New Hanover County
Airport Authority

REGULAR PUBLIC MEETING

Wednesday
January 6, 2016

5:00 PM
ILM Executive Conference Room

New Hanover County Airport Authority
Regular Public Meeting Agenda
January 6, 2016
5:00 PM

- Call to Order/Code of Ethics Clause
- Approval of Minutes - Tab 1
- Public Comments (Limited to 3 Minutes)
- Committee Reports
  - Facilities - Tab 2
  - Finance - Tab 3
  - General Aviation - Tab 4
  - Government & PGA Golf - Tab 5
  - Human Resources - Tab 6
  - Marketing & Aviation Day - Tab 7
  - Planning & Development/Terminal Exp.- Tab 8
- Operations Report - Tab 9
- Director's Report - Tab 10
- Unfinished Business - Tab 11
- New Business
- Adjournment

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 copies of the minutes for the December 2, 2015 Regular Public Meeting.

Committee Reports

Committee	Airport Authority Member	Staff Member
Facilities/Tab 2	John Perritt	Whitney Prease
Finance/Tab 3	Dan Hickman Carter Lambeth	Bob Campbell Julie Wilsey
General Aviation/Tab 4	Carter Lambeth John Perritt Tom Wolfe	Gary Broughton
Government & PGA Golf/Tab 5	Donna Girardot John Perritt	Gary Broughton Julie Wilsey
Human Resources/Tab 6	Dan Hickman Tom Wolfe	Julie Wilsey
Marketing & Aviation Day/Tab 7	Tom Barber	Julie Wilsey Gary Broughton
Planning & Development/ Terminal Expansion/Tab 8	Tom Barber Tom Wolfe	Julie Wilsey Whitney Prease

Tab 2
Facilities

- **Action Items**

a. **Work Authorization North GA Apron Rehabilitation and Stormwater Improvements Phase 2** – Approve a work authorization with Talbert & Bright to include Design, Permitting and Bidding, including Subconsultant Services. Lump sum price of $86,815.00.

Request approval for Catex Modification Coordination (Hourly – NTE) $8,000.00.

b. **NCDOA State Grant** – Approve a 90/10 state grant in the amount of $134,897.00 for airfield maintenance. ILM's match NTE $13,489.70. The grant will reimburse ILM for airfield cleaning, markings, rubber removal and QA/QC testing.

c. **Airfield Marking** – Approve a contract with HASCO Inc. for airfield pavement rubber removal, cleaning and paint striping NTE $122,000.00.

Approve a contract for QA/QC testing company for paint markings and reflectivity NTE $12,897.00.

ILM

Tab 2
Facilities (cont.)

- **Information Items**

a. **North Ramp GA Rehabilitation (AIP 51) -** Trader Construction completed the landside Storm drainage prior to the December 21, 2015 deadline. Concrete paving began on the North Ramp December 2015.

b. **ILM Flex Space Facility --** ✈

c. **Air Wilmington's Hangar --** ✈

Tab 3
Finance

- **Monthly Financials**

  a. **November Cash Report and Summary of Accounts** (Agenda pages 13 & 14)

  b. **November Financials** (Agenda pages 15-29)

- **Action Items - None**
- **Information Items - None**

Cash Report

November 30, 2015

Beginning Balance		$ 9,135,581.97
Receipts		
General Operating Account Receipts (1)	830,256.25	
Business Park Ops Checking Acct Transfer	0.00	
Business Park Money Rate Svgs Acct Receipts	63,685.29	
Federal Projects Account Receipts	1,475,176.50	
Business Park Money Rate Svgs Acct Interest	2.55	
Money Rate Savings Account Interest	17.02	
Investment Account Interest	316.81	
Total Receipts		$ 2,369,454.42
Disbursements		
General Operating Account A/P	669,225.07	
General Operating Account Payroll	110,565.96	
Business Park Operations Checking A/P	184,973.24	
Business Park Money Rate Svgs Acct Transfer	0.00	
Federal Projects A/P	1,475,176.50	
Total Disbursements		$ 2,439,940.77
Ending Balance *		$ 9,065,095.62

*Note: Excludes $2,673,771.96 Maintenance Development and Repair Reserve;
$4,000,000.00 Operational Reserve, PFC or CFC Fund Balances;
$ 248,085.50 CD @ Live Oak Bank, matures 8/29/2016.

(1) Includes $2,000,000.00 CDARS @ BB&T – MATURED 10/8/2015

Federal Project payment processing required $154,476.50 from ILM General Oper Acct

ILM

Summary of Accounts

November 30, 2015

Account Balances	
General Operating Account	$ 9,450,603.69
Business Park Operations Checking Account	180,225.94
Business Park Money Rate Svgs Account	351,753.84
Federal Projects Account	500.00
Money Market Account	2,070,612.59
Investment Account	3,684,171.52
Petty Cash	1,000.00
Sub-Total	$ 15,738,867.58
Less Reserves:	
Maintenance & Development (Restricted)	2,673,771.96
Operational (Restricted)	4,000,000.00
Total	$ 9,065,095.62
PFC Money Rate Svgs Acct (Restricted)	$ 2,995,050.35
CFC Money Rate Svgs Acct (Restricted)	$ 2,475,571.99
CFC Checking Account (Restricted)	$ 5,883.95

Tab 4
General Aviation

- **Action Items - None**

- **Information Items**

  The GA Committee will provide a report at the meeting.

  - Public comments regarding Minimum Standards revision attached for review. (Agenda pages 31-32)

AIR WILMINGTON

RECEIVED
DEC 14 2015

December 14, 2015

Mr. Gary Broughton
Deputy Director
Wilmington International Airport
1740 Airport Blvd., Suite 12
Wilmington, North Carolina 28405

Mr. Broughton:

Thank you for the opportunity to review the Revised Minimum Standards for Wilmington International Airport (Airport). By having operated a first-class FBO here at the Airport since 1975, I truly appreciate and understand the necessity for high quality, comprehensive minimum standards. After much consideration and presenting the draft minimum standards to the firm's consultants (Aviation Management Consulting Group) for review, I would like to offer a few suggestions/recommendations.

By way of background, Aviation Management Consulting Group (AMCG) has reviewed, revised, and/or developed Primary Management and Compliance Documents (PMCDs), including Minimum Standards, at more than 60 airports over the last 20 years and is currently providing these services at 8 airports. Relying on more than 120 years of combined aviation, planning, development, operations, management and financial experience as well as conducting presentations on the very topic of Minimum Standards at national aviation conferences, including the American Association of Airport Executives, AMCG is regarded as an expert in this area. My suggestions are offered in concurrence with their expert opinion.

To continue to attract aviation service businesses that are capable of providing high quality products, services, and facilities at the Airport, I believe Minimum Standards should outline specific requirements for each type of commercial aeronautical activity (FBO, aircraft maintenance, flight training, aircraft rental, etc.) consistent with the guidance provided in FAA Advisory Circular (AC) 150/5190-7 "*Minimum Standards for Commercial Aeronautical Activities*". For example, I believe these specific requirements should consist of:

- Insurance – types and levels of insurance (e.g., Commercial General Liability, Hangar Keeper's Legal Liability, Aircraft and Passenger Liability, etc.)
- Personnel – number and qualifications
- Hours of Operation – days per week and hours per day
- Equipment – type and number (e.g., number and size of refueling vehicles and fuel storage facility)
- Products and Services – type of products and services required for each operator (e.g., types of fuel provided, ground handling services, passenger and crew services, aircraft maintenance, etc.)

- Facilities – hangar, office, shop, and land (e.g., number, type, and square feet of each facility and associated land area)

Further, as indicated by AC 150/5190-7 "Minimum Standards for Commercial Aeronautical Activities", standards should "reasonably protect the investment of providers of aeronautical services to meet minimum standards from competition not making a similar investment". As the draft minimum standards are currently written, I worry that the investment in the Airport and high quality products, services, and facilities currently provided by Air Wilmington are at risk of being challenged by future operators not competing on a level playing field through implantation of non-quantifiable minimum standards. If this happens, the type and level of aviation products, services, and facilities currently provided at the Airport may be in jeopardy. Additionally, we believe future commercial aeronautical operators at the Airport would request quantifiable standards as well.

As indicated by our track record of successfully providing FBO products, services, and facilities over the past 40 years, Air Wilmington welcomes the opportunity to continue to meet the needs and expectations of customers of the Airport. We are confident that we have "set the bar" and have developed a reputation for a first-class operation that customers have come to expect.

Respectfully,

Bill Cherry
President and CEO
Air Wilmington

Tab 5
Government & PGA Golf

- **Action Items – None**

- **Information Items**

  Meeting with Secretary of Transportation, Mr. Nicholas Tennyson on 12/16/15.

Tab 6
Human Resources

- **Action Items – None**

- **Information Items**

  a. Presentation from Ms. Melissa Phillipi, CEO of Performance Culture, on our new evaluation system and first one-on-one sessions.

  b. Status of recruitment for Director of Business Development with ADK Executives as well as an Accounting Assistant to fill a vacancy in Finance.

Tab 7
Marketing

- **Action Items - None**
- **Information Items**

a. Global Entry Event planned for January 12, 13, and 14th. Marketing the event online via website and social media avenues.

b. Beginning the planning phase for launching a new business park digital ad campaign.

c. Statistics Update: Facebook reached 19,576 likes. FlyILM.com website saw 33,462 visits in November.

Tab 8
Planning & Development/ Terminal Expansion

- **Action Items – None**
- **Information Items**

  Avis Facility Appraisal- The owner has the report and we will meet in January to discuss the next step for acquisition.

Tab 9
Operations Report

- **Action Items – None**
- **Information Items**

a. **PASSENGERS:**
   - Total revenue passengers for November were 64,993 up 6.9% bringing YTD revenue passengers to 707,318 up 2.2%.
   - November LF: 86%
   - December enplanements are tracking up approximately 4%

b. **NOVEMBER CAPACITY:**
   - 39,502 available seats… up 5% vs. 2014

c. **FUEL:**
   - Jet A: $3.98
     Foreflight: **Amber**
   - Avgas: $4.42
     Foreflight: **Amber**

d. **FUEL FLOWAGE:**
   - November 2015: 113,292 gallons down 39% vs. November 2014

Tab 10
Director's Report

- **Action Items - None**
- **Information Items**

a. Air Service Development
   1. Joseph Pickering, Mead & Hunt, will present with a status of our FY program.

   2. We will inquire with USDOT on an extension to our SCASDG which expires in January 2017.

b. Live Oak Bank has requested staff to revisit the consolidated fuel farm option. White paper is included with staff recommendation. (Agenda pages 39-41)

c. January & February Calendars
   (Agenda pages 42 & 43)

WILMINGTON INTERNATIONAL AIRPORT

Wilmington, North Carolina

Live Oak Bank (LOB) Hangar Proposal

Background:

- ILM has been working with LOB for a ground lease for a 21,000 SF corporate hangar on the North Ramp. LOB will pay a ground lease to ILM at the unimproved airside rate of $13,896/acre/yr.
- ILM secured a NC grant in the amount of $ 720,000 to construct a taxi lane to the corporate hangar. ILM will pay up to $80,000 for the local match.
- The latest request from LOB is to have the self-service fuel tank located by the hangar as a temporary exception to ILM's GA Master Plan.

Fuel Options with Pros and Cons:

1. Purchase fuel from Air Wilmington

   Pro:
   - Fuel handling processes, environmental compliance, and inspections simplified with existing Air Wilmington fuel farm.
   - Supports long-term partner and full-service FBO
   - Removes the need for another construction project on the airfield.

   Con:
   - LOB does not want anyone moving or touching their fleet due to damage and loss of productivity
   - Fuel costs are higher per gallon than self-fueling

2. Air Wilmington procures and stores fuel while LOB rents a fuel truck to self-fuel

   Pro:
   - Fuel storage, environmental compliance, and inspections simplified with existing Air Wilmington fuel farm
   - Both tenants work together and maximize fuel procurement
   - LOB controls who is around their fleet

   Con:
   - LOB pays Air Wilmington for fuel storage and they pay for in-house fuel truck operation
   - Fuel truck will cross Air Wilmington lease and ramp area, requiring special insurance and training

3. Consolidated Self-Fueling Tank Farm

Pro:

- Supports ILM GA Master Plan for North Ramp
- Maximizes land space and long-term development for corporate hangars
- Infrastructure developed and self-fueling is done per policy at beginning of lease
- Tank farm is outside of AOA for fuel deliveries, reducing security and delivery truck operations around other airplanes

Con:

- Initial cost for tank farm area (partial cost can be reimbursed by second tenant)
- LOB pays for fuel truck operation, NCDOT license requirements and CDL employee

4. Allow LOB Temporary Exception for Fuel Farm

Pro:

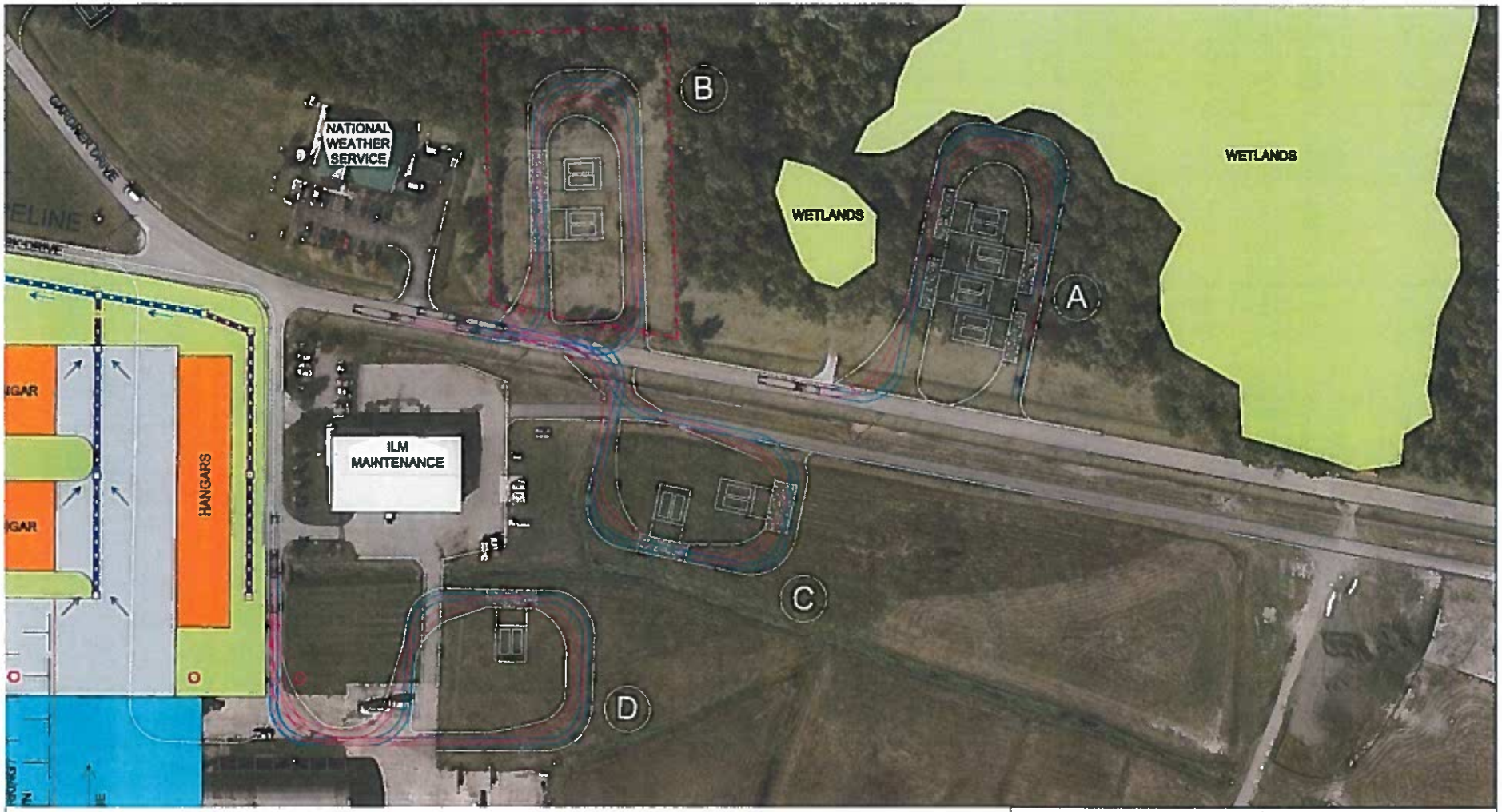
- New tenant has reduced costs until time to move to consolidated fuel farm (unknown timeframe/duration)
- LOB controls access to its aircraft.

Con:

- Consistency for future tenant requests
- Deviates from our GA Master Plan
- Depending on construction timeline for the consolidated tank farm, this could hold up other hangar development or complicate other new tenant relations.

<u>Staff Recommendations:</u>

- Staff recommends that we continue with our previously agreed upon plan for a consolidated fuel farm for corporate self-fueling operations (Option 3). This option allows LOB full control of the fuel procurement and fueling operations while maintaining ILM's GA Master Plan.
- Staff would support Options 1 or 2 if LOB/Air Wilmington choose to keep fueling costs lower until such time as future tenants agree to jointly develop the fuel farm in accordance with the Airport's Master Plan.



WILMINGTON INTERNATIONAL AIRPORT

FUEL FARM CONCEPTS (A-D)

JUNE 2015

January

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
					1 GB-On Call NEW YEAR'S DAY (Admin. Office Closed)	**2**
3	**4**	**5** 7:30 am – Leadership Meeting (JW) 6 pm- Public Hearing on EPA CPP (JW)	**6** 5 pm – AA Meeting	**7** 7 am – 24th Annual Economic Forecast (RC/JW) 10:30 am – Air Service Focus Group (JW, GB)	**8** WP-On Call 9 am – ACRP 10-24 Interim Meeting - DC (GB)	**9**
10 AAAE Airport Finance & Administration Conference (FL) (RC)	**11** AAAE Airport Finance & Administration Conference (FL) (RC)	**12** AAAE Airport Finance & Administration Conference (FL) (RC) 10 am- SE Partnership Committee Meetings	**13** EMC (JW) 10 am - TCC (WP)	**14** EMC (JW)	**15** MF-On Call	**16**
17	**18** MARTIN LUTHER KING, JR. DAY	**19** 4 pm – Leadership Wilmington at ILM	**20**	**21** 6 pm – United Way Leadership Event (JW)	**22** GT-On Call	**23**
24	**25**	**26**	**27** 4 pm – TAC (DG)	**28** 8 am – United Way Board Meeting (JW) 6 pm – Economic SE Annual Meeting (JW)	**29** JW-On Call 10:30 am – NCAA Board Meeting (GB)	**30**
31						

2016

February

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
	1	**2** 7:30 am Leadership Meeting (JW)	**3** 5 pm – AA Meeting	**4**	**5** GB-On Call	**6**
7	**8** 6 pm – Rotary Club Speaker (JW)	**9** Tom Barber's Birthday	**10** 10 am - TCC (WP)	**11**	**12** WP-On Call	**13**
14	**15**	**16**	**17**	**18**	**19** MF-On Call	**20**
21 Tom Wolfe's Birthday	**22**	**23**	**24** 4 pm – TAC (DG)	**25** 8 am – United Way Board Meeting (JW)	**26** GT-On Call	**27**
28	**29**					

2016

Tab 11

- Unfinished Business
- New Business
- Adjournment