

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
August 5, 2015**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, August 5, 2015, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Vice-Chairman Wolfe called the meeting to order at 5:00 p.m.

Airport Authority members present were; Thomas Wolfe, Vice-Chairman; Carter Lambeth, Secretary; Tom Barber, Donna Girardot, Dan Hickman, and John Perritt. Also present were Julie Wilsey, Airport Director; Gary Broughton, Director of Operations; Jim Morton, Finance Director; Whitney Prease, Facilities Director; Rose Davis, Executive Assistant; and Wanda Copley, New Hanover County Attorney.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Chief Gary Taylor, Operations Manager; Desmond MacRae, Hal Reichardt, Bill Cherry, Ryan Evans, Elaine Mello, Tom Goodwin, and Kevin Brady.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Public Meeting on July 1, 2015. A correction was made on page 6, fifth paragraph regarding the NCAA conference, changing the word memorial to *memorable*. Mr. Barber MOVED, SECONDED by Mrs. Girardot, to approve the minutes of the July 1, 2015 Regular Public Meeting as corrected. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Chairman Crane was absent for this vote.

PUBLIC COMMENTS

Desmond MacRae addressed the Authority regarding aircraft clearing the runways quickly and whether or not high speed taxiways were considered and Mrs. Wilsey responded that stub taxiways, such as Juliet and Hotel, were constructed to get the planes off the runway to the parallel taxiway systems quicker.

Jonathan Crane, Chairman, arrived at 5:07 pm and presided over the remainder of the meeting.

FACILITIES

Mr. Prease recommended the approval of a work authorization with Talbert & Bright to provide Construction Administration (CA) Services and Subconsultant Services for the North Ramp Rehabilitation Project (AIP 51). The lump sum fee for Construction Administration shall be \$164,886; Resident Project Representative (RPR) Services (hourly) shall be \$153,210; and Subconsultants (Quality Assurance Testing, Construction Admin., Environmental and Geotechnical) shall be \$112,750 for a total of \$430,846. After some discussion, Mr. Lambeth MOVED, SECONDED by Mr. Perritt to approve the work authorization with Talbert & Bright as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval of a work authorization with Talbert & Bright for an Airport Layout Plan (ALP) update (AIP 51) that consists of Project Formulation, Narrative Report, Airport Layout Plan Update, Final Report/Checklist and Subconsultant Services

(18B/AGIS Survey, Mapping, and Obstruction Analysis) in the amount of \$668,100, contingent upon a favorable Independent Fee Estimate (IFE). Mr. Prease confirmed for Mr. Perritt that an ALP with narrative is like a mini Master Plan and that the FAA wants a complete Master Plan in 5 years.

Mr. Prease also recommended approval of a Purchase Order for Talbert & Bright in the amount of \$38,280 for subconsultant to proceed with portion of the 18B mapping NLT 8/14/15 to avoid incurring additional cost for new RWY 17-35 mapping/photography. This amount is included in the total amount mentioned above.

Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the work authorization and purchase order with Talbert & Bright as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval and execution of a letter of commitment for Airport Safety/Maintenance Projects (Five Year Term) with NCDOT Division of Aviation. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve the letter of commitment as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended that the Authority authorize the Chairman to accept the AIP 51 grant from the FAA when received. Mr. Perritt MOVED, SECONDED by Mr. Lambeth to authorize the Chairman to accept the FAA grant. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease updated the Authority on the State Storm Water Grant Project sharing photos of the testing equipment and reported that ILM has not received any testing results yet.

FINANCE

Mr. Morton reviewed ILM's year end financials and June 2015 cash report and summary of accounts.

Mr. Morton, using charts for illustration, showed new lease review during FY15; capital expenses for FY15; and a comparison of ILM's cash position between FY14 and FY15.

Mr. Morton recommended approval of a one year lease with Cape Fear Volleyball Club for \$48,000. After some discussion, Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the lease with Cape Fear Volleyball Club. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Morton, following up on land purchase negotiations approved at the July 1st meeting, reported that he has negotiated a sales price of \$150,000 for the 10.6 acre parcel at 2410 Old Wrightsboro Road and \$95,000 for the 2228 Old Winter Park Road property, with a contingency that the owner be granted lifetime rights as long as he is living in the area to the garden parcel located on this property. Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the above land purchases as presented above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Morton recommended the approval of a month-to-month lease of 1926 Trask Drive (the former Tailwind building) to Trader Construction for \$575/month. Mr. Perritt MOVED,

SECONDED by Mr. Wolfe to approve this lease as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

GENERAL AVIATION

Mr. Broughton recommended the approval of the Outside Mechanic Policy revision. Discussion followed regarding the insurance and written repair description requirements. Chairman Crane suggested the Authority approve the revisions as recommended, to get things moving, with the understanding that it can be amended at future meetings. Mr. Lambeth MOVED, SECONDED by Mr. Barber to approve the revisions to the Outside Mechanic Policy subject to amendments at the next meeting. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Broughton updated the Authority on the opening of the Shell Apex Terminal scheduled to open on August 6th and shared photos of the July 19th Alert 3 at ILM. Mr. Broughton praised ILM's staff, Air Wilmington and ACE Wrecker Service for their prompt response during the alert. Mr. Broughton shared that the runway was closed for just under 3 hours, from touch down to removal, and ILM never lost service during that time.

Mr. Broughton reviewed committee goals.

Chairman Crane shared that with the Outside Mechanic Policy; the fuel being shipped and stored in Wilmington which should result in lower fuel prices; and, Mr. Cherry's large hangar expansion, that this has been a good month for GA.

Mrs. Wilsey reported that during the Alert 3 there was only one runway closed. Since ILM has two runways we did not have any interruptions to any other operations on the field and ILM remained completely operational throughout.

Chairman Crane invited Mr. Cherry to update the Authority on the upcoming hangar expansion and ground breaking event scheduled for August 11, 2015.

GOVERNMENT & PGA GOLF

Mrs. Girardot reported that the Uber bill has left the senate and is now on the house side. It has passed its first reading in the house and been referred to the committee on transportation.

Mrs. Girardot updated the Authority on Congressman Rouzer's visit to ILM on August 5th that she and Mr. Wolfe attended. Staff prepared a short presentation and escorted him on a walking tour of the terminal building. Staff used the opportunity to talk about AIP funding and Passenger Facility Charges and their importance to ILM.

Mrs. Wilsey reported on the status of the FAA Reauthorization stating that Congressman Shuster has put together a transformational bill focusing on NexGen which could possibly take money from the aviation trust fund to fund the NexGen aviation system. Airport talking points include keeping the AIP funding at the current level or above; not privatizing the Air Traffic Control Towers; and, continuing to fund small and non-hub airports infrastructure.

Mrs. Girardot updated the Authority on the status of the Wetlands Bill stating that the US Army Corps of Engineers believes that the EPA used flawed technical and scientific analysis in crafting

this rule and has demanded that it be distanced from the rule. The Corps has called on the EPA to act immediately to withdraw this rule and put an end to this federal land grab. To date 34 states have formally requested that the rule be withdrawn and 31 state Attorney Generals have filed lawsuits now. Mrs. Girardot shared that the deputy general counsel for DENR will be in Wilmington on August 26 to discuss the Waters of the United States and the lawsuit that NC has filed and invited Authority members to attend.

Mrs. Girardot, updating on the NCDOT, stated that Secretary Tata has resigned and that Nick Tennyson is the acting Secretary of Transportation.

Regarding the PGA golf event, Mrs. Girardot shared the committee goals for review.

HUMAN RESOURCES

Mr. Morton reported that the committee and staff have been researching an employee evaluation system and established some goals. Discussion followed about the employee evaluation systems available for an organization of ILM's size.

MARKETING AND AVIATION DAY

Mr. Morton reported that staff is working on revamping the passenger Wi-Fi to take advantage of more advertising/revenue streams; completing the next TV advertising campaign; replacing the INFAX server and establishing goals for the marketing committee.

Mr. Barber encouraged Mrs. Wilsey and Mr. Broughton to focus on frequency as well as new destinations in the meetings with the airlines since we are essentially full with a 92% load factor.

In response to Mr. Perritt's question, Mr. Morton updated the Authority on the upcoming Biomarine Conference, October 12-14, 2015.

Chairman Crane commented on how much he likes the direction taken with the marketing campaigns recently.

PLANNING & DEVELOPMENT/TERMINAL EXPANSION

Mr. Morton recommended the approval of \$1,625,310 for construction of the flex space building, which includes the fees for Thomas Construction Group (\$1,559,910), T.J. Land (\$30,000), Cape Fear Public Utility Authority (\$24,000) and ECS (\$11,400). Mr. Hickman MOVED, SECONDED by Mr. Barber to approve this Planning & Development item as recommended above. The MOTION WAS APPROVED UNANIMOUSLY. Discussion followed about the business park being the future of ILM's revenue streams.

Mr. Morton recommended the renewal of the listing agreement with CBC, Sun Coast Partners for the flex space building as an exclusive listing for one tenant. Mr. Barber MOVED, SECONDED by Mr. Perritt to approve the listing agreement as recommended above. The MOTION WAS APPROVED UNANIMOUSLY. (A copy of the listing agreement with CBC, Sun Coast Partners is hereby incorporated as part of the minutes and is contained in Exhibit Book III, Page 195.)

Mr. Morton recommended the renewal of a listing agreement with Environments Unlimited for the Air Service District and the 1817 Hall Drive listing. After some discussion, Mr. Perritt MOVED, SECONDED by Mr. Barber to approve the listing agreement as recommended above. The MOTION WAS APPROVED UNANIMOUSLY. (A copy of the listing agreement with Environments Unlimited for the Air Service District is hereby incorporated as part of the minutes and is contained in Exhibit Book III, Page 196 and a copy of the listing agreement for 1817 Hall Drive listing is hereby incorporated as part of the minutes and is contained in Exhibit Book III, Page 197.)

Mr. Morton reviewed committee goals with the Authority.

In response to Mr. Perritt's inquiry, Mr. Morton updated the Authority on a recent visit to Guilford Technical Community College with Cape Fear Community College staff regarding aerospace workforce development. Mr. Morton pointed out there is more flexibility with continuing education versus curriculum courses. Mr. Hickman shared his knowledge and experience of the community college system and difficulty in getting funding for new programs.

OPERATIONS REPORT

Mr. Broughton recommended the approval of the purchase of the ProDIGIQ FAR 139 Self Inspection and Operations Log Management System and associated equipment not to exceed \$34,140, which includes the first year's service and data plan of \$6,900. Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve the purchase of ProDIGIQ as recommended above. Discussion followed. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Broughton advised the Authority that staff would now be tracking revenue passengers versus total passengers which included non-revenue passengers. The DOT and FAA use revenue passengers to track their numbers and these official numbers are provided by the airlines. Mrs. Wilsey, responding to Mr. Barber's question, stated that the number actually tracked for hub and non-hub is revenue passengers so that is why staff felt it was important to change what we track at this point. Discussion followed.

Mr. Broughton reviewed the revenue passengers, seat capacity, fuel prices and fuel flowage for June 2015. Discussion followed regarding fuel prices. Mr. Broughton shared Mead & Hunt's quarterly Airfare Monitoring report.

Mr. Barber encouraged Mr. Morton to use the reliability of planes leaving ILM in future marketing.

DIRECTOR'S REPORT

Mrs. Wilsey reviewed the list of new Authority committees and the revised order of reporting at Authority meetings.

Mrs. Wilsey recommended the approval of the Public Comment and Agenda Policy. After some discussion, Mr. Lambeth MOVED, SECONDED by Mr. Barber to approve the Public Comment and Agenda Policy with changes as discussed. The MOTION WAS APPROVED UNANIMOUSLY.

Mrs. Wilsey reported to the Authority that a headquarters meeting with American was a priority.

Mrs. Wilsey proposed that the committee goals, as drafted, be translated into the weekly report which will most likely be a biweekly report going forward. The revised weekly report would also include a dashboard cover page with key performance indicators that are not in the goals.

Chairman Crane pointed out that these goals could be amended and developed a little bit more. Discussion followed.

Mrs. Wilsey updated the Authority on the Task Force Meeting held July 31st. The Governor has granted the group an extension of the deadline to submit their report. There is a September 11 meeting to close out the report.

Mrs. Wilsey reported that many resumes have been received for the Finance Director position and the deadline to apply has been extended until August 9th. It is not anticipated that the interviewing process will be complete before the next Authority meeting.

Mrs. Wilsey advised of the upcoming Global Entry event scheduled for September 21st at the ILM International Terminal. If they get enough interest, they may extend the event another day.

Mrs. Wilsey updated the Authority on upcoming calendar events in August and September.

Mr. Morton updated the Authority on the events involved with the upcoming FAM Tour and the NC Aerospace Manufacturing Summit he would be attending August 6th with WBD.

NEW BUSINESS

Mr. Perritt commented that he believes that today, August 5th, is the anniversary of the acquisition of Piedmont by US Airways in 1989.

Mrs. Girardot requested an update from the General Aviation Co-op group at the next Authority meeting. Mrs. Wilsey reported that staff spoke with Chris Stevens about 3 weeks ago and there are 5-6 parties very interested in this but they are the only ones that seem eager enough to pursue the costs for the legal issues, organization, and coordination. It didn't sound as promising now as it did when staff talked to him on May 11, 2015. Mrs. Wilsey suggested that the GA committee meet with Mr. Stevens and deal with this at the committee level and have a report at the next meeting. Discussion followed.

Mr. Barber mentioned that perhaps the GA committee is or should be working on the strategic plan for the south side of the airfield.

Chairman Crane shared his experience at Oshkosh and said it was unbelievable all the things going on with general aviation there. Mr. Perritt commented that is the busiest airport in the world for those nine days. Mr. Cherry reported Oshkosh had 16,270 landings from Sunday to Sunday.

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ADJOURNMENT

There being no further business to come before the Board, Chairman Crane adjourned the meeting at 6:40 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Carter T. Lambeth, Secretary

Date of Approval: September 2, 2015