

**NEW HANOVER COUNTY AIRPORT AUTHORITY
REGULAR PUBLIC MEETING
April 6, 2016**

CALL TO ORDER

The New Hanover County Airport Authority met on Wednesday, April 6, 2016, at Wilmington International Airport, 1740 Airport Boulevard, Wilmington, North Carolina. Chairman Crane called the meeting to order at 5:04 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; Tom Barber, Donna Girardot, Dan Hickman, and John Perritt. Also present were Julie Wilsey, Airport Director; Gary Broughton, Deputy Airport Director; Robert Campbell, Finance Director; Whitney Prease, Facilities Director; Carol LeTellier, Business Development Director; Rose Davis, Executive Assistant; and Kemp Burpeau, Deputy County Attorney.

Carter Lambeth, Secretary; and Wanda Copley, County Attorney were absent.

Guests present included Steve Bright and Amy McLane, Talbert & Bright, Inc.; Chief Gary Taylor, ILM Operations Manager; Elaine Mello, Hal Reichardt, Ryan Evans, Desmond MacRae, Monte Coughlin, Chris Stephens, Butch Truelove, and Dave Rock.

APPROVAL OF MINUTES

The Authority has reviewed the minutes of the Regular Public Meeting on March 2, 2016. Mr. Perritt MOVED, SECONDED by Mr. Hickman, to approve the minutes of the March 2, 2016 Regular Public Meeting as submitted. Upon vote, the MOTION WAS APPROVED UNANIMOUSLY. Mr. Lambeth was absent.

FACILITIES

Mr. Prease recommended the approval of a contract with Cedar Peaks Enterprises, Inc. in the amount of \$271,170.00 for the Taxiway A South, E, F, and N Lighting Rehabilitation Project. After some discussion, Mr. Barber MOVED, SECONDED by Mr. Wolfe to approve the contract with Cedar Peaks Enterprises as recommended above. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Lambeth was absent.

Mr. Prease recommended the approval of a work authorization with Talbert & Bright for Construction Administration, Subconsultant Electrical Engineering Services, Limited Periodic On-Site Observation Services and Limited Subconsultant Quality Assurance Testing Services for the Taxiway A South, E, F, and N Lighting Rehabilitation Project. Staff recommends approval of \$26,090.00 contingent upon NCDOA review. After some discussion, Mr. Barber MOVED, SECONDED by Mrs. Girardot to approve the work authorization with Talbert & Bright as recommended above. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Lambeth was absent.

Mr. Prease recommended approval to accept NCDOT Grant (AIP 51) in the amount of \$500,000 for Rehabilitation of the North GA Apron. ILM's local match is \$55,556. After some discussion,

Mr. Wolfe MOVED, SECONDED by Mr. Barber to accept the NCDOT Grant (AIP51) as recommended. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Lambeth was absent.

Mr. Prease recommended approval to accept the NCDOT Grant in the amount of \$500,000 for Pipe Ditches in FBO #2 Area. ILM's local match is \$55,556. After some discussion, Mrs. Girardot MOVED, SECONDED by Mr. Wolfe to accept the NCDOT Grant as recommended. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Lambeth was absent.

Mr. Prease thanked Talbert & Bright for an outstanding job during a recent visit to the Memphis Airport Division Office stating that the trip was successful as the FAA approved ILM's entitlement, which is around \$2.8M, and there is a possibility that ILM will get additional discretionary funding.

Mr. Perritt further thanked Mr. Bright and Mrs. McLane and encouraged staff to visit the Memphis ADO more often and invite the Memphis ADO to visit ILM to establish a report along the way.

Mr. Prease reported that the Memphis ADO Program Managers commented that once ILM receives grant funding, projects are implemented, completed, and the grants are closed.

FINANCE REPORT

Mr. Campbell reviewed ILM's February 2016 cash report and summary of accounts.

Mr. Campbell presented the draft of the FY 2017 operating and capital budgets for the Authority's 30 day review and comment period.

GENERAL AVIATION

Mr. Wolfe reported that the South Ramp turnstile gate card reader has been installed and is working properly. Mr. Broughton advised the Authority of the scheduled meeting with the South Ramp GA tenants on April 14th at 5:30 pm asking the GA Committee to attend. Chairman Crane thanked staff for installing the card reader and Mr. Evans and the pilots for looking out for, and challenging, anyone without an ID.

Mr. Perritt initiated discussion of how cards get coded for access on the South Ramp and Chief Taylor responded that everyone with drive-thru access to the South Ramp now also has walk-thru access. Mr. Broughton responded the reader allows staff to know who went in and out and when, and staff can review camera footage, if there is a concern.

GOVERNMENT & PGA Golf

Mrs. Girardot updated the Authority on the recent visits to the congressional delegation while she and Mrs. Wilsey were at the AAAE Washington Conference indicating they touched on the following topics: 1) FAA funding, which was extended until July 15 - still up for discussion is whether or not to privatize the FAA Air Traffic Control System; 2) the PFC cap - questions came up about whether the State would step up to the plate and they were able to respond that they had talked to the State through Senator Rabon and were working on that for next year's budget; and 3) the Foreign Trade Zone was discussed with both Senators Tillis and Burr and Congressman Rouzer's offices hoping that all 3 would work to get this processed. It was determined that the

final application needs to be filed.

Mrs. Girardot updated the Authority on the PGA Committee meeting and budget planning indicating that ILM added \$25,000 to the operational budget for this event but has not yet outlined the expenses. While there isn't a revenue account to offset the expenses, most likely there will be additional revenue in commissions with the rental cars and terminal advertising, concessions and landing fees. The real money that will be made is if we can attract some businesses or if a jet needs an extra hangar or that type of thing constructed here at ILM.

Mr. Perritt added that we should have better information after the Quail Hollow tournament ends and Wells Fargo staff can start refocusing on the local tournament.

Mrs. Girardot reminded the Authority of the Annual Report to the County Commissioners on April 26th starting with breakfast at 7:30 am at ILM.

Mrs. Wilsey reported on the recent grass roots visit with Commerce Secretary Skvarla in Brunswick County stating this was a great opportunity for Ms. LeTellier to meet the key players on the private side of economic development in North Carolina. Mrs. Wilsey stated that the programs available for economic development, both for local governments and for small businesses, were reviewed.

HUMAN RESOURCES

Mrs. Wilsey stated that the HR Committee met and Mr. Hickman reported that ILM's personnel processes were reviewed and compared to other agencies but no decisions were made and there are no recommendations to the Authority at this time.

MARKETING

Mr. Barber reported that there is going to be a boat show September 9-11, 2016 and reminded the Authority that in November 2015 they voted to budget \$10,000.00 to sponsor the boat show, provided the City and County also agreed to sponsor it. Mr. Barber advised that the City and County have not agreed to sponsor the boat show, but asked the Authority to strongly consider going forward as a sponsor of this event.

Mr. Barber shared a promotional video from JBM & Associates and a slide of what the \$10,000.00 sponsorship would include, indicating that Ms. LeTellier and Mrs. Buffkin could negotiate any changes. Mr. Barber asked the Authority to consider sponsoring this boat show, stating it is good for the community, matches the airport customer demographics, and it would be good for the airport. Discussion followed.

Mr. Barber MOVED, SECONDED by Mr. Hickman to amend the previous approved motion for ILM to become a Presenting Sponsor for the September 2016 Boat Show in the amount of \$10,000.00. The MOTION WAS APPROVED UNANIMOUSLY. Mr. Lambeth was absent.

Mrs. Wilsey pointed out that we could use the booth at the boat show to promote Aviation Day in October or other aviation activities and services.

Ms. LeTellier reported that staff had a meeting with a possible intern from UNCW who seems

very interested, but he is also considering an internship at Air Wilmington.

Mrs. Wilsey reported that the putting green advertisement opportunity in the terminal will be set up the week of April 11th to promote the upcoming Wells Fargo PGA Tournament in May 2017.

Ms. LeTellier reminded the Authority that Caitlen Buffkin is at Sun and Fun representing the GA community and that the Bandits are performing a flyover at the start of the Azalea Festival parade with sponsorship exposure provided during the parade.

PLANNING & DEVELOPMENT/TERMINAL EXPANSION

Mrs. LeTellier updated the Authority on the recent Biz Expo and reported that she and Mr. Broughton would be attending the AAAE Economic Development Conference in Raleigh April 11-13.

In response to Mr. Perritt's question regarding booth turnout at the Biz Expo, Mrs. LeTellier responded that she didn't have anything to compare it to, but staff would request a different location, more in the center core of the exhibit hall, next year. Mrs. LeTellier further reported that staff received more advertising prospects than Business Park prospects, but all in all it was a great experience for her for the first time being entrenched in the Wilmington business community.

OPERATIONS REPORT

Nothing to report.

DIRECTOR'S REPORT

Mrs. Wilsey updated the Authority on the recent Mead & Hunt Air Service Development Conference stating that she and Mr. Pickering met with United, American, Allegiant and Southwest.

Mrs. Wilsey reported that during the meeting with United, their representative shared that ILM is always in the top 3 communities they would love to serve but don't have the resources to do at this time; the other 2 communities are Tallahassee and Chattanooga. United is not looking at growth at this time and is trying to decide whether to serve their current markets with great depth, or thin the depth and add breadth. Right now they are staying with depth, because they are already established in those communities. Mrs. Wilsey further reported that United is moving capacity in their system from the "energy" cities to the "tech" cities. Mrs. Wilsey stated the challenge from United is to pull together technology and clinical research firms and make that cluster strong enough in Wilmington to help get us to the top spot.

Mrs. Wilsey advised that American is still not ready to do non-stop to Chicago or Dallas, but they are supportive of a letter for ILM to extend its Small Community Air Service Development Grant. Mrs. Wilsey spoke to the representative from USDOT via email and confirmed that ILM should apply for the extension within 90 days before the expiration of the grant.

Mrs. Wilsey addressed the matter of incentives, pointing out that ILM cannot give incentives as an airport due to Federal regulations, but does offer fee waivers. Currently, ILM gives landing fee waivers and space rental waivers for new service only for one year. Mrs. Wilsey reports that

those incentives are falling behind. The bar has been raised in the market, because communities are working harder to get new service. Mrs. Wilsey stated that incentives are often the “tie breaker” and competitive; and ILM needs to get creative to be more competitive.

Mr. Broughton and Mrs. Wilsey will be working with Mr. Pickering to review ILM’s incentive program to see if we need to bring that back to the Authority in May for approval. Will it put us over the top? It might not, but if we’re in a tie, it might help ILM get new service.

Mrs. Wilsey advised that the Aviation Task Force will present the final report at the NCAA Conference April 17-19. The economic impact study will also be talked about at the conference, and ILM is one of the airports that will be featured in the video regarding economic impact. Mrs. Wilsey, not giving away the results, stated that ILM’s numbers are very strong and much larger than they were in 2012.

Mrs. Wilsey reminded the Authority of the upcoming NCAA Conference in Wilmington, April 17-19, stating that there is a lot of local talent in the conference and encouraged everyone to attend.

Mrs. Wilsey updated the Authority on the status of the Avis Rental Car building advising that Mr. Dalton says he is not interested in selling that facility at this time unless ILM is willing to pay him \$1.6M, and it appraised for \$770,000. Mrs. Wilsey further advised that staff is working with our partners at the Avis Group franchise to find a location for them on campus as they do not want to remain a tenant of Mr. Dalton’s in that building.

Mrs. Wilsey reviewed the calendars for April and May, noting Mr. Hickman’s birthday on April 25th.

Mrs. Wilsey advised the Authority that Chairman Crane has requested that staff have an OSHA compliance inspection conducted and opened the floor for discussion in terms of implementation. Discussion followed regarding the pros and cons of a compliance inspection and other inspections that ILM already has in place, how they compare, and if they cover the same things. It was agreed that the Facilities and HR committees would review and compare the various inspections and report back to the Authority at a later date.

Mr. Barber said he didn’t know enough about it, and asked if they did government entities as well as businesses; Dr. Crane said that they do. Mr. Barber asked whether ILM already has any of those kinds of inspections. Mrs. Wilsey responded that the FAA certainly does a very comprehensive inspection of the airfield and the fire equipment, stating also that we have the County Risk Management inspection because we are in the insurance pool and that report was just received on April 1st, consisting of a 38-page report with about 12 items of correction that staff will review and address. Mr. Broughton pointed out that they do the entire airfield.

Mr. Perritt recommended referring this issue to a committee to compare what ILM is already doing, in order to determine whether an OSHA inspection might be integral to our operation.

Mr. Barber asked if OSHA had ever come to the airport and Mrs. Wilsey responded, yes, and that they are normally complaint driven. She said someone called in an issue in the past, and it

was concerning airline tenant issues/areas. There was one OSHA inspection regarding street lights before 2004.

Mr. Hickman commented staff currently needs to focus on the response to the County Risk Management inspection, until it can be determined whether an OSHA inspection would be beneficial or if it is just redundant. Mrs. Girardot agreed.

Mr. Barber also agreed and suggested staff members digest the County Risk Management inspection report they already have and compare it with whatever an OSHA inspection might involve to see if it is duplicative.

Concluding the discussion, it was the consensus of Authority members that if an OSHA inspection would not be a dramatic impact on staff members and it had some positive potential, it should be deconflicted with inspections already in place, and the HR and Facilities committees should review and come back to the Authority with a recommendation.

PUBLIC COMMENTS

Mr. MacRae addressed the Authority on several matters including United service, handicap parking lot shuttles, volunteer opportunities, and grills for the Observation Area. Chairman Crane referred the matters to staff for follow-up.

UNFINISHED BUSINESS

None.

NEW BUSINESS

None.

ADJOURNMENT

There being no further business to come before the Board, Chairman Crane adjourned the meeting at 6:25 p.m.

Prepared by:

Rose M. Davis

Respectfully Submitted:

Carter T. Lambeth, Secretary

Date of Approval: May 4, 2016