.1%	-48.2%
Other	98,132	117,441	196,343	-16.4%	-50.0%



Summary of Significant Monthly Activity

Revenue	Expense
<p>Aviation - all aviation categories were down vs last year; most notably landing fees were down \$43k or 38%.</p> <p>Parking - parking revenues reflect the fact that there are still a greater number of leisure travelers using the lots; despite the dismal monthly figure (last October was a single month record high), parking continues to trend upward; +\$24k or 20% over last month.</p> <p>Commissions - similar to parking, commissions were down 34% vs last year, but up 7% over last month.</p> <p>Interest - it has been difficult to find a worthwhile place to invest cash.</p>	<p>Salaries/Benefits - We were short 3 employees for the month of September. Part of this variance is offset by the increase in the Temporary Help expense line item.</p> <p>Contracted services - we have yet to resume the employee shuttle service (\$22k) or full parking lot management services (\$12k).</p> <p>Repairs & maint - we continue to employ a strategy of spending only where we need to so we have room in the budget later in the year to perform maintenance required for our Part 139 inspection (i.e. airfield painting and signage).</p> <p>Other - transportation study (\$87k) was part of the prior year figure.</p>

Cash Summary

Month End Account Balances		
Account Name	Interest Rate	Month End Balance
BB&T General Operating Checking	N/A	\$ 1,232,859.54
South State General Operating Checking	N/A	\$ 104,482.60
BB&T Business Park Checking	N/A	4,324.01
South State Business Park Checking	N/A	1,000.00
BB&T Business Park Money Rate Savings	0.10%	125,294.39
South State Business Park Money Rate Savings	0.85%	2,047,225.20
BB&T Money Rate Savings	0.10%	2,000,396.24
South State Money Rate Savings	0.85%	16,638,463.07
Investment Account-Govt	0.07%	4,036,246.11
Investment Account-Term	0.15%	0.00
BB&T PFC Money Rate Savings ***	0.10%	806,037.73
South State PFC Money Rate Savings ***	0.85%	2,430,497.53
BB&T CFC Money Rate Savings ***	0.10%	925,392.25
South State CFC Money Rate Savings ***	0.85%	2,019,246.91
BB&T CFC Checking ***	N/A	-
Safe Keeping ***	1.01%-1.79%	-
Petty Cash	N/A	1,000.00
Total Cash		<u>32,372,465.58</u>
Less Restricted Use ***		6,181,174.42
Less Reserves:		
Maintenance & Development Reserve		2,939,378.53
Operational Reserve		<u>4,000,000.00</u>
Net Cash Available for Daily Operations		<u><u>\$ 19,251,912.63</u></u>

Monthly Cash Activity		
Beginning Balance		\$ 22,048,669.43
Receipts		
General Operating*	\$ 1,533,746.05	
GO Transfers In from MR Savings	-	
GO Transfers In from NCCMT	1,500,000.00	
Business Park Operations Checking	50,000.00	
Business Park Money Rate Savings	94,350.89	
Business Park Money Rate Savings Interest	979.84	
Money Rate Savings Transfers In	-	
Money Rate Savings Interest	11,556.78	
Investment Account-Govt Interest	0.30	
Investment Account-Term Interest	(0.01)	
Total Receipts		3,190,633.85
Disbursements		
General Operating Accounts Payable	4,267,362.68	
General Operating Payroll	120,825.72	
General Operating Transfers to Investment Accounts	-	
Money Rate Savings Trf	-	
NCCMT Trf	1,500,000.00	
Business Park Operations Checking Accounts Payable	49,202.25	
Business Park Money Rate Savings Accounts Payable	50,000.00	
Total Disbursements		(5,987,390.65)
Ending Balance		<u><u>\$ 19,251,912.63</u></u>



Tab 4

Business Development

- **Action Items**
- **Information Items**

Announcement of selected artists for terminal expansion project.



Tab 5

Government

- **Action Items – None**
- **Information Items**
 - a. NC Airport Assn working on annual contract for lobbyist to start 1/1/2021.
 - b. We started communication with our two new County Commissioners and offered a brief orientation to ILM and the Terminal Expansion Project.
 - c. ILM provided aviation specific input to the 2021 Chamber Public Policy for Transportation and Infrastructure.
 - d. The NC Chamber Destination 2030 did not meet in November.



Tab 6

Operations & General Aviation

- **Action Items – None**

- **Information Items**

- a. PASSENGERS:

- Total revenue passengers for October 2020 were 45,132 vs. 86,366 for October 2019 bringing total revenue passengers down 47.7%. YTD revenue passengers through October 2020 is 400,631 down 54.6%.
- November 2020 enplanements are tracking down approximately 57%

c. FUEL: Jet A: \$5.15/gal. Avgas:.....\$5.51/gal.

- d. FUEL FLOWAGE:

- October 2020: 244,299 gallons which is down 18.4% vs. October 2019



Tab 7

Director's Report

- **Action Item**
 - Amend the Air Service Incentive Policy (7th Revision) (Agenda page 14)

- **Information Items**
 - a. Business View Magazine
 - b. ILM Employee United Way Campaign Status
 - c. December, January and February Calendars (Agenda pages 15-17)



WILMINGTON INTERNATIONAL AIRPORT (ILM)
Wilmington, North Carolina

ILM COMMERCIAL SERVICE INCENTIVE PROGRAM

Adopted: 07 November 2001

Seventh Revision: 02 December 2020

GOAL:

To design an incentive program that promotes new or expanded commercial air service that meets customer expectations and promotes flexibility, compliance and success to ILM's Air Service Development program.

- **Customer Expectations:** assess and meet customer air service needs and expectations. Plan and actively pursue successful growth strategies, both domestically and internationally.
- **Flexibility:** creatively design the program that allows ILM and the air carriers to negotiate opportunities that are mutually beneficial and sustainable.
- **Compliance:** ensure compliance with existing lease agreements and FAA regulations.
- **Success:** design an incentive program that enables the new/expanded air service to develop and be successful.

INCENTIVE PACKAGE:

1. Any air carrier providing service to a new non-stop destination not presently served from ILM, or to a destination that has not been served by an existing air carrier at ILM for the past 12 months, will be eligible for incentives identified with this program.
2. The commercial service incentive program is designed to assist air carriers with start-up costs associated with the first 24 months of operation to include, but not limited to, landing fees, lease rates and marketing and promotion programs.
3. Additional incentives that are available include waiving of lease rates and landing fees for full time service to new non-stop destinations (5 flights per week cumulative) for 24 months. Less frequent service may also be eligible for incentives, provided that the airline reaches 5 flights per week within the first 6 months of service.
4. The value of the commercial service marketing and promotion program is dependent on the level of service the air carrier is willing to offer at ILM. Emphasis and added value of the package will focus on securing non-stop service to cities that are not presently served, and/or any international destination. The maximum value is approximately \$100,000 per year.
5. Consideration for additional incentives will be given to any airline, to include carriers currently serving ILM, that commit to providing ILM with international service and/or to establish hub operations. The type and amount of incentives will be dependent upon the amount of new service and the size of the operation at ILM.
6. Dependent upon the frequency associated with the new service, ILM will host community events and activities that will support and market the new air service.

All the above fees and discounts offered by ILM is predicated on 24 months of service and a service level of at least five flights within the first 6 months of waiver period.

DECEMBER 2020						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Blue Week 29	30	1	2 5 pm AA Meeting	3	4 10:30 am NC Airports Assn (JW) Virtual	5
Red Week 6	7 JW Vacation	8 Spruill Thompson's and Wanda Copley's Birthdays 8 am UW Mtg. (JW) 1 pm C3 Progress Mtg.	9 10 WMPO Tech. Coord. Comm Mtg. (GD)	10 8 am Power Breakfast (Virtual/Live)	11	12
Blue Week 13	14 4:00 pm NC Airports Covid19 Call	15 4 pm Navy Alumni Assoc. Speaker (JW) Virtual	16	17	18	19
Red Week 20	21	22	23	24 Christmas Eve	25 Christmas	26
GB Vacation		ADMIN OFFICES CLOSED				
Blue Week 27	28 4:00 pm NC Airports Covid19 Call	29 1 pm C3 Progress Mtg.	30 3 pm WMPO Bd. Mtg. (GD)	31	1 New Year's Day ADMIN OFFICES CLOSED	2

JANUARY 2021						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Blue Week					<p>1</p> <p>New Year's Day</p> <div style="border: 1px solid black; padding: 2px;">Admin Offices Closed</div>	2
3	4	5	6	7	8	9
Red Week			5 pm AA Meeting			
10	11	12	13	14	15	16
Blue Week	4:00 pm NC Airports Covid19 Call	10:30 am NCDOT Aviation Mtg.	10 am WMPO Tech. Mtg. (GD)			
17	18	19	20	21	22	23
Red Week	<p>M L King Day</p> <div style="border: 1px solid black; padding: 2px;">Admin Offices Closed</div>	Nick Rhodes' Birthday				
24	25	26	27	28	29	30
Blue Week	4:00 pm NC Airports Covid19 Call		3 pm WMPO Bd Mtg. (GD)			
31						
Red Week						

FEBRUARY 2021						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31 Red Week	1	2	3 5 pm AA Meeting	4	5 10 am NC Airports Mtg. (JW)	6
7 Blue Week	8 4:00 pm NC Airports Covid19 Call	9	10	11	12	13
14 Valentine's Day Red Week	15 Presidents' Day	16	17	18	19	20
21 Blue Week Tom Wolfe's Birthday	22 4:00 pm NC Airports Covid19 Call	23	24 3 pm WMPO Bd. Mtg. (GD)	25	26	27
28 Red Week						



Tab 8

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