

**REGULAR MEETING  
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY  
November 9, 2018**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, November 9, 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. Burrell, Chair; K. Ray Bailey, Vice-Chair; William L. Moyer; George H. Erwin, Jr.; Brad Galbraith; and Carl H. Ricker, Jr.

**MEMBERS ABSENT:** Stephanie Pace Brown

**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; Frank Wheeler, Director of Administration and Human Resources; Samuel Sales, Public Safety Captain; David King, Guest Services & Sales Supervisor; Rita Yanz, Development Coordinator; and Ellen Heywood, Clerk to the Board

**ALSO PRESENT:** Jon McCalmont, Parrish & Partners; James Moose, Avcon; Jeff Kirby, Parrish & Partners; Tonya Marshall, Gould Killian CPA Group; and Nick Baldelli, Gould Killian CPA Group

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

**WELCOME OF NEW BOARD MEMBER – CARL H. RICKER, JR.:** The Chair welcomed Carl H. Ricker, Jr. to the Board.

**INTRODUCTION:** The Director introduced Frank Wheeler as the Authority's new Director of Administration and Human Resources.

**SERVICE AWARD PRESENTATION:** The Chair recognized David King with a service recognition award and gift for his 10 years of service with the Authority.

**PRESENTATIONS:** None

**RECOGNITION:** The Director recognized Rita Yanz for receiving her ADA certification.

**FINANCIAL REPORT:** The Director advised the Board that the reports in the agenda package were a little different from past reports due to the data being merged from the old financial system with the new ERP system. The Director reported on the airport activity for the month of September which included enplanements, aircraft operations, and general aviation activity. Janet Burnette reported on the financial activity for the month of September.

**CONSENT ITEMS:** The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority October 12, 2018 Closed Session Minutes, would be pulled for review in Closed Session.

**A. Approval of the Greater Asheville Regional Airport Authority October 12, 2018 Regular Meeting Minutes:**

**C. Approval of Daily Deposit Requirements:**

**D. Approval of Resolution for Electronic Signatures:**

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

**OLD BUSINESS:** None

**NEW BUSINESS:**

**A. Presentation of the Annual Audited Financial Report for Fiscal Year 2017/2018:** Janet Burnette informed the Board that the annual audit for the fiscal year ended June 30, 2018 was performed by the auditing firm, Gould Killian CPA Group. Mrs. Burnette introduced Tonya Marshall of Gould Killian. Ms. Marshall advised the Board that an unmodified or a clean opinion was issued with reasonable assurance that the financial statements were free from material misstatement and found no material weaknesses in internal control or no material noncompliance with laws and regulations. Ms. Marshall highlighted the key statistics for 2018 which included cash and investment, net position, debt service, revenue and expenses as well as capital projects. Bound copies of the annual financial statement and audit wrap up communication were provided to the Board Members.

Mr. Moyer moved to accept the 2017/2018 Audit Report as presented. Mr. Bailey seconded the motion and it carried unanimously.

**B. Adoption of the Asheville Regional Airport Five-Year Capital Improvement Plan (CIP) for FY 2020-2024:**

Michael Reisman stated that an updated CIP was available at the Board members' seats. The Federal Aviation Administration requires that all airports submit a five-year CIP to be eligible for federal project funding. The CIP is considered a planning and administrative tool for staff, the FAA and the NCDOT Division of Aviation. Mr. Reisman advised the Board that adopting the CIP does not approve any contracts nor provide staff with authorization to award design or construction projects.

Mr. Moyer requested an explanation on how much of the new terminal facility was included in the CIP. Mr. Reisman responded that at this time staff is required to plug some numbers in that are somewhat reasonable. Since the project cannot be completed in one year, it has been phased out over a three-year period. The overall project cost is estimated to be \$150 million and was broken down as follows: terminal infrastructure improvements were included in FY2019 for \$2.2 million; terminal rehabilitation and expansion begins in FY2020 with \$25 million allocated, \$75 million in FY2021, and \$50 million for FY2022. Mr. Reisman stated in large part that these numbers are based upon the numbers in the presentation given by CHA, however, these are likely to change once the design phase begins.

Mr. Moyer asked if the FAA approves the CIP. The Director replied that the FAA doesn't really approve it, but uses the CIP as a planning tool so they know how much airports are expecting for future projects and can plan for how the funds are appropriated. The Director stated that this is a very fluid document that changes. Mr. Reisman stated that as each project gets closer, staff still has to go through an individual justification process with the FAA.

The Chair inquired if it was reasonable for the airport to ask for \$75 million three years out. The Director stated that the CIP shows airport capital at \$147 million over the next five years. However, staff has not yet determined where the money will come from for the terminal facility, which is the bulk of that money. The FAA will not fund a majority of that, therefore staff will likely shift it to other local funding, bonds, etc. Staff has listed it on the CIP, however, it will be moved to the appropriate categories once staff knows more.

Mr. Bailey moved to adopt the Asheville Regional Airport Five-Year Capital Improvement Plan for FY 2020-2024. Mr. Erwin seconded the motion and it carried unanimously.

**C. Approval of Work Authorization No. 2 with Parrish and Partners of North Carolina, PLLC for South Terminal Apron Expansion Project Engineering Services:**

Michael Reisman reported that the Authority entered into an agreement with Parrish and Partners of North Carolina in August for professional consulting services.

Parrish and Partners provided a scope of services for the South Terminal Apron Expansion project and an Independent Fee Estimate (IFE) was conducted to validate the cost proposed by Parrish and Partners. The final agreed upon cost for this project is \$821,196 which is \$139,687 less than the amount identified in the IFE. Mr. Reisman advised the Board that the following budget amendment would be necessary:

**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	_____	\$821,196.00
Totals	_____	\$821,196.00

This will result in a net increase of \$821,196.00 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$821,196.00
Totals	_____	\$821,196.00

**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 9<sup>th</sup> day of November, 2018.

\_\_\_\_\_  
Matthew Burril, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

The Chair requested that Mr. Reisman provide a timeframe for how this project will unfold. Mr. Reisman responded that the consultant should get underway in the next few weeks with seven months of design work and preparation for bid. Construction should be able to begin in late spring or early summer and is expected to take seven months.

Mr. Erwin moved to approve Work Authorization No. 2 with Parrish and Partners of North Carolina, PLLC in the amount of \$821,196.00; to authorize the Executive Director to sign the necessary documents; and to amend the FY2018/2019 budget by adopting the budget ordinance amendment as presented by staff. Mr. Galbraith seconded the motion and it carried unanimously.

**D. Approval of Amendment to the FY 2018/2019 Budget:** The Director stated that at their seats was a new business item for consideration. The Director advised the Board that TSA has informed staff that in preparation for the addition of a third lane at the security checkpoint, the airport is responsible for moving the existing equipment at the checkpoint by a TSA approved contractor. TSA expects to have the third lane installed by December 10<sup>th</sup>. In addition to the \$60,000 budget amendment that was approved by the Board at the October Board meeting for the security checkpoint renovations, staff is requesting the following budget amendment to cover these unexpected costs:

**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		\$30,000
Totals		\$30,000

This results in a net increase of \$30,000 in the appropriations. Revenues are revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$30,000
Totals		\$30,000

**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 9th day of November, 2018.

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Matthew C. Burrell, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Mr. Galbraith moved to amend the FY2018/2019 budget by adopting the budget ordinance amendment as presented by staff. 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. Airfield Re-development Project Update:** Michael Reisman informed the Board that construction was winding down for the winter months. Work will be limited to electrical and some grading work as the weather allows. The paving contractor was demobilizing for the winter. Mr. Reisman updated the Board on the progress of the project and also presented a rendering of the areas of the airfield that would be open and operational through the winter as well as the areas that have been paved. Mr. Reisman stated that at present, the timeline for commissioning of the runway is expected to be in August of 2019.

**B. Wings for Autism:** The annual Wings for Autism event will be held on January 26<sup>th</sup> and Allegiant will partner with the airport again. The Director encouraged the Board to attend if their schedules allowed.

**C. American Airlines:** The Director reported that earlier that week American Airlines announced new daily non-stop service to Philadelphia beginning in May. American has been offered incentives up to \$150,000 for marketing as well as waived rent and fees for the Philadelphia service for up to a year.

**D. Aviation Industry Conference Schedule:** The Director informed the Board that the 2019 industry conference schedule was at their seats for their review. The Director recommended Board members discuss interest in attending any upcoming

conferences at the next couple of Board meetings. Mr. Moyer indicated interest in the Commissioners Conference in May. The Director also encouraged Board members to attend the ACI annual conference in Tampa in September.

**E. Kimley-Horn Contract:** The Director reminded the Board that a contract with Kimley-Horn in the amount not to exceed \$50,000 was approved at the October Board meeting. Kimley-Horn will conduct an inspection of a 60" reinforced concrete pipe used to convey storm water. Staff was able to negotiate a final contract with Kimley-Horn for \$31,000. Kimley-Horn will be able to use some camera footage previously taken which helped reduce the costs for this project.

**F. December Holiday Reception:** Staff has decided to postpone the annual reception rather than compete with other organizations' holiday events. A spring appreciation event will be held for the airport's tenants, consultants, and business partners.

**G. Boarding Bridge Damage:** An airline severely damaged a boarding bridge earlier in the week and the bridge is out of service. An inspection was completed by the manufacturer. The Director stated that the airline has been made aware of the damage. There is the potential for the repair to cost between \$100,000 and \$200,000. Passengers are being ground-boarded from this gate. Staff has also reached out to the Authority's insurance carrier as a property damage precaution. The repairs may be paid from the emergency repair funds and then the airline will be billed. Staff will also look into having card readers installed on the boarding bridges so staff can identify who is operating the boarding bridge.

**H. Passenger Appreciation:** The Director reported that staff had planned for a celebration to be held last year for completion of the parking garage and airfield project. Deposits were sent to some catering and rental companies. In lieu of that event, Mrs. Kinsey and her staff have decided to commemorate the airport's 1 million passenger mark. Mrs. Kinsey stated that January 15th is an important day in the airport's history as that day in 1961 the airport received certification to begin operating. Staff is planning a week-long celebration and the chambers from Asheville and Henderson County are willing to partner on a joint business event the evening of January 15th to which some frequent travelers, business partners, and elected officials will be invited.

**I. Parking Lot Feedback:** Signage for the parking lot is not quite finished, the signs will eventually display "full" rather than "0". A few negative comments have been received from people who feel they have been forced into the garage, but for the most part, the negative comments have died down.

**J. TSA Pre-Check:** The TSA Pre-check mobile sign-up event held at the airport was highly successful with an average of 90 people a day signing up for Pre-check.

**K. Wellness Program:** The Director was pleased to inform the Board that the Authority received an \$80,000 refund from Cigna for lower than expected claims in fiscal year ending June 30, 2018, due in large part to the Authority’s wellness program and the employees’ care for their health. Mrs. Burnette has recommended rewarding employees by giving some of that money back. The Authority currently gives staff a \$200 holiday bonus. Mrs. Burnette recommended increasing the bonus by \$800 for a total of \$1,000. The employees would have to be participating in the wellness program to receive the bonus and employed by the Authority last fiscal year. The Director stated that this would be a one-time bonus and would need the Board’s approval in the form of the following budget 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>
Administrative Department		\$933
Development Department		\$2,798
Executive Department		\$1,865
Finance Department		\$2,798
Guest Services Department		\$1,865
Information Technology Department		\$2,798
Marketing Department		\$1,865
Operations Department		\$17,718
Public Safety Department		\$12,123
 Totals		\$44,763

This will result in a net increase of \$44,763 in the appropriations. Revenues will be revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$44,763
 Totals		\$44,763



**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.

Adopted this 9th day of November, 2018.

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Matthew C. Burrell, Chair

Attested by:

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Ellen Heywood, Clerk to the Board

Mr. Erwin moved to amend the FY2018/2019 budget by adopting the budget ordinance amendment as presented by staff. Mr. Bailey seconded the motion and it carried unanimously.

**INFORMATION SECTION:** No comments

**PUBLIC AND TENANTS COMMENTS:** None

**CALL FOR NEXT MEETING:** The Chair stated that the December 14, 2018 regular meeting of the Authority Board may not be necessary, but requested the Board Members keep their calendars open.

The Chair proposed a meeting be set up in January or February with the consultants to further discuss the terminal facilities project. The Director stated that some time could be set aside during a regular Board meeting to discuss intentions, next steps, etc. Gresham Smith and CHA Consulting would be invited and more of a round-table discussion could be held. The Chair stated that if the rest of the Board approved, a special meeting for this discussion should be kept as a consideration. Mr. Erwin inquired if staffing levels would be looked at with an expansion of the terminal and the additional passengers the airport could serve. The Director responded that Mr. Wheeler would be looking at that as would Mr. Reisman.

**CLOSED SESSION:** At 10:02 a.m. Mr. Bailey moved to go into Closed Session Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel Regarding, Among Other Things, That Lawsuit Entitled Tricolor 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;

and 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. Mr. Moyer 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 11:05 a.m.

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY NOVEMBER 9, 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. Moyer seconded the motion and it carried unanimously.

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

**CLOSED SESSION MINUTES:** Mr. Bailey moved to approve the minutes for the October 12, 2018 Closed Session and to seal and withhold the minutes for the October 12, 2018 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Moyer seconded the motion and it carried unanimously.

**Approval of Amendment to the FY 2018/2019 Budget:** The Director stated that the following amendment to the budget would need to be approved for additional funds to be moved into business development:

**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>
Business Development		\$150,000
Totals	<hr/> <hr/>	<hr/> <hr/> \$150,000

This results in a net increase of \$150,000 in the appropriations. Revenues are revised as follows:

**REVENUES:**

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash		\$150,000
Totals	<u>                    </u>	<u>\$150,000</u>

**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.

Adopted this 9th day of November, 2018.

\_\_\_\_\_  
Matthew C. Burrell, Chair

Attested by:

\_\_\_\_\_  
Ellen Heywood, Clerk to the Board

Mr. Bailey moved to amend the FY2018/2019 budget by adopting the budget ordinance amendment as presented by staff. Mr. Moyer seconded the motion and it carried unanimously.

**ADJOURNMENT:** Mr. Erwin moved to adjourn the meeting at 11:06 a.m. Mr. Bailey seconded the motion and it carried unanimously.

Respectfully submitted,

*Ellen Heywood*

Ellen Heywood  
Clerk to the Board

Approved:

*Matthew C. Burrell*

Matthew C. Burrell  
Chair