

**NEW HANOVER COUNTY AIRPORT AUTHORITY  
REGULAR PUBLIC MEETING  
February 3, 2016**

**CALL TO ORDER**

The New Hanover County Airport Authority met on Wednesday, February 3, 2016, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Crane called the meeting to order at 5:03 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, and Dan Hickman. Also present were Julie Wilsey, Airport Director; Gary Broughton, Deputy Airport Director; Robert Campbell, 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; Dani Neathery, Comptroller; Jackie Mungo, Accounting Assistant; Caitlen Buffkin, Marketing Assistant; Jean Lawler, Advertising; Stephanie Lawson, Accounting Assistant; Vince Tryer, Monte Coughlin, Ryan Evans, Dave Rock, Bill Cherry, Jerry Collins, Eric Canup, Bruce Chappell, and Desmond MacRae.

**AUTHORITY RECOGNIZES DANI NEATHERY**

Chairman Crane recognized Dani Neathery, ILM Comptroller, who has been with ILM for 15 years and will be retiring at the end of February. Mrs. Wilsey shared with the Authority and guests that Mrs. Neathery came to ILM in 2000 from Moore County Airport, starting off as a receptionist before moving into finance. Mrs. Wilsey stated that until August 2012, Mrs. Neathery did it all – payables, receivables, payroll, insurance, audit preparation, and she would probably still be doing it all herself except the FAA required ILM to hire others to further the segregation of duties. Mrs. Neathery will be at ILM until February 25 and all are invited to her farewell reception on February 24<sup>th</sup>. Mrs. Wilsey thanked Mrs. Neathery for her 15 years of service to the organization.

John Perritt arrived during this presentation.

**APPROVAL OF MINUTES**

The Authority has reviewed the minutes of the Regular Public Meeting on January 6, 2016. Mrs. Girardot requested the Government and PGA Golf section, page 4, paragraph 1, be corrected to add the following to the end of the last sentence: "*if it was to involve STI funds.*" Mr. Lambeth MOVED, SECONDED by Mr. Barber, to approve the minutes of the January 6, 2016 Regular Public Meeting as corrected. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY.

**PUBLIC COMMENTS**

Mr. MacRae addressed the Authority inquiring about the possibility of getting United Express at ILM and Mrs. Wilsey indicated she would address that in the Director's report later in the meeting.

### **FACILITIES**

Mr. Prease recommended the approval of a work authorization for the North Ramp Taxiway with Talbert & Bright to include Project Formulation, Design, Permitting and Bidding for the lump sum price of \$69,150.00, with estimated costs for subconsultant services at \$12,361.00, for a total of \$81,511.00. Mr. Prease added that the North Carolina Department of Aviation needs to review the work authorization and asked that the Authority allow the Chairman to sign the work authorization contingent upon that review. Mr. Lambeth MOVED, SECONDED by Mr. Hickman to approve the work authorization with Talbert & Bright as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease recommended the approval of an amendment to the original non-federal reimbursable agreement contract with the FAA for FY16-FY20 from \$69,322.50 to \$76,352.70. This is an increase of \$7,030.20 due to incorrect information from the FAA. The estimated costs are for maintenance and repairs of RWY 6 Instrument Landing System (ILS) with associated Distance Measurement Equipment (DME) and periodic flight check. This agreement will be paid annually at the rate of \$15,270.54 from the ILM operating budget and payment is due prior to August 15th of each fiscal year. After some discussion, Mr. Lambeth MOVED, SECONDED by Mrs. Girardot to approve the amendment to the original FAA contract for FY16-FY20 as recommended above. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Prease updated the Authority on the status of the North Ramp GA Rehabilitation stating that the asphalt paving was completed on January 29<sup>th</sup> and the contractor anticipates opening Taxiway A on the morning of February 4<sup>th</sup>.

Mr. Prease, using slides for illustration, updated the Authority on the progress of the ILM Flex Space Facility and Air Wilmington Hangar projects.

Mr. Prease further updated the Authority on the NCSU storm water testing noting that NCSU reported very low concentrations of water quality pollutants at ILM's airside storm water runoff. Mr. Prease stated he has forwarded the results to the environmental group to review and interpret. Mr. Hickman stated a way to make it clear is to ask how different these results are from normal background levels in the area.

### **FINANCE REPORT**

Mr. Campbell reviewed ILM's December 2015 cash report, summary of accounts and financials.

### **GENERAL AVIATION**

Mr. Lambeth reported that the GA committee met to discuss the terms and conditions of a proposed lease for SeaHawk Aviation. Following that meeting, staff and SeaHawk Aviation were to meet and negotiate the terms of the lease and it is understood that there was an agreement on all points negotiated.

Highlighting the points negotiated, Mr. Broughton stated that the square foot rate of the lease was reduced to match that of Airlink which is currently in the hangar; the charge for tie-downs was eliminated and can now be used on an as-needed basis; and it is left open for SeaHawk Aviation to rent additional space in that facility, if they so choose. Mr. Broughton reported that SeaHawk Aviation has agreed on the hangar space, a small office, and storage space on the other

side of the hangar. Mr. Broughton stated that SeaHawk Aviation would like to increase their operation in the future and move to another facility, which staff will consider if/when that need arises.

On behalf of the GA committee, Mr. Lambeth MOVED that the Authority authorize staff to complete the lease with SeaHawk Aviation along those terms. In response to Mr. Barber's inquiry, Mr. Broughton stated that SeaHawk Aviation is a SASO and will have a number of possible opportunities, primarily aircraft maintenance. Discussion followed about ways to draw customers to a grand opening of the business and Mr. Broughton stated that staff would be happy to work with them on that. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Lambeth reported that the GA committee met this morning to discuss the Live Oak Bank lease noting that there are a few points that have not been reconciled and that Live Oak Bank has sent the lease to their attorney for review so it is not ready for any action at this meeting. Mr. Lambeth requested that the Authority agree to a Special Meeting, if necessary, in the event the terms of the lease can be reached before the next meeting.

#### **GOVERNMENT & PGA Golf**

Mrs. Girardot advised the Authority that the Annual Report to the Commissioners has been scheduled for Tuesday, April 26, at 7:30 am, at ILM, and that a presentation during a regular Commissioners' meeting would also be scheduled soon.

Mrs. Girardot reported that she and Mrs. Wilsey would be meeting with Senator Rabon on February 4<sup>th</sup>. Mrs. Girardot reminded the Authority that Senator Rabon has agreed to support the legislation for the GA expansion of the apron for our GA Master Plan and the PGA tournament. He will work for funding in this General Assembly session. They will also be discussing with Senator Rabon the secure, long term funding for all airports in the State.

#### **HUMAN RESOURCES**

Mrs. Wilsey recommended the approval to hire Carol LeTellier, from Augusta, Georgia, to fill the new Business Development Director position, stating that Ms. LeTellier has over 24 years of experience between airport concession and real estate; is a broker in 2 other states and will be working on her NC license. Ms. LeTellier was the number 1 candidate on the ADK list. Mrs. Wilsey reported that Ms. LeTellier should be able to start the first week in March. Mr. Barber MOVED, SECONDED by Mr. Hickman to hire Ms. LeTellier as recommended by staff. The MOTION WAS APPROVED UNANIMOUSLY.

Mr. Wolfe reported that the HR committee circulated review packages and gathered and consolidated the results for further review by all Authority members for Mrs. Wilsey's annual review. Mr. Wolfe reported that Mrs. Wilsey overall exceeded the Authority's expectations and recommended, per her employment agreement, that Mrs. Wilsey should receive a 1 1/2% salary increase which is consistent with what the County and other communities have done. Mr. Hickman SECONDED and the MOTION WAS APPROVED UNANIMOUSLY.

#### **MARKETING**

Mr. Barber pointed out the high number of people participating in the Global Entry events held at the Customs facility and Mrs. Wilsey stated plans are being made for another event this

summer.

Mr. Barber advised that the second e-Blast should go out the 2<sup>nd</sup> week in February.

### **PLANNING & DEVELOPMENT/TERMINAL EXPANSION**

Mrs. Wilsey advised that this should be her last report on Planning and Development. Currently there are a lot of property appraisals that staff is reviewing, but we do not have any properties ready for acquisition.

Mrs. Wilsey reported that the Flex Building has been advertised in several digital e-Blasts and it is on Wilmington Business Development's website. The other aerospace property is in Loopnet with Jeremy Phillips but the Flex Building has not gone on Loopnet yet.

Mr. Barber pointed out that the plan is to wait for the new Business Development Director to come onboard before meeting with Jeremy Phillips and discussing how best to move forward.

Mr. Lambeth stated he has heard from Katie Kassens, the widow of Bill Kassens, whose family owns a 17 acre tract, that they may be interested in selling the property to the airport in the near future. Mrs. Wilsey used the airport layout to identify the property to the Authority.

### **OPERATIONS REPORT**

Mr. Broughton pointed out to the Authority that ILM is regulated by the TSA under Federal Regulations Part 1542, as a commercial service airport, and is responsible for the security of the airport. Over the years, there have been a few incidents but not many. Mr. Broughton stated the TSA has told staff in the past we "don't have enough teeth in our violations."

Mr. Broughton stated that a recent letter of investigation (LOI) from the TSA, as the result of a Fed Ex employee on the ramp with an expired ID badge, subjects the airport to an \$11,000 fine. Staff has responded to the TSA LOI with ILM's proposed corrective action to eliminate such occurrences in the future, but the TSA won't send our letter of correction until ILM has actually initiated the corrective action.

Going back to the strength of ILM's violations, Mr. Broughton pointed out that one of the recent changes at ILM in the last 6 -12 months, is that we now have 60 days before expiration of the badge for every badged tenant to renew that badge. This change allows staff to pull up a list 60 days in advance of those badges expiring and provide it to the signatories so they can notify the badge holder of the deadline to renew.

Mr. Broughton recommended the approval to increase the cost of security violations and penalties from the current \$50 penalty to a \$100 penalty and to increase the renewal fee for an expired ID badge to \$100. Discussion followed regarding the 46 gates or access points to the airfield.

In response to Mr. Lambeth's question regarding cameras at the gates, Mr. Broughton stated that all of the electronic gates have cameras and they are monitored by the Public Safety Office. Mr. Broughton added that staff would like to replace the key code gate on the South Ramp, in the next budget year, if not sooner, with a card access device in and out which would eliminate

tenants giving out that code. Discussion followed regarding the increased safety in doing so and the cost of electronic gates for two gates. Mr. Barber MOVED, SECONDED by Mr. Hickman to put electronic gates on the two gates immediately, *at the cost of \$14,000.00*. The MOTION WAS APPROVED UNANIMOUSLY. (Amended 3/2/2016)

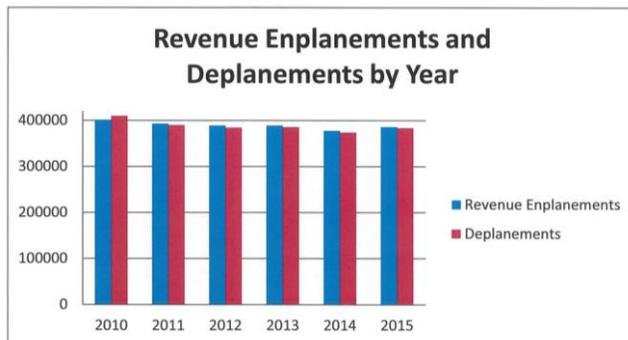
Mr. Broughton responded to a question regarding the renewal rates for badges, stating that the renewal rates will not change unless you have an expired badge. Mr. Lambeth MOVED, SECONDED by Mrs. Girardot to approve the changes to the penalties as recommended. The MOTION WAS APPROVED UNANIMOUSLY.

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

### **DIRECTOR'S REPORT**

Mrs. Wilsey also noted that ILM's enplaned cargo was up 9.4% for CY 2015 which was attributed to the larger aircraft with the larger cargo hold; and total operations were up overall at 3.7% over CY 2014. Mrs. Wilsey pointed out that we still have ground to make up to exceed our best year, like 2011. With more seats in the market and more capacity, it is going to help our passenger statistics.

Mrs. Wilsey reported on the McGladrey Economic Forecast meeting in January where they talked about activity at the airport and promoted ILM saying how important aviation and connectivity is to the global market place. Unfortunately they used a slide of our revenue enplanements and deplanements that was scaled in a misleading way.



The slide shown here is more accurate than the one they used because the scale on this one starts at 0. Their slide made it look like we were in decline because their scale started at 350,000 and went to 420,000. This slide shows we are relatively flat and you can actually see we are slightly up the 2% from 2014 to 2015 but when you are looking at over 400,000 revenue enplanements, you see it is very slight.

Mrs. Girardot said she hated this happened in front of all those business people because it was very misleading. Mrs. Wilsey said the presenter admitted that he had scaled the slide differently. Mrs. Wilsey said she prepared these slides to show the Authority that they are the same exact numbers. If you scale it the way they scaled it, it doesn't give the same interpretation that we'd like.

Mrs. Girardot asked that Mrs. Wilsey call it to the presenter's attention so that he doesn't repeat this next year. Mrs. Wilsey stated she will and that ILM did get some good publicity when he talked about how important it is that we support the local airport.

Regarding the upcoming Mead & Hunt conference, Mrs. Wilsey reported that she is heading to

Phoenix March 30- April 1<sup>st</sup>, where our number one airline meeting is with United. Other airline meetings will be held with American, for an update on ILM's status; Southwest; Allegiant; and, Frontier. Mr. Barber initiated discussion about gathering data from the focus group and Mr. Pickering to use in the upcoming meeting with United.

Mrs. Wilsey reported on Performance Culture stating that goals for 2016 have been updated and employees have access to those. The next one-on-one meetings with employees are scheduled for March.

Mrs. Wilsey reported that she would be going to Jacksonville to the NCAA Division Meeting on Friday, February 5<sup>th</sup>, to energize the NC airports to participate in DEQ's public comment period February 17 – April 16 on the new storm water rule revisions. The whole issue is how clean airports are, how our airside areas should be basically free from permitting and see if we can get a centralized permitting process in Raleigh.

Mrs. Wilsey reviewed the event calendars for February and March wishing a happy birthday to Tom Barber on February 9<sup>th</sup> and Tom Wolfe on February 21<sup>st</sup>.

Mrs. Wilsey reminded the Authority that the next Power Breakfast is on February 23<sup>rd</sup>, and that the topic is the PGA event.

**UNFINISHED BUSINESS**

None.

**NEW BUSINESS**

None.

**ADJOURNMENT**

There being no further business to come before the Board, Chairman Crane adjourned the meeting at 5:55 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

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Carter T. Lambeth, Secretary

Date of Approval: March 2, 2016