

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
October 7, 2015**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, October 7, 2015, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Crane called the meeting to order at 5:01 p.m. and read the Authority's Code of Ethics adopted September 2, 2015. No conflicts of interest or potential conflicts of interest were identified at that time.

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; 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.; Bob Richards, George Scelzi, Desmond McRae, Hal Reichardt, Sandy Collette, Jeff LaCroix, Dean Robbins, Tom Goodwin, Monte Coughlin, Tony Karafas, Ryan Evans, Charles Dodson, Bill Cherry, Floyd Price, Robert Campbell, Mark Ledermann, Chris Stephens, Bill Buchanan, David Walen, and Butch Truelove.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Public Meeting on September 2, 2015. Mrs. Girardot MOVED, SECONDED by Mr. Barber, to approve the minutes of the September 2, 2015 Regular Public Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

FACILITIES

Mr. Prease recommended the approval of a work authorization with Talbert & Bright to provide Environmental Assessment documentation for the Terminal Expansion Phase 1 in the amount of \$59,600. After some discussion, Mr. Lambeth MOVED, SECONDED by Mr. Wolfe to approve the work authorization with Talbert & Bright as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval of a change order with Johnson Controls in the amount of \$105,000 for the addition of new wireless and camera equipment for the CCTV system. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve the change order as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval of a work authorization with Catlin Engineers with a NTE budget of \$27,000 for the removal and closeout of the Terminal generator fuel tank. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve the work authorization with Catlin Engineers as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease asked to strike Facilities item d, the NCDOT Grant, from the agenda.

Mr. Prease recommended the approval of a 2 year contract, with a 5% escalation annually, with Stericycle, Inc. for Customs' international trash not to exceed \$35,000 per year. After some discussion, Mr. Lambeth MOVED, SECONDED by Mr. Hickman to approve the contract with Stericycle as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease, using slides to illustrate, updated the Authority on the North Ramp GA Rehabilitation project indicating that the contractor will start installing 18' deep manholes on October 8th and the airside work will begin after Aviation Day on October 10th.

Updating the Authority on the RWY 24 Ditch Project, Mr. Prease stated that the contractor requested an additional 16 days, which were awarded, due to weather. Mrs. McLane stated that the contractor is done with the work except for the seeding and mulching, indicating it has been too wet to complete seeding.

Mr. Prease advised the Authority that staff received information from the FAA that there were approximately 30 obstructions (trees) in the approach area of RWY 35. Staff coordinated with Talbert & Bright to survey and identify the trees within the area. The surveyors and ILM maintenance staff went out and removed all those trees. The removal preserved our current decision heights on the RWY 35 ILS.

At Chairman Crane's request, Mr. Prease provided a full review of the \$7.2M North Ramp GA Rehabilitation Project for guests attending the meeting. Mr. Barber asked for confirmation of a completion date of the project and Mr. Prease confirmed this phase should be complete in February 2016. Mrs. Wilsey stated there is a follow on phase using FAA funds and Mr. Barber confirmed that theoretically ILM is about 2 years out from GA being on the North Ramp.

FINANCE REPORT

Chairman Crane recognized that this would be Mr. Morton's last finance report since he has accepted a position at Cape Fear Community College and thanked him for his service.

Mr. Morton reviewed ILM's August 2015 cash report and summary of accounts.

Mr. Morton recommended approval to assign New Hanover Rent-A-Car Automobile Rental Concession Agreement to Avis Rent A Car System, LLC and Budget Rent A Car System, Inc. due to the transfer of ownership between the two entities. Mr. Barber MOVED, SECONDED by Mr. Lambeth to approve the assignment as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Morton updated the Authority on the recent closing at 2410 Old Wrightsboro Road and the pending closing on 2228 Old Winter Park Road property, which was reduced to \$90,000 due to wetlands issues.

Mr. Morton reported receipt of the draft audit report noting that there were no significant discrepancies or findings and shared the highlights with the Authority.

GENERAL AVIATION

Mr. Broughton clarified for the record that he has not been working on revising the Minimum Standards for one year. Even though he has been a proponent of reviewing and changing some of ILM's Minimum Standards, he was strongly encouraged by the FAA, due to issues that were ongoing with the previous FBO, to hold off on any revisions.

Mr. Broughton indicated he was more than 50% finished with the revisions to the Minimum Standards indicating he would have the GA committee review them before bringing them to the Authority for approval. After the Authority approves the Minimum Standards as revised, staff will take them to the County Commissioners for approval.

Mr. Broughton reported that he met with Ryan Evans and Dave Rock of Seahawk Aviation on the South Ramp to identify space for them to use for aircraft maintenance as well as some storage. This area is identified for a SASO on our Master Plan and is compatible with aircraft maintenance.

GOVERNMENT & PGA Golf

Mrs. Girardot reported to the Authority that the extended 2015 General Assembly Session finally concluded. It was the longest session since 2002 and for the fifth consecutive year they passed a Regulatory Reform Bill.

Updating the Authority on Senate Bill 117, Mrs. Girardot reported that American was successful when they asked for their fuel sales tax exemption. Through 2020 there will be no sales tax on commercial jet fuel in the state of North Carolina. These are the same rules that have applied in the past to railroads and ships.

On the Wetlands Rule, Redefining the Waters of the United States (aka: the Clean Water Rule), that was proposed in April 2014, published in June 2015 and became effective August 28, 2015, Mrs. Girardot reported that there were over a million comments. Currently NC is tied up in two courts: the 11th Circuit Court of Appeals and the 6th Circuit Court. The current status is that the Corps of Engineers is awaiting the development of guidance and is declining to issue final jurisdictional determination on these wetlands applications which may suggest a lack of confidence in the outcome of the litigation. This is likely to be the third wetlands related case to reach the US Supreme Court in this century. It will probably go to the US Supreme Court in the year 2017 or 2020. The composition of the Supreme Court as we know it today will have changed by then because we now have 4 Justices in their 80s on the Supreme Court.

In response to Chairman Crane's question, Mrs. Girardot responded that at this point and time applicants aren't receiving a final jurisdictional determination.

Mr. Perritt reported on his recent visit with the Wilmington Chamber of Commerce to Charleston, SC.

Mrs. Girardot reported on the PGA meeting she attended along with Mr. Perritt and Mrs. Wilsey, stating that the economic impact of the event is between \$40-60M and they bring in 22,000 visitors. It is anticipated that with broadcast media they should reach about 19.9M people worldwide. Mrs. Girardot stated that the PGA Golf Committee spoke to the Wells Fargo group

about sponsors to help cover the expenses at the airport and the Wells Fargo group said no sponsors. The Wells Fargo group told them to bring what ILM needs in the way of funding and they will take it to their board and ask if they won't make some sort of exception for ILM in that manner, so that is going to be our challenge. The PGA Golf Committee is going to work on that and see what the Wells Fargo board says.

Mr. Perritt said they will have the new blimp at the event and he wants to reach out to try to get the blimp to come to ILM versus one of the outlying airports. This will be a great tourist attraction for ILM.

Mrs. Girardot advised the Authority members that the meeting with the local legislators is scheduled for October 27th at 1 pm asking that they mark their calendars and plan to attend.

HUMAN RESOURCES

Mrs. Wilsey reported on the status of the employee suggestion box which was opened on October 2nd. Two suggestions were received: an employee suggested a swing set and barbecue grill at the observation area; and, a volunteer asked why the airlines don't staff their ticket counters all the time to answer questions from their customers. Other suggestions in the box were from regular customers regarding signage being confusing in the building; signage getting to the airport is confusing; positive and negative comments about volunteers at the information desk and the materials provided there; and, questions and comments about the airlines.

One of the suggestions received this past month concerned the Pre Check sign at the entrance to the checkpoint being confusing to passengers. Staff talked to the Deputy FSD at ILM and as of tonight that Pre Check sign will come down.

The suggestion box continues to be up for customers, volunteers and employees to make suggestions.

The swing set/playground issue will be visited at another time due to all the things going on right now. Mr. Barber stated the committee opening the suggestions discussed liability being an issue to the playground idea. Mrs. Wilsey stated that the HR committee would wrap up the suggestions and provide a final report to the Authority in November.

Mrs. Wilsey deferred discussion regarding the Finance Director position to the close of the meeting as a closed session item.

MARKETING AND PUBLIC RELATIONS

Mr. Morton updated the Authority on marketing efforts to promote Aviation Day and Chief Taylor updated the Authority on further details of the Aviation Day event itself.

Mr. Morton shared additional marketing changes including the updated FIDS monitor graphics with Wilmington scenes and the "Thank You" signs in the parking lot exit lanes.

In response to Dr. Crane's previous inquiries regarding audit software for media buy measurements, Mr. Morton introduced Sandy Collette to report to the Authority on what is necessary to gauge the efficiency of ILM's media expenditures. Mrs. Collette stated that she

gathered the data for last year's media buy after the fact and did the calculations by hand. Mr. Morton stated that staff did check into the software packages and they are extremely expensive.

Mr. Morton reported that staff is working on a one page newsletter with a section on General Aviation and perhaps will incorporate military and other things going on with the airport. Mr. Barber confirmed that staff was planning to publish a one page newsletter in November.

PLANNING & DEVELOPMENT/TERMINAL EXPANSION

Mr. Morton updated the Authority on change orders for the Flex Space Building; Battle House's planned opening October 23rd; and the recent FAM Tour.

OPERATIONS REPORT

Mr. Broughton updated the Authority on total revenue passengers, capacity and fuel prices for August.

DIRECTOR'S REPORT

Mrs. Wilsey recognized that this is Mr. Morton's last meeting and thanked him for his contributions to the ILM team during the 14 + years he has been with ILM and the 12 years that the current team has been working together, pointing out that the Business Park was Mr. Morton's vision.

Mrs. Wilsey updated the Authority on the recent American HQ visit to Dallas. Mrs. Wilsey advised that the next steps in Air Service Development are to visit Delta in November and then Routes America in February in Puerto Rico.

Mrs. Wilsey reported on the success of the Global Entry event September 21-22 where Customs & Border Patrol completed 110 interviews. The CBP is already planning a 3 day event in January 2016 that staff will help promote as information becomes available.

Mrs. Wilsey, following up on the presentation regarding the Thumos Project, advised that it became apparent during conversations with the FAA that there were an enormous amount of hoops to jump through to make that process possible and at this time staff determined there are too many obstacles to overcome. Mr. Barber asked staff to consider the property across Blue Clay Road beside the rental car facility and Mrs. Wilsey said staff would look into that and report back to the Authority.

Regarding smoking in the Observation Area, Mrs. Wilsey reported that staff researched and found that the County allows smoking in parking lots only at County Park Facilities. Staff has ordered ash cans and will post signs allowing people to smoke in the parking lot at the Observation Area.

Mrs. Wilsey reviewed the event calendars for October and November.

Mrs. Wilsey reviewed information gathered quickly at the request of Chairman Crane regarding supporting General Aviation on the South Ramp with proposals for hangar sharing in the 4 hangars; restoring power to the 4 hangars; restroom renovations; and staffing. Discussion between staff, the Authority and the public, at times, followed. A motion was made by Mr.

Lambeth, seconded by Mr. Wolfe regarding restoring electrical to the hangars. This motion and second was later withdrawn by both parties.

After a lengthy discussion, Mr. Barber MOVED, SECONDED by Mrs. Girardot to cancel the month to month hangar leases effective November 1st for the 4 hangar tenants and make available a month to month lease at \$225 per plane, 3 planes per hangar, first come, first served, with current tenants having first right of refusal, until such time as the staff comes back with a bid for the electrical and the doors. The Authority will review that bid and based on the ongoing cost for electricity and maintenance, the Authority may modify that month to month lease or leave it as it is and make it for a longer term. A list of pilots interested in the hangar spaces was started during the Authority meeting. The MOTION WAS APPROVED UNANIMOUSLY.

Chairman Crane called for a short break at 7:25 pm and the meeting was in recess until 7:30 pm.

PUBLIC COMMENTS

Chris Stevens addressed the Authority thanking them for the input the pilots have been afforded and asked that it be continued. Mr. Stevens said he is appreciative of what staff has put together for user input and he hopes that there will be more focus group meetings and GA committee meetings involving the users at ILM to help resolve things, especially in the planning that is to come in the next couple of years. Mr. Stevens suggested that rewriting the SASO could possibly be the best fit for the existing FBO and small General Aviation.

Tom Goodwin addressed the Authority stating that he appreciates the Authority continuing to push forward for GA. Mr. Goodwin stated that even though it isn't always cost effective at the airport level, he thinks in the community and in the County, General Aviation brings net positive growth. Mr. Goodwin expressed an interest in the user input groups continuing and stated that we need hangars with competitive rental rates at ILM.

Desmond McRae addressed a question to Mr. Morton asking if it was noticed that there is no diversity in the recent commercial film, including disability as well as racial diversity and asked what staff can do to show that diversity more. Mr. Morton stated he would send him all the commercials because staff does always integrate that, he was just catching one that didn't. Mr. McRae stated he is also interested in driving for Uber for first class and business class. Mr. McRae also stated he wanted to contact the airlines about donating a toy for the park and said that Dr. Crane mentioned donating chairs and benches in memory of local aviators that have passed and Dr. Crane referred him to talk to Mr. Prease about that. Mr. McRae also mentioned the need for instructions to listen to the tower and Mrs. Wilsey stated the directions are posted on the information board at the Observation Area.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

CLOSED SESSION

Chairman Crane called for a motion to go into closed session to discuss matters related to

location or expansion of industries or other businesses pursuant to G.S. 143-318.11(a)(4); and to consider personnel matters pursuant to G.S. 143-318.11(a)(6). Mr. Wolfe MOVED, SECONDED by Mr. Barber to go into closed session. All guests were asked to leave the board room at this time. Persons remaining for closed session were all Authority members, Mrs. Wilsey, Mr. Morton, and Mrs. Copley. The Authority went into closed session at 7:45 pm.

Mr. Lambeth MOVED, SECONDED by Mr. Hickman to return to open session. The Authority returned to open session at 8:30 pm.

Chairman Crane reported that the Authority discussed personnel matters and economic development matters and no action was taken in closed session.

Mr. Hickman MOVED, SECONDED by Mr. Wolfe that the Authority authorize the Airport Director to proceed with an offer for the Finance Director position contingent upon satisfactory completion of the background check. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Wolfe MOVED, SECONDED by Mr. Barber that the Authority retain ADK Executive Search to fill the Business Development Director position at a cost not to exceed \$17,000 as outlined in the proposal agreement. The MOTION WAS APPROVED UNANIMOUSLY.

ADJOURNMENT

Mr. Barber MOVED, SECONDED by Mr. Perritt to adjourn the meeting at 8:35 pm.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Carter T. Lambeth, Secretary

Date of Approval: November 4, 2015