

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR MEETING
June 1, 2022**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, June 1, 2022, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Girardot called the meeting to order at 5:00 p.m. Mr. Wolfe led the Authority in 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; Spruill Thompson, Vice Chairman; Nick Rhodes, Secretary; Tom Wolfe, Lee Williams, Jason Thompson, and Wanda Copley, County Attorney. Also present were ILM staff Jeff Bourk, Airport Director; Granseur Dick, Facilities Director; Carol LeTellier, Business Development Director; Robert Campbell, Finance Director; and Rose Davis, Executive Assistant.

Mrs. Olson-Boseman was absent from this meeting. Approximately 9 guests from the public attended the Authority meeting.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the meeting on May 4, 2022. Mr. J. Thompson MOVED, SECONDED by Mr. S. Thompson to approve the minutes of the May 4, 2022, Regular meeting as submitted. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

The Authority reviewed the minutes of the Closed Session on May 4, 2022, during the meeting. Mr. J. Thompson MOVED, SECONDED by Mr. S. Thompson to approve the minutes of the Closed Session on May 4, 2022, as submitted. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

PUBLIC COMMENTS - None.

Chairman Girardot appointed Mr. Wolfe and Mr. Williams to a nominating committee for the July Authority meeting, with Tom Wolfe to Chair the committee.

FACILITIES & TERMINAL EXPANSION

Mr. Dick requested board approval for ILM to lead design and construction of any roadway/intersection improvements that may be required by a revised TIA based on ILM Business Park developments. Discussion followed regarding how the airport will be reimbursed on a pro rata basis by new and future Business Park tenants. Mr. S. Thompson MOVED, SECONDED by Mr. J. Thompson to approve ILM-lead design and construction pending allocation that will be forthcoming. Mrs. Olson-Boseman was absent.

Mr. Dick updated the Authority on the status of the terminal and apron expansion projects, the new terminal access road and parking improvements and the stormwater planning meeting.

At Chairman Girardot's request, Mr. Dick explained a letter sent to the DEQ requesting a modification of the application process to facilitate simultaneous review of ILM tenant applications. The request is currently under review by the DEQ, but their initial response indicates it was what they were looking for.

IT

Mr. Bourk updated the Authority on the status of the temporary ticket and gate counter passenger processing system under the Amadeus contract for Avelo and reported that the FIDS and In-Terminal Advertising content management system final selection should be made in the coming weeks with installation to begin in July.

FINANCE & HUMAN RESOURCES

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

Mr. Campbell, on behalf of the Finance Committee, recommended approval of the following items:

- a. **FY23 Budget in the amount of \$44,152,800 (\$11,728,600 Operating; \$32,424,200 Capital).** Mr. J. Thompson MOVED, SECONDED Mr. Wolfe to approve the FY23 Budget as recommended. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent. (A copy of the FY23 budget is hereby incorporated as part of the minutes and are contained in Exhibit Book III, Page 219.)
- b. **FY 22 Budget Amendments:**
Budget amendment - Operating Expense: Increase Building Maintenance & Repair (\$25,000), increase Professional Services (\$100,000), and increase Marketing & Advertising (\$150,000). Net increase \$275,000.

Budget reallocation - Operating Expense: Decrease Salaries & Benefits (\$441,000), decrease Equipment Maintenance & Repair (\$25,000), decrease Meetings & Education (\$35,000), decrease Insurance (\$26,000), decrease Business Park (\$75,000), increase Vehicles (\$15,000), increase Contracted Services (\$250,000), increase Professional Services (\$140,000), increase Equipment Leasing (\$30,000), increase Utilities (\$135,000), increase Air Service Development (\$5,000), increase Office Supplies (\$25,000), and increase Uniforms (\$2,000). Net increase \$0. This entry simply reallocates expenses from those accounts that are expected to be under budget to those that are expected to exceed the current budget.

Budget amendment - Capital: Increase Parking Equipment (\$43,500). This purchase was approved by the Authority in December. Increase Portable HVAC Units (\$13,000). This purchase was scheduled for July 2023, but it would be more advantageous to move it into FY22.

Mr. J. Thompson MOVED, SECONDED Mr. Williams to approve the FY22 Budget Amendments as recommended. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent. (A copy of the FY22 Budget Amendments is hereby incorporated as part of the minutes and are contained in Exhibit Book III, Page 220.)

- c. **FY23 Schedule of Charges, Fees and Rents** – The motion came from the Finance Committee, **SECONDED** Mr. S. Thompson to approve the FY23 Schedule of Charges, Fees and Rents as recommended. Upon vote, the **MOTION WAS APPROVED**. Mrs. Olson-Boseman was absent. (A copy of the FY23 Schedule of Charges, Fees and Rents is hereby incorporated as part of the minutes and are contained in Exhibit Book III, Page 221.)

Mr. Bourk updated the Authority on organization chart changes related to Mr. Campbell and Mr. Dick.

Mr. Campbell recognized and congratulated Stephanie Lawson who recently passed her exam as ILM's first ACE Airport Finance recipient.

BUSINESS DEVELOPMENT

Ms. LeTellier reported to the Authority that the In-Terminal Advertising Plan is now posted on the ILM website and a rack card has been developed for distribution.

Chairman Girardot reported that the Board of Adjustment acted last week on the height variance for the hotel and approved it unanimously pending the FAA review and noted the airport has been looking for a hotel for 37 years according to Authority minutes found from 1985.

GOVERNMENT

Chairman Girardot updated the Authority on the commercial airports letter to the General Assembly; the meeting with Rep. Charlie Miller for airport update; and feedback received from the County Commissioners following the joint meeting/breakfast.

Chairman Girardot reported that the General Assembly is in session and there is proposed legislation on the senate side that would transfer general funds sales tax revenue to the Highway Trust Fund at a rate of 2% this year (FY22-23); 4% (FY23-24) and 6% (FY24-25) and thereafter, going forward without sunset. This is due to gas revenues anticipated to decrease.

Chairman Girardot noted there is a sizeable short-term budget surplus but a lot of competition for that money. No new legislation can be considered during the short session which should be out by July. There is an expected increase in tax revenue of about \$6.2B over the 2021-2023 term. The Transportation Appropriations Chairs will be considering the allocation of federal monies from the Infrastructure Bill that was passed by Congress. We are hopeful that ILM will get some of that money as well, when it is divided up on the State level.

OPERATIONS & GENERAL AVIATION

Mr. Bourk reviewed the monthly operations reports noting ILM is back to pre-pandemic numbers as of April 2022 and May should be an all-time record month for enplanements.

DIRECTOR'S REPORT

Mr. Bourk updated the Authority on upcoming air service development meetings with airlines in June and the Avelo launch on June 30th; the TDA's approval of an additional \$125,000 for destination marketing to promote service from the third Avelo destination city; the Board of Adjustments approval of the hotel height variance; and, the CVB Annual Travel Breakfast with

Avelo Airlines. Discussion followed about air service development.

UNFINISHED BUSINESS - None.

NEW BUSINESS

Chairman Girardot called for a motion for the Authority to enter a closed session to discuss matters relating to the expansion of industries and economic development pursuant to NCGS §143-318.11(a)(4). Mr. Rhodes MOVED, SECONDED by Mr. Wolfe to enter into closed session for the above referenced matter. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent. All persons not Authority members or ILM staff were asked to leave the meeting. The Authority went into closed session at 5:30 pm.

Mr. Williams MOVED, SECONDED by Mr. J. Thompson to return to open session. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

OPEN SESSION

The Authority returned to open session at approximately 6:26 pm. Chairman Girardot reported that the Authority completed its discussion relating to expansion of industries and economic development.

The following items were recommended for approval:

- a. New Lease for 84 Lumber adding approximately 10 acres at .43/SF. Mr. S. Thompson MOVED, SECONDED by Mr. Rhodes to approve the New Lease for 84 Lumber as proposed. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.
- b. Lease Amendment for Air Wilmington d/b/a Modern Aviation Wilmington to clean up all previous Exhibit A's from past amendments into a new Exhibit A; provide a consolidated rent schedule; add the North Apron to their Master Lease and add a provision that will allow for an improved taxi lane access to their main ramp outside of their leasehold. Mr. J. Thompson MOVED, SECONDED by Mr. Wolfe. Upon vote, the MOTION WAS APPROVED. Mrs. Olson-Boseman was absent.

ADJOURNMENT

Mr. Rhodes MOVED, SECONDED by Mr. Williams to adjourn the meeting. Upon vote the MOTION WAS APPROVED. Mrs. Olson-Boseman 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:

Nick Rhodes, Secretary

Date of Approval: July 13, 2022