

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
October 12, 2018**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, October 12, 2018 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

**MEMBERS PRESENT:** Matthew C. Burril, Chair; K. Ray Bailey, Vice-Chair; Stephanie Pace Brown; George H. Erwin, Jr.; and Brad Galbraith

**MEMBERS ABSENT:** William L. Moyer

**STAFF AND LEGAL COUNSEL PRESENT:** Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Tina Kinsey, Director of Marketing and Public Relations; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations; Samuel Sales, Public Safety Captain; Rita Yanz, Development Coordinator; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Jason Sandford, Ashvegas; Mike Darcangelo, Avcon; Paul Puckli, CHA Consulting; Elwin Dobson, Leo A. Daly; Jon McCalmont, Parrish & Partners; Charles Buckland, Signature Flight

**CALL TO ORDER:** The Chair called the meeting to order at 8:30 a.m.

**SERVICE AWARD PRESENTATIONS:** The Chair recognized Rita Yanz with a service recognition award and gift for her 10 years of service with the Authority.

**PRESENTATIONS:**

**A. Terminal Facility Requirements:** Paul Puckli with CHA Consulting and Elwin Dobson with Leo A. Daly gave a presentation regarding terminal facility requirements. Enplanement and peak activity forecasts were highlighted along with assumptions for passenger use of all areas of the terminal building. Mr. Puckli stated that the forecasts show deficiencies for all areas of the terminal building and these are during the peak hours. The growth rates indicate a necessity for 9 gates in 2018 up to 12 gates by 2038. Mr. Puckli further stated that the current terminal building is 114,000 sf and the forecasts predict a need for approximately 200,000 sf. Mr. Puckli stated that a second-level

concourse is likely going to be needed to accommodate the growth as well as an increase in the number of gates.

Ms. Brown asked for clarification on the congestion in the terminal. Mr. Puckli responded that congestion, specifically at the security checkpoint or ticket lobby, is more prevalent at certain times of the day, with early morning and late afternoon being the busiest times. Those factors were used to build in those expansion opportunities. Ms. Brown asked if there was an acceptable standard that the airport would be building to or not to exceed a certain time. Mr. Puckli replied that there are standards that their firm uses such as IATA and FAA for building standards. The Director responded that the checkpoint is not included in the standards, TSA does track how many passengers utilize the checkpoint during certain times. The rest of the terminal building falls under the FAA and the numbers for peak hours and passengers flowing through are tracked by the FAA.

Mr. Puckli presented design concept renderings which included two options for a new terminal facility including airside and landside space as well as a review of the construction phases for all concepts.

Mr. Reisman advised the Board that the renderings shown were rough conceptual ideas of what the building could look like. CHA Consulting and Leo A. Daly were contracted to complete a terminal study and are not the architects for the design of the terminal building. A different architectural firm will design the terminal building and as the design process begins, a lot of the concepts presented could be used, but some will most certainly change. Mr. Reisman further stated that some of the phases presented would likely change as well.

Ms. Brown questioned if there were alternate scenarios for growth rates, if the growth was sustainable, and if the recent growth was what the projections were based on. The Director stated that it is not expected that the airport will continue to grow at the rate that has been experienced the last several years. The Director further stated that 2.5% is the actual growth rate in the forecasts presented between the current time and 2038. Mr. Puckli commented that it was not reasonable to assume the growth would continue at the current rate. Mr. Puckli reviewed the manner in which the growth rates were calculated and commented that the forecasts are based on a combination of what the airport is experiencing for growth as well as population growth in the area. The 2.5% annual average growth rate is in line with industry standards. Mr. Dobson stated that building in phases also represents a stopping point so that the airport can grow incrementally and that is part of the planning process.

Mr. Puckli reviewed the total program costs for all phases of both options of a new terminal facility.

The Director reminded the Board that the presentation shown was of general concept and that staff would be engaging a consultant currently under contract to lead the terminal modernization program. The Director stated that he believed that some design work would occur within the next 12 months with construction beginning within two years.

Ms. Brown inquired if this presentation encompasses the infrastructure needs that were discussed in August. Mr. Reisman stated that there would need to be a one or two-year period of infrastructure upgrades for water and sewer just to have enough utilities onsite to accommodate an expansion of the terminal building. While the infrastructure needs are addressed, the design work for the terminal building can take place. The Director advised the Board that some of the infrastructure presented in August may or may not be incorporated, but the water, sewer and electrical upgrades will be done and will be referred to as phase one. The Director stated that the total cost for the infrastructure upgrades was approximately \$7 million, but a lot of the HVAC was not included in that.

The Chair questioned if the air traffic control tower would remain in the center of the building. The Director responded that this was correct, and that this was driving some of the design. Staff has reached out to the FAA, but have been told that the FAA would not do anything with the tower. Staff will continue to have discussions with the FAA about the control tower.

Mr. Puckli concluded the presentation with renderings of options for improvements to the façade of the terminal building.

The Board thanked Mr. Puckli and Mr. Dobson for their presentation.

**FINANCIAL REPORT:** The Director reported on the airport activity for the month of August which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of August.

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority September 7, 2018 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority September 7, 2018 Regular Meeting Minutes:**

**C. Ratification of Amendment to the FY 2018/2019 Budget:**

**BE IT ORDAINED** by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

**Section 1.** To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements		\$60,000
Totals	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
		\$60,000

This results in a net increase of \$60,000 in the appropriations. Revenues are revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$60,000
Totals	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
		\$60,000

**Section 2.** Copies of this budget ratification shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Ratified this 12th day of October, 2018.

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Matthew C. Burril, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

**D. Approval of Resolution for Surplus Property:**

Mr. Erwin moved to approve Consent Items A, C, and D. Mr. Galbraith seconded the motion and it carried unanimously.

**OLD BUSINESS:** None

## **NEW BUSINESS:**

### **A. Approve Modification to FAA Reimbursable Agreement No. AJW-FN-ESA-15-7294:**

Michael Reisman advised the Board that the design and installation of Navigational Aids (Nav aids) for Runway 17/35 was approved by the Board in February, 2016 for \$841,184.94. Mr. Reisman reported that the Nav aid systems were only partially installed as installation requires certain milestones be achieved in the general construction of the runway as a prerequisite. The FAA has had personnel on site throughout the delays on the runway project, has incurred significant additional direct costs, and has exhausted the funds available under Reimbursable Agreement No. AJW-FN-ESA-15-7294. Without continued additional funding, the FAA cannot complete the Nav aids on this project. Mr. Reisman informed the Board that the additional cost associated with the modification of the Agreement is \$649,919.93 and that this amount will be included in the billings to the surety company for reimbursement to the Authority.

Mr. Bailey moved to approve Modification to FAA Reimbursable Agreement No. AJW-FN-ESA-15-7294 in the amount of \$649,919.93 and authorize the Executive Director to execute the necessary documents. Ms. Brown seconded the motion and it carried unanimously.

### **B. Approval of the Greater Asheville Regional Airport Authority Board 2019 Schedule:**

The Director commented that the schedule included the agenda package was for the Board's consideration and approval.

Mr. Galbraith moved to approve the 2019 Authority Board schedule as presented. Mr. Erwin seconded the motion and it carried unanimously.

**C. Approval of Amended Pay Grade Structure:** Janet Burnette informed the Board that a new properties/purchasing contract manager position was approved in the current fiscal year budget. Due to the current employment market, staff is finding it difficult to fill this position. The salary range for this position is not attracting qualified applicants. Staff is requesting an adjustment to the current Pay Grade 7 structure in order to help fill the open position. Mrs. Burnette advised the Board that the salary cost will not exceed budgeted amounts in FY2019 as a result of the adjustment.

The Chair requested a little more information on the other pay grade structures. The Director stated that the pay grade structures were last addressed in 2015 and staff will look at the other pay grades for next budget year once the new Director of Administration is in place.

Mr. Erwin moved to approve the amended Pay Grade 7 Structure and authorize the Executive Director to implement such changes effective immediately. Mr. Galbraith seconded the motion and it carried unanimously.

**D. Approval of Agreement with Kimley-Horn for Consulting Services Associated with Pipe Condition Inspection:** Michael Reisman advised the Board that during 2008 as part of the structural fill project located within the North GA area, a 60" reinforced concrete pipe used to convey storm water was installed. On the direction of the North Carolina Department of Environmental Quality (DEQ), Duke Energy has been conducting an annual video inspection of this pipe for the past few years. The most recent video inspection identified potential deterioration of the pipe. Before the Authority can take action to address any potential repairs, staff feels it would be prudent to hire an engineer to conduct a new inspection based on culvert inspection standards common to the NCDOT. Repairs can then be planned based upon the results reported by the engineer. Mr. Reisman reported that staff has identified one civil engineering firm, Kimley-Horn, that works in the region with the qualifications necessary to conduct the inspection. Work associated with the inspection will not exceed \$50,000.00. Any recommended repairs will be additional costs. Mr. Reisman stated that approval of the agreement would require the following budget ordinance amendment:

**BE IT ORDAINED** by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2019:

**Section 1.** To amend the appropriations as follows:

**EXPENDITURES:**

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	_____ \$50,000
Totals	_____	_____ \$50,000

This will result in a net increase of \$50,000.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	_____ \$50,000
Totals	_____	_____ \$50,000

**Section 2.** Copies of this budget amendment shall be furnished to the Clerk to the Greater Asheville Regional Airport Authority, and to the Budget Officer and to the Finance Officer for their direction.

Adopted this 12<sup>th</sup> day of October, 2018.

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Matthew C. Burrell, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Ms. Brown moved to approve the Agreement with Kimley-Horn in an amount not to exceed \$50,000.00 for services associated with the pipe condition inspection, authorize the Executive Director to execute the necessary documents, and amend the FY2018/2019 budget by adopting the budget ordinance amendment presented by staff. Mr. Erwin seconded the motion and it carried unanimously.

**E. Approval of Waterline Easement and Estoppel Certificate:** The Director reported that Airport Road Acquisitions, LLC (Hunter Corporation) is in the process of building a new automobile facility on land between the WNC Agriculture Center and the Broadmoor Golf Links and that in early 2017, the Authority Board approved a new road access easement. The Director stated that Airport Road Acquisitions, LLC has requested an easement and an estoppel certificate between the Authority and the City of Asheville for the installation of a needed waterline. The easement is contained within the roadway easement.

Mr. Bailey moved to approve an easement and estoppel certificate with the City of Asheville and authorize the Executive Director to execute the necessary documents. Mr. Erwin seconded the motion and it carried unanimously.

**DIRECTOR'S REPORT:** The Director advised the Board that he had a few additional items to include that were not on the agenda.

**A. TSA Rolling Pre-Check:** TSA will have a mobile van at the airport from October 29 through November 9 for the public to enroll in Pre-Check. The van will park near the Public Safety building and details will be shared with the public the following week.

**B. Wellness Grant:** The Director reported that the Authority will partner with Mission Hospital for a wellness grant that Mission Hospital received through the Southern Appalachian Worker Wellness program. Staff will work with Mission Hospital to bring additional wellness programs to the Authority employees.

**C. Cigna Credit:** A credit in the amount of \$80,000 was received from Cigna for the year ending June 30, 2018. This credit is due in part to our wellness program and lower than expected claims.

**D. ERP Update:** The new ERP system went live on October 1<sup>st</sup> and is now being used for purchase requisitions. This new system is proving to be helpful and has streamlined the process.

**E. FAA Reauthorizaton:** Congress passed a five-year FAA reauthorization. The bill did not include a PFC increase nor was there an AIP or funding mechanism. Airports are still at approximately \$3.35 billion. The Director briefly summarized some of the consumer protections which were included in the bill.

**F. Statistic Information:** The Director reported that the airport has experienced 27 consecutive months of passenger growth and 11 months of double-digit growth.

**G. Honor Air:** The recent Honor Air flight for Vietnam Veterans was very well attended. A brief video clip of the return celebration was shared with the Board.

**H. Operation Medicine Drop:** The Director stated that a medicine drop would be held at the airport on October 27<sup>th</sup> from 10:00 a.m. to 2:00 p.m.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the November 9, 2018 regular meeting of the Authority Board may not be necessary, but requested the Board Members keep their calendars open.

**CLOSED SESSION:** At 10:35 a.m. Mr. Bailey moved to go into Closed Session Pursuant to Subsections 143-318.11 (a) (3), (4) and (6) of the General Statutes of North Carolina to Consult with Legal Counsel Regarding, Among Other Things, That Lawsuit Entitled Tricor Construction, Inc. vs. RS&H Architects-Engineers-Planners, Inc., Thalle Construction Co., Inc. and Liberty Mutual Insurance Company and vs. Defendant & Third-Party Plaintiff, Greater Asheville Regional Airport Authority, vs. Third-Party Defendant, Avcon, Inc. d/b/a Avcon Engineers and Planners, Inc. in Order to Preserve the Attorney-Client Privilege; to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations; and to Consider Personnel Matters. Mr. Erwin seconded the motion and it carried unanimously.



The Chair indicated they would break for five minutes at which time the Board would resume in closed session.

Open Session resumed at 12:01 p.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY OCTOBER 12, 2018**

**CLOSED SESSION MINUTES:** Mr. Bailey moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Galbraith seconded the motion and it carried unanimously.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY SEPTEMBER 7, 2018**

**CLOSED SESSION MINUTES:** Mr. Bailey moved to approve the minutes for the September 7, 2018 Closed Session and to seal and withhold the minutes for the September 7, 2018 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Erwin seconded the motion and it carried unanimously.

**AUTHORITY MEMBERS REPORTS:**

**A. Resolution Amending By-laws of the Greater Asheville Regional Airport Authority:**

Mr. Bailey moved to approve the Resolution Amending By-laws of the Greater Asheville Regional Airport Authority. Mr. Erwin seconded the motion and it carried unanimously.

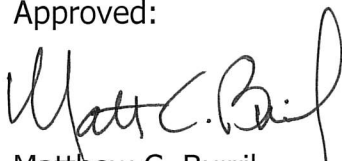
**ADJOURNMENT:** Mr. Erwin moved to adjourn the meeting at 12:03 p.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,



Ellen Heywood  
Clerk to the Board

Approved:



Matthew C. Burrell  
Chair