

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
September 2, 2015**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, September 2, 2015, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Crane called the meeting to order at 5:05 p.m.

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

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Jose Herrera, Paul Schweizer and Mack Coyle, Thumos Project; Hal Reichardt, Desmond MacRae, Bill Cherry, Tom Goodwin, Chris Stephens, Butch Truelove, Robert Campbell and Kevin Brady.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Public Meeting on August 5, 2015. Mr. Wolfe MOVED, SECONDED by Mr. Perritt, to approve the minutes of the August 5, 2015 Regular Public Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

PUBLIC COMMENTS

Mr. MacRae addressed staff pointing out that there are no ashtrays at the Observation Area. Chairman Crane asked staff to look into this and either make it a no smoking area or add ashtrays, whatever staff feels is appropriate.

Mr. Brady asked if there were any plans to build a ramp to get above the fence for people wanting to view the planes or take photos. Mr. Prease responded to Chairman Crane that staff could look into the additional cost to build a ramp or viewing stand but it has to meet ADA code. Mrs. Wilsey stated a ramp was investigated with the initial improvement program and it was very costly, reminding the authority that \$50,000 was spent last year on the current upgrades.

SPECIAL AGENDA ITEM

Mr. Jose Herrera, Director of the Thumos Project, addressed the Authority requesting an opportunity to lease a 20 acre tract of land on Old Wrightsboro Road owned by the Authority for the Thumos Project to use to support local veterans.

Authority members asked questions about sources of financing and insurance coverage and liability.

Chairman Crane asked staff to explore this further and establish communications and thanked Mr. Herrera for his presentation.

FACILITIES

Mr. Prease and the facilities committee recommended the approval of a work authorization with Talbert & Bright to provide Project Formulation and Environmental Documentation, and Design and Bidding Services including Sub consultant Electrical Engineering services associated with the Taxiway 'A-E', Taxiway 'F' and Taxiway 'N' Lighting Circuit Rehabilitation Project, including related Airfield Lighting Vault Panel Modification for the new homeruns associated with the Taxiway 'A-E' and Taxiway 'F' circuits. Staff recommends approval for Talbert & Bright in the amount of \$34,310. After some discussion, Mr. Lambeth MOVED, SECONDED by Mrs. Girardot to approve the work authorization with Talbert & Bright as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval for the demo contract to remove the North Ramp hangar in an amount NTE \$55,000 with Four Seasons Site and Demo, Inc. After some discussion, Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the demolition of the North Ramp hangar as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease reviewed information items including the demolition of 2124 Old Wrightsboro Road, the perimeter fence project, RWY 24 Ditch project, State Storm Water Grant project, and the FAA project on RWY 6. Discussion followed regarding the North Ramp GA Rehabilitation project phases and details.

FINANCE REPORT

Mr. Morton reviewed ILM's year end financials and July 2015 cash report and summary of accounts. Monthly financials were not provided due to the annual audit.

Mr. Morton reported that revenues are trending up for the year.

In response to Mr. Barber's question, Mr. Morton reported that the most recent rate increase for short term parking does appear to be working but will be reviewed again at the beginning of the year.

Mr. Morton and the finance committee recommended approval to write-off pending account receivables for Aero Services of \$8,522.89 and AviatMall for \$22,406.84. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Hickman to approve the write-off of account receivables as itemized above. The MOTION WAS APPROVED UNANIMOUSLY.

GENERAL AVIATION

Mrs. Wilsey and the GA committee recommended the approval of the Outside Mechanic Policy revision as amended, reducing the minimum general liability insurance requirement per single occurrence to \$1M for bodily injury and \$1M for property damage.

Mr. Wolfe MOVED, SECONDED by Mr. Lambeth that the Outside Mechanic Policy be approved with the stipulation that insurance requirements to service planes 12,500 lbs. and under would be \$1M and insurance requirements to service planes over 12,500 lbs. would be \$5M. Discussion followed and the motion was further amended to include a review after 6 months. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Wolfe shared, in follow-up to the meeting with Chris Stephens regarding general aviation needs, information gathered on the budgets of Brunswick and Duplin County and what these counties contribute to supplement or support their airports. Discussion followed regarding developing a strategic plan for general aviation.

GOVERNMENT & PGA GOLF

Mrs. Girardot updated the Authority on SB 541 which has passed the House and Senate and is waiting for the Governor's signature.

Mrs. Girardot proposed a breakfast with our General Assembly delegation for sometime in October or early November to hear about their successes and what went on in this year's General Assembly.

Regarding the Rail Line Relocation Task Force, Mrs. Girardot reported on her conversation with Laura Padgett, task force chair, regarding the importance of the rail line to the proposed Foreign Trade Zone. Mrs. Wilsey reported that there would be no change to the rail line around the airport but anything going from the airport to the port would actually cross to Eagle Island, run parallel to the coast, and then cross back over the river to the port. The current rail line would form a loop for a trolley service or light rail service to move people throughout that loop and increase access to downtown and CFCC. Mrs. Girardot reported that CSX is on board with discussions and has joined the task force.

Mrs. Girardot updated the Authority on the Waters of the United States, Wetlands Bill, which is still being challenged.

Mrs. Girardot shared information regarding Restoring Open Skies indicating that American, Delta and United airlines are seeking Federal government intervention to slow the growth of the Gulf air carriers into the US market claiming that because the Gulf airlines are state owned and subsidized it is creating an unfair advantage leading to sharp declines in their passenger volume.

The Open Skies Coalition contends that service at over 200 small US airports will be affected because of this growth by the Gulf carriers and they are asking ILM to draft a letter encouraging the US Departments of States Transportation and Commerce, with copies to the NC Congressional delegation, to call for consultations to enforce the Open Skies agreement between the US and the Gulf carriers, and to investigate possible subsidization and unequal trade practices as alleged by the US legacy carriers.

Mrs. Girardot MOVED, SECONDED by Mr. Wolfe for authority to draft a letter, to be signed by Chairman Crane, calling for consultations to enforce the Open Skies agreement between the US and Gulf carrier governments to address this issue. The MOTION WAS APPROVED UNANIMOUSLY.

HUMAN RESOURCES

Mrs. Wilsey, reporting for the human resources committee, recommends the approval of a 30 day suggestion box program for employees and volunteers. Mr. Wolfe further elaborated on the proposed dates and process. After discussion, Mr. Wolfe MOVED on behalf of the HR committee, SECONDED by Mr. Perritt to approve the 30 day suggestion box program. The

MOTION WAS APPROVED UNANIMOUSLY.

Mrs. Wilsey updated the Authority on the upcoming employee training for the new evaluation system provided by Performance Culture, which encourages increased employee feedback.

MARKETING AND AVIATION DAY

Mr. Morton advised the Authority of the Seahawk Cross Country Invitational, September 12th on the airport grounds, with 50+ high schools competing and over 1600 participants with the proceeds going towards UNCW Track and Field.

Mr. Morton updated the Authority on ILM's target customer, marketing budget, and recent marketing efforts using a slideshow and sharing the most recent radio and TV spots.

Mr. Morton updated the Authority on the upcoming Biomarine Convention October 12 – 14 that ILM will be promoting with terminal signage and Mr. Morton mentioned the possibility of using the 3rd flag pole in front of the terminal building to fly event flags like the PPD Beach to Battleship or the Biomarine event.

In response to Mr. Wolfe's question regarding the increased digital budget, Mr. Morton responded that staff is currently using Star News with the focus on banner ads.

PLANNING & DEVELOPMENT/TERMINAL EXPANSION

Mr. Morton reported that the flex space building construction has begun with the silt fencing and grading, and that Battle House is planning to open the first or second week of October. He also reported on the status of recent land purchases adjacent to the airport property.

Following up on the FTZ application, Mr. Morton reported that it is still in the Federal government's hands, with the bright spot being a new person in that position is more willing to help move the application through the approval process. The state is on their fourth reformatting of the application.

OPERATIONS REPORT

Chief Taylor updated the Authority on total revenue passengers, capacity and fuel prices for July, indicating the August numbers are tracking up. Chief Taylor reported that American will be replacing two 76 seat CRJ900s with two Airbus 319s, bringing our capacity back up with 96 additional seats and 2 flights a day with the Airbus. This should run September 9 through mid-December.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on the headquarters meeting scheduled with American in Dallas on October 1st with new and existing route planners. A representative from PPD, Joseph Pickering, Mead & Hunt, and Tracy Montross, American, will also be attending with Mr. Broughton and Mrs. Wilsey.

Mrs. Wilsey advised the Authority that the design for the new Biweekly Report was the product of Caitlen Buffkin's technical expertise. The new Biweekly Report will be sent out the week after the Authority meeting and the week before the next Authority meeting each month.

Mrs. Wilsey reported on the upcoming United Way Campaign kickoff, sharing that ARFF Lt. Dustin Stream is in a new video on the United Way website after volunteering his time on the Planning and Investment Committee Team.

Mrs. Wilsey reported on a recent tour of the Vertex Rail Facility, the upcoming Global Entry event scheduled at the International Terminal September 21-22, 2015, and the upcoming event calendars for September and October.

UNFINISHED BUSINESS

None.

NEW BUSINESS

Mr. Perritt reported that he attended a recent Foreign Trade luncheon with Mr. Morton indicating Mr. Morton was quick to reach the Foreign Trade person for comment after the event. Mr. Perritt stated that he did pitch to the consulate doing the event that ILM would be a wonderful place for Emirates airline to create a hub in the US.

Vice Chairman Wolfe recommended approval of a Code of Ethics statement to be read before each Authority meeting. After some discussion, Mr. Wolfe MOVED, SECONDED by Mr. Hickman to approve the item discussed above. The MOTION WAS APPROVED UNANIMOUSLY.

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: October 7, 2015